

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2545 (Schiavo) – As Amended April 14, 2026

Policy Committee:	Labor and Employment	Vote:	7 - 0
	Privacy and Consumer Protection		15 - 0

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

**SUMMARY:**

This bill establishes the California Artificial Intelligence (AI) Worker Impact Data Assessment Project (Project).

Specifically, this bill:

- 1) Establishes the Project and Project Advisory Panel (Advisory Panel) within the Employment Development Department (EDD).
- 2) Requires the Advisory Panel to consist of 13 members by March 1, 2027, with representatives from the University of California Labor Centers, AI developers, nonprofit organizations, labor organizations, and private sector employers.
- 3) Requires EDD, in consultation with the Advisory Panel, to perform an assessment of data sources and collection methodologies utilized by federal, state, and local governmental agencies regarding the use and impact of advanced AI systems on the labor force and requires EDD to compile a report on gaps in data collection, which the Advisory Panel must submit to the Legislature along with related policy recommendations to support impacted workers by January 1, 2028.
- 4) Requires the Advisory Panel be dissolved upon submission of the report and repeals Project provisions on January 1, 2029.

**FISCAL EFFECT:**

Costs of an unknown, but definitely significant, amount to EDD to staff the Advisory Panel, conduct internal and public meetings, and generate the information required for the Advisory Panel's report (General Fund (GF)). EDD also anticipates one-time costs of approximately \$700,000 to conduct related surveys of impacted workers (GF).

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:

As AI continues to reshape jobs and industries, we must have accurate, comprehensive data to protect workers and support strong workforce pathways. This bill brings together labor, industry, and academic experts to identify gaps in our current data systems and provide actionable recommendations to the Legislature. By taking a proactive, evidence-based approach, California can lead the nation in developing policies that both foster innovation and safeguard workers.

This bill is supported by various labor organizations.

- 2) **Workplace AI Tools.** While employers surveilling their workers, both during and after work hours, is far from a new phenomenon, advances in affordable surveillance and AI technology have made that surveillance much more intrusive. Many workers, while generally aware they are being monitored, are not aware of the extent of the surveillance or what is being done with the information. Technology such as motion scanners, Bluetooth beacons, and keystroke logging track every movement of workers in the office to gauge productivity, with some workplaces even using biometric data, such as eye movements, body shifts, and facial expressions captured via webcam, to evaluate whether workers are attentive in their duties. An employer may then use data gathered from workplace AI tools to make a wide range of decisions affecting a worker's wages and benefits, work schedule, performance evaluation, discipline, promotion, and other workplace conditions. The data may also be aggregated, labeled, and repurposed as training data for AI systems designed to optimize workflows, automate tasks, and in some cases, replace the very workers from whom the data was derived. This bill establishes an Advisory Panel within EDD to identify gaps in data collection practices regarding AI's effects on the workforce and provide a report to the Legislature that includes policy recommendations to support impacted workers.
- 3) **Related Legislation.** AB 1898 (Schultz) requires an employer to notify a worker of the employer's use of a workplace AI tool, including a description of whether and when any jobs or job tasks will be replaced or automated by the tool. AB 1898 is pending on this committee's suspense file.

AB 2027 (Ward) prohibits an employer from using a worker's personal information to train an AI system to replicate, automate, or replace a worker's job. AB 2027 is pending hearing by this committee.

SB 951 (Reyes) requires an employer to provide a 90-day written notice to workers and certain entities before a technological displacement affecting 25 or more workers or 25% of the workforce, whichever is less. SB 951 is pending on the Senate Appropriations Committee's suspense file.

**Analysis Prepared by:** Irene Ho / APPR. / (916) 319-2081