

California Retailers Association ANNUAL REPORT

2022



CRA is pleased to present our 2022 Annual Report. Cal Retailers continues to see steady growth in membership, exponential growth in our communication channels' reach and successful activity around the Association's statewide, legislative, regulatory and local advocacy on behalf of our members.

Our Reach

As 2022 comes to an end and we learn to live with COVID, the California Retailers Association focused the past year not only working to ensure the retail industry could survive in California but thrive. This year CRA's advocacy resulted in a RECORD amount of funding for Organized Retail Crime. We continued to advocate in streamlining the goods movement in the state and led the business industry on trying to find compromise on Paid Sick Leave.

CRA continues to grow the brand within California and on the national stage as a voice for retail in the 5th largest economy in the world. CRA worked with Governor Newsom on homelessness and supply chain issues, among other issues. CRA represented the retail industry on the Cal OSHA advisory board, and worked with local governments such as San Francisco and Los Angeles on issues related to retail theft and predicative scheduling.

CRA led the public outreach campaigns to lessen the impact of quotas in California's warehouses through our advocacy on AB 701 and we leaned in on the issue of retail theft and ORC through the efforts of our Californians for Safe Stores and Neighborhoods Campaign.

Through legislative, political, regulatory, and public outreach campaigns, the CRA team positions CRA at the forefront of rapid response to the Governor, the State Legislature, local governments, and the media surrounding opportunities and obstacles facing the retail industry in California.



CRA has garnered over **2 billion** views from secured media coverage across all mediums, which equates to billions of dollars in comparable publicity value. This is an increase of over **25%** since 2019-2020.



Nearly **32,000** website visits. A continued increase year over year since the 2019 start of Rachel's tenure as CRA President and CEO.



Continue to grow CRA membership year over year by **20%** or more.



6,200 email subscribers. An over 2500%+ growth rate over previous years. All organically grown (non-paid).

About CRA

California's economy is the **5th largest in the world** and is a diverse retail market full of legislative and regulatory issues that impact every retailer doing business in the state. CRA **members have a voice** in the halls of the State Capitol and with local governments across California on issues important to the retail industry. **CalRetailers promotes** public policy that is good for California's consumers, good for California's economy and good for California's workforce.

The California Retailers Association is the **only statewide trade association representing all segments of the retail industry** including general merchandise, department stores, mass merchandisers, online markets, restaurants, convenience stores, supermarkets and grocery stores, chain pharmacies and specialty retail such as auto, vision, jewelry, hardware and home stores.

CRA 2022'S FOCUS:

- Beverage Containers
- CalOSHA Regulations
- Cal Recycle
- CARB/Transportation
- CCPA/CPRA Regulations
- Climate Issues
- Corporate Taxes
- COVID-19 Vaccine Distribution
- Environmental Sustainability
- Gender Pricing
- Hazardous Waste
- Indirect Source Rule
- Labor Regulations
- Online Marketplace
- Organized Retail Crime
- Packaging
- PAGA reform
- Paid Sick Leave
- Supply Chain/Goods Movement
- Warehouses
- And More

Activities and Impact

STATEWIDE ADVOCACY

- Took a leading role in working with the Newsom Administration, the Ports of Los Angeles, Long Beach and Oakland as well as the larger business community to bring together **goods movement** stakeholders and address challenges and find solutions to ongoing supply chain disruptions.
- Joined the campaign as a member of the Executive Committee to bring PAGA reform to California. CRA is actively engaged in the public affairs and statewide ballot initiative campaigns, both of which are the retail and larger business community's best chance to get much-needed relief from PAGA.
- Engaged in a **2024 referendum campaign to overturn the FAST Act** (AB 257, opposed by CRA, the California Restaurant Association and other major business advocacy organizations).
- Launched CRA's first-ever **Independent Retailer and Affiliate Program** further expanding Cal Retailers' advocacy and educational efforts.
- Worked with Governor Newsom's Administration in averting rolling blackouts amidst an energy crisis brought on by a severe heat wave.

ORGANIZED RETAIL CRIME WORK

- Secured CRA members' ENTIRE ask for funding for ORC. This was a HUGE lift, given the ORC Taskforces were in jeopardy of being eliminated completely just a year ago. CRA secured \$300 million over the next three years for ORC including permanent funding for the ORC Taskforces, increased number of task forces from three to five, funding for dedicated ORC prosecutors for each task force and establishment of local law enforcement grants for retail theft. Some thought it could not happen, but due to the support and engagement of asset protection professionals from Cal Retailers member companies, the CRA team was able to get it over the finish line.
- Successfully moved SB 301, the California version of the INFORM Consumers Act, through the legislature with ZERO opposition and ZERO no votes and secured the Governor's signature.
- Actively engaged with national, statewide and local media with the message that retail theft was out of control in the City of San Francisco putting retail employees and customers at risk. While CRA was not actively involved in the recall campaign, CRA President and CEO Rachel Michelin's willingness to take the retail message to the media had an impact on the outcome of the San Francisco District Attorney recall effort.

Activities and Impact

STATE LEGISLATIVE SESSION WORK

- Monitored 269 bills in the 2021-22 Session and sent position letters on 125 of those measures.
- Opposed 95 bills, 21 of which were amended to meet retailers' concerns.
- Of the remaining 74 bills opposed, 50 have failed so far including measures to eliminate local tax incentives for distribution centers, ban polystyrene in retail shipping, require internet posting of nationwide company pay data and other metrics, and institute a 32-hour workweek. Ten have been signed into law and 14 others are currently awaiting action.
- Supported 39 bills, 6 of which have been signed and 11 of which are awaiting action by the Governor, including CA's INFORM Act, a measure to limit detention and demurrage fees on shipping containers, and a measure to include battery-embedded products in California's e-waste program.
- Sponsored two measures, one of which was signed into law (AB 331/Jones-Sawyer) to extend the life of the CHP's ORC Task Force and the organized retail theft statute.

STATE REGULATORY WORK

- Testified before the California Privacy Protection Agency requesting clarification of data privacy regulations so that they do not create confusion for retail customers or impose undue burdens on retailers.
- Worked with the Newsom Administration and Cal-OSHA to clarify workplace rules regarding employee COVID testing and verification. Opposed CalOSHA's continuation of "exclusion pay" for workers who may not have contracted COVID at the workplace.
- Advocated for the reversal of a recent court decision expanding Proposition 65 liability.
- Opposed revisions to Proposition 65 Short Form Warnings which were withdrawn earlier this year. Secured a regulatory proceeding to eliminate the Energy Commission's Title 20 "bulb in the box" requirement for portable lamps.

LOCAL WORK

- Engaged with local health departments on COVID-19 rules to ensure that retail employees were not required to enforce local mask mandates.
- Secured amendments to the proposed scheduling ordinance in the City of Los Angeles to make it more workable for retail employers, including amendments to delay implementation, allow continued use of electronic scheduling software, and include a right to cure.
- Worked with San Francisco to craft local legislation aimed at combating retail theft.
- Presented at two Bay Area ORCA quarterly meetings, cultivating a relationship with local ORCAs.
- Organized and hosted a retail roundtable with the California Attorney General and the Los Angeles City Attorney, and engaged with other cities to host retail roundtables, including Fresno and San Francisco.
- Launched the Californians for Environmental Responsibility campaign to combat local ordinances targeting the sale of mylar and latex balloons. Created a coalition of 18 organizations and businesses across the state.
- Launched the Californians for Safe Stores and Neighborhoods campaign, built a coalition with over 50 organizations throughout the state that met with state and local policymakers to educate, influence, and craft solutions to retail theft plaguing California.

Prop. 12 Regulations Finalized

The regulations from Prop. 12, an initiative passed by CA voters in 2018 setting new standards in relation to hens, veal, and breeding pigs in how they are treated and confined, were finalized on Sept. 1, 2022. CRA has been engaged in direct outreach to the Administration and has worked in collaboration with other business organizations to secure a 180-day stay from a CA Superior Court Judge resulting in a hold on enforcement until Feb. 28, 2023. CRA is closely monitoring a case pending before the U.S. Supreme Court (*National Pork Producers v. Ross*) that questions the constitutionality of Prop. 12. Opening arguments start Oct. 11, 2022.

Additional CRA Highlights

CAL-ORCA PARTNERSHIP

Established in 2021, the partnership between California Retailers and the California Organized Retail Crimes Association (Cal-ORCA) continues to grow. This year, a new Cal-ORCA website was launched with an enhanced and responsive user experience. CRA also facilitated the alliance with the state of the art crime reporting platform Auror, which will allow law enforcement and the business community to begin to aggregate data- an essential part of the solutions CRA is working on for combatting ORC and retail theft. Additionally, CRA is now managing all aspects of Cal-ORCA's day-to-day operations including co-hosting their premier event- the 2022 Cal-ORCA Conference, which will bring together policymakers, law enforcement and the business community for "Collaborating on a Safer California". The CRA Cal-ORCA partnership was formed with the goal of working together to develop new and innovative ways to combat ORC and other crimes impacting the business community.

CRA SPONSORED LEGISLATION: SENATE BILL 301

The DISRUPT part of the '4 D's'- DISMANTLE, DISRUPT, DETER, DIVERT - is CRA's campaign to establish working solutions to the growing crisis of Organized Retail Crime in California and nationwide. CRA sponsored Senate Bill 301, which was unanimously passed by the State Legislature and awaits Governor Gavin Newsom's signature. SB 301 helps DISRUPT the resale of stolen goods by putting guard rails around the online marketplaces so thieves cannot immediately pop (stolen goods) up, which do a lot of harm to small legitimate sellers. This bill, the CA Inform Act, will make sure law enforcement and retailers have the tools to stop stolen goods from being sold online.



California Safe Stores and Neighborhoods Campaign



In just a few short weeks following the launch of the **Californians for Safe Stores and Neighborhoods campaign**, CRA quickly positioned the coalition as the premier advocate for tangible and comprehensive solutions to address the growing crisis of retail theft. Through the campaign, CRA drove narratives in the press, galvanized diverse communities under the CSS+N umbrella coalition and compelled state leadership to acknowledge the need for action. Here is a snapshot of the start of the campaign's reach, which is a great foundation for CRA to build on for future activations.

- Garnered 50 media interviews, op-eds and published stories/content in national media outlets including, but not limited to:
 - FOX News America Reports and Digital Originals
 - USA Today
 - CNN
 - Dan Abrams Live on NewsNation Now
 - *Capitol Weekly*
 - *Loss Prevention Magazine and Podcast* (exclusive feature piece)
 - *CalMatters*
 - *Los Angeles Times*
 - *San Francisco Chronicle*
 - *The Mercury News*
- Reached 5,000 online (website, Facebook and Twitter)
- Signed up 113 coalition members including 67 elected officials

California Retailers Association

The California Retailers Association's mission is to promote, preserve and enhance the retail industry in California. CRA protects the industry by taking significant leadership positions in development of public policy and regulatory measures that impact members and the business climate in California. For more information visit the CRA website at www.calretailers.com.



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