

Date of Hearing: April 8, 2026

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

AB 2530 (Caloza) – As Amended March 19, 2026

**AS PROPOSED TO BE AMENDED**

**SUBJECT:** Employment: Cal/WARN Act: plant closings and mass layoffs

**SUMMARY:** Adds public agencies to coverage under the California Worker Adjustment and Retraining Notification (Cal/WARN) Act for the purpose of an employer giving notice regarding a mass layoff, relocation, or termination. Specifically, **this bill:**

- 1) Adds to the definition of “employer” under the Cal/WARN Act, public agencies.
- 2) Defines “public agency” to mean any state agency, department, board, or commission, any county, city and county, city, regional agency, district, or other political subdivision.
- 3) Makes technical and conforming amendments.
- 4) Requires, in the case of a sale of part or all of an employer’s business, the seller to be responsible for providing notice for any mass layoff, relocation, or termination under this chapter in accordance with this section up to and including the effective date of the sale. Following the effective date of the sale, the purchaser shall be responsible for providing the notice.

**EXISTING LAW:**

EXISTING FEDERAL LAW

- 1) Establishes the WARN Act, prohibiting certain employers from ordering a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of such an order, and requires certain information to be contained in the notice. 29 U.S.C. Sec 2101 et seq.; 20 CFR Part 639.
- 2) Enacts the Workforce Innovation and Opportunity Act (WIOA) of 2014 in order to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with skilled workers. The WIOA coordinates employment and training services for adults, dislocated workers, and youth through grants that are implemented at the state and local level. 29 U.S.C. § 3101.
- 3) Defines “rapid response activity” to mean an activity provided by a State, or by an entity designated by a State, in the case of a permanent closure or mass layoff at a plant, facility, or enterprise, or a natural or other disaster, that results in mass job dislocation, in order to assist dislocated workers in obtaining reemployment as soon as possible, with services including:
  - a) The establishment of onsite contact with employers and employee representatives, as specified.

- b) The provision of information on and access to available employment and training activities;
  - c) Assistance in establishing a labor-management committee, as specified.
  - d) The provision of emergency assistance adapted to the particular closure, layoff, or disaster; and
  - e) The provision of assistance to the local community in developing a coordinated response and in obtaining access to State economic development assistance. 29 U.S.C. § 3102(51).
- 4) Requires states to use funds reserved for rapid response activities to carry out statewide rapid response activities, including the provision of additional assistance to local areas that experience disasters, mass layoffs, or plant closings. 29 U.S.C. § 3174(c)(2).

#### EXISTING STATE LAW

- 1) Establishes the Cal/WARN Act, governing mass layoffs, relocations and terminations. Labor Code § 1400 et seq.
- 2) Prohibits an employer, with certain exceptions, from ordering a mass layoff, relocation, or termination at a covered establishment, as defined, without giving prescribed written notice to employees, the Employment Development Department, and other local agencies at least 60 days before the order takes effect. Labor Code § 1401(a).
- 3) Defines “mass layoffs” to mean a layoff during any 30-day period of 50 or more employees at a covered establishment. Labor Code § 1400.5(d).
- 4) Defines “relocation” to mean the removal of all or substantially all of the industrial or commercial operations in a covered establishment to a different location 100 miles or more away. Labor Code § 1400.5(e).
- 5) Defines “termination” to mean the cessation or substantial cessation of industrial or commercial operations in a covered establishment. Labor Code § 1400.5(f).
- 6) Defines “employer” to mean any person who directly or indirectly owns and operates a covered establishment and provides that a parent corporation is an employer as to any covered establishment directly owned and operated by its corporate subsidiary. Labor Code § 1400.5(b).
- 7) Defines “covered establishment” to mean any industrial or commercial facility or part thereof that employs, or has employed within the preceding 12 months, 75 or more persons. Labor Code § 1400.5(a).
- 8) Requires the notice referenced in 2) above to include the elements required by the federal WARN Act. Labor Code § 1401(b).

- 9) Provides that an employer that fails to give the required notice, as required by Cal/WARN, before ordering a mass layoff, relocation, or termination, is liable to each employee entitled to notice, for specified compensation and benefits, calculated for the period of the employer's violation, up to a maximum of 60 days, or half the number of days that the employee was employed by the employer, whichever period is shorter. Labor Code § 1402.
- 10) Subjects an employer who fails to give proper notice under Cal/WARN to a civil penalty of not more than \$500 for each day of the employer's violation, but provides that the employer is not subject to this civil penalty if the employer pays to all applicable employees the amounts for which the employer is liable under 9) above within three weeks from the date the employer orders the mass layoff, relocation, or termination. Labor Code § 1403.

**FISCAL EFFECT:** Unknown.

**COMMENTS:** This bill, as amended, simply expands the Cal/WARN Act to apply to public employers. It also outlines a process for giving notice when part or all of a business is being sold.

According to the author, "Most Californians understand how devastating it is to be suddenly let go from a job. One moment, you have stability and the next, you're left worrying about how you'll cover rent, afford groceries, or keep up with medical bills. That kind of uncertainty isn't just stressful—it's deeply personal, especially while trying to secure your next opportunity..."

At a time of economic uncertainty, AB 2530 strengthens worker protections, supports everyday working families, and creates a more responsive system that helps Californians get back on their feet faster. This is about fairness, stability, and making sure no worker is left behind when they need support the most."

#### **Arguments in Support**

None on file.

#### **Arguments in Opposition**

None on file.

#### **Prior Legislation**

SB 617 (Arreguin) Statutes of 2025, Chapter 229 requires employers to include in the Cal/WARN notice whether the employer plans to coordinate services through the local workforce development board or another entity, as specified, and information regarding the statewide food assistance program known as CalFresh.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

None on file.

**Opposition**

None on file.

**Analysis Prepared by:** Megan Lane / L. & E. /