

Date of Hearing: July 9, 2025

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

SB 617 (Arreguín) – As Amended June 27, 2025

SENATE VOTE: 36-0

SUBJECT: California Worker Adjustment and Retraining Act

SUMMARY: Expands the information required to be included by employers in a California Worker Adjustment and Retraining Act (Cal/WARN) notice and requires employers that choose to coordinate services through a local workforce development board (LWDB) to do so within 30 days of the notice. Specifically, **this bill:**

- 1) Requires an employer that must give notice under Cal/WARN of any mass layoff, relocation, or termination as provided, to include in the notice:
 - a. Whether the employer plans to coordinate services, such as a rapid response orientation, through the LWDB, through a different entity, or the employer does not plan to coordinate services with any entity.
 - b. A description of the rapid response activities, as defined, provided by the LWDB, and a functioning email and telephone number of the LWDB.
 - c. A description of CalFresh, the CalFresh benefits helpline, and a link to the CalFresh website.
 - d. A functioning email and telephone number of the employer for contact purposes.
- 2) Requires, if an employer chooses to coordinate with the LWDB, the employer to arrange services with the LWDB within 30 days from the date of the notice.

EXISTING FEDERAL LAW:

- 1) Establishes the Worker Adjustment and Retraining Notification (WARN) Act, prohibiting certain employers from ordering a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of such an order, and requires certain information to be contained in the notice. 29 U.S.C. Sec 2101 et seq.; 20 CFR Part 639.
- 2) Enacts the Workforce Innovation and Opportunity Act (WIOA) of 2014 in order to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with skilled workers. The WIOA coordinates employment and training services for adults, dislocated workers, and youth through grants that are implemented at the state and local level. 29 U.S.C. § 3101.
- 3) Defines “rapid response activity” to mean an activity provided by a State, or by an entity designated by a State, in the case of a permanent closure or mass layoff at a plant, facility, or enterprise, or a natural or other disaster, that results in mass job dislocation, in order to assist dislocated workers in obtaining reemployment as soon as possible, with services including:

- a. The establishment of onsite contact with employers and employee representatives, as specified.
 - b. The provision of information on and access to available employment and training activities;
 - c. Assistance in establishing a labor-management committee, as specified.
 - d. The provision of emergency assistance adapted to the particular closure, layoff, or disaster; and
 - e. The provision of assistance to the local community in developing a coordinated response and in obtaining access to State economic development assistance. 29 U.S.C. § 3102(51).
- 4) Requires states to use funds reserved for rapid response activities to carry out statewide rapid response activities, including the provision of additional assistance to local areas that experience disasters, mass layoffs, or plant closings. 29 U.S.C. § 3174(c)(2).

EXISTING STATE LAW:

- 5) Establishes the Cal/WARN Act, governing mass layoffs, relocations and terminations. Labor Code § 1400 et seq.
- 6) Prohibits an employer, with certain exceptions, from ordering a mass layoff, relocation, or termination at a covered establishment, as defined, without giving prescribed written notice to employees, the Employment Development Department, and other local agencies at least 60 days before the order takes effect. Labor Code § 1401(a).
- 7) Defines “employer” to mean any person who directly or indirectly owns and operates a covered establishment, and provides that a parent corporation is an employer as to any covered establishment directly owned and operated by its corporate subsidiary. Labor Code § 1400.5(b).
- 8) Defines “covered establishment” to mean any industrial or commercial facility or part thereof that employs, or has employed within the preceding 12 months, 75 or more persons. Labor Code § 1400.5(a).
- 9) Exempts from the provisions of Cal/WARN seasonal employees and employees that are laid off as a result of the completion of a project in specified industries, where the employers are subject to specified wage orders, and the employees were hired with the understanding that their employment was seasonal and temporary. Labor Code § 1400.5(g)(2).
- 10) Requires the notice referenced in (6) above to include the elements required by the federal WARN Act (see (1) above). Labor Code § 1401(b).
- 11) Provides that an employer that fails to give the required notice, as required by Cal/WARN, before ordering a mass layoff, relocation, or termination, is liable to each employee entitled to notice, for specified compensation and benefits, calculated for the period of the employer’s violation, up to a maximum of 60 days, or half the number of days that the employee was employed by the employer, whichever period is shorter. Labor Code § 1402.

- 12) Subjects an employer who fails to give proper notice under Cal/WARN to a civil penalty of not more than \$500 for each day of the employer's violation, but provides that the employer is not subject to this civil penalty if the employer pays to all applicable employees the amounts for which the employer is liable under (11) above within three weeks from the date the employer orders the mass layoff, relocation, or termination. Labor Code § 1403.
- 13) Establishes LWDBs in each local workforce development area of the state to assist the local chief elected official in the planning, oversight, and evaluation of local workforce investment. Unemployment Insurance Code § 14201.
- 14) Requires, consistent with the requirements of the WIOA, LWDBs to, among other things, do the following:
 - a. Develop effective linkages, including the use of intermediaries, with employers in the region to support employer utilization of the local workforce development system and to support local workforce investment activities.
 - b. Ensure that workforce investment activities meet the needs of employers and support economic growth in the region, by enhancing communication, coordination, and collaboration among employers, economic development entities, and service providers.
 - c. Develop and implement proven or promising strategies for meeting the employment and skill needs of workers and employers, like the establishment of industry and sector partnerships, that provide the skilled workforce needed by employers in the region, and that expand employment and career advancement opportunities for workforce development system participants in in-demand industry sectors or occupations.
 - d. Ensure the appropriate use, management, and investment of funds to maximize performance outcomes as required under the federal WIOA. Unemployment Insurance Code § 14206.
- 15) Authorizes LWDBs to provide rapid response services (see (3) above) through a one-stop delivery system or be designated or certified as a one-stop operator only with the agreement of the chief elected official in the local area and the Governor. Unemployment Insurance Code § 14207(f).

FISCAL EFFECT: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS: The Cal/WARN Act requires employers to provide a 60-day advance notice to affected employees and both state and local representatives before initiating a mass layoff, relocation or termination. Advance notice provides employees time to transition and adjust to the potential loss of employment, seek alternative jobs and, if necessary, obtain skills training or retraining to successfully compete in the job market.

Role of LWDBs and the WIOA Dislocated Worker Program:

In California, LWDBs play an important role in connecting individuals with job search assistance, career counseling, and training opportunities. Among other mandates, LWDBs administer the Dislocated Worker Program, which is part of the federal WIOA and is designed to help displaced workers get back to work as quickly as possible and overcome barriers to employment.

A key part of the Dislocated Worker Program is rapid response services, which are designed to respond to layoffs and plant closings by quickly coordinating tailored services and providing immediate, on-site aid to companies and their affected workers. These services are carried out by state and local workforce development agencies in partnership with the America's Job Centers of California network and include:

- Career counseling and job search assistance.
- Résumé preparation and interviewing skills workshops.
- Unemployment Insurance.
- Information about education and training opportunities.¹

Employers are not required to provide any services to employees experiencing a mass layoff. The employer can choose to coordinate rapid response services with a LWDB and/or with a third-party service, or not at all.

According to the Author:

“As our economy continues to face growing uncertainty, SB 617 will ensure workers that are impacted due to layoffs or termination have the tools they need to bounce back. In California alone, nearly 70 companies have given notices of layoffs expected to happen this year across various industries. SB 617 would have employers include in their WARN Act notices whether they plan to coordinate potential services that can be offered to impacted employees through the local workforce development board – whether its job training, food assistance, or other resources that will assist them in re-establishing their stability and continue to support their families.”

The author adds that the measure supports equity in that “SB 617 significantly improves the access and awareness of existing support structures for workers facing unemployment due to a mass layoff. By making this information readily available at a critical time (60 days prior to the mass layoff taking effect), it aims to ensure that dislocated workers are not left behind and have the opportunity to leverage the resources needed for a smoother transition to new employment.”

Arguments in Support

The County of Alameda, sponsor of this bill, writes in support that “The Alameda County Board of Supervisors adopted a strategic plan for the next decade known as Vision 2036. The goal is to ensure Alameda County continues to enrich the lives of our residents through visionary policies, and accessible, responsive, and effective services, by anticipating the County's greatest challenges in the decade ahead. Vision 2036 has four shared visions including, “Thriving & Resilient Population” and “Prosperous & Vibrant Economy.” SB 617 (Arreguin) directly

¹ Fact Sheet: Rapid Response Services for Businesses. Employment Development Department.
https://edd.ca.gov/siteassets/files/pdf_pub_ctr/de8714rrb.pdf

supports these goals by promoting better coordination between employers and local workforce development boards, effectively bridging the gap between dislocated workers and the free resources designed to aid their career transitions.”

Arguments in Opposition

None on file.

Prior and Related Legislation

AB 1356 (Haney) of 2023 would have revised Cal/WARN to: 1) include a client employer of a labor contractor in the definition of "employer"; and 2) increase from 60 to 75 days, the length of notice an employer must provide to employees prior to ordering terminations, relocations, or mass layoffs, as specified. Vetoed by Governor Newsom.

AB 2957 (Koretz), Chapter 780, Statutes of 2002, established Cal/WARN and requires employers with 75 or more full-time and part-time employees at a covered establishment, as defined, to provide 60 days' notice before implementing terminations, relocations, or mass layoffs, as specified.

REGISTERED SUPPORT / OPPOSITION:**Support**

County of Alameda (Sponsor)
California State Association of Counties
California Workforce Association
Jewish Vocational Services
Private Equity Stakeholder Project
Rural County Representatives of California
Urban Counties of California

Opposition

None on file.

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