

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

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

Policy Committee: Labor and Employment

Vote: 6 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires a contractor to use a skilled and trained workforce for the construction and maintenance of a pharmaceutical facility.

Specifically, this bill:

- 1) Requires an owner, operator, or developer of a facility (“facility owner”) that will be used for the research, development, or production of pharmaceutical products to require a project contractor and subcontractor (“contractor”) to use a skilled and trained workforce for the construction, alteration, demolition, installation, repair, or maintenance work on the facility.
- 2) Defines a “skilled and trained workforce” to mean a workforce meeting both of the following criteria: (a) all of the workers are either registered apprentices or skilled journeypersons, and (b) at least 60% of the skilled journeypersons are graduates of an apprenticeship program for the applicable occupation.
- 3) Suspends the requirement that all workers meet the criteria of a skilled and trained workforce, with the exception of paying the prevailing hourly wage rate, to the extent that a contractor has requested qualified workers from local hiring halls but is unable to obtain sufficient qualified workers due to workforce shortages or that compliance is impracticable because of an emergency requiring immediate action to prevent harm to public health or safety or to the environment.
- 4) Requires the facility owner to provide to the Labor Commissioner (LC) a monthly report demonstrating compliance with the skilled and trained workforce requirement, which will be an open public record under the California Public Records Act (PRA).
- 5) Requires, if the LC determines a violation of the workforce requirement, the contractor to forfeit, as a civil penalty to the state, up to \$5,000 per month of work performed for a first violation and up to \$10,000 per month of work performed for a subsequent violation, and authorizes the LC to reduce or waive the penalty depending on the severity of the violation.
- 6) Prohibits the application of these provisions if all the work on a pharmaceutical project is covered by a project labor agreement that requires the use of a skilled and trained workforce, provides for enforcement of the requirement through an arbitration procedure, and includes community benefits provisions.

FISCAL EFFECT:

Costs of approximately \$1.7 million in the first year and \$1.5 million annually thereafter to the LC for education and enforcement of the skilled and trained workforce requirement, including responding to PRA requests for monthly compliance reports and issuing civil wage and penalty assessments after investigating whether a violation occurred (State Public Works Enforcement Fund). Such costs may be partially offset by collected penalty revenue.

COMMENTS:

1) **Purpose.** 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.

2) **Skilled and Trained Workforce.** Although there is no single definition of a “skilled and trained workforce” that applies to all projects, the most utilized definition under existing law (Section 2601 of the Public Contract Code) refers to a workforce where: (a) all the workers performing work in an apprenticeable occupation in the building and construction trades are either apprentices registered in an apprenticeship program approved by the Division of Apprenticeship Standards or skilled journeypersons, and (b) minimum percentage graduation requirements are satisfied, meaning a minimum percentage of skilled journeypersons for each applicable occupation are graduates of an approved apprenticeship program. A public entity may require a bidder, contractor, or other entity to use a skilled and trained workforce to complete a contract or project, regardless of whether the public entity is required to do so by statute or regulation. However, skilled and trained workforce requirements primarily apply to publicly funded construction projects. This bill applies the requirement to the construction of and subsequent work on a pharmaceutical facility – a privately funded enterprise.

As noted in the Assembly Labor Committee’s analysis of this bill:

While this is a departure from California’s STW [skilled and trained workforce] law generally, it does build upon more recent legislation that extended STW to safety-sensitive private facilities.

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...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.”

- 3) **Support and Opposition.** This bill is sponsored by the State Building and Construction Trades Council of California, which argues this bill “helps ensure that the infrastructure supporting this sector is built and maintained to the highest standards of quality, safety, and reliability.” This bill is also supported by other labor organizations.

This bill is opposed by life sciences groups and contractor associations, with the Associated General Contractors of California arguing this bill “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.”

- 4) **Related Legislation.** AB 1888 (Ortega) creates labor standards, including skilled and trained workforce requirements, for the Department of Insurance’s California Safe Homes grant program. AB 1888 was held on this committee’s suspense file.

SB 1241 (Smallwood-Cuevas) revises existing skilled and trained workforce requirements, including expanding the circumstances under which a public entity must obtain such an enforceable commitment and limiting the LC’s ability to reduce or waive related penalties. SB 1241 was ordered to the Senate Inactive File.

- 5) **Prior Legislation.** SB 419 (Stern), of the 2021-22 Legislative Session, would have required a contractor to use a skilled and trained workforce for the construction and maintenance of an oil and gas well or production facility. SB 419’s hearing in the Assembly Natural Resources Committee was canceled at the request of the author and the bill was subsequently amended to address an unrelated subject.

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