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THIRD READING

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Bill No: SB 1227  
Author: Durazo (D)  
Amended: 4/16/26  
Vote: 21

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SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 5-0, 4/15/26  
AYES: Smallwood-Cuevas, Strickland, Cortese, Durazo, Laird

SENATE APPROPRIATIONS COMMITTEE: 6-0, 5/14/26  
AYES: Cervantes, Cabaldon, Dahle, Grayson, Richardson, Wahab  
NO VOTE RECORDED: Seyarto

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**SUBJECT:** Department of Industrial Relations: apprenticeship pilot program

**SOURCE:** Author

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**DIGEST:** This bill requires the Department of Industrial Relations (DIR) and the California Department of Human Resources (CalHR) to partner with the bargaining units representing DIR employees on or before January 1, 2028, to design and develop an apprenticeship program that addresses the DIR's staffing challenges, for titles including but not limited to industrial hygienists.

**ANALYSIS:**

Existing law:

- 1) Establishes the Division of Apprenticeship Standards (DAS) within the Department of Industrial Relations to oversee apprenticeship programs and requires the Chief of the Division (Chief) to perform various functions to promote the welfare of apprentices. (Labor Code §3070 et seq.)
- 2) Creates, within DAS, the Interagency Advisory Committee on Apprenticeship (IACA), which provides advice and guidance to the Administrator of Apprenticeship and Chief on the development and administration of standards governing preapprenticeship, certification, and on-the-job training and

retraining programs outside the building and construction trades and firefighters. (Labor Code §3071.5)

- 3) Requires DAS to evaluate apprenticeship programs to ensure compliance with specified standards, including that all on-the-job training is properly supervised, that classroom instruction is provided, and that funds were properly obtained and expended. (Labor Code §3073.1)
- 4) Authorizes a joint apprenticeship committee, unilateral management or labor apprenticeship committee, or an individual employer to administer an apprenticeship program. The Chief may approve programs in any trade in the state or in a city or trade area, whenever the apprentice training needs justify the establishment. Where a collective bargaining agreement exists, a program shall be jointly sponsored unless either party to the agreement waives its right to representation in writing. (Labor Code §3075(a))
- 5) Defines “apprentice” to mean a person at least 16 years of age who has entered into a written agreement, or apprentice agreement, with an employer or program sponsor. The Chief shall approve the term of apprenticeship for each apprenticeable occupation, as specified. (Labor Code §3077)
- 6) Provides that the term of apprenticeship may be measured either through the completion of the industry standard for hours of on-the-job learning and related and supplemental instruction, attainment of competency, or a hybrid blend of the time-based and competency-based approaches, as specified, but that programs in the building and construction trades and for firefighters shall use the time-based approach. (Labor Code §3078.5)
- 7) Requires the local joint apprenticeship committee or the parties to a collective bargaining agreement, or the administrator where there is no collective bargaining agreement or joint committee to approve apprentice agreements. Every apprentice agreement shall be signed by the employer, or his or her agent, or by a program sponsor, as specified, and by the apprentice. (Labor Code §3079)
- 8) Provides that neither existing law nor approved apprentice agreements can operate to invalidate any apprenticeship provision in any collective bargaining agreement between employers and employees setting up higher apprenticeship standards. (Labor Code §3086)

- 9) Provides that acceptance of an application for entrance into an apprenticeship program shall not be predicated on the payment of any fee, but that reasonable costs for expense incurred may be charged after an applicant has been accepted into the program. (Labor Code §3091)
- 10) Allows apprenticeship sponsors to include local educational agencies (LEAs), institutions of higher education (IHEs), labor organizations, and nonprofits, and encourages alignment of apprenticeship programs with affirmative action and public sector workforce needs. (Labor Code §§3075, 3075.1)
- 11) Creates the state civil service that includes every officer and employee of the state except a limited number of specified, exempted officers and employees. Existing law also requires that the state make “permanent appointment and promotion in the civil service under a general system based on merit ascertained by competitive examination.” Case law and custom refer to this provision as the merit principle and it governs the administration of the state’s civil service system. (California Constitution (CA CONST.) art. VII, §1 and §4)
- 12) Creates the State Personnel Board (SPB) to enforce the civil service statutes and prescribe probationary periods and classifications, adopt other rules authorized by statute, and review disciplinary actions. (CA CONST. art. VII, §2 and §3)
- 13) Establishes the State Civil Service Act to facilitate the operation of the Constitution’s merit principle for the state civil service. (Government Code §18500).
- 14) Creates the California Department of Human Resources (CalHR) and vests it with the powers, duties, and authorities necessary to operate the state civil service system pursuant to Article VII of the California Constitution, the Government Code, the merit principle, and applicable rules duly adopted by the State Personnel Board (SPB). (Government Code (GC) § 18502)
- 15) Requires SPB to establish minimum qualifications for determining the fitness and qualifications of employees for each class of position, including education, experience, knowledge, and abilities that each applicant is required to have to be considered eligible for a classification. CalHR may require applicants for examination or appointment to provide documentation as it deems necessary to establish the applicants’ qualifications. (GC §18931)

- 16) Requires that an employee serve a probationary period under the following circumstances: (a) when the employee enters or is promoted in the state civil service by permanent appointment from an employment list, (b) upon reinstatement after a break in continuity of service resulting from a permanent separation, or (c) after any other type of appointment situation not specifically excepted from the probationary period requirement by statute or by board rule. (GC § 19171)
- 17) Requires SPB to establish for each class the length of the probationary period but also provides that the probationary period that shall be served upon appointment shall be six months unless the board establishes a longer period of not more than one year. (GC § 19170)

This bill:

- 1) Makes legislative findings and declarations, as specified.
- 2) Establishes the Department of Industrial Relations Apprenticeship Pilot Program within the Labor Code.
- 3) Defines the following terms:
  - (a) “Apprenticeship program” or “program” means the apprenticeship pilot program or programs established pursuant to this article.
  - (b) “CalHR” means the Department of Human Resources.
  - (c) “Constitutional merit principle” means the merit principle contained in subdivision (b) of Section 1 of Article VII of the California Constitution.
  - (d) “Department” means the Department of Industrial Relations.
- 4) Requires DIR and CalHR on or before January 1, 2028, to partner with the bargaining units representing DIR employees to design and develop an apprenticeship program that addresses the DIR’s staffing challenges for filling positions in civil service classifications, including, but not limited to, industrial hygienist.
- 5) Requires the apprenticeship program’s design, development, and administration to do the following:

- (a) Use the meet and confer process, collective bargaining, and joint apprenticeship committees in a manner that is consistent with the requirements of the Ralph C. Dills Act, the Shelley-Maloney Apprenticeship Labor Standards Act of 1939, and the provisions of the Labor code governing apprenticeship.
  - (b) Be consistent with the constitutional merit principle, including, but not limited to, both of the following:
    - i. Selection for participation in an apprenticeship, which shall be in accordance with court interpretations of the constitutional merit principle.
    - ii. Completion of an apprenticeship under the program, which shall be merit-based in accordance with court interpretation of the constitutional merit principle.
  - (c) Only be implemented subject to an agreement between DIR and its employees' unions despite Government Code provisions that would otherwise permit DIR to impose its version of the program as its Last Best Final Offer.
- 6) Grants a joint apprenticeship committee operating under this bill's provisions all powers afforded to it by the Labor Code and the regulations pertaining to joint apprenticeship committees arising from the Labor Code notwithstanding any other law or regulation.
- 7) Permits the apprenticeship program candidates to include incumbent state employees and prospective state employees not yet employed in the civil service consistent with the bill's selection requirements regarding compliance with the merit principle.
- 8) Requires the apprenticeship program to do the following:
- (a) Determine apprenticeship program classification pay scales through the collective bargaining process.
  - (b) Provide for the accrual by participants of state service for purposes of seniority credit pursuant to applicable bargaining agreements and of service credit for retirement benefits pursuant to the Public Employees' Retirement Law for time employed in a civil service apprenticeship classification.

- (c) Consider participants who successfully complete an apprenticeship program as qualified and eligible for appointment to the journey classification by way of an apprentice transfer.
  - (d) Design the apprenticeship program to augment state capacity and improve recruitment and retention efforts for hard-to-fill job classifications and prohibit the displacement of incumbent workers employed in state service.
- 9) Prohibits anyone from construing the bill's provisions as limiting SPB's jurisdiction or authority with respect to the powers and authorities granted to it under the California Constitution.

## **Background**

According to the bill's supporters, DIR has chronically high vacancy rates in key divisions, especially for positions that regulate health and safety in the workplace and that investigate employee wage theft claims. This bill seeks to establish an alternative path into state civil service through the anticipated establishment of undetermined apprenticeship programs to recruit for and fill these critical positions at DIR and address the chronic shortage of these key positions.

However, any program that seeks to obtain for its participants a permanent appointment to a state civil service position must meet the requirement that the appointment be based on merit. The state constitution requires that all state employment be done by state employees who, except as enumerated in the constitution, must belong to the state civil service. The constitution further requires that appointment to the civil service be based on merit through competitive examination, ranked results, and probationary periods that allow the employer to evaluate the employee's skills and competence for the position.<sup>1</sup>

Under current law, state departments in conjunction with CalHR identify discrete work tasks required for a position and the SPB in coordination with CalHR develops and approves classifications for civil service positions to conduct those tasks, as well as the competitive examinations for applicants for appointment to

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<sup>1</sup> For a more detailed explanation of the historical development of the civil service, the people's goal of eliminating a politically driven spoils system of government employment, and the key requirements that determine the merit principle see *Professional Engineers in California Government v. State Personnel Board*, 90 Cal.App.4th 678, 109 Cal.Rptr.2d 375 (2001).

those positions. The process of competitive examination is part of, and key to, meeting the state constitutional requirement that the civil service be merit-based. The author argues that the apprenticeship model as established in the Labor Code can comply with the merit principle if entry into the apprenticeship program is done by competitive examination.

Moreover, the bill's supporters argue that "the Legislature has clear authority to establish such pathways. Courts have consistently affirmed that the merit principle permits a range of evaluation methods, including demonstrated job performance, and have granted the Legislature broad discretion to design personnel systems that serve the best interests of the state. Apprenticeship programs provide a rigorous and equitable mechanism for evaluating candidates while expanding access to public service careers."

The author cites case law to emphasize the Legislature's authority to develop the civil service statutes, noting that "(t)he courts have also recognized that the Legislature has a 'free hand' in setting up laws relating to personnel administration for the best interests of the State" provided that those laws operate in a manner consistent with the merit principle (*Pacific Legal Foundation v. Brown*, 1981).

However, the people, and thus the courts, have placed limitations on the Legislature's free hand. "Both the constitutional provision and the ballot argument in favor thereof are remarkably straightforward: The Legislature has a free hand with regard to personnel administration *except that with regard specifically to appointment to service, merit and efficiency shall be the only considerations. The merit principle is sacrosanct; however free the hand of the Legislature, neither that hand nor the hand of any other branch or agency of government can manipulate the merit principle to serve ends inconsistent with article VII of the state Constitution.*" *Professional Engineers in California Government v. State Personnel Board*, 90 Cal.App.4th 678, 109 Cal.Rptr.2d 375 (2001) (citing *In Kidd v. State of California* (1998) 62 Cal.App.4th 386, 401-402, 72 Cal.Rptr.2d 758) (emphasis added).

This bill requires the intended pilot DIR apprenticeship program to comply with Labor Code provisions and regulations that regulate private sector apprenticeship programs (inter alia the Shelley-Maloney Apprenticeship Labor Standards Act of 1939), including requirements that joint (labor-management) apprenticeship committees have equal say in the development and administration (and thus, presumably the selection of participants) of the program. Moreover, the bill specifically prevents DIR from imposing its version of the program as its Last Best

Final Offer should it fail to find agreement with union representatives with respect to the program's development, implementation, or administration.<sup>2</sup>

The requirement that the state meet and confer (and subsequently bargain with union representatives pursuant to the Dills Act) to develop and implement the program most likely does not violate the merit principle. However, it is unclear whether the determinative role of non-governmental officials in the development and administration of the program, as predicated by the Labor Code provisions and DIR regulations, does. The answer may depend on the eventual development of the program itself or through evolution of this bill's provisions through the legislative process to clarify the role of the joint labor management apprenticeship committee in determining the program's entry requirements and evaluation of program participants in a way that preserves a collaborative process but meets the specifics of the merit principle.

*Need for this bill?* According to the author, "DIR has faced persistent challenges adequately staffing its labor law enforcement operations, particularly at DLSE and DOSH. High vacancy rates and insufficient staffing have negatively affected its ability to respond timely to retaliation and wage claims and have limited its capacity to investigate workplace health and safety hazards. In recent years, DIR has had department-wide vacancy rates greater than 25 percent with hundreds of budget-authorized positions remaining vacant. Vacancy rates in some divisions and offices have been even higher, surpassing 30 percent on occasion."

"SB 1227 would address long-standing staffing challenges at the Department of Industrial Relations (DIR) by requiring DIR to partner with state worker unions to develop apprenticeship pathways into DIR job classifications vital to labor law enforcement."

### **Related/Prior Legislation**

SB 75 (Smallwood-Cuevas, 2025) would have required the Department of Corrections and Rehabilitation (CDCR), in partnership with the Department of Industrial Relations (DIR) and recognized building and construction trades councils to establish the Pre-apprenticeship Pathways to Employment Pilot Program to provide incarcerated individuals with access to pre-apprenticeship training aligned with state-registered apprenticeships in the building and construction trades, no later than January 1, 2028. Governor Newsom vetoed the

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<sup>2</sup> As an aside, the bill requires DIR to bargain with the unions, but that role belongs to CalHR, as the Governor's representative in labor negotiations.

bill stating in part, “I encourage the Legislature to revisit this issue as part of next year's budget process, so that targeted investments in CDCR's rehabilitative programming can be considered in the context of ongoing work to assist the incarcerated population with reentry into the community.”

AB 291 (Gipson, 2025) would have established the Credentialed Educator Apprenticeships Act to require the Commission on Teacher Credentialing (CTC) and the Division of Apprenticeship Standards (DAS) to disseminate, approve, and monitor credentialed educator apprenticeship programs in California. The bill was held in the Senate Appropriations Committee.

AB 694 (Gipson, 2024) would have authorized the establishment of a Teacher Residency Apprenticeship Program to address shortages in the educator workforce, expand the pipeline into the teaching profession, and grow a diverse, local pathway into teaching. The bill was held in the Senate Appropriations Committee.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- DIR would incur administrative costs to work with specified entities to design and develop the apprenticeship program (special fund). The department has yet to identify the magnitude, but costs minimally would reach the hundreds of thousands of dollars (special fund).
- CalHR would incur first-year costs of \$173,000, and \$166,000 annually thereafter, to implement the provisions of the bill (General Fund).

**SUPPORT:** (Verified 5/13/26)

Asian Pacific Environmental Network  
California Attorneys Administrative Law Judges and Hearing Officers in State  
Employment  
California Chamber of Commerce  
California Farmworker Coalition  
California Federation of Labor Unions  
California Nurses Association  
California Rural Legal Assistance Foundation  
CAPS, UAW Local 1115  
International Longshore and Warehouse Union Local 26  
Inland Empire Labor Council  
National Cosh

Service Employees International Union, Local 1000  
Smart - Transportation Division  
Southern California Coalition for Occupational Health and Safety  
Sunflower Alliance  
United Steelworkers District 12  
United Steelworkers Local 675  
Worksafe

**OPPOSITION:** (Verified 5/13/26)

None received

**ARGUMENTS IN SUPPORT:** According to Services Employees International Union, Local 1000:

“Since 2015, SEIU Local 1000 has worked in partnership with the State of California and local community colleges to pilot non-traditional civil service apprenticeship programs aimed at providing state workers with valuable career development opportunities. We are very proud of the growth in our programs over the past decade. With this perspective, it is encouraging to see the approach in SB 1227 to expand the apprenticeship programs to civil service classifications that are responsible for labor law enforcement. Importantly, this bill acknowledges the need for input from exclusive representatives via collective bargaining and the establishment of joint apprenticeship committees.”

“We are positive that SB 1227 will enable career development for existing state workers and address concerns with state worker retention. Additionally, this bill has the potential to create pipelines into civil service positions for applicants without prior public service experience, which will be needed to increase DIR’s ability to enforce labor law in California.”

According to a coalition of union and nongovernmental organizations, including the California Rural Legal Assistance Foundation:

“SB 1227 offers a forward-looking, proven solution by leveraging registered apprenticeship to build a strong, qualified pipeline into these essential enforcement roles. Apprenticeship is a time-tested, skills-based training model that combines hands-on, on-the-job learning with structured instruction. It allows workers to progressively demonstrate competency through real world application—an approach that aligns squarely with California’s merit based civil service system.”

“The Legislature has clear authority to establish such pathways. Courts have consistently affirmed that the merit principle permits a range of evaluation methods, including demonstrated job performance, and have granted the Legislature broad discretion to design personnel systems that serve the best interests of the state. Apprenticeship programs provide a rigorous and equitable mechanism for evaluating candidates while expanding access to public service careers.”

“California has a strong track record of successfully using apprenticeship within state government, including at the Department of Forestry and Fire Protection, the Department of Water Resources, the Department of Corrections and Rehabilitation, and the Department of Transportation. SB 1227 builds on this success by extending the model to labor law enforcement—where the need for a stable, skilled workforce is especially urgent.

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\*\*\*\* **END** \*\*\*\*