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COMMENTARY

What California's "No Robo Bosses Act" Reveals about Management Rights and Employee Protections in the Age of AI

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On September 30, 2026, California Governor Gavin Newsom signed SB 947 into law, adding to California's Labor Code.[1] The law, popularized as the "No Robo Bosses Act," bars California employers from using an automated decision system (ADS) to "predict and take adverse action against a worker for exercising their legal rights" as well as relying "solely on an ADS when making a disciplinary or termination decision" starting July 2027.[2] An ADS is "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 . . . not include[ing] a spam email filter, firewall, antivirus software, identity and access management tools, calculator, database, dataset, or other compilation of data."[3] The sponsors introduced this bill to address the growing trend of employers using Artificial Intelligence to cut costs and maximize efficiency while worker protections remain largely non-existent.[4]

Governor Newsom vetoed a previous version of this law, SB 7[5], in late 2025 that was broader in scope.[6] While recognizing that "the unregulated use of ADS by employers can be harmful to workers," he expressed concern that the restrictions placed on businesses in the 2025 version of the law were overly broad, highlighting that disallowing customer ratings as the primary

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[1] No Robo Bosses Act of 2026, ch. 859, 2026 Cal. Stat.

[2] *Id.*

[3] *Id.* § 1520(c).

[4] *See* Press Release, Sen. Jerry McNerney, *Legislature Approves No Robo Bosses Act of 2026 to Ensure Human Oversight of AI in the Workplace* (Aug. 31, 2026), https://sd05.senate.ca.gov/news/legislature-approves-no-robo-bosses-act-2026-ensure-human-oversight-ai-workplace ("Employers are increasingly using AI to boost productivity and achieve cost-savings, but there are no safeguards in place to prevent harm to workers," "SB 947 will ensure that California businesses do not rely entirely on robo bosses to fire or discipline workers. AI must remain a tool controlled by humans, not the other way around.").

[5] S.B. 7, 2025-2026 Reg. Sess. (Cal. 2025)

[6] Cal. Governor, *Veto Message for Senate Bill 7* (Oct. 13, 2025), https://www.gov.ca.gov/wp-content/uploads/2025/10/SB-7-Veto.pdf.

input data for an ADS could slight top performers and its notification requirements could apply to innocent workplace tools.[7]

While SB 947 was not enacted as a direct response to Governor Newsom's objections to SB 7, the revisions addressed several of his concerns SB 947 is narrower in scope. The new law maintains several SB 7 protections but reels in the broad regulatory scope of its predecessor. For example, SB 7 would have required employers to give advance notice before deploying certain ADSs and disclose information on how these ADSs operate and affect employment decisions.[8] SB 947 omits those provisions. Additionally, SB 947 contains no provision disallowing "customer ratings as the only or primary input data for an ADS to make employment-related decisions."[9]

Unlike SB 7[10], SB 947 is silent and does not require an employer to disclose to job applicants that they are using an ADS to make hiring decisions. SB 947 also does not include the broad list of employment-related decisions included in SB 7.[11]Instead, SB 947 focuses its central protections around disciplinary and termination decisions. For example, SB 947 only requires notice to employees when an ADS was primarily relied upon to make a disciplinary or termination decision.[12]

SB 947 also specifies the human-review requirement of ADS decisions. Instead of just requiring a "human reviewer to review the ADS output and compile and review other information that is relevant to the decision,"[13] SB 947 requires "a human to corroborate the decision using data that was collected or used to produce the ADS output or other relevant corroborating or supporting information."[14] "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 shall not use the ADS output to make a disciplinary or termination decision."[15]

The difference between SB 7 and SB 947 raises a broader question in employment law: How can legislation protect employees without unnecessarily restricting an employer's ability to manage its workforce? California employment law has long recognized that employers have legitimate management interests while also establishing boundaries to protect employees.[16] Does SB 947 maintain that balance?

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[7] *Id.*
[8] S.B. 7, § 1552(a), (e).
[9] *See Id.* § 1524(d).
[10] *See Id.* § 1552(d) ("An employer shall notify a job applicant upon receiving the application that the employer utilizes an ADS when making hiring decisions, if the employer will use the ADS in making decisions for that position.").
[11] *See Id.* § 1520(f) ("Employment-related decision" means 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.").
[12] 2026 Cal. Stat. ch. 859, §1524.
[13] *See* S.B. 7, § 1524(c)(2).
[14] 2026 Cal. Stat. ch. 859, §1522(b)(2)
[15] *Id,* § 1522(c).
[16] *See e.g.*, *Veronese v. Lucasfilm Ltd.,* 212 Cal. App. 4th 1,21 (Cal. App. 2012) ("The employer may fire an employee for a good reason, a bad reason, a reason based on erroneous facts, or for no reason at all, as long as its action is not for a discriminatory reason.")

Several SB 947 provisions expressly connect the use of automated decision systems to employee protections that California law has long recognized. For example, SBA 947 prohibits employers from using an automated decision system to infer an employee's protected status, violate civil rights or employment laws, or predict and take adverse action against a worker for exercising legal rights.[17] These mirror existing California and federal laws.[18] The extent to which these provisions overlap with existing legal protections, or provide additional safeguards, remains to be seen.

While this legislation does not prohibit employers from using ADSs to support employment decisions, it still imposes additional requirements on employers by establishing that ADSs cannot independently determine disciplinary and termination outcomes and data disclosures.[19] Further, the statute's definition of an ADS may encompass a broad range of workplace technologies that burden employers.[20] The law's implementation will help determine whether these additional requirements strike an appropriate balance between protecting employees and preserving employers' discretion to manage their workforces.

Ultimately, SB 947 reflects California's effort to balance employee protections with employers' ability to manage their workforces as workplace technology evolves. Although the law takes a more targeted approach than its predecessor, questions remain about its scope and the extent of its impact on employers' management practices. As the law takes effect on July 1, 2027, its implementation will help determine whether it strikes an appropriate balance or whether further clarification is needed.

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[17] *See* 2026 Cal. Stat. ch. 859, 1522(a)(1)–(3).

[18] *See e.g.*, Cal. Gov't Code § 12940 (a), (h) (West) (prohibiting discrimination based on protected characteristics and retaliation for specified protected activities).

[19] *See* Cory Janes, *Shaping AI's Effect on Employment in California*, CAPITOL WEEKLY (July 14, 2026), https://capitolweekly.net/shaping-ais-effect-on-employment-in-california/ (last visited Nov. 5, 2026) ("human review and corroborate violations that lead to discipline, termination, or deactivation decisions, stating that such corroboration 'may be impossible or highly impractical.'").

[20] *See Letter to CA Lawmakers: Oppose Overly Broad and Risky Language on Automated Decision Systems in the Workplace (SB 947)*, CHAMBER OF PROGRESS (April 8, 2026) https://progresschamber.org/resources/letter-to-ca-lawmakers-oppose-overly-broad-and-risky-language-on-automated-decision-systems-in-the-workplace-sb-947/ (last visited Nov. 5, 2026).