

SENATE THIRD READING

SB 1227 (Durazo)

As Amended June 11, 2026

Majority vote

SUMMARY

Establishes the Department of Industrial Relations (DIR) Apprenticeship Pilot Program to, among other things, address shortages that undermine the department's ability to enforce California labor law, among other provisions.

Major Provisions

- 1) Require, on or before January 1, 2028, the DIR and the California Department of Human Resources (CalHR) to partner with bargaining units (BUs) representing DIR employees to design and develop an apprenticeship program that addresses the DIR's staffing challenges for filling positions in civil service classifications.
- 2) Require the design, development, and administration of the program to meet all of the following requirements:
 - a) Use the meet and confer process, collective bargaining, and joint apprenticeship committees in a manner consistent with the state employer-employee relations act, i.e., Ralph C. Dills Act (commonly referred to as the "Dills Act."); the Shelley-Maloney Apprenticeship Labor Standards Act of 1939, and provisions of the Labor Code governing apprenticeships.
 - b) Be consistent with the constitutional merit principle, including but not limited to: (i) selection for participation in an apprenticeship, and (ii) completion of an apprenticeship under the program.
 - c) Be implemented subject to an agreement between the CalHR and the exclusive representative, notwithstanding an expired or new collective bargaining agreement or the parties to the agreement reaching an impasse, and program classification pay scales to be determined by the collective bargaining process.
 - d) Program participants hired into a civil service apprenticeship classification consistent with the merit requirements must accrue state service for purposes of seniority credit pursuant to applicable bargaining agreements; service credit for retirement benefits pursuant to the Public Employees' Retirement Law for time employed in a civil service apprenticeship classification, and those who successfully complete the program, as provided, to be considered as qualified and eligible for appointment to the journey classification by way of an apprentice transfer.
- 3) Require a joint apprenticeship committee operating under these provisions to have all powers afforded to it pursuant to the Labor Code and regulations pertaining to such committees arising from the Labor Code.
- 4) Authorize incumbent state employees and prospective employees not yet employed in the civil service to be included, subject to the prescribed selection for apprenticeship participation that must be in accordance with the constitutional merit principle.

- 5) Establish that the program is intended to augment state capacity and improve recruitment and retention efforts for hard-to-fill job classifications and prohibit the displacement of incumbent state employees.
- 6) Expressly establish that the above-described provisions must not be construed to limit the jurisdiction or authority of the State Personnel Board with respect to the powers and authorities granted to it under the California Constitution.

COMMENTS

The DIR and Deficiency in Enforcing California Labor Laws Due to Staff Shortages. The Division of Occupational Safety and Health (Cal/OSHA) continues to suffer from significant understaffing and high turnover, particularly in its enforcement division. The Compliance Safety and Health Officer (CSHO) position (made up of Sanitary Engineers and Industrial Hygienists)—critical for conducting field investigations of worker complaints of health and safety violations-- has one of the highest vacancy rates across the division. As of February 2026, the Cal/OSHA had 91 vacant CSHO positions, a 32 percent vacancy rate. Among seven compliance offices in the state, this rate was even higher, at 50 percent. The ratio of CSHOs to workers in California is one inspector to every 98,000 workers. This ratio is much higher than in the neighboring states of Washington and Oregon, which have ratios of 1 to 32,000 workers and 1 to 23,000 workers, respectively. In sum, California employs approximately 10 CSHOs per million workers.

The Cal/OSHA's staffing crisis has affected its ability to conduct inspections and effectively enforce the health and safety laws designed to protect workers. A 2022 annual evaluation of Cal/OSHA's programs, conducted by the federal OSHA, found that the division is failing to proactively inspect workplaces and prevent work-related accidents. According to the evaluation, "[The] Cal/OSHA cannot conduct planned inspections of high hazard employers at the national average¹" due to short staffing. Only 18.5 percent of Cal/OSHA's inspections are programmed compared to a national average of 40 percent.² The lack of proactive inspections can contribute to dire outcomes for workers – from preventable injuries to death. Over 500 workers in California were killed on the job in 2022.³

A 2025 state audit of the Cal/OSHA found numerous operational issues at the division, stemming largely from understaffing. Among the audit's findings were:

- 1) Eighty-two percent of complaints were inspected via letter, without real consequences for uncompliant employers.
- 2) When Cal/OSHA did conduct on-site inspections, its inspectors did not consistently document effective reviews of employers' injury and illness prevention programs.
- 3) When Cal/OSHA identified hazards and cited employers, it did not always document whether those employers had abated the hazards.

¹ "Overworked and Underprotected: Cal/OSHA is experiencing a staffing crisis. Here's how that endangers California workers." Sacramento Bee, February 22, 2024 (Updated January 7, 2025.)

² *Ibid.*

³ "Fatal Work Injuries in California (2022)," U.S. Bureau of Labor Statistics.

- 4) Cal/OSHA often assessed employers less than the violations warranted, and often did not document a clear rationale for further reducing fines in post-citation negotiations with employers.

The Office of the Labor Commissioner (LC) is another division within the DIR that suffers from high vacancy rates in key positions and delays in enforcing workers' rights. Due to chronic understaffing and other issues, the process for the LC to resolve a worker's wage claim is long and arduous. Wage claims can cover a number of issues, including unpaid overtime, missed meal and rest periods, or the failure to pay wages. The LC is statutorily required to determine whether a wage claim needs a hearing within 30 days of receiving the claim, has 90 days to hold a hearing from making that determination, and 15 days from the hearing to issue a decision.

However, workers' claims generally take two years or longer to go through the adjudicatory process,⁴ and there exists an enormous backlog of cases (47,000 in 2023-2024).⁵ Due to this significant lag in resolution, workers who prevail in their cases are receiving pennies on the dollar compared to their claim amount - only 12 percent of workers using the LC's enforcement process receive their full award.⁶

The State Civil Service (or Merit) System. Civil service systems, commonly referred to as "merit systems," covering various public employees are typically found in statutes, local government ordinances or charters, or personnel rules of a public agency. These statutes or local provisions establish specific guidelines on, among other things, the processes of employing individuals in the civil service.

What are "merit systems?" To combat the "spoils system" that permeated most California civil service jobs prior to 1913 when most state jobs awarded were based on the applicant's political allegiance or personal relationships, in 1913, the Legislature enacted the Civil Service Act to address this activity. However, that act was not operating as the Legislature intended, i.e., jobs were being filled based on factors other than the individual's qualifications and, in 1934, voters approved the State Civil Service Act to replace the original 1913 version. The basic provisions of that initiative remain in effect today. In sum, the merit system and principle is essential for maintaining fair and effective civil service in California. It ensures that hiring and promotion decisions are based on merit, which enhances the integrity of the civil service, fosters trust in government operations, and effectively serves the public interest. For state civil service employees, the merit system is established in the California Constitution and codified in the Government Code. Among other responsibilities, the CalHR administers the merit system for the state civil service.

This Bill. Apprenticeship programs offer many individuals a direct opportunity to obtain necessary skills, experience, or educational requirements to overcome barriers to employment, and an ability to become increasingly competitive in the employment market. Participation in such programs provide an alternate avenue to obtaining gainful employment in both the public

⁴ "The California Labor Commissioner's Office: Inadequate Staffing and Poor Oversight Have Weakened Protections for Workers." California State Auditor Report No. 2023-104, May 29, 2024.

⁵ *Ibid.*

⁶ *Ibid.*

and private sectors. Apprenticeship programs also may supplement other recruitment efforts to assist with filling employment vacancies.

To address long-standing vacancies in the DIR, which has undermined the department's ability to enforce California's labor laws, this bill proposes to address recruitment and, perhaps, retention via a pilot apprenticeship program targeted specifically to that department.

Please refer to the respective policy committee analyses for a full discussion of this bill.

According to the Author

"This bill will provide the DIR with another tool to address its staffing challenges by requiring the DIR to partner with state worker unions to develop apprenticeship pathways into DIR job classifications vital to labor law enforcement and ensures that these apprenticeship programs abide by the merit principle in the state constitution."

Arguments in Support

Among other things, a coalition of labor organizations, workplace safety organizations, and others state, "[t]he crisis at the Division of Occupational Safety and Health (Cal/OSHA) underscores the urgency of action. As of November 1, 2025, 100 field inspector positions remain vacant – a 33 percent vacancy rate – and nine district offices report vacancy rates of 50 percent or higher. California has just one field inspector for every 99,000 workers, far fewer than peer states. These shortages delay enforcement: investigations into workplace complaints and accidents can take weeks or even months to initiate, leaving workers exposed to unsafe conditions. The consequences are clear – most complaints are handled through "letter investigations" rather than on-site inspections, citations in high-hazard industries are declining, and deterrence of unsafe practices is weakening. The staffing crisis extends across DIR's enforcement agencies. At the Division of Labor Standards Enforcement (DLSE), chronic understaffing has produced a backlog of tens of thousands of wage claims, with workers often waiting two years or longer for resolution. [The] DLSE does not have adequate staff to process its rapidly growing caseload and needs hundreds of additional positions to address both existing backlogs and new claims. High vacancy rates across field offices, combined with low salaries and inefficient hiring processes, continue to hinder recruitment and retention. As a result, wage theft too often goes unremedied, weakening enforcement of core labor standards and denying workers timely justice. [This bill] 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 California Chamber of Commerce states that [it is] "supportive of efforts to address the staffing challenges that the department presently faces to ensure that wage claims are being reviewed and adjudicated in a timely manner. It is critical for both employees and employers that we have an effective wage claim process."

Arguments in Opposition

None.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, this bill would result in the following:

- 1) One-time General Fund costs of \$950,000 and \$900,000 ongoing annually for the DIR to hire the additional staff necessary to implement and oversee expanded apprenticeship classifications.
- 2) One-time General Fund costs of \$173,000 and \$166,000 ongoing annually for the CalHR to hire one additional staff member to oversee creation and monitoring of the new apprenticeship classification.

VOTES**SENATE FLOOR: 38-0-2**

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Niello, Ochoa Bogh

ASM PUBLIC EMPLOYMENT AND RETIREMENT: 6-0-1

YES: McKinnor, Lackey, Alanis, Boerner, Nguyen, Michelle Rodriguez

ABS, ABST OR NV: Garcia

ASM LABOR AND EMPLOYMENT: 7-0-0

YES: Ortega, Alanis, Chen, Elhawary, Kalra, Lee, Ward

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Hoover, Arambula, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

UPDATED

VERSION: June 11, 2026

CONSULTANT: Michael Bolden / P. E. & R. / (916) 319-3957

FN: 0003499