

Date of Hearing: June 10, 2026

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

SB 1059 (Archuleta) – As Amended April 16, 2026

SENATE VOTE: 33-0

SUBJECT: Employment Training Panel

SUMMARY: Requires the Employment Training Panel (ETP) to modernize project administration, application review, monitoring, and compliance processes by, among other things, updating regulations, guidance and program materials; authorizing the use of electronic systems for applicant tracking, reporting, and recordkeeping; and adopting specified recordkeeping and training administration standards. Specifically, **this bill:**

- 1) Requires the 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, notwithstanding any other law, contractors and subcontractors under an ETP agreement 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- 3) Requires the ETP to update regulations, guidance, and program materials to remove outdated nomenclature, paper-based procedures, and obsolete training delivery classifications that are inconsistent with current workforce training practices.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 the ETP to adopt electronic recordkeeping and training administration standards consistent with modern digital systems, and requires the ETP to ensure that all recordkeeping requirements support program accountability while minimizing unnecessary administrative burden on employers and training providers.
- 5) Requires the ETP to adopt recordkeeping and training administration standards that include, but are not limited to, the following requirements:
 - a) Contractors shall maintain and make available, upon request by the ETP or its designee, all of the following:
 - i) 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 shall 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 shall contain, at a minimum, the following elements:
- i) The 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) Requires electronic records maintained pursuant to (5) above to have the same force and effect as paper records and to be retained for the period required by the ETP.
- 7) Prohibits structured onsite training (SOST) from being considered an eligible training delivery methodology for purposes of reimbursement or approval under the ETP program.
- 8) Requires the ETP to adopt or amend regulations and guidance as necessary to implement this bill, including conforming changes to terminology, application materials, compliance procedures, and audit standards, consistent with the purposes of this bill.
- 9) Adds related findings and declarations.

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 the 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:
 - a) Fostering the creation of or retention of high-wage, high-skilled jobs in manufacturing and other industries that are threatened by out-of-state and global competition;

- b) Encouraging industry-based investment in human resources development that promotes the competitiveness of California industry through productivity and product quality enhancements.
 - c) Result in secure jobs for those who successfully complete training, as specified.
 - d) Supplement, rather than displace, funds available through existing programs conducted by employers and government-funded training programs, as specified. Unemployment Insurance Code § 10200(a).
- 3) Requires the ETP to give funding priority to projects that best meet the following goals:
- a) Result in the growth of the California economy by stimulating exports from the state and the production of goods and services that would otherwise be imported from outside the state.
 - b) Train new employees of firms locating or expanding in the state that provide high-skilled, high-wage jobs and are committed to an ongoing investment in the training of frontline workers.
 - c) Develop workers with skills necessary to work with new technologies or methods.
 - d) Train workers who have been displaced, have received notification of impending layoff, or are subject to displacement, because of a plant closure, workforce reduction, changes in technology, or significantly increasing levels of international and out-of-state competition.
 - e) Are jointly developed by business management and worker representatives.
 - f) Develop high road jobs and career ladders for workers with demonstrated wage progression and demonstrate high road training partnership standards to ensure job quality.
 - g) Promote the retention and expansion of the state's manufacturing workforce.
 - h) Promote the hiring, training, and advancement of disadvantaged, marginalized, and underrepresented workers. Unemployment Insurance Code § 10200(b).
- 4) Authorizes projects funded by the ETP to include programs to provide training through apprenticeship programs that are registered with the Division of Apprenticeship Standards (DAS). Unemployment Insurance Code § 10200(d).
- 5) Establishes minimum standards for the consideration of proposals including, but not limited to, evidence of labor market demand, the number of jobs available, the skill requirements for the identified jobs, the projected cost per person trained, hired, and retained in employment, the wages paid successful trainees upon placement, and the curriculum for the training. Unemployment Insurance Code § 10205.
- 6) 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.

- 7) Authorizes the 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, as specified.
 - b) Costs of program administration incurred, as specified.
 - c) Specified services provided by the Small Business Development Centers. Unemployment Insurance Code § 10206(a).
- 8) Requires the ETP to ensure the provision of adequate fiscal and accounting controls for, monitoring and auditing of, and other appropriate technical and administrative assistance to, projects funded. Unemployment Insurance Code § 10205(f).
- 9) Requires the ETP to provide for evaluation of funded projects, as specified. Unemployment Insurance Code § 10205(g).
- 10) Requires the ETP to report annually to the Legislature, by November 30, on projects operating during the previous state fiscal year, as specified. Unemployment Insurance Code § 10205(h).
- 11) Requires the ETP to conduct ongoing reviews of panel policies with the goal of developing an improved process for developing, funding, and implementing panel contracts. Unemployment Insurance Code § 10205(i).
- 12) Requires that ETP contractors maintain specified documentation, including training and retention records, applicable financial documents, and payroll records. 22 CCR § 4442.

FISCAL EFFECT: According to the Senate Appropriations Committee:

- 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).

COMMENTS: The ETP is a joint labor-business state agency funded by an Employment Training Tax paid by California employers. The ETP reimburses the cost of employer-driven training for incumbent workers, as well as funds training to assist unemployed workers in re-entering the workforce.

As stated on the ETP's website, "ETP's role in the economy is derived from its initial mandate in 1982 of moving large numbers of unemployed workers quickly into employment and saving the jobs of workers threatened with displacement. The program has expanded that role over the years to include an increased support of retraining incumbent workers of businesses in basic industries challenged by out-of-state competition (primarily the manufacturing and high technology sectors). Today, ETP focuses on supporting job creation and business attraction, retention, and expansion, as well as the re-employment and retention of workers."

The 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, and is provided regularly under the direct guidance of a qualified trainer;
- *Laboratory*: hands-on instruction or skill acquisition conducted in a non-productive environment, or simulated work setting;
- *Productive Laboratory*: trainers supervise employees in hands-on, on-the-job settings where actual production work is taking place;
- *E-Learning*: real-time interactive training conducted in a virtual environment with a live instructor;
- *Computer-Based Training*: self-paced training provided via software platforms;
- *Medical Skills – Didactic*: health care field training provided via classroom setting; 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.

(Note: This bill prohibits structured onsite training (SOST) from being considered an eligible training delivery methodology for purposes of reimbursement or approval under the ETP program. While SOST does not appear in the list of eligible training methodologies above, it does still appear in the ETP regulations. The author and sponsor assert that this contradiction could create confusion for future applicants and is one of the outdated provisions that this bill seeks to correct.)

The ETP program is performance-based, requiring employers to provide proof that training hours have been completed and trainees have been retrained in well-paying jobs for a specific period of time at a specified wage before the ETP reimburses payment. Currently, the ETP requires training records to be documented on ETP rosters or approved custom rosters with wet signatures. Employers working under an ETP contract can request an alternate form of recordkeeping, but requests require ETP approval and must be resubmitted for each new contract.¹

According to the author, “SB 1059 would make important, needed updates to the ETP’s statutory framework to better align the program with current training practices. By authorizing the use of electronic systems for application processing, reporting, and recordkeeping, the bill would streamline program administration, reduce unnecessary paperwork, and improve overall efficiency. Permitting contractors to maintain compliant electronic records would also promote greater clarity and consistency while preserving accountability and audit integrity. In addition, by directing the ETP to update outdated nomenclature, eliminate obsolete processes, and align

¹ ETP Program Overview, https://etp.ca.gov/wp-content/uploads/sites/70/2025/07/ETP_DetailedProgramOverview_July2025.pdf

program guidance with modern training delivery methods, SB 1059 would help ensure that the program remains responsive to the evolving needs of employers.”

The author adds that the bill promotes equity, per HR 39 (Gipson, 2021) in that “ETP allows for high quality, high skilled workforce training that helps Californians advance into the middle class and achieve the California Dream.”

Arguments in Support

The Coalition for ETP and Jobs, sponsor of this measure, writes that “The ETP program remains one of the state’s most effective tools for supporting high-wage, high-skill job retention and economic competitiveness. 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.”

Arguments in Opposition

None on file.

Prior and Related Legislation

AB 765 (Flora) of 2025 would have prohibited money in the Employment Training Fund from being used to pay interest charged on federal loans to the Unemployment Fund, or related liabilities, without the approval of the Legislature and a public report justifying the necessity. Died in the Assembly Insurance Committee.

SB 1321 (Wahab), Chapter 469, Statutes of 2024, included additional criteria and minimum standards for projects the ETP considers funding, including meeting the 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.

REGISTERED SUPPORT / OPPOSITION:

Support

Herrera & Company (Sponsor)
Aerospace and Defense Alliance of California
California Asian Pacific Chamber of Commerce
California Life Sciences Association
California Manufacturers and Technology Association

Opposition

None on file.

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