

Date of Hearing: April 20, 2022

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Ash Kalra, Chair

AB 1651 (Kalra) – As Amended April 18, 2022

**REVISED**

**SUBJECT:** Worker rights: Workplace Technology Accountability Act

**SUMMARY:** Establishes limitations on the use of data-driven technologies in the workplace by requiring employers to notify workers prior to data collection, initiating electronic monitoring, and deploying algorithms. Requires the technology be used pursuant to a valid business practice and be job-related and that employers conduct impact assessments with worker input for algorithms. Specifically, **this bill:**

*Definitions*

- 1) Defines “Automated Decision System” (ADS) or “algorithm” to mean a computational process, including one derived from machine learning, statistics, or other data processing or artificial intelligence techniques that makes or assists an employment-related decision.
- 2) Defines “data” or “worker data” to mean any information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular worker, regardless of how the information is collected, inferred, or obtained. Data includes, but is not limited to, the following:
  - a) Personal identity information, as specified.
  - b) Biometric information, as specified.
  - c) Health, medical, lifestyle, and wellness information, as specified.
  - d) Any data related to workplace activities, including the following:
    - i) Human resources information, including the contents of an individual’s personnel file or performance evaluations.
    - ii) Work process information, such as productivity and efficiency data.
    - iii) Data that captures workplace communications and interactions, as specified.
    - iv) Device usage and data.
    - v) Audio-video data and other information collected from sensors, as specified.
    - vi) Inputs of or outputs generated by an ADS that are linked to the individual.
    - vii) Data that is collected or generated on workers to mitigate the spread of infectious diseases, as specified.

- viii) Online information, including an individual's Internet Protocol (IP) address, private social media activity, or other digital sources or unique identifiers associated with a worker.
- 3) Defines "electronic monitoring" to mean the collection of information concerning worker activities or communications by any means other than direct observation, including the use of a computer, telephone, wire, radio, camera, electromagnetic, photoelectronic or photo-optical system.
  - 4) Defines "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. Employer includes any of the employer's labor contractors.
  - 5) Defines "employment-related decision" to mean any decision made by the employer that affects wages, benefits, other compensation, hours, work schedule, performance evaluation, hiring, discipline, promotion, termination, job content, assignment of work, access to work opportunities, productivity requirements, workplace health and safety, and other terms or conditions of employment.
  - 6) Defines "productivity system" to mean a management system that monitors, evaluates, or sets the amount and quality of work done in a set time-period by workers.
  - 7) Defines "Worker Information System" (WIS) to mean a process, automated or not, that involves worker data, including the collection, recording, organization, structuring, storage, alteration, retrieval, consultation, use, sharing, disclosure, dissemination, combination, restriction, erasure, or destruction of worker data. A WIS does not include an ADS.
  - 8) Defines a "third party" to mean a person who is not one of the following:
    - a) The employer.
    - b) A vendor or service provider to the employer.
    - c) A labor or employee organization within the meaning of state or federal law.
  - 9) Defines "worker" to mean any natural person or their authorized representative acting as a job applicant to, an employee of, or an independent contractor providing service to, or through, a business or a state or local governmental entity in any workplace.

*Provisions relating to worker data rights*

- 1) Requires an employer that controls the collection of worker data to, at or before the point of collection, with limited exceptions, inform the workers as to, among other things:
  - a) The specific categories of worker data to be collected, the specific purpose for which the specific categories of worker data are collected or used, and whether and how the data is related to the worker's essential job functions.

- b) Whether and how the data will be used to make or assist an employment-related decision, including any associated benchmarks.
  - c) The length of time the employer intends to retain each category of worker data.
  - d) The worker's right to access and correct their worker data.
- 2) Requires an employer to provide a copy of the above notice of data collection to the labor agency.
  - 3) Requires an employer, or a vendor acting on behalf of an employer, that uses worker data, as specified, to provide to the worker, in an accessible manner and upon request, specified information such as the categories of worker data retained, the sources of the data, the purpose of collecting it, and whether the data was being used as an input in an ADS. This information shall be provided at no cost to the worker, in a transferable format, and in a timely manner.
  - 4) States that a worker has the right to request an employer to correct any inaccurate worker data about the worker that the employer maintains. If an employer determines that the disputed worker data is inaccurate, the employer shall correct the disputed worker data and inform the worker of the employer's decision and take other action, as specified.
  - 5) Prohibits an employer from processing, using, or making any employment-related decision based on disputed worker data while the employer is in the process of determining its accuracy.
  - 6) Prohibits an employer or vendor acting on behalf of an employer from collecting, storing, analyzing, or interpreting worker data unless the data is strictly necessary to, among other things, allow a worker to accomplish an essential job function, ensure compliance with labor and employment laws, and administer wages and benefits. The employer shall endeavor to implement, maintain, and keep up-to-date security protections that are appropriate to the nature of the data, and protect the data from unauthorized access, destruction, use, modification, or disclosure.
  - 7) Prohibits an employer or a vendor acting on behalf of an employer from selling or licensing data, as specified, to a vendor or third party, including another employer.
  - 8) Specifies the conditions wherein an employer or a vendor acting on behalf of an employer can disclose or transfer worker data, including biometric or health related data, to a vendor or third party.
  - 9) Provides that an employer or vendor acting on behalf of an employer that uses worker data shall take specified security measures to protect the data from unauthorized access, destruction, use, modification, or disclosure. An employer that becomes aware of a breach of the security of worker data shall promptly provide written notice to each affected worker.

*Electronic monitoring provisions*

- 1) Requires an employer or vendor acting on behalf of an employer to provide a worker with clear and conspicuous notice that electronic monitoring will occur prior to conducting each form of electronic monitoring. Notice shall minimally include, among other things:
  - a) A description of the specific activities, locations, communications, and job roles that will be electronically monitored.
  - b) A description of the technologies used to conduct the specific form of electronic monitoring and the worker data that will be collected.
  - c) Whether the data gathered through electronic monitoring will be used to assess workers' productivity performance or to set productivity standards, and if so, how.
  - d) A description of the dates, times, and frequency that electronic monitoring will occur.
  - e) A description of where the data will be stored and the length it will be retained.
  - f) An explanation for how the specific monitoring practice is the least invasive means available to accomplish the allowable monitoring purpose.
  - g) Notice of the workers' right to access or correct the data.
- 2) Provides that notice to workers is also required when the electronic monitoring is random or periodic or there is a significant update or change to the electronic monitoring or how it is being used.
- 3) Requires an employer to annually provide notice to workers of all electronic monitoring in use.
- 4) Conditions electronic monitoring of a worker on all of the following:
  - a) The electronic monitoring is primarily intended to accomplish any of the following allowable purposes:
    - i) Allowing a worker to accomplish an essential job function.
    - ii) Monitoring production processes or quality.
    - iii) Assessment of worker performance.
    - iv) Ensuring compliance with employment, labor, or other relevant laws.
    - v) Protecting the health, safety, or security of workers.
    - vi) Additional purposes to enable business operations as determined by the Labor and Workforce Development Agency (LWDA).

- b) The specific form of electronic monitoring is strictly necessary to accomplish the allowable purpose and is the least invasive means to the worker, covers the smallest number of workers, and collects the least amount of data necessary to achieve the purpose, as specified.
  - c) The information collected will be accessed only by authorized agents and used only for the purpose and duration provided in the notice.
- 5) States that the following electronic monitoring practices, among others, are prohibited:
- a) The use of electronic monitoring that results in a violation of labor and employment laws.
  - b) The monitoring of workers who are off-duty and not performing work-related tasks.
  - c) The monitoring of workers in order to identify workers exercising their legal rights, as specified.
  - d) Audio-visual monitoring of, among other things, bathrooms or other similarly private areas, a worker's residence serving as a workplace, and a worker's personal vehicle.
  - e) Electronic monitoring systems that incorporate facial recognition, gait, or emotion recognition technology.
- 6) Requires an employer prior to using an electronic productivity system, to submit a summary of the system to the labor agency for review, as specified, including information on the type, scope, and impact of the monitoring.
- 7) Provides an employer or a vendor acting on behalf of an employer shall not require workers to either install applications on personal devices that collect or transmit worker data or to wear, embed, or physically implant those devices, unless specified conditions are met.
- 8) Provides, for the purposes of hiring, promotion, termination, or discipline of a worker, that data collected through electronic monitoring shall, among other things:
- a) Not be the sole basis for these employment-related decisions.
  - b) Be corroborated by other means, including a supervisor's documentation or managerial documentation. Information garnered from the corroboration process shall be documented and communicated to affected workers prior to the employment-related decisions taking effect.

*Provisions relating to algorithms*

- 1) Requires an employer or a vendor acting on behalf of any employer to provide sufficient notice to workers prior to adopting an ADS. "Sufficient notice" means:
- a) The notice is provided within a reasonable time prior to the use of the ADS.

- b) The notice is provided to all workers affected by the ADS in the manner in which routine communications are provided to workers.
  - c) The notice contains, among other things, information related to the purpose and scope of the ADS, the type of data used, and the individuals or entities involved in creating and managing the ADS.
- 2) Requires additional notice to workers when any significant updates or changes are made to the ADS or in how it is being employed.
  - 3) States that the following uses of an ADS for an employment-related decision are prohibited:
    - a) Use of an ADS that results in a violation of labor or employment law.
    - b) Use of an ADS to make predictions about a worker's behavior that are unrelated to the worker's essential job functions.
    - c) Use of an ADS to identify, profile, or predict the likelihood of workers exercising their legal rights.
    - d) Use of an ADS that draws on facial recognition, gait, or emotion recognition technologies, or that makes predictions about a worker's emotions, personality, or other types of sentiments.
    - e) Use of customer ratings as input data for an ADS.
    - f) Any additional use of an ADS that poses harm to workers prohibited by the labor agency in regulations adopted pursuant to this bill.
  - 4) Requires an employer, prior to using a productivity system that uses algorithms, to submit a summary of the system to the LWDA, as specified, and to the Division of Occupational Safety and Health (Cal/OSHA) for review.
  - 5) Provides that an employer or vendor acting on behalf of an employer shall not solely rely on output from an ADS to make a hiring, promotion, termination, or disciplinary decision. An employer shall conduct its own evaluation of the worker before making these decisions independent of the ADS. This includes taking the following steps:
    - a) Establishing meaningful human oversight, as specified, by a designated internal reviewer to corroborate the ADS output by other means, including supervisory or managerial documentation, personnel files, or the consultation of coworkers.
    - b) Providing notice, as specified, to the affected workers prior to implementing the employment-related decision that the employer has corroborated the ADS output.

*Provisions related to impact assessments*

- 1) States that an “Algorithmic Impact Assessment (AIA)” means a study evaluating an ADS that makes or assists an employment-related decision and its development process, including the design and training data of the ADS, for negative impacts on workers. An AIA shall include, at minimum, all of the following:
  - a) A detailed description of the ADS and its intended purpose.
  - b) A description of the data used by the ADS, as specified.
  - c) A description of the outputs produced by the ADS, as specified.
  - d) An evaluation of the risk of the ADS, including, among other things:
    - i) Errors, including both false positives and false negatives.
    - ii) Discrimination against protected classes.
    - iii) Direct or indirect harm to the physical health, mental health, or safety of affected workers.
    - iv) Chilling effect on workers exercising legal rights, including, but not limited to, rights guaranteed by employment and labor laws.
    - v) Infringement on the dignity and autonomy of affected workers.
  - e) The specific measures that will be taken to minimize or eliminate the identified risks.
  - f) A description of the methodology used to evaluate the identified risks and mitigation measures.
  - g) Any additional components necessary to evaluate the negative impacts of an ADS as determined by the LWDA.
- 2) Requires an employer to complete an AIA prior to using an ADS to make or assist an employment-related decision and for any ADS that is in place at the time this part takes effect, for each separate position for which the ADS will be used to make an employment-related decision.
- 3) Requires an employer to complete a Data Protection Impact Assessment (DPIA), as defined, prior to using a WIS, or retroactively for a WIS in place prior to the effective date of this part.
- 4) Requires an AIA or DPIA to be conducted by an independent assessor with relevant experience. Throughout the assessment, the assessor shall consult with workers who are potentially affected by the ADS or WIS. Worker consultation includes, for example:

- a) Identifying specific risks that need to be evaluated and developing mitigation measures to address them.
  - b) Making the preliminary assessment available to potentially affected workers for anonymous review and comment during a defined open comment period. No worker shall suffer retaliation for participating in the comment period.
  - c) Incorporating a record of the feedback received and a description of why the suggestions were either incorporated or rejected.
- 5) Provides that an employer shall submit and update, as needed, the completed AIA or DPIA to the LWDA and potentially affected workers prior to the use of the system. If health and safety risks are found or implicated, an employer shall also submit its assessment to the Cal/OSHA. If a risk of discrimination or bias is detected or believed to exist, an employer shall also submit its assessment to the relevant state agency.
  - 6) Permits an employer to use the ADS or WIS once it submits the relevant impact assessments to the LWDA, unless the LWDA directs otherwise, as specified.
  - 7) Requires the employer to develop and publish on its internet website an impact assessment summary that describes the assessment's methodology, findings, results, and conclusions for each element required by this part, as well as modifications made to it based on the assessment results.
  - 8) Permits a worker, after an employer has submitted the assessment to the LWDA, to anonymously dispute the AIA or DPIA and request that the LWDA conduct an investigation of the employer on specified bases. A worker may also anonymously request an investigation of the employer if the employer fails to conduct an impact assessment of an ADS or WIS used in making an employment-related decision.

#### *Enforcement provisions*

- 1) Provides that a worker may bring a civil action for injunctive relief and recover civil penalties against the employer in an amount equal to the penalties provided by this chapter. A plaintiff who brings a successful civil action for violation of these provisions is entitled to recover reasonable attorney's fees and costs.
- 2) Prohibits an employer from retaliating against a worker because the worker exercised, or notified another worker of their right to exercise, any of the rights under this part.
- 3) Authorizes the LWDA to enforce and assess penalties, as specified, and to adopt regulations to administer and enforce these provisions. Penalties against an employer or vendor that violates this part shall be assessed and recovered by the Labor Commissioner (LC) in a civil action.
- 4) Authorizes the Department of Fair Employment and Housing (DFEH) to investigate and prosecute worker complaints of violations of these provisions in coordination with the LC.

- 5) Requires the LC, in order to assist in the development of regulations, to convene an advisory committee to mitigate harms to workers from data-driven technology in the workplace. The advisory committee shall include stakeholders, subject matter experts, and representatives from the Department of Industrial Relations (DIR), as specified, and the DFEH.

**EXISTING LAW:**

- 1) Establishes the LWDA, which is composed of various departments responsible for protecting and promoting the rights and interests of workers in California.
- 2) Establishes the LC within the DIR, to enforce, among other things, wage and hour law, anti-retaliation provisions, and employer notice requirements.
- 3) Requires the LC to establish and maintain a field enforcement unit in order to ensure that minimum labor standards are adequately enforced.
- 4) Authorizes the DFEH to investigate and prosecute unlawful employment practices.
- 5) Provides, under the California Consumer Privacy Act of 2018 (CCPA), various rights to consumers in respect to personal information that is collected or sold by a business, as defined.
- 6) Exempts under the CCPA, until January 1, 2023, personal information that is collected and used by a business solely within the context of having an emergency contact on file, administering specified benefits, or a person's role or former role as a job applicant to, an employee of, owner of, director of, officer of, medical staff member of, or an independent contractor of that business.

**FISCAL EFFECT:** Unknown

**COMMENTS:** In 2019, Governor Newsom established the Future of Work Commission, comprised of 21 prominent leaders from technology, labor, business, education, and other critical sectors. The Commission's charge was to "study, understand, analyze, and make recommendations regarding the kinds of jobs Californians could have in the decades to come; the impact of technology on work, workers, employers, jobs, and societies; methods of promoting better job quality, wages, and working conditions through technology; modernizing worker safety net protections; and the best way to preserve good jobs, ready the workforce for the jobs of the future throughout lifelong learning, and ensure shared prosperity for all." A key recommendation of the Commission's final report is to ensure that worker protections are built into the introduction of data-driven technologies in the workplace. The report points out that the growth of data-driven technologies is a call to policymakers to update employment law and adopt regulations to reduce the impact on workers. Modernizing employment law in this context recognizes that "as new technologies are adopted in the workplace, workers will require adequate

transparency and protection for collection of data in the workplace, benefits from the data they generate, and mitigation of algorithmic bias in areas like hiring and worker assessment.<sup>1</sup>

According to the author, “The COVID-19 pandemic has raised a number of questions about the future of work. To minimize outbreaks in the workplace, workers deemed “non-essential” began to work remotely. The rise in remote work meant that many employers sought new ways to manage their workforce. Some employers turned to data-driven technology such as computer monitoring software to track their remote employee’s every move. As communities quarantined and businesses shut down, consumer demand for gig work such as grocery delivery or Amazon fulfillment skyrocketed. Consumers became increasingly dependent upon products and services delivered by workers managed by algorithms, phone based apps, and production quotas.

As we experience this dramatic shift in employer reliance on technology to monitor and manage their workforce, we must address the impact on workers. California’s labor and employment law has not kept pace with these technological changes. AB 1651 will provide a comprehensive set of protections for workers whose work is regulated and measured by technology every day. This legislation creates an urgently needed regulatory framework that promotes transparency, responsible use, and accountability in regards to data collection, electronic monitoring, and algorithmic management in the workplace.”

#### *How unregulated technology harms workers*

While it is hard to quantify the number of workers impacted by data-driven technology, a number of studies indicate that employers’ use of this technology is pervasive and widespread.<sup>2</sup> From the use of production standards in warehousing to the installation of a GPS device in delivery trucks--employers are increasingly relying on technology to monitor, manage, and collect data on their workers. According to a 2017 report by Deloitte Global Human Capital Trends, 71 percent of companies prioritize “people analytics” and HR data for recruitment and workforce management. Demand for companies that mine worker or job applicant data is high and only growing.<sup>3</sup>

Recognizing the inherent power dynamic between workers and employers is a key starting point for understanding the harms caused by unregulated technology in the workplace. Workers, especially low-wage workers, already hold little bargaining power compared to their employers. As employers quietly collect data on workers in a myriad of ways, workers “are at a stark informational disadvantage, which reduces their bargaining, negotiating, or exit power in the modern economy.”<sup>4</sup> Employer use of algorithms or AI especially disadvantages workers and if not used responsibly, can lead to discrimination against a number of protected classes. A McKinsey 2021 survey found that only a third of employers report taking steps to monitor and

---

<sup>1</sup> California Future of Work Commission, “A New Social Compact for Work and Workers,” March 2021.

<sup>2</sup> See e.g., Sam Adler-Bell and Michelle Miller, “The Datafication of Employment: How Surveillance and Capitalism are Shaping Workers’ Futures without Their Knowledge,” The Century Foundation, December 19, 2018; Bernhardt, Kresge and Suleiman, “Data and Algorithms at Work: The Case for Worker Technology Rights,” UC Berkeley Labor Center, November 3, 2021.

<sup>3</sup> For example, the company Cornerstone OnDemand is retained by clients to sift through online job applicants and raised \$300 million in its post-IPO equity round in 2017.

<sup>4</sup> Sam Adler-Bell and Michelle Miller, “The Datafication of Employment: How Surveillance and Capitalism are Shaping Workers’ Futures without Their Knowledge,” The Century Foundation, December 19, 2018.

mitigate potential bias in their AI systems.<sup>5</sup> Without some form of regulation and transparency, “workers have essentially no influence over the way these systems are designed, minimal information on how the systems use data to make decisions, no access to or control over the data they generate in the systems, and no control over the way firms use their data.”<sup>6</sup> The proliferation of these systems in the workplace, with little to no guardrails, means that discriminatory and unlawful employment-based decisions go unchecked.

*A note about other policy initiatives to regulate data-driven technologies*

Although there is no federal law in the United States regulating data-driven technology in the workplace,<sup>7</sup> the European Union (EU) adopted in 2018 a comprehensive data protection regulation known as the GDPR. The GDPR establishes overarching principles for data processing, including, but not limited to, that the processing be fair and transparent, limited to what is necessary for a specified and legitimate purpose, and for personal data, accurate and up to date. In addition, the EU has proposed a new regulatory framework for the use of AI. This proposed initiative, known as the Artificial Intelligence Act, classifies AI systems in terms of their “risk” to an individual’s fundamental rights or safety. Systems identified as “limited risk” are subject to a limited set of transparency standards while those identified as “high risk” are governed by more robust standards related to risk management, testing, data governance, transparency, pre-deployment assessments, and human oversight.<sup>8</sup> The proposal categorizes as high risk AI systems in such areas as law enforcement, migration, administration of justice, and *worker management in employment*. The draft regulation is currently in a study phase and a parliamentary committee report is expected this month.<sup>9</sup>

Some states have taken action to regulate data-driven technologies. Most of these efforts have focused on limiting the use of AI or algorithms in employment. The Illinois Legislature passed the Artificial Intelligence Video Interview Act in 2019 to limit how AI is used to analyze video interviews of job applicants.<sup>10</sup> The state of Maryland passed a similar measure in 2020.<sup>11</sup> In 2021, Attorney General Karl Racine of the District of Columbia proposed legislation to prohibit the use of algorithms that produce biased results in employment, housing, education, and public accommodations. The bill would, among other things, require companies to audit their algorithms for any discriminatory patterns.<sup>12</sup>

---

<sup>5</sup> Chui, Michael, Bryce Hall, Alex Singla, and Alex Sukharevsky, “The State of AI in 2021,” McKinsey & Company. December 8, 2021.

<sup>6</sup> *Supra* note 4.

<sup>7</sup> Congress has considered legislation to require transparency and accountability in the use of algorithms in the workplace. U.S. Senators Cory Booker and Ron Wyden, and U.S. Representative Yvette Clarke, introduced the Algorithmic Accountability Act in 2019, then again in 2022.

<sup>8</sup> See the European Parliament Briefing on EU Legislation in Progress on the Artificial Intelligence Act, November 2021.

<sup>9</sup> Benjamin Mueller, “An Update on the Artificial Intelligence Act: Progress, Battlegrounds, and Next Steps,” Center for Data Innovation, April 12, 2022.

<sup>10</sup> Notably, the Illinois Legislature also unanimously passed the Biometric Information Privacy Act in 2008 to require an individual’s consent before a company can collect or store biometric data.

<sup>11</sup> Art II, Sec 17 (c) of the Maryland Constitution.

<sup>12</sup> See “AG Racine Introduces Legislation to Stop Discrimination In Automated Decision-Making Tools That Impact Individuals' Daily Lives,” Press Release, December 9, 2021, [AG Racine Introduces Legislation to Stop Discrimination In Automated Decision-Making Tools That Impact Individuals' Daily Lives \(dc.gov\)](https://dc.gov/ag/press-releases/2021-12-09-ag-racine-introduces-legislation-to-stop-discrimination-in-automated-decision-making-tools-that-impact-individuals-daily-lives).

Agencies that enforce anti-discrimination law in employment, such as California’s Fair Employment and Housing (FEH) Council and the Federal Equal Employment Opportunity Commission (EEOC), are working on initiatives to reduce algorithmic bias in employment. The FEH Council is in the process of modifying its employment regulations to make it unlawful for an employer to use an ADS, such as an algorithm, in a way that is discriminatory or has the impact of being discriminatory against a protected classification under the Fair Employment and Housing Act. These draft regulations were recently released for a public workshop held on March 25.<sup>13</sup> Similarly, the EEOC announced last year that it will look at AI and algorithmic fairness in light of the many ways that new technology in the workplace is changing the way employment-related decisions are made.<sup>14</sup>

### **Arguments in Support**

A coalition of labor and social justice organizations, including the California Labor Federation, are in support and state, “The bill’s principles are consistent with foundational concepts and approaches being developed and implemented in technology regulation policy in the U.S., Europe and other countries, as well as existing employment and labor laws.

For example: this bill establishes broad coverage, applying to all employers and workers, for the same reasons that other labor standards (e.g., minimum wage, health and safety) have broad coverage. The policy goal is to establish a level playing field for all employers and avoid the undercutting of standards to gain a competitive advantage that can occur when some employers are not covered. Broad coverage is also important given that digital workplace technologies are becoming cheaper and more widely available, meaning that adoption by employers is only going to escalate going forward.

The notice and disclosure provisions of the bill play a critical function, ensuring that workers and policymakers have the information they need in order to establish oversight of AI-driven technologies in the workplace. Virtually all public policies related to artificial intelligence or similar technologies begin with these types of transparency principles, given the “black box” nature of much of this technology.

Similar to analogous regulation in other application domains, the bill largely adopts the strategy of regulating the use of data-driven technologies in making employment decisions, rather than banning large classes of such technologies outright (with a few exceptions for high-risk and unproven technologies). The bill is therefore not anti-innovation or anti-tech, but instead is putting in place a robust framework to ensure that data-driven technologies do not harm workers and actually support the type of beneficial innovation that California strives for.”

### **Arguments in Opposition**

The California Chamber of Commerce is opposed and states, “A cursory review of the language yields concerns regarding the feasibility and cost of this proposal as well as the vagueness and breadth of many of its provisions. We intend to provide more substantive feedback on this language in advance of the next committee should AB 1651 be voted out of this committee.”

---

<sup>13</sup> See the agenda for the March 25<sup>th</sup> meeting: [NoticeAgenda2022Mar25FEHMeeting.pdf \(ca.gov\)](#).

<sup>14</sup> Press Release, EEOC Launches Initiative on Artificial Intelligence and Algorithmic Fairness, U.S. EEOC, October 28, 2021.

## **Related and Prior Legislation**

SB 1189 (Wieckowski) of 2022 requires a private entity in possession of biometric information to develop and make available to the public a written policy establishing a retention schedule and guidelines for permanently destroying the biometric information. The bill would also require a private entity to comply with that retention schedule and those guidelines. The bill is pending in the Senate Appropriations Committee.

AB 2441 (Kalra) of 2022 requires a public transit employer to provide a specified notice to the applicable exclusive employee representative of its intention to begin any procurement process or a plan to acquire or deploy new technologies for public transit services not less than 12 months before commencing the process, plan, or deployment. This bill is pending in the Assembly Appropriations Committee.

AB 2871 (Low) of 2022 would permanently exempt from certain provisions of the CCPA personal information reflecting a communication or a transaction between the business and a company, partnership, sole proprietorship, nonprofit, or government agency that occur solely within the context of the business conducting due diligence or providing or receiving a product or service. This bill is pending in the Assembly Privacy and Consumer Protection Committee.

AB 2891 (Low) of 2022 would extend the exemption from certain provisions of the CCPA personal information reflecting a communication or a transaction between the business and a company, partnership, sole proprietorship, nonprofit, or government agency that occur solely within the context of the business conducting due diligence or providing or receiving a product or service until January 1, 2026. This bill is pending in the Assembly Privacy and Consumer Protection Committee.

AB 858 (Jones-Sawyer) of 2021 requires, among other things, a general acute care hospital to notify all workers who provide direct patient care and, if subject to a collective bargaining agreement, their representatives, prior to implementing new information technology that materially affects the job of the workers or their patients. This bill is currently on the Senate inactive file.

AB 701 (Gonzalez) Chapter 197, Statutes of 2021 requires specified employers to provide to each employee, who works at a warehouse distribution center, upon hire, or within 30 days of the effective date of these provisions, with a written description of each quota to which the employee is subject, including the quantified number of tasks to be performed, or materials to be produced or handled, within the defined time period, and any potential adverse employment action that could result from failure to meet the quota.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Labor Federation (Co-Sponsor)  
SEIU California State Council (Co-Sponsor)  
UFCW - Western States Council (Co-Sponsor)  
ACLU California Action

AFSCME CA  
Athena Coalition  
California Conference Board of The Amalgamated Transit Union  
California Conference of Machinists  
California Employment Lawyers Association  
California Federation of Teachers  
California Nurses Association  
California School Employees Association  
California State Legislative Board, Smart - Transportation Division  
California State University Employees Union (CSUEU)  
California Teachers Association  
California Teamsters Public Affairs Council  
Color of Change  
Electronic Frontier Foundation  
Engineers and Scientists of California, IFPTE Local 20  
Equal Rights Advocates  
IBEW Local 1245  
Los Angeles County Federation of Labor  
Northern California District Council of The International Longshore and Warehouse Union (ILWU)  
Professor Catherine Fisk  
Professor Matthew Bodie  
Professor Pauline T. Kim  
Silicon Valley Rising Action  
UDW/afscme Local 3930  
Unite Here  
United for Respect  
Warehouse Worker Resource Center  
Working Partnerships USA  
Worksafe

**Opposition**

California Chamber of Commerce

**Analysis Prepared by:** Megan Lane / L. & E. /