
SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 963	Hearing Date:	July 9, 2025
Author:	Petrie-Norris		
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Urgency:	No	Fiscal:	Yes
Consultant:	Emma Bruce		

SUBJECT: Public works: prevailing wages: access to records

KEY ISSUE

This bill requires an owner or developer undertaking any public works project to make certain records available to the Division of Labor Standards Enforcement (DLSE), multi-employer Taft-Hartley trust funds, and joint labor-management committees (JLMCs), as specified.

ANALYSIS

Existing federal law:

- 1) Permits, pursuant to the Labor Management Cooperation Act of 1978, the establishment of plant, area, and industrywide labor management committees (JLMCs), which have been organized jointly by employers and labor organizations representing employees in that plant, area, or industry, as specified. (29 U.S.C. §175a)
- 2) Establishes labor management committees for the purpose of improving labor management relationships, job security, organizational effectiveness, enhancing economic development, or involving workers in decisions affecting their jobs. (29 U.S.C. §175a.)
- 3) Establishes multiemployer Taft-Hartley trust funds, which are collectively bargained pension, health, or welfare benefit trusts jointly administered by an equal number of employer and employee representatives, as specified. (29 U.S.C. §186(c)(5)-(c)(8))

Existing law:

- 1) Establishes within the Department of Industrial Relations (DIR) the Division of Labor Standards Enforcement (DLSE) under the direction of the Labor Commissioner (LC), and empowers the LC to ensure a just day's pay in every work place and to promote justice through robust enforcement of labor laws. (Labor Code §79-107)
- 2) Defines "public works," for the purposes of regulating public works contracts, as, among other things, construction, alteration, demolition, installation, or repair work done under contract and paid for, in whole or in part, out of public funds. (Labor Code §1720(a))
- 3) Specifies that if the state or political subdivision reimburses a private developer for costs that would normally be borne by the public, or provides directly or indirectly a public subsidy to a private development project that is de minimis in the context of the project, an otherwise private development project *is not subject to public works law*. (Labor Code §1720(c)(3))

- 4) Defines “de minimis” for purposes of 3), above, to mean the following:
 - a. A public subsidy is de minimis if it is both less than \$600,000 and less than 2 percent of the total project cost.
 - b. Notwithstanding a., above, a public subsidy for a project that consists entirely of single-family dwellings is de minimis if it is less than 2 percent of the total project cost. (Labor Code §1720(c)(3))
- 5) Requires that not less than the general prevailing rate of per diem wages be paid to all workers employed on a “public works” project costing over \$1,000 dollars and imposes misdemeanor penalties for violation of this requirement. (Labor Code §1771)
- 6) Requires each contractor and subcontractor to keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the contractor or subcontractor in connection with the public work. (Labor Code §1776 (a))
- 7) Requires the payroll records in 6), above, to be certified and made available for inspection to all of the following:
 - a. An employee or an employee’s authorized representative, upon request.
 - b. A representative of the body awarding the contract and DLSE.
 - c. The public, however, requests by the public shall be made through either the body awarding the contract or DLSE. (Labor Code §1776(b))
- 8) Requires contractors or subcontractors to file a certified copy of payroll records with the entity that requested the records within 10 days after receipt of written request. (Labor Code §1776(d))
- 9) Requires contractors and subcontractors, in the event that they do not comply within the 10-day period, to pay to the state or subdivision on whose behalf the contract was made or awarded a penalty of \$100 per day or portion thereof for every worker until strict compliance is effectuated. A contractor is not subject to a penalty due to the failure of a subcontractor to comply with this section. (Labor Code §1776(h))
- 10) Specifies that any records made available for inspection as copies and furnished upon request to the public or any public agency by the awarding body or DLSE shall be marked or obliterated to prevent disclosure of an individual’s name, address, and social security number. The name and address of the contractor awarded the contract or the subcontractor performing the contract shall not be marked or obliterated. (Labor Code §1776(e))
- 11) Requires any copy of payroll records in 6), above, made available for inspection by, or furnished to, JLMCs to be marked or obliterated only to prevent disclosure of an individual’s social security number. Records made available to a multiemployer Taft-Hartley trust fund shall be marked or obliterated only to prevent disclosure of an individual’s full social security number, but shall provide the last four digits. (Labor Code §1776(e))

- 12) Requires contractors and subcontractors, while performing public works, to furnish specified payroll records at least once a month directly to the LC, in an electronic format, in the manner prescribed by the LC, on the department's internet website. (Labor Code §1771.4(a)(3))
- 13) Requires a contractor, bidder, or other entity to provide to the public entity or other awarding body, on a monthly basis while the project or contract is being performed, a report demonstrating compliance with skilled and trained workforce requirements. (Public Contract Code §2602)

This bill:

- 1) Requires an owner or developer undertaking any public works project to make the following records available upon request to DLSE, to multiemployer Taft-Hartley trust funds, and to JLMCs, as specified:
 - a. Final executed construction contracts.
 - b. A certified copy of payroll records, as described in Section 1776 of the Labor Code, if the owner or developer has possession, custody, or control of these records.
 - c. If the owner or developer were required to provide an enforceable commitment that a skilled and trained workforce will be used to complete a contract or project, the monthly reports required under Section 2602 of the Public Contract Code.
- 2) Applies the records requirements in 1), above, to any owner or developer that undertakes a development project that includes work subject to public works law, regardless of whether the project is in its entirety a public work.
- 3) Provides that any records of work performed that are made available under the requirements of 1), above, be redacted only to prevent disclosure of social security numbers, but allows an owner or developer to redact pricing information from contracts and subcontracts if that information has not been made public.
- 4) Requires an owner or developer to reasonably assist in identifying responsive records when the requesting department, trust fund, or JLMC has identified the documents or information sought with specificity.
- 5) Provides that an owner or developer has 10 days in which to comply with a written request for records enumerated in 1), above, and, in the event that the owner or developer fails to comply with a request from a multi-employer Taft-Hartley trust fund or JLMC, requires the fund or JLMC to submit a complaint to DLSE within 10 days after compliance was required. Requires DLSE to promptly investigate any complaints.
- 6) Provides that if DLSE determines that an owner or developer has failed to comply with the provisions of this bill, the owner or developer shall be subject to a penalty by the LC until strict compliance is effectuated.
- 7) Provides that the penalty for an owner or developer's failure to provide certified payroll records, as specified, shall be one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated.

- 8) Provides that the penalty for an owner or developer's failure to provide final executed construction contracts and monthly reports demonstrating compliance with skilled and trained requirements, as specified, shall be five hundred dollars (\$500) for each calendar day, or portion thereof, until strict compliance is effectuated.
- 9) Requires penalties received pursuant to 7) and 8), above, to be deposited in the State Public Works Enforcement Fund, as specified.
- 10) Requires the Director of DIR to adopt rules consistent with the California Public Records Act governing the release of records enumerated in 1), above, including the establishment of reasonable fees to be charged for reproducing copies of records.
- 11) Provides that "owner or developer" includes a corporation, limited liability company, partnership, joint venture, or other legal entity but does not include the state or a political subdivision.

COMMENTS

1. Background:

All awarding bodies and contractors working on "public works" projects are required to abide by a set of laws that ensure the responsible use of public funds. Among other things, these laws require awarding bodies to notify DIR of public works contracts and require contractors and subcontractors to maintain accurate payroll records and make them available for inspection or copy. Below is a brief overview of current statutes and regulations that apply to public works projects.

Awarding Bodies

An awarding body is the entity that awards a contract for public works, sometimes known as the project owner. The awarding body could be any public agency (state, county, city, school board, water district, etc.) or a private entity using public funds. On new public works projects valued at \$25,000 or more and maintenance projects valued at \$15,000 or more, awarding bodies are required to notify DIR within 30 days of the award, but in no event later than the first day in which work is performed. Awarding bodies use the PWC-100 form on DIR's website to fulfill this notification requirement. The form contains the name and registration number issued by DIR of the contractor and any subcontractor listed on the successful bid, the bid and contract award dates, the contract amount, the estimated start and completion dates, and the jobsite location. In lieu of responding to any specific request for contract award information, DIR may make the information provided through the PWC-100 form available for public review online.

In addition to registering the project with DIR, awarding bodies are required to use contractors and subcontractors who register with DIR. A public works contractor is anyone who bids on or enters into a contract to perform work that requires the payment of prevailing wages. This includes sole proprietors and brokers who are responsible for performing work on a project, as well as subcontractors who enter into a contract with another contractor to perform a portion of the work.

Awarding bodies that fail to notify DIR or that enter into a contract with unregistered contractors or subcontractors are subject to penalties of \$100 per day of non-compliance, up to a total of \$10,000.

Certified Payroll Records (CPRs) Requests

All contractors and subcontractors working on public works projects, with few exceptions, are required to maintain accurate payroll records and make them available for inspection or copy. Records must contain the name, address, social security number, work classification, straight time, and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the contractor or subcontractor. Access to CPRs varies depending on the requesting entity. For example, representatives from awarding bodies and DLSE can inspect CPRs at all reasonable hours at the principal office of the contractor, whereas the public cannot. CPRs made available to the public or any public agency must be marked or obliterated to prevent disclosure of an individual's name, address, and social security number. Any CPRs made available to a multiemployer Taft-Hartley trust fund shall be marked or obliterated only to prevent disclosure of an individual's full social security address, but shall provide the last four digits. CPRs available to JLMCs shall be marked or obliterated only to prevent disclosure of an individual's social security number.

A request by the public to inspect CPRs must be made through either the awarding body or DLSE. Once made, contractors and subcontractors have ten days upon receipt of a written request to furnish CPRs. In the event that a contractor or subcontractor fails to comply, they forfeit \$100 for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. To facilitate compliance, DLSE provides a standard public works payroll reporting form (Form A-1-131) in all written requests. However, contractors and subcontractors can use an alternate format as long as it contains all of the required information.

CPRs are an essential tool for combatting wage theft. DLSE and JLMCs use the records to confirm that contractors and subcontractors pay prevailing wages. JLMCs can bring an action in any court of competent jurisdiction against an employer that fails to pay prevailing wages or that fails to provide CPRs. Multiemployer Taft-Hartley trust funds use the records to allocate contributions to pension, health, or welfare benefit trusts.

Electronic Certified Payroll Records Database

Contractors and subcontractors working on public works projects are required to furnish specified payroll records at least once a month directly to the LC, in an electronic format, in the manner prescribed by the LC, on DIR's website. This requirement is separate and distinct from the requirement to make CPRs available within 10 days upon receipt of a written request. Electronic certified payroll records (e-CPRs) do not contain all of the payroll information that is required for a contractor to comply with written requests. Contractors and subcontractors who fail to submit e-CPRs are subject to penalties of \$100 per day of non-compliance, up to a total of \$5,000 per project. DIR also maintains an online database of e-CPRs accessible only to JLMCs and multiemployer Taft-Hartley trust funds.

Skilled and Trained Requirements and Monitoring

A "skilled and trained" workforce is one where all workers performing work in an apprenticeable occupation in the building and construction trades are either skilled

journeypersons¹ or apprentices registered in a DAS² approved apprenticeship program. Additionally, at least 60 percent of the skilled journeypersons employed to perform work on the contract or project must be graduates of an apprenticeship program. Not all public works projects are subject to skilled and trained requirements.

Contractors required to use a skilled and trained workforce to complete a project commit to doing so in an enforceable agreement with the public entity or awarding body. Contractors must comply at every tier and are required to complete and submit to the awarding body a monthly report demonstrating compliance. The report includes the full name of each worker and the name, location, and graduation date of their completed apprenticeship. Should a contractor fail to provide the monthly report or fall out of compliance, the awarding body will withhold payments until compliance is achieved and notify the LC for issuance of a civil wage and penalty assessment. These monthly skilled and trained reports are open to public inspection. DAS is currently working on an online database that will be available to the public and searchable by first name, last name, and graduation date of the worker.

2. Comments:

California's public works laws prevent worker exploitation and promote the creation of a skilled workforce. Prevailing wage and recordkeeping requirements keep contractors that pay low wages to undercut their competition from working on publicly funded projects. Given the prevalence of wage theft in the construction industry, rigorous enforcement of public works law is vital. However, the committee raises the following questions:

- AB 963 would require an owner or developer undertaking any public works project subject to public works requirements (Labor Code, Chapter 1. Public Works, §1720-1861) to make the following records available upon request to DLSE, multiemployer Taft-Hartley trust funds, and JLMCs:
 - Final executed construction contracts.
 - A copy of CPRs if the owner or developer has possession, custody, or control of these records.
 - If applicable, skilled and trained compliance reports.

In conversations with the committee, the author's office noted that "owners or developers" undertaking a public works project are awarding bodies and that their responsibilities should reflect that. DIR's definition of an awarding body includes private entities. *If owners or developers are awarding bodies and the project is subject to public works law, why are the existing records requirements, detailed above, insufficient?*

- Provisions in this bill require an owner or developer to make final executed contracts available upon request. The author notes that the existing payroll records statute does not require private entities to supply this information.

¹ A "skilled journeyperson" means a worker who either: 1) graduated from an apprenticeship program for the applicable occupation that was approved by DAS or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor, or 2) has at least as many hours of on-the-job experience in the applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by DAS.

² Division of Apprenticeship Standards

However, awarding bodies are required to submit a PWC-100 form to DIR before work on a project can begin. This form contains the name and DIR-issued registration number for each contractor and any subcontractor listed on the successful bid, the bid and contract award dates, the contract amount, the estimated start and completion dates, and the jobsite location. Existing law empowers DIR to make this information available for public review. *Does the PWC-100 form provide the same information that would be available in final executed contracts? If DIR is not readily supplying the information collected in PWC-100 forms, should the provisions of this bill focus on expanding access to this information?*

In previous conversations the author's office noted that private entities, acting as awarding bodies, have erroneously denied JLMCs access to CPRs. Subsequently, the author's intention is to guarantee that private entities working on public works projects comply with records requests. It appears, however, that DLSE, multiemployer Taft-Hartley trust funds, and JLMCs already have access to the records referenced in AB 963. If enforcement, not access is the issue, it is not clear whether another reporting requirement will increase compliance. The author is working with the sponsors and opposition to address some of the questions and concerns raised in this analysis.

3. Need for this bill?

According to the author:

“Access to records relating to publicly-funded projects is critical to ensuring proper use of taxpayer dollars, to prevent public funds from being used by contractors with a history of labor violations, and to ensure proper classification of construction and apprentices. Existing law allows the Division of Labor Standards Enforcement (DLSE), multiemployer Taft-Hartl[e]y trust funds, and joint labor-management committees (JLMCs) the ability to request documents provided to a public entity when using public funds to develop public works projects. However, private entities that utilize public funds to develop public works projects are not required to respond to the same types of requests for project documents, lists of contractors and subcontractors performing work on the projects, payroll records, and other information. This lack of transparency makes it nearly impossible to verify that existing public works laws are being followed and that workers and apprentices are being properly compensated as required by law.

AB 963 will ensure that project owners or project developers performing work funded in whole or in part by taxpayer dollars are in compliance with existing Public Contract and State Labor laws, including prevailing wage requirements.”

3. Proponent Arguments:

The International Union of Painters and Allied Trades, District Council 16, sponsors of the measure, argue:

“Often, on construction projects, workers are underpaid and or misclassified and, without oversight, this growing problem will only continue to get worse. Existing law provides the Division of Labor Standards Enforcement (DLSE), multiemployer Taft-Hartley trust funds, and joint labor-management committees with the ability to request documents from contractors when they are using public funds to develop public works projects. It is

imperative that the Public Contract Code, the California Labor Code, and prevailing wage requirements are met on every public works project.

It is understood that private entities are just that, private. However, private entities using public funds also should be held to the same standards and accountability as governmental bodies when it comes to producing project documents and information. Private entities currently have no oversight through the California Public Records Act.

AB 963 will grant the ability to the DLSE, multiemployer Taft-Hartley trust funds, and joint labor management committees to request a limited scope of documents from a corporation, limited liability company, partnership, joint venture, or other legal entity when developing projects that utilize public funds regardless of whether the project is in its entirety a public works project. AB 963 will provide oversight to publicly funded projects to ensure that the Public Contract Code, the California Labor Code, and prevailing wage requirements are being enforced on all public works projects that utilize public funds.”

4. Opponent Arguments:

A coalition of opponents, including the California Housing Consortium and Housing California, argue:

“Our organizations represent the development, non-profit, financial, and public sectors united in the goal of increasing the supply of safe, stable, and affordable housing options for the people of California. Given our collective mission, we are concerned that the costs of AB 963 and its impact on affordable housing production would outweigh any benefits from the bill.

We share your interest in ensuring compliance with prevailing wage laws. When a private development is subject to prevailing wage requirements, the general contractor has a duty to ensure that both itself and all of the subcontractors comply with the applicable laws. These companies are responsible for submitting prevailing wage reports to the Department of Industrial Relations (DIR) to demonstrate compliance. The system is on-line, so no paper is produced, and these records can be requested by anyone. If there are issues with the public obtaining the records from DIR, we recommend focusing on improving DIR’s response capacity.

Since the records already submitted establish whether prevailing wages were paid or not, it is not clear that the additional documentation referenced in the bill is actually necessary to enforce compliance. According to our members and partners, the proposed list of documents in the bill is overly broad and the third-party compliance firms often employed rarely if ever have the breadth and scope of documents that are specified. As a result, the production of records becomes a burdensome and costly task that provides little to no benefit.”

5. Double Referral:

The Senate Rules Committee referred AB 963 to the Senate Labor, Public Employment and Retirement Committee and the Senate Judiciary Committee.

6. Prior Legislation:

AB 538 (Berman, 2025) would require an awarding body, upon request by the public, to obtain CPRs from a contractor and make them available to the requesting entity. Contractors would have 10 days to comply upon receipt of a written notice. *This bill is pending in the Senate Appropriations Committee.*

AB 3186 (Petrie-Norris, 2024) was nearly identical to AB 963, above. This bill was held in the Senate Rules Committee.

AB 2439 (Quirk-Silva, 2024) would have required an owner, developer, or the agent of an owner or developer, that, among other things, receives public funds from a public agency to perform specified public works projects, to make available specified records to JLMCs, multiemployer Taft-Hartley trust funds, and nonprofits established to ensure compliance within the building and construction trades. *This bill was held in the Assembly Appropriations Committee.*

AB 2182 (Haney, 2024, Vetoes) would have, among other things, specified that when the LC requests to review a contractor's payroll records to verify their accuracy, the contractor must make available all of the items specified in the California Code of Regulation's definition of payroll records. *Governor Gavin Newsom vetoed this bill.*

AB 587 (Robert Rivas, Chapter 806, Statutes of 2023) required any copy of records requested by, and made available for inspection by or furnished to, a Taft-Hartley trust fund or JLMC to be on forms provided by the DLSE or contain the same information as the forms provided by the DLSE. Additionally, AB 587 clarified that copies of electronic certified payroll records do not satisfy payroll records requests made by Taft-Hartley trust funds and JLMCs.

SB 954 (Archuleta, Chapter 824, Statutes of 2022) required the Department of Industrial Relations to develop and implement an online database of certified payroll records submitted to comply with public works requirements.

AB 1023 (Flora, Chapter 326, Statutes of 2021) revised the requirement to furnish payroll records monthly to require that the contractor or subcontractor furnish those records at least once every 30 days while work is being performed on the project and within 30 days after the final day of work performed on the project. The bill also required that the contractor or subcontractor furnish these records in an electronic format, in the manner prescribed by the Labor Commissioner, on the department's internet website.

SUPPORT

International Union of Painters and Allied Trades District Council 16 (Sponsor)
A&B Painting, Inc.
All County Flooring
Aragon Construction, Inc.
B.T. Mancini Co., Inc.
C.A. Bucher Painting Co., Inc.
California Federation of Labor Unions
California-Nevada Conference of Operating Engineers
California State Association of Electrical Workers

California State Council of Laborers
California State Pipe Trades Council
Capital Industrial Coatings, LLC
Certified Coatings Company
Concord Drywall Inc.
Conley & Sons Construction
Crown Sheet Metal & Skylights Inc.
Custom Drywall
Devco Drywall Interiors Inc.
District Council of Iron Workers of the State of California and Vicinity
Drywall Finishers Regional Local Union 1136
Eladio and Sons
Ellis Flooring Inc.
Finishing Contractors Association of Southern California
Fisher Design + Build, Inc.
Future Flooring Group DbA. C&S Flooring Systems, Inc.
Genesis Flooring
Giroux Glass Inc..
Glaziers Local 718
Golden Gate Glass & Mirror Co.
Golden State Contract Flooring
Hoem & Associates
International Brotherhood of Boilermakers, Western States Section
International Union of Painters & Allied Trades District Council 36
International Union of Painters and Allied Trades Local 272
International Union of Painters and Allied Trades Local 376
International Union of Painters and Allied Trades Local 507
International Union of Painters and Allied Trades Local 831
International Union of Painters and Allied Trades Local 1036
International Union of Painters and Allied Trades Local 1621
J&J Acoustics, Inc.
Johnson and Turner Painting Company, Inc.
Karsyn Construction Inc.
KBI Painting, Inc.
Kirk Builders
Magnum Drywall, Inc.
Mastria Inc.
MGM Drywall, Inc.
Murphy Industrial Coatings, Inc.
NC Flooring Group INC
Nor Cal Glass
Northern California Allied Trades
Pacific Glazing Contractors
Paramount Interiors LLC
Pari & Gershon Inc.
Polytech Industrial Incorporated
Primal Paint, Inc.
Pro Spectra Contract Flooring, Union City
R.E. Cuddie Co.
Ralls Construction

Redwood Painting Co., Inc.
Reno's Floor Covering, Inc.
Satellite Painting, Inc.
Signature Glass & Windows Inc. Lic # 750091
Silicon Valley Glass Inc.
Southern California Glass Management Association
State Building and Construction Trades Council
Tisys Construction
Vanguard Painting, Inc.
Western Painting and Coating Contractors Association
Western States Council of Sheet Metal Workers
Wm. B. Saleh Co.

OPPOSITION

Associated General Contractors of California
California Building Industry Association
California Housing Consortium
California Housing Partnership
California Solar & Storage Association
Construction Employers' Association
Housing California
Non-profit Housing Association of Northern California
San Diego Housing Federation
Southern California Association of Non-profit Housing
Valley Industry and Commerce Association

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