"Skilled and Trained" Workforce - The Definitive History

Eddie Sprecco, CEO

Don't skip this article - if you aren't already affected by "Skilled and Trained" Workforce (STW) requirements, you may be soon! Union, non-union, public and private.... If, in the last seven years you read one of our many Monday Morning Quarterback articles on this topic, and decided it wasn't your concern, a lot has changed....

Who could be against having skilled and trained workers on a construction site? The contractor and owner who employs a skilled and trained workforce is going to end up with a better project in the end. The problem is, the term "Skilled and Trained Workforce" has taken on a very particular meaning, and in practice, the policy is used as an anti-competitive cudgel for union vs. non-union and union vs. union battles, with no documented positive effect on project outcomes. The downside, however, is very real: a new law, now in effect, imposes fines starting at $5,000, and ratchet up to debarment for non-compliance. The costs of compliance, by agencies and contractors, is equally expensive.

STW in a Nut Shell
100% of your craft workers, at all tiers, must be "Skilled and Trained"
when your project is covered by this requirement. The breakdown of 100 carpenters on a job would look something like this:

- 30 journeypersons that graduated from a state-approved carpentry apprenticeship program.
- 55 journeypersons that have documented at least 4,800 hours on the job training in carpentry.
- 15 apprentices currently enrolled in a state-approved apprenticeship program.

Simple, right? Except that contractors, union and non-union, are finding it extremely difficult to comply, and the penalties for non-compliance just got much higher. Union contractors have little control over their workforce and cannot rely on journeyperson cards handed out by the unions as proof of meeting the training requirements. Non-union contractors have a harder time tracking past hours of experience if a craft worker did not work for them for their entire work history.

So, who is pushing these difficult/impossible requirements?

History

STW requirements were introduced in the California Legislature in 2012 and have been spreading ever since. The sponsor of the many bills is the State Building and Construction Trades Council made up of the Construction Unions of California. In much of the State, the only place to get workers trained in an apprenticeship program is through the Unions, since the Union-dominated California Apprenticeship Council (CAC) has blocked the formation of non-union or "Unilateral" programs for many years, and is hostile to the programs that were formed before the moratorium on such programs - including AGC San Diego Apprenticeship. The STW requirements are, therefore, widely seen as a tool for labor unions to gain a competitive advantage to help organize sectors of the industry that they are unable to capture without legislative help.

With the backing of labor unions, STW provisions are mandated through state law on a growing list of procurements, including:

- Design-Build Projects over $1 million at Local Agencies and K-12 School Districts
- Lease-Leaseback Projects at K-12 School Districts
- Construction Manager at Risk projects over $25 million at City of San Diego
- Construction Manager at Risk projects over $1 million at County of San Diego
- Best Value projects over $1 million at Los Angeles Unified School District
- Best Value projects over $1 million at various counties including San Diego, Riverside, San Bernardino and Los Angeles.
- All projects over $1 million at SANDAG, MTS, and NCTD.
- Certain Housing Development Approvals

The most striking entry on this list is the "Housing Developments," which are the proverbial "camel's nose under the tent." While the STW
requirements have been required on many public works already covered by prevailing wages, the push into private work is even more problematic. These requirements are piggybacked on to Subsidies for Affordable Housing or onto "Streamlining" of Approvals for More housing.

STW requirements have also been "copied and pasted" onto local projects at the request of the Building Trades, with the latest example being the $1.4 billion Phase 1 of Pure Water at the City of San Diego. As long as Building Trades Unions are united behind these provisions, there seems little slowing in the spread of STW - despite the enormous deadweight costs to local agencies, taxpayers, and anyone trying to make housing more affordable.

**Union Troubles**

As we have seen with past measures - including Measure A in 2016 - the Building Trades are not always on the same page when it comes to mandates such as Skilled and Trained Workforce and Project Labor Agreements. The main division comes from the fundamental differences between the many trade unions, including the specialization of each craft, how transitory their membership is, and the market conditions they face.

What has been known as the "Building Trades Council" both state and locally has been increasingly dominated by sub-trades, such as Electricians, Plumbers and Sheet Metal Workers. While these trades use the masthead "Building and Construction Trades Council" to sponsor the STW bill, the support list is revealing of whom is actually driving these efforts:

**Support List for Assembly Bill 3018 (Low-D) - Skilled and Trained Workforce (2018)**

Missing from the "Support" list are the core construction trades including: Carpenters, Operating Engineers, and Laborers. These "basic trades", while pushed to the sidelines on this legislative fight, represent the vast majority of hours worked under what has been traditionally called the "Building Trades."

The main difference between these two groups is that the "sub trades" are much less competitive than the "basic trades" and have to legislate their market share. The "sub trades" are also more specialized and individualized, meaning more classroom training is required. The
"basic trades", while also highly skilled, fare better under the traditional on-the-job training of apprentices in use since the middle ages, since they have more members to supervise the apprentices and work more in teams.

In short, the STW laws are most necessary for the "sub trades" who need to legislate market share, and much less difficult for them to comply with, since their training is more naturally classroom-based.

While the "basic trades" have been largely silent on the issue, the impacts are now being felt by those Unions and their signatory contractors. In recent instances, the STW language has been used to take work from one union and give it to another - going outside of the jurisdictional dispute process normally used. The STW language also troubles signatory contractors already burned by the end-run on collective bargaining that happens with Project Labor Agreements.

Most importantly, Union signatory contractors are realizing that they have no idea what percentage of journeypersons qualify as graduates or have enough hours - a union journeyman card isn't enough, since many did not go through a formal training program. Signatory contractors also have no way to compel compliance from the unions who are supplying the labor - though the contractor is on the hook for non-compliance.

The "PLA Carve Out" Myth
A common response from Union leadership when they are confronted with STW compliance problems is that there is a "Carve out" if the project is covered by a Union Project Labor Agreement (PLA). There are three problems with this explanation:

1. If there is a PLA "carve out," it isn't much help now; the STW requirement is real, and currently in effect, and most STW work does not have a PLA to point to for relief.
2. Union leadership touting a PLA "carve out" would send the message that STW was never about improving the workforce, but, as currently crafted, is so purposefully expensive and unworkable, that a PLA is an easier choice in comparison.
3. "PLA Carve Out" is simply a Myth. The legislative history of STW laws show that lawmakers always intended to have the provisions adopted by everyone it applies to, with one exception; existing PLA's as of the bill's adoption date - this is how the myth originated. In reality, new PLA's must incorporate the STW provisions, therefore providing no relief.

The Latest
On January 1, 2019, AB 3018 went into effect on STW with fines starting at $5,000 and quickly ratcheting up to debarment, with enforcement now headed by the California Department of Industrial Relations, and with third party enforcement always a reality. So, while these requirements have been on the books in some form since 2014, contractors and agencies are taking a hard look at how to comply - if possible. If not possible, agencies will cease using those delivery methods and/or receive fewer bidders.

AGC San Diego is continuing its efforts to help the industry comply
AGC's HR Practices Committee presents Training to Comply with SB 1343..."Preventing Sexual and Other Unlawful Harassment"

An employer's legal obligations to provide sexual harassment prevention training have expanded with the recent passage of SB 1343. Under this new law, **all employers with five or more employees** are required to provide at least 2-hours of preventing sexual and other unlawful harassment training to all supervisory employees by 1/01/20, and every two years thereafter. In addition, non-supervisory employees must be provided with a 1-hour training. Thereafter, all new employees must be trained within six months of hire/promotion.

To comply with the January 1, 2020 deadline, **all employees trained in 2018 must retrain in 2019 under the new law.**

Register those in your company who have not yet been trained, or are due to be retrained, for the class on **Thursday, April 25**, at the **AGC training facility located at 6212 Ferris Square, SD 92121**.

Class is from **9:00 a.m. to 11:15 a.m.**

**Attendees receive a SB 1343 Certificate of Completion & Seminar Handouts.**

This class will be presented by **Sandee Rugg**, SPHR, SPHR-CA, SHRM-SCP of **Walton Business Solutions**, LLC

**Sandee is a Senior Certified Professional in Human Resources who supports San Diego businesses as a human resources consultant. Additionally, she regularly conducts California required Sexual Harassment Prevention Training for owners and managers, as well as Respectful Workplace training for staff.**

[Click here](http://clickablelink) for the flyer.

[Click here](http://clickablelink) to register.

For questions, contact Rae Krushensky at [raek@agcsd.org](mailto:raek@agcsd.org)
Online Form

Please notify AGC if your company has relocated, or if there are any updates to your company's listing (i.e. contacts, phone/fax, job titles, CSI codes, & certified business listings).

Email Marcy Knopman

EVENTS

AGC/EGCC Golf Classic- June 7 at Maderas Golf Club

From the AGC 2019 Meetings & Events Committee

This is the first announcement for the AGC/EGCC Spring Golf Classic at Maderas Golf Club on June 7 (In support of the EGCA Scholarship Program.)

Our returning Title Sponsors have supported this tournament/fundraiser for many years now, and we thank them:

![RDO Equipment Co.](image1)

![Vulcan Materials Company](image2)

There are only 144 golf spots available, so sign-up now before they are gone.

CLICK HERE for the registration form and tournament details.

In addition to golf, there are many other sponsorships available, including the opportunity to set-up as an ON-COURSE EXHIBITOR. (Exhibitors can bring their own non-alcoholic beverages, snacks, prizes and giveaways.) Sign up now to become a sponsor! CLICK HERE for Sponsor Form with more information on contest sponsors, beverage sponsors, etc...!

This tournament raises funds for the EGCA scholarship programs at SDSU and the Diesel Technology Program at Palomar College. In addition, new scholarships are being added to the AGC Apprentice Program and the Miramar Diesel Technology Program this year.

Players will enjoy a fabulous lunch prepared onsite by Hodads, featuring their award winning hamburger & fries!! In addition, there
will be plenty of raffle prizes and a taco/tostada bar at the awards reception!! This is a great time to mix with all the players and sponsors.

If you have any questions regarding the tournament, please contact Rae Krushensky at raek@agcsd.org

AGC San Diego Spring Conference La Quinta Resort - First Rooms Sold...Adding New Rooms Now!

The AGC San Diego Chapter's Meetings and Events Committee invites members to our 50th Annual Spring Conference, May 9-11, 2019. The Spring Conference has traditionally followed the AGC Board of Directors Spring Retreat. Members are given the opportunity to spend time together in a relaxed setting at some of the most outstanding resorts in the Western United States.

This year, we are headed back to the La Quinta Resort & Spa, in La Quinta, CA, site of the 2012 AGC Spring Conference. Check out their website at: https://www.laquintaresort.com

Attendees can register by clicking on the Spring Conference Event Brochure here.

The "Spring Conference Package" includes hotel accommodations for 2 nights, all receptions, banquets, meals, hospitality suite, etc.

See also the "optional activities" listed in the same brochure. On Friday, we've arranged for a golf outing at the Desert Willow Golf Course, and we're going to have our first ever Pickleball Tournament (a fun sport that combines many elements of tennis, badminton, and ping-pong). It's sure to be a lot of fun!

The schedule includes:
- **Thursday:** AGC Opening Night Dinner Reception & Cocktail Party
- **Thursday:** Hospitality Suite
- **Friday:** Breakfast Business Meeting
- **Friday:** Golf at the Desert Willow Golf Club
- **Friday:** Pickleball Tournament
- **Friday:** Dinner Banquet
- **Friday:** Hospitality Suite

The deadline to register is March 29.

Sponsorships are needed to help host the Welcome Reception, Saturday Dinner Banquet, and the AGC Hospitality Suite.

Click on the brochure link above and send to raek@agcsd.org.

Please contact Rae Krushensky with any questions.

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**COMMITTEE MEETINGS**

Meetings are held at the AGC office (6212 Ferris Square, San Diego, CA 92121) unless otherwise noted in red.

### March Meetings

- **Mar. 21** 11:30 a.m.  |  HR Practices  
- **Mar. 22** 7:30 a.m.  |  Caltrans @ Caltrans Office  
- **Mar. 27** 7:00 a.m.  |  Public Building

### April Meetings

- **Apr. 3** 7:00 a.m.  |  Safety Meeting  
- **Apr. 8** 11:45 a.m.  |  San Diego Port @ Port Offices  
- **Apr. 16** 1:00 p.m.  |  Water Authority Meeting  
- **Apr. 16** 12:00 p.m.  |  Meetings & Events  
- **Apr. 17** 10:00 a.m.  |  Government Relations  
- **Apr. 18** 11:30 a.m.  |  Specialty Contractors' Council  
- **Apr. 26** 12:00 p.m.  |  Technology Committee  
- **Apr. 30** 1:00 p.m.  |  City of San Diego

Get involved in the AGC by serving on one or more AGC committees.

“You get out what you put in.”
CLASSES

March Classes
Mar. 18-20  Fall Protection 24-Hour
Mar. 19     Advanced Microsoft PowerPoint (Offsite)
Mar. 20     Respiratory Protection Training
Mar. 20     Traffic Control Technician
Mar. 25-28  BIM
Mar. 25     Fall Protection 8-Hour Refresher Course
Mar. 26     Advanced Microsoft Excel (Offsite)
Mar. 27     CPR, First Aid & AED Training
Mar. 27     Project Management Boot Camp
Mar. 27     Silica Standard for Construction CPT
Mar. 29     BIM EXAM

April Classes
Apr. 1-3    Lean Construction
Apr. 2      Beginning Microsoft Powerpoint (Offsite)
Apr. 2      Stormwater Monthly Breakfast Forum
Apr. 3      Const. Correspondence & Business Writing
Apr. 4      EM 385-1-1 Refresher
Apr. 5      Forklift, Industrial, Warehouse
Apr. 5      Qualified Rigging & Signal Person Certification
Apr. 9      Const. Estimating Basics
Apr. 9      Const. Law: Project Management Mistakes
Apr. 9      Intermediate Microsoft Excel (Offsite)
Apr. 9-11   Qualified SWPPP Developer
Apr. 9-10   Qualified SWPPP Practitioner
Apr. 10     Intermediate Microsoft Excel (Offsite)
Apr. 10-11  CQM
Apr. 11     Trenching & Excavating
Apr. 12     Advanced Microsoft Powerpoint (Offsite)
Apr. 15-17  Fall Protection 24-Hour CPT
Apr. 16     Intro to Microsoft Project
Apr. 18     Flagger 4-Hour Certification Training
Apr. 22-23  Rigging & Signal Person
Apr. 24     Advanced Microsoft Excel (Offsite)
Apr. 24     CPR, First Aid & AED Training
Apr. 29-30  Lean Construction
Apr. 30     Microsoft Project Workshop

For more information on classes, contact: Becca Schaffer at (858) 731-8155.

January - June 2019  Register Online

About Monday Morning Quarterback
AGC San Diego Chapter's Monday Morning Quarterback is a "hot off the press" and to the point Monday morning briefing on the important issues facing San Diego's construction industry. It is prepared by AGC Chief Executive Officer, Eddie Sprecco, and Executive Vice President, Brad Barnum.

Please contact Eddie Sprecco or Brad Barnum with your comments, or with information that should be conveyed to the industry through this service. Well over 3,000 individuals employed by AGC member firms are part of this system.

ARCHIVE

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