



April 10, 2024

The Honorable Lola Smallwood-Cuevas
Chair, Senate Labor, Public Employment & Retirement Committee
1021 O Street, Suite 6730
Sacramento, CA 95814

Re: SB 1089 (Smallwood-Cuevas) Food and prescription access: grocery and pharmacy closures – OPPOSE

Dear Chair Smallwood-Cuevas,

On behalf of the California Community Pharmacy Coalition (CCPC), the California Retailers Association, and the California Chamber of Commerce, I write to regretfully register our opposition to your SB 1089, which will require grocery stores and community pharmacies to provide written notice to employees, customers, and other specified entities 90 days prior to a closure.

While we appreciate the intent of the bill to ensure impacted employees and communities are aware of impending grocery store and pharmacy closures, SB 1089 will result in a number of unintended consequences that could put Californians at risk. First, 90-days' advance notification would be unfeasible in many situations and could lead to unmanned, or at the very least understaffed, pharmacies and grocery stores. California already imposes stringent staffing restrictions on California pharmacies, allowing pharmacists to supervise only one pharmacy technician at any given time in most circumstances. This bill could exacerbate this already difficult situation and place unnecessary pressure on pharmacy employees. In addition, the 90-day advance notice requirement will greatly reduce employee and prescription retention. Our member companies already work closely with impacted employees to place them in other stores or comparable positions when a pharmacy closes.

Beyond the workload and access risks associated with SB 1089, we have concerns with the bill's onerous reporting requirements. As currently drafted, grocery stores and pharmacies would be required to provide 90-days' written notice to all affected employees, the Employment Development Department, the Department of Social Services, the local workforce development board, the chief local elected officials, the county human services departments, and all of their customers. Rather than preparing and submitting multiple, duplicate written notices, pharmacies and grocery stores should be allowed to provide one notice to its employees and specified government entities that fulfills both the requirements of this bill and the Worker Adjustment and Retraining Notification (WARN) Act, which is an existing law that requires most large employers to provide 60-days' notice prior to closures.

Further, mandating grocery stores and pharmacies to provide the required notice to its customer base would be a tremendous undertaking. Worse, the bill appears to give standing to a citizen to bring a civil action for penalties if they believe that the store did not effectively communicate to the community about the closure. This would have catastrophic consequences with costly litigation.

Finally, the bill lacks clarity with respect to certain terms and definitions. "Cessation" and "substantial cessation" are not defined which is problematic as there should be some exception for temporary closures due to fire, casualty, or other unexpected circumstances. The advertisement notice requirements are also overly broad, and the definition of "written

notice" as used throughout the bill is concerning as it relates to the content required in (b)(1). It is not clear if each of the notices must contain the information in (b)(1) (e.g., text messages, advertisements, etc.).

The California Community Pharmacy Coalition is a project of the California Retailers Association and was formed to promote the positive impacts community pharmacies have within California's healthcare system by working on legislation and regulations that will expand access opportunities for community pharmacy services including in hard to reach, underserved areas where Californians often have very limited options for healthcare.

Again, we understand the desire to provide notice to Californians in advance of when a grocery store or pharmacy closes. Unfortunately, we must oppose SB 1089 for the reasons outlined above. Please do not hesitate to contact Ryan Allain with California Retailers Association at Ryan@calretailers.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Allain".

Ryan Allain
Director, Government Affairs
California Retailers Association

On behalf of:
The California Chamber of Commerce, Ashley Hoffman

Cc: Members, Senate Labor, Public Employment and Retirement Committee