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Is California reimagining WARN for the AI era?

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California has long been at the forefront of employment law developments. From the Private Attorneys General Act (PAGA) to expansive wage-and-hour protections and recent regulation of automated employment decision systems, the state has frequently been among the first to adopt workplace policy reforms. Now, an executive order and pending legislation suggest California policymakers are examining whether existing worker-protection laws should evolve to address workforce changes associated with artificial intelligence and automation.

Executive Order calls for review of Cal-WARN

On May 21, 2026, Governor Gavin Newsom signed Executive Order N-6-26 (https://bit.ly/4b1cp1a), directing multiple state agencies to study artificial intelligence's impact on the labor market and recommend updates to existing worker protection laws. The order is notable not only for its scope but for what it explicitly flags: The California Worker Adjustment and Retraining Notification Act, known as Cal-WARN, may need to be modernized to account for the ways AI is reshaping the workforce.

The executive order directed agencies to deliver recommendations within 180 days on potential revisions to Cal-WARN, with a particular focus on ensuring the statute can better serve as an early-warning tool and respond to emerging industry trends. That directive suggests policymakers are increasingly focused on whether existing workforce protection laws adequately address AI-driven employment changes.

The order also directed state agencies to track automation's impact through a new dashboard, incorporate AI-related employment data into California labor-market reporting, and evaluate worker safety-net policies, including severance and other forms of compensation, worker training and upskilling opportunities, and enrollment in employment insurance programs.

Importantly, the executive order itself imposes no new compliance obligations on private employers. Instead, it directs state agencies to study AI-related workforce disruption and recommend potential policy changes, including possible revisions to Cal-WARN.

The gap in Cal-WARN

To understand why the executive order matters, consider the current state of Cal-WARN. Under existing law, employers with 75 or more employees generally must provide advance notice before a qualifying mass layoff affecting 50 or more workers, a relocation of operations, or a plant or facility closure.

An executive order and pending legislation suggest California policymakers are examining whether existing worker-protection laws should evolve to address workforce changes associated with artificial intelligence and automation.

As employers increasingly integrate AI and automation into workforce planning, workforce changes may occur through reduced hiring in certain job categories, restructuring as technology automates certain functions, or attrition rather than through a single large reduction in force.

Those changes may not always fit neatly within Cal-WARN's existing triggering events, even if their cumulative effect results in significant workforce displacement. Whether existing worker-protection laws adequately address those types of workforce changes appears to be one of the broader policy questions underlying both the executive order and SB 951.

Senate Bill 951 and technological displacement

Running parallel to the executive order is Senate Bill 951, pending legislation that has undergone substantial amendments as it has moved through the Legislature. The discussion below reflects the bill's current amended (https://bit.ly/4wrxzht) version, as of June 22, 2026. If enacted, the California Worker Technological Displacement Act would create advance-notice obligations specifically tied to artificial intelligence and automation.

As currently amended, SB 951 would require employers to provide at least 60 days' written advance notice before any "technological displacement," defined as a layoff during any 30-day period of 50 or more workers caused in whole by an AI system or other automated technology replacing or automating employment positions.

The bill would create AI-specific advance-notice obligations that would supplement existing Cal-WARN requirements. Compared with Cal-WARN's existing notice requirements, the bill would establish additional notice obligations for qualifying workforce reductions attributable to AI or other automated technology.

If enacted, employers would provide notice to affected workers, the California Employment Development Department, local workforce investment board, and the applicable city council members and county board of supervisors. The notice would supplement existing Cal-WARN notice requirements. The technological displacement notice would require employers to identify the category or type of AI system or other automated technology involved, including the entity or entities that developed, sold, or leased the technology; describe the job functions being automated; and disclose whether retraining opportunities are available.

Employers that fail to provide the required notice would be subject to existing Cal-WARN enforcement provisions, including potential liability for back pay, benefits, and applicable civil penalties.

If enacted, the bill would also require employers to notify the California Employment Development Department when they execute a technological cessation in hiring caused in whole by the adoption of artificial intelligence or other automating technology.

Additionally, the bill would include new protections for workers. For employers with more than 100 workers, affected employees would receive a right of first bid for other available positions with the employer. In addition, the bill generally would prohibit employers from discharging workers affected by a technological displacement without reasonable and substantiated cause during the 60-day notice period.

What employers should do now

SB 951 is still pending, and the Executive Order's 180-day deadline for agency recommendations has not yet arrived. Whether either effort ultimately results in changes to Cal-WARN remains to be seen. Employers, however, may want to monitor both developments as California continues to assess the workplace implications of artificial intelligence.

Several practical implications emerge from these developments. Employers should understand which artificial intelligence systems influence hiring, performance management, and workforce planning. They should also identify the developers, sellers, or lessors associated with those systems and maintain documentation sufficient to satisfy any future notice obligations. If enacted, SB 951 would require employers to identify the entity or entities that developed, sold, or leased the AI system or other automating technology involved in a covered workforce reduction.

Perhaps most importantly, employers should evaluate whether aspects of their workforce planning could fall within the types of technological displacement contemplated by SB 951 if enacted. Gradual hiring reductions, role eliminations through attrition, and restructuring made possible by automation illustrate the kinds of workforce changes that may inform California's ongoing examination of AI's impact on employment.

The broader picture

California is not acting in isolation. SB 951 builds on a growing body of state and local legislation addressing artificial intelligence in employment. New York City's automated employment decision tool law requires bias audits for certain hiring and promotion tools, while other jurisdictions, including Illinois and Maryland, have enacted more targeted laws governing specific workplace uses of AI and related technologies, such as AI-assisted video interviews and facial recognition in interviews.

What distinguishes California's current approach is its breadth. The combination of an executive order targeting Cal-WARN modernization, a bill creating affirmative notice obligations for technological displacement, and California's broader regulation of automated employment decision systems and other workplace uses of AI suggest a coordinated regulatory strategy rather than isolated legislative activity.

For employers with California operations, the current legislative process provides an opportunity to evaluate existing workforce planning practices in anticipation of potential future requirements. The specific contours of any new notice regime will depend on both the recommendations developed under the executive order and the legislative fate of SB 951. Regardless of the outcome, these developments underscore the growing focus on how artificial intelligence will reshape workforce planning and regulations and the ensuing legal obligations that will require employer vigilance.

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