
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 951 (Reyes) - Employment: technological displacement: notice

Version: April 22, 2026

Policy Vote: L., P.E. & R. 3 - 1, P., D.T., &
C.P. 7 - 2

Urgency: No

Mandate: No

Hearing Date: May 4, 2026

Consultant: Robert Ingenito

Bill Summary: SB 951 would establish the California Worker Technological Displacement (WARN) Act, as specified.

Fiscal Impact:

- The Employment Development Department (EDD) indicates that it would incur one-time General Fund costs of \$1.8 million, and \$400,000 (minimally) annually thereafter, to implement the provisions of the bill. Additionally, the department notes that the required information technology changes could make the bill's effective date of January 1, 2027 operationally infeasible.
- Administrative costs to the Department of Industrial Relations (DIR) have yet to be identified.
- This bill could result in increased penalty revenue to the State. The magnitude is unknown.

Background: Workplace surveillance tools are technologies used by employers to monitor and evaluate things such as workflow and employee activities and performance. Common examples include keystroke logging software, which tracks keyboard activity to gauge productivity, and screen monitoring tools that capture screenshots or live feeds of employee screens. Email and communication monitoring systems are also widely used to scan messages for sensitive information or inappropriate content. GPS tracking is used to monitor employees' location and movement, both in the field and in factories and other workplaces. Additionally, video surveillance cameras in offices or warehouses can monitor physical behavior and security. In recent years, some employers are even requiring workers to wear tracking tools that monitor not only location and movement, but biometric information. These tools aim to enhance productivity and security; at the same time, however, they raise concerns in several areas, including privacy.

The federal WARN Act requires employers to provide written notice 60 days prior to a plant closing or mass layoff to employees, or their representative, the State dislocated worker unit (EDD, Workforce Services Division in California), and the chief elected official of local government within which such closing or layoff occurs. The federal WARN Act applies to employers with 100 or more full-time employees. Notices are required as follows: (1) for plant closings involving 50 or more employees during a 30-day period, (2) for layoffs within a 30-day period involving 50 to 499 full-time employees

comprising at least one-third of the full-time workforce at a single site of employment, and (3) for layoffs of 500 or more are covered regardless of percentage of workforce.

Similarly, Cal-WARN requires employers to give a 60-day notice to the affected employees and both state and local representatives before a mass layoff, relocation, or termination. The Cal-WARN provisions apply to employers of 75 or more full-time and part-time employees. Notices are required as follows: (1) for a plant closure affecting any amount of employees, (2) for layoffs of 50 or more employees within a 30-day period regardless of workforce percentage, (3) for relocation of at least 100 miles affecting any amount of employees, and (4) for relocation of a call center to a foreign country regardless of the percentage of workforce affected.

Advance notification before a termination or layoff provides employees with necessary time to transition and adjust to the potential loss of employment, time to seek alternative employment and, if necessary, time to obtain skills training or retraining to successfully compete in the job market.

Proposed Law: This bill, among other things, would do the following:

- Require an employer, as defined, to provide at least a 90-day advanced written notice, as described, before any technological displacement affecting 25 or more workers or 25 percent of the workforce, whichever is less.
- Require an employer to provide that notice to affected workers, EDD, and specified state and local entities.
- Require an employer to provide a written technology hiring disruption notice to EDD and the local workforce investment board when it executes a technological cessation in hiring directly and primarily due to the adoption of artificial intelligence or other automating technology.
- Impose specified reporting requirements on EDD.
- For employers with more than 100 workers, entitle workers affected by technological displacement to a right of first bid on other positions with the employer.
- Prohibit an employer, during the 90-day period from when notice is provided to the worker, from discharging a worker affected by a technological displacement without reasonable and substantiated cause.
- Make an employer that fails to give notice before ordering a technological displacement liable for back pay and benefits to each worker for a maximum of 60 days or one-half the number of days the worker was employed, whichever period is shorter.
- Impose a \$500 civil penalty for each day of the employer's violation, except as provided.

- Set forth procedures for reporting violations to the Labor Commissioner and filing a civil action in court. Provide enforcement authority and related powers to the Labor Commissioner.
- Establish the Technological Displacement Act Fund, and require all civil penalties recovered by the Commissioner to be deposited in the fund, and make all moneys in the fund available to the Commissioner upon appropriation.

Related Legislation:

- SB 947 (McNerney), among other things, would (1) prohibit an employer from using an ADS that does certain functions and would limit the purposes and manner in which an ADS may be used to make disciplinary, termination, or deactivation decisions, (2) require an employer to provide a written postuse notice when an employer has used an ADS, as specified, (3) include worker anti-retaliation provisions for exercising these rights, and (4) specify enforcement provisions including specified penalties and relief for violations. The bill is currently pending in this Committee.
- SB 1248 (Cabaldon) would impose certain restrictions on the use of an ADS by a state agency to confer services. The bill is currently pending in this Committee.
- SB 617 (Arreguin, Chapter 229, Statutes of 2025) expanded the information employers are required to include in a Cal-WARN notice and requires employers that choose to coordinate services through a local workforce development board or another entity to do so within 30 days of the notice.

-- END --