

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2530 (Caloza) – As Amended April 13, 2026

Policy Committee:	Labor and Employment	Vote:	5 - 0
	Judiciary		9 - 3

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill expands the California Worker Adjustment and Retraining Act (Cal/WARN Act) to apply to a “public agency.”

Specifically, this bill:

- 1) Adds “public agency” to the definitions of an “employer” and “covered establishment” under the Cal/WARN Act and defines “public agency” to mean any state agency, department, board, or commission and any county, city and county, city, regional agency, district, or other political subdivision.
- 2) Determines, in the case of a sale of part or all of an employer’s business, the responsibilities of the seller and purchaser for providing a Cal/WARN notice.

FISCAL EFFECT:

- 1) Costs of an unknown amount to the state as a public employer to provide a 60-day Cal/WARN Act notice to employees when applicable (General Fund (GF) or special fund). Although most state bargaining agreements already require 60 days’ notice prior to a layoff, a Cal/WARN Act notice must also be distributed to certain entities and contain certain informational resources, with penalties for failing to provide appropriate notice. Additionally, potential cost pressures to the state to the extent this bill would put a requirement in statute that would ordinarily be negotiated through the collective bargaining process in exchange for other benefits (GF or special fund).

Similarly, costs and cost pressures of an unknown amount to local government employers, which the state would not need to reimburse because this bill’s new requirements for local agencies equally apply under existing law to the private sector.

- 2) Likely absorbable costs to the Department of Industrial Relations (DIR) by expanding the base of employers potentially subject to enforcement for violating the Cal/WARN Act. However, DIR notes that if public employers violate the law at a level comparable to private employers, DIR would incur ongoing costs in the high hundreds of thousands of dollars (Labor Enforcement and Compliance Fund).
- 3) Minor and absorbable costs to the Employment Development Department (EDD) to receive additional Cal/WARN Act notices.

- 4) Ongoing cost pressures of an unknown amount to the courts in additional workload by increasing the number of employers under the Cal/WARN Act, as an employee or employee representative may bring a civil action to establish liability against an employer that fails to give the required notice (GF or Trial Court Trust Fund (TCTF)). It is unclear how many civil actions may be filed statewide and how much court time may be needed to resolve each case, but it generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on staff and the TCTF may create a demand for increased court funding from the GF. The state budget provides annual GF backfills to the TCTF to offset revenue reductions, totaling approximately \$117.3 million in fiscal year 2025-26.

The Legislative Analyst's Office recently warned of GF structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

- 1) **Purpose.** According to the author:

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.

- 2) **Background. *Cal/WARN Act.*** The Cal/WARN Act requires an employer with 75 or more employees at a single establishment that is an industrial or commercial facility to give 60 days' notice when 50 or more workers during a single 30-day period may be impacted by a mass layoff, relocation, or termination. Notice must also be provided to specified government entities, including EDD and chief elected officials of the impacted city and county. Thus, the Cal/WARN Act allows impacted employees to prepare for the potential loss of income and alerts impacted communities of the need to provide resources. Failure to provide appropriate notice exposes the employer to liability for backpay and the value of the cost of benefits to which an employee would have been entitled. Furthermore, an employer that does not compensate employees accordingly is subject to a civil penalty of \$500 per day the employer is in violation.

Public Agencies. This bill expands the Cal/WARN Act to cover a public agency, regardless of whether the public agency operates as a commercial or industrial facility, thus requiring a public agency to provide the requisite timely notice prior to a mass layoff. Although existing law requires some public employees, such as teachers, classified staff, and faculty, receive a minimum of 60 days' layoff notice, similar to the notice period under the Cal/WARN Act, other public employees receive varying amounts of notice depending on what is negotiated in collective bargaining agreements. For example, state civil service employees must be given at least a 30-day notice prior to the effective date of layoff, but most bargaining agreements require at least a 60-day notice.

- 3) **Support and Opposition.** This bill is supported by SEIU California, which argues, "Public sector layoffs will also continue as the impacts of HR 1 are fully realized, particularly in healthcare and social services. Collective bargaining agreements that provide 10, 14, or 30 days cannot protect workers from late fees and penalties when bills are due every month."

This bill is opposed by a coalition of local government associations, led by the Urban Counties of California, which argues, “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.”

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