

Date of Hearing: July 9, 2025

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

SB 369 (Padilla) – As Amended March 17, 2025

SENATE VOTE: 33-2

SUBJECT: Salton Sea: restoration projects: skilled and trained workforce

SUMMARY: Requires a skilled and trained workforce for Salton Sea restoration projects over \$50,000. Specifically, **this bill**:

- 1) Requires a state agency undertaking a Salton Sea restoration project to obtain, as part of a contract entered into on or after January 1, 2026, an enforceable commitment that every bidder, contractor, subcontractor, or other entity at every tier shall use a skilled and trained workforce to perform all work that falls within an apprenticeship occupation in the building and construction trades.
- 2) Provides that (1) above does not apply if all construction work on the project is subject to a project labor agreement that requires the use of a skilled and trained workforce.
- 3) Defines the following terms:
 - a. “Salton Sea restoration project” to mean the erection, construction, alteration, repair, or improvement of any Salton Sea ecosystem structure, building, road, or other improvement that will exceed in cost, including labor and materials, a total of \$50,000, and that is undertaken as part of the restoration of the Salton Sea ecosystem.
 - b. “Every tier” to mean all contracts at any level to carry out the project, whether negotiated or advertised, and includes contracts for the supply and manufacture of off-site aggregate materials for the project. “Every tier” does not include contracts for transportation services.
 - c. “State agency” to mean the Natural Resources Agency (CNRA), the Department of Water Resources (DWR), or the Department of Fish and Wildlife (DFW).
- 4) Makes related findings and declarations.

EXISTING LAW:

- 1) Authorizes a public entity to 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 a statute or regulation. Public Contract Code § 2600(b).
- 2) Requires, when the use of a skilled and trained workforce 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 skilled and trained workforce requirement. Public Contract Code § 2600(c).

- 3) Defines a “skilled and trained workforce” to mean a workforce in which all the workers performing work in an apprenticeable occupation in the building and construction trades are either skilled journeypersons or apprentices registered in an apprenticeship program. Public Contract Code § 2601.
- 4) 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.
- 5) 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 skilled and trained workforce requirements if the Labor Commissioner or their designee determines that the contractor or subcontractor failed to use a skilled and trained workforce. 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.
- 6) 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).
- 7) Defines “project labor agreement” to mean a prehire collective bargaining agreement that establishes terms and conditions of employment for a specific construction project or projects, and authorizes a public entity to use, enter into, or require contractors to enter into a project labor agreement for a construction project if specified conditions are met. Public Contract Code § 2500(b)(1).
- 8) Defines “entity” to mean a company, limited liability company, association, partnership, sole proprietorship, limited liability partnership, corporation, business trust, or organization. Labor Code § 1777.1(i).
- 9) Authorizes the Director of the DWR to procure design-build contracts for public works projects in excess of \$1 million that are at the Salton Sea or that are necessary for the construction, maintenance, or operation of elements of State Water Facilities, as defined, and requires the use of a skilled and trained workforce for these design-build contracts. Public Contract Code § 10204 et seq.

FISCAL EFFECT: According to the Senate Appropriations Committee, “The Department of Water Resources (DWR), while noting significant uncertainty surrounding any specific costs of this bill, estimates at minimum a \$15 million impact to Salton Sea programs (Proposition 4), not accounting for schedule delays or other possible impacts.”

COMMENTS: A “skilled and trained workforce” is one in which all the workers performing work in an apprenticeable occupation in the building and construction trades are either skilled journeypersons or apprentices registered in a state-approved apprenticeship program.

The use of a skilled and trained workforce can have numerous benefits to workers, project owners and the local area in which the project takes place. For one, a skilled and trained workforce generally brings increased productivity to a project, as well as reduces the likelihood of errors and rework. Well-trained workers have a greater understanding of the industry best practices and quality standards, helping ensure that work is completed efficiently and correctly. A skilled and trained workforce can also bring improved safety and risk mitigation to a project, reducing the likelihood of workplace accidents.

Additionally, apprenticeship requirements for skilled and trained workforces help ensure that projects not only benefit the workers participating in the project, but also build a pipeline of workers in the community for future projects. This could be particularly beneficial for an area like Imperial County, which consistently has the highest unemployment rate in the state. In May 2025 the unemployment rate was 17.4 percent,¹ as compared to 5.3 percent for California² and 4.2 percent for the nation.³

The Salton Sea Management Plan:

(Please see the Assembly Water, Parks and Wildlife Committee analysis for more background on the Salton Sea, and the associated environmental problems and restoration efforts underway.)

Reduced inflows from the Colorado River and agricultural runoff have resulted in several critical issues at the Salton Sea, including shrinking water levels, increased salinity, and toxic dust pollution. To mitigate the impacts on the environment and public health, the CNRA, the DWR and the DFW are tasked with implementing the Salton Sea Management Program (SSMP), which includes a 10-year plan that aims to improve conditions by constructing 30,000 acres of habitat and dust suppression projects around the Sea. The SSMP team is also working to establish a long-term pathway for the Salton Sea beyond the next decade, including work to evaluate the feasibility of water importation.⁴

As part of the 2022 budget (AB 203), the Legislature authorized the DWR to use design-build procurement for public works projects that cost more than \$1 million at the Salton Sea or that are related to the State Water Project. These design-build projects are required to use a skilled and trained workforce. This bill would extend skilled and trained requirements to Salton Sea restoration projects that cost more than \$50,000, regardless of procurement method.

According to the Author:

“For years, the receding lake bed at the Salton Sea, exacerbated by our changing climate, has created environmental hazards that threaten the health of communities in the Imperial Valley, predominantly composed of Latino agricultural workers. The state and federal government have provided funding for Salton Sea restoration, which is critical to ensuring the health and well-being of the Salton Sea ecosystem and the Imperial Valley community, but is only a piece of

¹ El Centro Metropolitan Statistical Area (Msa)(Imperial County). (May 2025) Employment Development Department. [https://labormarketinfo.edd.ca.gov/file/lfmonth/ecen\\$pbs.pdf](https://labormarketinfo.edd.ca.gov/file/lfmonth/ecen$pbs.pdf)

² “California’s May Unemployment Rate Remains at 5.3 percent.” Employment Development Department. https://edd.ca.gov/en/about_edd/news_releases_and_announcements/unemployment-may-2025/

³ State Employment And Unemployment — May 2025. Bureau of Labor Statistics. <https://www.bls.gov/news.release/pdf/laus.pdf>

⁴ Salton Sea Management Program: <https://saltonsea.ca.gov/>

helping this region overcome the challenges it faces. The Imperial Valley already has a high unemployment rate and many residents face poor working conditions and low wages. Given the risk to workers, and effort to ensure a labor pipeline for residents in the Imperial Valley, and support towards the rapid completion of Salton Sea Restoration projects, SB 369 is crucial to statutorily require the use of a local skilled and trained workforce for all restoration work at the Salton Sea.”

The author adds that the bill promotes equity in that “the Salton Sea has been rapidly depleted year after year leading to the release of dust particles that further worsen the air quality in the Imperial Valley. The workers performing Salton Sea restoration programs face exposure to toxic substances, because of their proximity and interaction with the lakebed. The Imperial Valley already has a high unemployment rate and many residents face poor working conditions and low wages. Given the risk to workers, statutorily requiring the use of a skilled and trained workforce will establish a pipeline of skilled workers for future projects that will benefit the residents of the Imperial Valley for years to come. It also ensures local workers participating on projects are paid a living wage and provided with health and welfare benefits for themselves and their families.”

Arguments in Support

The California-Nevada Conference of Operating Engineers, sponsor of this measure, writes in support that “Skilled and Trained workforce requirements ensure that a certain percentage of workers on covered projects have graduated from a State Registered Apprenticeship program. This means that these workers have received the highest level of training in the State related to the work they are performing. These requirements also assist in ensuring that local workers are participating in projects and that high-road contractors are performing the work, which ensures that local workers on skilled and trained projects are paid a living wage and provided with health and welfare benefits for themselves and their families. Additionally, Skilled and Trained Requirements ensure that apprentices are being trained under highly trained journeyman, which creates a pipeline of skilled workers for future projects that will benefit residents of the Imperial Valley for years to come. Considering the toxic and urgent nature of the work being performed at the Salton Sea, legislation is needed to ensure that all projects related to Salton Sea restoration work are covered by labor standards that protect workers and promote economic mobility.”

Arguments in Opposition

None on file.

Prior and Related Legislation

AB 1235 (Rogers) of 2025 would have prohibited a contractor from being prequalified for, shortlisted for, or awarded a design-build contract with the Trustees of the California State University unless the contractor provides an enforceable commitment to the trustees that the contractor and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades, as specified. Held in the Assembly Appropriations Committee.

SB 1298 (Cortese) of 2024 would have authorized the California Energy Commission, until January 1, 2030, to exempt from its certification a thermal powerplant with a generating capacity of up to 150 megawatts, if specified requirements are met, including that a skilled and trained

workforce is used to perform all construction work on the facility, as specified. Died in the Assembly Rules Committee.

SB 144 (Committee on Budget and Fiscal Review), Chapter 367, Statutes of 2023, required eligible centralized procurement entity projects to, among other things, use a skilled and trained workforce.

AB 203 (Committee on Budget), Chapter 60, Statutes of 2022, among other provisions, provided the DWR authority to use design-build for public works projects that cost more than \$1 million at the Salton Sea or that are related to the State Water Project.

SB 288 (Wiener), Chapter 200, Statutes of 2020, required the use of a skilled and trained workforce for certain transit-related projects conducted by public agencies.

SB 524 (Stern) of 2019 would have required that a skilled and trained workforce perform the work for energy efficiency projects of \$50,000 or more in ratepayer-funded incentives within the same building, facility or complex. Died on the Assembly inactive file.

SB 693 (Hueso), Chapter 774, Statutes of 2016, consolidated the “skilled and trained workforce” requirements of various provisions of existing law related to alternative construction delivery methods and defined the terms of those requirements.

SB 785 (Wolk), Chapter 931, Statutes of 2014, enacted more uniform provisions authorizing the Department of General Services, the Department of Corrections and Rehabilitation, and most local agencies to utilize the design-build procurement process for specified public works projects; prohibited a design-build entity from being prequalified or shortlisted unless the entity provides an enforceable commitment that the entity and its subcontractors at every tier will use a skilled and trained workforce, as specified.

SB 54 (Hancock), Chapter 795, Statutes of 2013, introduced the skilled and trained workforce requirement and applied it to construction and related work performed at specified petroleum refineries and petrochemical manufacturing facilities.

REGISTERED SUPPORT / OPPOSITION:

Support

California-Nevada Conference of Operating Engineers (Sponsor)
California Federation of Labor Unions, AFL-CIO
California State Association of Electrical Workers
California State Pipe Trades Council
Comite Civico Del Valle, INC
District Council of Iron Workers of the State of California and Vicinity
Southern California Contractors Association
State Building & Construction Trades Council of California
Western States Council Sheet Metal, Air, Rail and Transportation

Opposition

None on file.

Analysis Prepared by: Erin Hickey / L. & E. /