SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	SB 966	**Hearing Date:**	April 15, 2026
Author:	Gonzalez		
Version:	March 25, 2026		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Emma Bruce		

SUBJECT: Refinery and chemical plants

KEY ISSUE

This bill codifies specified provisions of the process safety management (PSM) safety standard related to employee participation in PSM activities. Specifically, the bill requires an employer, in consultation with employees and employee representatives, to develop, implement, and maintain a written plan providing for employee participation in all PSM elements, as specified.

Existing law:

1) Requires, under the California Occupational Safety and Health Act, an employer to:
   a) Furnish employment and a place of employment that is safe and healthful.
   b) Furnish and use safety devices and safeguards, as well as adopt and use practices, means, methods, operations, and processes that are reasonably adequate to render employment and the place of employment safe and healthful.
   c) Do everything reasonably necessary to protect the life, safety, and health of employees. (Labor Code §6300 et seq.)

2) Establishes the Division of Occupational Safety and Health (Cal/OSHA) within the Department of Industrial Relations (DIR) to, among other things, propose, administer, and enforce occupational safety and health standards. (Labor Code §6300 et seq.)

3) Establishes the Occupational Safety and Health Standards Board (Standards Board), within DIR, to promote, adopt, and maintain reasonable and enforceable standards that will ensure a safe and healthful workplace for workers. (Labor Code §140-147.6)

4) Prohibits an employee from being laid off or discharged for refusing to perform work in violation of prescribed safety standards, where the violation would create a real and apparent hazard to the employee or his or her fellow employees. Any employee who is laid off or discharged in violation of this right shall have a right of action for lost wages for the time the employee is without work as a result of the layoff or discharge. (Labor Code §6311)

5) Directs the Standards Board and Cal/OSHA, in accordance with the California Refinery and Health Standards Board Act of 1990, to promote worker safety through implementation of training and process safety management (PSM) practices in refineries and chemical plants and other facilities deemed appropriate. (Labor Code §7852(a))

6) Defines "refinery" as an establishment that produces gasoline, diesel fuel, aviation fuel, or biofuel through the processing of crude oil or alternative feedstock. (Labor Code §7853(c))

7) Defines "process safety management" as the application of management programs, which are not limited to engineering guidelines, when dealing with the risks associated with handling or working near hazardous chemicals. PSM is intended to prevent or minimize the consequences of catastrophic releases of acutely hazardous, flammable, or explosive chemicals. (Labor Code §7853(b))

8) Directs the Standards Board to adopt, by March 31, 2014, process safety management standards for refineries, chemical plants, and other manufacturing facilities, as specified. (Labor Code 7856(a))

9) Directs Cal/OSHA to propose, and the Standards Board to consider for adoption, regulations to implement PSM standards for refineries by January 1, 2026. (Labor Code §7856(b))

10) Requires PSM standards to include provisions that direct employers to, among other things:
    a) Develop and maintain a compilation of written safety information to enable the employer and the employees operating the process to identify and understand the hazards posed by processes involving acutely hazardous and flammable material.
    b) Perform a hazard analysis for identifying, evaluating, and controlling hazards involved in the process.
    c) Develop and implement written operating procedures that provide clear instructions for safely conducting activities involved in each process consistent with process safety information.
    d) Train employees, as specified.
    e) Establish and implement written procedures and inspection and testing programs to maintain the ongoing integrity of process equipment.

    (Labor Code §7858-7868)

This bill:

1) Requires, in consultation with employees and employee representatives, an employer to develop, implement, and maintain a written plan to effectively provide for employee participation in all process safety management (PSM) elements.

2) Requires the plan to include provisions that provide for all of the following:

    a) Effective participation by affected operating and maintenance employees and employee representatives, throughout all phases, in performing a process hazard analysis (PHA), damage mechanism review (DMR), hazard control analysis (HCA), management of change (MOC), management of organizational change assessment (MOOC), process safety culture assessment (PSCA), incident, investigations, safeguard protection analysis (SPA), and pre start-up safety review (PSSR).
    b) Effective participation by affected operating and maintenance employees and employee representatives, throughout all phases, in the development, training, implementation, and maintenance of the PSM elements.
    c) Access by employees and employee representatives to all documents or information developed or collected by the employer pursuant to these provisions, including information that might be subject to protection as a trade secret.

3) Permits an authorized collective bargaining agent to select one or more employees to participate in any of the following:

a) Overall PSM program development and implementation planning.
b) A project safety management team or other activity taken pursuant to this section.

4) Provides that for employees who are not represented by an authorized collective bargaining agent, an employer shall establish effective procedures in consultation with employees for the selection of employee representatives.

5) Provides that these provisions shall not preclude an employer from requiring an employee or employee representative to whom information is made available to enter into a confidentiality agreement prohibiting them from disclosing information, as specified.

6) Requires, on or before April 1, 2027, an employer, in consultation with employees and employee representatives, to develop and implement all of the following:

   a) Effective stop work procedures that ensure all of the following:
      i. The authority of any employee, including an employee of a contractor, to refuse to perform a task if doing so could reasonably result in death or serious physical harm.
      ii. The authority of any employee, including an employee of a contractor, to recommend to the operator in charge of a unit that an operation or process be partially or completely shut down based on a process safety hazard.
      iii. The authority of the qualified operator in charge of a unit to partially or completely shut down an operation or process based on a process safety hazard.

   b) Effective procedures to ensure the right of any employee, including an employee of a contractor, to anonymously report hazards. The employer shall respond in writing within 30 calendar days to written hazard reports submitted by an employee, an employee representative, contractor, employee of a contractor, or contractor employee representative. The employer shall prioritize and promptly respond to and correct hazards that present the potential for death or serious physical harm.

7) Requires an employer to document all of the following:

   a) Recommendations to partially or completely shut down an operation or process.
   b) Partial or complete shutdown of an operation or process.
   c) Written reports of hazards and the employer's response

COMMENTS

1. Background:

Occupational Safety and Health Standards Board (Standards Board)
The Standards Board, within Cal/OSHA, is the only agency in the state authorized to adopt, amend, or repeal occupational safety and health standards or orders. Its mission is to promote, adopt, and maintain reasonable and enforceable standards that ensure a safe and healthful workplace. The Standards Board consists of seven members appointed by the Governor. Two members are selected from labor, two members from management, one member from occupational safety, one member from occupational health, and one member from the general public. Among other responsibilities, the Standards Board 1) adopts and

maintains standards; 2) considers petitions for new or revised standards proposed by any interested person; and 3) grants permanent variances from standards. To carry out its duties, the Standards Board holds monthly meetings throughout California.

The Administrative Procedure Act governs the public hearing and adoption process. After a rulemaking action is deemed necessary, proposed standard changes are developed by either the Standard Board's staff or Cal/OSHA's staff, generally with the assistance and recommendations of an advisory committee. Advisory committees consist of representatives from industry, labor, the public, and other interested groups. If the changes are related to federal standards, the proposal is reviewed by Federal OSHA staff. The proposal is then scheduled for hearing at one of the Board's monthly meetings, so that written and oral testimony can be solicited. Following the public hearing, all testimony is returned to the originating staff for review. When all comments and testimony have been addressed by either modifying the proposal or providing a satisfactory explanation for rejection of suggested changes, the Standards Board's staff schedules the proposed standard for consideration and adoption at its next meeting. Following adoption, a copy of the rulemaking file is sent to the Office of Administrative Law (OAL) for approval. After approval the OAL transmits the standard to the Secretary of State for filing and the standard is published in Title 8 of the California Code of Regulations.

Process Safety Management (PSM)

The PSM Unit within Cal/OSHA is responsible for inspecting refineries and chemical plants that handle large quantities of toxic and flammable materials. Generally, refinery safety rules are built around the concept of process safety, which requires refineries to identify and fix hazards before accidents occur and to involve workers directly in investigations when they do. The first safety standard enforced by the PSM Unit was adopted in 1990 under the California Refinery and Health Act and was substantially similar to the federal one. Following a 2012 chemical release and fire at the Chevron U.S.A. Inc. Refinery in Richmond, however Cal/OSHA and the Legislature moved to strengthen safety standards. Reports by Cal/OSHA, the U.S. Chemical Safety and Hazard Investigation Board, and the U.S. Environmental Protection Agency identified serious concerns about Chevron's PSM procedures and expressed the need for stronger preventative safeguards. On May 18, 2017, the Standards Board unanimously adopted an updated PSM standard that, among other things, requires refinery employers to conduct damage mechanism reviews, apply rigorous safeguard protection analyses, integrate human factors and culture assessments into safety planning, involve front-line employees in decision-making, and perform comprehensive process hazard analyses.

In 2024, the Legislature expanded the definition of "refinery" to include an establishment that produces gasoline, diesel fuel, aviation fuel, or biofuel through the processing of crude oil or alternative feedstock. The current PSM standard covers approximately 1,500 facilities in the state that handle or process certain hazardous chemicals, including 11 refineries which produce approximately two million barrels of crude oil per day into gasoline, diesel fuel, jet fuel, and chemical feedstocks.[1]

Western States Petroleum Association (WSPA) Lawsuit

[1] OSHSB, Process Safety Management for Petroleum Refineries. "Initial Statement of Reasons" 2025.

In 2019, WSPA filed two lawsuits regarding the 2017 PSM safety standard (CCR §5789.1).[2] In a complaint filed in Sacramento Superior Court, WSPA alleged that the standard 1) did not meet requirements under the California Administrative Procedure Act; 2) was invalid; 3) was unenforceable because it was inconsistent with governing statues; and 4) was neither reasonably necessary nor sufficiently clear.[3] Additionally, in a complaint filed in the Eastern District of California, WSPA alleged that the standard was preempted by the National Labor Relations Act.[4]

As part of a 2024 settlement to resolve these lawsuits, Cal/OSHA and the Standards board agreed to engage in rulemaking to amend the PSM safety standard to address WSPA's concerns. Specifically, Cal/OSHA agreed to propose and to support amendments to the PSM standard that would:

- Amend and clarify the definitions of highly hazardous material, major change, and employee representative;
- Amend and clarify the requirements pertaining to the Hierarchy of Hazard Control Analysis; and
- Amend and clarify, with respect to employee participation in PSM activities, how employers will allow for effective participation by employees engaged in such activities.

The revised standard must be adopted in accordance with the California Administrative Procedure Act. On November 28, 2025, the Standards Board published its notice of proposed rulemaking to amend the PSM standard. The first public hearing was held on January 15, 2026. The Standards Board is in the process of soliciting and responding to stakeholder feedback. It's unclear when the updated PSM standard will be adopted by the Standards Board and filed with the Secretary of State.

With respect to employee participation, the proposed amendments to the PSM standard would add a new means of fulfilling the employer's mandate to effectively provide for employee participation. An employer will allow for "effective participation" in a PSM element if the employer provides advance notice of the PSM activity and considers input provided by workers who participate in the PSM activity, including the employee representative. If the employer provides this advance notice, the employer is not required to delay a PSM activity because a union, or employees who are not unionized, fails to select an employee representative, or because a selected employee representative does not participate in the PSM activity. Furthermore, the proposed amendments require the selection process for employee representatives to be governed by the written employee-participation plan, as opposed to authorized collective bargaining agents selecting employee representatives.

Please see the chart attached to the end of this analysis for an overview of the proposed PSM amendments that are relevant to SB 966.

---

[2] OSHSB, Process Safety Management for Petroleum Facilities. "Notice/Informative Digest" 2025.
[3] Western States Petroleum Association v. California Occupational Safety and Health Standards Board, California Division of Occupational Safety and Health, and California Environmental Protection Agency (Sacramento Super. Ct., Case No. 34-2019-00260210).
[4] Western States Petroleum Association v. California Occupational Safety and Health Standards Board, et al. (E.D. Cal., Case No. 2:19-cv-1270)

This bill
SB 966 would codify the current requirements for employee participation in PSM activities, before the Standards Board adopts an updated PSM safety standard. The language in SB 966 is from the 2017 standard and does not include the proposed "effective participation" language described above or the change in the process for selecting employee representatives.

2. Need for this bill?

According to the author:

"SB 966 codifies worker representation and participation requirements for process safety management standards based on the employee participation language in the 2017 process safety management standards, which were developed following a robust stakeholder process including input from Labor representatives, scientists, and environmental health leaders.

Codifying this existing regulatory language ensures that workers retain the right to choose their own representatives for process safety management activities, and that the landmark protections established in the 2017 regulations are protected from future regulatory rollback. These protections include stop work procedures, employee participation in process safety management activities, access to process safety management information collected by the employer, and the right to anonymously report hazards – the exact provisions that were implemented to prevent disasters that occur at refineries when the company does not involve workers or adhere to their professional safety recommendations.

These protections are critical to ensuring OSHSB's regulations do what they are intended to do – prevent refinery disasters – by ensuring refinery workers are fully engaged in process safety management. Refinery workers are on the front lines of hazards and have direct expertise in process safety management. They deserve to have a seat at the table in discussions about safe operations of refineries."

2. Proponent Arguments:

The sponsor of the measure, the United Steelworkers District 12, argues:

"California's PSM standards for refineries cover approximately 1,500 facilities in the state and are intended to prevent accidental chemical releases. Following several preventable refinery disasters, including a massive fire at the Chevron Richmond Refinery in 2012 that endangered 19 workers' lives and resulted in 15,000 Richmond residents seeking medical attention, OSHSB adopted updated PSM standards in 2017. Critically, these 2017 standards made California the nation's leader in PSM reform, especially since federal PSM standards have not been meaningfully updated since 1992.

OSHSB's 2017 standards included requirements for employee participation in PSM activities, such as the ability for employees to select their own representatives, to refuse to perform tasks that could result in death or physical harm (i.e., stop work authority), and to shut down a process when dangerous conditions are observed. Due to a court challenge from the Western States Petroleum Association and subsequent settlement, OSHSB is now considering updated standards that would severely weaken these important regulations.

In particular, reports suggest that in reaction to the settlement, OSHSB could significantly walk back the progress made on worker participation provisions in the 2017 standard. The worker participation requirements were the most significant steps forward that put California far ahead of the outdated federal PSM standard…

SB 966 safeguards critical worker protections by codifying specific worker representation and participation requirements. It is based on language from the 2017 PSM standards, which were developed through a robust stakeholder process including Labor representatives, scientists, and environmental health leaders. SB 966 will ensure that workers retain the right to choose their own representatives for PSM activities and that landmark protections including stop work procedures, the right to anonymously report hazards, and the right to access PSM information are protected from regulatory rollback."

3. Opponent Arguments:

None received.

4. Prior Legislation:

AB 3258 (Bryan, Chapter 978, Statutes of 2024) expanded the scope of the California Refinery and Chemical Plant Worker Safety Act of 1990 by revising the definition of "refinery" and directed the Standards Board to consider for adoption, regulations that implement process safety management standards for the revised definition of refinery, as specified.

SB 1300 (Hancock, Chapter 519, Statutes of 2014) required every petroleum refinery employer to, every September 15, submit to the Cal/OSHA a full schedule for the following calendar year of planned turnarounds, and to inspect, test, and replace process materials and equipment, as specified. The bill also required a petroleum refinery employer, upon the request of Cal/OSHA, to provide onsite access and specified documentation.

AB 3672 (Elder, Chapter 1632, Statutes of 1990) established the California Refinery and Chemical Plant Worker Safety Act of 1990, which includes process safety management standards to prevent or minimize the consequences of catastrophic releases of toxic, flammable, or explosive chemicals.

SUPPORT

United Steelworkers District 12 (Sponsor)
350 Bay Area Action
Asian Pacific Environmental Network Action
Bay Area Third Act
Center for Community Action & Environmental Justice
Clean Earth 4 Kids
Climate Action Campaign at the Humboldt UU Fellowship
Communities for a Better Environment
Earth Ethics, Inc.
Greenpeace USA
Oil and Gas Network
Physicians for Social Responsibility Los Angeles

San Francisco Bay Area Physicians for Social Responsibility
Sunflower Alliance
The Climate Center

OPPOSITION

None received

-- END --

Provision	**Current Text**	**Agreed Amended Text**
8 CCR 5189.1(q)(1)	In consultation with employees and employee representatives, the employer shall develop, implement and maintain a written plan to effectively provide for employee participation in all PSM elements, pursuant to this section. The plan shall include provisions that provide for the following: (A) Effective participation by affected operating and maintenance employees and employee representatives, throughout all phases, in performing PHAs, DMRs, HCAs, MOCs, Management of Organizational Change assessments (MOOCs), Process Safety Culture Assessments (PSCAs), Incident Investigations, SPAs and PSSRs; (B) Effective participation by affected operating and maintenance employees and employee representatives, throughout all phases, in the development, training, implementation and maintenance of the PSM elements required by this section; and, (C) Access by employees and employee representatives to all documents or information developed or collected by the employer pursuant to this section, including information that might be subject to protection as a trade secret.	With respect to employee participation in the PSM activities required by this section, an employer will allow for "effective participation" by employees in such activities if it provides advance notice of each such PSM activity and considers input provided by individuals participating in such PSM activities, including the employee representative, as specified in subsection (x). If the requisite advance notice is provided as specified above, an employer shall not be required to delay any PSM activity due to the failure by a union, or employees in the absence of a union, to select an employee representative, or the failure of a selected employee representative to participate in the noticed PSM activity. Nothing in this subsection shall be construed to require an employer to accept recommendations or findings of employee representatives.
8 CCR 5189.1(q)(2)	Authorized collective bargaining agents may select (A) employee(s) to participate in overall PSM program development and implementation planning and (B) employee(s) to participate in PSM teams and other activities, pursuant to this section.	The written employee-participation plan will determine how employees are selected to participate in overall PSM program development and implementation planning and to participate in PSM teams and other activities, pursuant to this section. Any such employees shall be on-site and qualified for the task for which they are selected and shall be subject to all provisions of 8 CCR 5189.1(q)(1) applicable to employee representatives.

SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	SB 1024	**Hearing Date:**	April 15, 2026
Author:	Menjivar		
Version:	March 16, 2026		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Alma Perez-Schwab		

SUBJECT: Firefighter postpartum and recovery leave

KEY ISSUE

This bill grants active firefighting members of specified fire departments, 26 weeks of *fully paid* postpartum and recovery leave for birth, stillbirth or miscarriage of a child and requires that, upon return, the firefighter be restored to their prior position, as provided.

ANALYSIS

Existing federal law:

1) Establishes the Family Medical Leave Act (FMLA) to provide most employees the right to take up to 12 weeks of job-protected, unpaid time off work for the birth or adoption of a child, due to a serious health condition of the employee, for an exigency arising out of the fact that the employee's close relative is a military member on active duty, and for the employee to care for a close relative with a serious health condition. Applies these provisions to private employers that employ 50 or more employees during each of 20 or more calendar workweeks in the current or preceding year. (28 U.S.C. §2601 et seq., §2611)

Existing state law:

2) Establishes the California Family Rights Act (CFRA) making it an unlawful employment practice for an employer to refuse to grant a request from an eligible employee to take up to a total of 12 weeks off in any 12-month period for specified family care and medical leave. Defines "family care and medical leave," for purposes of CFRA, to mean taking leave to care for a new child; to care for a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner who has a serious health condition; to take leave because of the employee's own serious health condition; or for a qualifying exigency related to the employee's close family's active duty as a member of the Armed Forces, as specified. Provides that CFRA provisions only apply to employers with five or more employees, and to employees who have held their job for at least a year and worked at least 1,250 hours in the previous 12-month period. (Government Code §12945.2)

3) Under Pregnancy Disability Leave (PDL) provisions, makes it an unlawful employment practice, unless based upon a bona fide occupational qualification, for an employer to refuse to allow an employee disabled by pregnancy, childbirth, or a related medical condition to take a leave for a reasonable period of time *not to exceed four months* and thereafter return to work. The employee is entitled to utilize any accrued vacation leave during this period of time. Also makes it an unlawful employment practice for an employer to refuse to provide

reasonable accommodation for an employee for a condition related to pregnancy, childbirth, or a related medical condition, if the employee so requests, and with the advice of the employee's health care provider. (Government Code §12945)

4) Provides, through the State Disability Insurance (SDI) program, short-term wage replacement benefits to eligible workers who are unable to work due to a non-work-related illness or injury and for a maximum of 52 weeks. SDI benefits can be used for an illness or injury, either physical or mental, which prevents an employee from performing their regular and customary work and includes elective surgery, pregnancy, childbirth, or other medical conditions. (Unemployment Insurance Code §2601-3308)

5) Provides, through the Paid Family Leave (PFL) program, a component of SDI, eligible employees up to eight weeks of wage replacement benefits within a 12-month period to workers who need to take time off work to care for a seriously ill child, spouse, parent, grandparent, grandchild, sibling, or domestic partner; to bond with a minor child within one year of the birth or placement of the child in connection with foster care or adoption; or to participate in a qualifying event because of a family member's military deployment. (Unemployment Insurance Code §3301)

6) Through the Fair Employment and Housing Act (FEHA), makes it an unlawful employment practice for an employer to refuse to grant a request by any employee to take up to five days of *reproductive loss leave* following a reproductive loss event. Defines "reproductive loss event" to mean the day or, for a multiple-day event, the final day of a failed adoption, failed surrogacy, miscarriage, stillbirth, or an unsuccessful assisted reproduction. If an employee experiences more than one reproductive loss event within a 12-month period, an employer shall not be obligated to grant a total amount of reproductive loss leave time in excess of 20 days within a 12-month period. (Government Code §12945.6)

This bill:

1) Enacts Firefighter Postpartum and Recovery Leave granting a firefighter who, after 20 weeks of gestation, gives birth or has a stillbirth or miscarriage, 26 weeks of fully paid postpartum and recovery leave.

2) Requires the leave to be granted without regard to length of service or employment classification and shall begin immediately upon the childbirth, stillbirth, or miscarriage.

3) Requires a firefighter on postpartum and recovery leave to be compensated at the firefighter's regular rate of pay.

4) Requires that all benefits, including health coverage, retirement contributions, seniority, promotional eligibility, and step increases, continue to accrue during the postpartum and recovery leave as if the firefighter were actively working.

5) Prohibits an employing entity from requiring a firefighter to exhaust sick leave, vacation, or compensatory time during the postpartum and recovery leave.

6) Requires that a firefighter returning from postpartum and recovery leave be restored to their prior position or a position of equivalent rank, pay, schedule, station assignment, and promotional trajectory.

7) Applies these requirements to active firefighters of all the following fire departments:

   a. A fire department of a city, county, city and county, district, or other public or municipal corporation or political subdivision.
   b. A fire department of the California State University.
   c. The Department of Forestry and Fire Protection.
   d. A county forestry or firefighting department or unit.
   e. A fire department that serves a United States Department of War installation and who is certified by the United States Department of War as meeting its standards for firefighters.
   f. A fire department that serves a National Aeronautics and Space Administration installation and who adheres to training standards, as specified.
   g. A fire department that provides fire protection to a commercial airport regulated by the Federal Aviation Administration (FAA), as specified, and is trained on the standards of Section 139.319 of Title 14 of the Federal Code of Regulations.

8) Requests that a fire department of the University of California comply with these provisions.

9) Specifies that these provisions establish a statewide minimum standard and shall not be construed to preempt or limit any collective bargaining agreement or local policy providing greater rights or benefits.

10) Makes findings and declarations relative to the medical necessity of postpartum recovery and declaring its need for firefighters to improve public safety by reducing injury, preventing premature return to hazardous duty, and strengthening retention in an essential profession.

COMMENTS

1. Background:

Parental leave is proven to benefit families and communities by improving long-term health outcomes for mothers and children, decreasing stress for caregivers and new parents, encouraging equitable co-parenting, and reducing income volatility. Studies have found that longer paid maternity leave was associated with, among other things: 1) lower rates of postpartum depression and lower rates of depression later in life; 2) for mothers who chose to breastfeed, higher rates of breastfeeding that continued for twice as long; 3) a lower likelihood of the mother or child returning to the hospital with medical complications in the first year; and 4) babies were more likely to have well-child visits and timely vaccinations.[1] Additionally, women who take paid leave are more likely to return to work and to see a wage increase and less likely to rely on public assistance and food stamps.[2] Whether or not the parental leave is paid or has some wage replacement component is often the deciding factor

[1] Waldron, Patricia citing Stanford psychiatrist Amy Alexander, *"The case for national paid maternity leave,"* Women's Health, May 18, 2020. https://med.stanford.edu/news/insights/2020/05/the-case-for-national-paid-maternity-leave.html
[2] Ibid.

on whether or not, and for how long, an employee is likely to take time to care for themselves and their families while financially providing for them.

California has several medical leaves under which an employee may be able to take leave from work to care for their illness, that of specified family members or for the bonding with a new child. Below is a summary of some and their eligibility requirements.

	CA Family Rights Act (CFRA) ***Job Protected***	**Paid Family Leave (PFL)** ***No Job Protection***	**Pregnancy Disability Leave (PDL)** ***Job Protected***	**Reproductive Loss Leave** ***Job Protected***	**Family Medical Leave Act (FMLA)** ***Job Protected***	**SB 1024 (This bill)**
Employers Covered	Five or more employees	One or more (employee pays, employee gets)	Five or more employees	Public employers of any size/ private employers with five or more employees	50+ employees within 75-mile radius	All specified fire departments
Employee Eligibility	Worked 1,250 hours in prior 12 months	Once employee earns $300 in base period for fund contribution	Immediate as necessary	Worked with the employer at least 30 days	Worked 1,250 in prior 12 months	Immediate without regard to length of service or employment
Reason for Leave	Employee serious health condition; seriously ill family member care; bond with newborn or newly placed adopted or foster child	Care for seriously ill family member; bond with a child within 1 year of birth, foster care or adoption placement; qualifying event because of a family member's military deployment	Disability due to pregnancy, childbirth or related medical condition	Miscarriage, stillbirth, failed adoption, failed surrogacy, or unsuccessful assisted reproduction	Bond with a child w/in 1 year of birth, adoption or foster care placement OR due to serious pregnancy-related health condition	After 20 weeks of gestation, for birth, stillbirth, or miscarriage
Length of Leave	12 weeks in 12-month period	8 weeks in 12-month period	Up to 4 months	5 days, nonconsecutive, per loss event (max of 20 days w/in 12 months)	Up to 12 weeks	26 weeks
Paid or Unpaid	Unpaid, may run concurrent with other paid leave	Partial wage replacement (70-90%, depending on income)	Unpaid, may run concurrent with SDI for partial wage replacement	Unpaid, employee can use vacation, personal leave, paid sick leave, or comp time	Unpaid, employee can use vacation, paid sick time	Fully paid, prohibits exhausting sick leave, vacation or comp time
Continued Health Coverage	Yes	No	Yes	Unspecified	Yes	Yes

Points of note regarding these leaves:

- When both state and federal laws apply, the employee receives the benefit of the more protective law.
- PFL provides benefit payments but not job protection; however, the employee's job may be protected if taken concurrently with FMLA or CFRA.
- There is no pay associated with the FMLA and CFRA, other than what the employee has earned in other accrued leaves that may apply.
- Employees may only be eligible for the PFL program if they are covered by the SDI program. SDI is employee funded. If an employee does not pay into the SDI program, they are not eligible to receive disability benefits PFL.

As noted in the chart above, existing family and medical care leaves have various eligibility requirements that must be met before an employee can access the programs. CFRA and FMLA, for example, require employees to have worked 1,250 hours in the prior 12 months (assuming a 40 hour workweek, this is roughly 31.25 weeks) to be eligible to access the 12 weeks of leave. The reproductive loss leave provisions require a worker to have worked with the employer at least 30 days before accessing the protected time. This bill specifies that the firefighter postpartum and recovery leave "shall be granted without regard to length of service or employment classification and shall begin immediately upon the childbirth, stillbirth, or miscarriage." *Should eligibility for this leave align with other existing eligibility requirements?*

2. Example of existing leave options for some firefighters:

As noted above, there is no fully paid parental leave policy mandated under existing law under which a firefighter may be able to take time off from work to care for themselves and their child after a birth, stillbirth or miscarriage. There are, however, some localities that have adopted paid parental leave policies for their employees. For example, some bargaining units for the City of San Jose are entitled to receive 320 hours (8 weeks) of paid time off in addition to being authorized to use up to 120 hours of their available sick leave for the purpose of bonding with the employee's or the employee's spouse/domestic partner's new child through birth, adoption, or foster care placement. To be eligible, employees must be full-time (35+ hours) and have at least 2,080 hours of service from the most recent date of hire.[3]

Having a paid postpartum and recovery leave policy is something that could be bargained for during collective bargaining negotiations, however, considering the demographics of the profession, this benefit may not always be at the top of the list of priorities. As noted by a November 2024 news article aired and published by NBC Bay Area which surveyed 20 fire departments across the Bay Area region, among the 17 agencies that responded, the average percentage of women firefighters was about 7%, 2 percentage points higher than the national average.[4] San Francisco Fire Department and Mountain View Fire Department were the only two departments with women represented in the double digits, with San Francisco at 15.2% and Mountain View at 12.1%.

---

[3] City of San Jose Human Resources City-Paid Parental Leave Overview + Frequently Asked Questions: https://www.sanjoseca.gov/home/showpublisheddocument/76768/638992321754152602

[4] Hilda Gutierrez, Michael Bott, Alex Bozovic and Michael Horn (2024, November 26). Bay Area fire departments still struggle to hire women, NBC Bay Area survey finds. *NBC Bay Area.* https://www.nbcbayarea.com/investigations/bay-area-fire-departments-gender-gap-survey/3721165/

3. Need for this bill?

According to the author:

"No uniform family leave policies exist in the United States. Federal law requires employers of 50 or more employees to provide twelve weeks of job-protected, unpaid family leave. California provides short-term wage replacement for family leave through State Disability Insurance (SDI), but most public employees, including firefighters, do not participate in SDI and are therefore ineligible for this benefit. Some municipal fire departments have instituted pregnancy and postpartum policies, but they are not standardized. Even where policies exist, firefighters are often required to exhaust their accumulated sick and/or vacation time before accessing leave. Currently, the only guaranteed job-protected leave firefighters are entitled to after childbirth is twelve weeks and unpaid. Twelve weeks falls far short of the time needed to recover from childbirth or bond with a new child, but without pay firefighters are pushed to return to work and full duties before they are fully healed. This puts them at significant risk of injury and the harm associated with early return doesn't stop at the firefighter.

Firefighters are repeatedly exposed to toxic chemicals in concentrations that exceed recommended limits during normal firefighting duties. In fact, the accumulated health risks of these exposures are numerous, making the profession so dangerous to human health that the International Association for Research on Cancer (IARC) has placed the occupation in the same category as toxic substances as a known carcinogen. A 2023 study found that several chemicals were present in higher concentrations in the breast milk of firefighters, with varying concentrations of fire-related chemicals passing through to breast-fed infants[5].

Firefighters who wish to take additional leave face the impossible decision between their own health, the health of their newborn, and their family's financial stability. Unfortunately, many have faced this choice and found that they have no option but to leave a career they love. The lack of supportive pregnancy and maternity policies has significant impacts on both initial recruitment and long-term retention following childbirth, deeply impacting the ability of fire departments to sustainably build a diverse and representative fire service. Every firefighter who leaves represents a loss of the substantial time, funding, and effort invested in their training. SB 1024 promotes fair, accessible, and sustainable careers in the fire service by establishing a statewide uniform paid postpartum and recovery policy for firefighters who give birth."

4. Proponent Arguments:

According to the sponsors of the measure, the California Professional Firefighters:

"Significant time, effort, and funding is required for every recruit to achieve the level of training necessary for a career in the fire service, and when a firefighter must walk away to prioritize their health and family those investments are lost. Cost estimates for training range from $80,000 - $120,000 per recruit and may in fact be much higher when training beyond the initial academy period is considered. Ensuring that a fully trained and experienced

[5] Engelsman, M.; Banks, A.P.W.; He, C.; Nilsson, S.; Blake, D.; Jayarthne, A.; Ishaq, Z.; Toms, L.-M.L.; Wang, X. An Exploratory Analysis of Firefighter Reproduction through Survey Data and Biomonitoring. Int. J. Environ. Res. Public Health 2023, 20, 5472. https:// doi.org/10.3390/ijerph20085472 (Engelsman, et al., 2023)

firefighter can return to their job following childbirth is not just the right thing to do but saves money in the long term.

Twelve weeks of unpaid leave is not sufficient time for recovery from childbirth, particularly for firefighters faced with a job that is intensely physically and mentally demanding with a non-traditional schedule that requires extended periods of time away from home. Pushing a firefighter to return to work and full duties before they are completely recovered puts them at significant risk of injury and has potential health risks for their child following repeated toxic exposures.

The occupation of firefighting involves repeated and varied exposures to toxic chemicals, with substances such as carbon monoxide, sulfur dioxide, benzene, chromium, heavy metals and others present in concentrations exceeding recommended limits during normal firefighting activities. The accumulated health risks of these exposures are numerous, with the profession so dangerous to human health that the International Association for Research on Cancer (IARC) has placed the occupation in the same category as toxic substances as a known carcinogen. 'An Exploratory Analysis of Firefighter Reproduction through Survey Data and Biomonitoring" published in the International Journal of Environmental Research and Public Health, found that several chemicals were present in higher concentrations in the breast milk of firefighters, with varying concentrations following different fire exposures…'

It is imperative that the fire service not only continue its existing work but take new strides towards expanding its ranks to all who wish to serve. Firefighters should not have to choose between starting a family and pursuing their careers or be forced to step aside in order to protect themselves and their infants from harm. Given the unique, dangerous, and physically demanding nature of the job, a unified policy ensuring that all firefighters can recover and bond with their child will protect existing personnel and provide more flexibility and security for those who are considering a career in public service."

5. Opponent Arguments:

None received.

6. Prior/Related Legislation:

AB 65 (Aguiar-Curry, 2025) would have required K-12 public schools and community college districts to provide up to 14 weeks of paid leave for employees experiencing pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions. *AB 65 was set for hearing in Senate Education Committee in 2025, but hearing was canceled at the request of the author.*

AB 2901 (Aguiar-Curry, 2024) would have required school and community college districts to provide up to 14 weeks of paid leave for employees experiencing pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions. *AB 2901 died on the Senate inactive file.*

AB 1123 (Addis, Cervantes, 2023) would have required the California State University (CSU) to provide employees with a paid leave of absence of one semester of an academic year, as specified, following the birth of a child of the employee or the placement of a child with an employee in connection with adoption or foster care placement. *AB 1126 was vetoed*

by Governor Newsom who stated, "I vetoed a nearly identical bill last year, citing more than $20 million in fiscal impact outside of the budget process and pending collective bargaining negotiations between the CSU and the California Faculty Association. I implore both entities to come together to resolve this issue during this negotiation…With our state facing continuing economic risk and revenue uncertainty, it is important to remain disciplined when considering bills with significant fiscal implications, such as this measure."

SUPPORT

California Professional Firefighters – Sponsor
Cal Fire Local 2881
California Federation of Labor Unions
California Teachers Association

OPPOSITION

None received

-- END --

SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	SB 1059	**Hearing Date:**	April 15, 2026
Author:	Archuleta		
Version:	April 8, 2026		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Jazmin Marroquin		

SUBJECT: Employment Training Panel

KEY ISSUE

This bill (1) requires the Employment Training Panel (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, as specified; (2) authorizes contractors and subcontractors under an ETP agreement to satisfy these requirements through electronic records, as specified; (3) requires ETP to adopt electronic recordkeeping and training administration standards, as specified; (4) provides that specified records have the same force and effect as paper records and must be retained for the period required by ETP; and (5) prohibits structured onsite training (SOST) from being considered an eligible training delivery methodology for purposes of reimbursement or approval under the ETP program.

ANALYSIS

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 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, among other things, fostering retention of high wage, high-skilled jobs in manufacturing, and other industries, as specified. (Unemployment Insurance Code §10200)

3) 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)

4) Authorizes 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. In making a determination of costs to be reimbursed under this paragraph, ETP may allocate funds in accordance with any of the following methods:
        i) For purposes of providing simplified fixed-fee performance contracts, a flat rate per hour for categories of training that are substantially similar with respect to content, methodology, and duration, as determined by ETP, not to exceed the reasonable and

normal costs for the training. ETP must periodically adjust the standardized rates established pursuant to this paragraph to reflect changes in training costs.

ii) A complete review of the proposal and its costs, including a budget listing the planned costs of training, including personnel, fringe benefits, equipment, supplies, fees for consulting or administrative services, and other costs attributable to training; the services provided by subcontractors; the length and complexity of the training; the method of training; the wages and occupations following training; whether the trainees are new hires or retrainees; and the cost of similar training that the panel has funded previously. The cost of administration shall not exceed 15 percent of the training costs under this paragraph, except that for new hire training the panel may fund administrative costs of up to 25 percent of the training cost.

iii) The ETP may modify the specific requirements of this paragraph as they apply to employers or contractors proposing projects that involve training for a significant number of small employers in the same project.

iv) A contractor is prohibited from utilizing any funds earned or paid as advances or progress payments for the purpose of making payments to any other individual or entity, either directly or indirectly, for costs incurred as a finder's fee or for other compensation related to the predevelopment or development phase of a training program, which is based on a percentage of the preliminary or final panel award to the contractor for the training project.

b) Costs of program administration incurred, as specified. These costs shall be reviewed annually by the Department of Finance and the Legislature and determined through the normal budgetary process.

i) ETP's administrative costs, as specified, shall not exceed 15 percent of the total amount annually appropriated for expenditure by ETP. Expenditures for marketing, research, and evaluations provided under the contract to the ETP that otherwise would have been provided directly by the ETP shall not be included in this limitation.

c) Service related to the purposes of this chapter provided by the Small Business Development Centers. (Unemployment Insurance Code §10206)

This bill:

1) Requires 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 contractors and subcontractors under an ETP agreement, notwithstanding any other law, 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 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 ETP to do both of the following:

a) Adopt electronic recordkeeping and training administration standards consistent with modern digital systems, as specified.
b) Ensure that all recordkeeping requirements support program accountability while minimizing unnecessary administrative burden on employers and training providers, as specified.

5) Requires ETP to adopt electronic recordkeeping and training administration standards that include, but are not limited to, the following requirements:

   a) Contractors must maintain and make available, upon request by the panel or its designee, all of the following:
      i) Electronic 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 must 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 must contain, at a minimum, the following elements:
      i) 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) Provides that electronic records pursuant to this section have the same force and effect as paper records and are retained for the period required by ETP.

7) Provides that structured onsite training (SOST) is not considered an eligible training delivery methodology for purposes of reimbursement or approval under the ETP program.

8) Requires ETP to adopt or amend regulations and guidance as necessary to implement this, including conforming changes to terminology, application materials, compliance procedures, and audit standards, as specified.

9) Makes several findings and declarations.

COMMENTS

1. Background:

Employment Training Panel
The Employment Training Panel (ETP) provides funding to employers to assist in upgrading the skills of their workers through training that leads to good paying, long-term jobs. ETP was created in 1982 by the Legislature and is funded by California employers through the California Employment Training Tax. ETP has a three-way governing structure, with appointed ETP members representing business, unions, and state government.

ETP is a performance-based statewide workforce training and economic development program which supports California's economy by providing financial assistance to California businesses in support of customized worker training for new and existing employees.[1] ETP is a funding agency, not a training agency. Businesses determine their own training needs and how to provide training. ETP staff are available to assist in applying for funds and other aspects of participation.

ETP requires all reimbursable training to be documented on ETP rosters or approved custom rosters with wet signatures. An alternate form of recordkeeping can be requested during the development phase of the application or at any time during the term of the contract.[2] However, the use of an alternate form of recordkeeping requires prior ETP approval. Any recordkeeping modifications agreed to by ETP and the contractor will be incorporated into the contract and may be subject to audit. Prior approved alternate recordkeeping methods do not carry over into subsequent contracts, and a request will need to be submitted per each contract.

This bill, SB 1059, would require 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. It also authorizes contractors and subcontractors that have an agreement with ETP to satisfy these requirements through electronic records, under specified conditions.

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 wok environment,
- laboratory – hands-on instruction or skill acquisition conducted in a non-productive environment, or simulated work setting,
- productive laboratory – practical retraining during which the instructor oversees an employee's use of special equipment application of particular skills, in the actual work environment that results in the employer's production of goods or delivery of services for profit,
- e-learning – real-time interactive training conducted in a virtual environment (i.e. Teams, Zoom) with a live instructor,
- computer-based training – self=paced training provided via software platforms (typically provided in conjunction with some classroom/laboratory training),

[1] Employment Training Panel, Fact Sheet, EDD. https://edd.ca.gov/siteassets/files/de_8714n.pdf
[2] ETP Program Overview, https://etp.ca.gov/wp-content/uploads/sites/70/2025/07/ETP_DetailedProgramOverview_July2025.pdf

- medical skills-didactic – health care field training provided via classroom, 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.

According to the author and sponsors, structured onsite training (SOST) is not currently an approved eligible training delivery method under the ETP program, but regulations still include a reference to SOST.[3] They claim that this reference could create confusion for future applicants, and clarifying this language, along with other potentially outdated provisions, is one of the goals of this bill, SB 1059.

2. Need for this bill?

According to the author, "Established in 1982, the Employment Training Panel (ETP) has served as California's premier workforce training program, supporting job creation and retention through employer-driven training. While the Panel has adapted to changes in training delivery over the past four decades, certain legacy attendance-tracking requirements remain outdated and misaligned with current practices. As a result, these provisions create unnecessary compliance and reporting challenges for employers utilizing modern electronic recordkeeping systems, virtual and augmented training modalities, and other contemporary training methods. SB 1059 provides targeted technical fixes to outdated ETP statutes, regulations, and program nomenclature to improve clarity, consistency, and administrative efficiency."

3. Proponent Arguments

According to the sponsors of the bill, the Coalition for ETP and Jobs (CETP), "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."

4. Opponent Arguments:

None received.

5. Committee Amendments:

The author and sponsors state that the intent for this bill is to authorize the use of electronic systems for application processing by ETP and *allow* applicants to maintain electronic records. However, the bill currently requires ETP to adopt electronic recordkeeping and training administration standards and *requires* contractors to maintain and make available electronic records. ***The author has agreed to take an amendment in committee so it's clear that an applicant can use electronic or paper records, while still requiring ETP to modernize the recordkeeping requirements in the event that an applicant chooses to use electronic records.*** A mock-up is below:

[3] 22 CCR § 4442

UIC 10203.5 (b) Notwithstanding any other law, contractors and subcontractors under an ETP agreement may satisfy recordkeeping and documentation requirements, **including requirements under Section 10206.5,** through electronic records provided that the records are complete, accurate, secure, and accessible for audit and oversight purposes.

UIC 10206.5 (a) The panel shall adopt ~~**electronic**~~ recordkeeping and training administration standards that include, but are not limited to, the following requirements:

(1) Contractors shall maintain and make available, upon request by the panel or its designee, all of the following:

(A) ~~**Electronic**~~ records that clearly document all aspects of training delivery, trainee participation, and retention outcomes related to the approved training program.

6. Prior/Related Legislation:

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

SB 43 (Johnson, Chapter 491, Statutes of 2000) streamlined and clarified statutes relating to the ETP.

SUPPORT

Coalition for ETP and Jobs (Sponsor)
Aerospace and Defense Alliance of California
California Asian Pacific Chamber of Commerce
California Life Sciences Association
California Manufacturers and Technology Association
Hands On, LLC
Sacramento Asian Pacific Chamber of Commerce

OPPOSITION

None received.

-- END --

SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	SB 1185	**Hearing Date:**	April 15, 2026
Author:	Cortese		
Version:	February 18, 2026		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Emma Bruce		

SUBJECT: Pharmaceutical facilities: skilled and trained workforce

KEY ISSUE

This bill requires an owner, operator, or developer of a facility that will be used for the research, development, or production of pharmaceutical products, when contracting for the performance of *initial and subsequent* construction, alteration, demolition, installation, repair, or maintenance work on the facility, to require that its contractors and any subcontractors use a skilled and trained workforce (STW), as specified.

ANALYSIS

Existing law:

1) Establishes within the Department of Industrial Relations (DIR), the Division of Labor Standards Enforcement under the direction of the Labor Commissioner (LC) and empowers the LC to ensure a just day's pay in every workplace and to promote justice through robust enforcement of labor laws. (Labor Code §79-107)

2) Establishes within DIR, the Division of Apprenticeship Standards (DAS) 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.)

3) Defines "public works" as, among other things, construction, alteration, demolition, installation, or repair work done under contract and paid for, in whole or in part, out of public funds, except work done directly by a public utility company pursuant to order of the CPUC or other public authority. (Labor Code §1720(a))

4) Requires the body awarding any contract for public work, or otherwise undertaking any public work, to obtain the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the public work is to be performed for each craft, classification, or type of worker needed to execute the contract from the Director of DIR. (Labor Code §1773)

5) Requires the LC to, with reasonable promptness, issue a civil wage and penalty assessment to the contractor or subcontractor, or both, if the LC or their designee determines after an investigation that there has been a violation of public works law. (Labor Code §1741(a))

6) Defines a "skilled journeyperson" as a worker who either:

a) Graduated from an apprenticeship program for the applicable occupation that was approved by the chief or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor.
b) Has at least as many hours of on-the-job experience in the applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the Chief.

(Public Contract Code §2601(e))

7) Defines a "skilled and trained" workforce (STW) as a workforce that meets both of the following conditions:
   a) All the workers performing work in an apprenticeable occupation in the building and construction trades are either skilled journeypersons or apprentices registered in an apprenticeship program approved by DAS.
   b) At least 60% of the skilled journeypersons employed to perform work on the contract or project by every contractor and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation, as specified.

   (Public Contract Code §2601)

8) Authorizes a public entity to require a bidder, contractor, or other entity to use a STW to complete a contract or project regardless of whether the public entity is required to do so by statute or regulation. (Public Contract Code §2600)

9) Requires a contractor, bidder, or other entity to provide to the public entity or other awarding body, on a monthly basis while the project or contract is being performed, a report demonstrating compliance with skilled and trained workforce requirements. (Public Contract Code §2602)

10) Provides that a contractor or subcontractor that fails to use a STW shall forfeit, as a civil penalty to the state, not more than $5,000 per month of work performed in violation of STW requirements. A contractor or subcontractor that commits a second or subsequent violation within a three-year period shall forfeit as a civil penalty to the state the sum of not more than $10,000 per month of work performed in violation of STW requirements. (Public Contract Code §2603(a))

11) Directs the LC to consider the following criteria when assessing penalties for STW violations:
   a) Whether the violation was intentional
   b) Whether the contractor or subcontractor has committed other violations of STW requirements or of the Labor Code.
   c) Whether, upon notice of the violation, the contractor or subcontractor took steps to voluntarily remedy the violation.
   d) The extent or severity of the violation.
   e) Whether a contractor or subcontractor submitted and followed a plan to achieve substantial compliance with this chapter.

   (Public Contract Code §2603(c))

12) Requires an owner or operator of a stationary source that is engaged in petroleum-related activities, engaged in manufacturing hydrogen, biofuels, or specified chemicals, or engaged in capturing, sequestering, or using carbon dioxide, when contracting for the performance of construction, alteration, demolition, installation, repair, or maintenance work at the stationary

source, to require that its contractors and any subcontractors use a STW, as specified. (Health and Safety Code §§25536.7 and 25536.8)

This bill:

1) Requires an owner, operator, or developer of a facility that will be used for the research, development, or production of pharmaceutical products, when contracting for the performance of *initial and subsequent* construction, alteration, demolition, installation, repair, or maintenance work on the facility, to require that its contractors and any subcontractors use a STW to perform all onsite work within an apprenticeable occupation in the building and construction trades.

2) Provides that a facility covered by these provisions shall be considered in determining whether existing apprenticeship programs do not have the capacity, or have neglected or refused, to dispatch sufficient apprentices to qualified employers who are willing to abide by the applicable apprenticeship standards.

3) Provides that these provisions do not apply to the employees of the owner or operator of the facility or prevent the owner or operator from using its own employees to perform any work that has not been assigned to contractors while the employees of the contractor are present and working.

4) Authorizes an apprenticeship program approved by the Chief to enroll, with advanced standing, applicants with prior work experience at a facility that is subject to these provisions, in accordance with the approved apprenticeship standards of the program.

5) Provides that specified provisions of the bill related to the qualifications of a skilled journeyperson and the use of a STW do not apply to either of the following:

    a) To the extent that the contractor has requested qualified workers from the local hiring halls that dispatch workers in the apprenticeable occupation and, due to workforce shortages, the contractor is unable to obtain sufficient qualified workers within 48 hours of the request, Saturdays, Sundays, and holidays excepted. These provisions do not prevent contractors from obtaining workers from any source.
    b) To the extent that compliance is impracticable because an emergency requires immediate action to prevent harm to public health or safety or to the environment, but the criteria applies as soon as the emergency is over or it becomes practicable for contractors to obtain a qualified workforce.

6) Provides that the requirement specified in 1) for a STW applies to each individual contractor's and subcontractor's onsite workforce.

7) Provides that these provisions do not make the construction, alteration, demolition, installation, repair, or maintenance work at a facility that is subject to these provisions a public work, as specified. These provisions do not preclude the use of an alternative workweek schedule, as specified.

8) Requires the owner, operator, or developer of the facility to provide to the LC on a monthly basis a report demonstrating compliance with these provisions. The required monthly report shall include the full name of, and identify the apprenticeship program name, location, and

graduation date of, each worker relied upon to satisfy the apprenticeship graduation percentage requirements of these provisions. A monthly report shall be a public record under the California Public Records Act and shall be open to public inspection.

9) Provides that if the LC, or the LC's designee, determines after an investigation that a contractor or subcontractor failed to use a STW, the contractor or subcontractor responsible for the violation shall forfeit, as a civil penalty to the state, not more than $5,000 per month of work performed in violation of these provisions. A contractor or subcontractor that commits a second or subsequent violation within a three-year period shall forfeit as a civil penalty to the state not more than $10,000 per month of work performed in violation of these provisions.

10) Authorizes the LC to reduce or waive any monetary penalty if the amount of the penalty would be disproportionate to the severity of the violation.

11) Directs the LC to consider, in setting the amount of a monetary penalty, all of the following circumstances:

    a) Whether the violation was intentional.
    b) Whether the contractor or subcontractor has committed other violations of this section or of the Labor Code.
    c) Whether, upon notice of the violation, the contractor or subcontractor took steps to voluntarily remedy the violation.
    d) The extent or severity of the violation.

12) Requires the LC, or the LC's designee, to issue a civil wage and penalty assessment, in accordance with Section 1741 of the Labor Code. Review of a civil wage and penalty assessment may be requested in accordance with Section 1742 of the Labor Code. The regulations of DIR, which govern proceedings for review of civil wage and penalty assessments and the withholding of contract payments, as specified, shall apply.

13) Provides that the determination of the LC as to the amount of the penalty imposed shall be reviewable by the Director of DIR only for an abuse of discretion.

14) Provides that the monthly report and penalty provisions in 8) through 13) shall not apply if all work on the project is covered by a project labor agreement that requires the use of a STW and provides for the enforcement of that obligation through an arbitration procedure. A project labor agreement means a prehire collective bargaining agreement that establishes terms and conditions of employment for a specific construction project or projects and is an agreement described in Section 158(f) of Title 29 of the United States Code.

15) Defines several terms, including:

    a) "Apprenticeable occupation" means an occupation for which the Chief has approved an apprenticeship program, as specified.

    b) "Facility that will be used for the research, development, or production of pharmaceutical products" includes a facility that will conduct activities described in Code 325411 or 325412 of the North American Classification System (NAICS), as that code read on

January 1, 2025, and that involve the production of a pharmaceutical product, including starting materials, intermediaries, and active pharmaceutical intermediates.

c) "Graduate of an apprenticeship program" means either of the following:
   i. An individual that has been issued a certificate of completion under the authority of the California Apprenticeship Council or the Chief for completing an apprenticeship program approved by the Chief pursuant to Section 3075 of the Labor Code.
   ii. An individual that has completed an apprenticeship program located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the United States Secretary of Labor.

d) "Onsite work" shall not include catalyst handling and loading, chemical cleaning, or inspection and testing that was not within the scope of a prevailing wage determination issued by the Director of Industrial Relations as of January 1, 2025.

e) "Prevailing hourly wage rate" means the general prevailing rate of per diem wages, as determined by the Director of DIR, as specified, but does not include shift differentials, travel and subsistence, or holiday pay. Notwithstanding subdivision (c) of Section 1773.1 of the Labor Code, the requirement that employer payments not reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing does not apply if otherwise provided in a bona fide collective bargaining agreement covering the worker.

f) "Registered apprentice" means an apprentice registered in an apprenticeship program approved by the Chief pursuant to Section 3075 of the Labor Code who is performing work covered by the standards of that apprenticeship program and receiving the supervision required by the standards of that apprenticeship program.

g) "Skilled journeyperson" means a worker who meets both of the following criteria:
   i. The worker either graduated from an apprenticeship program for the applicable occupation that was approved by the Chief, or has at least as many hours of on-the-job experience in the applicable occupation that would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the Chief.
   ii. The worker is being paid at least a rate equivalent to the prevailing hourly wage rate for a journeyperson in the applicable occupation and geographic area.

h) "Skilled and trained workforce" means a workforce that meets both of the following criteria:
   i. All of the workers are either registered apprentices or skilled journeypersons.
   ii. At least 60 percent of the skilled journeypersons are graduates of an apprenticeship program for the applicable occupation.

COMMENTS

1. Background:

Below is a brief overview of the labor standards relevant to SB 1185.

Prevailing Wages

The prevailing wage rate is the basic hourly rate paid on public works projects to a majority of workers engaged in a particular craft, classification or type of work within the locality and in the nearest labor market area. The Director of DIR (Director) issues wage determinations semiannually, on February 22 and August 22. In determining the rates, the Director ascertains and considers the applicable wage rates established by collective bargaining agreements and the rates that may have been predetermined for federal public works. SB 1185 would require an owner, operator, or developer of a facility that will be used for the research, development, or production of pharmaceutical products to pay "skilled journeypersons" at least the prevailing hourly wage rate.

What is a Skilled and Trained Workforce (STW)?

A "skilled and trained" workforce is one in which all workers performing work in an apprenticeable occupation in the building and construction trades are either skilled journeypersons or apprentices registered in a DAS-approved apprenticeship program. Additionally, at least 60% of the skilled journeypersons employed to perform work on the contract or project are graduates of either an in-state, DAS-approved apprenticeship program or an out-of-state, federally-approved apprenticeship program. Individuals who qualify as skilled journeypersons based on their on-the-job experience do not count towards the 60% minimum graduation requirement. STW requirements ensure high-quality construction projects and invest in the state's apprenticeship programs by increasing demand for graduates.

A public entity can be required, by statute or regulation, to obtain an enforceable commitment that a bidder, contractor, or other entity will use a STW to complete a contract or project. Even in the absence of a statute or regulation, a public entity can mandate the use of a STW. When a contractor is required to use a STW, they commit to doing so in an enforceable agreement with the public entity or awarding body. As part of this agreement, a contractor submits monthly reports to the public entity that demonstrate their compliance and their subcontractors' compliance at every tier. Reports include the full name of each worker and the name, location, and graduation date of their completed apprenticeship program.

SB 1185 would require the use of a STW for the *initial and subsequent* construction, alteration, demolition, installation, repair, or maintenance work on a facility that will be used for the research, development, or production of pharmaceutical products. Please see *Committee Comments* for an explanation of how SB 1185's STW provisions differ from other extensions of STW provisions.

SB 54 (Hancock, Statutes of 2013) and SB 740 (Cortese, Statutes of 2023)

A 2012 chemical release and fire at the Chevron U.S.A. Inc. Refinery in Richmond led the Legislature to adopt stricter refinery safety standards. Following the incident, Governor Brown commissioned an interagency working group to make recommendations about the safety of California's oil refineries. The working group found that workers involved in maintenance received inadequate training and that refineries used mostly out-of-state contract workers during planned refinery shutdowns. To address these concerns, the Legislature passed SB 54 (Hancock, Chapter 795, Statutes of 2013) which requires an owner or operator of specified stationary sources (petroleum refineries and petrochemical manufacturing facilities), when contracting for the performance of construction, alteration, demolition, installation, repair, or maintenance work to require that its contractors and any subcontractors use a STW to perform all onsite work, as specified. SB 54 contains one of the earliest

extensions of STW requirements to privately funded work. Its provisions were drafted before STW requirements were consolidated into one comprehensive section of law. For example, SB 54 uses a definition of "journeyperson" that requires prevailing wages. This definition is inconsistent with the definition of "journeyperson" used in recent STW extensions.

The Legislature expanded the STW requirements in SB 54 when it passed SB 740 (Cortese, Chapter 293, Statutes of 2023). SB 740 applies to an owner or operator of a stationary source that is engaged in manufacturing hydrogen, biofuels, or certain chemicals or engaged in capturing, sequestering, or using carbon dioxide, as specified. Although this bill was passed after STW requirements were consolidated, SB 740 references the STW requirements established in SB 54.

The STW provisions in SB 1185 are modeled after, but not an exact replica of SB 54 and SB 740. Please see *Committee Comments* for more information.

2. Need for this bill?

According to the author:

"California law recognizes that certain industrial facilities pose heightened risks to public safety and environmental protection if they are constructed or maintained by inadequately trained workers.

Following a major refinery accident in Richmond, the Legislature enacted SB 54 (Hancock, 2013), requiring petroleum refineries and petrochemical facilities subject to Risk Management Plan requirements to use a skilled and trained workforce for construction and maintenance work.

The Legislature later expanded this policy through SB 740 (Cortese, 2023) to include hydrogen production, biofuels manufacturing, carbon capture operations, and certain chemical manufacturing facilities.

Despite the high-risk nature of pharmaceutical manufacturing facilities, existing law does not apply the same workforce standards to pharmaceutical research, development, and production facilities.

Pharmaceutical facilities require highly specialized construction practices including sterile cleanroom environments, contamination control systems, secure handling of materials, and continuous production infrastructure critical to public health…

SB 1185 addresses this gap by applying California's Skilled and Trained Workforce policy to pharmaceutical facilities."

3. Committee Comments:

In 2016, the Legislature established one comprehensive section of law for STW requirements. These requirements are found in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code. Since then, several bills have expanded these requirements. Chapter 2.9 includes, among other things, the definition of STW, apprenticeable occupation, and skilled journeyperson, as well as enforcement mechanisms

and penalties. By consolidating various STW statutes, the Legislature sought to ease compliance and limit implementation issues.

The Education Code, Government Code, and Public Utilities Code all contain references to Chapter 2.9 of the Public Contract Code when STW requirements are extended to specified projects. Rather than reference Chapter 2.9, SB 1185 would create a distinct STW extension for the *initial and subsequent* construction, alteration, demolition, installation, repair, or maintenance work on a facility that will be used for the research, development, or production of pharmaceutical products. The committee notes the following:

- STW requirements and prevailing wages typically apply to publicly funded projects, not privately funded ones. Recently, the Legislature has extended these requirements to certain privately funded projects to prevent worker exploitation and promote the creation of a skilled workforce. SB 1185 would continue this practice by requiring privately funded facilities used for the research, development, or production of pharmaceutical products to use a STW and pay prevailing wages, as specified.

- STW extensions that reference Chapter 2.9 of the Public Contract Code generally require a contractor, bidder, or other entity and its subcontractors to use a STW to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades. SB 1185, which is modeled after SB 54 (Hancock, Statutes of 2013), would require a STW for the performance of *initial and subsequent* construction, alteration, demolition, installation, repair, or maintenance work.

- SB 1185 would require a STW for the performance of *initial and subsequent* construction, alteration, demolition, installation, repair, or maintenance work. Essentially, the bill would require the use of a STW in perpetuity. This requirement *is not found* in SB 54 (Hancock, Statutes of 2013) or SB 740 (Cortese, Statutes of 2023), the two bills most similar to SB 1185. The committee is unaware of any other STW requirements that apply to subsequent construction, alteration, demolition, installation, repair, or maintenance work.

- SB 1185 would use a definition of "skilled journeyperson[1]" that differs from the one used in Chapter 2.9 of the Public Contract Code.[2] The definition used in this bill requires the payment of at least a rate equivalent to the prevailing hourly wage rate for a journeyperson in the applicable occupation and geographic area. It is not uncommon for STW and prevailing wage requirements to be extended to the same project. However, the requirement to pay a prevailing wage is separate from the requirement to use a STW. Furthermore, when the Legislature extends prevailing wages to non-public works projects, it also usually extends certified payroll recordkeeping requirements.

---

[1] SB 1185 defines a "skilled journeyperson" as a worker who meets both of the following requirements: 1) Graduated from an apprenticeship program for the applicable occupation that was approved by the Chief or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor; and 2) has at least as many hours of on-the-job experience in the applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the chief.

[2] Public Contract Code Section 2601(e) defines a "skilled journeyperson" as a worker who either: 1) graduated from an in-state apprenticeship program approved by DAS or an out-of-state apprenticeship program, approved by the federal Secretary of Labor; or 2) has at least as many hours of on-the-job experience as would be required to graduate from the applicable DAS-approved apprenticeship program.

- Because SB 1185 does not reference Chapter 2.9 of the Public Contract Code, some of the STW enforcement mechanisms within the bill differ from other STW extensions. For example, under SB 1185 the owner, operator, or developer of the facility would be required to provide the LC with monthly compliance reports. Typically, the requirement to provide monthly reports falls on the contractor who then provides those reports to the public entity or other awarding body.

When the Legislature enacted SB 54 (Hancock, Statutes of 2013), STW were not consolidated. That is no longer the case. *Why not model SB 1185's provisions after more recent STW extensions that reference Chapter 2.9 of the Public Contract Code rather than creating new and conflicting requirements? As the bill moves forward, the author may wish to consider amending the measure to be more consistent with existing law.*

4. Committee Amendments:

SB 1185 would exempt projects covered by a project labor agreement (PLA) from the monthly reporting requirement and penalty scheme, if the PLA requires the use of a STW and provides for the enforcement of that obligation through an arbitration procedure. The Chair suggests the following language to ensure that these PLAs also include provisions to address community benefits.

HSC 25600(i)(3) This subdivision shall not apply if all work on the project is covered by a project labor agreement that requires the use of a skilled and trained workforce and provides for the enforcement of that obligation through an arbitration procedure and ***includes provisions to address community benefits***. For purposes of this subdivision, a "project labor agreement" means a prehire collective bargaining agreement that establishes terms and conditions of employment for a specific construction project or projects and is an agreement described in Section 158(f) of Title 29 of the United States Code.

5. Proponent Arguments:

The sponsor of the measure, the California State Building and Construction Trades Council, argues:

"SB 1185 applies California's established Skilled and Trained Workforce (STW) standards to the construction, maintenance, and repair of pharmaceutical research, development, and manufacturing facilities…

Pharmaceutical manufacturing facilities are among the most technically complex construction environments in the modern economy. The integrity of construction is inseparable from the purity of the final product. These facilities operate within extraordinarily tight tolerances, where even minor installation deficiencies, whether in high-purity piping, cleanroom assembly, or air handling systems, can introduce contamination risks that compromise entire production batches.

A highly skilled and trained workforce is essential to ensuring that these systems are installed correctly the first time, maintaining the sterile environments required for safe and effective

medicines. Simply put, construction quality is not just a project outcome, it is a public health safeguard…

At a time when Americans are increasingly aware of vulnerabilities in global supply chains, ensuring the reliability of domestic pharmaceutical manufacturing is more critical than ever. California plays a central role in producing life-saving drugs and therapies that millions of Americans depend upon. Construction failures, delays, or substandard work can disrupt production capacity and create downstream shortages in essential medicines. By requiring a skilled and trained workforce, SB 1185 helps secure the physical infrastructure underpinning this supply chain—protecting not just jobs, but the consistent availability of critical products that patients, hospitals, and families across the country rely on every day."

6. Opponent Arguments:

The Associated General Contractors oppose the measure, arguing:

"California has long maintained a clear distinction between public works where taxpayer dollars, public procurement rules, and state oversight justify heightened labor requirements and private construction, which operates under a different regulatory framework. SB 1185 blurs that line by applying the full skilled-and-trained workforce mandate, monthly reporting obligations, and significant civil penalties to projects that are entirely privately funded and privately delivered. This represents a major shift in state policy and introduces public-sector compliance systems into a private-sector setting where they were never intended to apply.

The bill's workforce mandate would prevent many licensed, experienced contractors from performing work at pharmaceutical facilities solely because they cannot meet rigid apprenticeship-graduation thresholds. These thresholds were designed for public works and do not reflect the structure of many trades, the availability of apprenticeship programs across regions, or the staffing realities of private-sector construction. As a result, SB 1185 would exclude a portion of the qualified workforce from participating in private projects, even when those contractors meet all state licensing, safety, and wage requirements.

SB 1185 also imposes extensive administrative and reporting obligations typically reserved for public agencies. Contractors and private facility owners would be required to submit detailed monthly workforce reports including sensitive worker information to the Labor Commissioner. This level of state oversight is unprecedented for private construction and creates new compliance costs, privacy concerns, and legal exposure…

By limiting competition and layering public-works mandates onto private projects, SB 1185 is likely to increase construction costs, delay project timelines, and discourage investment in California's pharmaceutical and biotechnology sectors."

7. Prior Legislation:

SB 978 (Perez, 2026) would, among other things, require a contractor who enters a contract to perform work on a data center facility to abide by specified public works requirements and use a STW. *SB 978 is pending hearing in the Senate Appropriations Committee*.

SB 1241 (Smallwood-Cuevas, 2026) would, among other things, 1) expand the circumstances under which a public entity can be required to obtain an enforceable

commitment to use a STW; 2) define "substantial compliance plan" and "material misrepresentation;" 3) modify the criteria the LC uses to assess penalties for STW violations; and 4) require the LC to impose the maximum allowable penalty for a contractor's failure to submit a monthly report or continued failure to use a STW after notice of a violation, as specified. *SB 1241 is pending hearing in the Senate Appropriations Committee.*

SB 740 (Cortese, Chapter 293, Statutes of 2023) expanded STW requirements, applicable to an owner or operator of a stationary source that is engaged in certain petroleum-related activities, to also include contracts awarded, extended, or renewed on or after January 1, 2024, by an owner or operator of a stationary source that is engaged in manufacturing hydrogen, biofuels, or certain specified chemicals, or in capturing, sequestering, or using carbon dioxide in specified conditions.

SB 1775 (Ward, Chapter 759, Statutes of 2022) required a contracting entity, as defined, to require an entertainment events vendor to certify for their employees and employees of their subcontractors that those individuals have completed specified workplace safety training, certification, and meet STW requirements

SB 288 (Wiener, Chapter 200, Statutes of 2020) required, among other things, the use of a STW for certain transit-related projects conducted by public agencies.

AB 805 (Gonzalez Fletcher, Chapter 658, Statutes of 2017) among other things, prohibited the San Diego Association of Governments, the San Diego Metropolitan Transit Development Board, and the North County Transit District from entering into a construction contract over $1 million unless the entity provides to that Board an enforceable commitment to use a STW, as specified.

SB 693 (Hueso, Chapter 774, Statutes of 2016) consolidated STW requirements in various provisions of existing law related to alternative construction delivery methods and defined key terms related to STW requirements.

AB 566 (O'Donnell, Chapter 214, Statutes of 2015) required school districts using the "lease/leaseback" construction method to use a STW.

SB 54 (Hancock, Chapter 795, Statutes of 2013) required an owner or operator of specified stationary sources (petroleum refineries and petrochemical manufacturing facilities), when contracting for the performance of construction, alteration, demolition, installation, repair, or maintenance work to require that its contractors and any subcontractors use a STW to perform all onsite work within an apprenticeable occupation in the building and construction trades. SB 1185 contains language substantially similar to the language used in SB 54.

SUPPORT

State Building and Construction Trades Council of California (Sponsor)
Auto, Marine & Specialty Painters Local 1176
Boilermakers Local 92
Bricklayers and Allied Craftworkers Local 3
Building & Construction Trades Council of Alameda County
California Federation of Labor Unions
California Legislative Conference of the Plumbing, Heating and Piping Industry

California State Association of Electrical Workers
California State Pipe Trades Council
California-Nevada Conference of Operating Engineers
Carpet, Linoleum & Soft Tile Workers Local 12
Carpet, Linoleum & Soft Tile Workers Local 1237
Contra Costa Building and Construction Trades Council
Glaziers, Architectural Metal and Glass Workers Local 169
Glaziers, Architectural Metal and Glass Workers Local 767
Glaziers, Architectural Metal and Glass Workers Local 1621
Inland Empire Labor Council
International Brotherhood of Electrical Workers Local 11
International Brotherhood of Electrical Workers Local 40
International Brotherhood of Electrical Workers Local 100
International Brotherhood of Electrical Workers Local 340
International Brotherhood of Electrical Workers Local 428
International Brotherhood of Electrical Workers Local 569
International Brotherhood of Electrical Workers Local 617
International Brotherhood of Electrical Workers Local 639
International Brotherhood of Electrical Workers Local 684
International Union of Elevator Constructors Local 8
International Union of Painters and Allied Trades District Council 16
International Union of Painters and Allied Trades Local 294
Ironworkers Local 416
Ironworkers Local 433
Kern, Inyo, & Mono Counties Building and Construction Trades Council
Los Angeles and Orange Counties Building and Construction Trades Council
National Electrical Contractors Association
Painters and Drywall Finishers Local 3
Painters and Drywall Finishers Local 272
Painters and Drywall Finishers Local 913
Painters and Tapers Local 487
Painters and Tapers Local 507
Pipefitters Local 403
Plumbers and Steamfitters Local 62
Plumbers and Steamfitters Local 342
Plumbers and Steamfitters UA Local 484
Sacramento-Sierra's Building and Construction Trades Council
San Diego County Building and Construction Trades Council
San Mateo County Building and Construction Trades Council
San Mateo County Central Labor Council
Santa Clara and San Benito Counties Building and Construction Trades Council
SMART, Sheet Metal, Air, Rail, and Transportation Workers Local 104
SMART, Sheet Metal, Air, Rail, and Transportation Workers Local 105
SMART, Sheet Metal, Air, Rail, and Transportation Workers Local 206
Teamsters California
Teamsters Joint Council 42
Teamsters Local 87
UA Local 250
United Association Plumbers & Pipefitters Local 78
United Association Plumbers & Pipefitters Local 114

United Association Plumbers & Pipefitters Local 343
United Association Plumbers & Pipefitters Local 442
United Association Plumbers & Pipefitters Local 447
United Association Plumbers & Pipefitters Local 460
United Association Plumbers & Pipefitters Local 761
Western States Council of Sheet Metal Workers

OPPOSITION

Associated General Contractors
Laser Electric
Ultra Ceilings Inc.
Western Electrical Contractors Association
Individual Letters: 1

-- END --

SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	SB 1227	**Hearing Date:**	April 15, 2026
Author:	Durazo		
Version:	April 7, 2026		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Glenn Miles		

SUBJECT: Department of Industrial Relations: apprenticeship pilot program

KEY ISSUE

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). (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. (Government Code §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 titles, including, but not limited to, industrial hygienists.

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 participants' pay through the collective bargaining process.

(b) Provide for the accrual by participants of full civil service time during the time employed in a civil service apprenticeship classification for purposes of retirement benefits and seniority.

(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.

COMMENTS

1. 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.[1]

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 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.

Representatives for the bill's author believe 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's supporting material submitted to the committee 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 manner consistent with the merit principle (Pacific Legal Foundation v. Brown, 1981).

However, we would be remiss if we ignored the limitations the people and thus, the courts have placed on the Legislature. "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

[1] 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).

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.[2]

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.

Because of time limitations and because we believe the goal of the measure is worthy, we urge the author to continue discussions on the measure to explore possible amendments that address the above-mentioned concerns.

Apart from those more substantive concerns, we recommend below certain technical amendments that we believe clarify and align terminology with existing law.

2. Recommended Committee Amendments

The committee recommends the following technical and clarifying amendments to align the bill's language with terminology used in the civil service statutes and the Dills Act, and to avoid unintended consequences from program expansion based on potential lower court errors in interpreting the merit principle that could eventually require removing future participants from their state positions.

(a) 3152 (a):

Changes "titles" to "filling positions in civil service classifications" to reference more precisely language used in the civil service statutes.

(b) 3152 (b)(2):

Deletes reference to "*court interpretations* of the constitutional merit principle" because it is unnecessarily repetitive of the first clause in (b)(2) and because of concerns that by not referencing to a specific case, the language creates opportunities for lower court judicial errors that take years to overturn (similar to the rational for assigning disputes between public employers and public employee unions to the Public Employment Relations Board rather than to the superior courts).

(c) 3152 (e)(1):

[2] 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.

Changes "participant's pay" to "classification pay scales" to reference the pay ranges with the position's salary scales rather than individual participant pay rates. It would be unusual for the parties in the public section to bargain over each individual employee's pay rather than classifications of employees within the same bargaining unit.

(d) 3152 (e)(2):

Clarifies terms by using more precise language that the apprentice receives state service seniority credit pursuant to applicable bargaining agreements and service credit pursuant to the PERL (Gov Code CalPERS retirement sections).

(e) 3152 (h):

A provision to clarify that an applicant to a journey position who qualified through the standard civil service process, and not the apprenticeship program, is not disadvantaged by the bill's provisions.

3. 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."

4. Proponent Arguments

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."

5. Opponent Arguments:

None received.

6. 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. The Governor 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. This 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. This bill was held in the Senate Appropriations Committee.

SUPPORT

Asian Pacific Environmental Network
California Nurses Association
California Rural Legal Assistance Foundation
Caps, UAW Local 1115
ILWU 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

None received

-- END --

SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	SB 1316	**Hearing Date:**	April 15, 2026
Author:	Smallwood-Cuevas		
Version:	March 25, 2026		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Alma Perez-Schwab		

SUBJECT: Employment

KEY ISSUES

This bill strengthens the Labor Commissioner's (LC) ability to enforce claims of wage theft by: 1) authorizing the renewal of a lien on real property for wage theft obligations for an additional 10 years before its expiration; 2) limiting how employers can use books, documents, or records that can delay specified investigations of the LC; and 3) applying these late-records rule provision of books, documents, or records to contractors or subcontractors in public works projects.

ANALYSIS

Existing law:

1) Establishes the Department of Industrial Relations (DIR) in the Labor and Workforce Development Agency (LWDA), and vests it with various powers and duties to foster, promote, and develop the welfare of the wage earners of California, to improve their working conditions, and to advance their opportunities for profitable employment. (Labor Code §50.5)

2) Establishes within the DIR, various entities including the Division of Labor Standards Enforcement (DLSE) under the direction of the Labor Commissioner (LC), and empowers the LC with ensuring a just day's pay in every workplace and promotes economic justice through robust enforcement of labor laws. (Labor Code §79-107)

3) Authorizes the LC to investigate employee complaints and provide for a hearing in any action to recover wages, penalties, and other demands for compensation, including liquidated damages if the complaint alleges payment of a wage less than the minimum wage, as specified. (Labor Code §98)

4) Precludes any employer, or other person or entity, who may be liable for a violation of any provision of the labor code from introducing as evidence, in an administrative proceeding contesting a citation or writ proceeding, as specified, books, documents, or records that are not provided pursuant to a duly served written request (providing not less than 15 days to respond) by the LC requiring the provision of such records, as specified. Grants the LC discretion to admit for consideration books, documents, or records that are produced beyond the time limits specified if:
   a) The person or entity cooperated with the underlying investigation and substantially complied with the request within the time limits prescribed; and
   b) The person or entity made good faith efforts to comply with the request, including discovery of the late-produced books, documents, or records.

(Labor Code §1174.1)

5) Requires the LC, within 15 days after the hearing is concluded, to file in the office of the division a copy of the order, decision, or award (ODA). The ODA shall include a summary of the hearing and the reasons for the decision. Additionally, the ODA includes any sums found owing, damages proved, and any penalties awarded pursuant to the Labor Code, including interest on all due and unpaid wages, as specified. (Labor Code §98.1)

6) Upon filing of the ODA, requires the LC to:
   a) Serve a copy of the decision personally, by first-class mail, or in the manner specified in Section 415.20 of the Code of Civil Procedure on the parties.
   b) Advise the parties of their right to appeal the decision or award and further advise the parties that failure to do so within 10 days shall result in the decision or award becoming *final and enforceable as a judgment* by the superior court.
   (Labor Code §98.1 and §98.2)

7) Specifies that if no appeal of the ODA is filed within the period specified, the ODA shall, in the absence of fraud, be deemed the final order. Existing law then requires the LC to file, within 10 days of the ODA becoming final, a certified copy of the final order with the clerk of the superior court of the appropriate county unless a settlement has been reached by the parties and approved by the LC. *Judgment shall be entered immediately* by the court clerk in conformity therewith. (Labor Code §98.2)

8) Authorizes the LC, as an alternative to a judgment lien, upon the order becoming final pursuant, to create a lien on real property recording a certificate of lien, for amounts due under the final order and in favor of the employee or employees named in the order, with the county recorder of any county in which the employer's real property may be located, as specified. (Labor Code §98.2)

9) Requires the LC, upon payment of the amount due under the final order, to issue a certificate of release, releasing the lien created under provisions specified above and specifies that, unless the lien is satisfied or released, a lien under these provisions shall continue until 10 years from the date of its creation. (Labor Code §98.2)

This bill:

1) Authorizes the Labor Commissioner to renew a lien on real property for owed wages for additional periods of 10 years by recording a renewal certificate of lien or a copy of a renewed judgment at any time prior to the original liens' expiration.

2) For provisions regarding the requirement to timely provide books, documents, or records during an investigation into employee owed wages, would additionally:

   a) preclude an employer or other person or entity from *using or relying on* such books, documents, or records as evidence, including, but not limited to, attempting to impeach any witness (challenge or discredit their credibility during an investigation).
   b) Revise and expand the types of books, documents, or records to which the provisions are applicable including by making them applicable to specified administrative proceeding contesting citations for retaliation or discrimination complaints.

3) Extends these provisions to preclude a public works contractor or subcontractor from introducing as evidence, or in any other way using or relying on as evidence, at a hearing or writ of mandate proceeding, as specified, any books, documents, or records that are not provided pursuant to a duly served written request by the LC within the time that the LC requests those books, documents, or records to be produced, except as specified.

   a) Requires the LC to take into consideration a reasonable request from the contractor or subcontractor for an extension of time for production of books, documents, or records, as specified.

COMMENTS

1. Background:

Data on Wage Theft:

California leads the nation with some of the strongest workplace protections for workers. Unfortunately, those laws are meaningless if they are not implemented or enforced, leaving workers struggling to recoup owed wages. Wage theft in California, which impacts low-wage workers disproportionately, is well documented. Wage theft captures many labor law violations including violations of the minimum wage, overtime, denied meal periods, or misclassification of employees as independent contractors, among others. A 2022 report to the Legislature on the state's wage claim adjudication process reveals that there were nearly 19,000 wage claims filed in 2021 with a total of $335 million being owed to workers.[1] Due to challenges in staffing, resources, and a growing case backlog (as documented in a May 2024 California State Auditor report on the DLSE) only approximately $40 million has been paid in awards or settlements through the wage claim adjudication unit of the LC.[2] In 2022, the Labor Commissioner's office recovered through the wage claim process an average of 63 percent of wages owed, totaling more than $47 million paid to workers.

A 2024 Rutgers School of Management and Labor Relations report assessed minimum wage violations across four metropolitan statistical areas of interest – Los Angeles/Long Beach/Anaheim, San Jose/Sunnyvale/Santa Clara, San Diego/Carlsbad/San Marcos, and San Francisco/Oakland/Fremont.[3] Among the key findings of the report are the following:

- An average of $2.3 to $4.6 billion in earned wages were lost by workers each year from 2014 to 2023 due to minimum wage violations across these four metro areas.
- The majority of lost wages were in the Los Angeles area, where we estimate an average of $1.6 to $2.5 billion was lost a year during the study period.
- Those that were paid below the minimum wage lost roughly 20 percent of their total paycheck on average, or nearly $4,000 in earned wages a year if working full-time.
- The most impactful violations occurred in the San Francisco area, where workers lost an average of $4,300 to $4,900 annually to minimum wage violations.

---

[1] Wage Claims Adjudication Unit Annual Report Pursuant to Labor Code Section 96.1, Calendar Year 2021, California Labor Commissioner's Office, p. 15.
[2] *Ibid.*
[3] Daniel J. Galvin, Jake Barnes, Janice Fine, and Jenn Round. *Wage Theft in California: Minimum Wage Violations, 2014-2023*. (Rutgers School of Management and Labor Relations, May 2024)

- The number of workers paid below both the state and primary metro minimum wages has more than doubled since 2014, growing particularly dramatically over the most recent year of the study (2023).

Wage theft does not only affect workers, but it also creates unfair competition for responsible employers who follow the law. The State of California is also harmed when labor laws are not enforced because more workers fall into poverty, the safety net is eroded, and payroll taxes are not paid.

Existing Wage Theft Adjudication Process:
As noted under existing law, a worker may file a wage theft claim with the DLSE. The DLSE, also known as the LC's office, is then tasked with resolving wage theft claims by investigating, facilitating a resolution with the worker and employee, and holding a hearing when necessary. In some cases, claims may go directly to civil litigation, skipping the settlement conference and hearing steps.

Once the LC issues an order, decision, or award (ODA), the employer has a limited time after service of the LC decision to file an appeal. If no appeal is filed within the specified period, the LC must file a certified copy of the decision with the appropriate Superior Court and obtain a judgment against the employer for the amount owed. When the LC does request that the court enter the judgment against the employer, the worker can choose the option of referring the judgment to the LC's Enforcement Unit for collection or pursue collection on their own or through the use of an external partner, such as a private attorney or advocacy groups.

The DLSE Enforcement Unit can use a variety of means to collect judgment amounts, including levies against employers' bank accounts and liens on properties.

This bill: 1) authorizes the renewal of a lien on real property for another 10 years before it expires; 2) limits how employers can use books, documents, or records in an attempt to delay specified investigations of the Labor Commissioner; and 3) apply these late-records rule provision of books, documents, or records to contractors or subcontractors in public works projects.

Regarding the provisions authorizing the renewal of a property lien for an additional 10 years, existing law already authorizes such renewals for specified standard judgment liens (under Code of Civil Procedure Sections 683.12(b), 683.180, 683.190) and recently enacted Labor Code Section 90.8, all of which can be renewed for additional periods of 10 years. Because these wage claims liens cannot be renewed, workers with such certificates of lien risk losing their place in the line of creditors at the 10-year mark. This bill would align with existing law lien renewal provisions to allow the LC's enforcement unit to more efficiently collect on wage judgments.

Regarding the other provisions of the bill, currently, when the LC investigates claims of specified violations, they ask employers to provide information that would rebut the allegations as part of the investigation. Some employers may simply not respond to the LC requests for documents, oftentimes, to delay the proceedings. Current processes allow the dismissal of cases where complainants do not provide timely information or are uncooperative in an investigation; however, no such provision exists for respondents.

Existing Labor Code Section 1174.1 already allows LC's Bureau of Field Enforcement (BOFE) hearing officers to exclude time and payroll records from a hearing if a BOFE deputy requests it and the employer does not provide it. This evidentiary preclusion applies to a narrow set of documents that the Labor Code requires employers to keep, generally payroll and time records. The proposed language would extend these same evidentiary preclusions in wage theft claims as well as public works claims.

2. Need for this bill?

According to the author:

"Current labor enforcement statutes contain outdated timelines, inconsistent document production requirements, and technical gaps that can delay investigations and complicate wage recovery. These inconsistencies are often exploited by noncompliant employers to delay proceedings or avoid accountability on procedural grounds rather than compliance with labor laws. As a result, workers, particularly low-wage workers, immigrant workers, and workers in industries with high rates of wage theft, experience prolonged delays in recovering wages already determined to be owed.

SB 1316 makes targeted technical and clarifying amendments to labor enforcement statutes to ensure consistent document production timelines, clarify evidentiary rules, and align lien duration and renewal authority with existing judgment lien law. These changes strengthen the Labor Commissioner's ability to enforce existing worker protections, reduce unnecessary litigation over procedural issues, and improve the timely recovery of unpaid wages without creating new penalties or expanding enforcement authority beyond current law."

3. Proponent Arguments:

None received.

4. Opponent Arguments:

None received.

5. Double Referral:

This bill has been double referred and if approved by this Committee today, will be sent to Senate Judiciary Committee for a hearing.

SUPPORT

None received

OPPOSITION

None received

-- END --