

Date of Hearing: April 21, 2021

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Lisa Calderon, Chair

AB 889 (Gipson) – As Amended April 13, 2021

SUBJECT: Food access: grocery stores

SUMMARY: Requires grocery establishments, as soon as possible, but no later than 60 or 180 days depending on the size of the establishment, to provide written notice the California Department of Social Services (CDSS), the city and county in which the establishment is located, and the local workforce development board of a planned closure; requires the notice include specific information about the closure plan; requires a county to provide information to the grocery establishment about the availability of public social services benefits; and, requires CDSS to include closure information in its internet website, among other requirements. Specifically, **this bill:**

- 1) Defines “grocery establishment” as a retail store in California that sells primarily household foodstuffs for offsite consumption, including the sale of fresh produce, meats, poultry, fish, deli products, dairy products, canned foods, dry foods, beverages, baked foods, or prepared foods. Further, declares that other household supplies or other products shall be secondary to the primary purpose of food sales.
- 2) Makes Legislative findings and declarations related to the closure of grocery establishments across the state and the impacts of these closures on employees.
- 3) States Legislative intent to ensure grocery establishment customers who receive CalFresh benefits have information that grocery stores are going to be closed prior to closure, and that establishment employees have information about California’s primary safety net programs and job training opportunities.
- 4) Requires, the owner of a grocery establishment that is 15,000 square feet or more in size to, as soon as possible but not later than 180 days prior to a planned closure of the grocery establishment, to provide written notice of an intended closure to the city and county in which the establishment is located, the local workforce development board, and CDSS.
- 5) Requires, the owner of a grocery establishment that is less than 15,000 square feet in size to, as soon as possible but not later than 60 days prior to a planned closure of the establishment, provide written notice of the intended closure to the city and county in which the establishment is located, the local workforce development board, and CDSS.
- 6) Requires the owner of a grocery establishment to provide oral and written notice of intended closure to the employees of the establishment and in all languages necessary for all employees to be able to understand and, further, requires this notice be posted in each entrance and exit door of the establishment.
- 7) Requires the owner of a grocery establishment to explore if there are other grocery establishment locations to which employees may transfer.

- 8) Requires the notice to CDSS to include, but not be limited to:
 - a) The planned closure date;
 - b) The reasons for closure; and,
 - c) Identification of the three nearest grocery establishments that provide comparable services in the community.
- 9) Requires CDSS, after receiving a notice of intended closure from a grocery establishment, to post on its internet website for the electronic benefits transfer (EBT) system, as specified, information stating that the grocery establishment will be closing.
- 10) Requires a county, after receiving a notice of intended closure for a grocery establishment, to provide the grocery establishment with information about the California Work Opportunity and Responsibility to Kids (CalWORKs), CalFresh, Medi-Cal, and local workforce training services. Further, requires the grocery establishment to provide this information to each employee of the grocery establishment.
- 11) Requires each city that receives a notice of intended closure to keep track of the grocery establishment closures in its jurisdiction, identify any trends in grocery establishment closure, and address reasons for the closures if findings suggest the possible need for intervention by the city.

EXISTING LAW:

- 1) Establishes under federal law the “Temporary Assistance for Needy Families” (TANF) program to provide aid and welfare-to-work services to eligible families and, in California, provides that TANF funds for welfare-to-work services are administered through the CalWORKs program. (42 United State Code 601 *et seq.*, Welfare and Institutions Code Section [WIC] 11200 *et seq.*)
- 2) Establishes under federal law the “Supplemental Nutrition Assistance Program” (SNAP) pursuant to the Food Stamp Act of 1964 and establishes, in California statute, the CalFresh program to administer the provision of federal SNAP benefits to families and individuals meeting certain criteria, as specified. (WIC 18900 *et seq.*)
- 3) Establishes the “Electronic Benefits Transfer Act”, and defines the EBT system as the program designed to provide benefits to those eligible to receive public assistance benefits such as CalWORKs and CalFresh. (WIC 10065 *et seq.*)
- 4) Establishes the Medi-Cal program, which is administered by the Department of Health Care Services (DHCS) and under which qualified low-income individuals receive health care services. (WIC 14131 *et seq.*)
- 5) Establishes that the California Workforce Development Board is the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California’s workforce investment system and the alignment of the education and workforce investment systems to the needs of the 21st century economy and workforce. (Unemployment Insurance Code Section 14010 *et seq.*)

FISCAL EFFECT: Unknown

COMMENTS:

Public assistance to low-income households: The State of California operates a number of state- and federally-funded programs to aid households that are low-income; programs that pertain to the provision of this bill include:

California Work Opportunity and Responsibility to Kids: The federal TANF program, known as CalWORKs in California, provides eligible low-income families with cash grants and supportive services aimed at assisting them to obtain education, training, and employment. CalWORKs is administered at the county level and is largely funded through the federal TANF block grant and state maintenance-of-effort contributions. Families participating in CalWORKs have access to a variety of services aimed at helping the family achieve self-sufficiency; these services can include child care, homelessness assistance, and services aimed at addressing mental health needs, substance use disorders, experiences of domestic violence, and learning disabilities, among others. Unless deemed exempt or otherwise not required to participate under CalWORKs program rules, parents are required to develop and participate in a welfare-to-work (WTW) plan in order to develop the skills necessary to achieve self-sufficiency. Approved WTW activities can include: public or private sector subsidized or unsubsidized employment; on the job training; community service; and, secondary school, adult basic education and vocational education and training when the education is needed for the recipient to become employed, among others.

CalFresh: The federal SNAP is administered in California as CalFresh, and provides food access to low-income individuals who meet certain eligibility criteria. CalFresh benefits are entirely federally funded, and administration of SNAP at the federal level lies with the United States Department of Agriculture (USDA). In California, CalFresh is administered at the local level by county human services agencies. Benefits are made available to recipients on an EBT card, which is an automated teller machine-like card that allows an individual to purchase food at point-of-sale devices in stores. The USDA is tasked with setting specific eligibility requirements for SNAP programs across the country, as well as gross and net income tests, work requirements, and other documentation requirements.

Per the federal government, the maximum gross income allowed is 200% of the Federal Poverty Level (FPL) – as of October 1, 2020, a family with a household size of three may have a gross monthly income of \$3,620. If a family passes the gross income test, the net income test is computed and the amount is determined by deducting certain income from a household's gross income. A family's net income amount cannot exceed 100% of the FPL; for a family with a household size of three, this equates to \$1,810 per month as of October 1, 2020.

Medi-Cal: Medi-Cal is California's version of the federal Medicaid program, which provides free or low-cost health care services to individuals that are low-income, including families with children, seniors, individuals with disabilities, youth in foster care, women who are pregnant, and others. Medi-Cal benefits include, but are not limited to: emergency services, hospitalization, maternity and newborn care, preventive and wellness services, children's services, and mental health and substance use disorder services, among others.

Workforce development: Overseen by the California Workforce Development Board, California's workforce system consists of 49 Local Workforce Development Areas with their own business-led Local Workforce Development Board (LWDB). The LWDBs oversee the delivery of workforce services relevant to their local residents and businesses in order to connect individuals to jobs,

employers to potential employees, as well as connect children and families to education and nutrition supports.

Need for this bill: The provisions of this bill would require grocery store establishments to notify employees, CDSS, and certain local entities of a planned closure as soon as possible, but within either 60 or 180 days, depending on the size of the establishment. This bill would also require county human services departments to provide grocery establishments that have announced a closure with information about public social services for which employees may be eligible. Finally, this bill would require grocery establishment owners to inform employees about these services and whether there are other store locations to which employees may transfer in order to retain employment.

According to the author, “A safety net for grocery store closures is needed because our constituents are suffering and losing access to healthy and affordable food each time a grocery store closes. During the COVID-19 pandemic, cities and county representatives have advocated for grocery store workers by implementing increases in pay known as ‘hero pay.’ Unfortunately, grocery stores have closed to get out of paying workers an increase. [This bill] would require a grocery store establishment to give a 180 day notice to CDSS and the county in which the store is located and identify the three nearest grocery establishments that provide comparable services.

“Grocery store workers have served as some of our greatest heroes during the pandemic because they’ve been showing up to work, day in and day out, ensuring that their fellow Californians have food on their table to feed their families. If grocery establishments are going to shut down, then the least they can do is provide enough notice to the county and state of intended closure, provide safety net program information to employees of the stores slated for closure, and require CDSS to post on the EBT webpages that the store is slated for closure and the closure date.”

PRIOR AND RELATED LEGISLATION:

AB 1014 (O’Donnell) of 2019, would have increased the amount of time a hospital planning to reduce or eliminate emergency medical services is required to provide public notice from 90 days to 180 days, among other changes. AB 1014 was vetoed by Governor Newsom.

AB 897 (Gonzalez), Chapter 305, Statutes of 2015, specified that the definition of grocery establishments do not include a retail store that has ceased operations for six months or more.

AB 359 (Gonzalez), Chapter 212, Statutes of 2015, required an incumbent grocery employer to prepare a list of specified eligible grocery workers for a successor grocery employer to hire from during a 90-day transition period.

REGISTERED SUPPORT / OPPOSITION:

Support

Coalition of California Welfare Rights Organizations (Sponsor)

Opposition

California Grocers Association

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