

Date of Hearing: June 10, 2026

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

SB 1185 (Cortese) – As Amended May 14, 2026

SENATE VOTE: 29-7

SUBJECT: Pharmaceutical facilities: skilled and trained workforce

SUMMARY: Requires an owner, operator, or developer of a facility that will be used for the research, development, or production of pharmaceutical products to, when contracting for the performance of initial and subsequent construction, alteration, demolition, installation, repair, or maintenance work on the facility, require that its contractors and any subcontractors use a skilled and trained workforce (STW), as specified. Requires monthly reporting to the Labor Commissioner (LC) demonstrating STW compliance. Further provides for civil penalties for a failure to comply. Specifically, **this bill:**

- 1) Requires an owner, operator, or developer of a facility that will be used for the research, development, or production of pharmaceutical products to, when contracting for the performance of initial and subsequent construction, alteration, demolition, installation, repair, or maintenance work on the facility, require that its contractors and any subcontractors use a STW to perform all onsite work within an apprenticeable occupation in the building and construction trades.
- 2) Provides that approval of a new apprenticeship program may be justified for a facility covered in 1) above if existing apprenticeship programs do not have the capacity, or have neglected or refused, to dispatch sufficient apprentices to qualified employers who are willing to abide by the applicable apprenticeship standards.
- 3) States that the requirement in 1) above does not apply to the employees of the owner or operator of the facility or prevent the owner or operator from using its own employees to perform any work that has not been assigned to contractors while the employees of the contractor are present and working.
- 4) Authorizes an apprenticeship program approved by the Chief of the Division of Apprenticeship Standards (DAS) to enroll, with advanced standing, applicants with relevant prior work experience at a facility that is subject to this section, in accordance with the approved apprenticeship standards of the program.
- 5) States that the requirement that a skilled journeyman has either graduated from an apprenticeship program for the applicable occupation that was approved by the chief, or has at least as many hours of on-the-job experience in the applicable occupation that would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the chief and the STW requirements listed in 14) below shall not apply to either of the following:
 - a) To the extent that the contractor has requested qualified workers from the local hiring halls that dispatch workers in the apprenticeable occupation and, due to workforce

shortages, the contractor is unable to obtain sufficient qualified workers within 48 hours of the request, Saturdays, Sundays, and holidays excepted. This section does not prevent contractors from obtaining workers from any source.

- b) To the extent that compliance is impracticable because an emergency requires immediate action to prevent harm to public health or safety or to the environment, but the criteria applies as soon as the emergency is over or it becomes practicable for contractors to obtain a qualified workforce.
- 6) Provides that this bill does not make the construction, alteration, demolition, installation, repair, or maintenance work at a facility described in 1) above a public work, as defined.
 - 7) Provides that this bill does not preclude the use of an alternative workweek schedule, as specified.
 - 8) States that the terms “construction,” “alteration,” “demolition,” “installation,” “repair,” and “maintenance” have the same meanings as in the public works sections of the labor code.
 - 9) States that a “facility that will be used for the research, development, or production of pharmaceutical products” includes a facility that will conduct activities in medicinal and botanical manufacturing and in pharmaceutical preparation manufacturing, and that involves the production of a pharmaceutical product, including starting materials, intermediaries, and active pharmaceutical intermediates.
 - 10) Provides that “onsite work” shall not include catalyst handling and loading, chemical cleaning, or inspection and testing that was not within the scope of a prevailing wage determination issued by the Director of Industrial Relations as of January 1, 2025.
 - 11) Defines the “prevailing hourly wage rate” to mean the general prevailing rate of per diem wages, as determined by the Director of Industrial Relations, as specified, but does not include shift differentials, travel and subsistence, or holiday pay. The requirement that employer payments not reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing does not apply if otherwise provided in a bona fide collective bargaining agreement covering the worker.
 - 12) Defines “registered apprentice” to mean an apprentice registered in an apprenticeship program approved by the chief, as specified, who is performing work covered by the standards of that apprenticeship program and receiving the supervision required by the standards of that apprenticeship program.
 - 13) Defines “skilled journeyman” to mean a worker who meets both of the following criteria:
 - a) The worker either graduated from an apprenticeship program for the applicable occupation that was approved by the chief, or has at least as many hours of on-the-job experience in the applicable occupation that would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the chief.
 - b) The worker is being paid at least a rate equivalent to the prevailing hourly wage rate for a journeyman in the applicable occupation and geographic area.

- 14) Defines “STW” to mean a workforce that meets both of the following criteria:
 - a) All of the workers are either registered apprentices or skilled journeypersons.
 - b) At least 60 percent of the skilled journeypersons are graduates of an apprenticeship program for the applicable occupation.
- 15) Requires the owner, operator, or developer of the facility to provide to the LC on a monthly basis a report demonstrating compliance with these provisions. The required monthly report shall include the full name of, and identify the apprenticeship program name, location, and graduation date of, each worker relied upon to satisfy the apprenticeship graduation percentage requirements of this section.
- 16) Provides that the monthly report described in 15) above shall be a public record under the California Public Records Act and shall be open to public inspection.
- 17) Requires, if the LC or the LC’s designee determines after an investigation that a contractor or subcontractor failed to use a STW in accordance with this section, the contractor or subcontractor responsible for the violation to forfeit, as a civil penalty to the state, not more than five thousand dollars (\$5,000) per month of work performed in violation of the above provisions.
 - a) A contractor or subcontractor that commits a second or subsequent violation within a three-year period shall forfeit as a civil penalty to the state the sum of not more than ten thousand dollars (\$10,000) per month of work performed in violation of the above provisions.
- 18) Authorizes the LC to reduce or waive a monetary penalty if the amount of the penalty would be disproportionate to the severity of the violation. The LC shall consider, in setting the amount of a monetary penalty, all of the following circumstances:
 - a) Whether the violation was intentional.
 - b) Whether the contractor or subcontractor has committed other violations of this section or of the Labor Code.
 - c) Whether, upon notice of the violation, the contractor or subcontractor took steps to voluntarily remedy the violation.
 - d) The extent or severity of the violation.
- 19) Requires the LC or LC’s designee to issue a civil wage and penalty assessment, as specified, upon determination of penalties assessed according to 17) above. Review of a civil wage and penalty assessment may be requested, as specified.
- 20) Provides that the determination of the LC as to the amount of the penalty shall be reviewable by the Director of Industrial Relations only for an abuse of discretion.

21) Provides that the above provisions shall not apply if all work on the project is covered by a project labor agreement that requires the use of a STW, provides for the enforcement of that obligation through an arbitration procedure, and includes provisions to address community benefits. For purposes of this subdivision, a “project labor agreement” means a prehire collective bargaining agreement that establishes terms and conditions of employment for a specific construction project or projects and is an agreement described in the National Labor Relations Act.

EXISTING LAW:

- 1) Defines “ public works” to include, among other things, the construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds, except work done directly by a public utility company pursuant to order of the Public Utilities Commission or other public authority. Labor Code § 1720(a).
- 2) Authorizes a public entity to require a bidder, contractor, or other entity to use a STW to complete a contract or project regardless of whether the public entity is required to do so by a statute or regulation. Public Contract Code § 2600(b).
- 3) Requires, when the use of a STW to complete a contract or project is required, the public entity to include in all bid documents and construction contracts a notice that the project is subject to the STW requirement. Public Contract Code § 2600(c).
- 4) Defines a “STW” to mean a workforce that meets certain conditions, including specified apprenticeship graduation requirements. Public Contract Code § 2601.
- 5) Defines a “skilled journeyman” to mean a worker who either:
 - a) Graduated from an apprenticeship program for the applicable occupation that was approved by the chief or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor.
 - b) 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 the chief. Public Contract Code § 2601(e).
- 6) 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 STW requirements. Public Contract Code § 2602.
- 7) Requires a contractor or subcontractor to pay a civil penalty to the state of not more than \$5,000 per month of work performed in violation of the STW requirements if the LC or their designee determines that the contractor or subcontractor failed to use a STW. A contractor or subcontractor that commits a second or subsequent violation within a three-year period shall forfeit as a civil penalty to the state the sum of not more than \$10,000 per month of work performed in violation. Public Contract Code § 2603.
- 8) Provides that the ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the

apprenticeship standards under which the apprenticeship program operates if the contractor agrees to be bound by those standards, but provides that, unless otherwise specified, in no case shall the ratio be less than one hour of apprentice work for every five hours of journeyman work. Labor Code § 1777.5(g).

FISCAL EFFECT: According to the Senate Appropriations Committee,

- The Department of Industrial Relations is still reviewing the bill but expects that costs will exceed \$300,000 annually for staff (enforcement deputies, support, and supervisory staff) to enforce the new requirements (Labor Enforcement and Compliance Fund).
- This bill could result in increased penalty revenue to the State. The magnitude is unknown.

COMMENTS: A STW refers to the requirement that a project utilize workers performing work in an apprenticeable occupation within the building and construction trades who are either skilled journeymen or registered apprentices enrolled in an apprenticeship program approved by the chief of the DAS.

The benefits of using a STW in the construction and associated industries are well documented. Research demonstrates that using a skilled workforce on construction projects generally leads to better project performance.¹ Conversely, hiring unskilled labor at lower wages on projects “may cause time delays, cost escalation, quality defects, schedule overrun, increase(s) in the amount of rework or defects, inappropriate use of materials, improper construction methods, and increase in safety incidents.”² Furthermore, skilled workforce initiatives lead to safer worksites. These initiatives prioritize “safety training, reducing the number of accidents and injuries in the construction sector. Proper knowledge of safety protocols and practices ensures a safer work environment for both workers and the public.”³ SB 1185 would require a STW for construction of and related work on pharmaceutical facilities.

According to the author, “Pharmaceutical facilities present risks comparable to, and in some cases greater than, other regulated high-hazard sites, including sterility and contamination control, biohazard exposure, secure handling of controlled substances, and continuous operations critical to patient care. SB 1185 simply extends the worker and safety provisions of previous legislation to pharmaceutical facilities, ensuring these facilities are safe and constructed with a high-quality skilled workforce.”

This bill departs from certain STW requirements

A decade ago, the legislature created comprehensive STW requirements to attach to primarily publicly funded construction projects. This bill would apply STW requirements to entirely privately funded enterprises. While this is a departure from California’s STW law generally, it does build upon more recent legislation that extended STW to safety-sensitive private facilities.

¹ Shahid Hussain, Wang Xuotong, and Talib Hussain, “Impact of Skilled and Unskilled Labor on Project Performance Using Structural Equation Modeling Approach.” SAGE Open, Vol. 10, Issue 1, March 31, 2020.

² *Ibid.*

³ Sunita Umesh Madhure, “Skill Development Initiatives for Workers in the Construction Sector: Challenges and Opportunities,” The Online Journal of Distance Education and e-Learning, April 2023, Vol. 11, Issue 2.

In 2013, the Legislature passed and the Governor signed SB 54 (Hancock) to require STW on the construction, alteration, demolition, installation, repair, and maintenance work on petroleum facilities. This was in response to a large fire from a diesel leak at a Chevron refinery the year before. Similarly, in 2023, the Legislature passed and the Governor signed SB 740 (Cortese) to apply STW to stationary sources engaged in manufacturing hydrogen, biofuels, or certain chemicals or engaged in capturing, sequestering, or using carbon dioxide in specified conditions.

SB 1185 also departs from STW law in that it applies STW standards to both *the initial and subsequent* construction, alteration, demolition, installation, repair or maintenance work on pharmaceutical facilities. Application of STW requirements to *subsequent projects* is unique among STW legislation.

Furthermore, the definition of a “skilled journeyman” under this bill departs from the definition in the Public Contract Code. This measure’s definition includes the requirement that the worker “is paid at least a rate equivalent to the prevailing hourly wage rate for a journeyman in the applicable occupation and geographic area.” It appears this definition is borrowed from SB 54 (Hancock) of 2013 which similarly combines skilled and trained and prevailing wage requirements to qualify as a “skilled journeyman.”

For an additional discussion of how SB 1185’s STW requirements depart from STW law in general, please see the Senate Labor, Public Employment and Retirement Committee’s analysis of the bill.

Committee Comments

The author has informed committee staff that, upon passage from our committee, they plan to amend various provisions of the bill. First, the STW definition will be amended to drop the threshold of utilizing *60 percent* skilled journeymen to *30 percent* skilled journeymen on a project for a number of occupations, including, among others, bricklayers, carpenters, plasters, and laborers. Second, the author plans to amend the obligation to report compliance data monthly to LC to only apply to the prime contractor on a project. Finally, the author plans to add civil penalties for the failure of a prime contractor to submit monthly reports in accordance with the bill.

Arguments in Support

The State Building and Construction Trades Council of California, sponsor of the bill, states, “Pharmaceutical manufacturing facilities are among the most technically complex construction environments in the modern economy. The integrity of construction is inseparable from the purity of the final product. These facilities operate within extraordinarily tight tolerances, where even minor installation deficiencies, whether in high-purity piping, cleanroom assembly, or air handling systems, can introduce contamination risks that compromise entire production batches.

A highly skilled and trained workforce is essential to ensuring that these systems are installed correctly the first time, maintaining the sterile environments required for safe and effective medicines. Simply put, construction quality is not just a project outcome, it is a public health safeguard.

Workers trained through state-approved apprenticeship programs receive thousands of hours of classroom instruction and on-the-job training in complex mechanical systems, instrumentation,

process piping, electrical installation, and safety practices required for industrial facilities. This training helps ensure the accurate installation of the complex systems required in pharmaceutical manufacturing.

At a time when Americans are increasingly aware of vulnerabilities in global supply chains, ensuring the reliability of domestic pharmaceutical manufacturing is more critical than ever. California plays a central role in producing life-saving drugs and therapies that millions of Americans depend upon. Construction failures, delays, or substandard work can disrupt production capacity and create downstream shortages in essential medicines. By requiring a skilled and trained workforce, SB 1185 helps secure the physical infrastructure underpinning this supply chain—protecting not just jobs, but the consistent availability of critical products that patients, hospitals, and families across the country rely on every day.”

Arguments in Opposition

The Associated General Contractors are opposed and state, “Historically, STW mandates have been associated with public works projects or have been extended to limited categories of private facilities where the Legislature identified specific safety concerns. Refinery-related STW requirements were enacted following documented incidents and findings regarding workforce training and safety. SB 1185, by contrast, identifies no comparable pattern of construction failures, workforce deficiencies, or safety incidents in pharmaceutical facility construction that would justify imposing public-works-style labor mandates on an entire private industry. The bill also goes well beyond existing STW policies by applying these requirements not only to the initial construction of a facility, but to all future construction, alteration, demolition, installation, repair, and maintenance work. This effectively creates a permanent mandate that follows a facility for the life of the project. Legislative committee analysis in the Senate has noted that similar STW statutes do not generally apply in perpetuity and that this approach appears unique among existing STW requirements.

SB 1185 would further impose extensive compliance obligations on private facility owners and contractors. The bill requires monthly reporting to the Labor Commissioner, disclosure of workforce information, and significant civil penalties for noncompliance. These requirements introduce a level of state oversight typically associated with public works projects, despite the fact that these facilities are privately financed, privately owned, and privately operated.”

Prior Legislation

SB 978 (Perez) of 2026 would, among other things, require a contractor who enters a contract to perform work on a data center facility to abide by specified public works requirements and use a STW. This bill was held in the Senate Appropriations Committee.

SB 1241 (Smallwood-Cuevas) of 2026 would, among other things, make specified changes to STW requirements; expand the circumstances under which a public entity can be required to obtain an enforceable commitment to use a STW; require public entities and private developers to comply with STW notice and posting requirements, as specified; modify the criteria the LC uses to assess penalties for STW violations; require the LC to impose the maximum allowable financial penalty for a contractor’s failure to submit a monthly report or continued failure to use a STW after notice of a violation, as specified; and require the LC to accept complaints from a joint labor-management committee. This bill was held on the Senate Floor.

SB 740 (Cortese) Chapter 293, Statutes of 2023 expanded STW requirements to hydrogen manufacturing, biofuels production, carbon capture operations, and chemical manufacturing facilities.

SB 54 (Hancock) Chapter 795, Statutes of 2013 established STW requirements for petroleum refineries and petrochemical facilities.

REGISTERED SUPPORT / OPPOSITION:

Support

State Building & Construction Trades Council of California (Sponsor)
California Federation of Labor Unions, AFL-CIO
California State Association of Electrical Workers
California State Pipe Trades Council
Western States Council Sheet Metal, Air, Rail and Transportation

Opposition

American Council of Engineering Companies of California
Associated Builders and Contractors of California
Associated General Contractors, California Chapters
Biocom
California Geotechnical Engineering Association
California Life Sciences Association
Western Electrical Contractors Association

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