

FEDERAL COURT BLOCKS CALIFORNIA'S ATTEMPT TO OVERSEE LABOR DISPUTES: WHAT EMPLOYERS NEED TO KNOW ABOUT WIN FOR NLRB

Insights
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A federal judge just temporarily blocked California from extending its labor board's authority into private-sector labor disputes traditionally handled by the National Labor Relations Board (NLRB). The December 26 decision blocks key portions of a 2025 California law designed to allow state intervention when the federal labor agency is stalled or inactive. For employers operating in California, especially those facing organizing activity or unfair labor practice (ULP) exposure, the ruling provides clear notice that the NLRB continues to control private-sector labor relations within California (and by extension, other states) in the vast majority of circumstances. How will this ruling reverberate across the country into other states vying to insert themselves into the labor law scene? Read on for a summary and a practical gameplan to approach the coming months.

What Happened?

California lawmakers [enacted AB 288](#) in response to an extended power vacuum at the NLRB, including a lack of quorum ([that has since been resolved](#)). The law sought to give power to the California Public Employment Relations Board (PERB) (historically limited to public-sector disputes) to take jurisdiction over private-sector labor disputes if the NLRB:

- Lacked a quorum
- Lost its "independence"
- Experienced extended processing delays

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- Was otherwise unable to act

On December 26, the US District Court for the Eastern District of California largely granted the NLRB's request for a preliminary injunction blocking enforcement of the law. It barred California from enforcing provisions that would have allowed PERB to take over private-sector disputes based on NLRB quorum failures, alleged loss of NLRB "independence," processing delays, or prolonged inaction. The court said that these situations do not amount to the NLRB giving up its authority, even if the federal process is slow or politically constrained.

- It concluded that allowing state adjudication in these situations would create conflicting jurisdiction and undermine national labor policy.
- The court made clear that administrative delays – even those lasting years – do not open the door to state takeover. That's especially significant for employers facing long-running NLRB proceedings.

What Parts of the Law Are Still Permitted?

The court allowed California to enforce limited provisions of the law when federal authority genuinely disappears and true jurisdictional gaps exist. Such narrow circumstances are confined to:

- Situations where workers lose NLRA coverage entirely
- Cases where the NLRB has expressly ceded jurisdiction
- Cases where a court has enjoined NLRB proceedings in a specific matter

How Does This Case Fit Into the Broader Trend?

This decision mirrors another recent federal court decision that blocked a similar effort by New York to fill perceived gaps in federal labor enforcement ([see our coverage here](#)).

What Should Employers Do Now?

- **Continue to manage labor risk with the NLRB front of mind.**
Organizing campaigns, ULP charges, and concerted activity remain governed primarily by federal law.
- **Prepare for a sweeping set of changes at the NLRB.**

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Now that the agency has gained a quorum, you can expect a set of workplace rule changes to quickly unfold in 2026.

[Take a look at our list here.](#)

- **Monitor appeals and parallel litigation.**

Last week's California decision was simply a preliminary injunction, not a final ruling. The state is likely to appeal, and similar laws in other states could prompt further litigation.

- **Prepare for continued experimentation by states.**

Even if AB 288 ultimately fails, the case signals that states are actively looking for ways to intervene when federal agencies falter. You can expect this trend to continue (including in Massachusetts, [which you can read about here](#)).

Conclusion

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