SENATE THIRD READING
SB 951 (Reyes)
As Amended August 13, 2026
Majority vote

SUMMARY

Amends the California Worker Adjustment and Retraining Act (Cal/WARN) to require an employer to provide written notice with additional information to workers and entities, as specified, if the mass layoff, relocation, or termination is caused in whole or in substantial part by an AI system or other automated technology replacing or automating employment positions. Additionally requires an employer to provide to the Employment Development Department (EDD) a written technology hiring disruption notice when it executes a technological cessation in hiring. Authorizes enforcement of the technological hiring disruption notice provisions by the Labor Commissioner (LC).

Major Provisions
Revisions to the Cal/WARN Act

1) Adds a definition of "artificial intelligence" or "AI," as specified.

2) States that an employer who is required to give notice of a mass layoff, relocation, or termination, if the mass layoff, relocation, or termination is caused in whole or in substantial part by an AI system or other automated technology replacing or automating employment positions, shall additionally include in the notice all of the following:

   a) The number, classification or occupation, and work location of layoffs that are substantially due to the replacement or automation by AI.

   b) The job functions performed by those replaced workers that will be automated by AI.

   c) The specific category or type of AI system or other automating technology that substantially resulted in technological displacement, including the entity or entities that developed, sold, or leased the product.

Technological cessation in hiring notice provisions

3) Defines "employer" to mean any person, association, organization, partnership, business trust, limited liability company, or corporation who directly or indirectly owns and operates an establishment that employs, or has employed within the preceding 12 months, 75 or more persons. A parent corporation is an employer as to any establishment directly owned and operated by its corporate subsidiary. An "employer" includes, but is not limited to, any of the following:

   a) The state, including its legislative, judicial, and executive branches.

   b) Any city, county, or city and county, including any charter city, charter county, charter city and county, and other political subdivisions of the state.

   c) Special districts.

d) Local educational agencies and community college districts.

e) Any authority, commission, board, agency, or instrumentality of any entity specified in paragraphs (a)-(c), above.

f) The University of California and the California State University.

g) Any business or state or local government that contracts with or compensates contractors.

4) Defines "contractor" to mean an entity contracted with, or being compensated by, a business or a state or local governmental entity for at least 6 months of the 12 months preceding the date on which the notice is required.

5) Defines "technological cessation in hiring" to mean the permanent ending of hiring or contracting workers or contractors for a particular occupation or position, caused in whole or in substantial part by the employer's use of AI or other automation, regardless of either of the following:

   a) Whether any workers or contractors in that occupation or position remain employed or under contract.

   b) Whether the cessation results in an overall reduction in occupations or positions.

6) Defines "worker" to mean any natural person who is an employee of a business or a state or a local governmental entity in any workplace, for at least 6 months of the 12 months preceding the date on which notice is required, and as specified.

7) Requires an employer to provide a written technology hiring disruption notice when it executes a technological cessation in hiring to the EDD.

8) Requires the notice to contain all of the following information:

   a) The name and address of the employment site and the name, email, and telephone number of a company official or public agency contact person.

   b) A statement indicating whether the planned action is permanent or temporary.

   c) The number of positions of the employer that were occupied at any point during the prior quarter for which the employer has decided not to fill because of a technological cessation in hiring.

   d) The classification or occupation, and work location of positions that will no longer be filled by workers or contractors due to the replacement or automation by AI.

   e) The job functions performed in these positions.

   f) The specific category or type of AI system or other automating technology that resulted in the technological cessation of hiring, including the entity or entities that developed, sold, or leased the product.

   g) A statement whether the cessation resulted in hiring or creation of other employment positions in the company and the number and occupation of those positions.

9) Requires the EDD to do the following:

   a) Post summaries of the notices received pursuant to 7), above, on their internet website as part of the existing notice requirements of the Cal/WARN Act.

   b) Compile a quarterly summary using notices received to present a statewide summary of worker displacement due to AI and automation. The report shall include a link to the Cal/WARN Act notice report internet website.

   c) Submit the report to the labor and budget committees of the Assembly and Senate, as specified.

Enforcement provisions

10) States that an employer that fails to provide notice as required by 7), above, shall be subject to a civil penalty of not more than five hundred dollars ($500) for each day of the employer's violation.

11) Authorizes the LC to enforce the notice requirements in 7)-8), above, through the procedures set forth in Labor Code Section 98.3 or 1197.1, as specified.

COMMENTS

See the Committee's Policy Analysis.

According to the Author
According to the author, "Artificial Intelligence is transforming our economy at an unprecedented pace. Unlike past technological advances, AI has the ability to automate entire occupations almost overnight, leaving workers vulnerable to sudden economic disruption. Employers are already citing AI as a reason for layoffs and hiring freezes, yet policymakers lack reliable data to understand the full impact. Without this information, government is forced to respond only after workers have already lost their livelihoods.

This bill modernizes California's existing Worker Adjustment and Retraining Notification Act by requiring employers to provide a 60-day advance notice when mass layoffs are driven by artificial intelligence or technological automation. This ensures workers and the state have time to prepare and respond, while also allowing the state to collect critical data on AI-related job loss and workforce disruption. This information will help policymakers better understand how AI is reshaping our labor market and craft informed, proactive solutions."

Arguments in Support
The California Federation of Labor Unions, AFL-CIO, sponsor of the bill, states, "What makes AI different than other technologies or economic fluctuations is the scope, scale, and velocity at which it is sweeping the economy. Instead of automated assembly lines limited to factories, employers are using AI tools to automate tasks across broad swaths of the workforce in many industries all at once. Agentic AI can ostensibly plan, reason, and execute complex, multi-step tasks with minimal human intervention, poised to eliminate many human positions. Even if the

abilities of AI tools are overstated or exaggerated, employers are adopting the technology anyway. When AI cannot do the work, the remaining workers must work harder and longer, intensifying the jobs that are left.

Policy makers cannot ignore the blaring alarm bells warning of massive economic upheaval and worker suffering. AI poses an existential threat to human workers, government revenue, and society. The first step to tackling the growing threat is to collect and use reliable, local data to inform policy responses and to support workers who are the canaries in the coal mine of AI. This bill is a small, but crucial first step to that process."

Arguments in Opposition
A coalition of employer organizations, including the California Chamber of Commerce, are opposed and state, "The Employment Development Department (EDD) in partnership with the California Policy Lab (CPL) launched the nation's first California AI-Unemployment Tracker (CAIT) on July 23, 2026.1 The CPL is a University of California research institute that generates research insights for government impact. CAIT is the first tool in the nation to monitor AI-related job loss using unemployment insurance claims data in near real-time. CAIT already captures, automatically and without any new employer reporting obligation, the core workforce data SB 951's notice provisions seek to generate. Specifically, the following SB 951 provisions are already captured by CAIT and are duplicative:

Proposed Section 1401(c)(3)(A) and Section 1402.7(b)(4)- Occupation and Layoff Classification Disclosure: SB 951 requires employers to disclose the number, classification, and work location of AI-driven layoffs. CAIT already automatically captures occupation codes, industry, and regional data for every Unemployment Insurance (UI) claimant through the existing UI claims process, without any employer filing obligation…"

FISCAL COMMENTS

According to the Assembly Appropriations Committee,

1) Costs of an unknown, but likely significant amount, in excess of $150,000, across state entities as employers to provide the technological cessation notice when applicable (General Fund (GF) or special fund). The magnitude of costs depends on the scope of work of the entity and the prevalence and use of AI systems in the workplace. For example, the California Community Colleges anticipates minor ongoing costs to the Chancellor's Office and districts to provide the notice if and when there is a technological cessation in hiring. However, the University of California (UC) anticipates significant new administrative and compliance costs of a difficult-to-estimate amount to establish systemwide review and tracking infrastructure to evaluate AI-related workforce actions and provide the notice under applicable circumstances. The UC also notes costs related to legal review and training, as well as substantial indirect costs from delays or constraints in technology adoption and increased labor-relations activity.

   Similarly, likely significant costs to local government employers, which the state would not need to reimburse because this bill's new requirements for local agencies equally apply to the private sector.

2) Costs of approximately $10,000 one-time and $100,000 ongoing to EDD to establish procedures to receive the additional Cal/WARN notice and technological cessation notice,

post summaries of the technological cessation notice online, and submit quarterly reports to the Legislature (GF).

3) Costs of approximately $1.5 million in the first year and $1.4 million annually thereafter to the Division of Labor Standards Enforcement (DLSE, also known as the LC), with greater workload attributed to enforcing the technological cessation notice requirement than the additional Cal/WARN notice requirement. DLSE anticipates needing to contract with AI experts to perform what would likely be lengthy investigations to determine whether an employer executed a technological cessation in hiring without filing a notice.

4) Ongoing cost pressures of an unknown amount to the courts in additional workload by creating the additional Cal/WARN notice requirement, as existing law allows an employee or employee representative to bring a civil action to establish liability for backpay and benefits against an employer that does not provide proper Cal/WARN notice to a covered establishment's employees 60 days before the order takes effect (GF or Trial Court Trust Fund (TCTF)). It is unclear how many civil actions may be filed statewide and how much court time may be needed to resolve each case, but it generally costs approximately $1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on staff and the TCTF may create a demand for increased court funding from the GF. The state budget provides annual GF backfills to the TCTF to offset revenue reductions, totaling approximately $117.3 million in fiscal year 2025-26.

VOTES

SENATE FLOOR: 28-9-3
YES: Allen, Archuleta, Arreguín, Ashby, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
ABS, ABST OR NV: Becker, Grove, Hurtado

ASM LABOR AND EMPLOYMENT: 5-0-2
YES: Ortega, Arambula, Kalra, Lee, Ward
ABS, ABST OR NV: Alanis, Chen

ASM PRIVACY AND CONSUMER PROTECTION: 11-2-2
YES: Bauer-Kahan, Bryan, Irwin, Lowenthal, McKinnor, Ortega, Pellerin, Petrie-Norris, Ward, Bennett, Wilson
NO: Macedo, DeMaio
ABS, ABST OR NV: Hoover, Patterson

ASM APPROPRIATIONS: 10-3-2
YES: Wicks, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pellerin, Sharp-Collins, Solache
NO: Dixon, Ta, Tangipa
ABS, ABST OR NV: Hoover, Pacheco

UPDATED

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