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# SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair  
2025 - 2026 Regular Session

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## SB 1059 (Archuleta) - Employment Training Panel

**Version:** April 16, 2026

**Urgency:** No

**Hearing Date:** May 4, 2026

**Policy Vote:** L., P.E. & R. 5 - 0

**Mandate:** No

**Consultant:** Robert Ingenito

**Bill Summary:** SB 1059 would make specified changes to administrative workload at the Employment Training Panel (ETP).

### Fiscal Impact:

- ETP indicates that it would incur administrative costs of \$2 million in 2026-27, \$1.6 million in 2027-28, and \$954,000 to implement the provisions of the bill. (Employment Training Fund).
- Costs to the Employment Development Department (EDD) have yet to be fully identified, but at a minimum would reach the low hundreds of thousands of dollars (General Fund).

**Background:** ETP, housed within EDD, was established in 1982 to work directly with employers to increase the skill level of employees. Governed by an appointed body representing business, labor, and government, ETP allocates funding to qualified businesses through (1) an employment training tax collected by EDD from businesses, and (2) alternative funding designed to support policy initiatives and public sector employers. ETP also (1) funds training for unemployed workers, (2) provides additional incentives to assist small businesses and employers in high unemployment areas of the State, and (3) targets employers that are threatened by out of state competition or that compete in the global economy and provides funds to offset the cost of training.

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. 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. 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.

**Proposed Law:** This bill, among other things, would do the following:

- 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.
- Authorize contractors and subcontractors under an ETP agreement, notwithstanding any other law, to satisfy recordkeeping and documentation requirements, as specified, through electronic records, provided that the records are complete, accurate, secure, and accessible for audit and oversight purposes.
- Require 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.
- Require ETP to (1) adopt electronic recordkeeping and training administration standards consistent with modern digital systems, as specified, and (2) ensure that all recordkeeping requirements support program accountability while minimizing unnecessary administrative burden on employers and training providers, as specified.
- Require ETP to adopt recordkeeping and training administration standards that include specified requirements:
- Provide 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.
- Provide that structured onsite training (SOST) is not considered an eligible training delivery methodology for purposes of reimbursement or approval under the ETP program.
- Require 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.

**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. Additionally, the bill (1) prohibited 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 (2) required ETP to provide notice of the intent to award proposals at least 30 days before a panel meeting approving or rejecting a proposed award.

**Staff Comments:** The majority of ETP's costs would fund temporary staff on a one-year, limited-term basis to perform the workload required by the bill. Thus, administrative costs decline over the three-year window.

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