

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON JUDICIARY
Ash Kalra, Chair
AB 2530 Caloza – As Amended April 13, 2026

SUBJECT: EMPLOYMENT: CAL/WARN ACT: PLANT CLOSINGS AND MASS LAYOFFS

KEY ISSUE: SHOULD THE CAL/WARN ACT, WHICH PROHIBITS EMPLOYERS FROM ORDERING A MASS LAYOFF, RELOCATION, OR TERMINATION AT A “COVERED ESTABLISHMENT,” AS DEFINED, ALSO APPLY TO A PUBLIC AGENCY EMPLOYER?

SYNOPSIS

The California Worker Adjustment and Retraining Act (Cal/WARN Act) prohibits an employer from ordering a mass layoff, relocation, or termination at a “covered establishment” unless, 60 days before the order takes effect, the employer gives written notice of the order to the employees affected by the order and to the Employment Development Department (EDD) and certain local officials. In this way, it is hoped that employees will have more time to prepare the loss of a job, and EDD and local officials will have more time to adjust to the broader impact on the local labor market. If an employer fails to make the notice as required, the employee may be entitled the value of wages and benefits to which the employee would have been entitled had their employment not been lost. The bill defines “employer” and “covered establishment” for these purposes to mean any person who owns and operates an industrial or commercial facility that employs 75 or more persons. Aimed primarily at commercial and industrial facilities, the law does not presently apply to public agencies. The Act parallels the federal WARN Act that similarly requires such advance notices.

This bill would add “public agency” to the definitions of “employer” and “covered establishment,” thereby making the Cal/WARN Act applicable to public agencies, regardless of whether the public agency operates a commercial or industrial facility. Additionally, in the case of a sale of part or all of an employer’s business, the bill would make the seller responsible for providing the notice for any mass layoff, relocation, or termination up to the point of the sale, and make the purchaser responsible for providing the notice following the effective date of the sale. As introduced, this bill would have made additional and substantial changes to the Cal/WARN Act. However, the author amended the bill in the Assembly Labor & Employment Committee to remove all provisions and instead apply Cal/WARN to public agency employers. With those amendments, the bill passed out of the Assembly Labor Committee on a 5-0 vote with two members not voting.

There is no registered support for the bill. A coalition representing special districts and counties oppose extending the Cal/WARN Act to public agencies because, they argue, existing law already imposes limits on public agencies, including obligations to meet and confer with recognized employee organizations regarding changes to employees’ wages, hours, or terms and conditions of employment, including layoffs.

SUMMARY: Applies the Cal/WARN Act to public agencies and clarifies who is responsible for providing notice in the event of a sale of a covered establishment. Specifically, **this bill:**

- 1) Adds “public agencies” to the definitions of “employer” and “covered establishment” under the Cal/WARN Act.
- 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) 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:

- 1) Establishes the federal 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) Establishes the Cal/WARN Act under state law to generally prohibit employers 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. Requires the notice to include all of the elements required in the federal WARN Act. (Labor Code Section 1401 (a)-(b).)
- 3) Defines the following terms for purposes of 2) above:
 - a) “Covered establishment” means any industrial or commercial facility or part thereof that employs, or has employed within the preceding 12 months, 75 or more persons. (Labor Code Section 1400.5 (a).)
 - b) “Employer” means 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 Section 1400.5 (b).)
 - c) “Mass layoffs” means a layoff during any 30-day period of 50 or more employees at a covered establishment. (Labor Code Section 1400.5 (d).)
 - d) “Relocation” means 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 Section 1400.5 (e).)
 - e) “Termination” means the cessation or substantial cessation of industrial or commercial operations in a covered establishment. (Labor Code Section 1400.5 (f).)
- 4) Makes an employer that fails to give the required notice 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 Section 1402.)

- 5) Imposes a civil penalty of not more than \$500 for each day of the employer's violation. Provides, however, 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 4) above, as specified.

FISCAL EFFECT: As currently in print this bill is keyed fiscal.

COMMENTS: 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 – its deeply personal, especially while trying to secure your next opportunity.

AB 2530 centers workers when they need it most. Too often, workers are given little to no warning before a layoff—this bill changes that. When 50 or more employees face a mass layoff, AB 2530 requires a 60-day notice, giving workers critical time to prepare, plan, and take their next steps with dignity. This notice period is critical and will allow state agencies like the Employment Development Department to step in early—connecting workers to new job opportunities, workforce training, and retraining programs that help them transition into stable, well-paying jobs. It ensures working people aren't left navigating job loss alone.

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.

Background. The federal WARN Act prohibits certain employers from ordering mass layoffs or a plant closing unless they have first provided employees with notice at least 60 days prior to the layoffs or closing. In California, the Cal/WARN Act supplements federal law by prohibiting an employer from ordering a mass layoff, relocation, or termination at a “covered establishment,” unless 60 days before the order takes effect, the employer gives written notice of the order to the employees affected by the order. The Cal/WARN Act also requires the employer to provide advance notice to the Employment Development Department and certain local officials so, like the employees, they can plan for the consequences accordingly. If an employer fails to make the notice as required, the employee may be entitled to the value of wages and benefits to which the employee would have been entitled had their employment not been lost. An employer who fails to provide this compensation to employees within a prescribed time is subject to a civil penalty of \$500 per day per violation.

The Cal/WARN Act defines “employer” and “covered establishment” for these purposes to mean any person who owns and operates an “industrial or commercial facility” that employs 75 or more persons over the course of a 12-month period. Aimed primarily at private employers who operate commercial and industrial facilities, existing law does not expressly apply to, or exclude,

public agencies. However, given that public agencies do not typically operate industrial or commercial facilities, the legislation apparently intended to exclude public agencies.

This bill now adds “public agency” to the definitions of both “employer” and “covered establishment,” thereby making the Cal/WARN Act applicable to public agencies, regardless of whether the public agency operates a commercial or industrial facility. Additionally, in the case of a sale of part or all of an employer’s business, the bill makes the seller responsible for providing the notice for any mass layoff, relocation, or termination up to the point of the sale, and makes the purchaser responsible for providing the notice following the effective date of the sale.

Is the Cal/WARN Act appropriately applied to public agencies? Both the text and the history of the Cal/WARN Act indicate that it was primarily aimed at private employers who owned or operated commercial or industrial establishments. While public agencies conceivably operate some “commercial-like” enterprises through special districts or public utilities, it does not appear that the Legislature then enacted the Cal/WARN Act had public agencies in mind. Because this bill adds “public agencies” to the definition of both “employer” and “covered establishment,” it would seemingly apply to all public agencies, regardless of what kind of activity the agency engaged in.

Not surprisingly, extending the Cal/WARN Act has generated opposition from local governments, namely the counties and special districts. Not only were public agencies not the target of the original legislation – since they were not typically the ones terminating large operations or engaging in mass layoffs without notice – the county and special district opponents note that public agencies must already comply with civil service and other laws that protect public employees. In addition, they point out that the Meyers-Milias-Brown Act (MMBA) already requires public agencies to confer with recognized employee organizations regarding any changes in hours, wages, and terms of employment, which includes mass layoffs or ceasing operations.

ARGUMENTS IN OPPOSITION: The California Special Districts, California State Association of Counties, Rural County Representatives of California, and Urban Counties of California, write in their joint letter of opposition:

Given the considerable existing obligations required of public agencies by law for implementing layoffs, we disagree that the inclusion of public agencies in the Cal/WARN Act is warranted.

The California Worker Adjustment and Retraining Notification (WARN) Act requires employers with 75 or more employees to provide 60 days' advance notice of mass layoffs, relocations, or plant closures. These notification requirements are intended to protect employees from an abrupt loss of employment or obligation to relocate. However, local agencies are already subject to the statutory provisions of the Meyers-Milias-Brown Act (MMBA), which require local agencies to meet and confer with recognized employee organizations regarding changes to employees' wages, hours, or terms and conditions of employment, including layoffs. One might argue that given these existing requirements, public agencies should know well in advance of mass layoffs, terminations, or relocations. Nonetheless, the opponents contend that bill will

simply create duplicative notice requirements that do not offer any additional benefit to the employee.

CONCERNS. The California Chamber of Commerce (Cal Chamber) expressed concerns with the introduced version of AB 2530, mostly related to unintentional “gaps or inconsistencies between federal WARN, Cal/WARN, and the Employment Development Department. However, Cal Chamber’s position on the bill as recently amended is unclear.

REGISTERED SUPPORT / OPPOSITION:

Support

None

Opposition

California Special Districts Association
California State Association of Counties
Rural County Representatives of California
Urban Counties of California

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