



# BUILDING AMERICA

## THE MERIT SHOP SCORECARD

*A Review & Ranking of State Construction Environments*

### California

#### Project Labor Agreements

Prohibits general law local entities from banning government-mandated PLAs and prohibits the state from providing construction funding to charter cities that ban government-mandated PLAs. There is also a mandate that authorizes school districts to use job order contracting, but only if the district adopts a five-year PLA with a \$25,000 threshold for all district construction. In addition, there was recently implemented a skilled workforce mandate that requires a project to use workers from a state-approved apprenticeship program, unless the job is bid with a PLA. There is also legislation in place (SB 922), signed by Gov. Jerry Brown, that takes away funding from localities that have enacted government neutrality related to project labor agreements.

#### Prevailing Wage

Yes; \$1,000. Prevailing wages are not required to be paid for any public works project of \$25,000 or less when the project is for construction work, or for any public works project of \$15,000 or less when the project is for alteration, demolition, repair, or maintenance work, if the awarding body elects to implement a labor compliance program approved by the Department of Industrial Relations. The public subsidy de minimis threshold is \$250,000 and 2% of the total project cost.

#### Right to Work

No.

#### Public-Private Partnerships

Statute authorizes the use of P3s on horizontal and vertical construction projects. Unsolicited bids are not allowed. CALTRANS and regional transportation authorities have considerable flexibility. For social infrastructure, only certain entities are authorized to establish P3s. Authority sunsets on Jan. 1, 2017.

#### Workforce Development Incentives

**OVERALL RANK** 50

Project Labor Agreements F

Prevailing Wage F

Right to Work F

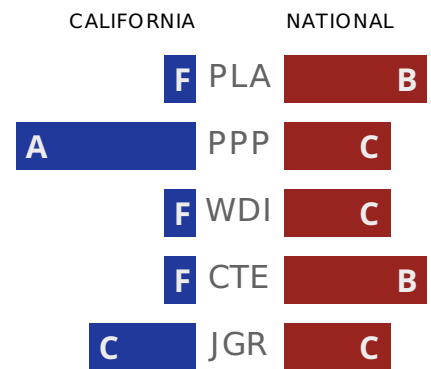
Public-Private Partnerships A

Workforce Development Incentives F

Career & Technical Education F

Job Growth Rate C

#### Compared to the National Average



Visit Our Local State Chapters

[ABC Northern California](#)

Employment Training Panel – Provides funding to employers to assist in upgrading the skills of their workers through training. Employers receive a cash reimbursement for training costs incurred and are set by a pre-determined two-year performance based contract. Contracts vary based on number of employees enrolled, hours of training, training material and employee wages. Eligible entities include single employers, groups of employers or trade associations.

- ABC Central California
- ABC Los Angeles-Ventura
- ABC Southern California
- ABC San Diego

## Career and Technical Education

93% of CTE high school graduates are placed in colleges or careers.

California does not recognize NCCER as an approved curriculum for CTE programs.

\*Note: The legislature in multiple sessions, through multiple legislative vehicles, has restricted pre-apprenticeship opportunities that include Workforce Innovation and Opportunity Act of 2014 (WIOA) funds to programs and services that follow the Multi-Craft Core Curriculum. The Multi-Craft Core Curriculum is the featured pre-apprenticeship curriculum of North America's Building Trades Unions, and is implemented by California's Department of Education for its pilot project with the California Partnership Academies and by the California Workforce Development Board and local boards. This bars other quality nationally recognized curriculum and training programs from receiving funding to train the future workforce. It creates a monopoly of funding for union only training programs.

## Job Growth Rate

4%.

## Industry Overview

Prompt Pay	<p><u>Private</u>: 30 days after receiving bill. 2% interest per month.</p> <p><u>Public</u>: 30 days after receiving bill. 10% interest per year.</p> <p><u>Subs</u>: Payment must be made to subs and from subs to lower tiers 7 days following payment, unless otherwise agreed.</p>
Immigration/E-Verify Mandate	<p>The Employment Acceleration Act of 2011 prohibits the state or a city, county, or special district from requiring an employer to use an electronic employment verification system, except when required by federal law or as a condition of receiving federal funds.</p>
Percentage of State GDP From Nonresidential Construction	3.4%.
Incidence Rate	4.3.

Occupational Safety & Health Oversight (State vs. Federal)	State plan covers private workplaces and state and local government workplaces.
Percentage of Union Membership in Private Construction	17.9%.
Marijuana Legalization Status	Fully legal for both medical and personal use.  On November 8, 2016, voters approved Proposition 64, which legalized recreational marijuana for those 21 years or older under state law and established certain sales and cultivation taxes. Beginning November 9, 2016, individuals could legally use and grow marijuana for personal use. Sale and taxation of recreational marijuana will go into effect January 1, 2018.

## Business Facts

Minimum Wage	\$10.50
Percentage of Pensions Funded	70%
Effective Real-Estate Tax Rate	0.77%
Corporate Income Tax Rate(s)	8.84%
State and Local Public Construction Expenditures (in millions)	3.3%