

UNFINISHED BUSINESS

Bill No: SB 1227
Author: Durazo (D)
Amended: 8/20/26
Vote: 21

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

SENATE FLOOR: 38-0, 5/19/26
AYES: 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
NO VOTE RECORDED: Niello, Ochoa Bogh

ASSEMBLY FLOOR: Passed, 8/24/26

SUBJECT: Department of Industrial Relations: apprenticeship pilot program

SOURCE: Author

DIGEST: This bill requires the Department of Industrial Relations (DIR) and the Department of Human Resources (CalHR) to partner with their respective bargaining units to design and develop an apprenticeship program, as specified, addressing DIR's staffing challenges for filling civil service classification positions.

Assembly Amendments place the bill's provisions in the Government Code instead of the Labor Code and make corresponding changes to code section and chapter numbers.

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 Government Code.
- 3) Defines the following terms:
 - a) "Apprenticeship program" or "program" means the apprenticeship pilot program or programs established pursuant to this bill.
 - b) "Constitutional merit principle" means the merit principle contained in subdivision (b) of Section 1 of Article VII of the California Constitution.
 - c) "Department" means the Department of Industrial Relations.

- 4) Requires DIR and CalHR on or before January 1, 2029, 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.
- 5) Requires the apprenticeship program's design, development, and administration to meet the following requirements:
 - a) Use the meet and confer process, collective bargaining, and joint apprenticeship committees in a manner that is consistent with the Ralph C. Dills Act, the Shelley-Maloney Apprenticeship Labor Standards Act of 1939, and 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.
- 9) Declares that the apprenticeship program is intended to augment state capacity and improve recruitment and retention efforts for hard-to-fill job classifications and shall not displace incumbent workers employed in state service.
- 10) 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.

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 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 Assembly Appropriations Committee:

- 1) “One-time General Fund costs of \$950,000 and \$900,000 ongoing annually for 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 CalHR to hire one additional staff member to oversee creation and monitoring of the new apprenticeship classification.

SUPPORT: (Verified 8/24/26)

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
 California Association of Professional Scientists, UAW Local 1115
 CFT – a Union of Educators & Classified Professionals
 ILWU Local 26
 Inland Empire Labor Council
 National Council on Occupational Safety and Health
 Professional Engineers in California Government
 Service Employees International Union, California
 Service Employees International Union, Local 1000
 Smart - Transportation Division
 Southern California Coalition for Occupational Safety and Health
 Sunflower Alliance
 United Steelworkers District 12
 United Steelworkers Local 675
 Worksafe

OPPOSITION: (Verified 8/24/26)

None received

ARGUMENTS IN SUPPORT:

According to a coalition of worker advocacy organizations and labor unions, including the California Rural Legal Assistance Foundation and the United Steelworkers:

“California’s system of labor law enforcement is foundational to protecting workers’ wages, health, and safety, and to ensuring a level playing field for responsible employers. Yet, as recognized in SB 1227, persistent staffing shortages-exceeding 25 percent vacancy rates in recent years-have significantly undermined DIR’s ability to fulfill its mission.

The 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. 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.

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.”

Prepared by: Glenn Miles / L., P.E. & R. / (916) 651-1556
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