

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

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

Policy Committee: Labor and Employment

Vote: 7 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires the Employment Training Panel (ETP) to adopt electronic recordkeeping and training administration standards.

Specifically, this bill:

- 1) Requires the ETP to adopt certain electronic recordkeeping and training administration standards, including a requirement for a contractor to maintain payroll and trainee participation records for employees participating in an ETP training agreement and setting minimum informational requirements for classroom, laboratory, videoconference, and asynchronous, web-based training attendance records.
- 2) Prohibits structured onsite training (SOST) from being considered an eligible training delivery methodology for purposes of reimbursement or approval under the ETP program.
- 3) 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.
- 4) Authorizes a contractor and subcontractor under an agreement with the ETP to satisfy the ETP's recordkeeping and documentation requirements through electronic records meeting certain criteria.
- 5) Requires the ETP to update regulations, guidance, and program materials to remove paper-based procedures, outdated nomenclature, and obsolete training delivery classifications inconsistent with current workforce training practices.

FISCAL EFFECT:

Costs of an unknown amount, potentially in excess of \$150,000, to the Employment Development Department (EDD), for the ETP to adopt electronic recordkeeping and training administration standards, update related regulations, guidance, and program materials, and modernize program processes (Employment Training Fund). For its part, EDD estimates one-time costs of approximately \$100,000, but notes that this estimate may increase if the ETP determines additional services are required to implement this bill.

Although this bill requires the ETP to adopt standards for electronic recordkeeping and training administration and update regulations to remove paper-based procedures, this bill does not

explicitly require the ETP to implement electronic systems – rather, this bill requires the ETP to modernize program processes by authorizing and encouraging the use of such electronic systems. However, by authorizing an ETP contractor to satisfy recordkeeping requirements through electronic records, thus requiring the ETP to accept such records, this bill may ultimately require the ETP to implement electronic systems and make related information technology upgrades.

COMMENTS:

1) **Purpose.** 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.

This bill is sponsored by the Coalition for ETP and Jobs and supported by business groups.

2) **ETP Program.** The ETP is a joint labor-business state agency within EDD funded by the Employment Training Tax, a payroll tax on employee wages paid by California employers. The ETP provides funds to train unemployed workers to reenter the workforce, and partially reimburses the cost of employer-driven training for incumbent workers in sectors challenged by out-of-state competition, such as manufacturing and technology. The performance-based program provides funds for trainees who successfully complete an approved curriculum and are retained in good-paying jobs for at least 90 days.

In order for an employer to receive reimbursement from the ETP, the employer must provide proof of a trainee's completed training hours and subsequent employment. Currently, the ETP requires the documentation of training records on paper-based rosters. An employer may request to use an alternate form of recordkeeping, but such a request requires ETP approval and the request must be resubmitted with each new contract. This bill requires the ETP to adopt certain electronic recordkeeping and training administration standards, authorizes and encourages the ETP to use electronic systems, and authorizes an ETP contractor to satisfy recordkeeping requirements electronically.

The ETP supports training delivered through certain classroom, laboratory, and computer-based methodologies. This bill prohibits SOST from being considered an eligible training delivery methodology for purposes of reimbursement or approval under the ETP program. According to the Assembly Labor Committee's analysis of this bill:

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.