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**SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT**  
**Senator Lola Smallwood-Cuevas, Chair**  
**2025 - 2026 Regular**

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**Bill No:** SB 1059 **Hearing Date:** April 15, 2026  
**Author:** Archuleta  
**Version:** April 8, 2026  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Jazmin Marroquin

**SUBJECT:** Employment Training Panel

**KEY ISSUE**

This bill (1) requires the Employment Training Panel (ETP) to modernize project administration, application review, monitoring, and compliance processes by authorizing and encouraging the use of electronic systems for applicant tracking, reporting, and recordkeeping, as specified; (2) authorizes contractors and subcontractors under an ETP agreement to satisfy these requirements through electronic records, as specified; (3) requires ETP to adopt electronic recordkeeping and training administration standards, as specified; (4) provides that specified records have the same force and effect as paper records and must be retained for the period required by ETP; and (5) prohibits structured onsite training (SOST) from being considered an eligible training delivery methodology for purposes of reimbursement or approval under the ETP program.

**ANALYSIS**

**Existing law:**

- 1) Establishes the ETP within the Employment Development Department (EDD) and charges it with performing certain duties including soliciting proposals and writing contracts for the purpose of providing employment training. (Unemployment Insurance Code §10202)
- 2) Declares the intent of the Legislature that the purpose of provisions relating to ETP is to establish an employment training program to promote a healthy labor market in a growing, competitive economy and to fund only projects that meet specified criteria, including, among other things, fostering retention of high wage, high-skilled jobs in manufacturing, and other industries, as specified. (Unemployment Insurance Code §10200)
- 3) Establishes the Employment Training Fund (fund) in the State Treasury and requires that money in the fund be expended only for purposes of the ETP, except as provided. (Unemployment Insurance Code §§1610-1611.5)
- 4) Authorizes ETP to allocate money in the fund for any of the following purposes:
  - a) Reimbursement of reasonable training costs, and administrative costs incurred by contractors. In making a determination of costs to be reimbursed under this paragraph, ETP may allocate funds in accordance with any of the following methods:
    - i) For purposes of providing simplified fixed-fee performance contracts, a flat rate per hour for categories of training that are substantially similar with respect to content, methodology, and duration, as determined by ETP, not to exceed the reasonable and

- normal costs for the training. ETP must periodically adjust the standardized rates established pursuant to this paragraph to reflect changes in training costs.
- ii) A complete review of the proposal and its costs, including a budget listing the planned costs of training, including personnel, fringe benefits, equipment, supplies, fees for consulting or administrative services, and other costs attributable to training; the services provided by subcontractors; the length and complexity of the training; the method of training; the wages and occupations following training; whether the trainees are new hires or retrainees; and the cost of similar training that the panel has funded previously. The cost of administration shall not exceed 15 percent of the training costs under this paragraph, except that for new hire training the panel may fund administrative costs of up to 25 percent of the training cost.
  - iii) The ETP may modify the specific requirements of this paragraph as they apply to employers or contractors proposing projects that involve training for a significant number of small employers in the same project.
  - iv) A contractor is prohibited from utilizing any funds earned or paid as advances or progress payments for the purpose of making payments to any other individual or entity, either directly or indirectly, for costs incurred as a finder's fee or for other compensation related to the predevelopment or development phase of a training program, which is based on a percentage of the preliminary or final panel award to the contractor for the training project.
- b) Costs of program administration incurred, as specified. These costs shall be reviewed annually by the Department of Finance and the Legislature and determined through the normal budgetary process.
- i) ETP's administrative costs, as specified, shall not exceed 15 percent of the total amount annually appropriated for expenditure by ETP. Expenditures for marketing, research, and evaluations provided under the contract to the ETP that otherwise would have been provided directly by the ETP shall not be included in this limitation.
- c) Service related to the purposes of this chapter provided by the Small Business Development Centers. (Unemployment Insurance Code §10206)

**This bill:**

- 1) Requires ETP to modernize project administration, application review, monitoring, and compliance processes by authorizing and encouraging the use of electronic systems for applicant tracking, reporting, and recordkeeping.
- 2) Authorizes contractors and subcontractors under an ETP agreement, notwithstanding any other law, to satisfy recordkeeping and documentation requirements through electronic records, provided that the records are complete, accurate, secure, and accessible for audit and oversight purposes.
- 3) Requires ETP to update regulations, guidance, and program materials to remove outdated nomenclature, paper-based procedures, and obsolete training delivery classifications that are inconsistent with current workforce training practices.
- 4) Requires ETP to do both of the following:

- a) Adopt electronic recordkeeping and training administration standards consistent with modern digital systems, as specified.
  - b) Ensure that all recordkeeping requirements support program accountability while minimizing unnecessary administrative burden on employers and training providers, as specified.
- 5) Requires ETP to adopt electronic recordkeeping and training administration standards that include, but are not limited to, the following requirements:
- a) Contractors must maintain and make available, upon request by the panel or its designee, all of the following:
    - i) Electronic records that clearly document all aspects of training delivery, trainee participation, and retention outcomes related to the approved training program.
    - ii) Applicable financial records documenting funds received and disbursed under the ETP agreement.
    - iii) Payroll and personnel records related to employees participating in the ETP training agreement.
  - b) All classroom, laboratory, and videoconference training attendance records must contain, at a minimum, all of the following elements:
    - i) Date or dates on which training occurred. For concurrent or continuous training, a start date and end date may be used.
    - ii) Type of training and course title, as identified in the approved curriculum.
    - iii) Number of hours the trainee was in attendance per session or course.
    - iv) Name or names of the trainer or trainers.
    - v) Name or names of the trainees.
  - c) All asynchronous, web-based training attendance records must contain, at a minimum, the following elements:
    - i) Date the training system was last accessed for the specific course.
    - ii) Type of training and course title, as identified in the approved curriculum.
    - iii) Standard number of hours designated to complete the course.
    - iv) Percentage of the course completed by the trainee.
    - v) Name of the trainee.
- 6) Provides that electronic records pursuant to this section have the same force and effect as paper records and are retained for the period required by ETP.
- 7) Provides that structured onsite training (SOST) is not considered an eligible training delivery methodology for purposes of reimbursement or approval under the ETP program.
- 8) Requires ETP to adopt or amend regulations and guidance as necessary to implement this, including conforming changes to terminology, application materials, compliance procedures, and audit standards, as specified.
- 9) Makes several findings and declarations.

## COMMENTS

**1. Background:***Employment Training Panel*

The Employment Training Panel (ETP) provides funding to employers to assist in upgrading the skills of their workers through training that leads to good paying, long-term jobs. ETP was created in 1982 by the Legislature and is funded by California employers through the California Employment Training Tax. ETP has a three-way governing structure, with appointed ETP members representing business, unions, and state government.

ETP is a performance-based statewide workforce training and economic development program which supports California's economy by providing financial assistance to California businesses in support of customized worker training for new and existing employees.<sup>1</sup> ETP is a funding agency, not a training agency. Businesses determine their own training needs and how to provide training. ETP staff are available to assist in applying for funds and other aspects of participation.

ETP requires all reimbursable training to be documented on ETP rosters or approved custom rosters with wet signatures. An alternate form of recordkeeping can be requested during the development phase of the application or at any time during the term of the contract.<sup>2</sup> However, the use of an alternate form of recordkeeping requires prior ETP approval. Any recordkeeping modifications agreed to by ETP and the contractor will be incorporated into the contract and may be subject to audit. Prior approved alternate recordkeeping methods do not carry over into subsequent contracts, and a request will need to be submitted per each contract.

This bill, SB 1059, would require ETP to modernize project administration, application review, monitoring, and compliance processes by authorizing and encouraging the use of electronic systems for applicant tracking, reporting, and recordkeeping. It also authorizes contractors and subcontractors that have an agreement with ETP to satisfy these requirements through electronic records, under specified conditions.

ETP funds training that is delivered using the following methods:

- classroom – formal instruction provided in a classroom setting that is removed from the trainee's usual work environment,
- laboratory – hands-on instruction or skill acquisition conducted in a non-productive environment, or simulated work setting,
- productive laboratory – practical retraining during which the instructor oversees an employee's use of special equipment application of particular skills, in the actual work environment that results in the employer's production of goods or delivery of services for profit,
- e-learning – real-time interactive training conducted in a virtual environment (i.e. Teams, Zoom) with a live instructor,
- computer-based training – self-paced training provided via software platforms (typically provided in conjunction with some classroom/laboratory training),

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<sup>1</sup> Employment Training Panel, Fact Sheet, EDD. [https://edd.ca.gov/siteassets/files/de\\_8714n.pdf](https://edd.ca.gov/siteassets/files/de_8714n.pdf)

<sup>2</sup> ETP Program Overview, [https://etp.ca.gov/wp-content/uploads/sites/70/2025/07/ETP\\_DetailedProgramOverview\\_July2025.pdf](https://etp.ca.gov/wp-content/uploads/sites/70/2025/07/ETP_DetailedProgramOverview_July2025.pdf)

- medical skills-didactic – health care field training provided via classroom, and
- medical skills-preceptor – clinical training during which a trainee observes hands-on skills performed by a registered nurse or other practitioner (preceptor/mentor) in an active work environment.

According to the author and sponsors, structured onsite training (SOST) is not currently an approved eligible training delivery method under the ETP program, but regulations still include a reference to SOST.<sup>3</sup> They claim that this reference could create confusion for future applicants, and clarifying this language, along with other potentially outdated provisions, is one of the goals of this bill, SB 1059.

## 2. Need for this bill?

According to the author, “Established in 1982, the Employment Training Panel (ETP) has served as California’s premier workforce training program, supporting job creation and retention through employer-driven training. While the Panel has adapted to changes in training delivery over the past four decades, certain legacy attendance-tracking requirements remain outdated and misaligned with current practices. As a result, these provisions create unnecessary compliance and reporting challenges for employers utilizing modern electronic recordkeeping systems, virtual and augmented training modalities, and other contemporary training methods. SB 1059 provides targeted technical fixes to outdated ETP statutes, regulations, and program nomenclature to improve clarity, consistency, and administrative efficiency.”

## 3. Proponent Arguments

According to the sponsors of the bill, the Coalition for ETP and Jobs (CETP), “SB 1059 takes an important step forward by updating ETP’s statutory framework to reflect how training programs operate today. In particular, the bill’s authorization of electronic systems for application processing, reporting, and recordkeeping will help streamline program administration, reduce unnecessary paperwork, and improve overall program efficiency. Allowing contractors to maintain compliant electronic records will also provide greater clarity and consistency while maintaining accountability and audit integrity.”

## 4. Opponent Arguments:

None received.

## 5. Committee Amendments:

The author and sponsors state that the intent for this bill is to authorize the use of electronic systems for application processing by ETP and *allow* applicants to maintain electronic records. However, the bill currently requires ETP to adopt electronic recordkeeping and training administration standards and *requires* contractors to maintain and make available electronic records. ***The author has agreed to take an amendment in committee so it’s clear that an applicant can use electronic or paper records, while still requiring ETP to modernize the recordkeeping requirements in the event that an applicant chooses to use electronic records.*** A mock-up is below:

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<sup>3</sup> 22 CCR § 4442

UIC 10203.5 (b) Notwithstanding any other law, contractors and subcontractors under an ETP agreement may satisfy recordkeeping and documentation requirements, **including requirements under Section 10206.5**, through electronic records provided that the records are complete, accurate, secure, and accessible for audit and oversight purposes.

UIC 10206.5 (a) The panel shall adopt **electronic** recordkeeping and training administration standards that include, but are not limited to, the following requirements:

(1) Contractors shall maintain and make available, upon request by the panel or its designee, all of the following:

(A) **Electronic** records that clearly document all aspects of training delivery, trainee participation, and retention outcomes related to the approved training program.

**6. Prior/Related Legislation:**

SB 1321 (Wahab, Chapter 469, Statutes of 2024) included additional criteria and minimum standards for projects the ETP considers funding, including meeting the Division of Apprenticeship Standards’ (DAS) criteria for high road training programs and not duplicating or competing with DAS-approved apprenticeship programs; (2) prohibited the ETP from considering or approving any proposal if an applicant is ineligible to bid, be awarded, or subcontract on a public works project, or has an unsatisfied judgement for a labor law violation; and 3) required the ETP to provide notice of the intent to award proposals at least 30 days before a panel meeting approving or rejecting a proposed award.

SB 43 (Johnson, Chapter 491, Statutes of 2000) streamlined and clarified statutes relating to the ETP.

**SUPPORT**

- Coalition for ETP and Jobs (Sponsor)
- Aerospace and Defense Alliance of California
- California Asian Pacific Chamber of Commerce
- California Life Sciences Association
- California Manufacturers and Technology Association
- Hands On, LLC
- Sacramento Asian Pacific Chamber of Commerce

**OPPOSITION**

None received.

**-- END --**