SENATE PRIVACY, DIGITAL TECHNOLOGIES, AND CONSUMER PROTECTION COMMITTEE
Senator Christopher Cabaldon, Chair
2025-2026 Regular Session

SB 947 (McNerney)
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SUBJECT

Employment: automated decision systems

DIGEST

This bill regulates the use of automated decision systems (ADS) in the employment context.

EXECUTIVE SUMMARY

ADS powered by AI are being increasingly deployed in a multitude of contexts, including employment. ADS can facilitate various decision-making processes for employers and create beneficial efficiencies. However, major transparency and fairness concerns have been raised about the use of ADS to make consequential decisions, essentially determinations with significant legal or other material effect on people's lives. This includes choosing or interviewing applicants through ADS to using ADS to determine compensation or termination decisions. This bill seeks to regulate the use of ADS in this context by requiring employers to provide postuse notices that inform workers that they are subject to ADS and of the ADS details. The bill provides a series of prohibited uses, such as where it may interfere with existing labor protections or where it conducts predictive behavior analysis, as defined. Workers have the right to access information used by the ADS, including inputs, outputs, and any corroborating evidence used by the employer in making the decision. The bill can be enforced through civil actions brought by the Labor Commissioner, public prosecutors, and workers or their representatives who are harmed by violations.

This bill is sponsored by the California Federation of Labor Unions AFL-CIO. It is supported by the California Immigrant Policy Center and various advocacy and labor organizations, including the California Professional Firefighters. It is opposed by a broad coalition of industry groups, including the California Apartment Association, and local governments, including the League of California Cities. The bill passed out of the Senate Labor, Public Employment, and Retirement Committee on a 3 to 1 vote.

PROPOSED CHANGES TO THE LAW

Existing law:

1) Establishes the California Consumer Privacy Act (CCPA), which grants consumers certain rights with regard to their personal information, including enhanced notice, access, and disclosure; the right to deletion; the right to restrict the sale of information; and protection from discrimination for exercising these rights. It places attendant obligations on businesses to respect those rights. (Civ. Code § 1798.100 et seq.)

2) Establishes the Consumer Privacy Rights Act (CPRA), which amends the CCPA and creates the California Privacy Protection Agency (PPA), which is charged with implementing these privacy laws, promulgating regulations, and carrying out enforcement actions. (Civ. Code § 1798.100 et seq.; Proposition 24 (2020).)

3) Requires the PPA to adopt regulations governing access and opt-out rights with respect to businesses' use of automated decisionmaking technology, including profiling and requiring businesses' response to access requests to include meaningful information about the logic involved in those decisionmaking processes, as well as a description of the likely outcome of the process with respect to the consumer. (Civ. Code § 1798.185(a)(15), (d).)

4) Makes it an unlawful employment practice, unless based upon a bona fide occupational qualification, for an employer to refuse to hire or employ the person or to refuse to select the person for a training program leading to employment, or to bar or discharge the person from employment or from a training program leading to employment, or to discriminate against the person in compensation or in terms, conditions, or privileges of employment based upon specified characteristics, including race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decisionmaking, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or veteran or military status. (Gov. Code § 12940.)

5) Requires the California Department of Technology (CDT) to conduct 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. It defines the relevant terms:
    a) "Automated decision system" means 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 decisionmaking 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.

b) "High-risk automated decision system" means an 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. (Gov. Code § 11546.45.5.)

This bill:

1) Prohibits an employer from using an ADS to do any of the following:
   a) Prevent compliance with or violate any federal, state, or local labor, occupational health and safety, employment, or civil rights laws or regulations.
   b) Infer a worker's protected status under Section 12940 of the Government Code.
   c) Conduct predictive behavior analysis on a worker.
   d) Identify, profile, predict, or take adverse action against a worker for exercising their legal rights, including, but not limited to, rights guaranteed by state and federal employment and labor law.
   e) Use or rely upon individualized worker data as inputs or outputs to inform compensation unless the employer can clearly demonstrate that any differences in compensation for substantially similar or comparable work assignments are based upon cost differentials in performing the task involved, or that the data was directly related to the tasks that the worker was hired to perform.

2) Prohibits an employer from relying solely on an ADS when making a disciplinary, termination, or deactivation decision. If an employer uses an ADS output to assist in making such a decision, the employer shall direct a human reviewer to conduct an independent investigation and compile corroborating or supporting information for the decision, as specified.

3) Provides that if an employer cannot corroborate the ADS output, or the human reviewer has concluded that the ADS output is inaccurate, incomplete, or misleading, the employer shall not use the ADS output to discipline, terminate, or deactivate a worker.

4) Prohibits an employer from using customer ratings as the only or primary input data used to assist the employer in making employment-related decisions.

5) Affords workers the right to annually request, and requires an employer to provide, a copy of the most recent 12 months of the worker's own data primarily used by an ADS to make a disciplinary, termination, or deactivation decision.

6) Provides that when an employer is required to provide worker data pursuant hereto, that worker data shall be provided in a manner that anonymizes others' personal information.

7) Requires an employer that uses an ADS to assist in making a disciplinary, termination, or deactivation decision to provide the affected worker with a written postuse notice at the time the employer informs the worker of the decision that meets certain requirements, including that it be written in plain language in the language to communicate with workers. It must contain the following:
    a) That the employer used an ADS to assist the employer in the disciplinary, termination, or deactivation decision with respect to the worker.
    b) That a human reviewer conducted an independent investigation and compiled evidence to corroborate the ADS output.
    c) Contact information for the human that the worker may contact for more information about the decision and the worker's right to access a copy of their own data and corroborating evidence that was used in the decision.
    d) That the employer is prohibited from retaliating against the worker for exercising their rights hereunder.

8) Provides that, when responding to a data access request pursuant hereto, an employer shall provide to the worker a written, plain language document using a simple and easy-to-use method that is accessible away from the workplace containing all of the following:
    a) The specific decision for which the employer used the ADS.
    b) The specific worker input data that the ADS used, and the specific worker output produced by the ADS.
    c) Any additional corroborating or supporting information used in addition to the ADS output in making the decision.
    d) The name of the vendor or entity that created the ADS and the product name of the ADS.
    e) A copy of any completed impact assessments regarding the ADS in question.

9) Defines the relevant terms, including:
    a) "ADS" means any 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 decisionmaking and materially impacts natural persons. An 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.

b) "Employer" means 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 includes governmental entities, as provided, and a labor contractor of a person defined as an employer.

c) "Employment-related decision" means any decision by an employer that materially impacts a worker's wages, benefits, compensation, work hours, work schedule, performance evaluation, hiring, discipline, promotion, termination, job tasks, skill requirements, work responsibilities, assignment of work, access to work and training opportunities, productivity requirements, or workplace health and safety.

d) "Predictive behavior analysis" means any system or tool that predicts, infers, or modifies a worker's behavior, beliefs, intentions, personality, emotional state, or other characteristic or behavior.

e) "Worker" means any natural person who is an employee of, or an independent contractor providing service to, or through, a business or a state or local governmental entity in any workplace.

f) "Worker data" means any information that identifies, relates to, or describes a worker, regardless of how the information is collected, inferred, or obtained.

10) Prohibits retaliation by an employer against workers, including for exercising the rights granted hereby or cooperating in an investigation of alleged violations hereof.

11) Provides that the Labor Commissioner shall enforce these provisions, including investigating an alleged violation, ordering appropriate temporary relief to mitigate a violation or maintain the status quo pending the completion of a full investigation or hearing, and filing a civil action, as provided.

12) Authorizes any worker, or their exclusive representative, who has suffered a violation to bring a civil action for damages caused by that adverse action, including punitive damages. A public prosecutor may also enforce these provisions, as provided.

13) Subjects an employer in violation to a civil penalty of $500.

14) Clarifies that it does not preempt local ordinances providing equal or greater protections.

15) Provides that an employer who complies with the requirements related to notice hereunder is not required to comply with any substantially similar notice provisions related to ADS used for employment-related decisions required under any other state law. However, an employer that is subject to the CCPA is subject to any privacy-related automated decisionmaking technology regulation duly adopted by the PPA, as provided.

16) Provides that it does not apply to parties covered by a collective bargaining agreement if the agreement explicitly waives it in clear and unambiguous terms, expressly provides for the wages or earnings, working conditions, and other terms and conditions of work, and provides protection from algorithmic management.

17) Clarifies that it does not prohibit any employer from complying with regulatory or contractual requirements in the provision of products or services to the federal government.

18) Includes a severability clause.

COMMENTS

1. Considerations for deployment of ADS

With recent dramatic advances in the capabilities of AI systems, the need for regulatory frameworks for accountability and responsible development and deployment has become ever more urgent. This is especially true with respect to AI-powered ADS that are used to make, or assist in making, decisions that have a legal or other significant effect.

These systems are often embedded in workplace technologies and used to optimize and streamline tasks. Increasingly, employers are using automated systems to make employment decisions, including the recruitment, hiring, monitoring, and firing of workers. The purported benefits include increased efficiency, cost reduction, enhanced objectivity, and improved talent management.

However, ADS also introduces several concerning issues when deployed across various sectors. Bias and discrimination represent perhaps the most significant problem, as AI systems frequently reflect and amplify historical biases present in their training data. This can lead to unfair outcomes based on protected characteristics like race, gender, and socioeconomic status, particularly in sensitive domains such as lending, housing allocation, and criminal justice.

The lack of transparency in many AI systems compounds these concerns. These technologies often function as "black boxes" where the rationale behind specific

decisions remains obscure to deployers, and even to their developers. This opacity makes it exceptionally difficult for affected individuals to understand why they were denied a loan, were passed over for a job opportunity, or received an unfavorable outcome. Such obscurity directly challenges meaningful accountability when harmful outcomes inevitably occur.

Accuracy and reliability issues also persist even in sophisticated AI systems. These technologies can make confident but incorrect predictions, with errors often disproportionately affecting already marginalized groups. Performance demonstrated in controlled testing environments frequently fails to translate to complex real-world scenarios, leading to unexpected and harmful outcomes.

Accountability gaps emerge when determining responsibility for AI-caused harms. The complex relationship between developers, deployers, and users makes liability difficult to establish. Legal frameworks consistently lag behind rapidly advancing technological capabilities, creating environments where harms can occur without clear recourse.

By reducing complex human situations to algorithmic outputs, ADS risks eliminating human judgment, empathy, and contextual understanding from important processes. Many people report feeling powerless when facing decisions made by automated systems, especially when those systems lack transparency or meaningful appeal mechanisms. The incidence of ADS deployment in the employment context is on the rise. According to a U.C. Berkeley Labor Center report:

> Across the country, employers are increasingly using data and algorithms in ways that stand to have profound consequences for wages, working conditions, race and gender equity, and worker power. How employers use these digital technologies is not always obvious or even visible to workers or policymakers. For example, hiring software by the company HireVue generates scores of job applicants based on their tone of voice and word choices captured during video interviews. Algorithms are being used to predict whether workers will quit or become pregnant or try to organize a union, affecting employers' decisions about job assignment and promotion. Call center technologies are analyzing customer calls and nudging workers in real time to adjust their behavior. And grocery platforms like Instacart are monitoring workers and calculating metrics on their speed as they fill shopping lists.[1]

One troubling example comes out of Los Angeles, where once ADS triggered a termination process, there was no way to correct it:

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[1] Annette Bernhardt, Lisa Kresge & Reem Suleiman, *Data and Algorithms at Work: The Case for Worker Technology Rights* (November 2021) U.C. Berkeley Labor Center, https://laborcenter.berkeley.edu/wp-content/uploads/2021/11/Data-and-Algorithms-at-Work.pdf. All internet citations are current as of April 12, 2026.

The story of Mr. Diallo's sacking by machine began when his entry pass to the Los Angeles skyscraper where his office was based failed to work, forcing him to rely on the security guard to allow him entry. Then he noticed that he was logged out of his work system and a colleague told Mr. Diallo that the word "Inactive" was listed alongside his name.

His day got worse. After lunch - and a 10-minute wait for a co-worker to let him back into his office - he was told by his recruiter that she had received an email saying his contract was terminated. She promised to sort out the problem.

The next day he had been locked out of every single system "except my Linux machine" and then, after lunch, two people appeared at his desk. Mr. Diallo was told that an email had been received telling them to escort him from the building.

His boss was confused but helpless as Mr. Diallo recalls: "I was fired. There was nothing my manager could do about it. There was nothing the director could do about it. They stood powerless as I packed my stuff and left the building."

At the time, he was eight months into a three-year contract and over the next three weeks he was copied into emails about his case. "I watched it be escalated to bigger and more powerful titles over and over, yet no-one could do anything about it. From time-to-time, they would attach a system email. "It was soulless and written in red as it gave orders that dictated my fate. Disable this, disable that, revoke access here, revoke access there, escort out of premises, etc. "The system was out for blood and I was its very first victim."

It took Mr. Diallo's bosses three weeks to find out why he had been sacked. His firm was going through changes, both in terms of the systems it used and the people it employed. His original manager had been recently laid off and sent to work from home for the rest of his time at the firm, and in that period, he had not renewed Mr. Diallo's contract in the new system.

After that, machines took over - flagging him as an ex-employee. "All the necessary orders are sent automatically and each order completion triggers another order. Although Mr. Diallo was allowed back to work, he had missed out on three weeks' worth of pay and been escorted from the building "like a thief".

> His story should serve as a cautionary tale about the human-machine relationship, thinks AI expert Dave Coplin. "It's another example of a failure of human thinking where they allow it to be humans versus machines rather than humans plus machines," he said. "One of the fundamental skills for all humans in an AI world is accountability - just because the algorithm says it's the answer, it doesn't mean it actually is."[2]

The use of ADS is also widely integrated into the health care industry, including nursing:

> Ashley, a 31-year-old certified nursing assistant in rural Pennsylvania, has worked in hospitals and nursing homes through the ShiftKey app. Though Ashley has worked on the app for the last two years, there's a lot she doesn't know about it—like how the company allocates shifts. She is not the only one in the dark. In the gig nursing world, there is zero transparency about how jobs are algorithmically allocated or automatically scheduled. Different shifts will show up on different workers' phones—often for different amounts of pay. On the same day, at the same hour, in the same hospital, two different gig nurses can be paid different amounts by the same app. The gig nursing industry looks more like a black box than a clear process or a fair set of rules. The industry's opaque and personalized pay structures create what Veena Dubal (2023) terms "algorithmic wage discrimination," a kind of discrimination in which workers are paid different hourly amounts based on ever-changing calculations and informational asymmetries. Gig nursing apps may determine pay by what the firm knows about how much a nurse was willing to accept for a previous assignment, how often they bid for shifts, or how much credit card or other kinds of debt they might hold. These uncertainties combine to create frustrating and precarious conditions for the workers who rely on these apps.[3]

In response to growing concerns about the increased deployment of ever-advanced ADS, the Biden Administration published a *Blueprint for an AI Bill of Rights*, which is a set of principles and associated practices to help guide the design, use, and deployment of AI to protect the rights of the American public. Of note, the Blueprint specifically called for notice and explanation rights:

> *Notice and Explanation*: You should know that an automated system is being used and understand how and why it contributes to outcomes that impact you. Designers, developers, and deployers of automated systems should provide generally accessible plain language documentation including clear descriptions

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[2] Jane Wakefield, *The man who was fired by a machine* (June 21, 2018) BBC, https://www.bbc.com/news/technology-44561838 (omissions not noted).
[3] Katie J. Wells & Funda Ustek Spilda, *Uber for Nursing: How an AI-Powered Gig Model Is Threatening Health Care* (December 17, 2024) Roosevelt Institute, https://rooseveltinstitute.org/publications/uber-for-nursing/.

> of the overall system functioning and the role automation plays, notice that such systems are in use, the individual or organization responsible for the system, and explanations of outcomes that are clear, timely, and accessible. Such notice should be kept up-to-date and people impacted by the system should be notified of significant use cases or key functionality changes. You should know how and why an outcome impacting you was determined by an automated system, including when the automated system is not the sole input determining the outcome.[4]

This bill looks to address the incidence of ADS deployment in the general employment context by providing more transparency, subject control, and accountability.

2. Creating a regulatory framework for ADS in the workplace

This bill provides a comprehensive set of rules and prohibitions for the use of ADS in the workplace. This includes disclosures to workers, along with other rights with respect to ADS deployment. There is also a set of prohibitions on using ADS that rely on certain criteria or carrying out specified decisionmaking activities.

According to the author:

> Businesses are increasingly using AI to boost efficiency and productivity in the workplace. But there are currently no safeguards to prevent machines from unjustly or illegally impacting workers' livelihoods and working conditions. SB 947 establishes post-use notifications when ADS is used in the workplace, and ensures employers have a human in the loop when making critical employment decisions.
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> SB 947 does not prohibit ADS in the workplace, rather it will establish guardrails to ensure that California businesses are not operated by robo bosses, because there will be a human in the loop. AI must remain a tool controlled by humans, not the other way around.

a. Prohibitions on ADS use

The bill explicitly prohibits use of ADS in the workplace that undertakes certain actions. This includes preventing compliance with existing labor and civil rights laws or regulations. The ADS cannot profile, predict, or take adverse action against a worker for exercising their legal rights. The bill also prohibits ADS from inferring a worker's protected classifications, such as health, sexual orientation, race, or veteran status.

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[4] *Blueprint For An AI Bill Of Rights* (October 2022) Office of Science and Technology Policy, https://www.whitehouse.gov/wp-content/uploads/2022/10/Blueprint-for-an-AI-Bill-of-Rights.pdf.

ADS cannot be used if it conducts "predictive behavior analysis," which is defined as any system or tool that predicts, infers, or modifies a worker's behavior, beliefs, intentions, personality, emotional state, or other characteristic or behavior. This is a broad definition that likely encompasses many ADS currently in use as it captures any predictions or inferences of any of a worker's characteristics. However, serious concerns have been raised in connection with utilizing such tools, especially in the employment context. A report examined these tools and their potential to perpetuate discriminatory practices and concluded:

> Legal scholars have aptly noted that "although algorithms offer the potential for avoiding or minimizing bias, the real question is how the biases they may introduce compare with the human biases they avoid." Our research did not convince us that sufficient safeguards yet exist to ensure this balance will tip in favor of equity.
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> Because of the inherent weaknesses in nearly all workforce data, predictive hiring tools are prone to be biased by default. Legal and regulatory protections from technology-enabled discriminatory recruitment practices remain largely untested, and in the worst case, they are unsuited to contend with the sort of predictive tools described in this report. Stakeholders are flying blind when it comes to assessing fairness and equity. Jobseekers have little visibility into the tools that are being used to assess them. Employers can have little insight into how their vendors' proprietary tools actually work. Regulators lack the legal authority, resources, and expertise needed to oversee the growing landscape of predictive hiring technologies. Moreover, modern predictive tools do not fit neatly into established understandings of employment law concepts.[5]

ADS are also prohibited if they use or rely on individualized worker data as inputs or outputs to inform compensation, unless the employer can clearly demonstrate that any differences in compensation for substantially similar or comparable work assignments are based upon cost differentials in performing the tasks involved, or that the data was directly related to the tasks that the worker was hired to perform. They also cannot rely solely or primarily on customer ratings to assist in making employment-related decisions. "Employment-related decision" means any decision by an employer that materially impacts a worker's wages, benefits, compensation, work hours, work schedule, performance evaluation, hiring, discipline, promotion, termination, job tasks, skill requirements, work responsibilities, assignment of work, access to work and training opportunities, productivity requirements, or workplace health and safety.

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[5] Miranda Bogen & Aaron Rieke, *Help Wanted: An Examination of Hiring Algorithms, Equity, and Bias* (December 2018) Upturn, https://www.upturn.org/work/help-wanted/.

A coalition in opposition, led by the California Chamber of Commerce, argues these provisions will stifle the efficiencies provided by ADS and could undermine many beneficial use cases:

> SB 947 undoes an amendment made to SB 7 in the Assembly Appropriations Committee by reinstating a complete ban of the use of ADS to predict behaviors in Section 1522(a)(3). Our concerns from last year remain the same, which is that this would ban legitimate and beneficial uses of ADS. For example, financial institutions sometimes use ADS for predictive purposes for assessing risk of fraud or other unlawful activities. Those tools would also catch any improper conduct from employees. We should be bolstering tools to detect fraudulent activity, not banning them.
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> Proposed Section 1522(a)(5) regarding compensation is also vague, and it is unclear which practices it seeks to prohibit. We want to ensure the provision does not inadvertently bar legitimate practices such as rewarding top performers based on productivity metrics. To the extent the concern is paying workers less based on ADS outputs unrelated to job performance, California law already provides robust protections against discriminatory compensation practices, including FEHA and the Equal Pay Act.
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> The ban on using customer ratings as the "primary" input data to make an employment decision does not always make sense. Customer feedback can be an important indicator of performance, especially in roles where supervisors are not always present. An employee who consistently receives serious customer complaints is likely to face discipline, while one who consistently receives strong positive reviews may be considered for raises or promotions.

b. Limitations on ADS use

The bill provides that employers cannot rely *solely* on ADS when making a disciplinary, termination, or deactivation decision. Rather, if an employer uses ADS to assist in such decisions, they must use human reviewers to conduct their own investigation and compile corroborating or supporting information for the decision, including from evaluations and the employee's work product. If the ADS output cannot be corroborated or is found to be inaccurate, incomplete, or misleading, the employer cannot use ADS to take the relevant action.

Writing in opposition, the California Manufacturers & Technology Association raises concerns with having to corroborate information before disciplining, terminating, or deactivating a worker:

> The bill requires an independent investigation, corroborating evidence, and rejection of ADS output if it is not fully verified. In practice, this is not difficult if a manager is examining a single decision in a small workforce, but it becomes much more difficult for many manufacturers with hundreds or thousands of workers, and ADS is making fairly routine decisions, such as attendance or productivity flags. The result is that discipline and termination decisions that would have been straightforward are dramatically slowed, and HR is not forced to replicate work already done by the AI systems. Finally, given the bill's broad and indefinite terms, there are inconsistent standards for what qualifies as corroboration.

To narrow the application of these provisions, the author has agreed to an amendment that moves the trigger point of these obligations from when an employer "*uses* an ADS output to assist in making" such decisions to when the employer "*primarily relies on* an ADS output to make" the decision.

c. Employee rights: postuse notice and access to inputs

The bill requires an employer to provide a *postuse* notice, written in plain language as a separate, stand-alone communication, to the affected worker at the time the employer informs the worker of the disciplinary, termination, or deactivation decision made using ADS. This includes not only notice that ADS was used but notice of the employee's rights with respect to the ADS deployment and necessary information to exercise those rights, such as a contact person. The notice must disclose that a human reviewer conducted an independent investigation and compiled evidence to corroborate the ADS output. Similar to the above, the author is amending the postuse notice requirement to when an employer *primarily relied upon* ADS.

A worker shall have the right to request, and an employer shall provide, a copy of the most recent 12 months of the worker's own data primarily used by an ADS to make a disciplinary, termination, or deactivation decision. A worker is limited to one request per year. The notice above must inform the affected worker of their right to access a copy of their own data and corroborating evidence that was used in the decision.

When responding to such a data access request, an employer shall provide to the worker a written, plain language document using a simple and easy-to-use method that is accessible away from the workplace containing all of the following:

- The specific decision for which the employer used the ADS.
- The specific worker input data that the ADS used, and the specific worker output produced by the ADS.

- Any additional corroborating or supporting information used in addition to the ADS output in making the decision.
- The name of the vendor or entity that created the ADS and the product name of the ADS.
- A copy of any completed impact assessments regarding the ADS in question.

Concerns have been raised about the feasibility of these requirements. In their opposition letter, the California Chamber of Commerce coalition argues:

> SB 947 requires employers to provide workers with access to data and related information when ADS assists with a disciplinary, termination, or deactivation decision. As with the other sections, this obligation is overbroad. While providing a worker with an explanation for a decision is reasonable, SB 947 goes much further by requiring disclosure of raw "specific worker input data" and "specific worker output produced" by proprietary systems.

d. Enforcement

The bill explicitly provides that an employer shall not take specified adverse action against a worker for exercising the rights provided hereunder.

The Labor Commissioner is tasked with enforcing the provisions of the bill and is granted investigatory authority, as provided. The Commissioner is authorized to order appropriate temporary relief to mitigate a violation or maintain the status quo pending the completion of a full investigation or hearing, including issuing a citation against an employer and filing a civil action.

Alternatively, public prosecutors and any worker, or their exclusive representative, who has suffered a violation of this part, may bring a civil action for damages caused by that adverse action, including punitive damages. The person or entity bringing the action may seek appropriate temporary or preliminary injunctive relief, including punitive damages, and reasonable attorney's fees and costs. Employers are subject to a civil penalty of $500 for each violation.

The Chamber coalition raises concerns with the enforcement provisions:

> SB 947 will significantly increase litigation exposure and civil penalty liability for businesses by expanding the circumstances under which employers may be subject to enforcement actions. By creating new compliance obligations and record-keeping requirements, SB 947 effectively establishes additional bases for technical violations that could trigger costly lawsuits, civil penalties of $500 per violation, and enforcement proceedings.

3. Additional stakeholder positions

The California Federation of Labor Unions, the sponsor of the bill, makes the case:

> Employer use of ADS is increasingly used without oversight to make the decisions that impact workers' paychecks. A 2025 ResumeBuilder survey of employers found that 60% of managers use AI systems to make critical decisions about workers, including raises, terminations, and layoffs. Of those, 20% let AI make final decisions without any human input or oversight.1 Algorithmic management can inflict serious harm to workers. Endlessly increasing efficiency through eliminating routine tasks and increasing work speeds can lead to fatigue, burn-out, excessive injuries, and other harm, as seen in Amazon warehouses that relied on algorithms to implement speed quotas which forced workers to skip bathroom breaks and skirt safety measures.…
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> Similarly, Amazon flex drivers – independent contractors who sign up for Amazon deliveries via an app – are also forced to deal with automated management. As drivers are forced to sign up for shifts through the "Flex app," they are left with little to no interaction with a human throughout the workday. The app constantly tracks their delivery times and docks workers for delays, even due to conditions outside of the workers' control such as a traffic jam or a locked gate. Late deliveries can lead to automated firing by the app's automated decision-making system and often leaves drivers with little to no recourse or opportunity to appeal their deactivations.
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> In addition to swiftly firing a worker, ADS can potentially discriminate based on the pre-set rules that are deemed proprietary to conduct predictive behavior analysis to prevent "undesirable worker outcomes." For example, Teramind offers employers with advisory service algorithms to detect potential employee fraud by analyzing information such as a worker's debt history or their spending habits in order to flag a worker as being susceptible to committing fraud and stealing from the company. Ultimately, unregulated employer use of ADS technology leaves workers vulnerable to discrimination, lower pay, dangerous working conditions, and high risk of unjust termination. The wellbeing of a human should not be at the behest of a machine.
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> To prevent algorithmic firings and discipline, SB 947 ensures human oversight of automated decision-making systems when making decisions that impact workers' working conditions and livelihoods. SB 947 allows employers to use ADS, but requires human oversight and independent corroboration of firing, disciplinary, and deactivation decisions.

> Additionally, SB 947 outright prohibits employers from using an ADS to make decisions on workers based on predictive analysis, thus protecting workers from being profiled and disciplined based on actions they have not committed. SB 947 will prevent the outsourcing of decisions that impact workers' lives to machines. It allows for the use of technology and tools to make workplaces more productive and efficient but ensures human oversight to prevent abuse and mistakes.

A coalition of organizations representing local governmental entities writes in opposition:

> **Applying SB 947 to Public Employers May Lead to Unintended Consequences**
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> Local governments and educational agencies are responsible for essential services including operating and securing critical infrastructure, jails, hospitals, police and fire departments, and, of course, public education. They may use an ADS to support and enhance these functions, but SB 947 would burden local government operations. For example, as the definitions are sweeping, health care providers using ADS for basic functions such as scheduling, billing, clinical recommendations, protecting patient safety through revealing drug theft or incorrect prescribing, and workplace safety initiatives, could trigger the bill's significant requirements if the ADS output is used to make a discipline, termination, or deactivation decision – a line which may not always be clear, but which is critical due to resulting notification and human review requirements. This significant shift will lead to increased costs to public health care providers at a time of funding instability, without a meaningful reason to do so. In addition, counties use ADS in a variety of ways, including for employee training and development and for scheduling. Meeting the requirements of this bill may prove challenging—particularly given the current timelines, the complexity of overlapping requirements, and the potential need for costly system modifications. These challenges could place a significant strain on already limited county budgets. As a result, counties may be forced to temporarily rely on alternative—and potentially less efficient—methods to carry out routine tasks while working toward full compliance.

The California Professional Firefighters write in support:

> The explosion of the use of automated decision systems in recent years has upended many industries and professions, replacing human workers and developing faster than regulatory and oversight bodies have been able to keep pace. But even when ADS is not taking the role of a human in the

workplace, in many cases, it is still being implemented in ways that can have significant, life-altering consequences for the people it touches. AI and algorithms are being used to make decisions in areas ranging from healthcare to elections, shaping our lives in ways that could not have been imagined even a decade previous. While the term "intelligence" in the name implies a level of sophistication and mechanical impartiality for the programs, time and again it has been demonstrated that these pieces of software come loaded with the biases of their makers, eliminating the nuance that is inherent in the human condition to make overly-generalized decisions that can have disastrous consequences.

SB 947 would enact significant oversight and disclosure for these decision-making programs, ensuring that individuals are aware of how AI is impacting and being used in their workplace. These protections include disclosure on the use of ADS in the workplace following certain decisions, prohibiting using ADS for certain workplace functions, and limiting the use of decisions being made by ADS under specified circumstances. Maintaining human engagement at the workplace is critical, particularly with regard to decisions that could impact discipline or other items in the workplace.

SUPPORT

California Labor Federation, AFL-CIO (sponsor)
Alameda Labor Council
American Federation of Musicians, Local 7
American Federation of State, County and Municipal Employees (AFSCME) California
California Alliance for Retired Americans (CARA)
California Employment Lawyers Association
California Faculty Association
California Federation of Teachers AFL-CIO
California Immigrant Policy Center
California Nurses Association
California Professional Firefighters
California School Employees Association
California State Legislative Board of the Sheet Metal, Air, Rail and Transportation Workers - Transportation Division (SMART-TD)
Center on Policy Initiatives
Central Coast Labor Council
Central Labor Council, Fresno-Madera-Tulare-kings Counties, AFL-CIO
Communications Workers of America, District 9
Electronic Frontier Foundation
Inland Empire Labor Council, AFL-CIO
North Bay Labor Council

North Valley Labor Federation
Oakland Privacy
Orange County Labor Federation, AFL-CIO
San Mateo County Central Labor Council
TechEquity Collaborative
UAW Region 6
What We Will

OPPOSITION

American Petroleum and Convenience Store Association APCA
Associated Equipment Distributors
Association of California Healthcare Districts (ACHD)
Association of California School Administrators
California Apartment Association
California Apartment Association
California Association of School Business Officials (CASBO)
California Association of Winegrape Growers
California Broadband & Video Association
California Chamber of Commerce
California Farm Bureau
California Grocers Association
California Landscape Contractor's Association
California Landscape Contractors Association
California League of Food Producers
California Manufacturers and Technology Association
California Retailers Association
California Retailers Association
California Special Districts Association
California Staffing Professionals (CSP)
California State Association of Counties (CSAC)
California Trucking Association
California's Credit Unions
Chamber of Progress
Cinema Association of California
Civil Justice Association of California (CJAC)
County of Fresno
County of Kern
Greater Riverside Chambers of Commerce
Insights Association
Leading Age California
Leadingage California
League of California Cities
National Association of Mutual Insurance Companies

Orange County Fire Authority
Personal Insurance Federation of California
Protect App-based Drivers & Services Coalition
Public Risk Innovation, Solutions, and Management (PRISM)
Rancho Cucamonga Chamber of Commerce
Rural County Representatives of California (RCRC)
Self Storage Association
SHRM California
Technet
Uber Technologies, INC.
Urban Counties of California (UCC)
Valley Industry and Commerce Association (VICA)
Western Growers Association

RELATED LEGISLATION

SB 719 (Cabaldon, 2026) extends the requirement for CDT to conduct annual inventories 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 agencies and to submit a report of the comprehensive inventories to the Legislature. These requirements become inoperative on January 1, 2032. SB 719 is currently pending referral in the Assembly.

SB 1011 (McNerney, 2026) requires the Public Utilities Commission, for a privately owned utility, and the Energy Commission, for a publicly owned utility, to oversee the implementation of a specified program to regulate ADS in connection with certain utility functions. SB 1011 is currently set to be heard in this Committee the same day as this bill.

SB 1248 (Cabaldon, 2026) imposes requirements on state agencies' use of ADS. SB 1248 is currently set to be heard in this Committee the same day as this bill.

SB 7 (McNerney, 2025) was substantially similar to this bill. It was vetoed by the Governor, who stated in part:

> 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.

SB 420 (Padilla, 2025) regulates the use of "high-risk ADS." This includes requirements on developers and deployers to perform impact assessments on their systems. SB 420 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 technically feasible. SB 420 is currently in the Assembly Privacy and Consumer Protection Committee.

SB 468 (Becker, 2025) would have imposed a duty on a business that deploys a high-risk artificial intelligence system, or high-risk ADS, that processes personal information to protect that information and required such a deployer to maintain a comprehensive information security program that meets specified requirements. SB 468 died in the Senate Appropriations Committee.

AB 1018 (Bauer-Kahan, 2025) seeks to regulate the development and deployment, by both public and private actors, of "covered ADS." It requires developers to conduct impact assessments of their ADS, which, among other things, identify details of the systems, expected performance and uses, and potential disparate impacts, and submit to third-party audits. Deployers are required to provide certain notices to subjects of consequential decisions and afford certain rights to them, including providing the subject an opportunity to opt out of the use of the covered ADS, provide the subject with an opportunity to correct erroneous personal information used by the ADS, and to appeal the outcome of the consequential decision. AB 1018 is currently on the Senate Floor.

SB 892 (Padilla, 2024) would have required CDT to develop and adopt regulations to create an ADS procurement standard, as specified, and 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 an ADS procurement standard, as specified. SB 892 was vetoed by Governor Newsom, who stated in his veto message that aspects of the bill would disrupt ongoing work, "including existing information technology modernization efforts, which would lead to implementation delays and higher expenses for critical projects."

AB 2885 (Bauer-Kahan & Umberg, Ch. 843, Stats. 2024) established a uniform definition for "artificial intelligence" in California's code, which is used in this bill.

AB 2930 (Bauer-Kahan, 2024) would have regulated the use of ADS in order to prevent "algorithmic discrimination." This includes requirements on developers and deployers that make and use these tools to make "consequential decisions" to perform impact assessments on ADSs. It would have established the right of individuals to know when

an ADS is being used, the right to opt out of its use, and an explanation of how it is used. AB 2930 died without a vote on the Senate Floor.

AB 302 (Ward, Ch. 800, Stats. 2023) required CDT, on or before September 1, 2024, to conduct 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.

AB 331 (Bauer-Kahan, 2023) was substantially similar to AB 2930. AB 331 died in the Assembly Appropriations Committee.

PRIOR VOTES:

Senate Labor, Public Employment and Retirement Committee (Ayes 3, Noes 1)

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