



# **SKILLED & TRAINED WORKFORCE**

P R E S E N T E D   B Y   L A B O R   M A N A G E M E N T   C O M P L I A N C E   C O U N C I L

# DISCLAIMER

The following presentation is intended only to summarize current laws and regulations pertaining to Skilled and Trained Workforce requirements ("STW"). Any opinion expressed is solely that of LMCC and is not necessarily the official position of the Department of Industrial Relations (DIR), its Director, or any other public entity. The information in this presentation is not intended as legal advice.



# BACKGROUND

Over the past several years, California has started to implement skilled and trained workforce requirements that mandate contractors working on specific contracts or projects to employ a certain percentage of graduates from a registered apprenticeship program (for those working in an apprenticeable occupation).



# WHAT IS A SKILLED & TRAINED WORKFORCE?

According to Public Contract Code §2601, a skilled and trained workforce can be defined as:

“ All workers performing work in an apprenticeable occupation in the building and construction trades are either skilled journeypersons or apprentices registered in an apprenticeship program approved by the chief. ”

**A Skilled Journey person is a worker who either:**

1. Graduated from a DAS approved apprenticeship program for the applicable occupation or a DOL approved apprenticeship program if outside California

**OR**

2. 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.





# GRADUATION PERCENTAGE REQUIREMENT

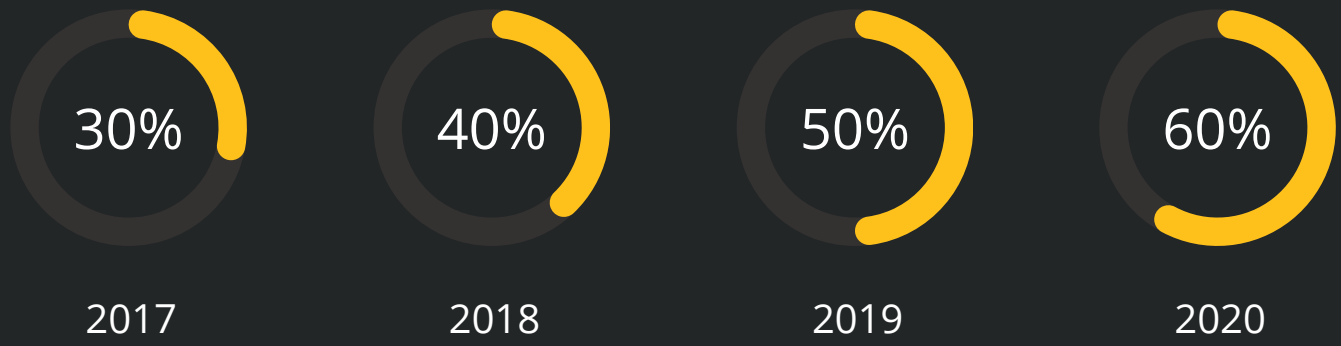
- 30 - 60% of all Skilled Journeypersons must be graduates of an apprenticeship program for the applicable occupation and must be employed by every contractor and each of its subcontractors at every tier.
- As you will see on the next slide, the graduation percentage requirement varies depending on the specific craft.

## Exceptions to this requirement:

- The graduation percentage requirement does not apply to a **contractor** or **subcontractor** if less than 10 hours of work were performed in a calendar month in a particular craft.
- A **subcontractor** does not need to meet the graduation percentage requirement if **both** of the following criteria is met:
  1. The subcontractor is not listed on the bid or was performing work as a substitute for a listed subcontractor.
  2. The subcontract does not exceed 0.5% of the price of the total contract.



# GRADUATION PERCENTAGE REQUIREMENT CONT.



The graduation requirement varies depending on each specific craft and does not apply to teamsters.

The following crafts have a fixed minimum graduation requirement of 30%.

- Acoustical installers, bricklayers, carpenters, cement masons, drywall installers or lathers, marble masons, finishers, or setters, modular furniture or systems installers, operating engineers, pile drivers, plasterers, roofers or water proofers, stone masons, surveyors, teamsters, terrazzo workers or finishers, and tile layers, setters, or finishers.

For all other apprenticeable occupations, the graduation percentage requirement increased by 10% annually, from 30% on January 1, 2017, to 60% on January 1, 2020.

There have been no further increases in the percentage requirement since 2020.



# CALCULATING THE GRADUATION PERCENTAGE

The graduation percentage requirement must be calculated on a monthly basis for the calendar month and can be met by counting either:



## Head Count

The percentage of Skilled Journeypersons employed by the contractor or subcontractor on a project.



## Hours worked by Trade

The number of hours of work performed by Skilled Journeypersons that are employed by either the contractor or subcontractor on a project.

**\*Only graduates count towards the 30-60% graduation percentage requirement.**





1.

Contractor and subcontractors will provide a compliance report to the public entity or awarding body on a monthly basis while the contract or project is being performed

2.

Submission and/or compliance with a Substantial Compliance Plan, if applicable.

# OTHER STW REQUIREMENTS FOR CONTRACTORS

When a contractor is required to provide an enforceable commitment that a Skilled & Trained Workforce will be used to complete a contract or project, the public entity or other awarding body and contractor must enter into an enforceable written agreement that states the contractor will comply with all of the requirements under Public Contract Code 2600-2603.

These requirements must be met regardless of whether the contractor is exempt from the graduation percentage requirement.



# PENALTIES

Violations of "STW" requirements are enforced by the Labor Commissioner. Contractors that fail to meet all "STW" requirements can be subject to penalties of up to \$5,000 per month of work performed. Penalties can increase to \$10,000 for subsequent violations within a 3 year period.

The Labor Commissioner can debar a contractor or subcontractor for up to 3 years if violations of "STW" requirements were made with the intent to defraud or if there have been 2 or more separate willful violations of "STW" requirements within a 3 year period.



For more information

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# THANK YOU

PRESENTED BY LABOR MANAGEMENT COMPLIANCE COUNCIL

