
SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION
Senator Susan Rubio
Chair
2025 - 2026 Regular

Bill No: SB 1248 **Hearing Date:** 3/24/2026
Author: Cabaldon
Version: 2/19/2026 Introduced
Urgency: No **Fiscal:** Yes
Consultant: Brian Duke

SUBJECT: State agencies: automated decision systems

DIGEST: This bill restricts specified use of an automated decision systems (ADS) by a state agency to confer services, as defined, and prohibits using an output from ADS as the sole basis for an adverse service determination affecting a natural person, as specified. Additionally, this bill requires a state agency to verify the accuracy of ADS' outputs and to promote nondiscrimination in its use, as specified. Finally, this bill authorizes the Government Operations Agency (GovOps) to develop, adopt, and make publicly available guidance for a state agency's use of ADS, as specified.

ANALYSIS:

Existing law:

- 1) Establishes, within GovOps, the California Department of Technology (CDT), and requires the Director of Technology to supervise the CDT and report directly to the Governor on issues relating to information technology, as specified.
- 2) Requires CDT to conduct, in coordination with other interagency bodies as it deems appropriate, a comprehensive inventory of all high-risk ADS that have been proposed for use, development, or procurement by, or are being used, developed, or procured by, any state agency.
- 3) Establishes various public assistance and social programs administered by state agencies, including the Department of Social Services (DSS) and the Employment Development Department (EDD), as specified.

- 4) Provides for the licensure and regulation of specified professions and vocations by boards and bureaus within the Department of Consumer Affairs (CDA).
- 5) Defines “automated decision system” to mean a computational process derived from machine learning, statistical modeling, data analytics, or artificial intelligence (AI) that issues simplified output, including a score, classification, or recommendation, that is used to assist or replace human discretionary decision-making and materially impacts natural persons. “Automated decision system” does not include a spam email filter, firewall, antivirus software, identity and access management tools, calculator, database, dataset, or other compilation of data.
- 6) Defines “high-risk automated decision system” to mean ADS that is used to assist or replace human discretionary decisions that have a legal or similarly significant effect, including decisions that materially impact access to, or approval for, housing or accommodations, education, employment, credit, health care, and criminal justice.
- 7) Defines “state agency” to include every state office, officer, department, division, bureau, board, and commission. “State agency” does not include the California State University unless the section explicitly provides that it applies to the university.
- 8) Requires a state agency or department that utilizes generative AI (GenAI) to directly communicate with a person regarding government services and benefits to ensure that those communications include both of the following:
 - a) A disclaimer that indicates to the person that the communication was generated by GenAI, as specified.
 - b) Information, or a link to an internet website containing information, describing how the person may contact a human employee of the state agency or department.

This bill:

- 1) Requires a state agency using ADS for services, not including competitive determinations, to comply with all of the following:
 - a) The state agency may use ADS to inform its decision-making process. The state agency shall not substitute the outputs of ADS for human judgement.

- b) When ADS is used to assist in a decision-making process, the system shall be only one of the factors a user considers in reaching a decision. The state agency may use ADS to ascertain whether a services application or submission meets minimum eligibility thresholds as predetermined by the state agency.
- c) The state agency shall not use an output from ADS as the sole basis for an adverse service determination affecting a natural person, such as denial of a benefit or license, except as expressly authorized by federal or state law.
- d) The state agency shall require that any output of ADS that suggests non-eligibility or other adverse action be reviewed by a human before any adverse action is taken.
- e) A state agency's user shall not represent work generated solely by ADS as the user's own original work.
- f) When the use of ADS is material to a decision, the state agency shall provide a means, consistent with applicable law, to document or disclose that the system was used in the decision-making process.
- g) The state agency shall verify the accuracy of an ADS' outputs, and shall promote nondiscrimination in its use of ADS, by doing all of the following:
 - i) Ensure content, recommendations, or other outputs generated by ADS that may materially affect service levels are reviewed and verified by an employee of the state agency, or by another authorized person, for accuracy before being relied upon.
 - ii) Monitor and periodically evaluate the use of ADS to reduce the risk that outputs contain or perpetuate bias, including bias based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, age, disability, medical condition, genetic information, immigration or citizenship status, or any other characteristic protected by federal or state law.
 - iii) Require that an application or submission contain all required fields, attachments, or information in the required format.
- h) The state agency shall safeguard personally identifiable information, protected health information, or other legally protected information by prohibiting the use of the ADS from inputting, uploading, or otherwise disclosing the information to ADS, except where necessary for services administration or delivery, as authorized by law and subject to appropriate safeguards. For third-party systems, a state agency shall employ safeguards that may include access controls and appropriate security standards.
- i) The state agency's director or designee shall provide for an initial and subsequent periodic quality control review of the outputs of the ADS, or a statistically valid represented sample thereof to assure acceptable accuracy.

- 2) Requires GovOps, in collaboration with any other state entity the agency determines appropriate, to develop, adopt, and make publicly available guidance for a state agency's use of ADS consistent with this bill. Before issuing the guidance, the agency shall notify the Joint Legislative Budget Committee of its decision to issue guidance.
- 3) Authorizes GovOps to provide technical assistance to state agencies to comply with this bill.
- 4) Defines "legally protected information" to mean information that a person is prohibited from disclosing under federal or state law, including provisions of the Evidence Code relating to privilege, or that would result in a violation of a legal duty of confidentiality.
- 5) Defines "personally identifiable information" to mean an individual's residential address, telephone number, social security number, driver's license number, state identification card number, passport number, license plate number, vehicle registration information for a motor vehicle owned or leased by the individual, and information regarding an individual's precise geolocation, as specified.
- 6) Defines "services" to mean both of the following:
 - a) Services, benefits, or assistance, whether provided in cash or in kind, that a state agency provides or administers, including, but not limited to, social services, linkages to programs administered by the federal Social Security Administration, vocational and education-related services, and employment assistance.
 - b) Issuance, renewal, denial, or suspension of a professional license or occupational credential.
- 7) Includes related Legislative findings and declarations, as specified.

Background

Author Statement. According to the author's office, "California families face extreme delays in accessing essential government services. Applications for CalFresh and Medi-Cal can take weeks or months to process, leaving vulnerable residents without food assistance or healthcare coverage while they wait. Professionals applying for licenses to work as nurses, teachers, or contractors experience similar delays, unable to earn a living while bureaucratic processes

grind forward. These administrative backlogs create real hardships where families go without needed support, qualified workers sit idle, and California's economy suffers. The delays also take a toll on the public servants processing these applications. I heard directly from caseworkers in my district as they described the weight of the massive backlog for CalFresh benefits, knowing that families in need were waiting.”

Further, “[e]vidence shows that properly designed automated systems can help both families and the workers serving them. Medicaid programs using automation increased successful renewals by 21.6 percentage points and procedural denials decreased by 8.3 points. By automating straightforward approvals that clearly meet eligibility requirements, caseworkers can redirect their expertise to complex cases where only human discretion and judgment can make the right decision. This allows public servants to focus on what they do best, applying their knowledge and compassion to help people navigate difficult situations, rather than spending hours on routine data entry and processing.

“California law has attempted to address the use of automated decision systems in the private sector, but there are currently no laws in place about its usage within the state government. In fact, the Governor is already encouraging agencies to begin using AI tools to improve efficiency and engagement and it is only a matter of time until their use is widespread.

“Automation without proper safeguards and legislative oversight creates serious concerns. Automated systems can make consequential errors when not properly designed and monitored, potentially perpetuating bias, denying benefits based on flawed data, or undermining due process protections. By setting clear standards now, the state ensures that if agencies adopt these technologies, the systems will operate fairly, transparently, and subject to meaningful human oversight from the outset rather than attempting to retrofit protections after problems emerge.”

And finally, “SB 1248 requires that automated systems assist human judgment, not replace it. No adverse decision can be made based solely on algorithmic output meaning a human must review any negative determination. Agencies must monitor for bias, verify accuracy, and implement quality control processes. These standards allow agencies to modernize service delivery while ensuring technology operates transparently, fairly, and is subject to meaningful human oversight.”

Artificial Intelligence and Automated Decision Systems. Since the 1950s computers have advanced from being able to do basic processing to having the capacity to undertake complex, ambiguous, and highly skilled tasks. These

systems range from simple rule-based tools to complex AI, automating routine tasks while raising concerns about bias and transparency. AI broadly refers to computer systems designed to perform tasks that typically require human intelligence, such as recognizing patterns, making predictions, or supporting decisions. Within that umbrella, ADS is a type of AI (or algorithmic tool) that uses data through methods like machine learning and statistical modeling to generate outputs such as scores, classifications, or recommendations that can inform or replace human decision-making.

Other relevant categories of AI for state government include predictive AI which forecasts outcomes, rule-based systems that follow predefined logic without learning from data but can still function as ADS in practice, and GenAI which produces new content based on patterns learned from large datasets rather than simply analyzing or scoring existing data.

Use case examples for ADS include: government benefit eligibility screening tools that score or flag applicants based on income, household data, and prior records; benefit renewal automation systems that predict whether a beneficiary is still qualified and eligible to be auto-renewed or flagged for termination of benefits; and fraud detection systems that assign a “risk score” to applicants or recipients for potential improper payments. In the private sector, common applications include loan approvals, fraud detection, credit scoring, screening resumes, dynamic pricing, and product recommendations. These systems have the potential to replace or support human decision-makers and rely heavily on data processing and analysis.

California State Government’s High-Risk ADS Inventory. AB 302 (Ward, Chapter 800, Statutes of 2023) requires CDT, until January 1, 2029, to annually submit a report of the comprehensive inventory of high-risk ADS to the Assembly Committee on Privacy and Consumer Protection and the Senate Committee on Governmental Organization. This comprehensive list includes all high-risk ADS that have been proposed for use, development, or procurement by, or are being used, developed, or procured by any state agency.

According to the initial [January 2025 CDT comprehensive inventory report](#), no state agency reported use of high-risk ADS. Although state agencies did not report high-risk ADS, CDT notes that it works with its state agency customers on their ADS, regardless of their risk level. CDT provides consultation for ADS risk assessment, as defined by existing law.

An “automated decision system” is defined to mean a computational process derived from machine learning, statistical modeling, data analytics, or artificial intelligence that issues simplified output, including a score, classification, or recommendation, that is used to assist or replace human discretionary decision making and materially impacts natural persons. “Automated decision system” does not include a spam email filter, firewall, antivirus software, identity and access management tools, calculator, database, dataset, or other compilation of data.

A “high-risk” ADS means an automated decision system that is used to assist or replace human discretionary decisions that have a legal or similarly significant effect, including decisions that materially impact access to, or approval for, housing or accommodations, education, employment, credit, health care, and criminal justice.

Of the 204 state agencies CDT canvassed pursuant to AB 302 (Ward, Chapter 800, Statutes of 2023) 198 agencies provided responses. This represents a 97% response rate. CDT sent weekly email reminders to state agencies leading up to the August 30th reporting deadline. After the deadline expired, CDT sent one more email reminder to state agencies that had not yet provided a response. Notably, 140 of 140 executive departments, 19 of 22 constitutional departments, 22 of 24 CSUs, and 17 of 18 independents provided responses.

Risks vary based on use cases for ADS, the services of the state agency using ADS, and the specific data privacy requirements of the state agency using ADS, among other factors. CDT relies on National Institute of Standards and Technology (NIST) risk management best practices and definitions to identify risk areas for ADS. These best practices are considered the government standard for risk mitigation.

The report notes that “ADS can offer a wide variety of benefits to state agencies” including workforce productivity gains, workload scalability and consistency, faster decision-making, data-driven insights, and predictive capabilities. CDT further identifies the following – non exhaustive – risks based on use cases for ADS: validity and reliability, safety, accountability and transparency, security and resiliency, explainability and interpretability, privacy, and fairness.

Additionally, Governor Gavin Newsom issued [Executive Order \(EO\) N-12-23](#) in 2023 to study the development, use, and risks of emerging technologies such as AI and GenAI, and to develop a deliberate and responsible process for evaluation and deployment of GenAI in state government. An [April 29, 2025, press release from](#)

[Governor Newsom's office](#) on the utilization of technologies to improve efficiency in state government notes that, “GenAI is here, and it’s growing in importance every day. We know that state government can be more efficient, and as the birthplace of tech it is only natural that California leads in this space. In the Golden State, we know that efficiency means more than cutting services to save a buck, but instead building and refining our state government to better serve all Californians.”

Specifically, the release notes that, “California is leading in the effort to implement AI and other technologies into state government operations, quickly adopting projects through its new innovative procurement method, Request for Innovative Ideas (RFI2). RFI2 allows the state to quickly test technology through safe and secure environments, providing the state and the innovator community valuable insights while protecting state data.”

New Restrictions on California State Government Use of ADS. This bill seeks to impose new restrictions on the use of ADS by a state agency to confer state services. For purposes of this bill, state “services” mean both of the following: services, benefits, or assistance, whether provided in cash or in kind, that a state agency provides or administers, including, but not limited to, social services, linkages to programs administered by the federal Social Security Administration, vocational and education-related services, and employment assistance; and the issuance, renewal, denial, or suspension of a professional license or occupational credential.

This bill requires any state agency utilizing ADS for services, not including competitive determinations to, among other things: not substitute the outputs of an ADS for human judgement; the ADS shall be only one of the factors a user considers in reaching a decision; not use an output from an ADS as the sole basis for an adverse service determination affecting a natural person, such as denial of a benefit or license; require that the output of an ADS that suggests non-eligibility or other adverse action be reviewed by a human before any adverse action is taken; provide a means to document or disclose that the system was used in a material decision-making process; verify the ADS’s outputs, and promote nondiscrimination in its use of an ADS; safeguard personally identifiable information; and provide for an initial and subsequent periodic quality control review of the outputs of the ADS, or a statistically valid represented sample thereof to assure acceptable accuracy.

Government Operations Agency. GovOps leads implementation of strategic initiatives focused on accelerating innovation in state operations. GovOps is one

of 11 cabinet-level agencies that reports to the Governor and it oversees and supports the work of 13 departments, boards, and offices with more than 23,000 employees. Housed within GovOps, CDT leads the state's drive to deliver clear, fast, dependable, and equitable public services and provides for the delivery of digital government services through the oversight of statewide information technology strategic planning, project delivery, procurement, policy and standards, and enterprise architecture.

This bill authorizes GovOps, in collaboration with any other state entity that the agency deems appropriate, to develop, adopt, and make publicly available guidance for a state agency's use of ADS consistent with this bill. Before issuing the guidance, this bill requires GovOps to notify the Joint Legislative Budget Committee of its decision to issue the guidance. Additionally, this bill authorizes GovOps to provide technical assistance to state agencies to comply with the requirements imposed by this bill.

Prior/Related Legislation

SB 928 (Cervantes, 2026) states the intent of the Legislature to enact legislation to protect California State University employees from the encroachment of AI. (Pending in the Senate Rules Committee)

SB 947 (McNerney, 2026) among other things, prohibits an employer from using an ADS to perform certain functions and limits the purposes for and way in which an ADS may be used, as specified. (Pending in the Senate Labor, Public Employment & Retirement Committee)

SB 7 (McNerney, 2025) would have regulated the use of ADS in the employment setting by, among other things, requiring an employer to provide a written notice that an ADS is in use in the workplace to all workers that will foreseeably be directly affected by the ADS, prohibiting or limiting the use of an ADS by an employer, and providing workers anti-retaliation protections for exercising their rights under the bill, as specified. (Vetoed by Governor Newsom)

SB 53 (Wiener, Chapter 138, Statutes of 2025) requires large AI developers, as defined, to publish safety frameworks, disclose specified transparency reports, and report critical safety incidents to the Office of Emergency Services (OES), as specified. Additionally, this bill creates enhanced whistleblower protections for employees reporting AI safety violations and establishes a consortium to design a framework for "CalCompute," a public cloud platform to expand safe and equitable AI research, as specified.

SB 420 (Padilla, 2025) regulates the use of high-risk ADS by implementing requirements on developers and deployers to perform impact assessments on their systems, as specified, and establishes the right of individuals to know when an ADS has been used, details about the systems, and an opportunity to appeal ADS decisions where technical feasible. (Pending in the Assembly Privacy and Consumer Protection Committee)

SB 430 (Cabaldon, 2025) among other things, would have imposed certain restrictions on the use of ADS by a local agency to confer supportive services, permits, or licenses, as specified. (Never heard in the Senate Local Government Committee)

SB 468 (Becker, 2025) imposes a duty on a business that deploys a high-risk AI system, or high-risk ADS, that processes personal information to protect that information and requires such a deployer to maintain a comprehensive information security program that meets specified requirements. (Held on the Senate Appropriations Committee Suspense File)

SB 719 (Cabaldon, 2025) extends, until January 1, 2032, the requirement that CDT annually submit a report to the Legislature on the comprehensive inventory of all high-risk ADS that have been or are being used, developed, or procured by a state agency. (Pending at the Assembly Desk)

SB 833 (McNerney, 2025) would have imposed oversight requirements on state agencies that operated covered AI systems that affect the state's critical infrastructure, as specified. (Held on the Assembly Appropriations Committee Suspense File)

AB 1018 (Bauer-Kahan, 2025) regulates the use of ADS, as specified, and places obligations on developers and deployers of such systems designed or used to make or facilitate "consequential decisions." (Pending on the Senate Inactive File)

SB 892 (Padilla, 2024) would have required CDT to develop and adopt regulations to create an ADS procurement standard, as specified, and would have prohibited a state agency from procuring ADS, entering into a contract for ADS, or any service that utilizes ADS, until CDT has adopted regulations creating ADS procurement standards, as specified. (Vetoed by Governor Newsom)

SB 896 (Dodd, Chapter 928, Statutes of 2024) the Generative AI Accountability Act, among other things, requires the CDT to report to the Governor as specified; requires the Office of Emergency Services to perform a risk analysis of potential

threats posed by the use of Generative AI to California’s critical infrastructure, as specified; and requires a state agency or department utilizing Generative AI to directly communicate with a person regarding government services and benefits to ensure that those communications include a disclaimer, as specified, and provide information describing how a person may contact a human state employee, as specified.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

None received

OPPOSITION:

American Federation of State, County and Municipal Employees (AFSCME)

ARGUMENTS IN OPPOSITION: In opposition to the bill, AFSCME writes that its “members are deeply concerned about the expansion of automated decision systems in government services, particularly when legislation in this area is developed without meaningful engagement with the workers who will be responsible for implementing and overseeing these systems. This proposal follows SB 430 (Cabaldon), another automated decision systems bill authored by the same office. That measure could have significantly impacted public sector employees and local government operations, yet it was introduced without consultation from the labor organizations representing the affected workers. The bill ultimately did not move forward, but the experience left significant concern among our members about how legislation in this policy area is being developed.”

Further, “[p]ublic employees play a critical role in ensuring fairness, accuracy, and accountability in government decisions that affect Californians’ livelihoods and access to essential services. While technological tools may assist agencies in management workloads, automated decision systems raise significant concerns for frontline public servants, including:

- “Erosion of professional judgement. Government determinations – such as professional licensing or service eligibility – often require nuanced evaluation and contextual understanding that automated systems cannot replicate.
- Algorithmic bias and accountability risks. Automated systems may reproduce or amplify biases embedded in datasets or design assumptions,

while employees may be held accountable for outcomes produced by systems they did not design and cannot meaningfully audit.

- Workplace and operational impacts. The introduction of automated decision systems can significantly alter job duties, workflows, and staffing structures within agencies. These impacts must be fully evaluated in partnership with the workforce.
- Public trust and due process concern. Californians rely on trained public employees to ensure that government decisions are fair, transparent, and subject to meaningful human review.”

And finally, “[t]he workers we represent are not opposed to thoughtful modernization of government services. However, technology implementation in the public sector must occur in partnership with the workforce. The deployment of automated decision systems will inevitably affect working conditions, job duties, and accountability structures within agencies. These issues are traditionally addressed through labor-management collaboration and collective bargaining, which ensures that new technologies are implemented in ways that protect both service quality and public accountability. Legislation that establishes frameworks for automated decision systems should therefore prioritize transparency, workforce consultation, and respect for collective bargaining relationships.”

DUAL REFERRAL: Senate Governmental Organization Committee and Senate Privacy, Digital Technologies, & Consumer Protection Committee