

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON PUBLIC EMPLOYMENT AND RETIREMENT

Tina S. McKinnor, Chair

AB 2656 (Petrie-Norris) – As Amended April 14, 2026

SUBJECT: Public employees: notice: artificial intelligence performing service within scope of work

The committee is informed that this bill was heard by the Assembly Committee on Privacy and Consumer Protection on April 16, 2026. As such, this writing only discusses matters that are germane to the jurisdiction of this committee. Please refer to the analysis by the Assembly Committee on Privacy and Consumer Protection for a discussion of matters relating to its jurisdiction.

SUMMARY: Requires a public employer, as provided, to provide a recognized employee organization no less than 45 days' written notice before taking an action to develop, purchase, implement, or utilize any generative artificial intelligence (GenAI) to perform a service that is within the scope of work of the job classification represented by the recognized employee organization, and incorporates the statutory definitions of "GenAI" and "AI" by reference, as provided.

EXISTING LAW:

- 1) Establishes the PECC as means to provide exclusive representatives meaningful access to, and communication with, their represented members. (Sections 3555 et seq., Gov. Code.)
- 2) Provides that the PECC applies to the following employment relations statutes (Section 3555.5, Gov. Code.):
 - a) The Meyers-Milias-Brown Act (MMBA) governing local public employment relations.
 - b) The Ralph C. Dills Act (Dills Act) governing employment relations for certain executive branch, i.e., state, employees.
 - c) The Judicial Council Employment Relations Act (JCEERA) governing employment relations for employees of the Judicial Council.
 - d) The Educational Employment Relations Act (EERA) governing employment relations for public K-12 school districts and community college districts.
 - e) The Higher Education Employer-Employee Relations Act (HEERA) governing employment Relations for the California State University, University of California (UC), and UC San Francisco School of Law (formerly, Hastings College of Law).
 - f) The Trial Court Employment Protection and Governance Act, commonly referred to as the Trial Court Act, governing employment relations for trial court employees.
 - g) The Trial Court Interpreter and Labor Relations Act, commonly referred to as the Court Interpreter Act, governing employment relations for trial court interpreters.
 - h) The Los Angeles County Metropolitan Transportation Authority (LAMTA) Transit Employer-Employee Relations Act governing employment relations for the LAMTA's supervisory employees (TEERA).

- i) Other public transit districts with respect to their employees who are in bargaining units not subject to the aforementioned employment relations acts.¹
- 3) Governs collective bargaining in the private sector under the federal National Labor Relations Act (NLRA) but leaves to the states the regulation of collective bargaining in their respective public sectors. (Sections 151 et seq., Title 29, United States Code.) While the NLRA and the decisions of its National Labor Relations Board often provide persuasive precedent in interpreting state collective bargaining law, public employees generally have no collective bargaining rights absent specific statutory authority establishing those rights.
- 4) Provides several statutory frameworks under California law to provide public employees collective bargaining rights, govern public employer-employee relations, and limit labor strife and economic disruption in the public sector through a reasonable method of resolving disputes regarding wages, hours and other terms and conditions of employment between public employers and recognized public employee organizations or their exclusive representatives. These include those enumerated in “2),” above.
- 5) Does not cover California’s public transit districts by a common employer-employee relations statute. Instead, while some transit districts are subject to specific employer-employee relations statutes, the majority of transit districts are subject to labor relations provisions found in each district’s specific Public Utilities Code (P.U.C.) enabling statute, joint powers agreements, or in articles of incorporation, and bylaws.

Generally, these provisions provide employees with basic rights to organization and representation, but do not define or prohibit unfair labor practices. Unlike other California public agencies and employees, public transit districts and their employees not within the jurisdiction of the PERB have no recourse to the PERB. Instead, they must rely upon the courts to remedy alleged violations. Additionally, they may be subject to provisions of the federal Labor Management Relations Act of 1947 and the 1964 Urban Mass Transit Act (modernly referred to as the Federal Transit Act).

- 6) Establishes the PERB, a quasi-judicial administrative agency charged with administering the several statutory frameworks governing public employer-employee relations, including the PECC, resolving disputes, and enforcing the statutory rights and obligations of public agency employers and employee organizations, but provides the City and County of Los Angeles a local alternative to PERB oversight. (Sections 3541 et seq., and 3555.5(c), Gov. Code.)

FISCAL EFFECT: Unknown. This bill is flagged as fiscal by Legislative Counsel.

COMMENTS:

Among other things, information provided by the author states, “[d]ecisions about the development and implementation of [GenAI] tools are often made without advance notice and input from public sector employees whose jobs are directed impacted by the introduction of this new technology. GenAI can both help and hurt public sector employees in the performance of their jobs. The public sector employees who perform the work targeted for the introduction and

¹ Ref. “Existing Law,” No. “5).”

use of GenAI possess the knowledge and experience to assist management with the development of the most useful technology while also identifying adverse consequences to employees that should be minimized and avoided to the extent possible. State and local government employee organizations are justifiably concerned that GenAI will replace jobs or diminish the roles of public sector employees – circumstances that will ultimately require retraining and greater protections against layoffs. The use of algorithmic decision-making systems which lack transparency and fairness can also lead to biased outcomes regarding employee performance, promotions, or discipline without human oversight. The development and implementation of GenAI in the public sector workplace directly impacts the wages, hours and working conditions of state and local government employees. Public sector employees cannot be overlooked or be regarded as a mere afterthought with respect to the development and implementation of GenAI in the workplace. Public safety professionals bring valuable, real-world experience and insight that can help ensure these tools are implemented effectively and responsibly. Providing advance notice and an opportunity to engage allows employee organizations to identify potential risks, improve outcomes, and help integrate new technologies in a way that supports both public safety and workforce stability. [This bill] strikes an appropriate balance by fostering collaboration between public employers and employee organizations, while ensuring that decisions impacting wages, hours, and working conditions are not made unilaterally. By requiring advance notice, the bill promotes transparency, accountability, and thoughtful implementation of emerging technologies.”

Governor’s Executive Order N-12-23

Among other things, Executive Order N-12-23 “requires the Government Operations Agency, the California Department of Technology, the Office of Data and Innovation, and the Governor's Office of Business and Economic Development, in collaboration with other State agencies and departments and their workforce, to draft a report to the Governor examining the most significant, potentially beneficial use cases for deployment of GenAI tools by the State.”

The report must also “explain the potential risks to individuals, communities, and government and state government workers, with a focus on high-risk use cases, such as where [it] is used to make a consequential decision affecting access to essential goods and services,” and to “include but not be limited to: risks stemming from bad actors and insufficiently guarded governmental systems, unintended or emergent effects, and potential risks toward democratic and legal processes, public health and safety, and the economy.” Further, the report must be “regularly assessed for any significant developments or necessary updates and as appropriate, be done in consultation with civil society, academia, industry experts, and the state government workforce or organizations that represent state government employees.”²

This Bill

Statutory Construction

The PECC expressly applies to communications by exclusive representatives with represented employees and incorporates by reference each of the public employment relations statutes enumerated under “Existing Law.” This bill proposes to add a provision immediately following

² Executive Order N-12-23. Visit: https://www.gov.ca.gov/wp-content/uploads/2023/09/AI-EO-No.12_-_GGN-Signed.pdf

the severability clause within the PECC statute.³ Although the PECC is established for specific reasons and purposes, as previously discussed, the section of the Gov. Code that this bill proposes to add immediately following the PECC's severability clause serves as a means of statutory efficiency. Meaning, because this bill proposes to apply its provisions to each of the employment relations statutes incorporated by reference in the PECC, rather than separately amending each of them to include the provisions proposed by this bill, as a matter of efficient statutory construction, this bill references by incorporation, each of the PECC's public employment relations statutes to which this bill would uniformly apply.

Neither Limits or Prohibits Public Employer Action to Develop, Purchase, Implement, or Use GenAI or AI

This bill neither explicitly nor tacitly limits or prohibits a public employer from taking action to develop, purchase, implement, or utilize GenAI to perform a service that is within the scope of work of the job classification represented by the recognized employee organization. If it is alleged that the public employer's development, purchase, implementation, or use of GenAI may involve matters relating to the scope of representation, i.e., the mandatory subjects of bargaining being wages, hours (of employment), and other terms and conditions of employment, such matters may be resolved through collective bargaining or the PERB's grievance resolutions processes.

Relationship to Collective Bargaining

Within the MMBA (specifically, Section 3505 of the Gov. Code), for example, local public agencies are required to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with employee organizations representatives; defines "meet and confer" for this purpose, and provides for the resolution of impasse. This requirement and associated provisions are substantially similar to those in a number of the other public employment relations statutes enumerated under "Existing Law" above, that are incorporated by reference in this bill.

What is "good faith"? "The phrase "good faith" is used in a variety of contexts, and its meaning varies somewhat with the context. Good faith performance or enforcement of a contract emphasizes faithfulness to an agreed common purpose and consistency with the justified expectations of the other party; it excludes a variety of types of conduct characterized as involving "bad faith" because they violate community standards of decency, fairness, and reasonableness. The appropriate remedy for a breach of the duty of good faith also varies with the circumstances."⁴ "[G]ood faith is an elusive idea, taking on different meanings and emphases as we move from one context to another – whether the particular context is supplied by the type of legal system (e.g., common law, civilian, or hybrid), the type of contract (e.g., commercial or consumer), or the nature of the subject matter of the contract (e.g., insurance, employment, sale of goods, financial services, and so on)."⁵ Generally, "good faith" means a state of mind consisting in: i) honesty in belief or purpose, ii) faithfulness to one's duty or

³ Section 3559, Gov. Code.

⁴ Section 205, Restatement (Second) of Contracts, cmt. a (1979).

⁵ "Good Faith in Contract," in *Good Faith in Contract: Concept and Context* 1, 3. Roger Brownsword, et al. (Roger Brownsword, ed., 1999).

obligation, iii) observance of reasonable commercial standards of fair dealing in a given trade or business, or iv) absence of intent to defraud or to seek unconscionable advantage.

What is “bad faith”? A complete catalogue of types of bad faith is impossible, but the following are among those which have been recognized in judicial decisions: evasion of the spirit of the bargain, lack of diligence and slacking off, willful rendering of imperfect performance, abuse of a power to specify terms, and interference with or failure to cooperate in the other party’s performance.”⁶ Generally, “bad faith” means the opposite of good faith. That is, dishonesty of belief, purpose, or motive.

Generally, the mandatory subjects of collective bargaining, commonly referred to as the “scope of representation” under the various public employment relations statutes cover wages, hours, and other terms and conditions of employment, and explicitly exclude certain matters. Although the subjects of wages and hours need not be discussed here due to lack of relevance, the subject of “terms of conditions of employment” may be relevant to the potential collective bargaining of the subject of this bill. “Terms and conditions of employment” acts similarly as a category of “other” when compared to the specific categories of “hours” and “wages.” While it is not explicitly defined in some of the public employment relations statutes,⁷ it is explicitly defined in others.⁸ In addition, the PERB has interpreted the Dills Act’s scope of representation which has resulted in what is largely a well-settled rule. That is, subjects are within the scope of bargaining “if they involve the employment relationship and are of such concern to both management and employees that conflict is likely to occur, and if the mediatory influence of collective negotiation is an appropriate means of resolving the conflict.” However, decisions that concern “essential managerial prerogatives” are not within the scope of representation under the (Dills) Act.” (*California State Employees Assn. v. State of California (Dept. of Transportation)* (1983) PERB Decision No. 361.) Depending on the specific facts and circumstances of an unfair practice charge filed with the PERB and the public employment relations statute under which a claim is filed, the PERB may apply its decision in *California State Employees Assn., id.*, to the other statutes relating to the collective bargaining of the subject of this bill.

Advance Notice

While this bill would independently stand and operate from the PECC, the PECC requires a public employer to provide the exclusive representative with specified information of employees within a certain timeframe.⁹ Notwithstanding the discussion under the prior subheading, similarly, this bill requires the public employer to provide the exclusive representative with written notice, as prescribed. By requiring the prescribed written notice, this bill would also afford the recognized employee organization to ascertain the effects, if any, that GenAI may have on matters relating to employment in a somewhat consistent manner, as expressed in Executive Order N-12-23.¹⁰

⁶ Section 205, Restatement (Second) of Contracts, cmt. d (1979).

⁷ For example, see Sections 3504, Gov. Code (MMBA), 3516, Gov. Code (Dills Act); Section 3570, Gov. Code (HEERA); Section 99563.5, Pub. Util. Code (TEERA); 71816, Gov. Code (Court Interpreter Act); 71634, Gov. Code (Trial Court Act), and 3524.61, Gov. Code (JCEERA);

⁸ For example, see Section 3543.2(a), Gov. Code (EERA).

⁹ Section 3558(a), Gov. Code.

¹⁰ See Order No. 1 in the Executive Order that requires, among other things, “the report to be regularly assessed... in consultation with... ‘state employees and organizations that represent state employees.’”

Concern: Conflict with Assembly Bill 1898 (Schultz, 2026)

The author and committee are informed that Assembly Bill 1898 (Schultz, 2026) proposes to require an employer to provide written notice to a worker who will likely be directly or indirectly affected as well as their exclusive bargaining representative of a workplace AI tool used to assist the employer in making employment-related decisions or to surveil the workplace at least 90 days before its deployment. Among its provisions, “employer” is defined to mean any person who directly or indirectly, or through an agent or any other person, employs or exercises control over the wages, benefits, other compensation, hours, working conditions, access to work or job opportunities, or other terms or conditions of employment, of any worker. *This must include all branches of state government, all cities, counties, and cities and counties, including charter cities and charter counties, special districts, transit districts, the University of California, the California State University, community college districts, school districts, and any other governmental entities.* (Emphasis added.) Further, “employer” includes a labor contractor of a person defined as an employer.

Assembly Bill 1898 was passed by the Assembly Committee on Labor (7-0) on March 18, 2026; the Assembly Committee on Privacy and Consumer Protection (10-3) on March 25, 2026, and is currently pending in the Assembly Committee on Appropriations. While the current bill and that bill both propose to address a matter regarding employer implementation and use of AI, they differ in various respects, including the timeframe for the notice requirement and employer applicability (public and private vs. solely public), among other provisions. With respect to the jurisdiction of this committee, to the extent that the current bill and Assembly Bill 1898 are both intended to apply to “public employers,” as respectively prescribed, this may raise statutory interpretation conflicts and concerns resulting in confusion as to which bill applies, if both are enacted by the Legislature. Given these, the author may wish to confer with the author of that bill and collectively decide on how best to proceed with their respective bills.

Although the current bill and AB 1898 are specifically discussed here, other proposed statutes that address AI and its deployment and use by employers, along with a requirement for advance notice, are currently pending in the Legislature.¹¹

Author’s Statement

“This measure ensures that public employees are not left in the dark as artificial intelligence becomes more integrated into government operations. As cities, counties, and state agencies increasingly deploy AI tools in the workplace, employees deserve clear, advance notice when these technologies are being used and how they may impact their duties, evaluations, and decision-making processes. While emerging technologies can be valuable tools, they must be implemented thoughtfully, transparently, and with appropriate safeguards. Requiring advance notice is a straightforward, commonsense step that promotes accountability without slowing innovation. It ensures that employees can adapt to new systems, raise concerns where appropriate, and maintain the professional judgment that is critical in high-stakes public safety environments.”

¹¹ See “Prior or Related Legislation” below.

Comments by Supporters

The Peace Officers Research Association of California states, “[this bill] ensures that public employee organizations receive advance notice of the proposed use of [GenAI] and are provided a meaningful opportunity to engage with public agencies prior to its implementation. This bill establishes a reasonable and necessary framework to ensure that the introduction of new technologies enhances, rather than undermines, the work of public employees. GenAI is rapidly transforming workplaces across the public sector, including law enforcement. While this technology has the potential to improve efficiency and support public safety operations, it also raises important concerns related to job displacement, working conditions, and the use of automated systems that may lack transparency or accountability. Decisions about the development and implementation of GenAI are often made without sufficient input from the employees most directly impacted. Public safety professionals bring valuable, real-world experience and insight that can help ensure these tools are implemented effectively and responsibly. Providing advance notice and an opportunity to engage allows employee organizations to identify potential risks, improve outcomes, and help integrate new technologies in a way that supports both public safety and workforce stability. [This bill] strikes an appropriate balance by fostering collaboration between public employers and employee organizations, while ensuring that decisions impacting wages, hours, and working conditions are not made unilaterally. By requiring advance notice, the bill promotes transparency, accountability, and thoughtful implementation of emerging technologies.”

Comments by Opponents

Among other things, a coalition of local public agency representatives state “[l]ike much of the public sector, local agencies are cautiously testing the use of artificial intelligence tools in day-to-day operations. Tools that promise to streamline routine activities (like the notetaking tools included in virtual meeting software such as Zoom and Teams) allow our employees to focus their time and attention on the most important components of serving the public. Often, these tools are relatively benign, like ChatGPT and Microsoft Copilot, and such tools are frequently included in off-the-shelf software ubiquitous in the modern office environment. When tools become available that assist with specific aspects of public service (like charting in a health clinic or monitoring drinking water safety), they are often vetted in partnership with employees with the mutual goals of ensuring staff is empowered to focus on certain aspects of their work and providing more efficient and effective outcomes that benefit the public. Importantly, local agencies remain subject to the statutory provisions [of the 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. Existing law provides a robust framework for determining when particular uses of generative artificial intelligence may actually have a significant and adverse effect on the employment relationship, in which case notification (and more) is already required. This bill is therefore both overbroad and unnecessary. Finally, local agencies are subject to last year’s AB 339 (Chapter 687, Statutes of 2025), which requires additional notice to recognized employee organizations regarding a range of local agency contracting activities, even when those activities do not rise to the level of triggering meet-and-confer obligations under the MMBA’s usual standards. This additional notification requirement has been incredibly burdensome for local agencies and has required a significant amount of time, legal resources, and training to implement. The further unworkable notification provisions in this bill would exacerbate these concerns and represent another state mandate for which the state may be obligated to provide reimbursement under Article XIII B of the California Constitution.

It is also important to note the myriad other legislative measures that seek to limit the use of artificial intelligence in the public sector in multiple forms. Regardless of the benefit of any new technologies and regardless of any obligation to take such action in a public meeting, local agencies would be seriously hindered in adopting such tools under these proposals. To be sure, if some of those measures are approved by the Legislature, there will be no notification necessary as many of them would effectively impose bans on the use of most AI tools.”

Prior or Related Legislation

Assembly Bill 1898 (Schultz, 2026) previously discussed above. This bill is currently pending in the Assembly Committee on Appropriations.

Senate Bill 951 (Reyes, 2026) proposes to establish the California Worker Technological Displacement Act and, among other provisions, requires an employer to provide at least 90-days’ advance written notice regarding any technological displacement affecting a specified number of employees. This bill is currently pending in the Senate Committee on Privacy, Digital Technologies, and Consumer Protection.

Senate Bill 947 (McNerney, 2026) proposes to prohibit an employer from using automated decision systems (ADS) to perform certain functions; authorizes an employee to request their own data and requires the employer to provide that data, among other provisions. This bill is currently pending in the Senate Committee on Privacy, Digital Technologies, and Consumer Protection.

Chapter 687, Statutes of 2025 (Assembly Bill 339, Ortega) requires public agencies regulated by the Meyers-Milias-Brown Act (MMBA) to give a recognized employee organization (REO) no less than 45 days’ written notice regarding contracts to perform services that are within the scope of work of job classifications represented by the REO, among other provisions.

Senate Bill 7 (McNerney, 2025) regulates the use of ADS in the employment setting. Among other things, this bill (i) requires an employer to provide a written notice that an ADS is in use at the workplace to all workers that will foreseeably be directly affected by the ADS; (ii) prohibits in some instances and in others limits the use of an ADS by an employer, as specified; (iii) provides worker anti-retaliation protections for exercising their rights under these provisions; and, (iv) specifies enforcement provisions that include penalties and relief for violations. This bill was vetoed by the Governor stating:

“I share the author's concern that in certain cases unregulated use of ADS by employers can be harmful to workers. However, rather than addressing the specific ways employers misuse this technology, the bill imposes unfocused notification requirements on any business using even the most innocuous tools. This proposed solution fails to directly address incidents of misuse. Moreover, this measure proposes overly broad restrictions on how employers may use ADS tools. For example, prohibiting an employer from using customer ratings as the primary input data for an ADS takes away a potentially valuable tool for rewarding high-performing employees. To the extent that customer reviews are unfairly or inappropriately used to make decisions about a worker, legislation should address those specific scenarios rather than ban this practice altogether. Finally, I share the author's concern about situations where an employer uses an ADS to make disciplinary, termination, or deactivation decisions. Such situations are partially covered by forthcoming California Privacy Protection Agency regulations, which would allow

employees and independent contractors to better understand how their personal data is used by automated decision technology. Before enacting new legislation in this space, we should assess the efficacy of these regulations to address these concerns.”

Assembly Bill 2489 (Ward, 2024) proposed to make changes to existing law relating to contracts by local governments, i.e., counties, cities, local public agencies, and municipal corporations, for certain services by requiring the local governing body, as prescribed, to provide written notice to the exclusive representative of the workforce affected by the contract, among other provisions. This bill was held in the Assembly Appropriations Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Peace Officers Research Association of California (Sponsor)

Opposition

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

Analysis Prepared by: Michael Bolden / P. E. & R. / (916) 319-3957