

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

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

Policy Committee: Labor and Employment

Vote: 7 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill expands the California Worker Adjustment and Retraining Act's (WARN Act's) notice requirements to include certain information about the local workforce development board (LWDB) and the statewide food assistance program known as CalFresh.

FISCAL EFFECT:

- 1) Minor and absorbable costs to the Department of Industrial Relations and Employment Development Department (EDD) to administer new notice requirements.
- 2) Cost pressures of an unknown, but likely minor amount, to the courts in additional workload by expanding notice requirements under the WARN Act, as a person, including a local government or employee representative, may bring a civil action to establish liability against an employer that fails to give the required notice.

COMMENTS:

- 1) **Purpose.** According to the author:

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 [LWDB] – whether its job training, food assistance, or other resources that will assist them in re-establishing their stability and continue to support their families.

This bill is supported by local government entities and workforce development groups.

- 2) **WARN Act.** The WARN Act requires an employer with 75 or more employees at a single establishment to give 60 days' notice when 50 or more workers during a single 30-day period may be impacted by a mass layoff, relocation, or termination. Notice must also be provided to specified government entities, including EDD, the LWDB, and chief elected officials of the impacted city and county. Thus, the WARN Act allows impacted employees to prepare for the potential loss of income and alerts impacted communities of the need to provide resources. Failure to provide appropriate notice exposes the employer to liability for backpay and the value of the cost of benefits to which an employee would have been entitled. Furthermore, an employer that does not compensate employees accordingly is subject to a

civil penalty of \$500 per day the employer is in violation. This bill requires the notice to include: (a) whether the employer plans to coordinate services, such as rapid response orientation, through the LWDB or another entity, or whether the employer does not plan to coordinate services with any entity, (b) information about rapid response activities provided by the LWDB, (c) information about CalFresh, and (d) the employer's contact information.

- 3) **Prior Legislation.** SB 1089 (Smallwood-Cuevas), Chapter 625, Statutes of 2024, requires a grocery or pharmacy establishment to provide certain notices to workers and public agencies prior to closure and requires local agencies to provide information to affected workers about safety net and workforce training programs.

AB 1356 (Haney), of the 2023-24 Legislative Session, would have expanded the WARN Act to include the client employer of a labor contractor as an "employer" and require an employer to provide notice 75 days prior to ordering a mass layoff. AB 1356 was vetoed by Governor Newsom.

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