

Media Contact:

Kim Ericksen-Camilleri
kericksen@actumllc.com
(916) 804-5286

SB 1174 Passes Senate Transportation Committee on Consent

Bill establishing ESOP bid preference for Caltrans projects advances to Senate Judiciary Committee

(Sacramento, Calif.) - [Senate Bill 1174](#), authored by Senator Suzette Martinez Valladares (R-Santa Clarita) and sponsored by the California Employee Ownership Coalition (CEOC), passed the Senate Transportation Committee today on consent. The bill now heads to the Senate Judiciary Committee for its next hearing.

SB 1174 would establish a scaled bid preference on Caltrans construction projects for contractors that operate federally recognized Employee Stock Ownership Plans (ESOPs).

"Today's vote is a strong signal that California lawmakers understand the value of employee ownership in the construction industry," said Steve Concannon, President of CEOC. "SB 1174 will ensure that California's multibillion-dollar public infrastructure investments create long-term wealth-building opportunities for the workers who build and maintain the state's roads, bridges, and highways. Passing on consent shows there is broad recognition that this is a commonsense policy."

California is home to more than 780 ESOP companies, including approximately 70 in the construction industry representing over 12,000 employee-owners. Research consistently shows that ESOP employees have 92% higher median household wealth and 33% higher median wages compared to workers at non-ESOP companies.

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