

Date of Hearing: June 10, 2026

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT
Liz Ortega, Chair
SB 947 (McNerney) – As Amended June 4, 2026

SENATE VOTE: 29-9

SUBJECT: Employment: automated decision systems

SUMMARY: Regulates an employer’s use of automated decision systems (ADS), as specified, including prohibiting an employer from relying solely on an ADS to make disciplinary, termination, or deactivation decisions. Specifically, **this bill:**

Regulates an employer’s use of ADS:

- 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 the Fair Employment and Housing Act (FEHA). (See (5) below in existing law.)
 - c) Conduct predictive behavior analysis on a worker with the intention of using the analysis to make an employment-related decision.
 - d) 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.
- 3) Requires the employer, if it primarily relies upon an ADS output to make a disciplinary, termination, or deactivation decision, to direct a human reviewer to conduct an independent investigation and compile corroborating or supporting information for the decision.
 - a) Provides that “corroborating or supporting information” may include, but is not limited to, any of the following:
 - i) Supervisory or managerial evaluations.
 - ii) Personnel files.
 - iii) Work product of workers.

- iv) Peer reviews.
 - v) Witness interviews, that may include relevant online customer reviews.
- 4) Prohibits, 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 from using the ADS output to discipline, terminate, or deactivate a worker.
 - 5) Prohibits an employer from using customer ratings as the only or primary input data used to assist the employer to make employment-related decisions.
 - 6) Provides that 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 every 12 months for a copy of their own data used by an ADS to make a disciplinary, termination, or deactivation decision.
 - a) Requires worker data to be provided in a manner that anonymizes the customer's, other workers', or individual's personal information.

Requires employers to provide affected workers with a post-use notice:

- 7) Requires an employer that primarily relied upon an ADS to make a disciplinary, termination, or deactivation decision to provide the affected worker with a written post-use notice at the time the employer informs the worker of the decision.
 - a) Requires the notice to be written in plain language as a separate, stand-alone communication, in the language in which routine communications and other information are provided to workers, and provided via a simple and easy-to-use method, as specified.
- 8) Requires the post-use notice to contain all of the following information:
 - a) That the employer primarily relied upon an ADS to make a 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 a 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 under this bill.
- 9) Requires an employer, when responding to a data access request pursuant to (5) and (7) above, to 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 data that the ADS used, and the specific ADS 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.

Provides for enforcement and retaliation protections:

- 10) Prohibits employer discrimination and retaliation against any worker for exercising their rights under, or alleging a violation of, this bill, as specified.
- 11) Requires the Labor Commissioner (LC), and authorizes a public prosecutor, to enforce the provisions of the bill, as specified.
- 12) Authorizes, alternatively to enforcement by the LC or a public prosecutor, a worker, or their exclusive representative, who has suffered a violation to bring a civil action in a court of competent jurisdiction for damages caused by that adverse action.
- 13) Authorizes, in any civil action brought pursuant to subdivision (11) or (12) above in superior court in any county wherein the violation in question is alleged to have occurred, or wherein the person resides or transacts business, the petitioner to seek appropriate temporary or preliminary injunctive relief, including punitive damages, and reasonable attorney's fees and costs as part of the costs of any such action for damages.
- 14) Provides that an employer who violates this bill's provisions shall be subject to a civil penalty of \$500 per violation.

Additional provisions:

- 15) Provides that the bill's provisions do not preempt any city, county, or city and county ordinance that provides equal or greater protection to workers who are covered by this bill.
- 16) Provides that, except as set forth in (17) below, an employer who complies with the requirements related to notice under this bill 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.
- 17) Provides that, notwithstanding (16) above, an employer that is a business subject to the California Consumer Privacy Act (CCPA) of 2018 is subject to any privacy-related automated decisionmaking technology regulation duly adopted by the California Privacy Protection Agency (PPA). (See (2)-(4) below in existing law.)
- 18) Exempts from the provisions of this bill parties covered by a collective bargaining agreement if the agreement explicitly waives this part in clear and unambiguous terms, expressly provides for the wages or earning, working conditions, and other terms and conditions of work, and provides protection from algorithmic management.

- 19) Provides that the bill does not prohibit any employer from complying with regulatory or contractual requirements in the provision of products or services to the federal government.
- 20) Includes a severability clause.

Definitions:

21) Defines certain terms, including:

- a) “ADS output” to mean any information, data, assumptions, predictions, scoring, recommendations, decisions, or conclusions generated by an ADS.
- b) “Artificial intelligence” or “AI” to mean an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.
- c) “Automated decision system” or “ADS” to mean 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.
- d) “Employer” to mean any person who directly or indirectly, or through an agent or any other person, employs or exercises control over the wages, benefits, other compensation, hours, working conditions, access to work or job opportunities, or other terms or conditions of employment, of any worker. This shall include all branches of state government, including all cities, counties, charter counties, municipalities, charter municipalities, cities and counties, special districts, transit districts, the University of California upon agreement by the regents, the California State University, community college districts, school districts, or any other governmental entity.
 - i) “Employer” includes a labor contractor of a person defined as an employer under (d) above.
- e) “Employment-related decision” to mean 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.
- f) “Individualized” to mean specific to an individual or group, band, class, or tier of individuals with particular personal characteristics, behaviors, or biometrics.
- g) “Predictive behavior analysis” to mean any system that predicts or modifies a worker’s behavior, beliefs, or intentions.

- h) “Worker” to mean 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.
- i) “Worker data” to mean any information that identifies, relates to, or describes a worker, regardless of how the information is collected, inferred, or obtained.

EXISTING LAW:

- 1) Establishes the Division of Labor Standards Enforcement (DLSE), under the direction of the LC, within the Department of Industrial Relations (DIR) and sets forth its powers and duties regarding the enforcement of labor laws. Labor Code § 79 et seq.
- 2) Establishes the 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. Civil Code § 1798.100 et seq.
- 3) Establishes the Consumer Privacy Rights Act (CPRA), which amends the CCPA and creates the PPA, which is charged with implementing these privacy laws, promulgating regulations, and carrying out enforcement actions. Civil Code § 1798.100 et seq.; Proposition 24 (2020).
- 4) 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. Civil Code § 1798.185(a)(15) and (d).
- 5) Makes it an unlawful employment practice, under FEHA, 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. Government Code § 12940.
- 6) Requires the Department of Technology 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. As part of this review, requires the analysis to include descriptions of any alternatives to its use, the categories of data and personal information the ADS uses to make decisions, and measures that are in place to mitigate the risks of its use, including cybersecurity risk and the risk of inaccurate, unfairly discriminatory, or biased decisions of the ADS. Government Code § 11546.45.5.
- 7) Defines the following terms:

- a) “Artificial intelligence” means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.
- b) “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. Government Code § 11546.45.5.

FISCAL EFFECT: According to the Senate Appropriations Committee:

- The Department of Industrial Relations (DIR) has yet to determine its administrative impacts that would result from this bill. However, based on the department’s costing of similar legislation, DIR’s annual administrative costs, at a minimum, would likely be in the millions of dollars (Labor Enforcement and Compliance Fund).
- This bill could result in an increased number of civil actions. Consequently, the bill could result in potentially significant cost pressures to the courts; the magnitude is unknown (Trial Court Trust Fund (TCTF)). The specific number of new actions that could be filed under the bill also is unknown; however, it generally costs about \$10,500 to operate a courtroom for an eight-hour day. Courts are not funded on the basis of workload, and increased pressure on TCTF may create a need for increased funding for courts from the General Fund. The proposed 2026-27 budget includes \$70 million in ongoing support from the General Fund to continue to backfill TCTF for revenue declines.
- This bill could result in increased penalty revenue to the State. The magnitude is unknown.

COMMENTS: Note: this bill is triple referred to the Assembly Committees on Privacy and Consumer Protection, and Judiciary, upon passage out of this Committee.

Employers are increasingly using workplace surveillance such as electronic monitoring, as well as ADS, to not only surveil and collect data on workers, but to manage, and even terminate, workers. According to the UC Berkeley Labor Center, “Employers use electronic monitoring and automated decision systems to make a wide range of decisions about workers (including employees, independent contractors, and job applicants):

- 1) Wages and benefits
- 2) Hours and work schedules
- 3) Performance evaluations
- 4) Hiring, firing, discipline, and promotion
- 5) Job content, tasks, and responsibilities

- 6) Productivity requirements
- 7) Access to training opportunities
- 8) Workplace health and safety

Concrete examples of these decisions include terminating gig workers based on customer ratings, using wearable devices on construction sites to detect worker fatigue, setting daily productivity quotas in warehouses, and filtering out job candidates with flagged social media content.

Many workplace ADS tools make predictions about workers' future behavior or characteristics. These computer programs identify patterns or correlations in large datasets about workers, and based on those patterns make predictions about an individual worker in a given workplace. Examples of these predictions include the probability that a worker will quit a job, struggle with performance, succeed in a promotion or work team, experience stress, join a union, pose a safety risk, or become pregnant."¹

The author provides examples of ADS use in the employment setting:

- 1) Nurses who work through gig-nursing apps, such as ShiftKey, have had their wages and hours set by an algorithm, which has led to disparate pay between equally qualified nurses without any justification or reasoning.²
- 2) A database developed by Coworker.org identified over 550 products currently available to employers for workforce management, including products that allow them to outsource decisions about workers' working conditions, wages, and livelihoods to machines.³
- 3) The ADS used by the employer of a California-based software developer terminated him due to an error in the system's data. The system removed the worker's access to enter the office space and his workstation, all without human intervention. The termination was ultimately resolved but not until after the worker missed three weeks of work without pay.⁴
- 4) Uber Eats used ethnically-biased facial recognition technology that led to a driver's suspension and a subsequent legal settlement. Uber Eats had not made the driver aware of the processes that led to his suspension from the app, nor provided an effective route to challenge this decision.⁵

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

¹ Bernhardt, Annette and Lisa Kresge. (2025). UC Berkeley Labor Center. "Electronic Monitoring and Automated Data Systems FAQs." <https://laborcenter.berkeley.edu/wp-content/uploads/2025/05/Electronic-Monitoring-and-Automated-Decision-Systems-FAQ.pdf>

² "Uber for Nursing: How an AI-Powered Gig Model Is Threatening Health Care." (2024). Roosevelt Institute. <https://rooseveltinstitute.org/publications/uber-for-nursing/>

³ "Bossware and Employment Tech Database" (2021). Coworker.org. <https://home.coworker.org/worktech>

⁴ Wakefield, Jane. (2018). "The man who was fired by a machine." BBC. <https://www.bbc.com/news/technology-44561838>

⁵ "Uber Eats settles driver's facial recognition discrimination claim." (2024). Personnel Today. <https://www.personneltoday.com/hr/uber-eats-settles-drivers-facial-recognition-discrimination-claim/>

post-use notifications when ADS is used in the workplace, and ensures employers have a human in the loop when making critical employment decisions.

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.”

The author adds that the measure supports equity, per HR 39 (Gipson, 2021) in that “predictive behavior analysis often results in discriminatory results which harms underserved and marginalized communities. SB 947 prohibits conducting predictive behavior analysis which protects our most vulnerable individuals from workplace discrimination.”

Furthermore, the author highlights a report from a national survey in 2024, which found that, while 40 percent of workers experience some form of automated task management, Black and Latino workers report higher rates of automated management technologies in their workplace, with 63 percent of Black and 52 percent of Latino workers versus only 35 percent of White workers subject to automated management.⁶

Arguments in Support

The California Federation of Labor Unions, sponsor of this measure, states that “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.⁷ 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.”

Arguments in Opposition

A coalition of business organizations, including the California Chamber of Commerce, states in opposition that “SB 947 will drive up costs for consumers and employers because it would impose significant compliance burdens and any misstep would lead to costly litigation for even the smallest of employers. While we appreciate concerns over employees being unfairly disciplined or terminated solely based on automated tools, SB 947 is not tailored to those scenarios and does not consider the benefits of ADS technology. Unfortunately, we believe SB 947 will have an undesired chilling effect on technology and make it that much harder to develop the very tools that can help combat bias in decision making.”

Prior and Related Legislation

SB 951 (Reyes) of 2026, among other things, would establish the California Worker Technological Displacement Act requiring an employer to provide at least a 90-day advanced written notice before any technological displacement. Pending in this Committee.

⁶ <https://equitablegrowth.org/research-paper/estimating-the-prevalence-of-automated-management-and-surveillance-technologies-at-work-and-their-impact-on-workers-well-being/>

⁷ <https://www.resumebuilder.com/half-of-managers-use-ai-to-determine-who-gets-promoted-and-fired/>

SB 1248 (Cabaldon) of 2026 would have imposed certain restrictions on the use of an ADS by a state agency to confer services including, among other things, the issuance of professional licenses and provision of public benefits. Among the restrictions, the bill would have prohibited the use of an output from the system as the sole basis for an adverse service determination and requires the state agency to verify the accuracy of the system's outputs and to promote nondiscrimination in its use, as specified. Held in the Senate Appropriations Committee.

AB 1883 (Bryan) of 2026 would prohibit an employer from using certain types of workplace surveillance tools, or using workplace surveillance tools to violate or prevent compliance with laws, or infer information about a worker's legally-protected status or activities. Pending referral in the Senate.

AB 1898 (Schultz) of 2026 would, among other things, have required an employer to provide a written notice to an employee that a workplace AI tool, as defined, was used to assist the employer in making employment-related decisions or to surveil the workplace. Held in the Assembly Appropriations Committee.

AB 2027 (Ward) of 2026 would have regulated the use of worker data by an employer, vendor acting on behalf of an employer, or a vendor providing services to an employer under a contract. Held in the Assembly Appropriations Committee.

AB 2148 (Muratsuchi) of 2026, among other things, would have prohibited a certificated or classified employee of a local educational agency or an academic or classified employee of a segment of public postsecondary education from being dismissed, suspended, disciplined, reassigned, transferred, or otherwise retaliated against a) for refusing to use, refusing to deploy, or refusing to direct students to, any form of educational technology, or b) based on any information on that employee that is transmitted, acquired, collected, or produced via AI or ADS output. These provisions were subsequently amended out of the bill, which is pending in the Senate Labor, Public Employment and Retirement Committee.

SB 7 (McNerney) of 2025 would have regulated the use of ADS in the employment setting. Among other things, this bill would have 1) required an employer to provide a written notice that an ADS is in use at the workplace to all workers that will foreseeably be directly affected by the ADS; 2) prohibited in some instances and in others limits the use of an ADS by an employer; 3) provided worker anti-retaliation protections for exercising their rights under these provisions; and 4) specified enforcement provisions that include penalties and relief for violations. Vetoed by Governor Newsom.

SB 420 (Padilla) of 2025 would have regulated the use of "high-risk ADS," including requirements on developers and deployers to perform impact assessments on their systems. The bill would have established 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 was subsequently amended to remove this version of the bill.

AB 1018 (Bauer-Kahan) of 2025 would create a comprehensive regime designed to ensure human oversight over ADS that are used in "consequential decisions" – those that materially impact an individual's rights, opportunities, or access to critical resources or services – in order to mitigate bias and unreliability in these systems. On the Senate inactive file.

AB 1331 (Elhawary) of 2025 would prohibit an employer from using a workplace surveillance tool to monitor workers in off-duty areas, including their personal residence and vehicle, with an exception for worker safety purposes, and provides a civil penalty for each employee per violation. On the Senate inactive file.

AB 1221 (Bryan) of 2025 would have required an employer, at least 30 days before introducing a workplace surveillance tool, as defined, to provide a worker who will be affected a written notice that includes specified disclosures; created certain prohibitions and requirements related to the use of worker data, as defined; prohibits employers from using workplace surveillance tools in specified ways; and provided for enforcement by the LC, employees and representatives, and public prosecutors, and subjected employers in violation to a civil penalty. Held in the Assembly Appropriations Committee.

SB 468 (Becker) of 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. Held in the Senate Appropriations Committee.

AB 2930 (Bauer-Kahan) of 2024 would have regulated the use of ADS in order to prevent “algorithmic discrimination,” as specified. Died in the Senate inactive file.

AB 302 (Ward), Chapter 800, Statutes of 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) of 2023 would have prohibited “algorithmic discrimination,” that is, use of an automated decision tool to contribute to unjustified differential treatment or outcomes that may have a significant effect on a person’s life. Held in the Assembly Appropriations Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California Federation of Labor Unions, AFL-CIO (Sponsor)
Alameda Labor Council
American Federation of Musicians, Local 7
American Federation of State, County and Municipal Employees California
California Alliance for Retired Americans
California Employment Lawyers Association
California Faculty Association
California Federation of Teachers AFL-CIO
California Nurses Association
California Professional Firefighters
California School Employees Association
California State Legislative Board of the Smart - Transportation Division
California Teachers Association
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
Kapor Center Advocacy
North Bay Labor Council
North Valley Labor Federation
Oakland Privacy
Orange County Employees Association
Orange County Labor Federation, AFL-CIO
San Mateo County Central Labor Council
State Building and Construction Trades Council of California, AFL-CIO
Tech Oversight California
Techequity Collaborative
United Auto Workers Region 6
What We Will

Opposition

American Petroleum and Convenience Store Association
American Staffing Association
Associated Equipment Distributors
Associated General Contractors San Diego
Associated General Contractors, California
Association of California Healthcare Districts
Association of California School Administrators
Bay Area Council
Business Software Alliance
California Apartment Association
California Association of Recreation & Park Districts
California Association of School Business Officials
California Association of Winegrape Growers
California Broadband & Video Association
California Chamber of Commerce
California County Superintendents
California Farm Bureau
California Fuels and Convenience Alliance
California Grocers Association
California Hospital Association
California Landscape Contractors Association
California League of Food Producers
California Manufacturers & Technology Association
California Manufacturers and Technology Association
California Restaurant Association
California Retailers Association
California Special Districts Association
California Staffing and Recruiting Association
California State Association of Counties
California Trucking Association
California's Credit Unions

Chamber of Progress
Cinema Association of California
Civil Justice Association of California
County of Kern
Family Business Association of California
Fresno County Board of Supervisors
Greater Riverside Chambers of Commerce
LeadingAge California
League of California Cities
National Association of Mutual Insurance Companies
Personal Insurance Federation of California
Protect App-based Drivers & Services Coalition
Public Risk Innovation, Solutions, and Management
Rural County Representatives of California
Self Storage Association
Shrm California
Society of Human Resources Management
Technet
Uber Technologies, INC.
Urban Counties of California
Western Growers Association
Oppose Unless Amended
Gaslamp Quarter Association
Long Beach Area Chamber of Commerce
Valley Industry and Commerce Association

Analysis Prepared by: Erin Hickey / L. & E. / (916) 319-2091