

## ASSEMBLY THIRD READING

AB 2545 (Schiavo)

As Amended April 14, 2026

Majority vote

**SUMMARY**

Creates within the Employment Development Department (EDD) the California Artificial Intelligence Worker Impact Data Assessment Project and a 13-member advisory panel; tasks the EDD, in consultation with the panel, with performing an assessment and reporting to the Legislature on the existing data collection systems and gaps in data collection related to the use and impact of advanced artificial intelligence (AI) systems on the labor force, as specified.

**Major Provisions**

- 1) Establishes the California Artificial Intelligence Worker Impact Data Assessment Project within the EDD.
- 2) Creates the California Artificial Intelligence Worker Impact Data Assessment Project Advisory Panel and requires that, on or before March 1, 2027, the panel consist of 13 members appointed as follows:
  - a) Two experts of the University of California Labor Centers who lead research on employment, technology impacts on employment, and workforce development as appointed by the Governor.
  - b) Two experts from AI developers who have assessed and analyzed technological impacts on labor markets appointed by the Governor.
  - c) Two experts from nonprofit organizations who have experience in assessing upward mobility, worker development, worker training, or workplace evolution from the introduction of new technology appointed by the Speaker of the Assembly.
  - d) One expert from a bona fide labor organization representing workers in California, including public sector, private sector, or multisector organizations appointed by the Speaker of the Assembly.
  - e) One expert from a nonprofit organization who has experience in assessing upward mobility, worker development, worker training, or workplace evolution from the introduction of new technology appointed by the Senate Rules Committee.
  - f) Two experts from bona fide labor organizations representing workers in California, including public sector, private sector, or multisector organizations appointed by the Senate Rules Committee.
  - g) One member appointed by the Assembly Committee on Rules representing a small or medium-sized private sector employer with demonstrated experience deploying AI technologies or automated decisions systems in the workplace.

- h) One member appointed by the Governor representing a large private sector employer with demonstrated experience in deploying AI technologies or automated decisions systems in the workplace.
  - i) One member appointed by the Speaker of the Assembly representing a nonprofit organization with demonstrated experience deploying AI technologies or automated decisions systems in the workplace.
- 3) Provides that the members of the advisory panel shall serve without compensation but shall be reimbursed for all necessary expenses actually incurred in the performance of their duties.
  - 4) Requires the 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 with regards to the use and impact of advanced AI systems on the labor force and compile a report on existing data collection systems and gaps in data collection.
  - 5) Requires, on or before January 1, 2028, the advisory panel to submit a report to the Legislature on the results of the assessment and post the report on its website.
  - 6) Requires the report to include all of the following:
    - a) Identification of key questions and data that need to be answered to assess how the introduction of AI systems impacts individual workers and labor markets broadly, including, but not limited to, how technology is being introduced in the workplace to manage or replace workers and how technology is being used to automate tasks and jobs.
    - b) Inventory of existing data that the state collects across agencies to analyze developments in technology and their impact on the workforce.
    - c) Assessment of federal governmental and local governmental data collection systems and how they may be leveraged to assess future workforce developments and issues.
    - d) Assessment of current data collection partnerships between federal, state, and local governmental agency partners.
    - e) Assessment of data collection efforts by nongovernmental partners.
    - f) Assessment of gaps in data collection systems to inform future policy development.
    - g) Any other assessment and data the advisory panel determines is appropriate.
  - 7) Requires the report to include policy recommendations to the Legislature that include, but are not limited to, the following:
    - a) How to effectively support workers impacted by AI.
    - b) How to ensure workforce pipelines remain open for positions with expertise.
  - 8) Dissolves the advisory panel upon submission of the report to the Legislature.
  - 9) Sunsets and repeals the bill's provisions on January 1, 2029.

## COMMENTS

As AI continues to grow, so too does the debate over how these technologies currently, and will in the future, impact the manner and type of work available. While some jobs are certainly more vulnerable to automation than others, experts are split over which industries have the most exposure and risk. Similarly, there is no consensus over whether AI will eventually lead to mass job displacement, and what types of guardrails are needed to ensure that does not occur.

In a recent working paper<sup>1</sup>, researchers surveyed economists about their economic outlook over the next five and 25 years. The study found that most expect the economy to grow a bit more quickly as AI becomes more sophisticated, but not to deviate substantially from historical patterns. However, those surveyed said that, if technology improves rapidly, it could result in a more drastic scenario with faster economic growth but also the disappearance of millions of jobs.

AI developers have even warned that their products could cause mass job disruption. Anthropic's CEO has said the technology could eliminate half of entry-level white-collar work<sup>2</sup>, while Microsoft's AI chief made a similar prediction that most professional work will be replaced within a year to 18 months.<sup>3</sup> Elon Musk has frequently claimed that AI will render work "optional" within the next 10 to 20 years.

Despite the vast implications of such a disruption, there is currently limited evidence of the impact of AI on the labor market, leaving lawmakers without critical information needed to make policy decisions.

### **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. AB 2545 is about making sure the future of work works for everyone."

The author adds that the measure promotes equity, per H.R. 39 (Gipson, 2021), in that "research shows that AI and automation disproportionately affect low-wage workers, workers of color, workers without college degrees, and workers in routine or administrative roles. By requiring the state to identify how AI is being used to replace or manage workers, AB 2545 creates a foundation to detect disproportionate impacts on vulnerable populations, prevent invisible or underreported job displacement and design targeted interventions before harm becomes widespread.

The bill requires policy recommendations on supporting workers impacted by AI and maintaining workforce pipelines. AI-driven change increases demand for higher-level skills, which can widen inequality if access to training is uneven. This bill enables the state to design

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<sup>1</sup><https://static1.squarespace.com/static/635693acf15a3e2a14a56a4a/t/69cbb9d509ada447b6d9013f/1774959061185/forecasting-the-economic-effects-of-ai.pdf>

<sup>2</sup> "AI could make half of all entry-level white-collar jobs vanish, Anthropic CEO warns." Fortune. <https://fortune.com/2025/05/28/anthropic-ceo-warning-ai-job-loss/>

<sup>3</sup> "Microsoft AI chief gives it 18 months—for all white-collar work to be automated by AI." Fortune. <https://fortune.com/2026/02/13/when-will-ai-kill-white-collar-office-jobs-18-months-microsoft-mustafa-suleyman/>

inclusive retraining programs, accessible career pathways, and targeted investments in communities facing displacement. AI has the potential to put downward pressure on wages in some sectors to reduce job quality through algorithmic management. AB 2545 allows California to anticipate inequitable outcomes and develop policies that distribute benefits more broadly. This shifts the state from reactive to proactive in preventing inequality."

### **Arguments in Support**

TechEquity Action states in support that "while various federal, state, and local agencies collect workforce economic data, there is no unified effort to assess AI's specific impacts or to identify gaps in existing data systems. Without this information, it is difficult for the state to proactively develop policies that protect workers, support job transitions, and maintain strong workforce pipelines. There could also be substantial pressure on the State's social safety net and solid projections about AI's impact on employment and labor markets will be an important element of planning appropriately."

### **Arguments in Opposition**

None on file.

## **FISCAL COMMENTS**

According to the Assembly Appropriations Committee: 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.

## **VOTES**

### **ASM LABOR AND EMPLOYMENT: 7-0-0**

**YES:** Ortega, Lackey, Chen, Elhawary, Kalra, Lee, Ward

### **ASM PRIVACY AND CONSUMER PROTECTION: 15-0-0**

**YES:** Bauer-Kahan, Macedo, Aguiar-Curry, Bryan, DeMaio, Hoover, Irwin, Lowenthal, McKinnor, Ortega, Patterson, Petrie-Norris, Ward, Wicks, Wilson

### **ASM APPROPRIATIONS: 15-0-0**

**YES:** Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

## **UPDATED**

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