



Massachusetts Package Stores Association, Inc.

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Written Testimony of the Massachusetts Package Stores Association Submitted to

The Joint Committee on Labor and Workforce Development

For the Hearing on Record regarding SB1102 - An Act relative to the scheduling of employees and SB1110 - An Act relative to the scheduling of employees

Tuesday, April 9, 2019

Dear Chairs Sen. Patricia D. Jehlen and Rep. Paul Brodeur and Members of the Committee:

Thank you for allowing the Massachusetts Package Stores Association (MPSA) to testify in opposition to SB1102 and SB1110, along with the concept in general of predictive scheduling for employees.

Please know that all retailers of beer, wine and spirits, who are primarily small and medium-sized employers across Massachusetts, are deeply concerned and worried about the impact that these or similar legislation will have on their very ability to stay in business. Brick and mortar retail are already under extreme pressure. Furthermore, disruption has been the driving force for retailers of beer, wine and spirits who are facing unfair competition from national big box stores and supermarkets, loss of sales to internet shippers, and pressure from craft brewers that seek to sell off-premise. Now factor in EMACs, paid sick leave, paid family and medical leave, unemployment insurance, workers compensation insurance, unemployment insurance and other costs. The collective weight is at the breaking point for many off premise retailers of beer, wine and spirits.

It should also be acknowledged that employers readily recognize the hardship that comes when an employee loses anticipated hours in their work week. But shifting that burden from employees to the small business employer, who is already over-burdened, is not a viable solution to the problem. If the employees are not working due to an unanticipated event, then, like the employee, the small business employer does not have that needed income to pay its bills, including payroll. As an example, a single employee losing four hours of work due to unforeseen circumstances outside of the control of the employer is certainly a hardship. A multiplied hardship for the employer is requiring them by law to pay ten employees for four hours of work each while the doors of the business are closed. Even at a \$15 minimum wage, the employer will be required to expend nearly \$700 in this modest hypothetical with no production of revenue to offset the cost.

Independent off-premise retailers of alcohol beverages directly employ about 19000 Massachusetts residents. Establishments that sell alcohol beverages collectively employ as many as 188,900 people in Massachusetts and generate an additional 60,759 jobs in supplier and ancillary industries. It should also be noted that small businesses selling alcohol beverages in Massachusetts, along with their supplier and ancillary industries, pay over \$8.2 billion in wages and benefits each year. In fact, many employees at package stores are well compensated with generous benefits.

Small businesses close all the time due to unforeseen events such as a natural gas explosion (which happened in the Merrimack Valley on September 13, 2018), weather events like what we've all experienced these past several years, or construction and repairs to roads that block off customer access. The negative impact on businesses is already very significant, even without the added burden of paying employees to not work.

The Massachusetts Package Stores Association (MPSA) is a non-profit trade organization representing the interests of the thousands of independently-owned retail liquor stores across Massachusetts. The Board of Directors of MPSA are primarily comprised of owner/operators of retail stores of beer, wine and spirits. Contact MPSA with any questions at (800) 322-1383, or email info@masspack.org. Visit the MPSA website at: www.masspack.org



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Consider another hypothetical. A retailer of beer, wine or spirits is directly impacted by a category 2 hurricane that took an unanticipated turn inland. Since the store cannot open, workers scheduled to start their shift cannot begin work. The manager or owner tells them there is no work the next day either because of damage to the store. With SB1102 and SB1110, the distressed small business would be required to pay the crew for not coming to work and for the next day. The small retailer cannot pass along that additional labor cost to the customer. The local and state government will not reimburse the store for being closed. The store owner has done nothing wrong, but she or he is required to lose hundreds, perhaps thousands, of dollars in order to pay employees to not work.

The hardships created by strict scheduling legislation are very real and could literally destroy the ability of a business to stay profitable. Smaller businesses, the bedrock of the Massachusetts economy, simply do not have the resources or capital to take on this unfunded mandate. On behalf of independent retailers of beer wine and spirits in every corner of Massachusetts, MPSA strongly urges the Joint Committee on Labor and Workforce Development not to support positive action on these bills.

Thank you in advance for accepting and reviewing the feedback of the Massachusetts Package Stores Association.

Respectfully submitted,

Robert A. Mellion, Esq.
Executive Director | General Counsel

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