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**TEXAS RETAILERS
ASSOCIATION**

TRA NEWSLETTER

News affecting Retailers & Grocers in Texas Industry

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Letter from the President

Hello Texas Retailers!



I hope everyone is enjoying a nice spring and had a great Easter season. It has been a busy month for TRA since our March newsletter. Our very first Advocacy Summit, which took place in late March, was very successful. An early April trip to Washington, DC to lobby on our federal priorities, which include reauthorization of the Farm Bill, pharmacy issues and NAFTA was also very effective and well timed. Additionally, we continue pushing back against the very misguided Paid Sick Leave ordinance which the City of Austin recently passed, while also helping prepare retailers who will be impacted by it when it goes into effect in October. Lastly, the TRA team continues to work hard on planning this year's Texas Retailers Forum, which will be held July 23-24 in Corpus Christi.

The inaugural [TRA Advocacy Summit](#), which was held March 23-25 at the Horseshoe Bay Resort, just west of Austin, was a great event where members of TRA and the retail industry in Texas spent quality time with key lawmakers from our state, including US House Agriculture Committee Chairman Mike Conaway and State Representatives Paul Workman and John Raney. Attendees heard from experts in tax policy, electoral politics, journalism, national associations, as well as local, state and federal representatives during the panel discussions which focused on the most topical legislative and regulatory issues facing the retail industry. Thanks to all who attended, participated in and sponsored our inaugural Advocacy Summit. It was a great success and started a new TRA advocacy tradition.

Within a few short weeks after our Advocacy Summit, a group of TRA staff and members traveled to Washington, DC in early April for the annual grocery industry fly-in. Our group visited with over half of the Texas Congressional delegation, including both of our Senators, as well as several members of Congressional Leadership. Our focus was on three of our key federal priorities: grocer related provisions in the Farm Bill, excessive DIR fees for our pharmacy members who fill prescriptions for Medicare Part D patients, and current events related to NAFTA and trade. We had very good discussions in all our meetings regarding our priorities and we also benefitted from good timing as the House version of the Farm Bill was released on the last day of our trip. On first blush it looks to be consistent with our priorities, so our advocacy efforts on it thus far appear to have helped.

The 3rd [Texas Retailers Forum](#), which will be in Corpus Christi this year, will take place July 23-24. Our annual educational Forum, hosted by the Texas Retailers Association and the Texas Retail Education Foundation (TREF), will provide retailers with timely, topical and quality program sessions and speakers, in addition to highlighting the work of TREF. Attendees will have the opportunity to meet with retail industry leaders from across the state and country at networking functions such as our Awards Dinner, networking breaks, and our

popular closing night casino party. Registration is open and sponsorship opportunities are available. Details and information are inside this newsletter. Make plans now to secure your company's spot at this can't miss annual industry event.

As always, thank you for supporting TRA and please feel free to reach out to the TRA team anytime.

Sincerely,



President/CEO

Texas Retailers Association

2018 Texas Retailers Advocacy Summit



The inaugural Texas Retailers Advocacy Summit was Friday, March 23, 2018 - Sunday, March 25, 2018. Click on the link below to check out the photos from the event!

[Click Here to Check Out the Photos!](#)

Legislative Update



With the May 22nd run-off elections just over a month away there are many campaign teams still working to secure places on the November ballot and seats in the 86th Texas Legislature. Fortunately, many of our friends and retail supporters have already begun thinking forward to November and their general elections. With growing sectors within both parties, the intensity and importance of this year's election we will see much more attention focused on these races than in years past. However, I think the most impactful and newsworthy race will not be on the ballot, but will occur when the Legislature returns to Austin in January 2019. Replacing the retiring Speaker of the House, Joe Straus, will add to the campaign conversations in both parties as the Speaker is elected from among his peers in the House of Representatives. Currently there are three candidates who have filed for this very important position, however the rumor mill is full of several additional names of those who may jump into the race to lead the House come January.

Interim hearings have also intensified since the primary election date passed with committees on both sides of the Capitol working through their interim charges and preparing their legislative agendas for next session. This past week there were two very important hearings on both data security and economic development. While no definitive actions were taken during these hearings both could have big impacts to our industry and certainly give us opportunities to weigh in and keep an eye on issues we will be deeply involved in next session. We will continue to update you on developments surrounding these and many more interim hearings to come.

On a final note, many of you have heard by now I will be leaving TRA at the end of April to join McGuire Woods Consulting in their Austin office. While I look forward to continuing to work with many of you in my lobby practice, I will always appreciate the time I have spent in-house with TRA. George, Diana, Justin, and Joe are the utmost professionals, friends and colleagues who all serve the retail industry and TRA with unwavering dedication. I am also grateful to the TRA members who have taught me so much over the past 4 years and work

diligently for their companies and to make TRA the great organization it is. Thank you for all you have done for me and TRA and I will see you in the halls of the Capitol soon.

Jim Sheer
Texas Retailers Association

Austin's Paid Sick Leave Ordinance

By Pamela Williams and Lariza Pruneda Hebert

In February of 2018, Austin became the first city in Texas – scratch that, the first city in the South – to pass a paid sick leave law. The ordinance was backed by various workers' rights organizations and passed 9-2 after five hours of testimony from local employee-citizens.

According to the Center for Economic and Policy Research, at least 40% of private-sector workers don't have paid days off. The first city in the U.S. to implement a paid sick leave law was San Francisco over a decade ago, and since then, other cities and states have passed similar ordinances such as California, Oregon, Washington, D.C., and New York City.

However, unlike some of these cities' ordinances, the Austin ordinance applies to the private sector across the board, and does not carve out exceptions.

Austin requires six to eight paid sick days for all private employees.

The ordinance is scheduled to go into effect on October 1, 2018. The law requires that all private employers with more than 15 employees must allow employees who work at least 80 hours in Austin in a calendar year to accrue up to 64 hours, or eight days, of paid sick leave. Similarly, small businesses with 15 or fewer employees shall give up to 48 hours. And most surprising, micro-businesses, those with five or fewer employees, will be required to provide 48 hours of paid sick leave, but these micro-businesses will have until October 1, 2020 to comply.

Employees will accrue paid sick leave at the rate of one hour per 30 worked. Businesses are permitted to count current paid time off toward the required paid sick leave days. Beginning in October 2018, an estimated 87,000 Austin workers will begin to accrue one paid hour off per 30 hours worked. Notably, the City of Austin could begin bringing fines against companies by June 1, 2019 for noncompliance.

Paid sick leave may be used either for the employee's or a family member's illness, injury, health condition or preventive care, and also include "safe days," for families dealing with the legal and health repercussions of domestic violence.

Some particulars for which employers should take note.

Employers should take precautions to ensure compliance with all of the requirements of the ordinance. Specifically, employee handbooks must provide notice of employees' paid sick leave rights, and posters to be issued by the City of Austin must be displayed. Likewise, employers must provide a monthly statement (at minimum) showing an employee's available paid sick leave.

Employers may create reasonable policies to verify employees' paid sick leave requests. The ordinance specifically requires employees' to timely request paid sick leave "before their scheduled work time," although employers may not prevent employees from using earned sick time for an "unforeseeable qualified absence." Employers cannot condition the use of sick time on the employee finding a replacement for the time missed.

Unused sick time is carried over to the following year, but an employer may cap annual sick leave use (as opposed to accrual) at eight days. Employers may restrict an employee's use of accrued paid sick leave during an employee's first 60 days of employment if the employer can establish "that the employee's term of employment is at least one year." It is unclear how this could be established, especially with regards to an at-will employment relationship. If an employee transfers within the same company, it does not impact the amount of earned sick time or the employee's right to use it; if an employee returns to work for the same employer in a six month period, the employee may use previously earned sick time.

Importantly, employers cannot retaliate against employees for requesting or using earned sick time, for reporting a violation, or for trying to exercise their rights to paid sick leave pursuant to the ordinance.

Employers' best practices.

There is a chance this ordinance may be short lived; many state representatives and local Austin businesses have promised that they will take action to ensure that the bill is repealed. But until then, employers who have locations in Austin that fit the bill (no pun intended), must comply with the ordinance. As October approaches, private employers with employees in Austin should review leave policies, procedures, payroll practices and notices to ensure compliance.

The bottom line is this: paid sick leave laws aren't going anywhere: the federal government has taken up the issue with separate bills from both sides addressing paid sick leave.

Likewise, nine states have already passed paid sick leave laws. Employers must remain vigilant in staying current with local laws. Like other areas of employment law (e.g. protective classes in the discrimination context), cities are taking action to implement their own laws where the state or federal government has not done so.

[Click here to learn more about Austin's Paid Sick Leave and Fisher Phillips.](#)

TRA Travels to Washington to Lobby on Farm Bill & Other Grocer Priorities

TRA staff and grocery industry members traveled to Washington, DC in early April for the annual NGA/FMI grocery industry fly-in. Our group visited with over half of the Texas Congressional delegation, including both of our Senators, as well as several members of Congressional Leadership. Our focus was on grocer related provisions in the Farm Bill and other key federal priorities. We benefitted from good timing, as the House version of the Farm Bill was released on the last day of our trip. On first blush it looks to be consistent with our priorities, so our advocacy efforts on it thus far appear to have helped. Most notably, the controversial SNAP “harvest box” proposal, as well as proposed new, harmful SNAP vendor fees, both of which were opposed by and lobbied aggressively against by TRA and our industry, are not in the House Farm Bill. We are working with our national partners at NGA and FMI to review the full bill and issue an industry position statement on the Farm Bill in advance of House Agriculture Committee action on it, scheduled for later this week.





Member Spotlight: The Home Depot

When The Home Depot was founded in 1978, our founders Bernie Marcus and Arthur Blank had no idea how revolutionary this new “hardware store” would be for home improvement and the retail industry.



Today, we're proud to be the world's largest home improvement retailer. With more than 2,200 stores across North America, we aspire to excel in service – to our customers, associates, and communities. That's The Home Depot difference.

We live by a simple premise: put customers and associates first, and the rest will take care of itself. In Texas, we have more than 37,000 associates working at 180 stores, 7 distribution centers, and 3 technology

centers to serve the home improvement needs of Texans.

At The Home Depot, we are also proud of our commitment to supporting veterans and their families. We currently employ over 40,000 veteran associates across our stores and The Home Depot Foundation has pledged a quarter billion dollars to veteran's causes by 2020.

The Home Depot Foundation also recently announced a commitment to training the next generation of welders, plumbers and electricians. We plan to invest \$50 Million in Skilled Trades Training that will provide 20,000 Americans with the tools needed to become the architects of their own futures.

We are grateful of the incredible support Texans have given The Home Depot by bringing their home improvement needs to our stores and look forward to serving the state for years to come.



NEW TREF Website Page



The Texas Retailers Association is currently building a new website page for the Texas Retailers Education Foundation. This new page will include a "Retail Job Center" for high school and college students to find retail jobs in their area. Members interested in having their job website pages linked should email Justin Williamson at jwilliamson@txretailers.org.

2018 Texas Retailers Forum



The Texas Retailers Forum is at the Omni Corpus Christi Hotel July 22-23, 2018. Our 2018 educational Forum, hosted by the Texas Retailers Association and the Texas Retail Education Foundation, provides retailers with timely, topical and quality program sessions and speakers. Attendees will have the opportunity to meet with hundreds of retail industry leaders from across the state at networking functions such as our Awards Dinner, networking breaks, and a closing night party - aboard the U.S.S. Lexington.

Register for the Texas Retailers Forum!

Book Your Hotel Room for the Texas Retailers Forum!

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Agents Cassie Doolittle
and Gina O'Hara

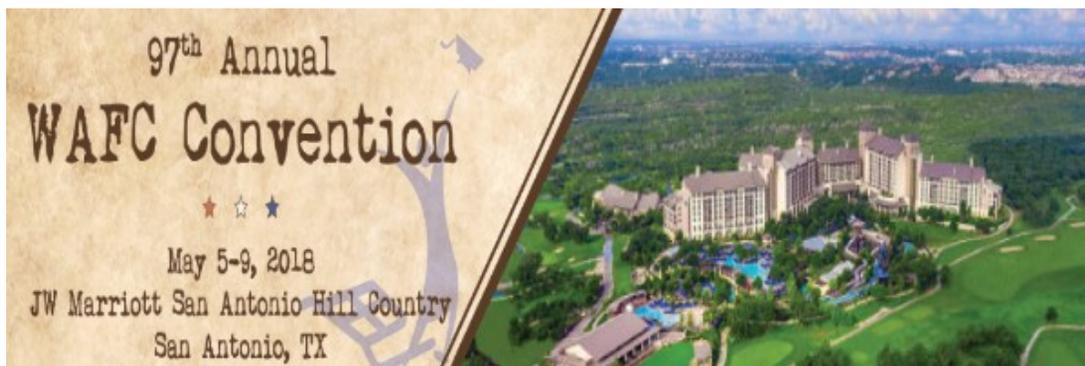


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Contact: Gina O'Hara, ohara@anco.com or
Cassie Doolittle, doolittle@anco.com, 512.330.9836 x 6340

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97th Annual WAFC Convention



It is my pleasure to invite you and your colleagues to the 97th Annual WAFC Convention, May 5-9, 2018 at the JW Marriott San Antonio Hill Country in San Antonio, Texas.

The WAFC's mission is "Advancing the Food Industry Through Education and Leadership" and we look forward to bringing that mission to life in San Antonio. The WAFC convention, widely anticipated as the best industry event of the year, brings together top executives from

companies of all sectors of the food industry. I do hope that you will attend and take advantage of the opportunity to learn, network and conduct business, while enjoying all that the Texas Hill Country has to offer.

Special thanks to our convention partners, the Illuminators, led by Headlite, Mark Olejnik, who promises to greet and serve our delegates in a manner “second to none.” Renee and I look forward to seeing you in May in San Antonio!

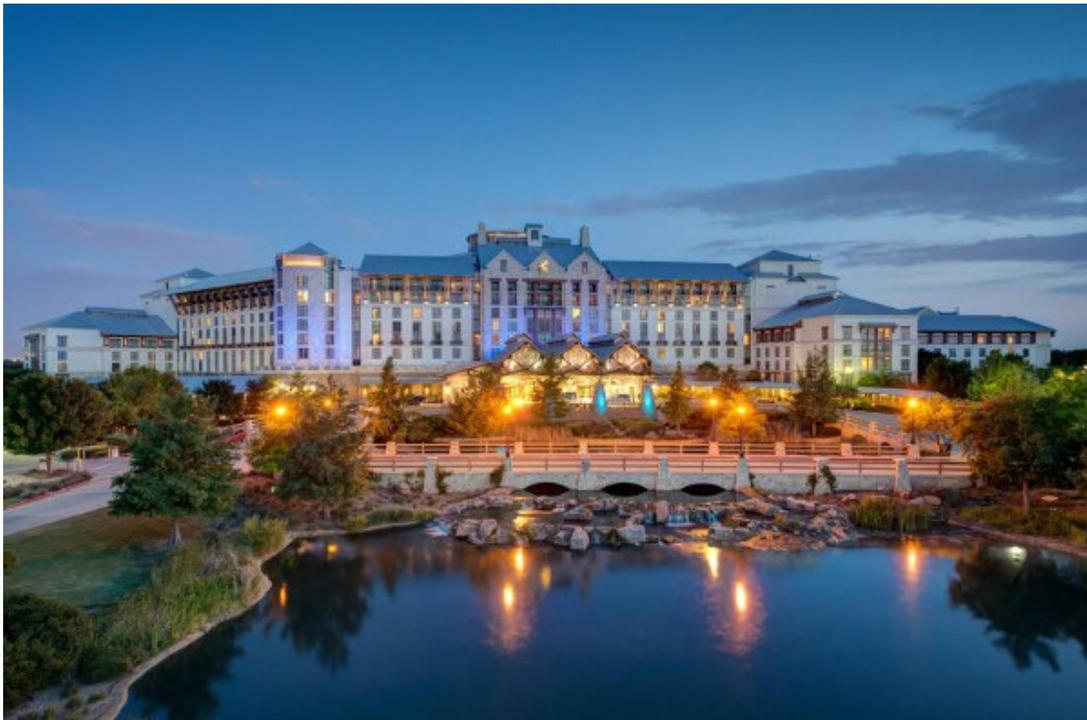
Sincerely,

Mike Stigers

President & Chairman, WAFC

Learn More about the 97th Annual WAFC Convention!

NRF PROTECT Conference



Gaylord Texan Resort | Dallas, Texas | June 11–13, 2018

Texas Retailer Association Members receive NRF retail member rates to NRF PROTECT! Hear from top loss prevention leaders, network with peers and find solutions to your largest LP challenges. Retailers, register today and save up to \$300 by May 4th! As always, the retailer EXPO pass is FREE!

Register for NRF PROTECT!

FMI Legal Conference



Please Join Us - FMI Legal Conference 2018

The food retail industry continues to face new regulatory challenges, many of which we will discuss in great detail at [FMI's 2018 Legal Conference](#) to be held June 24-26th in Washington, DC. The conference will be held at the [Mandarin Oriental](#), which overlooks the beautiful DC Tidal Basin and is walkable to many popular hotspots.

Regarding topics, many sessions will address the current outlook of regulations and issues you have likely been following, such as FSMA enforcement, food labeling, employment and labor for food retail, antitrust concerns, customer privacy and data, and more. Additionally, we will also spend a significant portion of the conference discussing legal issues that you will likely face as customer demands and wishes continue to morph over time. In particular, we will have detailed dialogues with subject matter experts on both the food side and the business side of industry trends such as meal kits, an increase in prepared foods, online sales, and home delivery services.

We are pleased to offer you the following discount code for 15% off conference registration. Simply use code **LEG18** on the payment screen.



In addition to some great sessions, we are excited to have you join us at the fabulous Mandarin Oriental on the DC waterfront. One of the best times to visit the DC monuments is at dusk and nighttime, and the FMI Legal Conference is located only a quick walk from many of the most popular monuments. In particular, the World War II Memorial and Franklin Delano Roosevelt Memorial have water features that are particularly beautiful when lit up at night. Finally, if

memorials and history are not your thing, the Mandarin Oriental is also an easy walk the recently remodeled [District Wharf](#), which houses boutique shops, restaurants, ample outdoor seating area to relax by the water, and even views of the capitol building from select bars.

We hope to see you in June!

Register for FMI Legal Conference

Grocers Corner - In the Cart



Houston SNAP Task Force Meets

This Task Force has been created to work together to address the gap in those eligible to receive SNAP benefits in the Houston area (825,000) versus those that actually participate (565,765). The concern is that many of those not participating are some of our most at risk residents (seniors and children). How do we close the gap? What are the issues? The Houston Food Bank, FRAC (Food Research & Action Committee) and The Food Trust put together this report with generous support from Target. The first meeting was held on April 2nd at Houston Food Bank and participants included Houston Food Bank, The Food Trust, FRAC, Child Advocates, Commissioner Rodney Ellis office, HHSC (Health & Human Services Commission), Baker Ripley, Brighter Bites, Catholic Charities, Feeding Texas (Celia Cole), Lewis Food Town (Kathy Sweidell Caton & Joey Palacios), HEB (Dya Campos),

Target, Work Solutions, Harris County Public Health Department (WIC), HISD (Houston Independent School District), and TRA (Joe Williams). It was an overflowing crowd and at this first meeting, the main focus was laying out the issue (the gap between those eligible and those participating) and then spending time on how the enrollment process worked in today's environment. Between the first meeting and the second one scheduled in early May, each Task Force member will be contacted for an individual session to talk with the Task Force staff about their ideas of how to bridge the gap. These thoughts will be summarized and a starting point for Second Meeting of the Task Force working toward developing policy recommendations/solutions to address the issue. Please [click here](#) to review the study called **The SNAP Gap**-Understanding low rates of participation for Houston.

Omnibus Funding Bill Prohibits EBT Processing Fees

After a large scale push by our industry across the nation as well as the national associations (NGA & FMI) the Omnibus Bill includes a provision (Section 750) that prohibits state-contracted EBT processors from charging third party processor and retailers a gateway fee on a per transaction basis for EBT transactions. The biggest concern is that financial institutions and major EBT state processors see a transaction fee on EBT transactions as the next major revenue source. As an industry we have heard that before when the Debit Card Platform was developed to replace the burdensome and costly paper check process. The banking and card processors started Debit Card transaction processing at a low rate and eventually grew to an approximate average of .45 cents per transaction prior to passage of the Durbin Amendment as part of the Dodd Frank legislation that passed a few years ago. Bank and Card Processors have steadily lobbied Congress to drop the cap on Debit Card Processing fees that the Durbin Amendment placed in the financial industry. Our industry not only needs to watch for movement on fees assessed by processors for EBT transactions, but efforts to try and repeal Durbin amendment as well.

No Fees allowed on EBT transactions were originally included in the regulations governing EBT Programs but had been dropped a few years ago. I suppose leadership thought it wasn't necessary to continue to add that language or they were being lobbied hard to drop the language in order to try and develop fees on EBT processing. We now know that it will be necessary to continue to work on a long term solution as the provision in the Omnibus Bill only provides protection from the fees thru 2019 Fiscal Year. Permanent prohibition will need to be included in the upcoming Farm Bill which is currently being developed and hopefully for passage sometime this year since the current Farm Bill (2014) expires at the end of FY 2018.

Article compiled from information derived from NGA Capitol Checkout and FMI's State Issues Report

FDA Unveils Goals for Food Standards

Recently, Food and Drug Administration (FDA) Director Scott Gottlieb made a speech outlining his plan for updating food standards. He claimed that updating standards of identity for food products could help cut sodium levels. Gottlieb introduced the National Innovation Strategy, a multi-year, comprehensive effort to improve the health of Americans dealing with issues such as obesity and high-blood pressure. The FDA hopes to update short term sodium targets in 2019, and Gottlieb said he would direct the agency to continue to discuss longer-term reduction efforts. As part of the strategy, FDA will take a fresh look at current standards of identity by taking into account marketing trends and the latest nutritional science. To review the announcement from FDA, please [click here](#).

SNAP Program Statistics Update

SNAP program participation continues to drop in Texas. Readily apparent when you compare March statistics to the rolling twelve month average. Participation is down over 3% and the benefit dollars available to participants are down over 51/2%. Currently, Texas is a mirror image of the national SNAP Program participation but in reality might be even worse. The national numbers lag behind Texas posting of statistics by three months. So the 3% we are down in March is compared to the over 3% the nation was down based on January 2018 numbers. The Houston SNAP Task Force held its first meeting with a full house and a lot of ideas. TRA will continue to monitor and share the solutions proposed.

Please contact Joe Williams: jwilliams@txretailers.org or 936-258-3414 if you have any questions regarding the statistics update.

<u>Month</u>	<u>Cases</u>	<u>Participates</u>	<u>Dollars</u>	<u>Ave per Case</u>
Feb 18	1,647,205	3,855,035	\$436,536,478.00	\$265.00
Mar 18	1,620,359	3,791,777	\$426,974,689.00	\$264.00

Twelve Month Running Average

4/17-3/18	1,672,150	3,943,857	\$452,579,077.00	\$270.00
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Look Back To Last Year (2017) at This Time

March 17	1,623,926	3,831,406	\$437,666,684.00	\$270.00
April 17	1,614,563	3,807,266	\$436,122,969.00	\$270.00

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About the Texas Retailers Association

The Texas Retailers Association (TRA) is a 501(c) 6 non-profit organization dedicated to keeping Texas “retail friendly” for business owners through legislative advocacy. Since 1926, our diverse membership has represented every segment of the retail industry throughout Texas – from the smallest neighborhood store to the largest corporate chain. Recognized as the Voice of Texas Retail, TRA effectively advocates for Texas retailers at the State and Federal level while providing value-added services and partner programs for its members. Visit www.txretailers.org and join today!

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