
**SB 150 Stakeholder
Workshops Update &
Recommendations:
Report to the Governor
and Legislature**

April 2, 2024



SB 150 Stakeholder Workshops Update & Recommendations: Report to the Governor and Legislature

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Background

Through unprecedented state investments, as well as funding from the federal Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA), California will invest up to \$180 billion over the next decade in new climate-forward infrastructure. These investments are anticipated to create 400,000 jobs while helping meet the state's climate goals. In May 2023 Governor Newsom issued Executive Order N-8-23 and announced his priorities for how the state would approach these significant investments. The approach includes streamlining permitting, cutting red tape, and allowing state agencies to use new types of contracts, all with the goal to maximize taxpayer dollars, obtain federal funding, and accelerate timelines of projects throughout the state, while ensuring appropriate environmental review and community engagement.

The Executive Order also launched an all-of-government approach, known as the Infrastructure Strike Team (IST), to maximize federal investments and deliver benefits to all California communities, especially those that have historically borne disproportionate burdens of development projects. The IST is inclusive of the following agencies and many of the departments within:

- Governor's Office of Planning & Research (OPR)
- State Transportation Agency (CalSTA)
- Natural Resources Agency (CNRA)
- Department of Food and Agriculture (CDFA)
- Business, Consumer Services, and Housing Agency (BCSH)
- Public Utilities Commission (PUC)
- Environmental Protection Agency (CalEPA)
- Department of Finance (DOF)
- Labor & Workforce Development Agency (LWDA)
- Governor's Office of Business & Economic Development (GO-Biz)
- Government Operations Agency (GovOps)
- Governor's Tribal Affairs Secretary

The IST is comprised of eight working groups including broadband, environmental restoration, water, energy, hydrogen, zero-emission vehicles, semiconductors, and transportation. Each working group is led by subject matter experts, and includes representation from relevant agencies and departments, collaborating to advance projects with a core focus on equity and climate.

In addition, the IST established an Equity Bridge Working Group including representation across all involved agencies that are focused on exploring new ways to increase community engagement, tribal partnerships, broader and more equitable contracting opportunities, quality jobs, and project specific benefits into federal investments.

California is committed to building a brighter future for all regions and communities. These means these historic Infrastructure investments both benefit all Californians and benefit those communities historically disadvantaged by pollution, discrimination, and/or lack of services. Over the last decade, California led the way in building for all through an approach known as "Justice 40", where at least 40% of project

benefits flow to those historically disadvantaged communities.

In July 2023, Governor Newsom signed into law a slate of bills aligned with his priorities to accelerate critical infrastructure projects and take full advantage of the unprecedented infrastructure funds over the next ten years. A key proposal in this package was Senate Bill 150 (Durazo, Chapter 61, Statutes of 2023). SB 150 directed LWDA, CalSTA, and GovOps to develop “recommendations to establish material terms to be included as a material part of a contract”. Specifically, these recommendations are required to focus on supporting quality job creation and training pipelines as benefits of the investments from the federal Infrastructure and Investment Jobs Act, the Inflation Reduction Act, and the CHIPS and Science Act. The bill requires LWDA, CalSTA, and GovOps, to convene relevant stakeholders to provide input on recommendations. Specifically, SB 150 requires the lead agencies to do the following:

- Convene stakeholders to provide input on recommendations. The bill defines stakeholders as “representatives from local public agencies, labor organizations that represent workers in manufacturing, business organizations, nonprofit organizations that represent women in the construction industry, organizations representing the formerly incarcerated, and organizations that represent populations historically marginalized in the California economy;”
- Meet with stakeholders no less than three times during the process of developing recommendations; and
- Consult with the Civil Rights Department (CRD), other relevant state agencies, and a research or academic institution for the University of California for purposes of developing recommendations.

The bill further specified that a report outlining recommendations should be submitted to the Governor and Legislature by no later than March 30, 2024, after presenting the recommendations to the California Workforce Development Board.

Approach

The three lead agencies convened to discuss the variety of federal programs, current state labor and workforce requirements, and new federal program requirements. The federal investments represent a once-in-a-generation opportunity, and a critical focus of the Biden-Harris Administration has been on delivering transformative benefits to American families, workers, businesses, and communities. The Biden-Harris Administration has established significant guidance through Executive Orders and directives. This guidance is being applied by federal agencies as they prepare to issue solicitations, which often include specific notices on how existing and new standards will be applied. One key challenge identified early in the state agency conversation was how federal policies were being announced on a rolling basis and a need to keep flexibility as the state determined where and when to apply for funding.

In addition to CRD, as identified in statute, LWDA, GovOps, and CalSTA identified key state agencies to include in the stakeholder engagement – the California Natural Resources Agency, Governor’s Office of Business and Economic Development, Department of General Services, Department of Transportation, and California Energy

Commission. These partners presented on key programs that they are working to execute on, in partnership with the federal government.

The state also retained Andrew Chang & Company to help design and facilitate a series of stakeholder meetings during the months of December 2023 and January 2024. After conducting targeted stakeholder interviews from October through November 2023 to gather a general sense of key issues and to help organize stakeholder discussions, five stakeholder workshops were scheduled and conducted. Workshops 1 – 3 were organized around the topics of Manufacturing, Construction, and Energy and they were conducted virtually. The sessions were organized by industry because it was believed that stakeholders, issues, lead agencies, laws, regulations, and practices surrounding them differed by industry.

Prior to conducting Workshops 1-3, participants were surveyed and asked to provide information regarding key issues they identified as most important for the state to address and what procurement practices and terms they recommend to better achieving the goals of SB 150. It should be noted that the survey was not intended to be a gauge of the most important or effective means of framing and addressing issues, but rather it was intended to help structure and prioritize the discussion among meeting participants. The results of each survey are included in meeting information presentations in the appendices of this report.

The workshops were all available virtually to optimize attendance. Workshops 4 and 5 included state representatives providing information to attendees on existing practices, in response to the feedback received. These workshops had the option of in-person attendance to facilitate dialogue and exchanges of ideas. Table B-1 summarizes the workshops and schedule:

Table B-1
Stakeholder Forums

Workshop	Date	Time	Channels
Manufacturing	December 20, 2023	2:00 – 4:00 PM	Virtual
Construction	December 21, 2023	1:00 – 3:00 PM	Virtual
Energy	January 4, 2024	11:00 – 1:00 PM	Virtual
Recommendations & Next Steps (Session 1)	January 5, 2024	11:00 – 1:00 PM	In-Person & Virtual
Recommendations & Next Steps (Session 2)	January 25, 2024	1:00 – 3:00 PM	In-Person & Virtual

All interested parties were welcome to attend all stakeholder workshops. The list of invited stakeholders was provided by the lead agencies and included but was not limited to labor organizations, private construction contractors, California Native American Tribes, research and academic institutions, business organizations, community-based organizations, and local governments. Each session was well attended with

approximately 60 to 90 individuals participating in each stakeholder session.

Summary of Stakeholder Feedback

Though organizing discussions pertaining to each industry helped to focus issues, the workgroup found that many issues were crosscutting. Stakeholders provided comments during the sessions and through written feedback. The following reflects the comments as received, and does not incorporate any administrative, legal, or budget constraints.

Stakeholder Feedback	
Apprenticeships	California should note the Apprenticeship Equal Opportunity Statutes (AB 2358, 2019) in the SB 150 report.
	Require skilled and trained workforce, use joint labor-management apprenticeships, require applicants to develop and invest in High Road Training Partnerships, and partner with unions to develop high-quality training.
	Require development of a community benefit plan that incorporates clear standards for job quality, equitable hiring, high-quality training, and community engagement, require signed Community Benefits Agreements (CBA) with community and labor partners, or partnerships with unions and community for eligibility.
	The best of all worlds is inclusion of all Workers, Union, and Non-union Contractors, include all State-Approved Apprentices. Ensure that Project Labor Agreements are fair and inclusive of all contractors. Union and non-union contractors must be treated equally under these Project Labor Agreements. Local non-union contractors must be allowed to use all their workforce, which is not allowed on most Project Labor Agreements.
Stakeholder Feedback	
High-Quality Jobs and the High-Road Approach	The state needs to take action to incentivize companies to sign meaningful CBAs with labor organizations and communities.
	California can utilize a very simple good jobs and equity incentive program for all applicants for infrastructure and clean technology contracts and grants. Many state and local agencies across the country have used an inclusive procurement tool called the U.S. Employment Plan (USEP) to maximize the benefits of public procurements for workers and communities.
	The state has the responsibility to ensure such financial support offered to businesses to incentivize manufacturing and for procurement provides for the creation of durable, high-quality jobs, labor standards, workers' rights, career pathways, and community benefits.
	Include requirements or incentives for prevailing, living or industry-specific wages well above minimum wage, health and retirement

	benefits, proper classification of workers, and permanent full-time job creation.
	Create incentives where applicable for labor peace agreements, Project Labor Agreements or other pre-hire collective bargaining agreements, and require commitments to allow workers to freely and fairly join or form unions. Encourage companies to partner with unions through Community Benefits Agreements.
	California has strong workforce standards in public works construction and utility-scale energy construction investments that should be protected and expanded.
	There is a need for greater interagency collaboration and capacity to design and administer workforce standards, specifically in the non-construction sectors.
	There is a need for greater interagency collaboration and capacity to design and administer workforce standards, specifically in the non-construction sectors.
	California can draw on existing models to design job quality and equity standards for public procurement in non-construction standards. Identify funding streams within BIL, IRA, and CHIPS over which the state of California has proprietary legal authority to enact additional workforce standards above and beyond those specified in Federal RFP language, contract terms, and enforcement criteria. These will include discretionary and formula programs. Notable examples of such programs will likely include formula grants to construction programs upon which the state may enact stronger standards such as Project Labor Agreements or Community Workforce Agreements at a smaller scale of investment (e.g. \$10 million instead of \$50 million). Another notable program will be the Greenhouse Gas Reduction Fund (via US EPA).
	Develop legal rationale and possible workarounds to federal policy supremacy (e.g. enacting standards on broader state programs, not only on federal dollars).
	Estimate job creation potential of programs over which the state has proprietary legal authority (as noted above), especially in manufacturing, operations, and service capacities, and note priority investments that could generate significant job gains for Californians.
Stakeholder Feedback	
In and Out-of-State Concerns	There is a lot more that the State could be doing to have technology-based improvements stay in California, especially when they start doing manufacturing. Provide support for disenfranchised communities in manufacturing.
	The State should prioritize California companies so that jobs are created in California that prioritize investing in disenfranchised communities.

	The State should double down through Community Benefits Agreements and push companies to come to California.
Stakeholder Feedback	
Marginalized and Disadvantaged Communities	California should adopt definitions aligned with AB 1550 (Gomez, 2016) and SB 535 (De León, 2012), which identify disadvantaged communities via socioeconomic (including income, unemployment rates, homeownership levels, rent burden, and education levels) and factors using census tract data and the Office of Environmental Health Hazard Assessment's CalEnviroScreen mapping tool.
	As appropriate and allowed by law, race and gender should be considered when identifying which groups have been historically marginalized within the construction, manufacturing, and energy sectors.
	California should note the following texts and practices in the SB 150 report: <ul style="list-style-type: none"> • Construction Industry Discrimination and Harassment Prevention bill (SB 530, 2019). • Legislative Report from the Labor Commissioner (2021). • Recommendations for an industry-specific harassment and discrimination prevention policy and training standards for use by employers in the construction industry. • The establishment of the Women in Construction Priority Unit that provides for the current ERiCA Grant funding.
	Require targeted and local hiring policies for disadvantaged and marginalized workers, retention goals to foster careers and prevent turnover. Include rewards for incumbent companies that retain workers in good jobs rather than just awarding new job creation.
Stakeholder Feedback	
Monitoring & Enforcement	The required language must enumerate potential consequences for offenders on the jobsite and consequences for contractors who fail to maintain and enforce a Respectful Worksite Policy on their federally funded projects [See item 5 in Standards section].
	Critical to the efficacy of this effort is to include clear policy enumerating consequences for contractor non-compliance. Contracts that include federal funding should include the language that requires compliance with all applicable federal, state, and local laws, ordinances, executive orders, and regulations that prohibit discrimination. Along with making violations a material breach of contract with remedies from damages, suspension, cancellation, and penalties.
	The State of California should affirm its commitment to a Respectful Worksite on all its projects funded in whole or in part with federal funds. The term "Project owner" refers to the state or any subsidiary that delivers the project. As such, the following responsibilities and commitments should be included on these projects: <ul style="list-style-type: none"> ▪ The project owner is committed to maintaining a respectful,

	<p>productive, inclusive, and equitable worksite.</p> <ul style="list-style-type: none"> ▪ The project owner expects that all Contractors and their officers, employees, agents, or subcontractors of all tiers will act with fairness, civility, integrity, and treat all employees equitably. ▪ Discrimination, harassment, retaliation, and other inappropriate conduct that undermines the integrity of the employment relationship are prohibited. ▪ The project owner will investigate all complaints of conduct inconsistent with these expectations, regardless of whether the conduct rises to the level of unlawful discrimination, harassment, or retaliation. ▪ Substantiated complaints will result in prompt, corrective action, up to and including termination of the employee from the Worksite and or cancellation of the contract or subcontract for default at no cost to the project owner, and any other remedy allowed by law. ▪ The project owner prohibits discrimination or harassment related to a person’s race, color, sex, age, creed, disability, marital status, national origin, religion, pregnancy, gender, gender identity or expression, genetic information, sexual orientation, veteran or military status, use of a service animal, and any other status protected by federal, state, and local law. ▪ The project owner prohibits retaliation of any kind against employees, who in good faith, report harassment, discrimination, or retaliation, or assist in the investigation of such complaints.
	<p>Require that labor standards are given weight in scoring for procurement or subsidy awards and included in signed contracts, use policy tools like the US Employment Plan to outline commitments to labor standards, require data submission and transparency of data for tracking and compliance, and build in enforcement mechanisms if stated goals aren’t met.</p>
<p>Stakeholder Feedback</p>	
<p>Standards</p>	<p>The SB 150 report should not limit the use of labor standards to just federal procurement and contracting. Every public dollar spent in California should have guardrails to make sure it creates good union jobs with community benefits.</p> <p>California should adopt the OMB Guidelines on all state funding once formalized.</p> <p>California should adopt the “best practices” from the models already associated with the IJJA, IRA, and CHIPS Act as part of the SB 150 report and as immediate standards to require on state funds.</p> <p>California should incorporate policies that incentivize or require Community Benefits Agreements by applicants for grants, loans, or</p>

	<p>subsidies.</p> <p>The SB 150 report to the Legislature regarding Labor Standards for Inclusion in Labor Standards for Federally Funded Projects should include Respectful Worksite Standards fortified with clear project owner and contractor responsibilities for compliance and enforcement. The required language must enumerate potential consequences for offenders on the job site and consequences for contractors who fail to maintain and enforce a Respectful Worksite Policy on their federally funded projects.</p> <ul style="list-style-type: none"> ▪ Acting promptly and appropriately to prevent discrimination, harassment, retaliation, or inappropriate conduct in the workplace. ▪ Reporting any incident of discrimination, harassment, retaliation, or inappropriate conduct that they witness or is otherwise brought to the attention of the Contractor; and, ▪ Receiving and handling allegations of discrimination, harassment, retaliation, or inappropriate conduct promptly and appropriately. <p>Define a toolkit or set of workforce standards established in the labor policy literature and in California state statutes that may act as a guide to policymakers in understanding how workforce standards function in procurement, incentives, grants, loans, and other financing instruments.</p> <p>Recommend a clear process for the legislature and state agencies to partner with labor regulatory agencies (LWDA and DIR/CWDB) to establish workforce standards on targeted and prioritized investments, and to create administrative capacity long-term to administer workforce standards on investments beyond BIL, CHIPS, and IRA. This should include best practices such as clear goals for workforce standards (i.e. job quality, equity/access, worker voice, California jobs); definite timelines for adoption of workforce standards; and inclusive, democratic, and transparent governance of workforce standards-making policy process.</p> <p>Set a clear goal for 2024 for both the legislature and administering agencies to begin workforce standards-making processes with definite timelines and clear, equitable, and accountable processes.</p> <p>From a process perspective, set up a review and final sign off subcommittee for preparation of the report that includes labor, community, environmental and workforce stakeholders with at least a plurality of labor participants, a majority of labor and grassroots (non-management) community-based organization participants, environmental group participants (environmental justice and environmental), and workforce organizations.</p>
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Additional Stakeholder Feedback	
California Workforce Development Board Meeting	On March 27, 2024, the interagency team presented the recommendations included in this report to the California Workforce Development Board (CWDB). The board provided substantive feedback including a desire to continue working with the Administration to inform implementation and future efforts. Additionally, the CWDB meeting provided an opportunity for public comment. Comments were provided by approximately 25 participants. Many public comments were consistent with the feedback summarized from the five stakeholder meetings – highlighting the desire for labor standards that prioritize inclusion of workers from disadvantaged communities, the benefits of union representation, and a call for investments to benefit communities that have been historically left out. A recording of the hearing as well as meeting minutes will be available at www.cwdb.ca.gov .

Highlights of Current State Efforts

The Biden-Harris Administration is including both investments into workforce development, and criteria to promote quality job creation in each of the federal infrastructure bills, the IIJA, IRA, and the CHIPS and Science Act. These investments include specific programming, as well as making workforce training an eligible use of project specific funds. The goal of these funds is to provide workers in underserved communities with the skills and training to access newly created high-quality, unionized jobs in growing sectors.

Construction & Transportation

To address the immediate and long-term need for a skilled workforce capable of building and maintaining the state’s transportation infrastructure, the Road Repair and Accountability Act of 2017 (Senate Bill 1, or SB 1) authorized the California Workforce Development Board (CWDB) to establish guidelines for agencies “to participate in, invest in, or partner with, new or existing pre-apprenticeship training programs.”¹ To complement this effort, and comply with the requirements outlined in SB 150, Caltrans is setting aside \$50 million in federal IIJA funds to collaborate with the CWDB to make training available for up to 2,000 individuals with barriers to employment.

IIJA includes 72 federal funding programs that are eligible for workforce development funding, 25 of which are allocated towards the United States Department of Transportation (USDOT).² Many of these federal programs have specific evaluation

¹ SB1 Workforce Guidelines, High Road Construction Careers https://cwdb.ca.gov/wp-content/uploads/sites/43/2019/09/SB1-Guidelines_UPDATED-BRANDING_ACCESSIBLE.pdf
² <https://www.nga.org/iija-implementation-resources>

criterion and labor standard requirements for both formula and discretionary funding. Below is an example of a project that Caltrans applied for and was awarded federal funding eligible for workforce development investments.

Otay Mesa East Port of Entry: Caltrans and the San Diego Association of Governments (SANDAG) were awarded \$150 million in Nationally Significant Multimodal Freight & Highway Projects program (INFRA) funding for the Otay Mesa East Port of Entry Project. The INFRA program awards projects that support the creation of good-paying jobs, workforce opportunities for historically underrepresented groups, and the incorporation of strong labor standards and workforce programs; in particular, registered apprenticeships, labor management partnerships and Local Hire agreements, in project planning stages and program delivery. The INFRA program is workforce funding eligible and includes specific criteria as part of its solicitation.³

The Project fits within an equity policy framework, including a Community Benefits Agreement, Workforce Opportunities for Rising Careers Program, and Pre-Apprenticeship Program aimed to provide opportunities to disadvantaged businesses (as defined in 49 CFR Part 26) and workers. Over 9,700 job-years will be generated during the construction period (including construction of State Route 11). Nearly 22% of them will occur in industries for which the annual compensation is above the average for all sectors of the economy, estimated at \$65,500 in San Diego County in 2021 (using 2019 data from the United States Bureau of Labor Statistics). The Project will be a catalyst for growth and jobs in census tract 100.15, a Historically Disadvantaged Community (HDC)⁴. Jobs created by cross-border partnerships are not just manufacturing, trucking, and warehousing, but in design, international sales, technical specialties, communications, legal, management, and even hospitality.

Below is an example of an IJA funded project that Caltrans applied for and was awarded that is not focused on direct job creation or public works. This project nonetheless showcases an important effort that will inform future public works using an equity lens and community-engaged process.

Vision 980 Study Phase 2 – Feasibility Study: Vision 980 is a project under the partnership of Caltrans and the City of Oakland. Caltrans and the City of Oakland were awarded \$680,000 in Reconnecting Communities Pilot (RCP) Program grant funding. This program funds projects that will support the creation of good-paying jobs with the free and fair choice to join a union and the incorporation of strong labor standards and training and placement programs, especially registered apprenticeships, in project planning stages.

³ Federal Register :: Notice of Funding Opportunity for the Department of Transportation's Multimodal Project Discretionary Grant Opportunity <https://www.federalregister.gov/documents/2022/03/25/2022-06350/notice-of-funding-opportunity-for-the-department-of-transportations-multimodal-project-discretionary>

⁴ Disadvantaged and Historically Underserved Communities means concentrated areas of poverty, areas of high segregation and poverty, areas of low to moderate access to opportunity (e.g., TCAC/HCD Opportunity Area Maps), Communities of Concern, Disadvantaged Communities, and Low-Income Communities (Maps) pursuant to Senate Bill 535 (De León, Chapter 830, Statutes of 2012) and Assembly Bill 1550 (Gomez, Chapter 369, Statutes of 2016), areas of high housing cost burdens, areas with high vulnerability of displacement, areas related to Tribal Entities and other areas experiencing disproportionate impacts of California's housing and climate crisis. [https://www.lawinsider.com/dictionary/disadvantaged-and-historically-underserved-communities#:~:text=Disadvantaged%20and%20Historically%20Underserved%20Communities%20means%20concentrated%20areas%20of%20poverty,Income%20Communities%20\(Maps\)%20pursuant%20t](https://www.lawinsider.com/dictionary/disadvantaged-and-historically-underserved-communities#:~:text=Disadvantaged%20and%20Historically%20Underserved%20Communities%20means%20concentrated%20areas%20of%20poverty,Income%20Communities%20(Maps)%20pursuant%20t)

The RCP Program is not workforce funding-eligible and does not include specific criteria as part of its solicitation.

The Project will perform a feasibility analysis to reconnect communities currently divided by the I-980 corridor in Oakland, which separates West Oakland residents from Downtown Oakland's jobs, services, and retail/entertainment uses. The Study will aim for safer travel and improved connections from West Oakland to Downtown to access jobs, services, and shopping through infrastructure and transit improvements. There are five census tracts within, and two census tracts at, the boundary of the Corridor that are HDC's. The Project offers an opportunity to transform land use that could provide jobs and economic opportunity for residents of West Oakland, decreasing the disparities in access to entrepreneurship resources by providing support to small locally owned businesses and businesses owned by people most harmed by racial disparities.

Vision 980 Study outreach and engagement opportunities will include stakeholder advisory committee meetings, presentations to community groups, in-person and virtual workshops, mobile workshops at key destinations along the corridor, online/paper surveys, and translation of materials into relevant languages.

Clean Energy & Zero Emission Vehicles

Community Energy Reliability and Resilience Investment (CERRI) Program

This program is funded by the Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law section 40101(d) and will invest approximately \$170 million in projects across California that increase community energy resilience and reliability, advance state energy and climate goals, improve energy justice and equity, and create good-paying jobs. A primary objective of the program is to foster the creation of high-quality jobs with robust labor standards within the energy sector. The CERRI Program prioritizes attracting, training, and retaining a skilled workforce, particularly from disadvantaged, tribal, and low-income communities. The workforce development objectives of the CERRI Program are outlined below.

A core priority for the CERRI Program is to generate high-quality jobs within the energy industry. Applicants are required to demonstrate how their projects will result in the creation of employment opportunities that offer competitive wages, comprehensive benefits, and long-term career prospects. Emphasis is placed on adhering to strong labor standards and protections to ensure that workers are treated fairly and equitably through opportunities such as the free and fair choice to join a union.

CERRI-funded projects are expected to invest in workforce training and skill development programs that equip individuals with the necessary expertise to succeed in the energy sector. Applicants must outline their proposed strategies for attracting, training, and retaining a skilled workforce, with a focus on priority communities such as disadvantaged, tribal, and low-income populations. Training initiatives may include registered apprenticeships, joint labor management programs, or partnerships with accredited training providers.

The CERRI Program also prioritizes diversity and Inclusion within the energy workforce. Applicants are encouraged to implement proactive measures to recruit and retain individuals from underrepresented groups, including women, minorities, individuals with disabilities, and veterans. Recipients are required to report workforce demographics, including gender, race, ethnicity, disability, and veteran status, to ensure accountability and transparency in hiring practices.

Collaboration is fundamental to the success of the CERRI Program's workforce development objectives. Recipients are required to form partnerships with local community-based organizations, and are encouraged to work with educational institutions, labor unions, and industry stakeholders to leverage resources, expertise, and networks. By fostering collaboration, CERRI-funded projects aim to maximize their impact on workforce development and create meaningful opportunities for community engagement and empowerment.

Grant recipients that do not meet their proposed workforce development metrics will face stop work orders to correct the issues and may have funds revoked if they are unable to resolve. This incentivizes adherence to the program's workforce development objectives and ensures accountability in achieving the outlined goals.

The CERRI Program also aligns with Executive Order N-79-20 issued by Governor Newsom, which emphasizes the importance of labor and workforce considerations in California's transition to a clean energy future. CERRI-funded projects will align with the Justice40 initiative established under President Biden's Executive Order 14008, Section 223. This helps to ensure equitable distribution of federal funding for clean energy investments, including training and workforce development, particularly in disadvantaged and low-income communities.

The CERRI Program represents a significant opportunity to advance workforce development goals within the energy sector. By prioritizing the creation of high-quality jobs, investing in training and skill development, promoting diversity and inclusion, fostering partnership and collaboration, and implementing measures for accountability, CERRI-funded projects will help build a durable workforce that drives innovation, economic growth, and social equity in communities across California.

National Electric Vehicle Infrastructure (NEVI)

The Infrastructure Investment and Jobs Act (IIJA) authorizes hundreds of billions of dollars in new investments in various infrastructure categories, including electric vehicle infrastructure. EV charging infrastructure will receive significant new funding, with \$5 billion allocated to accelerate EV infrastructure deployment nationally under the National Electric Vehicle Infrastructure (NEVI) formula program. California's share of the formula funds are expected to be \$384 million, allocated over 5 years. The California Energy Commission (CEC) is collaborating with the California Department of Transportation (Caltrans) on charging infrastructure deployment and has entered into an agreement with Caltrans to implement and administer California's NEVI formula program.

NEVI is an initiative to create a coast-to-coast network of EV chargers focused on major highways supporting the majority of long-distance trips and support President Biden's goal of having at least 50% of vehicle sales as electric by 2030.

While California's NEVI program is expected to deploy thousands of new high-powered charging stations, it will also generate new jobs for constructing, operating, and maintaining EV charging stations. California's NEVI program adheres to AB 841 (Ting, 2020), meaning all EV charging infrastructure and equipment located on the customer side of the electrical meter shall be installed by a contractor with the appropriate license classification, as determined by the Contractors' State License Board. Additionally, at least one electrician on each crew, at any given time, must hold an Electric Vehicle Infrastructure Training Program Certification.

The CEC is developing a partnership with the California Employment Training Panel (ETP) to increase the number of EVITP-trained and certified electricians in the state. ETP offers skills training, including for industries like EV charger installation and maintenance, using a pay-for-performance approach that promotes quality job creation. ETP will use CEC funding to offer training for journey-level electricians and C-10 licensed electricians to become EVITP trained and certified. Outreach and engagement for this training will be conducted in rural communities, Justice40 communities, DACs, and LICs. CEC has been working with EVITP, technicians, and charger companies to understand charger technology advancements and workforce impacts since California's first annual NEVI Deployment Plan in 2022.

To further ensure diversity, licensure, and certification of electricians, the CEC is working with the California State Licensing Board, which approves C-10 licensees, the classification eligible for the installation of EV chargers and EVITP training. The State Licensing Board provides industry bulletins to C-10 licensed electricians regarding new developments, training, and business opportunities. The CEC, working with the State Licensing Board, will post periodic industry bulletins regarding the availability of EVITP training and certification for NEVI-related work.

Furthermore, California's NEVI program is subject to the 25% small business participation goal set forth in AB 2974 (Committee on Jobs, Economic Development, and the Economy, 2022). The NEVI program is also a Justice 40 covered program, and California's program requires that a minimum of 50% of the deployed chargers be physically located within a disadvantaged and/or low-income community.

Workforce Development

In each of the following examples, LWDA worked with state agencies to ensure investments included a focus on reaching disadvantaged workers in compliance with both federal requirements and state priorities.

Oil-well Capping Pilot

With recent increases in funding from the state and federal governments to cap oil and gas wells, the state identified the need to invest in training for individuals to access the

jobs created to do the work. The 2022 Budget included \$20 million, General Fund one-time for a high road training partnership led by CWDB in coordination with the California Department of Conservation, Geologic Energy Management Division (CalGem).

Approximately \$11 million in has been allocated and grant recipients have engaged with the Operating Engineers, and Laborers to design apprenticeship curriculum for new and transitioning workers.

The workforce development board supports all H RTP applicants in engaging with worker representatives, non-profit and community-based organizations, and local workforce development boards to ensure engagement with and support for workers from disadvantaged or underrepresented populations or communities.

Semi-conductor related Apprenticeships

The LWDA has worked with Department of Industrial Relations (DIR) Division of Apprenticeship Standards (DAS) to create four new semiconductor related programs that are DAS certified. Each of the four companies are collaborating with Foothill Community College, who is a recipient of a California Apprenticeship Initiative grant from the California Community College Chancellor's Office, and an applicant for the US Department of Labor Strengthening Community Colleges Training Grant. Both of these grants are intended to help build the capacity of community colleges to address identified equity gaps, meet the skill development needs of employers in in-demand industries, and develop career pathways that lead to quality jobs, particularly for individuals from historically underserved communities.

These semiconductor apprenticeships may be used as critical components of any potential federal CHIPS and Science grant applications from partner companies.

US Environmental Protection Agency Solar for All

LWDA partnered with CEC and CPUC to ensure the state application for the US EPA Solar For All grant included \$15 million for workforce training. If approved by the EPA, these funds would be administered by the Employment Development Department, in collaboration with the Employment Training Panel and the Foundation for California Community Colleges to work together with employers and labor.

This funding would also be used to provide technical assistance to applicants and awardees in developing accessible training programs, equitable recruitment strategies, and pathways to high-quality jobs and careers aligned with the evolution of the solar and storage sector.

Electrical Vehicle Infrastructure Training Program

The ETP is considering an Interagency Agreement with CEC to fund \$3 million in an Electrical Vehicle Infrastructure Training Program. The focus will be training state-certified electricians and on employers/trainees located in urban, disadvantaged, and low-income communities.

Recommendations

As mandated by statute, the following terms are being recommended "to be included as a material part of a contract, including measurable results to ensure that investments maximize benefits to marginalized and disadvantaged communities", specifically for federal infrastructure funds.

- **Update the state's Non-Discrimination Contract Clause.** Existing law and the state's general terms and conditions (included in all state goods and services contracts) requires contractors to certify that they are in compliance with the state's non-discrimination laws. This language is due for an update and the following possible changes reflect not only current law and regulations, but also stakeholder feedback related to equal opportunities for all workers.
 - o **NON-DISCRIMINATION CLAUSE:** During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision-making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate against or harass unlawfully any employee or applicant for employment because of any protected characteristic listed above ~~race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.~~ Contractor and its subcontractors shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.) and its implementing regulations (Cal. Code Regs., tit. 2, §11000 et seq.). This includes but is not limited to implementing a non-discrimination program that complies with Government Code section 12990, taking all reasonable steps necessary to prevent discrimination and harassment from occurring, taking immediate and appropriate action to correct known harassment, training employees on sexual harassment prevention, complying family and medical leave requirements, providing reasonable accommodations for disabilities, complying with limitations on consideration of an applicant's criminal history, and not retaliating against employees asserting their rights. Contractor and its subcontractors shall also comply with the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5) and its implementing regulations (Cal. Code Regs., tit. 2, §11000 et seq.), ~~and the regulations or standards adopted by the awarding state agency to implement such article.~~ Contractor and its subcontractors shall permit access by representatives of the Civil Rights Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no

case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.) Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

- **Increase project apprenticeship ratios.** Increase project apprenticeship ratios to drive demand for apprenticeship training, providing opportunities for individuals to gain valuable skills and experience in transportation-related trades. Requiring a statutory change, apprentice ratios (and exemptions) are set under Labor Code 1777.5. By expanding apprenticeship programs on transportation projects, this strategy enhances workforce development efforts and helps address skill shortages in key industries.
- **Add standard requirement for compliance with federal labor law.** Using the federal requirement⁵ as a model, it is recommended that the state add a requirement to existing General Terms and Conditions that state contractors and subcontractors are required to inform employees of their rights under the National Labor Relations Act (NLRA). The notice would inform employees of state contractors and subcontractors of their rights under the NLRA to organize and bargain collectively with their employers and to engage in other protected activity. Sample [notice](#)⁶.
- **Add standard requirement to address misclassification.** Using SB 674 (Durazo, Chapter 875, Statutes of 2022) as a model, the state will update the General Terms and Conditions to notify contractors and subcontractors fulfilling work on a state contract of the state's laws regarding misclassification and require contractors and subcontractors to certify that they shall not misclassify their workers as independent contractors.

In addition to the above recommendations on material terms, the following are policy focused recommendations to explore around the federal infrastructure funds.

- **Establish an MOU between LWDA and key State Agencies.** The coordinating efforts led by Governor Newsom's Infrastructure Strike Team have been essential in delivering key workforce funding with equity embedded. Additionally, the Governor recently announced the creation of a new state council focused on creating jobs and accelerating economic and workforce projects. The California Jobs First Council is co-chaired by Dee Dee Myers, Senior Advisor to Governor Newsom and Director of the Governor's Office of Business & Economic Development, and Stewart Knox, Secretary of Labor & Workforce Development. The Council will coordinate the development of a statewide industrial strategy that includes a statewide economic snapshot and identification of priority sectors,

⁵ <https://www.dol.gov/agencies/olms/poster/labor-rights-federal-contractors>

⁶ https://www.dol.gov/sites/dolgov/files/olms/regs/compliance/eo_posters/employeeightsposter1x17_2019final.pdf

a statewide projects portfolio, a business expansion, attraction, and retention strategy, and a workforce development strategy. Over the last year, LWDA's leadership has coordinated across the four workforce entities – CWDB, DIR/DAS, ETP and EDD/WSB – leading to new partnerships that are: helping fossil fuel workers gain new skill sets for ongoing work capping abandoned wells, supporting four new semiconductor apprenticeship programs, and setting aside new funding for clean energy job training in the state's application for the federal Environmental Protection Agency Solar For All program.

- An MOU established at the agency level would build on the shared priorities established in N-8-23 and the Jobs First Council. An MOU serves as a coordinating framework across agencies to ensure the shared vision and goals for job quality and economic development continue through the life of the significant federal investments through IIJA, IRA and CHIPS and Science Act. Additionally, this work will help agencies identify and partner on existing and new workforce development opportunities.
- **Prioritize new manufacturing apprenticeship programs.** Governor Newsom established an aspirational goal of serving 500,000 individuals in apprenticeship and earn-and-learn opportunities by 2029. Apprenticeships and earn-and-learn opportunities are a time-tested education and employment model that allows learners to earn money while they acquire valuable skills, experience, credentials, and professional networks. At the same time, earn and learn opportunities are an innovative way for employers to meet their acute talent needs, by partnering to develop that talent through apprenticeships. Apprenticeships provide a high-quality, structured pathway into a career, built on clear standards that lay out the requirements of an apprentice's job. This means that apprentices know what they need to learn, and employers map a pathway to success within their organizations. While apprenticeships provide career training outside of the typical classroom-based postsecondary experience, it can also be a college pathway in itself. In California, close connections between community colleges and the apprenticeship system mean apprenticeships are a jobs strategy as well as a postsecondary attainment strategy. California is a national leader in earn-and-learn opportunities because of innovative policies and generous investments by the Governor and Legislature.
 - Federal investments in infrastructure and industrial policy are supporting the creation of new manufacturing, and operations and maintenance jobs. In alignment with the Biden-Harris Administration, California can prioritize collaborating with industry partners and community colleges to establish new and increase the capacity of existing apprenticeship programs in the relevant sectors through programs such as the Apprenticeship Innovation Fund and the Opportunity Youth Apprenticeship Grant under the Division of Apprenticeship Standards at the Department of Industrial Relations, as well as the California Apprenticeship Initiative at the California Community College Chancellor's Office.

Finally, the following policy recommendations are specific to the transportation infrastructure related IIJA/BIL funds noted in SB 150, and not for other state projects or manufacturing or service contracts using state funds.

- **Shift Bidding Policies to “Best Value” or “Most Qualified”.** Further assess and research the potential impacts of shifting bidding policies from the traditional “lowest responsible bid” to “best value” or “most qualified” criteria, particularly for design-build, Construction Manager/General Contractor (CM/GC), or other Alternative Contracting Method (ACM) projects. By considering factors beyond cost, such as technical expertise, innovation, and past performance, this approach ensures that contracts are awarded to contractors who offer the greatest overall value. Additionally, incorporating elements that foster increased participation by small and historically underutilized firms into the definition of “best value” will promote equity and inclusion in the contracting process, leading to higher-quality project outcomes and improved long-term performance. This may require a change in legislation to implement.
- **Utilize Project-Specific Training Funding.** Implement policies that establish mechanisms within project budgets to dedicate funding specifically for workforce training and development initiatives, ensuring that resources are available to support the skill development and career advancement of workers involved in transportation projects. Examples include the partnership requirement mandated by SB 150 between the California Department of Transportation and the California Workforce Development Board to support construction careers, as well as the \$3 million that the California Energy Commission is partnering with the Employment Training Panel to support the Electric Vehicle Infrastructure Training Program.
- **Establish Local Hire Goals.** Research and evaluate potential changes within state contracting (may require regulatory or statutory changes) to prioritize hiring from specific geographic areas or communities facing economic challenges, thereby promoting local economic development and reducing unemployment rates in targeted areas. These policies would incorporate the use of targeted, local hire goals, particularly targeting disadvantaged workers and economically disadvantaged areas such as federal Opportunity Zones.
- **Incentivize Contractors to Hire Disadvantaged Workers.** Explore incentives for contractors who agree to hire disadvantaged workers, leveraging existing regulations such as 23 CFR Part 230 and Public Contract Code section 10115. These incentives could include non-monetary benefits such as recognition, expedited payment, or training support, as well as potential adjustments to contract terms or preferences in the bidding process to encourage contractors to prioritize hiring from targeted worker populations, as appropriate and allowed by law.
- **Allocate Resources for Workforce and Contracting Participation.** Allocate additional resources to support workforce and contracting participation by targeted groups, including veterans, disadvantaged persons, and residents of economically disadvantaged areas. This could involve expanding funding for outreach and recruitment efforts, providing technical assistance and training programs, and implementing initiatives to remove barriers to participation for underrepresented groups.

- **Enhanced Monitoring and Compliance Measures.** Increase monitoring, compliance, and reporting efforts to ensure that contractors are meeting their commitments to hire targeted workers and engage with disadvantaged businesses. This involves implementing robust monitoring systems, conducting regular compliance audits, and holding contractors accountable for meeting workforce and contracting goals outlined in project agreements.
- **Improve Data Collection Methodologies and Reporting to Increase Accountability.** Modify existing data collection tools (software, processes, etc.) to increase and improve data collection and reporting on workforce participation demographics on capital construction projects. Additionally, developing a data collection and reporting strategy that results in a public-facing dashboard sharing project- and state-level workforce participation demographics will increase accountability and compliance with workforce standards, and drive efforts to increase equity and economic prosperity across California communities.
- **Implement Demonstration Projects and Small Business Set-Asides.** Implement demonstration projects and small business set-aside strategies under 49 CFR 26.39 to promote small business participation and increase opportunities for disadvantaged firms to compete for transportation contracts. By setting aside a portion of contracting opportunities for small, new, and limited contracting businesses, this strategy fosters diversity and competition in the marketplace, leading to a more inclusive and equitable procurement process.
- **Mitigate Risk for Prime Contractors to Utilize Diverse Firms.** Identify and implement strategies to mitigate risk for prime contractors to use more diverse firms or hire targeted workers, such as participating in mentor-protégé programs, waiving fees or penalties for issues caused by disadvantaged business enterprises (DBEs), and providing assistance with mobilization, bonding, and insurance requirements, as appropriate and allowed by law. These initiatives help prime contractors overcome barriers to working with diverse firms and encourage greater participation from underrepresented groups and persons (including minorities, women, disabled veterans, LGBTQIA firms) in transportation projects.

Next Steps

This once-in-a-generation opportunity for investment is creating countless opportunities for the federal, state, and local governments to review all of our existing processes, standards, and policies and to think outside of the norm when executing on these funds. Building on the State's existing strong standards, each of the agencies assigned as a member of the Governor's Infrastructure Strike Team, as well as those participating in the new MOU, will continue to identify opportunities to advance the State's goals of opportunity for all of our diverse communities, and our commitments to equity, inclusion, and accessibility.