

Date of Hearing: March 25, 2026

Fiscal: Yes

ASSEMBLY COMMITTEE ON PRIVACY AND CONSUMER PROTECTION

Rebecca Bauer-Kahan, Chair

AB 1898 (Schultz) – As Amended March 20, 2026

SUBJECT: Workplace artificial intelligence tools

SYNOPSIS

As employers across California increasingly deploy artificial intelligence (AI) tools in the workplace, workers are increasingly left in the dark about how they are being monitored and managed by automated systems. This bill, sponsored by California Federation of Labor Unions and Teamsters California, seeks to foster transparency by requiring employers to give workers at least 90 days' advance written notice before deploying any "workplace AI tool," defined to include both automated decision systems and AI-based surveillance technologies. Employers must provide workers a notice that, among other disclosures, lists the tools used by the employers, each tool's purpose, the data it collects, the employment decisions it may affect, and any quotas the tool sets or enforces. Enforcement falls to the Labor Commissioner, public prosecutors, and workers themselves, with civil penalties of up to \$500 per violation.

The bill is supported by a coalition of labor unions and privacy advocates. The bill is opposed by a broad coalition of organizations led by California Chamber of Commerce, as well as a coalition of local government entities. Recent amendments, now in print, address some of the opposition's key concerns that are germane to this Committee's jurisdiction.

The Labor Committee passed the bill on a 5-0 vote. If passed by this Committee, the bill will be sent to the Judiciary Committee.

EXISTING LAW:

- 1) Establishes the Division of Labor Standards Enforcement, under the direction of the LC, within the Department of Industrial Relations and sets forth its powers and duties regarding the enforcement of labor laws. (Lab. Code § 79 et seq.)
- 2) Authorizes a public prosecutor to prosecute an action, either civil or criminal, for primarily wage and hour labor code violations or to enforce those provisions of the labor code independently, or to enforce any other provisions of the code as specifically authorized. (Lab. Code § 181(a).)
- 3) Establishes the California Consumer Privacy Act, which grants consumers certain rights with regard to their personal information, including enhanced notice, access, and disclosure; the right to deletion; the right to restrict the sale of information; and protection from discrimination for exercising these rights. It places attendant obligations on businesses to respect those rights. (Civ. Code § 1798.100 et seq.)

THIS BILL:

- 1) Defines key terms, including:

- a) “Artificial intelligence” means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.
- b) “Automated decision system” means any computational process derived from machine learning, statistical modeling, data analytics, or artificial intelligence that issues simplified output, including a score, classification, or recommendation, that is used to assist or replace human discretionary decisionmaking and materially impacts natural persons. An automated decision system does not include a spam email filter, firewall, antivirus software, identity and access management tools, calculator, database, dataset, or other compilation of data.
- c) “Employer” means any person who directly or indirectly, or through an agent or any other person, employs or exercises control over the wages, benefits, other compensation, hours, working conditions, access to work or job opportunities, or other terms or conditions of employment, of any worker. This shall include all branches of state government, all cities, counties, and cities and counties, including charter cities and charter counties, special districts, transit districts, the University of California, the California State University, community college districts, school districts, and any other governmental entities. “Employer” includes a labor contractor of a person defined as an employer.
- d) “Employment-related decision” means any decision by an employer that materially impacts a worker’s wages, benefits, compensation, work hours, work schedule, performance evaluation, hiring, discipline, promotion, termination, job tasks, skill requirements, work responsibilities, assignment of work, access to work and training opportunities, productivity requirements, or workplace health and safety.
- e) “Public prosecutor” means the Attorney General, a district attorney, a city attorney, a county counsel, or any other city or county prosecutor.
- f) “Worker” means a natural person or an employee of, or an independent contractor providing service to, a business or a state or local governmental entity in a workplace.
- g) “Worker data” means any information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a covered worker, regardless of how the information is collected, inferred, or obtained.
- h) “Workplace AI tool” means an automated decision system or workplace surveillance tool, that uses artificial intelligence.
- i) “Workplace surveillance tool” means any system, application, instrument, or device that collects or facilitates the collection of worker data, activities, communications, actions, biometrics, or behaviors, or those of the public that are also capable of passively surveilling workers, by means other than direct observation by a person, including, but not limited to, video or audio surveillance, continuous incremental time-tracking tools, geolocation, electromagnetic tracking, photoelectronic tracking, or that utilizes a photo-optical system or other means.

- 2) Requires employers to provide a written notice that a workplace AI tool was used to assist the employer in making employment-related decisions or to surveil workers in the workplace. The notice must be given to workers likely to be directly or indirectly affected and to the exclusive bargaining representative of any affected worker (1) at least 90 days before the tool is first deployed by the employer, (2) by February 1, 2027, if the tool is used by the employer before January 1, 2027, and (3) to a new worker upon hire.
- 3) Requires that employers maintain an updated list of all workplace AI tools in use and that employers provide that list to workers by February 1, 2028, and annually thereafter. For each workplace AI tool added during the annual window preceding the issuance of the list, the employer must include a description of whether any jobs or job tasks will be replaced or automated by the workplace AI tool, as well as the expected timeline of the impacts.
- 4) Requires that the notice is written in plain language as a standalone communication, and in the language in which routine communications and other information are provided to workers, and that it is provided via a simple and easy-to-use method, such as email, hyperlink, or other written format.
- 5) Requires that the notice contain the following information, as applicable:
 - a) The purpose and justification for the use of the workplace AI tool.
 - b) The categories of employment-related decisions likely to be affected by the use of the workplace AI tool.
 - c) A description of the categories of worker data collected by the workplace AI tool, the frequency of worker data collection, and the duration the data will be stored.
 - d) A description of the workplace AI tool, including categories of data the tool was trained on, input data it uses, and the output data it generates.
 - e) Whether and which job roles can access worker data and whether that data will be sold, transferred, or leased to other entities than the employer.
 - f) A description of the general locations and the categories of activities, communications, and job roles that will be surveilled and the technologies that will be used.
 - g) The entity that created the workplace AI tool and the specific name of the model.
 - h) A description of each quota set or measured by the workplace AI tool to which the worker is subject, including the quantified number of tasks to be performed or products to be produced, and any potential adverse employment action that could result from failure to meet the quota, as well as whether those quotas are subject to change and whether any notice is given of changes in quotas.
 - i) The most recent version of the annual list described above.
 - j) The training given to managers or workers on the use of the workplace AI tool.
 - k) A high level summary of the results of any risk assessments conducted on the tool as part of the employer's compliance with any state laws.

- 6) Provides for enforcement by the Labor Commissioner, public prosecutors, or, alternatively, a worker or their exclusive representative, with civil penalties of up to \$500 per violation.

COMMENTS:

1) **Author’s statement.** According to the author:

Artificial intelligence is rapidly transforming the workplace. AI systems currently sold to employers are no longer simple AI chatbots and search engines. Today, employers have access to a wide range of AI-enabled tools to survey and manage workers, such as AI-powered surveillance and automated decision-making systems.

While employers continue to purchase and utilize these AI powered systems, the vast majority of workers are unaware of how these tools are being used to monitor or manage their day-to-day life at the worksite. AB 1898 ensures workers are given at least 90 days’ notice before these tools are implemented and requires employers to disclose the purpose of the AI tool, a description of the worker data that will be captured by the tool, what employment-related decision may be affected by the AI tool, and a description of the general locations where these tools will be used in the workplace. By promoting transparency and accountability, this bill allows employees to be informed about technologies that are being used in their workplace.

2) **Workplace AI tools.** This bill applies to “workplace AI tools,” defined as a workplace surveillance tool or ADS. Electronic surveillance generally refers to the use of digital technologies to collect data about workers and their activities.¹ Common examples include wearable devices that track motion and location, GPS systems in company vehicles or phones, and software that logs keystrokes, measures productivity, and captures email metadata. Some systems simply collect data for human review, while others feed worker data directly into automated systems that make or influence employment decisions.

ADS typically use predictive AI to produce simplified outputs – such as scores, classifications, or recommendations – to assist or replace human discretionary decision-making.² According to the UC Berkeley Labor Center, employers use ADS to perform three core functions:

- Ranking workers by scoring performance, accuracy, customer satisfaction, and behavioral traits. Some platforms display these rankings in real time on leaderboards visible to employees, designed to drive competition among workers.³
- Predicting future worker behavior by identifying patterns in datasets that include productivity records, attendance, biometric signals, voice tone, and even mouse

¹ Annette Bernhardt & Lisa Krege, “Electronic Monitoring and Automated Decision Systems: Frequently Asked Questions,” UC Berkeley Labor Center (May 2025), p. 1, <https://laborcenter.berkeley.edu/wp-content/uploads/2025/05/Electronic-Monitoring-and-Automated-Decision-Systems-FAQ.pdf>.

² Government Code section 11546.45.5(a)(1) defines an ADS as “a computational process derived from machine learning, statistical modeling, data analytics, or artificial intelligence that issues simplified output, including a score, classification, or recommendation, that is used to assist or replace human discretionary decisionmaking and materially impacts natural persons.” This bill incorporates that definition.

³ Bernhardt & Krege, *supra*, at p. 2.

measurements. Example predictions include a worker’s likelihood of quitting, struggling with performance, posing a safety risk, or organizing a union.⁴

- Directing work in real time, replacing or supplementing human supervisors. Workers receive task assignments, routes, and productivity quotas through mobile apps, handheld scanners, or kiosks.⁵

Employers use these tools to make a wide range of decisions affecting wages and benefits, work schedules, performance evaluations, hiring, firing, discipline, promotions, and health and safety management. The extent of automation varies considerably: Some employers treat system outputs as just one input among several, relying primarily on human judgment. Others – particularly in warehousing, gig work, and other frontline industries – use these systems to make disciplinary or termination decisions, sometimes with little or no human review.⁶

Documented harms associated with the use of these technologies include discrimination from biased training data, physical injuries caused by productivity systems that push workers to unsafe speeds, lower wages set by algorithm, erosion of privacy, and suppression of workers’ right to organize.⁷ Workers may also face unfair discipline based on erroneous data, loss of professional discretion as algorithms take over task management, and may experience surveillance that extends beyond working hours.⁸

Biometric surveillance technologies, such as facial recognition, emotion recognition, and gait analysis raise significant concerns, particularly in light of the fact that they tend to perform worse for people of color, women, people with disabilities, and older workers.⁹ Emotion recognition systems are particularly concerning: some developers claim they detect stress, honesty, or enthusiasm from facial expressions or voice tone, despite a lack of scientific consensus that emotions can be reliably measured this way.¹⁰

On top of these concerns, most workers have no idea when they are being monitored, what data is being collected, how it feeds into automated systems, or how it affects the employment decisions made about them.

3) **The importance of notice.** In 2022, the White House Office of Science and Technology Policy released the *Blueprint for an AI Bill of Rights*, which identifies five principles that should “guide the design, use, and deployment of automated systems to protect the American public in the age of artificial intelligence.”¹¹ Most relevant here is the following principle:

- *Notice and Explanation:* You should know that an automated system is being used and understand how and why it contributes to outcomes that impact you. Designers, developers, and deployers of automated systems should provide generally accessible

⁴ *Ibid.*

⁵ *Id.* at p. 3.

⁶ *Id.* at p. 4.

⁷ *Ibid.*

⁸ *Id.* at p. 4.

⁹ *Id.* at p. 6.

¹⁰ *Ibid.*

¹¹ The White House, *Blueprint for an AI Bill of Rights*, (Oct. 2022), p. 14, <https://bidenwhitehouse.archives.gov/ostp/ai-bill-of-rights/>.

plain language documentation including clear descriptions of the overall system functioning and the role automation plays, notice that such systems are in use, the individual or organization responsible for the system, and explanations of outcomes that are clear, timely, and accessible. Such notice should be kept up-to-date and people impacted by the system should be notified of significant use case or key functionality changes. You should know how and why an outcome impacting you was determined by an automated system, including when the automated system is not the sole input determining the outcome. [. . .]

4) This bill would enact a broad notice requirement for workers who are surveilled or subject to automated decisions by AI tools. This bill requires employers to provide a written notice that a workplace AI tool was used to assist the employer in making employment-related decisions or to surveil workers in the workplace. The notice must be given to workers likely to be directly or indirectly affected and to the exclusive bargaining representative of any affected worker (1) at least 90 days before the tool is first deployed by the employer, (2) by February 1, 2027, if the tool is used by the employer before January 1, 2027, and (3) to a new worker upon hire.

Under the bill, employers must maintain an updated list of all workplace AI tools in use. The list must be provided to workers by February 1, 2028, and annually thereafter. Each annual list must include a description of whether any jobs or job tasks will be replaced or automated by newly added workplace AI tools, as well as the expected timeline of the impacts.

The notice must contain the following information, as applicable:

- The purpose and justification for the use of the workplace AI tool.
- The categories of employment-related decisions likely to be affected by the use of the workplace AI tool.
- A description of the categories of worker data collected by the workplace AI tool, the frequency of worker data collection, and the duration the data will be stored.
- A description of the workplace AI tool, including categories of data the tool was trained on, input data it uses, and the output data it generates.
- Whether and which job roles can access worker data and whether that data will be sold, transferred, or leased to other entities than the employer.
- A description of the general locations and categories of activities, communications, and job roles that will be surveilled and the technologies that will be used.
- The entity that created the workplace AI tool and the specific name of the model.
- A description of each quota set or measured by the workplace AI tool to which the worker is subject, as specified.
- The most recent version of the annual list described above.
- The training given to managers or workers on the use of the workplace AI tool.

- A high-level summary of the results of any risk assessments conducted on the tool as part of the employer's compliance with state laws.

The bill provides for enforcement by the Labor Commissioner, public prosecutors, or, alternatively, a worker or their exclusive representative, with civil penalties of up to \$500 per violation.

5) Recent amendments address some opposition concerns. A broad coalition of business and technology groups oppose the bill on a number of grounds. The bill was recently amended to address some of these issues. Chief among their concerns was a provision that, in effect, would have enabled workers to prevent employers from deploying a workplace AI tool by refusing to sign the notice. Additionally, some of the disclosures have been made more general by focusing on, for example, “*categories of employment-related decisions likely to be affected*” rather than “*specific employment-related decisions potentially affected.*” Likewise, concerns regarding proprietary information have been addressed by eliminating a required disclosure of “the analysis and calculations” the tool performs on data. And privacy concerns have been addressed by changing the disclosure of “which persons can access worker data” to “which *job roles*” can access that data. Finally, enforcement provisions have also been scaled back to provide that liability is based on the number of violations rather than the number of employees – a key concern for several opponents.

But the larger concern raised by the opposition coalition – that the bill would require an untenable volume of notices – may have purchase with at least one crucial stakeholder. In vetoing last year's SB 7 (McNerney), Governor Gavin Newsom stated of the bill's similar notice provisions: “rather than addressing the specific ways employers misuse this technology, the bill imposes unfocused notification requirements on any business using even the most innocuous tools. This proposed solution fails to directly address incidents of misuse.” Opponents point out that the bill uses broad definitions, including that “worker” encompasses employees and independent contractors, and “employment-related decisions” applies to a broad range of work-related issues. As the bill moves forward, the author may wish to continue refining its scope.

ARGUMENTS IN SUPPORT: A coalition of supporters writes:

The development and proliferation of artificial intelligence tools have dramatically altered the modern workplace and the lives of millions of workers. AI systems currently sold to employers are no longer simple AI chatbots or search engines. Today, employers have access to a wide range of military grade AI-enabled tools to surveil and manage workers. While employers continue to purchase and utilize these AI powered systems, most workers are unaware these tools are being used to monitor or manage their day-to-day life at the worksite. A 2025 study by ExpressVPN reported that only 22% of workers across various industries were aware when they are being monitored and up to 44% of workers were unaware their employers were using biometric surveillance methods such as facial recognition in the workplace.

Without proper transparency, workers are left in the dark leading to a decimation of privacy rights and trust in the workplace. Constant workplace surveillance has proven to increase psychological distress, stress, and lower job satisfaction among workers. The harms of surveillance extend to the pace of work itself. Employers use AI tools to set and enforce productivity quotas, attendance policies, time spent on tasks, and many other metrics. Workers are often unaware of the expectations, leading to a frantic race to live up to the

machines' seemingly arbitrary requirements. Regarding employer use of ADS, workers are similarly left uniformed when these tools are introduced and used to make decisions impacting their livelihood. Algorithmic firing is reportedly on the rise with recent figures estimating that more than 1 in 5 managers allow AI systems to make final decisions without human input.

In order to foster transparency in the workplace, AB 1898 will require an employer to provide workers with advance notice at least 90 days before an AI powered workplace tool is used to surveil or manage workers. AB 1898 requires employer notices to disclose the purpose of the AI tool, a description of the worker data that will be captured, what employment-related decision may be affected, and a description of the general locations these tools will be used in the workplace. AB 1898 is a crucial first step in ensuring transparency and accountability of the use of AI in the workplace

ARGUMENTS IN OPPOSITION: In opposition to the bill, a broad coalition of opponents, led by California Chamber of Commerce, argues:

The bill's definitions of covered technologies are extremely broad and capture many low-risk tools. For example, the definition of "automated decision system" includes tools that merely "assist" human decision making related to anything about employment, which would encompass something as simple as basic scheduling software or other technologies with minimal automation. Likewise, a "workplace surveillance tool" includes any technology that "collects" or "facilitates" the collection of any information that is "reasonably capable of being associated" directly or indirectly with an employee.

Under AB 1898, an employee must receive notice even if the workplace AI tool only "indirectly" impacts them or merely "assists" with an "employment-related decision," no matter how minimal or inconsequential the impact. The circumstances in which a tool would trigger notice obligations are effectively endless. Additionally, even where a workplace AI tool has no impact on a particular employee, the employer would still have to provide that employee with an annual list of every workplace AI tool used anywhere in the organization. This not only creates a substantial administrative burden, it also raises concerns about broad disclosure of a company's, state agency's, or local government's security systems to a wide audience.

A coalition of local government entities, in opposition, adds:

AB 1898 would impose several rules on how public agencies may use surveillance tools – a term that is vast in its application, including video cameras, ID badge or key fob access, workplace messaging applications (e.g. Microsoft Teams or Slack), and a wide array of tools used to keep workplaces safe, conduct essential government services, and protect against abuse, fraud, and waste of public resources.

We understand the reasonable concerns one could have about the slow creep of surveillance tools into every aspect of daily life, particularly as new technologies emerge. However, this bill and others aimed at limiting employers' use of critical technology are too broad, too expensive, and too dangerous for public agencies and those we serve.

REGISTERED SUPPORT / OPPOSITION:

Support

California Federation of Labor Unions, Afl-cio (Sponsor)
American Federation of State, County and Municipal Employees (AFSCME), Afl-cio California
American Federation of State, County and Municipal Employees, Afl-cio
California Conference Board of the Amalgamated Transit Union
California Conference of Machinists
California Faculty Association
California Federation of Teachers Afl-cio
California Nurses Association
California Professional Firefighters
California School Employees Association
California State Legislative Board of the Smart - Transportation Division
California State University Employees Union, Seiu Local 2579
Electronic Frontier Foundation
Engineers and Scientists of California, Ifpte Local 20, Afl-cio
Privacy Rights Clearinghouse
Teamsters California
Tech Equity
Unite Here, Afl-cio
Utility Workers Union of America, Afl-cio

Opposition

Acclamation Insurance Management Services
Allied Managed Care
American Petroleum and Convenience Store Association APCA
Anaheim Chamber of Commerce
Association of California School Administrators
Associated Builders and Contractors of California
Associated General Contractors of California
Associated General Contractors San Diego
Association of California Healthcare Districts (ACHD)
Association of California School Administrators
Brea Chamber of Commerce
Building Owners and Managers Association of California
Calbroadband
California Apartment Association
California Assisted Living Association
California Association of School Business Officials (CASBO)
California Association of Sheet Metal & Air Conditioning Contractors National Association
California Association of Winegrape Growers
California Business Properties Association
California Cardroom Alliance
California Chamber of Commerce
California Craft Brewers Association
California Farm Bureau
California Fuels and Convenience Alliance
California Grocers Association

California Hispanic Chamber of Commerce
California Hospital Association
California Landscape Contractor's Association
California Landscape Contractors Association
California League of Food Producers
California Manufacturers and Technology Association
California Manufactures & Technology Association
California Moving and Storage Association
California Restaurant Association
California Retailers Association
California Special Districts Association
California Staffing Professionals (CSP)
California State Association of Counties (CSAC)
California Trucking Association
California's Credit Unions
Carlsbad Chamber of Commerce
Citrus Heights Chamber of Commerce
Civil Justice Association of California (CJAC)
Colusa County Chamber of Commerce
Flasher Barricade Association
Glendora Chamber of Commerce
Greater Bakersfield Chamber of Commerce
Greater High Desert Chamber of Commerce
Greater Riverside Chamber of Commerce
Greater Stockton Chamber of Commerce
Hollywood Chamber of Commerce
Huntington Beach Chamber of Commerce
Imperial Valley Regional Chamber of Commerce
LA Canada Flintridge Chamber of Commerce
Leading Age California
League of California Cities
Lincoln Area Chamber of Commerce
Long Beach Chamber of Commerce
Menifee Valley Chamber of Commerce
Murrieta Wildomar Chamber of Commerce
Newport Beach Chamber of Commerce
North San Diego Business Chamber of Commerce
Orange County Business Council
Palm Desert Chamber
Public Risk Innovation, Solutions, and Management (PRISM)
Rural County Representatives of California (RCRC)
Santa Ana Chamber of Commerce
Santa Clarita Valley Chamber of Commerce
Security Industry Association
Shrm California
Simi Valley Chamber of Commerce
Southwest California Legislative Council
Technet
The Greater Coachella Valley Chamber of Commerce

Torrance Area Chamber of Commerce
Urban Counties of California (UCC)
Ventura Chamber of Commerce
Yorba Linda Chamber of Commerce
Yuba Sutter Chamber of Commerce

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