

# BUDGET NARRATIVE

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I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the arithmetic accuracy of all numerical information has been verified.

OREGON LIQUOR CONTROL COMMISSION  
Agency Name

9079 S. E. McLoughlin Blvd, Milwaukie, Oregon  
Agency Address



Rob Patridge Commission Chairman

SIGNATURE

TITLE

Notice: Requests of those agencies headed by a multiple body must be approved by those bodies of official action and signed by a majority of the members. The requests of other agencies must be approved and signed by the agency administrator. Requests which are not properly signed will be returned.

# BUDGET NARRATIVE

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78th OREGON LEGISLATIVE ASSEMBLY--2015 Regular Session

Enrolled

## Senate Bill 501

Sponsored by Senator MONNES ANDERSON, Representatives GORSEK, PILUSO

CHAPTER .....

AN ACT

Relating to state financial administration; creating new provisions; amending ORS 291.278, 293.701, 336.431, 348.696, 357.195, 418.330, 418.335, 418.340, 461.559 and 471.810 and section 4, chapter 578, Oregon Laws 2013, section 3, chapter 20, Oregon Laws 2015 (Enrolled Senate Bill 605), section 2, chapter 459, Oregon Laws 2015 (Enrolled Senate Bill 779), and section 2, chapter 600, Oregon Laws 2015 (Enrolled Senate Bill 5520); repealing sections 7, 8 and 9, chapter 25, Oregon Laws 2015 (Enrolled House Bill 5017); and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

### TASK FORCE ON THE CAPITAL CONSTRUCTION BUDGET PROCESS

**SECTION 1.** (1) The Task Force on the Capital Construction Budget Process is established. The task force shall consist of:

- (a) The cochairs of the Joint Committee on Ways and Means;
  - (b) One member of the Senate appointed by the President of the Senate and who is a member of a different political party from the Senate cochair of the joint committee;
  - (c) One member of the House of Representatives appointed by the Speaker of the House of Representatives and who is a member of a different political party from the House cochair of the joint committee;
  - (d) The Legislative Fiscal Officer; and
  - (e) The Director of the Oregon Department of Administrative Services or a designee of the Director of the Oregon Department of Administrative Services.
- (2) The task force shall:
- (a) Create a current inventory of state-owned buildings, including a description of the condition of each building;
  - (b) Review existing statutory provisions governing the process of developing the capital construction portion of the state budget, including but not limited to provisions in ORS chapters 291 and 293;
  - (c) Identify current statutory provisions relating to the capital construction portion of the state budget that are outdated, are unnecessary or need modification;
  - (d) Identify new provisions that would aid in the development of the capital construction portion of the state budget;

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- (e) Identify and recommend a long-range process for determining and implementing future capital construction needs and priorities for this state;
  - (f) Identify and recommend a process for determining how capital construction budget requests relate to overall state budget priorities;
  - (g) Consider whether capital construction budgets should also include forecasts of the costs of operating and maintaining state buildings upon which capital construction moneys are spent; and
  - (h) Recommend a comprehensive package of statutory changes that will allow the Legislative Assembly to develop budgets for capital construction projects based on identified long-term goals, using an incremental process that is integrated into the overall state budget each biennium and that provides more transparency for the public.
- (3) A majority of the members of the task force constitutes a quorum for the transaction of business.
  - (4) Official action by the task force requires the approval of a majority of the members of the task force.
  - (5) The cochairpersons of the Joint Committee on Ways and Means shall serve as chairpersons of the task force.
  - (6) If there is a vacancy for any cause in a position appointed by the President of the Senate or the Speaker of the House of Representatives, the appointing authority shall make an appointment to become immediately effective.
  - (7) The task force shall meet at times and places specified by the call of the chairpersons or of a majority of the members of the task force.
  - (8) The task force may adopt rules necessary for the operation of the task force.
  - (9) Not later than October 15, 2016, the task force shall submit a report to the Legislative Assembly in the manner provided by ORS 192.245, and may include recommendations for legislation.
  - (10) The Legislative Administrator shall provide staff support to the task force.
  - (11) Members of the task force who are not members of the Legislative Assembly are not entitled to compensation, but may be reimbursed for actual and necessary travel and other expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495. Claims for expenses incurred in performing functions of the task force shall be paid out of funds appropriated to the Legislative Administration Committee for purposes of the task force.
  - (12) All agencies of state government, as defined in ORS 174.111, are directed to assist the task force in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the task force consider necessary to perform their duties.
- SECTION 2.** Section 1 of this 2015 Act is repealed on the date of the convening of the 2017 regular session of the Legislative Assembly as specified in ORS 171.010.
- SECTION 3.** The task force established by section 1 of this 2015 Act is a continuation of the Task Force on the Capital Construction Budget Process established by section 1, chapter 716, Oregon Laws 2013, and not a new task force. The members appointed under section 1, chapter 716, Oregon Laws 2013, and serving on the date of the convening of the 2015 regular session of the Legislative Assembly shall continue to serve for purposes of the task force established under section 1 of this 2015 Act.

## LEGISLATIVE BRANCH

**SECTION 4.** ORS 291.278 is amended to read:

291.278. (1) Upon completion of the determination by the Oregon Department of Administrative Services under ORS 291.274 and 291.276, the department shall:

- (a) Transfer to the Legislative Fiscal Office Operating Fund, with appropriate notice to the State Treasurer, out of moneys appropriated to each state agency, the amount of [~~\$3 million~~] **\$4 million**; and
  - (b) After deducting the amounts specified in paragraph (a) of this subsection, transfer to the General Fund, with appropriate notice to the State Treasurer, out of moneys appropriated to each state agency, the amount of governmental service expenses certified for the agency.
- (2) In the case of a state agency that collects or receives moneys for fees, fines, licenses or taxes not by law made a part of the General Fund available for general governmental purposes, if moneys available to such state agency are not sufficient to permit the transfers under subsection (1) of this section, the department shall notify the state agency of the amount certified with respect to the state agency under ORS 291.274 and 291.276, less any amount transferred out of moneys appropriated to such state agency under subsection (1) of this section. Thereafter, until such balance has been paid into the General Fund, 10 percent of all moneys collected or received by the state agency for fees, fines, licenses or taxes not by law made a part of the General Fund available for general governmental purposes shall be:

# BUDGET NARRATIVE

(a) Transferred by the department to and made a part of the General Fund available for general governmental purposes if such moneys are paid to the State Treasurer by the state agency; or  
(b) Paid to the State Treasurer by the state agency receiving such moneys at the time when they are received by the state agency if such moneys are authorized by law to be kept and disbursed other than by and through the State Treasurer, and be credited by the State Treasurer to and made a part of the General Fund available for general governmental purposes.

(3) The transfers and payments to the Legislative Fiscal Office Operating Fund and the General Fund required by this section shall be made notwithstanding any law that appropriates such moneys or any of them to any other purposes, and such portion so paid and transferred is not subject to any special uses thereby provided.

**SECTION 5.** Section 4, chapter 578, Oregon Laws 2013, is amended to read:

**Sec. 4.** The amendments to ORS 171.072, 292.912 and 292.930 by sections 1 to 3 [of this 2013 Act], **chapter 578, Oregon Laws 2013**, apply to salaries established for biennia beginning on or after [July 1, 2015] **July 1, 2017**.

**SECTION 6.** If this 2015 Act does not become effective until after June 30, 2015, the amendments to section 4, chapter 578, Oregon Laws 2013, by section 5 of this 2015 Act shall be operative retroactively to that date, and the operation and effect of section 4, chapter 578, Oregon Laws 2013, as amended by section 5 of this 2015 Act, shall continue unaffected from June 30, 2015, to the effective date of this 2015 Act. Any otherwise lawful action taken or otherwise lawful obligation incurred under the authority of section 4, chapter 578, Oregon Laws 2013, as amended by section 5 of this 2015 Act, after June 30, 2015, and before the effective date of this 2015 Act, is ratified and approved.

## SECRETARY OF STATE

**SECTION 7.** Notwithstanding ORS 56.041 and in addition to transfers required by ORS 56.041 (4), the amount of \$6,200,000 is transferred from the Operating Account to the General Fund for general governmental purposes. The transfer shall be made on June 15, 2017.

## OREGON LIQUOR CONTROL COMMISSION

**SECTION 8.** ORS 471.810 is amended to read:

471.810. (1) At the end of each month, the Oregon Liquor Control Commission shall certify the amount of moneys available for distribution in the Oregon Liquor Control Commission Account and, after withholding such moneys as it may deem necessary to pay its outstanding obligations, shall within 35 days of the month for which a distribution is made direct the State Treasurer to pay the amounts due, upon warrants drawn by the Oregon Department of Administrative Services, as follows:

(a) Fifty-six percent, or the amount remaining after the distribution under subsection (4) of this section, credited to the General Fund available for general governmental purposes wherein it shall be considered as revenue during the quarter immediately preceding receipt;

(b) Twenty percent to the cities of the state in such shares as the population of each city bears to the population of the cities of the state, as determined by Portland State University last preceding such apportionment, under ORS 190.510 to 190.610;

(c) Ten percent to counties in such shares as their respective populations bear to the total population of the state, as estimated from time to time by Portland State University; and

(d) Fourteen percent to the cities of the state to be distributed as provided in ORS 221.770 and this section.

(2) The commission shall direct the Oregon Department of Administrative Services to transfer 50 percent of the revenues from the taxes imposed by ORS 473.030 and 473.035 to the Mental Health Alcoholism and Drug Services Account in the General Fund to be paid monthly as provided in ORS 430.380.

(3) If the amount of revenues received from the taxes imposed by ORS 473.030 for the preceding month was reduced as a result of credits claimed under ORS 473.047, the commission shall compute the difference between the amounts paid or transferred as described in subsections (1)(b), (c) and (d) and (2) of this section and the amounts that would have been paid or transferred under subsections (1)(b), (c) and (d) and (2) of this section if no credits had been claimed. The commission shall direct the Oregon Department of Administrative Services to pay or transfer amounts equal to the differences computed for subsections (1)(b), (c) and (d) and (2) of this section from the General Fund to the recipients or accounts described in subsections (1)(b), (c) and (d) and (2) of this section.

(4) Notwithstanding subsection (1) of this section, no city or county shall receive for any fiscal year an amount less than the amount distributed to the city or county in accordance with ORS 471.350 (1965 Replacement Part), 471.810, 473.190 and 473.210 (1965 Replacement Part) during the 1966-1967 fiscal year unless the city or county had a decline in population as shown by its census.

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If the population declined, the per capita distribution to the city or county shall be not less than the total per capita distribution during the 1966-1967 fiscal year. Any additional funds required to maintain the level of distribution under this subsection shall be paid from funds credited under subsection (1)(a) of this section.

(5) **Notwithstanding subsection (1) of this section, amounts to be distributed from the Oregon Liquor Control Commission Account that are attributable to a per bottle surcharge imposed by the Oregon Liquor Control Commission, shall be credited to the General Fund.**

**SECTION 8a.** The amendments to ORS 471.810 by section 8 of this 2015 Act apply to moneys attributable to a per bottle surcharge collected or received by the Oregon Liquor Control Account on or after the effective date of this 2015 Act.

**SECTION 9.** Section 2, chapter 600, Oregon Laws 2015 (Enrolled Senate Bill 5520), is amended to read:

**Sec. 2.** For the biennium beginning July 1, 2015, expenditures by the Oregon Liquor Control Commission for liquor purchases *[and bank card fees]* are not limited.

**SECTION 10.** If House Bill 2041 becomes law, section 3, chapter 20, Oregon Laws 2015 (Enrolled Senate Bill 605), is amended to read:

**Sec. 3.** (1) Notwithstanding ORS 221.770, 471.805 and 471.810, for the biennium beginning July 1, 2013, and the biennium beginning July 1, 2015, the Oregon Liquor Control Commission may expend moneys in the Oregon Liquor Control Commission Account to pay any expenses incurred by the commission in implementing and carrying out sections 3 to 70, chapter 1, Oregon Laws 2015 *[(Control, Regulation and Taxation of Marijuana and Industrial Hemp Act)]*. Any expenditure made under this subsection is considered a loan and must be repaid from the Oregon Marijuana Account established by section 44, chapter 1, Oregon Laws 2015. Expenditures made under this subsection shall be made from moneys in the Oregon Liquor Control Commission Account before the distributions required by ORS 471.810 are made.

(2) Notwithstanding *[sections 43 and]* **section 44**, chapter 1, Oregon Laws 2015, not later than June 30, 2017, the *[commission]* **Department of Revenue** shall transfer from the Oregon Marijuana Account to the **commission for deposit in the Oregon Liquor Control Commission Account** an amount equal to the total amount expended by the commission under subsection (1) of this section plus two percent of the total amount expended. The *[commission]* **department** shall make the transfer required by this subsection before making any other withholding, distribution or expenditure from the Oregon Marijuana Account for purposes described in *[sections 43 and]* **section 44**, chapter 1, Oregon Laws 2015.

## EMPLOYMENT DEPARTMENT

**SECTION 11.** Notwithstanding ORS 657.783, the amount of \$13 million is transferred from the Supplemental Employment Department Administration Fund to the General Fund for general governmental purposes. The transfer shall occur on May 1, 2017.

## DEPARTMENT OF EDUCATION

**SECTION 12.** Sections 7, 8 and 9, chapter 25, Oregon Laws 2015 (Enrolled House Bill 5017), are repealed.

**SECTION 13.** ORS 336.431 is amended to read:

336.431. (1) **The Department of Education shall administer a Farm-to-School Grant Program as provided by this section.**

*[(1)]* (2) A school district may apply to the department *[of Education for a grant to be used by the school district for one or more of the following purposes]* **for a grant as follows:**

(a) *[To reimburse]* **As a noncompetitive grant to assist the school district with paying for costs incurred by the school district to purchase *[Oregon food products described in subsection (3) of this section]* food produced or processed in this state; or**

(b) **As a competitive grant to fund food-based, agriculture-based and garden-based educational activities in the school *[districts]* district.**

*[(2) The Department of Education shall distribute grant moneys under this section in a manner that ensures that:]*

*[(a) At least 80 percent of the moneys distributed are used for reimbursements as described in subsection (1)(a) of this section; and]*

*[(b) At least 10 percent of the moneys distributed are used for the educational activities described in subsection (1)(b) of this section.]*

(3)(a) **Based on a noncompetitive process, the department shall provide grants to school districts to assist in paying for costs incurred by the school district to purchase food produced or processed in this state. The amount of a grant awarded as provided by this subsection shall be determined by the department based on the number of lunches served by the school district during the previous school year under the United States Department of Agriculture's National School Lunch Program.**

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[(3)(a)] (b) [If a school district receives any grant moneys under this section for reimbursements, the school district] A school district that receives a grant under this subsection shall use the moneys for the costs incurred by the school district to purchase [Oregon] food products that were:

(A) Purchased on or after the date the school district received [the moneys for the grant] notification from the Department of Education of the amount to be distributed to the school district as provided by this subsection;

(B) Produced or processed in [Oregon] this state; and

(C) Used [in] for meals that are served as part of the United States Department of Agriculture's [National School Lunch Program] child nutrition programs.

[(b) For Oregon food products that satisfy the requirements of paragraph (a) of this subsection, reimbursements shall be in an amount that equals the lesser of:]

[(A) The amount paid per meal by the school district to purchase the Oregon food products; or]

[(B) Fifteen cents for every school lunch that is served as part of the United States Department of Agriculture's National School Lunch Program and that uses Oregon food products.]

[(c) A school district that receives moneys for reimbursement as provided by paragraph (b) of this subsection:]

[(A) Must use the moneys to purchase foods produced or processed in Oregon; and]

[(B) May not use the moneys to supplant purchases of food products with federal moneys, but may use the moneys to pay for the difference in cost between food products that are of higher quality and food products that are allowed to be purchased with federal moneys.]

(4)(a) Based on a competitive process, the department shall provide grants to school districts or nonprofit organizations, or commodity commissions or councils organized under ORS 576.051 to 576.455 or ORS chapter 577 or 578, to assist in paying the costs incurred to provide food-based, agriculture-based or garden-based educational activities in the school district.

[(4)] (b) [If a school district receives any moneys under this section for educational activities, the school district] An entity identified in paragraph (a) of this subsection that receives a grant under this subsection shall use the moneys for costs directly associated with the educational activities, including staff time, travel costs and equipment purchased for the activities.

[(5) The Department of Education shall consult with the State Department of Agriculture to determine the recipients and amounts of grants awarded under this section.]

[(6) The Department of Education may award a grant to a school district under this section only if the school district can demonstrate that the school district:]

[(a) Has a program to purchase Oregon food products and a program to provide food-based, agriculture-based or garden-based educational activities; or]

[(b) Is developing the programs described in paragraph (a) of this subsection that the school district does not have at the time of application.]

[(7)] (c) When awarding grants under this [section,] subsection, preference shall be given to [school districts] entities that propose educational activities that:

[(a) Propose farm-to-school projects or school garden projects that:]

(A) Are well designed;

[(B) Incorporate positive changes in food purchasing;]

[(C)] (B) Promote healthy food activities;

[(D)] (C) Have clear educational objectives;

[(E)] (D) Involve parents or the community; [and]

[(F) Have high potential for job creation;]

(E) Are connected to a school district's farm-to-school procurement activities; and (F) Are culturally relevant to the students being served by the grant moneys.

(d) The department must ensure that the recipients of grants under this subsection:

[(b)] (A) Represent a variety of school sizes and geographic locations; and

[(c)] (B) Serve a high percentage of children who qualify for free or reduced price school meals under the United States Department of Agriculture's National School Lunch Program.

[(8)] (5) The Department of Education shall consult with the State Department of Agriculture to:

(a) Develop rules and standards related to the grants awarded under this section.

(b) Determine the recipients and amounts of grants awarded under this section.

[(9)] (6) The Department of Education may expend for the administrative costs incurred under this section no more than two percent of all moneys received by the department for the grant program.

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## DEPARTMENT OF TRANSPORTATION

**SECTION 14.** (1) In addition to and not in lieu of any other allocation, there is allocated to Multnomah County, for the biennium beginning July 1, 2015, out of moneys described in section 5 (6), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5040), the amount of \$3,900,000 which may be expended for the construction of operational improvements on Cornelius Pass Road.

“(2) In addition to and not in lieu of any other allocation, there is allocated to Washington County, for the biennium beginning July 1, 2015, out of moneys described in section 5 (6), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5040), the amount of \$5,000,000 which may be expended for the construction of safety improvement projects located on State Highway 47 at Verboort and Purdin Roads.

## PUBLIC EMPLOYEES' BENEFIT BOARD

**SECTION 15.** Notwithstanding ORS 243.167, the amount of \$120,000,000 is transferred from the Public Employees' Revolving Fund to the General Fund for general governmental purposes. The transfer shall be made on May 1, 2017.

## DEPARTMENT OF HUMAN SERVICES

**SECTION 16.** ORS 418.330 is amended to read:

418.330. (1) As used in this section:

(a) “Child” means:

- (A) A person under 18 years of age;
- (B) A person under 21 years of age if the Department of Human Services determines that the person has a mental or physical disability that warrants the continuation of assistance; or
- (C) A person who has attained 18 years of age and:
  - (i) On whose behalf payments under this section were received prior to the person attaining 18 years of age, provided the person was at least 16 years of age at the time the payments commenced;
  - (ii) Has not attained 21 years of age; and
  - (iii)(I) Is completing secondary education or a program leading to an equivalent credential;
  - (II) Is enrolled in an institution or program that provides post-secondary or vocational education;
  - (III) Is participating in a program or activity designed to promote, or remove barriers to, employment;
  - (IV) Is employed for at least 80 hours per month; or
  - (V) Is incapable of doing any of the activities described in sub-sub-paragraphs (I) to (IV) of this sub-paragraph due to a medical condition, which incapability is supported by regularly updated documentation.

(b) “Child-caring agency” means:

- (A) A child-caring agency as defined in ORS 418.205; and
- (B) For a child who has attained 18 years of age, an independent residence facility established or certified under ORS 418.475 in which the child resides as an enrollee in an independent living program.

(c) “Nonrecurring adoption or guardianship expenses” means reasonable and necessary adoption or guardianship fees, court costs, attorney fees and other expenses that are directly related to the adoption of, or establishment of a guardianship for, a child with special needs and that are not incurred in violation of state or federal law.

(2) The department may make payments to adoptive parents or guardians on behalf of a child placed for adoption or establishment of a guardianship by the department, or placed for adoption by an approved child-caring agency, when the department determines:

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- (a) The child has special needs because of an impediment to adoptive placement **or establishment of a guardianship** by reason of the child's physical or mental condition, race, age, or membership in a sibling group; or
- (b) The adoptive family **or guardian** is capable of providing the permanent family relationships needed by the child in all respects other than financial, and the needs of the child are beyond the economic ability and resources of the family.
- (3) Payments to subsidize adoptions **or guardianships** made under subsection (2) of this section:
  - (a) Shall include payment of nonrecurring adoption **or guardianship** expenses incurred by or on behalf of adoptive parents **or guardians** in connection with the adoption of, **or establishment of a guardianship for**, a child with special needs;
  - (b) May include, but are not limited to, the maintenance costs, medical and surgical expenses, and other costs incidental to the care, training and education of the child;
  - (c) May not exceed the cost of providing comparable assistance in foster care; and (d) May not be made:
    - (A) For a child who has not attained 18 years of age, when the adoptive parents **or guardians** are no longer legally responsible for the support of the child; or
    - (B) When the child is no longer receiving any support from the adoptive parents **or guardians**.
  - (4) Adoptive parents **or guardians** receiving payments under subsection (2) of this section shall inform the department of circumstances that would make the adoptive parents **or guardians**:
    - (a) Ineligible to receive the payments; or
    - (b) Eligible to receive the payments in a different amount.

**SECTION 17.** ORS 418.335 is amended to read:

418.335. (1) Qualification for payments under ORS 418.330 must be determined by the Department of Human Services prior to the completion of the adoption **or guardianship** proceeding.

(2) The department shall set the amount of payments under ORS 418.330 through negotiations with the prospective adoptive parents **or guardians**, taking into consideration the circumstances of the prospective adoptive parents **or guardians** and the needs of the child.

(3) The department may change the amount of payments under ORS 418.330:

- (a) Through renegotiation with the adoptive parents **or guardians**, based upon a showing that there has been a change in the circumstances of the adoptive parents **or guardians** or the needs of the child; or
- (b) When the department has reduced or increased the amount of comparable assistance in foster care under ORS 418.647.
- (4) The department may suspend or terminate payments when one or more of the following conditions exist:
  - (a) The child *[attains 18 years of age]* **no longer meets the definition of "child" under ORS 418.330.**
  - (b) The adoptive parents **or guardians** are no longer legally responsible for the support of the child.
  - (c) The child is no longer receiving any support from the adoptive parents **or guardians**.

(5) If a payment under ORS 418.330 is suspended or terminated for a reason not related to the age of the child **or because a guardianship has been vacated by the court**, the adoptive parents **or guardians** of the child may petition the department for a review of the case. The department shall afford the petitioner an opportunity for a hearing, which must be held in the county the petitioner elects.

**SECTION 18.** ORS 418.340 is amended to read:

418.340. The Department of Human Services shall make all necessary rules for payments to subsidize adoptions **or guardianships**.

## STATE DEPARTMENT OF FISH AND WILDLIFE

**SECTION 19.** Section 2, chapter 459, Oregon Laws 2015 (Enrolled Senate Bill 779), is amended to read:

**Sec. 2.** Section 1, **chapter 459, Oregon Laws 2015 (Enrolled Senate Bill 779)**, *[of this 2015 Act]* is repealed on January 2, **[2016] 2017**.

# BUDGET NARRATIVE

## CONCILIATION AND MEDIATION SERVICES AND LAW LIBRARIES

**SECTION 20.** Notwithstanding section 8 (1), chapter \_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5514), the governing body of a county may, after consulting with the presiding judge of the circuit court, use up to one-half of the amount distributed to the county under section 8 (2), chapter \_\_\_\_, Oregon Laws (Enrolled Senate Bill 5514), for the purpose of providing conciliation and mediation services in circuit courts.

## CONNECTING OREGON COMMUNITIES FUND

**SECTION 21.** The balance of the Connecting Oregon Communities Fund established by ORS 759.445, including the balances of the School Technology Account and the Public Access Account, is transferred to the General Fund for general governmental purposes.

## OREGON EDUCATION FUND

**SECTION 22.** ORS 348.696 is amended to read:

348.696. (1) Pursuant to section 4 (4)(d), Article XV of the Oregon Constitution, the Education Stability Fund is established separate and distinct from the General Fund. Moneys in the Education Stability Fund shall be invested as provided in ORS 293.701 to 293.790. **Except as provided in subsection (2) of this section**, all declared earnings on moneys in the fund shall be transferred and are appropriated continuously as follows:

[(1)] (a) 75 percent to the Oregon Education Fund established by ORS 348.716; and

[(2)] (b) 25 percent to the Higher Education Coordinating Commission for the Oregon Opportunity Grant program under ORS 348.260.

**(2) If the Director of the Oregon Department of Administrative Services determines for any biennium that the amount to be transferred and appropriated continuously to the Oregon Education Fund under subsection (1)(a) of this section exceeds the amount needed to pay for public education and education lottery bond debt service in that biennium, the amount of the excess for that biennium shall be transferred and is appropriated continuously to the Higher Education Coordinating Commission for the Oregon Opportunity Grant program under ORS 348.260.**

## STATE LIBRARY DONATION FUND

**SECTION 23.** ORS 357.195, as amended by section 20, chapter 328, Oregon Laws 2015, is amended to read:

357.195. (1) The State Library Donation Fund is established in the State Treasury, separate and distinct from the General Fund. The following moneys shall be placed in the fund:

(a) Gifts and donations to the State Library;

(b) The interest, income, dividends or profits received on any property or funds of the State Library derived from gifts, legacies, devises, bequests, endowments or other donations;

(c) Other interest earned by the fund; and

(d) Any other moneys placed in the fund as provided by law.

(2) Moneys in the fund that are derived from profits, interest or other earnings traceable to a specific gift, legacy, devise, bequest, endowment or other donation shall be used in the same manner as the principal or corpus of the gift, legacy, devise, bequest, endowment or other donation.

**(3) Moneys in the fund, including moneys in the Talking Book and Braille Library Endowment Fund subaccount if established pursuant to subsection (5) of this section, may, at the discretion of the State Library Board, be invested as provided in ORS 293.701 to 293.857.**

[(3)] (4) The State Treasurer shall credit monthly to the fund any interest or other income derived from the fund or the investing thereof.

[(4)] (5) The [State Library] board may establish a Talking Book and Braille Library Endowment Fund as a subaccount of the State Library Donation Fund.

# BUDGET NARRATIVE

[(5)] (6) Moneys in the State Library Donation Fund are continuously appropriated to the State Library for use by, and support and maintenance of, the State Library. Claims against the fund shall be approved and warrants issued in the manner provided by law.

**SECTION 24.** ORS 293.701 is amended to read:

293.701. As used in ORS 293.701 to 293.857, unless the context requires otherwise:

(1) "Council" means the Oregon Investment Council.

(2) "Investment funds" means:

- (a) Public Employees Retirement Fund referred to in ORS 238.660;
- (b) Industrial Accident Fund referred to in ORS 656.632;
- (c) Consumer and Business Services Fund referred to in ORS 705.145;
- (d) Employment Department Special Administrative Fund referred to in ORS 657.822;
- (e) Insurance Fund referred to in ORS 278.425;
- (f) Funds under the control and administration of the Department of State Lands;
- (g) Oregon Student Assistance Fund referred to in ORS 348.570;
- (h) Moneys made available to the Commission for the Blind under ORS 346.270 and 346.540 or rules adopted thereunder;
- (i) Forest Development Revenue Bond Fund referred to in ORS 530.147 and State Forestry

General Obligation Bond Fund referred to in ORS 530.280;

- (j) Oregon War Veterans' Fund referred to in ORS 407.495;
- (k) Oregon War Veterans' Bond Sinking Account referred to in ORS 407.515;

(L) World War II Veterans' Compensation Fund;

- (m) World War II Veterans' Bond Sinking Fund;
- (n) Funds in the hands of the State Treasurer that are not required to meet current demands and that are invested in the Oregon Short Term Fund established under ORS 293.728 or in another commingled investment vehicle;
- (o) State funds that are not subject to the control and administration of officers or bodies specifically designated by law;
- (p) Funds derived from the sale of state bonds;
- (q) Social Security Revolving Account referred to in ORS 237.490;
- (r) Oregon University System Fund established by ORS 351.506 and the Higher Education Donation Fund established by ORS 351.130;
- (s) Local Government Employer Benefit Trust Fund referred to in ORS 657.513;
- (t) Elderly and Disabled Special Transportation Fund established by ORS 391.800;
- (u) Education Stability Fund established by ORS 348.696;
- (v) Deferred Compensation Fund established under ORS 243.411; [and]
- (w) Trust for Cultural Development Account established under ORS 359.405[.]; and
- (x) **The State Library Donation Fund and the Talking Book and Braille Library Endowment Fund subaccount established under ORS 357.195.**

(3) "Investment officer" means the State Treasurer in the capacity as investment officer for the council.

**STATE TREASURER**

**SECTION 25.** Notwithstanding ORS 173.240:

(1) The Legislative Counsel and the Legislative Fiscal Officer shall conduct a review of state law governing the investment by the State Treasurer of the funds of this state and of local and tribal governments. The purpose of the review is to:

- (a) Identify deficiencies in current law; and

# BUDGET NARRATIVE

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(b) Make recommendations to clarify, simplify, consolidate and update the existing statutory framework.

(2) For purposes of the review, the Legislative Counsel and the Legislative Fiscal Officer may consult with the Department of Justice and the State Treasurer and any other officer or employee of this state or of any local or tribal government.

(3) The Legislative Counsel and the Legislative Fiscal Officer shall submit a report in the manner provided in ORS 192.245, and may include recommendations for legislation, to the Joint Committee on Ways and Means, or the Joint Interim Committee on Ways and Means, no later than December 31, 2016.

SECTION 26. Section 25 of this 2015 Act is repealed on January 2, 2017.

## JUDICIAL SALARIES

SECTION 27. (1) Annual salaries of judges of the Supreme Court, the Court of Appeals, circuit courts and the Oregon Tax Court established under ORS 292.406, 292.411, 292.416 and 292.426 shall be adjusted to reflect the same percentage amount of any positive cost of living adjustment granted to employees in the management service in the executive department.

(2) The adjustment described in subsection (1) of this section shall occur at the same time that salaries of employees in the management service in the executive department are adjusted.

(3) As used in this section:

(a) "Executive department" has the meaning given that term in ORS 174.112.

(b) "Management service" means the management service as provided in ORS 240.212.

SECTION 28. Section 27 of this 2015 Act applies to any positive cost of living adjustment granted to employees in the management service in the executive department on or after the effective date of this 2015 Act.

## REVERSION OF LOTTERY ALLOCATIONS

SECTION 29. ORS 461.559 is amended to read:

461.559. (1) On December 31 in each odd-numbered year, all amounts remaining unspent by a state agency from statutory allocations made from the Administrative Services Economic Development Fund to that agency for the prior biennium shall revert to the Administrative Services Economic Development Fund.

(2) Subsection (1) of this section does not apply to allocations for debt service, capital construction, continuing contracts, contested claims or special allocations designated by legislative action.

## HIGHER EDUCATION COORDINATING COMMISSION

SECTION 30. (1) Notwithstanding any law limiting tuition and mandatory enrollment fee increases at public universities listed in ORS 352.002, if a public university listed in ORS 352.002 increases either resident undergraduate tuition or mandatory enrollment fees by more than three percent for the 2016-2017 academic year, the public university must report the justification for the increase to the Higher Education Coordinating Commission and the Joint Committee on Ways and Means, or the Joint Interim Committee on Ways and Means.

(2) Subsection (1) of this section does not apply to public universities currently subject to existing financial agreements or plans with the Higher Education Coordinating Commission, or to four-year tuition guarantees or high cost, high demand degree programs that currently charge differential tuition.

(3) This section is repealed on December 31, 2018.

## TRANSFERS

SECTION 31. Except as provided in sections 7, 11 and 15 of this 2015 Act, the transfers described in sections 7, 11, 15 and 21 of this 2015 Act shall be made on the effective date of this 2015 Act from moneys maintained, on the effective date of this 2015 Act, in the funds or accounts from which the transfers are made.

# BUDGET NARRATIVE

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## CAPTIONS

**SECTION 32.** The unit captions used in this 2015 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2015 Act.

## EMERGENCY CLAUSE

**SECTION 33.** This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect on its passage.

.....  
Jeanne P. Atkins, Secretary of State

\_\_\_\_\_  
Passed by Senate July 6, 2015

.....  
Lori L. Brocker, Secretary of Senate

.....  
Peter Courtney, President of Senate **Passed by House July 6, 2015**

.....  
Tina Kotek, Speaker of House

Received by Governor:

.....M,....., 2015

Approved:

.....M,....., 2015

.....  
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2015

# BUDGET NARRATIVE

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78th OREGON LEGISLATIVE ASSEMBLY--2015 Regular Session

Enrolled

## Senate Bill 5507

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Oregon Department of Administrative Services)

CHAPTER .....

AN ACT

Relating to state financial administration; creating new provisions; amending section 5, chapter 25, Oregon Laws 2015 (Enrolled House Bill 5017); repealing section 3, chapter 303, Oregon Laws 2015 (Enrolled Senate Bill 5528); and declaring an emergency.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$30,000,000 for the purposes for which the Emergency Board lawfully may allocate funds.

**SECTION 2.** (1) In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$120,000,000, to be allocated to state agencies for state employee compensation changes for the biennium beginning July 1, 2015.

(2) If any of the moneys appropriated by subsection (1) of this section are not allocated by the Emergency Board prior to December 1, 2016, the moneys remaining on that date become available for any purpose for which the Emergency Board lawfully may allocate funds.

**SECTION 3.** In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Revenue, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$3,935,414 for the core system replacement project.

**SECTION 4.** Notwithstanding any other law limiting expenditures, the amount of \$25,929,440 is established for the biennium beginning July 1, 2015, for the core system replacement project, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Department of Revenue.

# BUDGET NARRATIVE

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SECTION 5. Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Revenue by section 1 (7), chapter 596, Oregon Laws 2015 (Enrolled House Bill 5035), for the biennium beginning July 1, 2015, is increased by \$3,684,413 for capital debt service and related costs for outstanding general obligation bonds sold pursuant to Article XI-Q of the Oregon Constitution for the core system replacement project.

SECTION 6. Notwithstanding any other law limiting expenditures, the amount of \$375,000 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses for costs of issuance of general obligation bonds sold pursuant to Article XI-Q of the Oregon Constitution from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Department of Revenue for capital debt service and related costs for the core system replacement project.

SECTION 7. Notwithstanding any other law limiting expenditures, the amount of \$1,880,000 is established for the biennium beginning July 1, 2015, for the property valuation system, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Department of Revenue.

SECTION 8. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Revenue, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$71,843, which may be expended for capital debt service and related costs for outstanding general obligation bonds sold pursuant to Article XI-Q of the Oregon Constitution for the property valuation system.

SECTION 9. Notwithstanding any other law limiting expenditures, the amount of \$80,000 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses for costs of issuance of general obligation bonds sold pursuant to Article XI-Q of the Oregon Constitution from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Department of Revenue for capital debt service and related costs for the property valuation system.

SECTION 10. Notwithstanding any other law limiting expenditures, the amount of \$15,209,670 is established for the biennium beginning July 1, 2015, for the child support enforcement automated system in the child support enforcement automated program, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Department of Justice.

SECTION 11. Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Justice by section 1 (7), chapter \_\_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5516), for the biennium beginning July 1, 2015, is increased by \$2,407,587 for capital debt service and related costs for outstanding general obligation bonds sold pursuant to Article XI-Q of the Oregon Constitution for the child support enforcement automated system in the debt service and related costs program.

SECTION 12. Notwithstanding any other law limiting expenditures, the amount of \$205,330 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses for costs of issuance of general obligation bonds sold pursuant to Article XI-Q of the Oregon Constitution from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Department of Justice for capital debt service and related costs for the child support enforcement automated system in the debt service and related costs program.

SECTION 13. Notwithstanding any other law limiting expenditures, the amount of \$29,997,991 is established for the biennium beginning July 1, 2015, for the child support enforcement automated system in the child support enforcement automated program, as the maximum limit for payment of expenses from federal funds, collected or received by the Department of Justice.

# BUDGET NARRATIVE

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SECTION 14. Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Justice by section 1 (4), chapter \_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5516), for the biennium beginning July 1, 2015, is increased by \$240,550 for the Crime Victims' Services Division for the Oregon Crime Victims Law Center.

SECTION 15. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 1 (1), chapter 595, Oregon Laws 2015 (Enrolled House Bill 5034), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Public Employees Retirement System, is increased by \$509,960 for administrative and operating expenses related to chapter 506, Oregon Laws 2015 (Enrolled Senate Bill 370), and chapter 326, Oregon Laws 2015 (Enrolled House Bill 3495).

SECTION 16. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 1 (4), chapter 303, Oregon Laws 2015 (Enrolled Senate Bill 5528), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the State Parks and Recreation Department, is increased by \$98,740 for the purposes of direct services.

SECTION 17. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (3), chapter 303, Oregon Laws 2015 (Enrolled Senate Bill 5528), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from lottery moneys allocated from the Parks and Natural Resources Fund to the State Parks and Recreation Department, is increased by \$1,770,000 for park development.

SECTION 18. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (4), chapter 303, Oregon Laws 2015 (Enrolled Senate Bill 5528), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from lottery moneys allocated from the Parks and Natural Resources Fund to the State Parks and Recreation Department, is increased by \$58,314 for direct services.

SECTION 19. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (5), chapter 303, Oregon Laws 2015 (Enrolled Senate Bill 5528), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from lottery moneys allocated from the Parks and Natural Resources Fund to the State Parks and Recreation Department, is increased by \$362,326 for community support and grants.

SECTION 20. Section 3, chapter 303, Oregon Laws 2015 (Enrolled Senate Bill 5528), is repealed.

SECTION 21. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 4 (1), chapter 303, Oregon Laws 2015 (Enrolled Senate Bill 5528), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from federal funds collected or received by the State Parks and Recreation Department, is reduced by \$970,000 for park development.

SECTION 22. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 4 (3), chapter 303, Oregon Laws 2015 (Enrolled Senate Bill 5528), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from federal funds collected or received by the State Parks and Recreation Department, is increased by \$70,425 for community support and grants.

SECTION 23. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (1), chapter 335, Oregon Laws 2015 (Enrolled House Bill 5037), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from federal funds collected or received by the Department of State Lands for Common School Fund programs is increased by \$161,488 for Environmental Protection Agency grant funds.

SECTION 24. Notwithstanding any other provision of law, the General Fund appropriation made to the Oregon Military Department by section 1 (2), chapter 594, Oregon Laws 2015 (Enrolled House Bill 5032), for the biennium beginning July 1, 2015, for operations, is increased by \$89,563 for additional operations and maintenance positions.

SECTION 25. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 3 (1), chapter 594, Oregon Laws 2015 (Enrolled House Bill 5032), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from federal funds, other than those

# BUDGET NARRATIVE

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described in section 2, chapter 594, Oregon Laws 2015 (Enrolled House Bill 5032), collected or received by the Oregon Military Department is increased by \$358,253 for additional operations and maintenance positions.

SECTION 26. Notwithstanding any other provision of law, the General Fund appropriation made to the Oregon Criminal Justice Commission by section 1, chapter 606, Oregon Laws 2015 (Enrolled Senate Bill 5506), for the biennium beginning July 1, 2015, is increased by \$5,000,000 for Justice Reinvestment Initiative grants.

SECTION 27. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2, chapter \_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5513), for operations, for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and federal funds from the United States Department of Housing and Urban Development for contract services, but excluding lottery funds and federal funds not described in section 2, chapter \_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5513), collected or received by the Housing and Community Services Department, is increased by \$10,000,000 for energy assistance payments.

SECTION 28. Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Veterans' Affairs by section 1 (2), chapter 616, Oregon Laws 2015 (Enrolled Senate Bill 5539), is increased by \$500,000 for payments to counties pursuant to ORS 406.310 and 406.462.

SECTION 29. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Military Department, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$250,000, which may be expended for the Oregon Military Museum.

SECTION 30. Notwithstanding any other provision of law, the General Fund appropriation made to the Oregon Health Authority by section 1 (1), chapter \_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5526), for the biennium beginning July 1, 2015, for programs, is increased by \$160,000 for the development and operation of a donated dental services program.

SECTION 31. Notwithstanding any other provision of law, the General Fund appropriation made to the Oregon Health Authority by section 1 (1), chapter \_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5526), for the biennium beginning July 1, 2015, for programs, is increased by \$200,000 for the Senior Farm Direct Nutrition Program.

SECTION 32. Notwithstanding any other provision of law, the General Fund appropriation made to the Oregon Health Authority by section 1 (1), chapter \_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5526), for the biennium beginning July 1, 2015, for programs, is increased by \$100,000 for the Women, Infants and Children Farm Direct Nutrition Program.

SECTION 33. Notwithstanding any other provision of law, the General Fund appropriation made to the Oregon Health Authority by section 1 (1), chapter \_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5526), for the biennium beginning July 1, 2015, for programs, is increased by \$600,000 for school-based health centers.

SECTION 34. Notwithstanding any other provision of law, the General Fund appropriation made to the Oregon Health Authority by section 1 (1), chapter \_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5526), for the biennium beginning July 1, 2015, for programs, is increased by \$10,000,000 for grants to safety net providers.

SECTION 35. (1) In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$40,000,000, to be allocated to the Oregon Health Authority or the Department of Human Services for caseload costs or other budget challenges that the agency is unable to mitigate.

(2) If any of the moneys appropriated by subsection (1) of this section are not allocated by the Emergency Board prior to December 1, 2016, the moneys remaining on that date become available for any purpose for which the Emergency Board lawfully may allocate funds.

SECTION 36. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 6, chapter 668, Oregon Laws 2013, for the biennium ending June 30, 2015, as the maximum limit for payment of expenses by the Public Employees' Benefit Board from the Public Employees' Revolving Fund for benefit plan premiums and self-insurance is increased by \$45,000,000.

# BUDGET NARRATIVE

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**SECTION 37.** Notwithstanding any other provision of law, the General Fund appropriation made to the Long Term Care Ombudsman by section 1 (1), chapter 408, Oregon Laws 2015 (Enrolled Senate Bill 5521), for the biennium beginning July 1, 2015, general program and services provided to care facility residents, is increased by \$100,000.

**SECTION 38.** (1) Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Human Services by section 1 (2), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5026), for the biennium beginning July 1, 2015, for child welfare, self-sufficiency and vocational rehabilitation services, is increased by \$800,000 for foster care pilot programs.

(2) Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 3 (2), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5026), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from federal funds, excluding federal funds described in section 2, chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5026), collected or received by the Department of Human Services, for child welfare, self-sufficiency and vocational rehabilitation services, is increased by \$160,000 for foster care pilot programs.

**SECTION 39.** Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Human Services by section 1 (2), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5026), for the biennium beginning July 1, 2015, for child welfare, self-sufficiency and vocational rehabilitation services, is increased by \$500,000 for a Temporary Assistance for Needy Families pilot project.

**SECTION 40.** Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Human Services by section 1 (3), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5026), for the biennium beginning July 1, 2015, for aging and people with disabilities and intellectual/developmental disabilities programs, is increased by \$350,000 for the Home Care Commission.

**SECTION 41.** Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Human Services by section 1 (2), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5026), for the biennium beginning July 1, 2015, for child welfare, self-sufficiency and vocational rehabilitation services, is increased by \$400,000 for food programs.

**SECTION 42.** Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Human Services by section 1 (2), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5026), for the biennium beginning July 1, 2015, for child welfare, self-sufficiency and vocational rehabilitation services, is increased by \$150,000 for the Hunger Task Force.

**SECTION 43.** (1) In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$10,700,000, to be allocated to state agencies for compensation changes driven by collective bargaining for workers who are not state employees.

(2) If any of the moneys appropriated by subsection (1) of this section are not allocated by the Emergency Board prior to December 1, 2016, the moneys remaining on that date become available for any purpose for which the Emergency Board lawfully may allocate funds.

**SECTION 44.** (1) In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$100,000, to be allocated to the Department of Human Services for provider compliance activities.

(2) If any of the moneys appropriated by subsection (1) of this section are not allocated by the Emergency Board prior to December 1, 2016, the moneys remaining on that date become available for any purpose for which the Emergency Board lawfully may allocate funds.

**SECTION 45.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (2), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5002), for the biennium beginning July 1, 2015, for food safety, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, and including federal funds for contract services, but excluding lottery funds and federal funds not described in section 2, chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5002), collected or received by the State Department of Agriculture, is increased by \$320,000.

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**SECTION 46.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (3), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5002), for the biennium beginning July 1, 2015, for natural resources, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, and including federal funds for contract services, but excluding lottery funds and federal funds not described in section 2, chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5002), collected or received by the State Department of Agriculture, is increased by \$1,672,496.

**SECTION 47.** Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Environmental Quality by section 1 (3), chapter 593, Oregon Laws 2015 (Enrolled House Bill 5018), for the biennium beginning July 1, 2015, for land quality, is increased by \$280,000.

**SECTION 48.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (1), chapter 593, Oregon Laws 2015 (Enrolled House Bill 5018), for the biennium beginning July 1, 2015, for air quality, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, the proceeds of bonds for the Orphan Site Account and federal funds from congestion mitigation and air quality grants, drinking water protection, beach bacteria monitoring, laboratory accreditation and woodstove grants and for smoke monitoring laboratory services, but excluding lottery funds and federal funds not described in section 2, chapter 593, Oregon Laws 2015 (Enrolled House Bill 5018), collected or received by the Department of Environmental Quality, is increased by \$110,092.

**SECTION 49.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 7 (2), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5540), for the biennium beginning July 1, 2015, for grants, as the maximum limit for payment of expenses from federal funds collected or received by the Oregon Watershed Enhancement Board is increased by \$200,000.

**SECTION 50.** In addition to and not in lieu of any other appropriation, there is appropriated to the Higher Education Coordinating Commission, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$300,000, which may be expended for the establishment of a wrestling program at Eastern Oregon University.

**SECTION 51.** In addition to and not in lieu of any other appropriation, there is appropriated to the Higher Education Coordinating Commission, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$2,500,000, for use by Oregon State University for the Center for Advanced Wood Products Manufacturing and Design.

**SECTION 52.** (1) In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$6,500,000, to be allocated for increases in Oregon Department of Administrative Services rates and assessments.

(2) If any of the moneys appropriated by subsection (1) of this section are not allocated by the Emergency Board prior to December 1, 2016, the moneys remaining on that date become available for any purpose for which the Emergency Board lawfully may allocate funds.

**SECTION 53.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (4), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5502), for the Chief Human Resource Office, for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and federal funds received from charges, but excluding lottery funds and federal funds not described in section 2, chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5502), collected or received by the Oregon Department of Administrative Services, is increased by \$951,393.

**SECTION 54.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (7), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5502), for the biennium beginning July 1, 2015, for enterprise goods and services, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and federal funds received from charges, but excluding lottery funds and federal funds not described in section 2, chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5502), collected or received by the Oregon Department of Administrative Services, is increased by \$293,314.

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SECTION 55. (1) In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$2,000,000, to be allocated to the Department of Justice for the defense of criminal convictions.

(2) If any of the moneys appropriated by subsection (1) of this section are not allocated by the Emergency Board prior to December 1, 2016, the moneys remaining on that date become available for any purpose for which the Emergency Board lawfully may allocate funds.

SECTION 56. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 3, chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5021), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from lottery moneys allocated from the Administrative Services Economic Development Fund to the Office of the Governor for the Regional Solutions Program, is increased by \$1,332,517.

SECTION 57. Notwithstanding any other provision of law, the General Fund appropriation made to the Office of the Governor by section 1, chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5021), for the biennium beginning July 1, 2015, is increased by \$500,000 for federal programs coordination.

SECTION 58. Notwithstanding any other law limiting expenditures, and notwithstanding ORS 541.940 (2), the limitation on expenditures established by section 4, chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5531), for the biennium beginning July 1, 2015, for fish and wildlife enforcement, as the maximum limit for payment of expenses by the Department of State Police for fish and wildlife enforcement activities from moneys or other revenues allocated to the Parks and Natural Resources Fund and from lottery funds made available to the Parks and Natural Resources Fund under Article XV, section 4 (8), of the Oregon Constitution, is increased by \$278,788.

SECTION 59. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (2), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5531), for the biennium beginning July 1, 2015, for fish and wildlife enforcement, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Department of State Police, is increased by \$993,640 for capital equipment for fish and wildlife enforcement.

SECTION 60. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (4), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5531), for the biennium beginning July 1, 2015, for administrative services, agency support, criminal justice information services and the office of the State Fire Marshal, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Department of State Police, is increased by \$78,830.

SECTION 61. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 3 (4), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5531), for the biennium beginning July 1, 2015, for administrative services, agency support, criminal justice information services and the office of the State Fire Marshal, as the maximum limit for payment of expenses from federal funds collected or received by the Department of State Police is increased by \$1,163.

SECTION 62. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 1 (1), chapter 329, Oregon Laws 2015 (Enrolled House Bill 5004), for the biennium beginning July 1, 2015, for operations, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Department of Aviation, is decreased by \$22,537.

SECTION 63. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 1 (4), chapter 329, Oregon Laws 2015 (Enrolled House Bill 5004), for the biennium beginning July 1, 2015, for search and rescue, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Department of Aviation, is increased by \$22,537.

SECTION 64. Notwithstanding any other law limiting expenditures, the following amounts are established for the biennium beginning July 1, 2015, as the maximum limits for payment of expenses from the Water Resources Department Water Supply Fund established by section 10 (1), chapter 906, Oregon Laws 2009, for the following purposes:

# BUDGET NARRATIVE

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(1) \$750,000 for facilitation of the preparation of place-based integrated water resources strategies as described by section 2 (2), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 266).

(2) \$11,000,000 for the purpose of grants or contracts to assist with financing and facilitating water supply projects in the Umatilla Basin and for the payment of services in connection with the projects.

(3) \$1,000,000 for the purpose of making one or more grants to individuals or entities to repair, replace or remediate water wells in the Mosier Creek area.

(4) \$280,433 for the payment of bond issuance costs.

**SECTION 65.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 3 (1), chapter 597, Oregon Laws 2015 (Enrolled House Bill 5042), for the biennium beginning July 1, 2015, for the water resources program, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and including federal funds received under cooperative agreements with or contracts from the Bureau of Reclamation of the United States Department of the Interior, the United States Army Corps of Engineers, the United States Geological Survey, the Bonneville Power Administration and the National Fish and Wildlife Foundation, but excluding lottery funds and federal funds not described in section 3, chapter 597, Oregon Laws 2015 (Enrolled House Bill 5042), collected or received by the Water Resources Department, is increased by \$2,047,477 for the purpose of making grants and paying the cost of direct services provided under ORS 541.561 and for the payment of bond issuance costs from the Water Conservation, Reuse and Storage Investment Fund established under ORS 541.576.

**SECTION 66.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 3 (1), chapter 597, Oregon Laws 2015 (Enrolled House Bill 5042), for the biennium beginning July 1, 2015, for the water resources program, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and including federal funds received under cooperative agreements with or contracts from the Bureau of Reclamation of the United States Department of the Interior, the United States Army Corps of Engineers, the United States Geological Survey, the Bonneville Power Administration and the National Fish and Wildlife Foundation, but excluding lottery funds and federal funds not described in section 3, chapter 597, Oregon Laws 2015 (Enrolled House Bill 5042), collected or received by the Water Resources Department, is increased by \$6,362,979 for the purpose of carrying out ORS 541.651 to 541.696 and for the payment of bond issuance costs from the Water Supply Development Account established under ORS 541.656.

**SECTION 67.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 3 (2), chapter 597, Oregon Laws 2015 (Enrolled House Bill 5042), for the biennium beginning July 1, 2015, for Water Development Fund loan administration, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and including federal funds received under cooperative agreements with or contracts from the Bureau of Reclamation of the United States Department of the Interior, the United States Army Corps of Engineers, the United States Geological Survey, the Bonneville Power Administration and the National Fish and Wildlife Foundation, but excluding lottery funds and federal funds not described in section 3, chapter 597, Oregon Laws 2015 (Enrolled House Bill 5042), collected or received by the Water Resources Department, is increased by \$30,000,000 for the purposes provided in ORS 541.700 to 541.855.

**SECTION 68.** Notwithstanding any other law limiting expenditures, the amount of \$520,000 is established for the biennium beginning July 1, 2015, as the maximum limit for the payment of bond issuance costs associated with bonds issued under Article XI-I(1) of the Oregon Constitution from the Water Development Administration and Bond Sinking Fund established under ORS 541.830.

**SECTION 69.** Notwithstanding any other law limiting expenditures, the amount of \$1,201,865 is established for the biennium beginning July 1, 2015, as the maximum limit for the payment of bond principal and interest costs associated with bonds issued under Article XI-I(1) of the Oregon Constitution from the Water Development Administration and Bond Sinking Fund established under ORS 541.830.

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**SECTION 70.** Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Land Conservation and Development by section 1 (1), chapter 547, Oregon Laws 2013, as modified by legislative or Emergency Board action, is reduced by \$194,000.

**SECTION 71.** Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Land Conservation and Development by section 1 (1), chapter 333, Oregon Laws 2015 (Enrolled House Bill 5027), is increased by \$194,000 for the Southern Oregon Regional Pilot Program as described by Executive Order 12-07.

**SECTION 72.** Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Land Conservation and Development by section 1 (1), chapter 333, Oregon Laws 2015 (Enrolled House Bill 5027), is increased by \$300,000 for the establishment of a SageCon Coordinator position.

**SECTION 73.** (1) In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$3,000,000, to be allocated to state agencies for issues relating to education.

(2) If any of the moneys appropriated by subsection (1) of this section are not allocated by the Emergency Board prior to December 1, 2016, the moneys remaining on that date become available for any purpose for which the Emergency Board lawfully may allocate funds.

**SECTION 74.** Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Education by section 1, chapter 25, Oregon Laws 2015 (Enrolled House Bill 5017), for the biennium beginning July 1, 2015, for the State School Fund, is increased by \$51,990,543.

**SECTION 75.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2, chapter 25, Oregon Laws 2015 (Enrolled House Bill 5017), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from lottery moneys allocated from the Administrative Services Economic Development Fund to the Department of Education for the State School Fund is increased by \$66,009,457.

**SECTION 76.** Section 5, chapter 25, Oregon Laws 2015 (Enrolled House Bill 5017), is amended to read:

Sec. 5. (1) The Department of Education may not spend more than \$3,629,130,346, *plus one-half of any amount appropriated under section 7 of this 2015 Act,*] from the State School Fund for the fiscal year beginning July 1, 2015.

(2) The Department of Education may not spend more than [*\$3,629,130,346, plus one-half of any amount appropriated under section 7 of this 2015 Act,*] \$3,747,130,346 from the State School Fund for the fiscal year beginning July 1, 2016.

**SECTION 77.** In addition to and not in lieu of any other appropriation, there is appropriated to the Higher Education Coordinating Commission, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$350,000 for a grant to the College Inside program to assist incarcerated individuals to obtain college credits toward a degree.

**SECTION 78.** In addition to and not in lieu of any other appropriation, there is appropriated to the Higher Education Coordinating Commission, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$350,000 for a grant to the College Possible organization to encourage and assist low-income students to attend a post-secondary institution.

**SECTION 79.** Notwithstanding any other provision of law, the General Fund appropriation made to the Higher Education Coordination Commission by section 1 (5), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5024), for the biennium beginning July 1, 2015, is increased by \$1,500,000 for funding academic counselors at community colleges for the 2016-2017 academic year.

**SECTION 80.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 5 (1), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5024), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from bond proceeds and other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Higher Education Coordinating Commission, is increased by \$4,477,055 for the costs of issuing bonds on behalf of community colleges and public universities.

**SECTION 81.** Notwithstanding any other law limiting expenditures, the amount of \$1,542,827 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from bond proceeds and other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal

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funds, collected or received by the Higher Education Coordinating Commission from the proceeds of lottery bonds for the purposes of a grant to the Linn Benton Community College for the Advanced Transportation Technology Center.

SECTION 82. (1) Notwithstanding any other provision of law, the General Fund appropriation made to the Commission on Judicial Fitness and Disability by section 1 (1), chapter 633, Oregon Laws 2013, for the biennium ending June 30, 2015, for administration, is decreased by \$5,000.

(2) Notwithstanding any other provision of law, the General Fund appropriation made to the Commission on Judicial Fitness and Disability by section 1 (2), chapter 633, Oregon Laws 2013, for the biennium ending June 30, 2015, for extraordinary expenses, is increased by \$5,000.

SECTION 83. (1) Notwithstanding any other provision of law, the General Fund appropriation made to the Judicial Department by section 5, chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5514), for the biennium beginning July 1, 2015, for payment of expenses of the Oregon Law Commission, is increased by \$100,000.

(2) Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (1), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5514), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and including reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in section 2, chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5514), collected or received by the Judicial Department for operations, is increased by \$455,000.

(3) Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (7), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5514), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and including reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in section 2, chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5514), collected or received by the Judicial Department for the Oregon Courthouse Capital Construction and Improvement Fund, is increased by \$39,800,000.

(4) In addition to and not in lieu of any other appropriation, there is appropriated to the Judicial Department, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$600,000 for distribution to the Oregon State Bar for funding of the Legal Services Program established under ORS 9.572.

SECTION 84. (1) Notwithstanding any other provision of law, the General Fund appropriation made to the Oregon Business Development Department by section 1 (2), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5525), for the biennium beginning July 1, 2015, for debt service, is increased by \$4,089,357.

(2) Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (2), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5525), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Business Development Department for Infrastructure Finance Authority, is increased by \$4,610,032.

(3) Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (4), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5525), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Business Development Department for Arts and Cultural Trust, is increased by \$4,568,184.

(4) Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (6), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5525), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Business Development Department for Regional Solutions, is increased by \$13,000,000.

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(5) Notwithstanding any other law limiting expenditures, the amount of \$205,000,000 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Business Development Department for payment of expenses for the seismic rehabilitation grant program.

(6) Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 3 (5), chapter \_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5525), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from lottery moneys allocated from the Administrative Services Economic Development Fund to the Oregon Business Development Department for Regional Solutions, is increased by \$1,000,000 for support of the Regional Accelerator Innovation Network.

(7) Notwithstanding any other law limiting expenditures, the amount of \$500,000 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from lottery moneys allocated from the Administrative Services Economic Development Fund to the Oregon Business Development Department for business, innovation and trade, for transfer to the Oregon Growth Fund.

SECTION 85. Notwithstanding any other law limiting expenditures, the amount of \$38,689,306 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses by the Oregon Department of Administrative Services from the Oregon Health and Science University Bond Fund for the following purposes:

(1) Paying the principal of, and the interest and premium on, outstanding general obligation bonds issued for projects benefiting Oregon Health and Science University, or in which the university participates, including without limitation bonds issued for the Oregon Opportunity program and other Oregon Health and Science University programs;

(2) Funding the general obligation bond reserves; and

(3) Paying amounts due in connection with any instrument authorized by section 18 (4)(c), chapter 921, Oregon Laws 2001.

SECTION 86. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Department of Administrative Services, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$8,522,485 for debt service on outstanding general obligation bonds sold pursuant to Article XI-G of the Oregon Constitution for the benefit of Oregon Health and Science University.

SECTION 87. Notwithstanding any other law limiting expenditures, the amount of \$200,035,000 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from bond proceeds and other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Department of Administrative Services, for use by Oregon Health and Science University for cancer institute project costs.

SECTION 88. For the biennium beginning July 1, 2015, expenditures of proceeds by the Oregon Department of Administrative Services from state bonds issued during the period beginning July 1, 2013, and ending June 30, 2015, for the benefit of a public university, pursuant to agreements between the department and a public university, are not limited.

SECTION 89. For the biennium beginning July 1, 2015, expenditures of proceeds by the Higher Education Coordinating Commission from state bonds issued during the period beginning July 1, 2013, and ending June 30, 2015, for the benefit of a public university, pursuant to agreements between the commission and a public university are not limited.

SECTION 90. Notwithstanding any other law limiting expenditures, the following amounts are established for the biennium beginning July 1, 2015, as the maximum limits for payment of expenses from bond proceeds and other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Department of Administrative Services, for the following purposes:

(1) Concordia University for the construction of the Faubion prekindergarten through grade

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	eight school..... \$	785,698
(2)	Elgin Health District for a rural health care clinic..... \$	1,293,008
(3)	Open Meadow for the construction of a new facility for the Open School in Portland ..... \$	1,037,941
(4)	Boys & Girls Clubs of Portland Metropolitan Area for a new Boys & Girls Club in Rockwood ..... \$	1,037,941
(5)	City of Grants Pass for the Riverside Park renovation project..... \$	535,837
(6)	Mountain West Career Technical Institute for the Career Technical Education Center in Salem..... \$	1,037,941
(7)	Wheeler County for the construction of an underground fiber optic telecommunication line ..... \$	2,046,569
(8)	Port of Umatilla for the Eastern Oregon Trade and Event Center in Hermiston ..... \$	1,542,071
(9)	Trillium Family Services for improving and expanding the Children's Farm Home ..... \$	3,054,961

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- (10) Port of Morrow for an Early Childhood Development Center at the workforce training center at the Port of Morrow..... \$ 1,642,102
- (11) City of Tigard for the Hunziker Development Project. \$ 1,542,071

**SECTION 91.** In addition to and not in lieu of any other appropriation, there are appropriated to the Oregon Department of Administrative Services, for the biennium beginning July 1, 2015, out of the General Fund, the following amounts, which are to be expended for payments for the following purposes:

- (1) National Urban Housing and Economic Community Development Corporation ..... \$ 1,100,000
- (2) Pine Valley Fire House..... \$ 850,000
- (3) YWCA of Greater Portland Family Preservation Project..... \$ 400,000
- (4) City of Medford Conference Center feasibility Study ..... \$ 100,000
- (5) Rogue River White Water study community solutions project..... \$ 90,000

**SECTION 92.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 1 (2), chapter 303, Oregon Laws 2015 (Enrolled Senate Bill 5528), for the biennium beginning July 1, 2015, for the lottery bond proceeds pass-through to Portland Parks and Recreation for the Renew Forest Park project, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the State Parks and Recreation Department, is increased by \$1,500,000.

**SECTION 93.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 1 (5), chapter 303, Oregon Laws 2015 (Enrolled Senate Bill 5528), for the biennium beginning July 1, 2015, for the lottery bond proceeds for the Main Street Revitalization Grant program, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the State Parks and Recreation Department, is increased by \$2,500,000.

**SECTION 94.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 1 (2), chapter 303, Oregon Laws 2015 (Enrolled Senate Bill 5528), for the biennium beginning July 1, 2015, for the lottery bond proceeds for the Willamette Falls Riverwalk, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the State Parks and Recreation Department, is increased by \$7,500,000.

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SECTION 95. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 1 (2), chapter 303, Oregon Laws 2015 (Enrolled Senate Bill 5528), for the biennium beginning July 1, 2015, for the costs of issuance of the lottery bonds issued for the Renew Forest Park project, the Main Street Revitalization Grant program and the Willamette Falls Riverwalk project, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the State Parks and Recreation Department, is increased by \$216,804.

SECTION 96. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Military Department, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$434,833, which may be expended for capital debt service and related costs for outstanding general obligation bonds sold pursuant to Article XI-Q of the Oregon Constitution for the Joint Forces Headquarters facility.

SECTION 97. Notwithstanding any other law limiting expenditures, the amount of \$153,000 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses for the costs of issuance of general obligation bonds sold pursuant to Article XI-Q of the Oregon Constitution from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Oregon Military Department for the capital debt service and related costs program.

SECTION 98. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Youth Authority, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$3,115,428, which may be expended for capital debt service and related costs for outstanding general obligation bonds sold pursuant to Article XI-Q of the Oregon Constitution for the 10-Year Strategic Facilities Plan.

SECTION 99. Notwithstanding any other law limiting expenditures, the amount of \$1,055,565 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses for the costs of issuance of general obligation bonds sold pursuant to Article XI-Q of the Oregon Constitution from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Oregon Youth Authority for the capital debt service and related costs program.

SECTION 100. Notwithstanding any other law limiting expenditures, the amount of \$254,568 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses for the costs of issuance of general obligation bonds sold pursuant to Article XI-Q of the Oregon Constitution from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Department of Corrections for the capital debt service and related costs program.

SECTION 101. Notwithstanding any other provision of law, the General Fund appropriation made to the State Department of Agriculture by section 1 (1), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5002), for the biennium beginning July 1, 2015, is increased by \$30,000 for wolf depredation compensation and financial assistance grant program.

SECTION 102. Notwithstanding any other provision of law, the General Fund appropriation made to the State Department of Agriculture by section 1 (2), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5002), for the biennium beginning July 1, 2015, is increased by \$25,000 for predator control.

SECTION 103. Notwithstanding any other provision of law, the General Fund appropriation made to the State Department of Fish and Wildlife by section 1 (2), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5511), for the biennium beginning July 1, 2015, is increased by \$25,000 for predator control.

SECTION 104. Notwithstanding any other law limiting expenditures, the amount of \$585,000 is established for the biennium beginning July 1, 2015, for the costs of issuance of bonds for affordable housing, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Housing and Community Services Department.

SECTION 105. Notwithstanding any other law limiting expenditures, the amount of \$20,307,817 is established for the biennium beginning July 1, 2015, for financing construction of housing for individuals with mental illness or addiction disorders and the costs of issuance of bonds, as the maximum limit for

# BUDGET NARRATIVE

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payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Housing and Community Services Department.

**SECTION 106.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2, chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5513), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses for operations from fees, moneys or other revenues, including Miscellaneous Receipts and federal funds from the United States Department of Housing and Urban Development for contract services, but excluding lottery funds and federal funds not described in section 2, chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5513), collected or received by the Housing and Community Services Department, is increased by \$2,551,972 for preservation of existing affordable housing and cost of issuance.

**SECTION 107.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (1), chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5526), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, tobacco tax receipts, provider taxes, Medicare receipts and federal funds for indirect cost recovery, Supplemental Security Income recoveries, Women, Infants and Children Program food rebates, the Coordinated School Health Program, the Edward Byrne Memorial State and Local Law Enforcement Assistance Grant Program, homeland security and emergency preparedness and response services, but excluding lottery funds and federal funds not described in section 2, chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5526), collected or received by the Oregon Health Authority, for programs, is increased by \$137,152 for the Pesticide Analytical and Response Center.

**SECTION 108.** Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Education by section 2 (5), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5016), for the biennium beginning July 1, 2015, is increased by \$500,000 for leadership training programs.

**SECTION 109.** Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Education by section 2 (7), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5016), for the biennium beginning July 1, 2015, is increased by \$700,000 for relief nurseries.

**SECTION 110.** Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Education by section 2 (4), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5016), for the biennium beginning July 1, 2015, is increased by \$3,300,000 for the farm-to-school program.

**SECTION 111.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 5 (12), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5040), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and federal funds received as reimbursement from the United States Department of Transportation, but excluding lottery funds and federal funds not described in section 5, chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5040), collected or received by the Department of Transportation is increased by \$45,000,000 for the Connect Oregon VI program.

**SECTION 112.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 5 (14), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5040), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and federal funds received as reimbursement from the United States Department of Transportation, but excluding lottery funds and federal funds not described in section 5, chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5040), collected or received by the Department of Transportation is increased by \$10,000,000 for Coos Bay Rail Link.

**SECTION 113.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 5 (17), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5040), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and federal funds received as reimbursement from the United States Department of Transportation, but excluding lottery funds and federal funds not described in section 5, chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5040), collected or received by the Department of Transportation is increased by \$1,354,734 for bond issuance costs.

**SECTION 114.** In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Human Services, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$1,437,494 for the statewide adult abuse data and report writing system.

# BUDGET NARRATIVE

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SECTION 115. Notwithstanding any other law limiting expenditures, the amount of \$3,300,000 is established for the biennium beginning July 1, 2015, for the statewide adult abuse data and report writing system, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Department of Human Services.

SECTION 116. Notwithstanding any other law limiting expenditures, the amount of \$55,000 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses for the costs of issuance of general obligation bonds sold pursuant to Article XI-Q of the Oregon Constitution from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Department Human Services for the capital debt service and related costs program.

SECTION 117. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Human Services, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$839,543, which may be expended for capital debt service and related costs for outstanding general obligation bonds sold pursuant to Article XI-Q of the Oregon Constitution for the statewide adult abuse data and report writing system.

SECTION 118. Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Transportation by section 1, chapter \_\_, Oregon Laws 2015 (Enrolled House Bill 5040), for the biennium beginning July 1, 2015, for the Public Transit Division's Elderly and People with Disabilities Transportation Program, is increased by \$130,000.

SECTION 119. Notwithstanding any other law limiting expenditures, the amount of \$126,210,000 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from bond proceeds and other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Department of Education from the proceeds of Article XI-P general obligation bonds for the purposes of matching grants to school districts for capital costs associated with acquisition, construction, improvement, remodeling, furnishing, equipping, maintenance or repair and the costs of issuance of the bonds.

SECTION 120. Notwithstanding any other provision of law, the General Fund appropriation made to the State Forestry Department by section 1 (1), chapter \_\_, Oregon Laws 2015 (Enrolled House Bill 5019), is increased by \$809,377 for sage grouse habitat protection and improvement.

SECTION 121. In addition to and not in lieu of any other appropriation, there is appropriated to the State Department of Fish and Wildlife, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$500,000 for sage grouse habitat protection and improvement.

SECTION 122. In addition to and not in lieu of any other appropriation, there is appropriated to the Higher Education Coordinating Commission, for the biennium beginning July 1, 2015, out of the General Fund, the amount of \$62,300 for use by Oregon Solutions at Portland State University to staff the Task Force on the Willamette Falls Navigation Canal and Locks.

SECTION 123. Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Human Services by section 1 (3), chapter \_\_, Oregon Laws 2015 (Enrolled House Bill 5026), for the biennium beginning July 1, 2015, for aging and people with disabilities and intellectual/developmental disabilities programs, is increased by \$1,800,000 for options counseling.

SECTION 124. Notwithstanding any other provision of law, the authorized appropriations and expenditure limitations for the biennium beginning July 1, 2015, for the following agencies and programs are changed by the amounts specified:

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(1) ADMINISTRATION.

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# BUDGET NARRATIVE

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Agency/Program/Funds	2015 Oregon Laws Chapter/ Section	Adjustment
Oregon Advocacy Commissions Office:		
Operating Expenses		
General Fund	HB 5001 1	-\$2,330
Oregon Department of		
Administrative Services:		
Chief Operating Office		
Other funds	SB 5502 2(1)	-98,968
Go! Oregon Debt Service		
General Fund	SB 5502 1(6)	-46,220
Chief Financial Office		
Other funds	SB 5502 2(2)	-158,967
Chief Information Office		
Other funds	SB 5502 2(3)	-89,221
Chief Human Resource Office		
Other funds	SB 5502 2(4)	-113,168
Enterprise Technology Services		
Other funds	SB 5502 2(5)	-428,840
Enterprise Asset Management		
Other funds	SB 5502 2(6)	-1,442,244
Enterprise Goods and Services		
Other funds	SB 5502 2(7)	-2,347,672
Enterprise Human Resource Services		
Other funds	SB 5502 2(8)	-83,424
Business Services		
Other funds	SB 5502 2(9)	-86,616
Oregon State Treasury:		
Administrative Expenses		
- Operations		

# BUDGET NARRATIVE

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Other funds	HB 5041 1(1)	-159,050
Administrative Expenses		
- College Savings		
Other funds	HB 5041 1(2)	-11,603
Oregon Racing Commission: Operating Expenses		
Other funds	SB 5536 1	-24,519
Public Employees Retirement System: Administrative and Operating Expenses		
Other funds	HB 5034 1(1)	-802,812
Secretary of State: Administrative Services Division		
General Fund	HB 5036 1(1)	-4,900
Other funds	HB 5036 2(1)	-34,484
Elections Division		
General Fund	HB 5036 1(2)	-84,380
Other funds	HB 5036 2(2)	-42
Audits Division		
Other funds	HB 5036 2(3)	-75,328
Archives Division		
Other funds	HB 5036 2(4)	-16,232
Corporation Division		

# BUDGET NARRATIVE

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	HB 5036 2(5)	-34,817	
Federal Funds			
Federal funds	HB 5036 3	-9,221	
Oregon Liquor Control Commission:			
Administrative expenses			
Other funds	SB 5520 1(1)	-367,287	
Department of Revenue: Administration			
General Fund	HB 5035 1(1)	-1,130,621	
Other funds	HB 5035 2(1)	-191,439	
Debt Service			
General Fund	HB 5035 1(7)	-117,820	
Employment Relations Board: Operating Expenses			
General Fund	SB 5509 1	-6,430	
Assessments of Agencies Transferred to DAS			
Other funds	SB 5509 3	-3,114	
Office of the Governor:			
Operating Expenses			
General Fund	HB 5021 1	-25,345	
Other funds	HB 5021 4	-3,089	
Regional Solutions Program			
Lottery funds	HB 5021 3	-4,635	
Oregon Government Ethics Commission:			
Administration			
Other funds	HB 5020 1(1)	-18,475	
State Library:			
Operating Expenses			
General Fund	SB 5519 1	-25,770	
Operating Expenses - Assessments			
Other funds	SB 5519 3	-42,860	

# BUDGET NARRATIVE

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(2) CONSUMER AND BUSINESS SERVICES.

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Agency/Program/Funds	Section	2015 Oregon Laws Chapter/ Adjustment
<b>Oregon Board of Accountancy:</b>		
<b>Operating Expenses</b>		
Other funds	SB 5501 1	-\$17,205
<b>State Board of Tax Practitioners:</b>		
<b>Operating Expenses</b>		
	HB 5038 1	-7,107
<b>Construction Contractors Board: Operating Expenses</b>		
Other funds	HB 5011 1	-113,341
<b>Oregon Board of Licensed Professional Counselors and Therapists: Operating Expenses</b>		
Other funds	HB 5013 1	-13,146
<b>State Board of Psychologist Examiners:</b>		
<b>Operating Expenses</b>		
Other funds	HB 5033 1	-16,674
<b>State Board of Chiropractic Examiners:</b>		
<b>Operating Expenses</b>		

## BUDGET NARRATIVE

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Other funds	HB 5007 1	-25,798
State Board of Licensed Social Workers:		
Operating Expenses		
Other funds	HB 5009 1	-12,716
Oregon Board of Dentistry:		
Operating Expenses		
Other funds	HB 5014 1	-24,721
Health-Related Licensing Boards:		
State Mortuary and Cemetery Board		
Other funds	HB 5023 1	-33,670
Oregon Board of Naturopathic Medicine		
Other funds	HB 5023 2	-5,541
Occupational Therapy Licensing Board		
Other funds	HB 5023 3	-2,902
Board of Medical Imaging		
Other funds	HB 5023 4	-4,514
State Board of Examiners for Speech-Language Pathology and Audiology		
Other funds	HB 5023 5	-4,679
Oregon State Veterinary Medical Examining Board		
Other funds Bureau of	HB 5023 6	-14,530
Labor and Industries:		
Operating Expenses		
General Fund	SB 5517 1	-68,290
Other funds	SB 5517 2	-74,360

## BUDGET NARRATIVE

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Federal funds	SB 5517 4	-4,543
Public Utility Commission: Utility Program		
	SB 5535 1(1)	-96,881
Residential Service Protection Fund		
Other funds Administration	SB 5535 1(2)	-9,920
Other funds	SB 5535 1(3)	-215,130
Oregon Board of Maritime Pilots		
Other funds	SB 5535 1(4)	-3,939
Department of Consumer and Business Services: Operating Expenses		
Other funds Real Estate Agency: Operating Expenses	HB 5012 1	-1,228,501
Other funds Oregon State Board of Nursing: Operating Expenses	SB 5537 1	-158,876
Other funds Oregon Medical Board: Operating Expenses	SB 5524 1	-111,858
Other funds State Board of Pharmacy: Operating Expenses	SB 5523 1	-100,692
Other funds	SB 5530 1	-36,328

# BUDGET NARRATIVE

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(3) ECONOMIC DEVELOPMENT.

Agency/Program/Funds	2015 Oregon Laws Chapter/ Section	Adjustment
<b>Oregon Business Development Department:</b>		
<b>Oregon Arts Commission</b>		
General Fund	SB 5525 1(1)	-\$11,245
<b>Debt Service</b>		
General Fund	SB 5525 1(2)	-485,180
<b>Business, Innovation and Trade</b>		
Other funds	SB 5525 2(1)	-43,467
Lottery funds	SB 5525 3(1)	-67,675
Federal funds	SB 5525 4(1)	-1,039
<b>Infrastructure Finance Authority</b>		
Other funds	SB 5525 2(2)	-63,658
Lottery funds	SB 5525 3(6)	-6,281

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# BUDGET NARRATIVE

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Federal funds Shared	SB 5525 4(2)	-820
Services		
Other funds	SB 5525 2(3)	-1,086
Lottery funds Arts and Cultural Trust	SB 5525 3(2)	-57,447
Other funds	SB 5525 2(4)	-7,077
Housing and Community Services Department:		
Operating Expenses		
General Fund	SB 5513 1	-2,123
Other funds	SB 5513 2	-366,242
Federal funds	SB 5513 4	-60,458
Department of Veterans' Affairs:		
Services Provided by ODVA		
General Fund	SB 5539 1(1)	-3,819
Employment Department:		
Operating Budget		
Other funds	SB 5508 1(1)	-257,564
Office of Administrative Hearings		
Other funds	SB 5508 1(2)	-3,928
Operating budget Federal funds		
	SB 5508 4	-402,329

(4) EDUCATION.

	2015 Oregon Laws Chapter/ Section	Adjustment
Agency/Program/Funds		
Teacher Standards and Practices Commission:		
Operating Expenses		

# BUDGET NARRATIVE

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Other funds	SB 5538 1	-\$42,478
Department of Education:		
Operations		
General Fund	HB 5016 1(1)	-1,965,208
Other funds	HB 5016 4(1)	-153,467
Federal funds	HB 5016 5(1)	-11,248
Youth Corrections		
Education Program		
Other funds	HB 5016 4(3)	-8
Oregon Education		
Investment Board:		
Operating Expenses		
General Fund Higher	HB 5022 1	-963
Education		

Operations  
 General Fund HB 5024 1(1) -1,349  
 Office of Community Colleges and  
 Workforce Development:

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Operations

			Agency/Program/Funds	Section	Adjustment
General Fund Office of	HB 5024 1(2)	-50,095			
Student Access and					
Completion: Operations					
General Fund ASPIRE	HB 5024 1(3)	-33,704			
General Fund	HB 5024 1(9)	-10,716			
Degree Authorization and					
Private Career Schools					
Other funds	HB 5024 5(1)	-652			
Federal funds	HB 5024 6(1)	-259			
Office of Community					
Colleges and Workforce					
Development Operations and					
Federal/Other Support					
Other funds	HB 5024 5(2)	-56,223			
Federal funds Office of	HB 5024 6(2)	-90,544			
Student Access					
and Completion Operations,					
ASPIRE, Grants and					
Scholarships					
Other funds	HB 5024 5(3)	-100,649			
Oregon Youth Conservation					
Corps					
Other funds	HB 5024 5(4)	-3,655			
Federal funds HB 5024 6(3) (5) HUMAN		-1,166			

SERVICES.

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Long Term Care Ombudsman:  
 General Program

# BUDGET NARRATIVE

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General Fund	SB 5521 1(1)	-\$7,838
Public Guardian and Conservator Program		
General Fund Operating Expenses	SB 5521 1(2)	-6,943
Other funds	SB 5521 2	-128
Commission for the Blind:		
Operating Expenses		
General Fund	SB 5503 1	-7,046
Other funds	SB 5503 2	-906
Federal funds	SB 5503 3	-42,236
Psychiatric Security Review Board:		
Operating Expenses		
General Fund	SB 5532 1	-13,699
Department of Human Services:		
Central Services, Statewide Assessments and Enterprise-Wide Costs and Program Design Services		
General Fund	HB 5026 1(1)	-5,262,869
Other funds	HB 5026 2(1)	-3,319
Federal funds	HB 5026 3(1)	-4,620,516
Child Welfare, SelfSufficiency and Vocational Rehabilitation Services		
General Fund	HB 5026 1(2)	-1,312,468
Other funds	HB 5026 2(2)	-570
Federal funds	HB 5026 3(2)	-1,782,563
Aging and People With Disabilities and Intellectual/ Developmental Disabilities Programs		
General Fund	HB 5026 1(3)	-45,690
Other funds	HB 5026 2(3)	-885
Federal funds	HB 5026 3(3)	-23,075
Shared Services		

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Other funds	HB 5026 2(4)	-104,553
<b>Oregon Health Authority: Programs</b>		
General Fund	SB 5526 1(1)	-191,196
Other funds	SB 5526 2(1)	-227,413
Federal funds	SB 5526 4(1)	-62,939
<b>Central Services, Statewide Assessments and Enterprisewide Costs</b>		
General Fund	SB 5526 1(2)	-4,482,205
Other funds	SB 5526 2(2)	-1,007,062
Federal funds	SB 5526 4(2)	-2,951,263
<b>Debt Service</b>		
General Fund	SB 5526 1(4)	-515,705
<b>Gambling Addiction</b>		
Lottery funds	SB 5526 3	-20

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(6) JUDICIAL BRANCH.

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	2015 Oregon Laws	
Agency/Program/Funds	Chapter/ Section	Adjustment
<b>Commission on Judicial Fitness and Disability: Administration</b>		
General Fund Judicial Department: Operations	SB 5515 1(1)	-\$10

# BUDGET NARRATIVE

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General Fund Public	SB 5514 1(2)	-1,203,200
Defense Services		
Commission:		
Appellate Division		
General Fund	SB 5533 1(1)	-17,468
Contract and Business		
Services Division		
General Fund	SB 5533 1(3)	-7,520

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(7) LEGISLATIVE BRANCH.

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	2015 Oregon Laws Chapter/ Section	Adjustment
Agency/Program/Funds		
Legislative Administration		
Committee:		
General Program		
General Fund	SB 5518 1(1)	-\$25,313
Legislative Assembly:		
Biennial General Fund General		
Fund	SB 5518 4	-74,477
Legislative Counsel Committee:		
Operating Expenses General		
Fund	SB 5518 8	-13,529
Legislative Fiscal Officer:		
Operating Expenses		
General Fund	SB 5518 11(1)	-6,546

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**Legislative Revenue Officer:**

**Operating Expenses**

**General Fund**

SB 5518 12            -2,951

**Commission on Indian Services**

**Operating Expenses**

**General Fund**

SB 5518 13            -590

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**(8) NATURAL RESOURCES.**

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**2015 Oregon  
Laws  
Chapter/**

**Agency/Program/Funds**

**Section      Adjustment**

**State Marine Board:**

**Administration and Education**

Other funds            SB 5522 1(1)      -\$63,181

**State Department of Energy: Operations**

Other funds            SB 5510 1            -227,188

Federal funds        SB 5510 3            -683

**State Department of Geology and Mineral Industries:**

**Operations**

General Fund        SB 5512 1            -20,156

Federal funds        SB 5512 3            -4,409

**Geologic Survey**

Other funds            SB 5512 2(1)      -14,652

**State Parks and Recreation Department:**

**Director's Office**

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Other funds	SB 5528 1(1)	-8,925
Lottery funds	SB 5528 2(1)	-5,740
<b>Central Services</b>		
Other funds	SB 5528 1(2)	-525,373
Lottery funds	SB 5528 2(2)	-310,809
<b>Direct Services</b>		
Other funds	SB 5528 1(4)	-126,247
Lottery funds	SB 5528 2(4)	-30,329
<b>Land Use Board of Appeals:</b>		
General Fund	HB 5028 1	-2,609
<b>Water Resources Department:</b>		
<b>Water Resources Program</b>		
General Fund	HB 5042 1	-198,415
Other funds	HB 5042 3(1)	-14,873
<b>Oregon Watershed Enhancement Board:</b>		
<b>Operating Expenses, Activities and Projects</b>		
Lottery funds	SB 5540 5	-182,820
<b>Department of State Lands:</b>		
<b>Common School Fund Programs</b>		
Other funds	HB 5037 1(1)	-131,021
<b>Capital Improvement</b>		
Other funds	HB 5037 1(4)	-176,890
<b>State Department of</b>		
<b>Agriculture:</b>		
<b>Administrative and Support Services</b>		
General Fund	HB 5002 1(1)	-624
Other funds Food	HB 5002 2(1)	-1,646
<b>Safety</b>		
General Fund	HB 5002 1(2)	-33,103
Other funds Natural	HB 5002 2(2)	-91,636
<b>Resources</b>		
General Fund	HB 5002 1(3)	-16,058
Other funds	HB 5002 2(3)	-90,752

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Federal funds Market	HB 5002 4(2)	-283
Access		
General Fund	HB 5002 1(4)	-15,110
Other funds	HB 5002 2(4)	-72,665
Parks and Natural Resources Fund		
Lottery funds	HB 5002 3	-24,016
Department of Environmental Quality:		
Air Quality		
General Fund	HB 5018 1(1)	-12,662
Other funds	HB 5018 2(1)	-57,234
Federal funds Water	HB 5018 5(1)	-10,844
Quality		
General Fund	HB 5018 1(2)	-37,191
Other funds	HB 5018 2(2)	-58,501
Federal funds Land	HB 5018 5(2)	-15,794
Quality		
General Fund	HB 5018 1(3)	-42
Other funds	HB 5018 2(3)	-118,612
Federal funds Agency	HB 5018 5(3)	-10,783
Management		
Other funds	HB 5018 2(4)	-595,483
Parks and Natural Resources Fund		
Lottery funds	HB 5018 3	-10,139
State Department of Fish and Wildlife: Fish Division		
Other funds Wildlife	SB 5511 2(1)	-59,569
Division		
Other funds	SB 5511 2(2)	-31,187
Administrative Services Division		
General Fund	SB 5511 1(3)	-693,944
Other funds	SB 5511 2(3)	-1,109,521

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State Forestry Department:

Fire Protection

General Fund	HB 5019 1(1)	-319,463
Other funds	HB 5019 2(2)	-11,196
Federal funds	HB 5019 4(2)	-32,839

Private Forests

General Fund	HB 5019 1(2)	-88,919
Other funds	HB 5019 2(4)	-5,320
Federal funds	HB 5019 4(4)	-1,605

Debt Service

General Fund Agency	HB 5019 1(3)	-324,245
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Administration

Other funds	HB 5019 2(1)	-869,110
Federal funds	HB 5019 4(1)	-127

State Forests

Other funds Equipment	HB 5019 2(3)	-32,260
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Pool

Other funds	HB 5019 2(7)	-3,924
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Facilities Maintenance and Management

Other funds	HB 5019 2(8)	-68
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Department of Land Conservation and Development: Planning Program

General Fund	HB 5027 1(1)	-84,572
Federal funds	HB 5027 3	-12,605

Columbia River Gorge Commission:

Operating Expenses

General Fund	HB 5010 1	-17
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(9) PUBLIC SAFETY.

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Agency/Program/Funds	Section	Adjustment
<b>State Board of Parole and Post-Prison Supervision:</b>		
General Fund	SB 5529 1	-\$105,826
<b>Department of State Police: Patrol Services, Criminal Investigations and Gaming Enforcement</b>		
General Fund	SB 5531 1(1)	-524,668
Other funds	SB 5531 2(1)	-73,442
<b>Fish and Wildlife Enforcement</b>		
General Fund	SB 5531 1(2)	-6,368
Other funds	SB 5531 2(2)	-90,036
Lottery funds	SB 5531 4	-25,678
Federal funds	SB 5531 3(2)	-2,656
<b>Forensic Services and State Medical Examiner</b>		
General Fund	SB 5531 1(3)	-52,401
Other funds	SB 5531 2(3)	-555
<b>Administrative Services, Agency Support, Information Management and Office of State Fire Marshal</b>		
General Fund	SB 5531 1(4)	-173,628
Other funds	SB 5531 2(4)	-115,281
Federal funds	SB 5531 3(4)	-2,218
<b>Department of Corrections: Operations and Health Services</b>		
General Fund	SB 5504 1(1)	-123,677
Other funds	SB 5504 2(1)	-32,523
<b>Administration, General Services and Human Resources</b>		
General Fund	SB 5504 1(2)	-4,257,414

# BUDGET NARRATIVE

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Other funds	SB 5504 2(2)	-226
<b>Offender Management and Rehabilitation</b>		
General Fund	SB 5504 1(3)	-5,495
<b>Community Corrections</b>		
General Fund	SB 5504 1(4)	-105,712
<b>Debt Service</b>		
General Fund	SB 5504 1(5)	-199,639
<b>Capital Improvements</b>		
General Fund	SB 5504 1(6)	-347
<b>Oregon Criminal Justice Commission:</b>		
General Fund	SB 5506 1	-11,407
Other funds	SB 5506 2	-53
Federal funds	SB 5506 3	-144
<b>District Attorneys/Deputies:</b>		
<b>Department of Justice for District Attorneys</b>		
General Fund	HB 5015 1	-33,979
<b>Department of Justice: Appellate</b>		
General Fund	SB 5516 1(1)	-27,252
Other funds	SB 5516 2(2)	-71,091
<b>Civil Enforcement</b>		
General Fund	SB 5516 1(2)	-1,714
Other funds	SB 5516 2(3)	-1,117,277
Federal funds	SB 5516 3(1)	-10,080
<b>Criminal Justice</b>		
General Fund	SB 5516 1(3)	-597,510
Other funds	SB 5516 2(4)	-122,514
<b>Crime Victims' Services</b>		
General Fund	SB 5516 1(4)	-6,251
Other funds	SB 5516 2(5)	-66,928
Federal funds	SB 5516 3(3)	-11,527
<b>Defense of Criminal Conviction</b>		

# BUDGET NARRATIVE

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General Fund	SB 5516 1(5)	-2,211,844
Child Support Division		
General Fund	SB 5516 1(6)	-197,906
Other funds	SB 5516 2(8)	-229,403
Federal funds	SB 5516 3(4)	-736,181
Office of Attorney General and Administration		
Other funds	SB 5516 2(1)	-332,764
General counsel		
Other funds	SB 5516 2(6)	-202,056
Trial		
Other funds	SB 5516 2(7)	-239,340
Oregon Military Department: Administration		
General Fund	HB 5032 1(1)	-915,813
Operations		
General Fund	HB 5032 1(2)	-4,944
Federal funds	HB 5032 3(1) Emergency	-3,276
Management		
General Fund	HB 5032 1(3)	-96
Other funds	HB 5032 2(3)	-6,003
Federal funds	HB 5032 3(2)	-1,233
Community Support		
Other funds	HB 5032 2(4)	-192
Federal funds	HB 5032 3(3)	-807
Capital Debt Service and Related Costs		
General Fund	HB 5032 1(5)	-151,493
Department of Public Safety Standards and Training: Operations		
Other funds	SB 5534 2(1)	-237,875
Oregon Youth Authority: Operations		
General Fund	SB 5542 1(1)	-933,641
Federal funds	SB 5542 3	-34,152
Debt Service		

# BUDGET NARRATIVE

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General Fund                      SB 5542 1(5)                      -177,860

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(10) TRANSPORTATION.

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Agency/Program/Funds	Section	2015 Oregon Laws Chapter/ Adjustment
<b>Oregon Department of Aviation: Operations</b>		
Other funds	HB 5004 1(1)	-\$7,256
<b>Department of Transportation: Maintenance and Emergency</b>		
<b>Relief Program</b>		
Other funds	HB 5040 5(2)	-658,900
<b>Preservation Program</b>		
Other funds	HB 5040 5(3)	-1,215
<b>Bridge Program</b>		
Other funds	HB 5040 5(4)	-3,821
<b>Operations Program</b>		
Other funds	HB 5040 5(5)	-25,203
<b>Modernization Program</b>		
Other funds	HB 5040 5(6)	-49,426
<b>Special Programs</b>		
Other funds	HB 5040 5(7)	-205,840
<b>Local Government Program</b>		
Other funds	HB 5040 5(8)	-983
<b>Driver and Motor Vehicle Services</b>		
Other funds	HB 5040 5(9)	-176,976
<b>Motor Carrier Transportation</b>		
Other funds	HB 5040 5(10)	-13,370
<b>Transportation Program Development</b>		

# BUDGET NARRATIVE

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Other funds	HB 5040 5(11)	-32,257
Federal funds	HB 5040 6(3)	-106,176
Central Services		
Other funds	HB 5040 5(16)	-8,636,548

**SECTION 125.** This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect on its passage.

Passed by Senate July 6, 2015

Jeanne P. Atkins, Secretary of State

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Lori L. Brocker, Secretary of Senate

.....  
Peter Courtney, President of Senate **Passed by House July 6, 2015**

.....  
Tina Kotek, Speaker of House

Received by Governor:

.....M,....., 2015

Approved:

.....M,....., 2015

.....  
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2015

# BUDGET NARRATIVE

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78th OREGON LEGISLATIVE ASSEMBLY--2015 Regular Session

## Enrolled House Bill 2041

Sponsored by Representatives SMITH, LININGER (Pre-session filed.)

CHAPTER .....

AN ACT

Relating to marijuana; creating new provisions; amending ORS 305.140, 305.895, 305.992 and 316.680 and sections 44 and 69, chapter 1, Oregon Laws 2015; repealing sections 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43 and 71, chapter 1, Oregon Laws 2015; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

TAX

**SECTION 1.** As used in sections 1 to 13 of this 2015 Act:

(1) "Cannabinoid concentrate," "cannabinoid edible," "cannabinoid extract," "cannabinoid product," "consumer," "immature marijuana plant," "marijuana flowers," "marijuana items," "marijuana leaves" and "marijuana retailer" have the meanings given those terms in section 5, chapter 1, Oregon Laws 2015.

(2) "Retail sale" means any transfer, exchange, gift or barter of a marijuana item by any person to a consumer.

(3) "Retail sales price" means the price paid for a marijuana item, excluding tax, to a marijuana retailer by or on behalf of a consumer of the marijuana item.

**SECTION 2.** (1) A tax is hereby imposed upon the retail sale of marijuana items in this state. The tax imposed by this section is a direct tax on the consumer, for which payment upon retail sale is required to achieve convenience and facility in the collection and administration of the tax. The tax shall be collected at the point of sale of a marijuana item by a marijuana retailer at the time at which the retail sale occurs.

(2) The tax imposed under this section shall be imposed at the rate of:

- (a) 17 percent of the retail sales price of marijuana leaves;
- (b) 17 percent of the retail sales price of marijuana flowers;
- (c) 17 percent of the retail sales price of immature marijuana plants;
- (d) 17 percent of the retail sales price of a cannabinoid edible;
- (e) 17 percent of the retail sales price of a cannabinoid concentrate;

# BUDGET NARRATIVE

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- (f) 17 percent of the retail sales price of a cannabinoid extract;
- (g) 17 percent of the retail sales price of a cannabinoid product that is intended to be used by applying the cannabinoid product to the skin or hair; and
- (h) 17 percent of the retail sales price of cannabinoid products other than those described in paragraph (g) of this subsection.

(3) If the tax imposed under this section does not equal an amount calculable to a whole cent, the tax shall be equal to the next higher whole cent.

(4) The amount of the tax shall be separately stated on an invoice, receipt or other similar document that the marijuana retailer provides to the consumer, or shall be otherwise disclosed to the consumer.

(5) A person may not knowingly sell, purchase, install, transfer or possess software programs or other electronic devices intended to hide or to remove records of retail sales of marijuana items or to falsify records of retail sales of marijuana items.

**SECTION 3.** (1) Except as otherwise provided in sections 1 to 13 of this 2015 Act, the tax imposed upon the consumer under section 2 of this 2015 Act shall be collected at the point of sale and remitted by each marijuana retailer that engages in the retail sale of marijuana items. The tax is considered a tax upon the marijuana retailer that is required to collect the tax, and the marijuana retailer is considered a taxpayer.

(2) The marijuana retailer shall submit a return to the Department of Revenue on or before the last day of January, April, July and October of each year for the previous calendar quarter.

(3) The marijuana retailer shall pay the tax to the department in the form and manner prescribed by the department, but not later than with each quarterly return, without regard to extensions under subsection (5) of this section.

(4) Marijuana retailers shall file the returns required under this section regardless of whether any tax is owed.

(5) The department for good cause may extend the time for making any return under this section. The extension may be granted at any time if a written request is filed with the department during or prior to the period for which the extension may be granted. The department may not grant an extension of more than 30 days.

(6) Interest shall be added at the rate established under ORS 305.220 for each month, or fraction of a month, from the time the return was originally required to be filed to the time of payment.

(7) Except as provided in subsections (8) and (9) of this section, the period prescribed for the department to allow or make a refund of any overpayment of tax paid under sections 1 to 13 of this 2015 Act shall be as provided in ORS 314.415.

(8)(a) The department shall first apply any overpayment of tax to any marijuana tax that is then owed.

(b) If after any offset against any delinquent amount the overpayment of tax remains greater than \$1,000, the entire refund shall be applied as a credit against the next subsequent calendar quarter as an estimated payment.

(9) The department may not make a refund of, or credit, any overpayment of tax under sections 1 to 13 of this 2015 Act that was credited to the account of a marijuana retailer under subsection (8)(b) of this section if the return for that tax period is not filed within three years after the due date of that return.

**SECTION 4.** (1) Every person who collects any amount under section 3 of this 2015 Act shall hold the same in trust for the State of Oregon and for the payment thereof to the Department of Revenue in the manner and at the time provided in section 3 of this 2015 Act.

(2) At any time a marijuana retailer fails to remit any amount collected, the department may enforce collection by the issuance of a distraint warrant for the collection of the delinquent amount and all penalties, interest and collection charges accrued thereon. The warrant shall be issued, recorded and proceeded upon in the same manner and shall have the same force and effect as is prescribed with respect to warrants for the collection of delinquent income taxes.

(3)(a) In the case of a marijuana retailer that is assessed pursuant to the provisions of ORS 305.265 (12) and 314.407 (1), the department may issue a notice of liability to any officer, employee or member of the marijuana retailer within three years from the time of assessment. Within 30 days from the date the notice of liability is mailed to the officer, employee or member, the officer, employee or member shall pay the assessment, plus penalties and interest, or advise the department in writing of objections to the liability and, if desired, request a conference. A conference shall be governed by the provisions of ORS 305.265 pertaining to a conference requested from a notice of deficiency.

(b) After a conference or, if no conference is requested, a determination of the issues considering the written objections, the department shall mail the officer, employee or member a conference letter affirming, canceling or adjusting the notice of liability. Within 90 days from the date the conference letter is mailed to the officer, employee or member, the officer, employee or member shall pay the assessment, plus penalties and interest, or appeal to the tax court in the manner provided for an appeal from a notice of assessment.

# BUDGET NARRATIVE

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(c) If the department does not receive payment or written objection to the notice of liability within 30 days after the notice of liability was mailed, the notice of liability becomes final. In that event, the officer, employee or member may appeal the notice of liability to the tax court within 90 days after it became final in the manner provided for an appeal from a notice of assessment.

(4)(a) In the case of a failure to file a return on the due date, governed by the provisions of ORS 305.265 (10) and 314.400, the department, in addition to any action described in the provisions of ORS 305.265 (10) and 314.400, may send notices of determination and assessment to any officer, employee or member any time within three years after the assessment. The time of assessment against the officer, employee or member is 30 days after the date the notice of determination and assessment is mailed. Within 30 days from the date the notice of determination and assessment is mailed to the officer, employee or member, the officer, employee or member shall pay the assessment, plus penalties and interest, or advise the department in writing of objections to the assessment and, if desired, request a conference. A conference shall be governed by the provisions of ORS 305.265 pertaining to a conference requested from a notice of deficiency.

(b) After a conference or, if no conference is requested, a determination of the issues considering the written objections, the department shall mail the officer, employee or member a conference letter affirming, canceling or adjusting the notice of determination and assessment. Within 90 days from the date the conference letter is mailed to the officer, employee or member, the officer, employee or member shall pay the assessment, plus penalties and interest, or appeal in the manner provided for an appeal from a notice of assessment.

(c) If the department does not receive payment or written objection to the notice of determination and assessment within 30 days after the notice of determination and assessment was mailed, the notice of determination and assessment becomes final. In that event, the officer, employee or member may appeal the notice of determination and assessment to the tax court within 90 days after it became final in the manner provided for an appeal from a notice of assessment.

(5)(a) More than one officer or employee of a corporation may be held jointly and severally liable for payment of taxes.

(b) Notwithstanding the confidentiality provisions of section 10 of this 2015 Act, if more than one officer or employee of a corporation may be held jointly and severally liable for payment of taxes, the department may require any or all of the officers, members or employees who may be held liable to appear before the department for a joint determination of liability. The department shall notify each officer, member or employee of the time and place set for the determination of liability.

(c) Each person notified of a joint determination under this subsection shall appear and present such information as is necessary to establish that person's liability or nonliability for payment of taxes to the department. If a person who was notified fails to appear, the department shall make its determination on the basis of all the information and evidence presented. The department's determination is binding on all persons notified and required to appear under this subsection.

(d)(A) If an appeal is taken to the Oregon Tax Court pursuant to section 10 of this 2015 Act by any person determined to be liable for unpaid taxes under this subsection, each person required to appear before the department under this subsection shall be impleaded by the plaintiff. The department may implead any officer, employee or member who may be held jointly and severally liable for the payment of taxes. Each person impleaded under this paragraph shall be made a party to the action before the tax court and shall make available to the tax court the information that was presented before the department, as well as other information that may be presented to the court.

(B) The court may determine that one or more persons impleaded under this paragraph are liable for unpaid taxes without regard to any earlier determination by the department that an impleaded person was not liable for unpaid taxes.

(C) If a person required to appear before the court under this subsection fails or refuses to appear or bring such information in part or in whole, or is outside the jurisdiction of the tax court, the court shall make its determination on the basis of all the evidence introduced. Notwithstanding section 10 of this 2015 Act, the evidence constitutes a public record and shall be available to the parties and the court. The determination of the tax court is binding on all persons made parties to the action under this subsection.

(e) This section may not be construed to preclude a determination by the department or the Oregon Tax Court that more than one officer, employee or member are jointly and severally liable for unpaid taxes.

**SECTION 5. (1)** A marijuana retailer shall keep receipts, invoices and other pertinent records related to retail sales of marijuana items in the form required by the Department of Revenue. Each record shall be preserved for five years from the time to which the record relates, or for as long as the marijuana retailer retains the marijuana items to which the record relates, whichever is later. During the retention period and at any time prior to the destruction of records, the department may give written notice to the marijuana retailer not to destroy records described in the notice without written permission of the department. Notwithstanding any other provision of law, the department shall preserve reports and returns filed with the department for at least five years.

# BUDGET NARRATIVE

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(2) The department or its authorized representative, upon oral or written demand, may make examinations of the books, papers, records and equipment of persons making retail sales of marijuana items and any other investigations as the department deems necessary to carry out the provisions of sections 1 to 13 of this 2015 Act.

**SECTION 6.** (1) The Department of Revenue has authority, by order or subpoena to be served with the same force and effect and in the same manner as a subpoena is served in a civil action in the circuit court, or the Oregon Tax Court, to require the production at any time and place the department designates of any books, papers, accounts or other information necessary to carry out sections 1 to 13 of this 2015 Act. The department may require the attendance of any person having knowledge in the premises, and may take testimony and require proof material for the information, with power to administer oaths to the person.

(2) If a person fails to comply with a subpoena or order of the department or to produce or permit the examination or inspection of any books, papers, records and equipment pertinent to an investigation or inquiry under sections 1 to 13 of this 2015 Act, or to testify to any matter regarding which the person is lawfully interrogated, the department may apply to the Oregon Tax Court or to the circuit court of the county in which the person resides or where the person is for an order to the person to attend and testify, or otherwise to comply with the demand or request of the department. The department shall apply to the court by ex parte motion, upon which the court shall make an order requiring the person against whom the motion is directed to comply with the request or demand of the department within 10 days after the service of the order, or within the additional time granted by the court, or to justify the failure within that time. The order shall be served upon the person to whom it is directed in the manner required by this state for service of process, which service is required to confer jurisdiction upon the court. Failure to obey any order issued by the court under this section is contempt of court. The remedy provided by this section is in addition to other remedies, civil or criminal, existing under the tax laws or other laws of this state.

**SECTION 7.** (1) Notwithstanding the confidentiality provisions of section 10 of this 2015 Act, the Department of Revenue may disclose information received under sections 1 to 13 and 19 of this 2015 Act to the Oregon Liquor Control Commission to carry out the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, and sections 1 to 13 of this 2015 Act.

(2) The commission may disclose information obtained pursuant to sections 3 to 70, chapter 1, Oregon Laws 2015, and sections 1 to 13 of this 2015 Act to the department for the purpose of carrying out the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, and sections 1 to 13 of this 2015 Act.

(3) Except as otherwise provided in sections 3 to 70, chapter 1, Oregon Laws 2015, and sections 1 to 13 of this 2015 Act, a person aggrieved by an act or determination of the department or its authorized agent under sections 1 to 13 and 19 of this 2015 Act may appeal, within 90 days after the act or determination, to the Oregon Tax Court in the manner provided in ORS 305.404 to 305.560. These appeal rights are the exclusive remedy available to determine the person's liability for the tax imposed under sections 1 to 13 of this 2015 Act.

**SECTION 8.** (1) The Department of Revenue shall administer and enforce sections 1 to 13 of this 2015 Act. The department is authorized to establish rules and procedures for the implementation and enforcement of sections 1 to 13 of this 2015 Act that are consistent with sections 1 to 13 of this 2015 Act and that the department considers necessary and appropriate to administer and enforce sections 1 to 13 of this 2015 Act.

(2) The Oregon Liquor Control Commission shall enter into an agreement with the department for the purpose of administering and enforcing those provisions of sections 1 to 13 of this 2015 Act, and rules or procedures established for the purpose of implementing and enforcing sections 1 to 13 of this 2015 Act, that the commission and the department determine are necessary for the effective and efficient administration, implementation and enforcement of sections 1 to 13 of this 2015 Act.

**SECTION 9.** (1)(a) When an amount represented by a marijuana retailer at retail to a consumer as constituting the tax imposed under sections 1 to 13 of this 2015 Act is computed upon an amount that is not taxable or is in excess of the taxable amount and is actually paid by the consumer to the marijuana retailer, the excess tax paid shall be returned by the marijuana retailer to the consumer upon written notification by the Department of Revenue or the consumer.

(b) The written notification must contain information necessary to determine the validity of the consumer's claim.

(2) If the marijuana retailer does not return the excess tax within 60 days after mailing of the written notification required under subsection (1) of this section, the consumer may appeal to the department for a refund of the amount of the excess tax, in the manner and within the time allowed under rules adopted by the department.

(3) If excess tax is returned to the consumer by the department, the department may issue a notice of deficiency for the excess tax to the marijuana retailer in the manner provided under ORS 305.265.

**SECTION 10.** Except as otherwise provided in sections 1 to 13 of this 2015 Act or where the context requires otherwise, the provisions of ORS chapters 305 and 314 as to the audit and examination of returns, periods of limitation, determination of and notices of deficiencies, assessments, collections, liens, delinquencies, claims for refund and refunds, conferences, appeals to the Oregon Tax Court, stays of collection pending appeal, confidentiality of returns and the penalties relative thereto, and the procedures relating thereto, apply to the determinations of taxes, penalties and interest under sections 1 to 13 of this 2015 Act.

# BUDGET NARRATIVE

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**SECTION 11.** (1) All moneys received by the Department of Revenue under sections 1 to 13 and 21a of this 2015 Act shall be deposited in the State Treasury and credited to a suspense account established under ORS 293.445. The department may pay expenses for the administration and enforcement of sections 1 to 13 and 21a of this 2015 Act out of moneys received from the tax imposed under section 2 of this 2015 Act. Amounts necessary to pay administrative and enforcement expenses are continuously appropriated to the department from the suspense account.

(2) After the payment of administrative and enforcement expenses and refunds or credits arising from erroneous overpayments, the department shall credit the balance of the moneys received by the department under this section to the Oregon Marijuana Account established under section 44, chapter 1, Oregon Laws 2015.

**NOTE:** Section 12 was deleted by amendment. Subsequent sections were not renumbered.

**SECTION 13.** For the purpose of compensating marijuana retailers for expenses incurred in collecting the tax imposed under section 2 of this 2015 Act, each marijuana retailer is permitted to deduct and retain two percent of the amount of taxes that are collected by the marijuana retailer from all retail sales of marijuana items conducted by the marijuana retailer.

## OTHER AMENDMENTS

**SECTION 14.** Section 44, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 44.** (1) There is established the Oregon Marijuana Account, separate and distinct from the General Fund.

(2) The account shall consist of moneys transferred to the account under section 11 of this 2015 Act.

[2] (3) [At the end of each month, the Oregon Liquor Control Commission] Subject to subsection (4) of this section, the Department of Revenue shall certify the amount of moneys available for distribution in the Oregon Marijuana Account and, after withholding such moneys as it may deem necessary to carry out its obligations under sections 3 to 70 of this Act, shall within 35 days of the month for which a distribution is made] distribute the moneys as follows:

(a) Forty percent [shall] **must** be transferred to the Common School Fund;

(b) Twenty percent [shall] **must** be transferred to the Mental Health Alcoholism and Drug Services Account established under ORS 430.380;

(c) Fifteen percent [shall] **must** be transferred to the State Police Account established under ORS 181.175;

(d) To assist local law enforcement in performing its duties under [this Act, ten percent shall] **sections 3 to 70, chapter 1, Oregon Laws 2015, 10 percent must** be transferred to the cities of [the] **this** state in the following shares:

(A) For all distributions made from the Oregon Marijuana Account before July 1, 2017, in such shares as the population of each city bears to the population of the cities of [the] **this** state, as determined by [the State Board of Higher Education] **Portland State University** last preceding such apportionment, under ORS 190.510 to 190.610; and

(B) For all distributions made from the Oregon Marijuana Account on or after July 1, 2017:

(i) Fifty percent of [such ten] **the 10 percent [shall] must** be transferred in such shares as the number of licenses issued by the commission under sections 19 to 21, **chapter 1, Oregon Laws 2015, [of this Act]** during the calendar year preceding the date of the distribution for premises located in each city bears to the number of such licenses issued by the commission during such calendar year for all premises in [the] **this** state; and

(ii) Fifty percent of [such ten] **the 10 percent [shall] must** be transferred in such shares as the number of licenses issued by the commission under section 22, **chapter 1, Oregon Laws 2015, [of this Act]** during the calendar year preceding the date of the distribution for premises located in each city bears to the number of such licenses issued by the commission during such calendar year for all premises in [the] **this** state;

(e) To assist local law enforcement in performing its duties under [this Act, ten percent shall] **sections 3 to 70, chapter 1, Oregon Laws 2015, 10 percent must** be transferred to counties in the following shares:

(A) For all distributions made from the Oregon Marijuana Account before July 1, 2017, in such shares as their respective populations bear to the total population of [the] **this** state, as estimated from time to time by [the State Board of Higher Education] **Portland State University**; and

(B) For all distributions made from the Oregon Marijuana Account on or after July 1, 2017:

# BUDGET NARRATIVE

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(i) Fifty percent of [such ten] **the 10 percent [shall] must** be transferred in such shares as the number of licenses issued by the commission under sections 19 to 21, **chapter 1, Oregon Laws 2015, [of this Act]** during the calendar year preceding the date of the distribution for premises located in each county bears to the number of such licenses issued by the commission during such calendar year for all premises in [the] **this state**; and

(ii) Fifty percent of [such ten] **the 10 percent [shall] must** be transferred in such shares as the number of licenses issued by the commission under section 22, **chapter 1, Oregon Laws 2015, [of this Act]** during the calendar year preceding the date of the distribution for premises located in each county bears to the number of such licenses issued by the commission during such calendar year for all premises in [the] **this state**; and

(f) Five percent [shall] **must** be transferred to the Oregon Health Authority to be used for the establishment, operation[,] and maintenance of alcohol and drug abuse prevention, early intervention and treatment services.

**(4) A city or county that adopts ordinances prohibiting the establishment of a premises for which a license is issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, or prohibiting the establishment of an entity for which registration is required under ORS 475.300 to 475.346, is not eligible to receive distributions under this section.**

**[(3)] (5) It is the intent of [this section] the Legislative Assembly that the moneys distributed from the Oregon Marijuana Account to the [distributees] persons listed in subsection [(2)] (3) of this section are in addition to, and not in lieu of, any other [available] moneys available to such [distributees and do not supplant moneys available from any other source] persons.**

**SECTION 15.** ORS 305.140 is amended to read:

305.140. (1) Any person having an interest in or lien upon any real property may request the Department of Revenue in writing to release such real property from a cloud on the title of or lien on such property existing, created or continued under any one or more of the following:

(a) A warrant provided for in ORS 314.430, 321.570 or 323.610 **or section 4 of this 2015 Act**; or

(b) The provisions of ORS 311.673, 311.679, 311.689, 311.711 or 311.771.

(2) If, upon a request under subsection (1) of this section, the department finds that a sale of such real property would not result in satisfaction in whole or in part of the taxes due, it shall execute a release of such cloud or lien upon such property, and such release shall be conclusive evidence of the removal and extinguishment of such cloud or lien in respect of such real property.

(3) In addition to the release of cloud or lien provided for in subsection (1) of this section, the department may execute releases on part or all of any real property in the following cases, which releases shall be conclusive evidence of the removal and extinguishment of such cloud or lien:

(a) If the department finds that liability for the amount assessed, together with all interest thereon and penalties and costs in respect thereof, has been satisfied;

(b) If the department finds that the fair market value of that part of the property remaining subject to the cloud or lien is at least double the amount of the liability remaining unsatisfied in respect of such tax and the amount of all prior liens upon the property;

(c) If there is supplied to the department either an irrevocable letter of credit issued by an insured institution as defined in ORS 706.008 or a bond, in such form and with such surety as the department considers sufficient, conditioned upon the payment of the amount of the warrant, together with all interest in respect thereof, within 60 days after the issuance of the release; or

(d) If there is paid to the department in partial satisfaction of the amount of the warrant provided for in ORS 314.430, 321.570 or 323.610 **or section 4 of this 2015 Act** or the amount of any lien under ORS 311.673, 311.679, 311.689, 311.711 or 311.771, an amount not less than the value, as determined by the department, of the lien of the State of Oregon upon the part of the property so to be released. In determining such value the department shall give consideration to the fair market value of the part of the property so to be released and to such liens thereon as have priority to the lien of the State of Oregon.

**SECTION 16.** ORS 305.895 is amended to read:

305.895. (1) Except as provided in ORS 314.440 or other jeopardy assessment procedure, the Department of Revenue shall take no action against a taxpayer's or transferee's real or personal property before issuing a warrant for the collection of tax or an amount payable by a transferee under ORS 311.695 as provided in ORS 314.430, 320.080, 321.570, 323.390, 323.610 and 324.190 **and section 4 of this 2015 Act.**

(2) At least 30 days before issuing a warrant for collection of any tax collected by the department or any amount payable under ORS 311.695, the department shall send the taxpayer or transferee a written notice and demand for payment. The notice shall:

(a) Be sent by mail, addressed to the taxpayer or transferee at the taxpayer's or transferee's last-known address.

# BUDGET NARRATIVE

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(b) Inform the taxpayer or transferee that, even if the taxpayer or transferee is compliant with an installment agreement between the taxpayer or transferee and the department and is in communication with the department, if the tax or any portion of the tax or the amount payable under ORS 311.695 is not paid within 30 days after the date of the notice and demand for payment, a warrant may be issued and recorded as provided in ORS 314.430, 320.080, 321.570, 323.390, 323.610 and 324.190 **and section 4 of this 2015 Act.**

(c) Describe in clear nontechnical terms the legal authority for the warrant.

(d) Contain the name, office mailing address and office telephone number of the person issuing the warrant and advise the taxpayer or transferee that questions or complaints concerning the warrant, other than liability for the underlying tax or amount payable under ORS 311.695, may be directed to that person.

(e) Include alternatives available to the taxpayer or transferee that would prevent issuance of the warrant.

(f) Inform the taxpayer or transferee of possible consequences to the taxpayer or transferee of noncompliance, and of issuance of a warrant, including garnishment of wages or bank accounts and seizure and sale of real or personal property.

**SECTION 17.** ORS 305.992 is amended to read:

305.992. (1) If any returns required to be filed under ORS chapter 118, 314, 316, 317, 318, 321 or 323 **or sections 1 to 13 of this 2015 Act** or under a local tax administered by the Department of Revenue under ORS 305.620 are not filed for three consecutive years by the due date (including extensions) of the return required for the third consecutive year, there shall be a penalty for each year of 100 percent of the tax liability determined after credits and prepayments for each such year. (2) The penalty imposed under this section is in addition to any other penalty imposed by law. However, the total amount of penalties imposed for any taxable year under this section, ORS 305.265 (13), 314.400, 323.403 or 323.585 [shall] **or section 10 of this 2015 Act** may not exceed 100 percent of the tax liability.

**SECTION 18.** Section 19 of this 2015 Act is added to and made a part of ORS chapter 317.

**SECTION 19.** Section 280E of the Internal Revenue Code applies to all trafficking in controlled substances in Schedule I or Schedule II that is prohibited by federal law or the laws of this state, other than conduct authorized under sections 3 to 70, chapter 1, Oregon Laws 2015.

**SECTION 20.** ORS 316.680 is amended to read:

316.680. (1) There shall be subtracted from federal taxable income:

(a) The interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent includable in gross income for federal income tax purposes but exempt from state income taxes under the laws of the United States. However, the amount subtracted under this paragraph shall be reduced by any interest on indebtedness incurred to carry the obligations or securities described in this paragraph, and by any expenses incurred in the production of interest or dividend income described in this paragraph to the extent that such expenses, including amortizable bond premiums, are deductible in determining federal taxable income.

(b) The amount of any federal income taxes accrued by the taxpayer during the taxable year as described in ORS 316.685, less the amount of any refunds of federal taxes previously accrued for which a tax benefit was received.

(c) Amounts allowable under sections 2621(a)(2) and 2622(b) of the Internal Revenue Code to the extent that the taxpayer does not elect under section 642(g) of the Internal Revenue Code to reduce federal taxable income by those amounts.

(d) Any supplemental payments made to JOBS Plus Program participants under ORS 411.892.

(e)(A) Federal pension income that is attributable to federal employment occurring before October 1, 1991. Federal pension income that is attributable to federal employment occurring before October 1, 1991, shall be determined by multiplying the total amount of federal pension income for the tax year by the ratio of the number of months of federal creditable service occurring before October 1, 1991, over the total number of months of federal creditable service.

(B) The subtraction allowed under this paragraph applies only to federal pension income received at a time when:

(i) Benefit increases provided under chapter 569, Oregon Laws 1995, are in effect; or

(ii) Public Employees Retirement System benefits received for service prior to October 1, 1991, are exempt from state income tax. (C) As used in this paragraph:

(i) "Federal creditable service" means those periods of time for which a federal employee earned a federal pension.

(ii) "Federal pension" means any form of retirement allowance provided by the federal government, its agencies or its instrumentalities to retirees of the federal government or their beneficiaries.

(f) Any amount included in federal taxable income for the tax year that is attributable to the conversion of a regular individual retirement account into a Roth individual retirement account described in section 408A of the Internal Revenue Code, to the extent that:

# BUDGET NARRATIVE

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- (A) The amount was subject to the income tax of another state or the District of Columbia in a prior tax year; and
  - (B) The taxpayer was a resident of the other state or the District of Columbia for that prior tax year.
  - (g) Any amounts awarded to the taxpayer by the Public Safety Memorial Fund Board under ORS 243.954 to 243.974 to the extent that the taxpayer has not taken the amount as a deduction in determining the taxpayer's federal taxable income for the tax year.
  - (h) If included in taxable income for federal tax purposes, the amount withdrawn during the tax year in qualified withdrawals from a college savings network account established under ORS 348.841 to 348.873.
  - (i) **Any federal deduction that the taxpayer would have been allowed for the production, processing or sale of marijuana items authorized under sections 3 to 70, chapter 1, Oregon Laws 2015, but for section 280E of the Internal Revenue Code.**
- (2) There shall be added to federal taxable income:
- (a) Interest or dividends, exempt from federal income tax, on obligations or securities of any foreign state or of a political subdivision or authority of any foreign state. However, the amount added under this paragraph shall be reduced by any interest on indebtedness incurred to carry the obligations or securities described in this paragraph and by any expenses incurred in the production of interest or dividend income described in this paragraph.
  - (b) Interest or dividends on obligations of any authority, commission, instrumentality and territorial possession of the United States that by the laws of the United States are exempt from federal income tax but not from state income taxes. However, the amount added under this paragraph shall be reduced by any interest on indebtedness incurred to carry the obligations or securities described in this paragraph and by any expenses incurred in the production of interest or dividend income described in this paragraph.
  - (c) The amount of any federal estate taxes allocable to income in respect of a decedent not taxable by Oregon.
  - (d) The amount of any allowance for depletion in excess of the taxpayer's adjusted basis in the property depleted, deducted on the taxpayer's federal income tax return for the taxable year, pursuant to sections 613, 613A, 614, 616 and 617 of the Internal Revenue Code.
  - (e) For taxable years beginning on or after January 1, 1985, the dollar amount deducted under section 151 of the Internal Revenue Code for personal exemptions for the taxable year.
  - (f) The amount taken as a deduction on the taxpayer's federal return for unused qualified business credits under section 196 of the Internal Revenue Code.
  - (g) The amount of any increased benefits paid to a taxpayer under chapter 569, Oregon Laws 1995, under the provisions of chapter 796, Oregon Laws 1991, and under section 26, chapter 815, Oregon Laws 1991, that is not includable in the taxpayer's federal taxable income under the Internal Revenue Code.
  - (h) The amount of any long term care insurance premiums paid or incurred by the taxpayer during the tax year if:
    - (A) The amount is taken into account as a deduction on the taxpayer's federal return for the tax year; and
    - (B) The taxpayer claims the credit allowed under ORS 315.610 for the tax year.
  - (i) Any amount taken as a deduction under section 1341 of the Internal Revenue Code in computing federal taxable income for the tax year, if the taxpayer has claimed a credit for claim of right income repayment adjustment under ORS 315.068.
  - (j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS 348.841, from a college savings network account established under ORS 348.841 to 348.873, the amount of the withdrawal that is attributable to contributions that were subtracted from federal taxable income under ORS 316.699.

(3) Discount and gain or loss on retirement or disposition of obligations described under subsection (2)(a) of this section issued on or after January 1, 1985, shall be treated for purposes of this chapter in the same manner as under sections 1271 to 1283 and other pertinent sections of the Internal Revenue Code as if the obligations, although issued by a foreign state or a political subdivision of a foreign state, were not tax exempt under the Internal Revenue Code.

**SECTION 21.** ORS 316.680, as amended by section 74, chapter 1, Oregon Laws 2015, is amended to read:

316.680. (1) There shall be subtracted from federal taxable income:

- (a) The interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent includable in gross income for federal income tax purposes but exempt from state income taxes under the laws of the United States. However, the amount subtracted under this paragraph shall be reduced by any interest on indebtedness incurred to carry the obligations or securities described in this paragraph, and by any expenses incurred in the production of interest or dividend income described in this paragraph to the extent that such expenses, including amortizable bond premiums, are deductible in determining federal taxable income.

# BUDGET NARRATIVE

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(b) The amount of any federal income taxes accrued by the taxpayer during the taxable years described in ORS 316.685, less the amount of any refunds of federal taxes previously accrued for which a tax benefit was received.

(c) Amounts allowable under sections 2621(a)(2) and 2622(b) of the Internal Revenue Code to the extent that the taxpayer does not elect under section 642(g) of the Internal Revenue Code to reduce federal taxable income by those amounts.

(d) Any supplemental payments made to JOBS Plus Program participants under ORS 411.892.

(e)(A) Federal pension income that is attributable to federal employment occurring before October 1, 1991. Federal pension income that is attributable to federal employment occurring before October 1, 1991, shall be determined by multiplying the total amount of federal pension income for the tax year by the ratio of the number of months of federal creditable service occurring before October 1, 1991, over the total number of months of federal creditable service.

(B) The subtraction allowed under this paragraph applies only to federal pension income received at a time when:

(i) Benefit increases provided under chapter 569, Oregon Laws 1995, are in effect; or

(ii) Public Employees Retirement System benefits received for service prior to October 1, 1991, are exempt from state income tax. (C) As used in this paragraph:

(i) "Federal creditable service" means those periods of time for which a federal employee earned a federal pension.

(ii) "Federal pension" means any form of retirement allowance provided by the federal government, its agencies or its instrumentalities to retirees of the federal government or their beneficiaries.

(f) Any amount included in federal taxable income for the tax year that is attributable to the conversion of a regular individual retirement account into a Roth individual retirement account described in section 408A of the Internal Revenue Code, to the extent that:

(A) The amount was subject to the income tax of another state or the District of Columbia in a prior tax year; and

(B) The taxpayer was a resident of the other state or the District of Columbia for that prior tax year.

(g) Any amounts awarded to the taxpayer by the Public Safety Memorial Fund Board under ORS 243.954 to 243.974 to the extent that the taxpayer has not taken the amount as a deduction in determining the taxpayer's federal taxable income for the tax year.

(h) If included in taxable income for federal tax purposes, the amount withdrawn during the tax year in qualified withdrawals from a college savings network account established under ORS 348.841 to 348.873.

*[(i) For income tax years commencing on or after January 1, 2015, the amount of any deductions or credits that the taxpayer would have been allowed but for the provisions of section 280E of the Internal Revenue Code.]*

**(i) Any federal deduction that the taxpayer would have been allowed for the production, processing or sale of marijuana items authorized under sections 3 to 70, chapter 1, Oregon Laws 2015, but for section 280E of the Internal Revenue Code.**

(2) There shall be added to federal taxable income:

(a) Interest or dividends, exempt from federal income tax, on obligations or securities of any foreign state or of a political subdivision or authority of any foreign state. However, the amount added under this paragraph shall be reduced by any interest on indebtedness incurred to carry the obligations or securities described in this paragraph and by any expenses incurred in the production of interest or dividend income described in this paragraph.

(b) Interest or dividends on obligations of any authority, commission, instrumentality and territorial possession of the United States that by the laws of the United States are exempt from federal income tax but not from state income taxes. However, the amount added under this paragraph shall be reduced by any interest on indebtedness incurred to carry the obligations or securities described in this paragraph and by any expenses incurred in the production of interest or dividend income described in this paragraph.

(c) The amount of any federal estate taxes allocable to income in respect of a decedent not taxable by Oregon.

(d) The amount of any allowance for depletion in excess of the taxpayer's adjusted basis in the property depleted, deducted on the taxpayer's federal income tax return for the taxable year, pursuant to sections 613, 613A, 614, 616 and 617 of the Internal Revenue Code.

(e) For taxable years beginning on or after January 1, 1985, the dollar amount deducted under section 151 of the Internal Revenue Code for personal exemptions for the taxable year.

(f) The amount taken as a deduction on the taxpayer's federal return for unused qualified business credits under section 196 of the Internal Revenue Code.

(g) The amount of any increased benefits paid to a taxpayer under chapter 569, Oregon Laws 1995, under the provisions of chapter 796, Oregon Laws 1991, and under section 26, chapter 815, Oregon Laws 1991, that is not includable in the taxpayer's federal taxable income under the Internal Revenue Code.

# BUDGET NARRATIVE

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(h) The amount of any long term care insurance premiums paid or incurred by the taxpayer during the tax year if:

(A) The amount is taken into account as a deduction on the taxpayer's federal return for the tax year; and

(B) The taxpayer claims the credit allowed under ORS 315.610 for the tax year.

(i) Any amount taken as a deduction under section 1341 of the Internal Revenue Code in computing federal taxable income for the tax year, if the taxpayer has claimed a credit for claim of right income repayment adjustment under ORS 315.068.

(j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS 348.841, from a college savings network account established under ORS 348.841 to 348.873, the amount of the withdrawal that is attributable to contributions that were subtracted from federal taxable income under ORS 316.699.

(3) Discount and gain or loss on retirement or disposition of obligations described under subsection (2)(a) of this section issued on or after January 1, 1985, shall be treated for purposes of this chapter in the same manner as under sections 1271 to 1283 and other pertinent sections of the Internal Revenue Code as if the obligations, although issued by a foreign state or a political subdivision of a foreign state, were not tax exempt under the Internal Revenue Code.

## EARLY START

**SECTION 21a.** (1) For purposes of this section:

(a) "Limited marijuana retail product" has the meaning given that term in section 2, chapter \_\_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 460).

(b) "Medical marijuana dispensary" means an entity registered with the Oregon Health Authority under ORS 475.314.

(2) On and after January 4, 2016, if a medical marijuana dispensary elects to make sales as described in section 2, chapter \_\_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 460), the medical marijuana dispensary must collect the tax imposed under section 2 of this 2015 Act in the same manner that a marijuana retailer that holds a license under section 22, chapter 1, Oregon Laws 2015, collects the tax imposed under section 2 of this 2015 Act, except that the tax imposed under this section shall be imposed at the rate of 25 percent of the retail sales price of the limited marijuana retail product.

(3) A medical marijuana dispensary that collects taxes as required by this section is subject to the provisions of sections 1 to 13 of this 2015 Act, except that the tax imposed under this section shall be imposed at the rate described in subsection (2) of this section.

## MISCELLANEOUS

**SECTION 22.** Sections 1 to 13 of this 2015 Act and the amendments to ORS 305.140, 305.895 and 305.992 and section 44, chapter 1, Oregon Laws 2015, by sections 14 to 17 of this 2015 Act apply to retail sales of marijuana items occurring on or after January 1, 2016.

**SECTION 23.** (1) Section 19 of this 2015 Act and the amendments to ORS 316.680 by sections 20 and 21 of this 2015 Act apply to conduct occurring on or after January 1, 2016, and to tax years beginning on or after January 1, 2016.

(2) The repeal of section 71, chapter 1, Oregon Laws 2015, by section 24 of this 2015 Act applies to all tax years.

**SECTION 24.** (1) Sections 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43 and 71, chapter 1, Oregon Laws 2015, are repealed.

(2) If Senate Bill 460 becomes law, section 21a of this 2015 Act, is repealed on December 31, 2016.

**SECTION 25.** Section 69, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 69.** (1) Except where other punishment is specifically provided for in sections 3 to 70, chapter 1, Oregon Laws 2015 [of this Act], violation of any provision of sections 3 to 70, chapter 1, Oregon Laws 2015, [of this Act] is a Class A misdemeanor.

[(2) A violation of subsection (1) of section 40 of this Act is a Class B misdemeanor.]

[(3)] (2) Subject to ORS 153.022, violation of any regulation promulgated under paragraph (e) of subsection (2) of section 7 of this Act is a Class C violation.

# BUDGET NARRATIVE

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## CAPTIONS

SECTION 26. The unit captions used in this 2015 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2015 Act.

## EFFECTIVE DATE

SECTION 27. This 2015 Act takes effect on the 91st day after the date on which the 2015 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.

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# BUDGET NARRATIVE

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Passed by House June 25, 2015

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House Passed by Senate June 30, 2015

.....  
Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2015

Approved:

.....M.,....., 2015

.....  
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2015

.....  
Jeanne P. Atkins, Secretary of State

# BUDGET NARRATIVE

78th OREGON LEGISLATIVE ASSEMBLY--2015 Regular Session

Enrolled

## House Bill 2480

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for Oregon Liquor Control Commission)

CHAPTER .....

AN ACT

Relating to Oregon Liquor Control Commission license processing fees; creating new provisions; and amending ORS 471.311.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 471.311 is amended to read:

471.311. (1) Any person desiring a license or renewal of a license under this chapter shall make application to the Oregon Liquor Control Commission upon forms to be furnished by the commission showing the name and address of the applicant, location of the place of business that is to be operated under the license, and such other pertinent information as the commission may require. No license shall be granted or renewed until the applicant has complied with the provisions of this chapter and the rules of the commission.

(2) The commission may reject any application that is not submitted in the form required by rule. The commission shall give applicants an opportunity to be heard if an application is rejected. A hearing under this subsection is not subject to the requirements for contested case proceedings under ORS chapter 183.

(3) **The commission shall charge an application fee, not to exceed \$150, to process an application for the issuance of a new license under this chapter or a license following a change in ownership. The application fee applies only to an application for a class of license having an annual license fee. The application fee is nonrefundable, except that the commission shall refund the fee if the applicant completes, submits and maintains an application and the commission does not, on or before 75 days following receipt of the completed application, propose that the license be granted, granted with conditions or refused. The commission shall adopt rules to:**

(a) Establish application fees by class of license; and

(b) Define a completed application for purposes of this subsection.

[(3)] (4) Subject to subsection [(4)] (5) of this section, the commission shall assess a nonrefundable fee for processing a renewal application for any license authorized by this chapter only if the renewal application is received by the commission less than 20 days before expiration of the license. If the renewal application is received prior to expiration of the license but less than 20 days prior to expiration, this fee shall be 25 percent of the annual license fee. If a renewal application is received by the commission after expiration of the license but no more than 30 days after expiration, this fee shall be 40 percent of the annual license fee. This subsection does not apply to a certificate of approval, a brewery-public house license or any license that is issued for a period of less than 30 days.

[(4)] (5) The commission may waive the fee imposed under subsection [(3)] (4) of this section if it finds that failure to submit a timely application was due to unforeseen circumstances or to a delay in processing the application by the local governing authority that is no fault of the licensee.

[(5)] (6) The license fee is nonrefundable and shall be paid by each applicant upon the granting or committing of a license. Subject to ORS 471.155 and 473.065, the annual or daily license fee and the minimum bond required of each class of license under this chapter are as follows:

# BUDGET NARRATIVE

License	Fee	Bond	Minimum
Brewery, including Certificate of Approval	\$ 500	\$ 1,000	
Winery	\$ 250	\$ 1,000	
Distillery	\$ 100	None	
Wholesale Malt Beverage and Wine	\$ 275	\$ 1,000	
Warehouse	\$ 100	\$ 1,000	
Special events winery license	\$ 10 per day		
Brewery-Public House, including Certificate of Approval	\$ 250	\$ 1,000	
Limited On-Premises Sales	\$ 200	None	
Off-Premises Sales	\$ 100	None	
Temporary Sales	\$ 50 per day		
Grower sales privilege license	\$ 250	\$ 1,000	
Special events grower sales privilege license	\$ 10 per day		
Special events brewery-public house license	\$ 10 per day		
Special events distillery license	\$ 10 per day		

[(6)] (7) The fee for a certificate of approval or special certificate of approval granted under ORS 471.244 is nonrefundable and must be paid by each applicant upon the granting or committing of a certificate of approval or special certificate of approval. No bond is required for the granting of a certificate of approval or special certificate of approval. Certificates of approval are valid for a period commencing on the date of issuance and ending on December 31 of the fifth calendar year following the calendar year of issuance. The fee for a certificate of approval is \$175. Special certificates of approval are valid for a period of 30 days. The fee for a special certificate of approval is \$10.

[(7)] (8) Except as provided in subsection [(8)] (9) of this section, the annual license fee for a full on-premises sales license is \$400. No bond is required for any full on-premises sales license.

[(8)] (9) The annual license fee for a full on-premises sales license held by a nonprofit private club as described in ORS 471.175 (8), or held by a nonprofit or charitable organization that is registered with the state, is \$200.

[(9)] (10) The annual fee for a wine self-distribution permit is \$100, and the minimum bond is \$1,000.

**SECTION 2. The amendments to ORS 471.311 by section 1 of this 2015 Act apply to license applications received by the Oregon Liquor Control Commission on or after the effective date**

# BUDGET NARRATIVE

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of this 2015 Act.

Passed by House March 3, 2015

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House Passed by Senate April 30, 2015

.....  
Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2015

Approved:

.....M.,....., 2015

.....  
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2015

.....  
Jeanne P. Atkins, Secretary of State

# BUDGET NARRATIVE

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78th OREGON LEGISLATIVE ASSEMBLY--2015 Regular Session

Enrolled

## House Bill 2803

Sponsored by Representative HOYLE

CHAPTER .....

AN ACT

Relating to beverage containers; creating new provisions; and amending ORS 459A.717, 459A.735 and 459A.737.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 459A.735 is amended to read:

459A.735. (1) To facilitate the return of empty beverage containers and to serve dealers of beverages, any person may establish a redemption center, subject to the approval of the Oregon Liquor Control Commission, at which any person may return empty beverage containers and receive payment of the refund value of such beverage containers.

(2) Application for approval of a redemption center shall be filed with the commission. The application shall state the name and address of the person responsible for the establishment and operation of the redemption center, the kind of beverage containers that will be accepted at the redemption center, the names and addresses of the dealers to be served by the redemption center and proposals for up to two convenience zones described in [ORS 459A.737] **section 3 of this 2015 Act**. The application shall include such additional information as the commission may require.

(3) The commission shall approve a redemption center if it finds the redemption center will provide a convenient service to persons for the return of empty beverage containers. The order of the commission approving a redemption center shall state: *[the dealers to be served by the redemption center and the kind of empty beverage containers that the redemption center must accept. The order may contain such other provisions to ensure the redemption center will provide a convenient service to the public as the commission may determine.]*

- (a) **The location of the convenience zones specified by the commission under section 3 (1) of this 2015 Act;**
- (b) **The dealers within the convenience zones to be served by the redemption center;**
- (c) **The dealers within the convenience zones not to be served by or not participating in the redemption center;**
- (d) **The services to be provided by the redemption center and the equivalent services required to be provided under section 3 (5) of this 2015 Act by a dealer that does not participate in, and is not served by, the redemption center;**
- (e) **The kind of empty beverage containers that the redemption center must accept; and**

# BUDGET NARRATIVE

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(f) Such other provisions to ensure the redemption center will provide a convenient service to the public as the commission may determine.

(g)

(4)(a) No later than five days after approving a redemption center under subsection (3) of this section, the commission shall provide written notice to each dealer that is identified in the order approving the redemption center as a dealer within the convenience zones not to be served by or not participating in the redemption center.

(b) The notice required under this subsection shall include:

(A) All information required to be in the order approving the redemption center under subsection (3) of this section; and

(B) Notice of the provisions of section 3 of this 2015 Act that are applicable to the dealer receiving the notice.

[(4)] (5) The commission may review at any time approval of a redemption center. After written notice to the person responsible for the establishment and operation of the redemption center, and to the dealers served by the redemption center, the commission may, after hearing, withdraw approval of a redemption center if the commission finds there has not been compliance with its order approving the redemption center, or if the redemption center no longer provides a convenient service to the public.

**SECTION 2.** ORS 459A.737 is amended to read:

459A.737. (1)[(a)] Pursuant to the provisions of ORS 459A.735, the Oregon Liquor Control Commission:

[(A)] (a) Shall approve one beverage container redemption center in a city having a population of less than 300,000, operated by a distributor cooperative serving a majority of the dealers in this state; and

[(B)] (b) May approve one or more additional beverage container redemption centers.

[(b)] (2) Notwithstanding any other provision of ORS 459A.700 to 459A.740, a beverage container redemption center:

[(A)] (a) May not refuse to accept and to pay the refund value of up to 350 individual empty beverage containers, as established by ORS 459A.705, returned by any one person during one day;

[(B)] (b) Must provide hand counting of up to 50 individual empty beverage containers returned by any one person during one day for the refund value established by ORS 459A.705;

[(C)] (c) May provide drop off service for at least 125 individual empty beverage containers returned by any one person during one day for the refund value established by ORS 459A.705, and may provide an accounting mechanism by which the person may redeem the refund value of the beverage containers at a later date; and

[(D)] (d) May provide other services as determined necessary by the person responsible for the operation of the beverage container redemption center.

[(2)(a)] For each beverage container redemption center, the commission shall specify up to two convenience zones. The first convenience zone shall be the sector within a radius of not more than two miles around the beverage container redemption center. The second convenience zone shall be the sector beginning at the border of the first convenience zone and continuing to a radius of not more than three and one-half miles around the beverage container redemption center. The convenience zones shall be based to the greatest extent practicable upon the proposals submitted as part of the application for approval of the redemption center under ORS 459A.735.]

[(b)] All dealers doing business within the first convenience zone that occupy a space of 5,000 or more square feet in a single area may participate in, be served by and be charged the cost of participation in the beverage container redemption center and, if such a dealer participates in, is served by and pays the cost of participation in the redemption center, the dealer may, notwithstanding any other provision of ORS 459A.700 to 459A.740, refuse to accept and to pay the refund value of empty beverage containers.]

[(c)] All dealers doing business within the second convenience zone that occupy a space of 5,000 or more square feet in a single area may participate in, be served by and be charged the cost of participation in the beverage container redemption center and, if such a dealer participates in, is served by and pays the cost of participation in the redemption center, the dealer may, notwithstanding any other provision of ORS 459A.700 to 459A.740, refuse to accept and to pay the refund value of more than 24 individual empty beverage containers returned by any one person during one day.]

[(d)] All dealers doing business within either convenience zone that occupy a space of less than 5,000 square feet in a single area may, notwithstanding any other provision of ORS 459A.700 to 459A.740, refuse to accept and to pay the refund value of more than 24 individual empty beverage containers returned by any one person during one day.]

[(e)(A)] Any dealer doing business in either convenience zone that occupies a space of 5,000 or more square feet in a single area that does not participate in, and is not served by, the beverage container redemption center may not refuse to accept and to pay the refund value of up to 350 individual empty beverage containers, as established by ORS 459A.705, returned by any one person during one day and must provide services equivalent to those provided by the redemption center under subsection (1)(b) of this section, including hand counting and drop off service.]

# BUDGET NARRATIVE

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*[(B) In addition to complying with the requirements specified in subparagraph (A) of this paragraph, a dealer described in subparagraph (A) of this paragraph must:]*

*[(i) Post in each area where beverage containers are received a clearly visible and legible sign that contains the list of services that must be provided by the dealer; and]*

*[(ii) Provide two automated reverse vending machines capable of processing metal, plastic and glass beverage containers, or one automated reverse vending machine capable of processing metal, plastic and glass beverage containers for each 500,000 beverage containers sold by the dealer in the previous calendar year, whichever is greater.]*

*[(C) The provisions of subparagraphs (A) and (B) of this paragraph do not apply to a dealer described in subparagraph (A) of this paragraph if the dealer sold fewer than 100,000 beverage containers in the previous calendar year.]*

*[(3) The provisions of subsection (2) of this section do not apply to any dealer for which the driving distance from the place of business of the dealer to the beverage container redemption center, calculated using the shortest route, is more than two times the radius specified for the second convenience zone or, if only one convenience zone is specified by the commission, two times the radius specified for that convenience zone.]*

*[(4)] (3) The commission may adopt all rules necessary to implement and administer the provisions of this section and section 3 of this 2015 Act.*

**SECTION 3. (1) For each beverage container redemption center, the Oregon Liquor Control Commission shall specify up to two convenience zones. The first convenience zone shall be the sector within a radius of not more than two miles around the beverage container redemption center. The second convenience zone shall be the sector beginning at the border of the first convenience zone and continuing to a radius of not more than three and one-half miles around the beverage container redemption center. The convenience zones shall be based to the greatest extent practicable upon the proposals submitted as part of the application for approval of the redemption center under ORS 459A.735.**

**(2) All dealers doing business within the first convenience zone that occupy a space of 5,000 or more square feet in a single area may participate in, be served by and be charged the cost of participation in the beverage container redemption center and, if such a dealer participates in, is served by and pays the cost of participation in the redemption center, the dealer may, notwithstanding any other provision of ORS 459A.700 to 459A.740, refuse to accept and to pay the refund value of empty beverage containers.**

**(3) All dealers doing business within the second convenience zone that occupy a space of 5,000 or more square feet in a single area may participate in, be served by and be charged the cost of participation in the beverage container redemption center and, if such a dealer participates in, is served by and pays the cost of participation in the redemption center, the dealer may, notwithstanding any other provision of ORS 459A.700 to 459A.740, refuse to accept and to pay the refund value of more than 24 individual empty beverage containers returned by any one person during one day.**

**(4) All dealers doing business within either convenience zone that occupy a space of less than 5,000 square feet in a single area may, notwithstanding any other provision of ORS 459A.700 to 459A.740, refuse to accept and to pay the refund value of more than 24 individual empty beverage containers returned by any one person during one day.**

**(5)(a) Any dealer doing business in either convenience zone that occupies a space of 5,000 or more square feet in a single area that does not participate in, and is not served by, the beverage container redemption center may not refuse to accept and to pay the refund value of up to 350 individual empty beverage containers, as established by ORS 459A.705, returned by any one person during one day and must, beginning on the date that the redemption center begins accepting beverage containers, provide services equivalent to those provided by the redemption center under ORS 459A.737 (2), including hand counting and drop off service.**

**(b) In addition to complying with the requirements specified in paragraph (a) of this subsection, a dealer described in paragraph (a) of this subsection must:**

**(A) Post in each area where beverage containers are received a clearly visible and legible sign that contains the list of services that must be provided by the dealer; and**

**(B) Provide two automated reverse vending machines capable of processing metal, plastic and glass beverage containers, or one automated reverse vending machine capable of processing metal, plastic and glass beverage containers for each 500,000 beverage containers sold by the dealer in the previous calendar year, whichever is greater.**

**(c)(A) The provisions of paragraphs (a) and (b) of this subsection do not apply to a dealer described in paragraph (a) of this subsection if the dealer sold fewer than 100,000 beverage containers in the previous calendar year. To be eligible for the exemption under this paragraph, a dealer described in paragraph (a) of this subsection must report to the commission the number of beverage containers sold by the dealer in the previous calendar year.**

**(B) The report required under this paragraph must be submitted by a dealer:**

**(i) Except as provided in subsection (6) of this section, no later than 60 days after issuance of the notice required under ORS 459A.735 (4); and**

**(ii) No later than January 1 of each calendar year following the year that the notice under ORS 459A.735 (4) was issued and for which the dealer intends to claim the exemption.**

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(d) The commission shall ensure compliance with this subsection by a dealer described in paragraph (a) of this subsection that is not subject to an exemption under paragraph (c) of this subsection.

(6) A dealer that plans to begin doing business in either convenience zone after the date that the beverage container redemption center associated with the convenience zone begins accepting beverage containers shall, not less than 60 days prior to the date that the dealer begins doing business:

(a) Provide notice to the commission explaining whether the dealer will or will not participate in, be served by and pay the cost of participation in the redemption center; and

(b) If the dealer will not participate in the redemption center and will claim an exemption under subsection (5)(c) of this section, provide documentation of compliance with the requirements for nonparticipating dealers under this section and an estimate of the number of beverage containers that the dealer expects to sell during the first calendar year that the dealer does business in the convenience zone.

(7) The provisions of subsections (2) to (6) of this section do not apply to any dealer for which the driving distance from the place of business of the dealer to the beverage container redemption center, calculated using the shortest route, is more than two times the radius specified for the second convenience zone or, if only one convenience zone is specified by the commission, two times the radius specified for that convenience zone.

(8) Not more than 60 days after issuance of notice from the commission under ORS 459A.735 (4), a dealer shall provide the commission with written documentation confirming compliance with each of the requirements of this section that are applicable to the dealer receiving notice.

**SECTION 4.** In addition to the authority granted under ORS 459.992, inspectors and investigators employed by the Oregon Liquor Control Commission have authority to inspect any space occupied by a dealer, as defined in ORS 459A.700, for compliance with section 3 of this 2015 Act.

**SECTION 5.** ORS 459A.717 is amended to read:

459A.717. (1) The Oregon Liquor Control Commission may impose a civil penalty of at least \$50, but not more than \$500, for a violation of any provision of ORS 459A.700 to 459A.740. Each day a violation occurs constitutes a separate violation. The authority to impose a civil penalty under this section is in addition to and not in lieu of the revocation and suspension authority under ORS 459.992 (4) and the criminal penalty authorized by ORS 459.992.

(2) Notwithstanding subsection (1) of this section, if a dealer, as defined in ORS 459A.700, violates a provision of section 3 of this 2015 Act, the commission shall provide the dealer with written notice informing the dealer of the violation and stating that the dealer may avoid civil penalty for the violation by curing the violation within 60 days after issuance of the notice. If the dealer fails to cure the violation within 60 days after issuance of the notice, the commission shall impose a civil penalty of at least \$200 for the violation. Each day after the 60-day period that the dealer continues to violate a provision of section 3 of this 2015 Act is a separate offense subject to a separate civil penalty. The commission is not required to provide the dealer with an opportunity to cure a continuing violation before imposing a civil penalty for the continuing violation.

[(2)] (3) Civil penalties under this section shall be imposed as provided in ORS 183.745.

[(3)] (4) All penalties recovered under this section shall be paid into the State Treasury and credited to the General Fund and are available for general governmental expenses.

**SECTION 6.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 1 (1), chapter \_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5520), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Liquor Control Commission, is increased by \$133,738 to fund the fulfillment of the commission's duties associated with redemption centers for beverage containers.

# BUDGET NARRATIVE

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Passed by House April 23, 2015

Repassed by House June 30, 2015

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Timothy G. Sekerak, Chief Clerk of House

.....  
Tina Kotek, Speaker of House **Passed by Senate June 30, 2015**

.....  
Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2015

Approved:

.....M.,....., 2015

.....  
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2015

.....  
Jeanne P. Atkins, Secretary of State

# BUDGET NARRATIVE

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78th OREGON LEGISLATIVE ASSEMBLY--2015 Regular Session

Enrolled

## House Bill 3400

Sponsored by Representatives LININGER, OLSON, Senators BEYER, BURDICK, FERRIOLI, KRUSE, PROZANSKI; Senator STEINER HAYWARD

CHAPTER .....

AN ACT

Relating to marijuana; creating new provisions; amending ORS 133.005, 133.525, 133.721, 133.726, 153.005, 161.015, 161.705, 163.095, 165.805, 166.070, 181.010, 181.534, 181.537, 181.610, 181.645, 181.646, 238.005, 471.001, 471.360, 471.375, 471.675, 471.775, 475.300, 475.302, 475.303, 475.304, 475.306, 475.309, 475.312, 475.314, 475.316, 475.319, 475.320, 475.323, 475.326, 475.328, 475.331, 475.334, 475.338, 475.340, 475.342, 475.752, 475.856, 475.858, 475.860, 475.862, 475.864, 475.900, 475.904, 616.010, 659A.320, 659A.403, 659A.409, 659A.885 and 802.250 and section 32, chapter 54, Oregon Laws 2012, section 2, chapter 79, Oregon Laws 2014, and sections 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 28, 29, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 43, 45, 46, 47, 48, 49, 50, 51, 53, 56, 57, 58, 59, 60, 61, 63, 64, 65, 66, 67, 68, 69, 70 and 72, chapter 1, Oregon Laws 2015; repealing ORS 475.324 and sections 26, 42, 55, 71, 81, 82, 83, 84, 85 and 86, chapter 1, Oregon Laws 2015, and sections 32, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 67, 69, 70, 71, 72, 73 and 74, chapter \_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 964); and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

BALLOT MEASURE 91 OPERATIVE JANUARY 1, 2016

(Definitions)

**SECTION 1.** Section 5, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 5.** As used in sections 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act]:

[(1) "Authority" means the Oregon Health Authority.]

[(2) "Commission" means the Oregon Liquor Control Commission.]

[(3)] (1) "Consumer" means a person who purchases, acquires, owns, holds[,] or uses marijuana items other than for the purpose of resale.

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\_\_\_ Agency Request \_\_\_ Governors Budget \_\_\_ X \_\_\_ Legislatively Adopted Legislative Actions BUDGET PAGE 70

# BUDGET NARRATIVE

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- (2) “Cannabinoid” means any of the chemical compounds that are the active constituents of marijuana.
- (3) “Cannabinoid concentrate” means a substance obtained by separating cannabinoids from marijuana by:
- (a) A mechanical extraction process;
  - (b) A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;
  - (c) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use of high heat or pressure; or
  - (d) Any other process identified by the Oregon Liquor Control Commission, in consultation with the Oregon Health Authority, by rule.
- (4) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or flowers have been incorporated.
- (5) “Cannabinoid extract” means a substance obtained by separating cannabinoids from marijuana by:
- (a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane or propane;
  - (b) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, if the process uses high heat or pressure; or
  - (c) Any other process identified by the commission, in consultation with the authority, by rule.
- (6)(a) “Cannabinoid product” means a cannabinoid edible and any other product intended for human consumption or use, including a product intended to be applied to the skin or hair, that contains cannabinoids or dried marijuana leaves or flowers.
- (b) “Cannabinoid product” does not include:
- (A) Usable marijuana by itself;
  - (B) A cannabinoid concentrate by itself;
  - (C) A cannabinoid extract by itself; or
  - (D) Industrial hemp, as defined in ORS 571.300.
- [ (4) “Department” means the State Department of Agriculture. ]
- [ (5)(a) (7)(a) [ “Financial consideration,” except as provided in paragraph (b) of this subsection, ] “Financial consideration” means value that is given or received either directly or indirectly through sales, barter, trade, fees, charges, dues, contributions or donations.
- (b) “Financial consideration” does not [ mean any of the following ] include:
- (A) Homegrown marijuana [ made by another person. ] that is given or received when nothing is given or received in return; or
  - (B) Homemade [ marijuana products made by another person. ] cannabinoid products or cannabinoid concentrates that are given or received when nothing is given or received in return.
- [ (6) (8) “Homegrown” or “homemade” means grown or made by a person 21 years of age or older for noncommercial purposes.
- [ (7) (9) “Household” means a housing unit[,] and [ includes ] any place in or around [ the ] a housing unit at which the occupants of the housing unit are producing, processing, [ keeping, ] or storing homegrown marijuana or homemade [ marijuana ] cannabinoid products or cannabinoid concentrates.
- [ (8) (10) “Housing unit” means a house, an apartment[,] or a mobile home, or a group of rooms[,] or a single room that is occupied as separate living quarters, in which the occupants live and eat separately from any other persons in the building and [ which have ] that has direct access from the outside of the building or through a common hall.
- [ (9) “Immature marijuana plant” means a marijuana plant with no observable flowers or buds. ] (11) “Immature marijuana plant” means a marijuana plant that is not flowering.
- [ (10) (12) “Licensee” means [ any ] a person [ holding ] who holds a license issued under [ this Act ] section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015[ , or any person holding a license or permit issued under any regulation promulgated under paragraph (e) of subsection (2) of section 7 of this Act ].
- [ (11) (13) “Licensee representative” means an owner, director, officer, manager, employee, agent[,] or other representative of a licensee, to the extent [ such ] that the person acts in [ such ] a representative capacity.
- [ (12)(a) “Marijuana” means all parts of the plant Cannabis family Moraceae, whether growing or not, other than marijuana extracts. ]
- [ (b) “Marijuana” does not include industrial hemp, as defined in ORS 571.300, or industrial hemp commodities or products. ]
- [ (13) “Marijuana extract” means a product obtained by separating resins from marijuana by solvent extraction, using solvents other than vegetable glycerin, such as butane, hexane, isopropyl alcohol, ethanol, and carbon dioxide. ]
- (14)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.
- (b) “Marijuana” does not include industrial hemp, as defined in ORS 571.300.

# BUDGET NARRATIVE

[(14)(a)] (15) “Marijuana flowers” means the flowers of the plant [*Cannabis family Moraceae*] genus *Cannabis* within the plant family *Cannabaceae*.

[(b) “Marijuana flowers” does not include any part of the plant other than the flowers.]

[(15)] (16) “Marijuana items” means marijuana, [*marijuana products, and marijuana extracts*] cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

[(16)(a)] (17) “Marijuana leaves” means the leaves of the plant [*Cannabis family Moraceae*] genus *Cannabis* within the plant family *Cannabaceae*.

[(b) “Marijuana leaves” does not include any part of the plant other than the leaves.]

[(17)] (18) “Marijuana processor” means a person who processes marijuana items in this state.

[(18)] (19) “Marijuana producer” means a person who produces marijuana in this state.

[(19)(a) “Marijuana products” means products that contain marijuana or marijuana extracts and are intended for human consumption.]

[(b) “Marijuana products” does not mean:]

[(A) Marijuana, by itself; or]

[(B) A marijuana extract, by itself.]

(20) “Marijuana retailer” means a person who sells marijuana items to a consumer in this state.

(21) “Marijuana wholesaler” means a person who purchases marijuana items in this state for resale to a person other than a consumer [*in this state*].

(22) “Mature marijuana plant” means [*any*] a marijuana plant that is not an immature marijuana plant.

(23) “Noncommercial” means not dependent or conditioned upon the provision or receipt of financial consideration.

[(24) “Person” means any natural person, corporation, professional corporation, nonprofit corporation, cooperative corporation, profit or nonprofit unincorporated association, business trust, limited liability company, general or limited partnership, joint venture, or any other legal entity.]

[(25) “Premises” or “licensed premises” means a location licensed under sections 3 to 70 of this Act and includes:]

**[(24)(a) “Premises” or “licensed premises” includes the following areas of a location licensed under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015:**

[(a)] (A) All public and private enclosed areas at the location that are used in the business operated at the location, including offices, kitchens, rest rooms and storerooms[, including all public and private areas];

[(b)] (B) All areas outside [of] a building that the [*Oregon Liquor Control*] commission has specifically licensed for the production, processing, wholesale sale[, or retail sale of marijuana items; and

[(c)] (C) For a location that the commission has specifically licensed for the production of marijuana outside [of] a building, the entire lot or parcel, as defined in ORS 92.010, that the licensee owns, leases[, or has a right to occupy.

**[(b) “Premises” or “licensed premises” does not include a primary residence. [(26)(a)] (25)(a) “Processes” means[:]**

[(A)] the processing, compounding[, or conversion of marijuana into [*marijuana products or marijuana extracts*;] cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

**[(b) “Processes” does not include packaging or labeling.**

[(B) The processing, compounding, or conversion of marijuana, either directly or indirectly by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:]

[(C) The packaging or repackaging of marijuana items; or]

[(D) The labeling or relabeling of any package or container of marijuana items.]

[(b) “Processes” does not include:]

[(A) The drying of marijuana by a marijuana producer, if the marijuana producer is not otherwise processing marijuana; or]

[(B) The packaging and labeling of marijuana by a marijuana producer in preparation for delivery to a marijuana processor.]

[(27)(a)] (26)(a) “Produces” means the manufacture, planting, cultivation, growing[, or harvesting of marijuana.

(b) “Produces” does not include:

(A) The drying of marijuana by a marijuana processor, if the marijuana processor is not otherwise producing marijuana; or

(B) The cultivation and growing of an immature marijuana plant by a marijuana processor, marijuana wholesaler[, or marijuana retailer if the marijuana processor, marijuana wholesaler[, or marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.

# BUDGET NARRATIVE

(27) “Propagate” means to grow immature marijuana plants or to breed or produce theseeds of the plant Cannabis family Cannabaceae.

(28) “Public place” means a place to which the general public has access and includes, but isnot limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting rooms or apartments designed for actual residence, and highways, streets, schools, places of amusement, parks, playgrounds and [premises] areas used in connection with public passenger transportation.

[29) “Usable marijuana” means dried marijuana flowers and dried marijuana leaves, and any mixture or preparation thereof.]

(29)(a) “Usable marijuana” means the dried leaves and flowers of marijuana.

(b) “Usable marijuana” does not include:

(A) The seeds, stalks and roots of marijuana; or

(B) Waste material that is a by-product of producing or processing marijuana.

## (Powers and Duties of Commission)

**SECTION 2.** Section 7, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 7.** (1) The Oregon Liquor Control Commission has the powers and duties specified in sections 3 to 70, **chapter 1, Oregon Laws 2015**, and [of this Act, and also] the powers necessary or proper to enable [it] **the commission** to carry out [fully and effectually all the purposes of] **the commission’s duties, functions and powers under sections 3 to 70, chapter 1, Oregon Laws 2015** [of this Act]. The jurisdiction, supervision, [powers and duties] **duties, functions and powers** of the commission extend to any person who buys, sells, produces, processes, transports[,] or delivers any marijuana items within this state. The commission may sue and be sued.

(2) The [function,] **duties, functions** and powers of the commission in sections 3 to 70, **chapter 1, Oregon Laws 2015**, [of this Act] include the following:

(a) To regulate the purchase, sale, production, processing, transportation[,] and delivery of marijuana items in accordance with the provisions of sections 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act].

(b) To grant, refuse, suspend or cancel licenses for the sale, processing[,] or production of marijuana items, or other licenses in regard to marijuana items, and to permit, in [its] **the commission’s** discretion, the transfer of a license [of any person] **between persons**.

[c) To collect the taxes and duties imposed by sections 3 to 70 of this Act, and to issue, and provide for cancellation, stamps and other devices as evidence of payment of such taxes or duties.]

[d) (c) To investigate and aid in the prosecution of every violation of [Oregon statutes] **the statutory laws of this state** relating to marijuana items[,] and to cooperate in the prosecution of offenders before any state court of competent jurisdiction.

[e) (d) To adopt [such regulations as are], **amend or repeal rules as necessary** [and feasible for carrying] **to carry out** the intent and provisions of sections 3 to 70, **chapter 1, Oregon Laws 2015, including rules that the commission considers necessary to protect the public health and safety.** [of this Act and to amend or repeal such regulations. When such regulations are adopted they shall have the full force and effect of law.]

[f) (e) To exercise all powers incidental, convenient or necessary to enable [it] **the commission** to administer or carry out [any of] the provisions of sections 3 to 70, **chapter 1, Oregon Laws 2015, or any other law of this state that charges the commission with a duty, function or power related to marijuana** [of this Act]. **Powers described in this paragraph include, but are not limited to:**

(A) Issuing subpoenas;

(B) Compelling the attendance of witnesses;

(C) Administering oaths;

(D) Certifying official acts;

(E) Taking depositions as provided by law;

(F) Compelling the production of books, payrolls, accounts, papers, records, documentsand testimony; and

(G) Establishing fees in addition to the application, licensing and renewal fees describedin sections 19, 20, 21 and 22, **chapter 1, Oregon Laws 2015**, provided that any fee established by the commission is reasonably calculated not to exceed the cost of the activity for which the fee is charged.

[g) To regulate and prohibit any advertising by manufacturers, processors, wholesalers or retailers of marijuana items by the medium of newspapers, letters, billboards, radio or otherwise.]

(f) To adopt rules regulating and prohibiting marijuana producers, marijuana processors, marijuana wholesalers and marijuana retailers from advertising marijuana items in a manner:

# BUDGET NARRATIVE

- (A) That is appealing to minors;
- (B) That promotes excessive use;
- (C) That promotes illegal activity; or
- (D) That otherwise presents a significant risk to public health and safety.

[(h)] (g) To regulate the use of marijuana items for scientific, pharmaceutical, manufacturing, mechanical, industrial and other purposes.

**(3) Fees collected pursuant to subsection (2)(e)(G) of this section shall be deposited in the Marijuana Control and Regulation Fund established under section 32 of this 2015 Act.**

[(3) On or before January 1, 2016, the commission, after consultation with the State Department of Agriculture and the Oregon Health Authority, shall prescribe forms and adopt such rules and regulations as the commission deems necessary for the implementation and administration of sections 3 to 70 of this Act.]

[(4) On or before January 1, 2017, the commission shall:]

[(a) Examine available research, and may conduct or commission new research, to investigate the influence of marijuana on the ability of a person to drive a vehicle and on the concentration of delta-9 tetrahydrocannabinol in a person's blood, in each case taking into account all relevant factors; and]

[(b) Present the results of the research to the Legislative Assembly and make recommendations to the Legislative Assembly regarding whether any amendments to the Oregon Vehicle Code are appropriate.]

[(5) The commission has no power to purchase, own, sell, or possess any marijuana items.]

**(Power to Purchase, Possess, Seize, Dispose)**

**SECTION 3.** The Oregon Liquor Control Commission may purchase, possess, seize or dispose of marijuana items as is necessary for the commission to ensure compliance with and enforce the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, and any rule adopted under sections 3 to 70, chapter 1, Oregon Laws 2015.

**SECTION 4.** Any state officer, board, commission, corporation, institution, department or other state body, and any local officer, board, commission, institution, department or other local government body, that is authorized by the statutory laws of this state to perform a duty, function or power with respect to a marijuana item, may purchase, possess, seize or dispose of the marijuana item as the state officer, board, commission, corporation, institution, department or other state body, or the local officer, board, commission, institution, department or other local government body, considers necessary to ensure compliance with and enforce the applicable statutory law or any rule adopted under the applicable statutory law.

**(Regulation of Licensees)**

**SECTION 5.** Section 25, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 25.** (1) A license granted under sections 3 to 70, chapter 1, Oregon Laws 2015 [of this Act shall]:

(a) [Be] Is a purely personal privilege.

(b) [Be] Is valid for the period stated in the license.

(c) [Be] Is renewable in the manner provided in section 28, chapter 1, Oregon Laws 2015 [of this Act], except for a cause [which] that would be grounds for refusal to issue [such] the license under section 29, chapter 1, Oregon Laws 2015 [of this Act].

(d) [Be] Is revocable or suspendible as provided in section 30, chapter 1, Oregon Laws 2015 [of this Act].

(e) [Be] Is transferable from the premises for which the license was originally issued to another premises subject to the provisions of [this Act, any] sections 3 to 70, chapter 1, Oregon Laws 2015, applicable rules of the Oregon Liquor Control Commission and [any municipal ordinance or local regulation] applicable local ordinances.

(f) [Cease] Expires upon the death of the licensee, except as provided in subsection (2) of this section.

(g) Does not constitute property.

(h) Is not [be] alienable.

(i) Is not [be] subject to attachment or execution.

(j) Does not descend by the laws of testate or intestate devolution.

(2) The commission may, by order, provide for the manner and conditions under which:

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# BUDGET NARRATIVE

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- (a) Marijuana items left by *[any]* a deceased, insolvent or bankrupt person or licensee, or subject to a security interest, may be foreclosed, sold under execution or otherwise disposed *[of]*.
- (b) The business of *[any]* a deceased, insolvent or bankrupt licensee may be operated for a reasonable period following the death, insolvency or bankruptcy.
- (c) *[A business licensed pursuant to sections 3 to 70 of this Act subject to a security interest may be continued in business by a secured party as defined in ORS 79.0102]* **A secured party, as defined in ORS 79.0102, may continue to operate a business for which a license has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015,** for a reasonable period after default on the indebtedness by the debtor.

**SECTION 6.** Section 27, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 27. (1)** A marijuana producer, marijuana processor~~[,]~~ or marijuana wholesaler *[shall]* may deliver marijuana items only to or on a licensed premises.

**(2)** A licensed premises may receive marijuana items only from a marijuana producer, marijuana processor or marijuana wholesaler for whom a premises has been licensed by the Oregon Liquor Control Commission.

**(3)** The sale of marijuana items *[under any license issued by the Oregon Liquor Control Commission for retail sales by a licensee shall]* by a marijuana retailer that holds a license issued under section 22, chapter 1, Oregon Laws 2015, must be restricted to the premises described in the license, but deliveries may be made by the marijuana retailer to consumers pursuant to a bona fide *[orders]* order received *[on]* at the licensed premises prior to delivery.

**SECTION 7.** Section 28, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 28. (1)** *[Any person desiring]* An applicant for a license or renewal of a license under sections 3 to 70, chapter 1, Oregon Laws 2015, shall apply *[of this Act shall make application]* to the Oregon Liquor Control Commission *[upon forms to be furnished]* in the form required by the commission, showing the name and address of the applicant, location of the place of business that is to be operated under the license~~[,]~~ and *[such]* other pertinent information *[as]* required by the commission *[may require]*. *[No license shall be granted or renewed]* The commission may not grant or renew a license until the applicant has complied with the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, *[of this Act]* and the rules of the commission.

**(2)** The commission may reject any application that is not submitted in the form required by rule. The commission shall give applicants an opportunity to be heard if an application is rejected. A hearing under this subsection is not subject to the requirements for contested case proceedings under ORS chapter 183.

**(3)** Except as provided in subsection (2) of this section, a revocation of, or a refusal to issue or renew, a license under sections 3 to 70, chapter 1, Oregon Laws 2015, *[of this Act]* is subject to the requirements for contested case proceedings under ORS chapter 183.

*[(4) The commission shall assess a nonrefundable fee for processing a new or renewal application for any license authorized by sections 3 to 70 of this Act. The application processing fee shall be \$250.]*

*[(5) The annual license fee for any license granted under sections 3 to 70 of this Act shall be \$1,000. The license fee is nonrefundable and shall be paid by each applicant upon the granting or committing of a license.]*

**SECTION 8.** Section 29, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 29. (1)** The Oregon Liquor Control Commission may not license *[any]* an applicant under the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, *[of this Act]* if the applicant is under 21 years of age.

**(2)** The *[Oregon Liquor Control]* commission may refuse to license *[any]* an applicant under the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, *[of this Act]* if the commission has reasonable ground to believe *[any of the following to be true:]*

*[(A) That there are sufficient licensed premises in the locality set out in the application, or that the granting of a license in the locality set out in the application is not demanded by public interest or convenience. In determining whether there are sufficient licensed premises in the locality, the commission shall consider seasonal fluctuations in the population of the locality and shall ensure that there are adequate licensed premises to serve the needs of the locality during the peak seasons.] [(b) that the applicant:*

*[(A)] (a)* Is in the habit of using alcoholic beverages, habit-forming drugs, marijuana~~[,]~~ or controlled substances to excess.

*[(B)] (b)* Has made false statements to the commission.

*[(C)] (c)* Is incompetent or physically unable to carry on the management of the establishment proposed to be licensed.

*[(D)] (d)* Has been convicted of violating a general or local law of this state or another state, or of violating a federal law, if the conviction is substantially related to the fitness and ability of the applicant to lawfully carry out activities under the license. *[(E) Has maintained an insanitary establishment.]*

*[(F)] (e)* Is not of good repute and moral character.

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[(G)] (f) [Did] Does not have a good record of compliance with sections 3 to 70, chapter 1, Oregon Laws 2015, [of this Act] or any rule of the commission adopted [pursuant thereto] under sections 3 to 70, chapter 1, Oregon Laws 2015.

[(H)] (g) Is not the legitimate owner of the business proposed to be licensed, or other persons have ownership interests in the business [which] that have not been disclosed.

[(I)] (h) Is not possessed of or has not demonstrated financial responsibility sufficient to adequately meet the requirements of the business proposed to be licensed.

[(J)] (i) Is unable to understand the laws of [Oregon] this state relating to marijuana or the rules of the commission relating to marijuana.

(3) Notwithstanding [subparagraph (D) of paragraph (b) of] subsection (2)(d) of this section, in determining whether the commission may refuse to license an applicant, the commission may not consider the prior conviction of the applicant or any owner, director, officer, manager, employee, agent[,] or other representative of the applicant for:

(a) The manufacture of marijuana, if:

(A) The date of the conviction is **two or more** [than five] years before the date of the application; and

(B) The person has not been convicted more than once for the manufacture or delivery of marijuana;

(b) The delivery of marijuana to a person 21 years of age or older, if:

(A) The date of the conviction is **two or more** [than five] years before the date of the application; and

(B) The person has not been convicted more than once for the manufacture or delivery of marijuana; or

(c) The possession of marijuana.

**SECTION 9.** Section 30, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 30.** [(1)] The Oregon Liquor Control Commission may [cancel] **revoke** or suspend [any] a license issued under sections 3 to 70, chapter 1, Oregon Laws 2015 [of this Act], if the commission finds or has reasonable ground to believe any of the following to be true: [(a)] (1) That the licensee:

[(A)] (a) Has violated [any] a provision of sections 3 to 70, chapter 1, Oregon Laws 2015, [of this Act] or [any] a rule of the commission adopted [pursuant thereto] under sections 3 to 70, chapter 1, Oregon Laws 2015.

[(B)] (b) Has made any false representation or statement to the commission in order to induce or prevent action by the commission.

[(C)] Has maintained an insanitary establishment.]

[(D)] (c) Is insolvent or incompetent or physically unable to carry on the management of the establishment of the licensee.

[(E)] (d) Is in the habit of using alcoholic liquor, habit-forming drugs, marijuana[,] or controlled substances to excess.

[(F)] (e) Has misrepresented to a customer or the public any marijuana items sold by the licensee.

[(G)] (f) Since the granting of the license, has been convicted of a felony, of violating any of the marijuana laws of this state, general or local, or of any misdemeanor or violation of any municipal ordinance committed on the licensed premises.

[(b)] (2) That there is any other reason that, in the opinion of the commission, based on public convenience or necessity, warrants canceling or suspending [such] the license.

[(2) Civil penalties under this section shall be imposed as provided in ORS 183.745.]

**SECTION 10.** For the purpose of requesting a state or nationwide criminal records check under ORS 181.534, the Oregon Liquor Control Commission may require the fingerprints of any individual listed on an application submitted under section 28, chapter 1, Oregon Laws 2015.

**SECTION 11.** Section 18, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 18.** (1) [On or before January 4, 2016,] The Oregon Liquor Control Commission shall [begin receiving applications for the licensing of persons] **approve or deny an application** to produce, process[,] and sell marijuana [within the state] under sections 19, 20, 21 and 22, chapter 1, Oregon Laws 2015. Upon [receipt of a license] receiving an application, the commission [shall] may not unreasonably delay [the processing, approval, or rejection of] **processing, approving or denying** the application or, if the application is approved, [the issuance of] **issuing** the license.

(2) The licenses described in sections [3 to 70 of this Act shall] 19, 20, 21 and 22, chapter 1, Oregon Laws 2015, must be issued by the commission, subject to [its regulations and restrictions and] the provisions of sections 3 to 70 [of this Act], chapter 1, Oregon Laws 2015, and the rules adopted under sections 3 to 70, chapter 1, Oregon Laws 2015.

(3) The commission may not license a premises that does not have defined boundaries. A licensed premises [need not] **does not need to be** enclosed by a wall, fence or other structure, but the commission may require that [any] a licensed premises be enclosed as a condition of issuing or renewing a license. The commission may not license [premises that are] mobile **premises**.

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(License Holders)

**SECTION 12.** Section 19, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 19.** (1) The production of marijuana is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana producer must have a production license issued by the commission for the premises at which the marijuana is produced. To hold a production license under this section, a marijuana producer:

(a) Must apply for a license in the manner described in section 28, chapter 1, Oregon Laws 2015;

(b) Must, until January 1, 2020, provide proof that an applicant listed on an application submitted under section 28, chapter 1, Oregon Laws 2015, has been a resident of this state for two or more years, and must provide proof that the applicant is 21 years of age or older; and

(c) Must meet the requirements of any rule adopted by the commission under subsection

(3) of this section.

(3) The commission shall adopt rules that:

(a) Require a marijuana producer to annually renew a license issued under this section;

(b) Establish application, licensure and renewal of licensure fees for marijuana producers;

(c) Require marijuana produced by marijuana producers to be tested in accordance with section 92 of this 2015 Act;

(d) Require marijuana producers to submit, at the time of applying for or renewing a license under section 28, chapter 1, Oregon Laws 2015, a report describing the applicant's or licensee's electrical or water usage; and

(e)(A) Require a marijuana producer to meet any public health and safety standards and industry best practices established by the commission by rule related to:

(i) The production of marijuana; or

(ii) The propagation of immature marijuana plants and the seeds of the plant Cannabis family Cannabaceae.

(B) For purposes of establishing rules under subparagraph (A)(ii) of this paragraph, the commission may not limit:

(i) The number of immature marijuana plants that may be possessed by a marijuana producer licensed under this section;

(ii) The size of the grow canopy a marijuana producer licensed under this section uses to grow immature marijuana plants; or

(iii) The weight or size of shipments of immature marijuana plants made by a marijuana producer licensed under this section.

(4) Fees adopted under subsection (3)(b) of this section:

(a) May not exceed the cost of administering sections 3 to 70, chapter 1, Oregon Laws 2015, with respect to marijuana producers;

(b) Shall be in the form of a schedule that imposes a greater fee for premises with more square footage or on which more mature marijuana plants are grown; and

(c) Shall be deposited in the Marijuana Control and Regulation Fund established under section 32 of this 2015 Act.

**SECTION 13.** (1) Subject to subsection (2) of this section, the Oregon Liquor Control Commission shall adopt rules restricting the size of mature marijuana plant grow canopies at premises for which a license has been issued under section 19, chapter 1, Oregon Laws 2015. In adopting rules under this subsection, the commission shall:

(a) Limit the size of mature marijuana plant grow canopies, for premises where marijuana is grown outdoors and for premises where marijuana is grown indoors, in a manner calculated to result in premises that produce the same amount of harvested marijuana leaves and harvested marijuana flowers regardless of whether the marijuana is grown outdoors or indoors.

(b) Adopt a tiered system under which the permitted size of a marijuana producer's mature marijuana plant grow canopy increases at the time of licensure renewal under section 19, chapter 1, Oregon Laws 2015, except that the permitted size of a marijuana producer's mature marijuana plant grow canopy may not increase following any year during which the commission disciplined the marijuana producer for violating a provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or a rule adopted under a provision of sections 3 to 70, chapter 1, Oregon Laws 2015.

(c) Take into consideration the market demand for marijuana items in this state, the number of persons applying for a license under section 19, chapter 1, Oregon Laws 2015, and to whom a license has been issued under section 19, chapter 1, Oregon Laws 2015, and whether the availability of marijuana items in this state is commensurate with the market demand.

(2) This section does not apply to a premises for which a license has been issued under section 19, chapter 1, Oregon Laws 2015, if the premises is used only to propagate immature marijuana plants.

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**SECTION 14.** Section 20, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 20.** (1) The processing of marijuana items is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana processor must have a processor license issued by the commission for the premises at which marijuana items are processed. **To hold a processor license under this section, a marijuana processor:**

- (a) **Must apply for a license in the manner described in section 28, chapter 1, Oregon Laws 2015;**
- (b) **Must, until January 1, 2020, provide proof that an applicant listed on an application submitted under section 28, chapter 1, Oregon Laws 2015, has been a resident of this state for two or more years, and must provide proof that the applicant is 21 years of age or older;**
- (c) **If the marijuana processor processes marijuana extracts, may not be located in an area zoned exclusively for residential use; and**
- (d) **Must meet the requirements of any rule adopted by the commission under subsection (3) of this section.**

(3) **The commission shall adopt rules that:**

- (a) **Require a marijuana processor to annually renew a license issued under this section;**
- (b) **Establish application, licensure and renewal of licensure fees for marijuana processors;**
- (c) **Require marijuana processed by a marijuana processor to be tested in accordance with section 92 of this 2015 Act; and**
- (d) **Require a marijuana processor to meet any public health and safety standards and industry best practices established by the commission by rule related to:**

- (A) **Cannabinoid edibles;**
- (B) **Cannabinoid concentrates;**
- (C) **Cannabinoid extracts; and**
- (D) **Any other type of cannabinoid product identified by the commission by rule.**

(4) **Fees adopted under subsection (3)(b) of this section:**

- (a) **May not exceed the cost of administering sections 3 to 70, chapter 1, Oregon Laws 2015, with respect to marijuana processors; and**
- (b) **Shall be deposited in the Marijuana Control and Regulation Fund established under section 32 of this 2015 Act.**

**SECTION 15.** Section 21, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 21.** (1) The wholesale sale of marijuana items is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana wholesaler must have a wholesale license issued by the commission for the premises at which marijuana items are received, [*kept,*] stored[,] or delivered. **To hold a wholesale license under this section, a marijuana wholesaler:**

- (a) **Must apply for a license in the manner described in section 28, chapter 1, Oregon Laws 2015;**
- (b) **Must, until January 1, 2020, provide proof that an applicant listed on an application submitted under section 28, chapter 1, Oregon Laws 2015, has been a resident of this state for two or more years, and must provide proof that the applicant is 21 years of age or older; (c) May not be located in an area that is zoned exclusively for residential use; and (d) Must meet the requirements of any rule adopted by the commission under subsection (3) of this section.**

(3) **of this section.**

(3) **The commission shall adopt rules that:**

- (a) **Require a marijuana wholesaler to annually renew a license issued under this section;**
- (b) **Establish application, licensure and renewal of licensure fees for marijuana wholesalers;**
- (c) **Require marijuana items received, stored or delivered by a marijuana wholesaler to be tested in accordance with section 92 of this 2015 Act; and**
- (d) **Require a marijuana wholesaler to meet any public health and safety standards and industry best practices established by the commission by rule.**

(4) **Fees adopted under subsection (3)(b) of this section:**

- (a) **May not exceed the cost of administering sections 3 to 70, chapter 1, Oregon Laws 2015, with respect to marijuana wholesalers; and**
- (b) **Shall be deposited in the Marijuana Control and Regulation Fund established under section 32 of this 2015 Act.**

**SECTION 16.** Section 22, chapter 1, Oregon Laws 2015, is amended to read:

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Sec. 22. (1) The retail sale of marijuana items is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana retailer must have a retail license issued by the commission for the premises at which marijuana items are sold. To hold a retail license under this section, a marijuana retailer:

- (a) Must apply for a license in the manner described in section 28, chapter 1, Oregon Laws 2015;
- (b) Must, until January 1, 2020, provide proof that an applicant listed on an application submitted under section 28, chapter 1, Oregon Laws 2015, has been a resident of this state for two or more years, and must provide proof that the applicant is 21 years of age or older;
- (c) May not be located in an area that is zoned exclusively for residential use;
- (d) May not be located within 1,000 feet of:
  - (A) A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or
  - (B) A private or parochial elementary or secondary school, teaching children as described in ORS 339.030 (1)(a); and
- (e) Must meet the requirements of any rule adopted by the commission under subsection (3) of this section.

(3) The commission shall adopt rules that:

- (a) Require a marijuana retailer to annually renew a license issued under this section;
- (b) Establish application, licensure and renewal of licensure fees for marijuana retailers;
- (c) Require marijuana items sold by a marijuana retailer to be tested in accordance with section 92 of this 2015 Act; and
- (d) Require a marijuana retailer to meet any public health and safety standards and industry best practices established by the commission by rule.

(4) Fees adopted under subsection (3)(b) of this section:

- (a) May not exceed the cost of administering sections 3 to 70, chapter 1, Oregon Laws 2015, with respect to marijuana retailers; and
- (b) Shall be deposited in the Marijuana Control and Regulation Fund established under section 32 of this 2015 Act.

**SECTION 17.** If a school described in section 22 (2)(d), chapter 1, Oregon Laws 2015, that has not previously been attended by children is established within 1,000 feet of a premises for which a license has been issued under section 22, chapter 1, Oregon Laws 2015, the marijuana retailer located at that premises may remain at that location unless the Oregon Liquor Control Commission revokes the license of the marijuana retailer under section 30, chapter 1, Oregon Laws 2015.

(Segregated Premises)

**SECTION 18.** As is necessary to protect the public health and safety, the Oregon Liquor Control Commission may require a premises licensed under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, to be segregated into separate areas:

- (1) For conducting the activities permitted under each license if the licensee holds more than one license issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015; or
- (2) For conducting activities related to processing marijuana into different types of cannabinoid products, cannabinoid concentrates or cannabinoid extracts, if the licensee is a marijuana processor that processes marijuana into any combination of different types of products, concentrates and extracts.

(Marijuana Handlers)

**SECTION 19.** (1) An individual who performs work for or on behalf of a person who holds a license under section 22, chapter 1, Oregon Laws 2015, must have a valid permit issued by the Oregon Liquor Control Commission under section 20 of this 2015 Act if the individual participates in:

- (a) The possession, securing or selling of marijuana items at the premises for which the license has been issued;
- (b) The recording of the possession, securing or selling of marijuana items at the premises for which the license has been issued; or
- (c) The verification of any document described in section 16, chapter 1, Oregon Laws 2015.

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(2) A person who holds a license under section 22, chapter 1, Oregon Laws 2015, must verify that an individual has a valid permit issued under section 20 of this 2015 Act before allowing the individual to perform any work described in subsection (1) of this section at the premises for which the license has been issued.

**SECTION 20.** (1) The Oregon Liquor Control Commission shall issue permits to qualified applicants to perform work described in section 19 of this 2015 Act. The commission shall adopt rules establishing:

- (a) The qualifications for performing work described in section 19 of this 2015 Act;
- (b) The term of a permit issued under this section;
- (c) Procedures for applying for and renewing a permit issued under this section; and
- (d) Reasonable application, issuance and renewal fees for a permit issued under this section.

(2)(a) The commission may require an individual applying for a permit under this section to successfully complete a course, made available by or through the commission, through which the individual receives training on:

- (A) Checking identification;
- (B) Detecting intoxication;
- (C) Handling marijuana items;
- (D) The content of sections 3 to 70, chapter 1, Oregon Laws 2015, and rules adopted under sections 3 to 70, chapter 1, Oregon Laws 2015; and
- (E) Any matter deemed necessary by the commission to protect the public health and safety.

(b) The commission or other provider of the course may charge a reasonable fee for the course.

(c) The commission may not require an individual to successfully complete the course more than once, except that:

(A) As part of a final order suspending a permit issued under this section, the commission may require a permit holder to successfully complete the course as a condition of lifting the suspension; and

(B) As part of a final order revoking a permit issued under this section, the commission shall require an individual to successfully complete the course prior to applying for a new permit.

(3) The commission shall conduct a criminal records check under ORS 181.534 on an individual applying for a permit under this section.

(4) Subject to the applicable provisions of ORS chapter 183, the commission may suspend, revoke or refuse to issue or renew a permit if the individual who is applying for or who holds the permit:

(a) Is convicted of a felony, except that the commission may not consider a conviction for the manufacture or delivery of marijuana if the date of the conviction is two or more years before the date of the application or renewal;

(b) Violates any provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or any rule adopted under sections 3 to 70, chapter 1, Oregon Laws 2015; or (c) Makes a false statement to the commission.

(5) A permit issued under this section is a personal privilege and permits work described under section 19 of this 2015 Act only for the individual who holds the permit.

## (Employment Relations)

**SECTION 20a.** (1) An employee of a person licensed under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, has the right to form, join and participate in the activities of a labor organization of the employee's own choosing for the purpose of securing representation and collective bargaining for matters concerning employment relations with the person licensed under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.

(2) For purposes of this section, the provisions of ORS chapters 661 to 663 apply to relations between employees of persons licensed under section 19, 20, 21 and 22, chapter 1, Oregon Laws 2015, and employers that are licensed under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, in the same manner that those provisions apply to other employment relations.

**SECTION 20b.** (1) It is an unlawful employment practice for a person that holds a license under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, to discharge, demote, suspend or in any manner discriminate or retaliate against an employee of the person with regard to promotion, compensation or other terms, conditions or privileges of employment on the basis that the employee has in good faith reported information to the Oregon Liquor Control Commission that the employee believes is evidence of a violation of a provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or a rule adopted under a provision of sections 3 to 70, chapter 1, Oregon Laws 2015.

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(2) This section is subject to enforcement under ORS chapter 659A.

**SECTION 20c.** In adopting rules related to industry best practices under sections 19, 20, 21 and 22, chapter 1, Oregon Laws 2015, the Oregon Liquor Control Commission may establish merit-based criteria for licensure or renewal of licensure, including, but not limited to, possession of a developed business plan, access to sufficient capital, offering living wages and benefits to employees, provision of training and apprenticeship, provision of community benefits, implementation of best environmental practices and implementation of consumer safety practices.

## (Bonds and Liability Insurance)

**SECTION 21.** (1) Except as provided in subsection (2) of this section, the Oregon Liquor Control Commission may require a person that holds a license under section 22, chapter 1, Oregon Laws 2015, to maintain on file with the commission a bond with a corporate surety authorized to transact business in this state. The bond shall be in a form acceptable to the commission and shall be in an amount that the commission determines is reasonably affordable and available. The bond is payable to the commission if the licensee fails to pay any tax imposed on the retail sale of marijuana items as required by state law.

(2) In lieu of maintaining the bond required by subsection (1) of this section, a person that holds a license under section 22, chapter 1, Oregon Laws 2015, may deposit in a bank or trust company for the benefit of the commission an equivalent amount in cash, letters of credit recognized by the State Treasurer or negotiable securities of a character approved by the State Treasurer. Interest earned on deposited funds or securities shall accrue to the person that made the deposit.

**SECTION 22.** As is necessary to protect the public health and safety, the Oregon Liquor Control Commission may require a person that holds a license under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, to maintain general liability insurance in an amount that the commission determines is reasonably affordable and available for the purpose of protecting the person against damages resulting from a cause of action related to activities undertaken pursuant to the license.

## (Seed to Sale Tracking System)

**SECTION 23.** (1) The Oregon Liquor Control Commission shall develop and maintain a system for tracking the transfer of marijuana items between licensed premises.

(2) The purposes of the system developed and maintained under this section include, but are not limited to:

- (a) Preventing the diversion of marijuana items to criminal enterprises, gangs, cartels and other states;
- (b) Preventing persons from substituting or tampering with marijuana items;
- (c) Ensuring an accurate accounting of the production, processing and sale of marijuana items;
- (d) Ensuring that taxes are collected for the purpose of being distributed as described in section 44, chapter 1, Oregon Laws 2015;
- (e) Ensuring that laboratory testing results are accurately reported; and

(f) Ensuring compliance with the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, rules adopted under the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, and any other law of this state that charges the commission with a duty, function or power related to marijuana.

(3) The system developed and maintained under this section must be capable of tracking, at a minimum:

- (a) The propagation of immature marijuana plants and the production of marijuana by a marijuana producer;
- (b) The processing of marijuana by a marijuana processor;
- (c) The receiving, storing and delivering of marijuana items by a marijuana wholesaler;
- (d) The sale of marijuana items by a marijuana retailer to a consumer;
- (e) The purchase and sale of marijuana items between licensees, as permitted by sections

3 to 70, chapter 1, Oregon Laws 2015;

(f) The transfer of marijuana items between licensed premises;

(g) The collection of taxes imposed upon the retail sale of marijuana items under section 70 of this 2015 Act; and

(h) Any other information that the commission determines is reasonably necessary to accomplish the duties, functions and powers of the commission under sections 3 to 70, chapter 1,

Oregon Laws 2015.

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## (Identification Requirement)

**SECTION 24.** Section 16, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 16.** *[All licensees and licensee representatives, before selling or serving marijuana items to any person about whom there is any reasonable doubt of the person's having reached 21 years of age, shall require such person to produce one of the following pieces of identification:]*

(1) **Subject to subsection (2) of this section, a licensee or licensee representative, before selling or providing a marijuana item to another person, must require the person to produce one of the following pieces of identification:** *[(1)] (a) The person's passport.*

*[(2)] (b) The person's [motor vehicle operator's] driver license, whether issued in this state or by any other state, [so] as long as the license has a picture of the person.*

*[(3)] (c) An identification card issued under ORS 807.400.*

*[(4)] (d) A United States military identification card.*

*[(5)] (e) Any other identification card issued by a state that bears a picture of the person, the name of the person, the person's date of birth and a physical description of the person.*

**(2) The Oregon Liquor Control Commission may adopt rules exempting a licensee or licensee representative from this section.**

## (Protection of Persons Under 21 Years of Age)

**SECTION 25.** Section 49, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 49.** *[(1) A person under 21 years of age may not attempt to purchase marijuana items.]*

*[(2) Except as authorized by rule or as necessitated in an emergency, a person under 21 years of age may not enter or attempt to enter any portion of a licensed premises that is posted or otherwise identified as being prohibited to the use of minors.]*

*[(3) A person who violates subsection (1) or (2) of this section commits a Class B violation.]*

*[(4) In addition to and not in lieu of any other penalty established by law, a person under 21 years of age who violates subsection (1) of this section through misrepresentation of age may be required to perform community service and the court shall order that the person's driving privileges and right to apply for driving privileges be suspended for a period not to exceed one year. If a court has issued an order suspending driving privileges under this section, the court, upon petition of the person, may withdraw the order at any time the court deems appropriate. The court notification to the Department of Transportation under this subsection may include a recommendation that the person be granted a hardship permit under ORS 807.240 if the person is otherwise eligible for the permit.]*

*[(5) If a person cited under this section is at least 13 years of age but less than 21 years of age at the time the person is found in default under ORS 153.102 or 419C.472 for failure to appear, in addition to and not in lieu of any other penalty, the court shall issue notice under ORS 809.220 to the department for the department to suspend the person's driving privileges under ORS 809.280 (4).]*

*[(6) The prohibitions of this section do not apply to a person under 21 years of age who is acting under the direction of the Oregon Liquor Control Commission or under the direction of state or local law enforcement agencies for the purpose of investigating possible violations of laws prohibiting sales of marijuana items to persons who are under 21 years of age.]*

**(1)(a) A person under 21 years of age may not attempt to purchase, purchase or acquire a marijuana item.**

**(b) For purposes of this subsection, purchasing a marijuana item includes accepting a marijuana item, and acquiring a marijuana item includes consuming a marijuana item, provided that the consumption of the marijuana item occurred no more than 24 hours before the determination that the person consumed the marijuana item.**

**(2) Except as authorized by the Oregon Liquor Control Commission by rule, or as necessary in an emergency, a person under 21 years of age may not enter or attempt to enter any portion of a licensed premises that is posted or otherwise identified as being prohibited to the use of persons under 21 years of age.**

**(3) A person who violates subsection (1) or (2) of this section commits a Class B violation.**

**(4) In addition to and not in lieu of any other penalty established by law, a court may require a person under 21 years of age who violates subsection (1) of this section through misrepresentation of age to perform community service, and the court may order that the person's driving privileges and right to apply for driving privileges be suspended for a period not to exceed one year. If a court has issued an order suspending driving privileges under this section, the court, upon petition of the person, may withdraw the order at any time the court deems appropriate. The court notification to the Department of Transportation under this subsection may include a recommendation that the person be granted a hardship permit under ORS 807.240 if the person is otherwise eligible for the permit.**

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(5) If a person cited under this section is at least 13 years of age but less than 21 years of age at the time the person is found in default under ORS 153.102 or 419C.472 for failure to appear, in addition to and not in lieu of any other penalty, the court shall issue notice under ORS 809.220 to the department for the department to suspend the person's driving privileges under ORS 809.280 (4).

(6) In addition to and not in lieu of any penalty established by law, the court may order a person to undergo assessment and treatment if the person has previously been found to have violated this section.

(7) The prohibitions of this section do not apply to a person under 21 years of age who is acting under the direction of the commission or under the direction of state or local law enforcement agencies for the purpose of investigating possible violations of laws prohibiting sales of marijuana items to persons who are under 21 years of age.

(8) The prohibitions of this section do not apply to a person under 21 years of age who is acting under the direction of a licensee for the purpose of investigating possible violations by employees of the licensee of laws prohibiting sales of marijuana items to persons who are under 21 years of age.

(9)(a) A person under 21 years of age is not in violation of, and is immune from prosecution under, this section if:

(A) The person contacted emergency medical services or a law enforcement agency in order to obtain medical assistance for another person who was in need of medical assistance because that person consumed a marijuana item and the evidence of the violation of this section was obtained as a result of the person's having contacted emergency medical services or a law enforcement agency; or

(B) The person was in need of medical assistance because the person consumed a marijuana item and the evidence of the violation of this section was obtained as a result of the person's having sought or obtained the medical assistance.

(b) Paragraph (a) of this subsection does not exclude the use of evidence obtained as a result of a person's having sought medical assistance in proceedings for crimes or offenses other than a violation of this section.

**SECTION 26.** The Oregon Liquor Control Commission may adopt rules establishing the circumstances under which the commission may require a marijuana retailer that holds a license issued under section 22, chapter 1, Oregon Laws 2015, to use an age verification scanner or any other equipment used to verify a person's age for the purpose of ensuring that the marijuana retailer does not sell marijuana items to a person under 21 years of age. The marijuana retailer may not retain any information obtained under this section after verifying a person's age. The marijuana retailer may not use any information obtained under this section for any purpose other than verifying a person's age.

**SECTION 27.** ORS 659A.403 is amended to read:

659A.403. (1) Except as provided in subsection (2) of this section, all persons within the jurisdiction of this state are entitled to the full and equal accommodations, advantages, facilities and privileges of any place of public accommodation, without any distinction, discrimination or restriction on account of race, color, religion, sex, sexual orientation, national origin, marital status or age if the individual is [18 years] of age, as described in this section, or older.

(2) Subsection (1) of this section does not prohibit:

(a) The enforcement of laws governing the consumption of alcoholic beverages by minors and the frequenting by minors of places of public accommodation where alcoholic beverages are served; [or]

(b) The enforcement of laws governing the use of marijuana items, as defined in section 5, chapter 1, Oregon Laws 2015, by persons under 21 years of age and the frequenting by persons under 21 years of age of places of public accommodation where marijuana items are sold; or

[(b)] (c) The offering of special rates or services to persons 50 years of age or older.

(3) It is an unlawful practice for any person to deny full and equal accommodations, advantages, facilities and privileges of any place of public accommodation in violation of this section.

**SECTION 28.** ORS 659A.409 is amended to read:

659A.409. Except as provided by laws governing the consumption of alcoholic beverages by minors [and], the use of marijuana items, as defined in section 5, chapter 1, Oregon Laws 2015, by persons under 21 years of age, the frequenting by minors of places of public accommodation where alcoholic beverages are served[,] and the frequenting by persons under 21 years of age of places of public accommodation where marijuana items are sold, and except for special rates or services offered to persons 50 years of age or older, it is an unlawful practice for any person acting on behalf of any place of public accommodation as defined in ORS 659A.400 to publish, circulate, issue or display, or cause to be published, circulated, issued or displayed, any communication, notice, advertisement or sign of any kind to the effect that any of the accommodations, advantages, facilities, services or privileges of the place of public accommodation will be refused, withheld from or denied to, or that any discrimination will be made against, any person on account of race, color, religion, sex, sexual orientation, national origin, marital status or age if the individual is [18 years] of age, as described in this section, or older.

# BUDGET NARRATIVE

## (Enforcement)

**SECTION 29.** In addition to any other liability or penalty provided by law, the Oregon Liquor Control Commission may impose for each violation of a provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or a rule adopted under a provision of sections 3 to 70, chapter 1, Oregon Laws 2015, a civil penalty that does not exceed \$5,000 for each violation. The commission shall impose civil penalties under this section in the manner provided by ORS 183.745. Moneys collected under this section shall be deposited in the Marijuana Control and Regulation Fund established under section 32 of this 2015 Act.

**SECTION 30. (1)** An Oregon Liquor Control Commission regulatory specialist has the authority as provided in ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739, 161.235 and 161.245, ORS chapter 153, chapter 743, Oregon Laws 1971, and sections 3 to 70, chapter 1, Oregon Laws 2015, to conduct inspections and investigations, make seizures, aid in prosecutions for offenses, issue citations for violations and otherwise enforce the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, any rule adopted under sections 3 to 70, chapter 1, Oregon Laws 2015, and any other law of this state that charges the commission with a duty, function or power related to marijuana, including enforcing any provision of a law or rule related to individuals who use false identification for purposes of purchasing or possessing a marijuana item or who engage in illegal activity on or near a licensed premises.

(2) A commission regulatory specialist may not:

(a) Be sworn in as a federal law enforcement official and act in that capacity while performing duties under this section.

(b) Carry a firearm.

(c) Conduct inspections and investigations of a primary residence or for purposes of ensuring compliance with section 6, chapter 1, Oregon Laws 2015.

(d) Except as provided in section 116 of this 2015 Act, conduct inspections and investigations for purposes of ensuring compliance with ORS 475.300 to 475.346.

**SECTION 31.** For purposes of sections 3 to 70, chapter 1, Oregon Laws 2015, the provisions of ORS 183.440 apply to subpoenas issued by the Oregon Liquor Control Commission and any authorized agent of the commission.

## (Marijuana Control and Regulation Fund)

**SECTION 32.** The Marijuana Control and Regulation Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Marijuana Control and Regulation Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Liquor Control Commission to administer and enforce sections 3 to 70, chapter 1, Oregon Laws 2015.

## (Land Use)

**SECTION 33.** Section 59, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 59.** [(1) Cities and counties may adopt reasonable time, place and manner regulations of the nuisance aspects of establishments that sell marijuana to consumers if the city or county makes specific findings that the establishment would cause adverse effects to occur.]

[(2) The authority granted to cities and counties by this section is in addition to, and not in lieu of, the authority granted to a city or county under its charter and the statutes and Constitution of this state.]

(1) For purposes of this section, “reasonable regulations” includes:

(a) Reasonable conditions on the manner in which a marijuana producer licensed under section 19, chapter 1, Oregon Laws 2015, may produce marijuana;

(b) Reasonable conditions on the manner in which a marijuana processor licensed under section 20, chapter 1, Oregon Laws 2015, may process marijuana;

(c) Reasonable conditions on the manner in which a marijuana wholesaler licensed under section 21, chapter 1, Oregon Laws 2015, may sell marijuana at wholesale;

(d) Reasonable limitations on the hours during which a marijuana retailer licensed under section 22, chapter 1, Oregon Laws 2015, may operate;

(e) Reasonable conditions on the manner in which a marijuana retailer licensed under section 22, chapter 1, Oregon Laws 2015, may sell marijuana items;

(f) Reasonable requirements related to the public’s access to a premises for which a license has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015; and

(g) Reasonable limitations on where a premises for which a license may be issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, may be located.

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# BUDGET NARRATIVE

(2) Notwithstanding ORS 633.738, the governing body of a city or county may adopt ordinances that impose reasonable regulations on the operation of businesses located at premises for which a license has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, if the premises are located in the area subject to the jurisdiction of the city or county, except that the governing body of a city or county may not adopt an ordinance that prohibits a premises for which a license has been issued under section 22, chapter 1, Oregon Laws 2015, from being located within a distance that is greater than 1,000 feet of another premises for which a license has been issued under section 22, chapter 1, Oregon Laws 2015.

(3) Regulations adopted under this section must be consistent with city and county comprehensive plans and zoning ordinances and applicable provisions of public health and safety laws.

SECTION 34. (1) Notwithstanding any other provision of law, marijuana is:

- (a) A crop for the purposes of "farm use" as defined in ORS 215.203;
- (b) A crop for purposes of a "farm" and "farming practice," both as defined in ORS

30.930;

- (c) A product of farm use as described in ORS 308A.062; and
- (d) The product of an agricultural activity for purposes of ORS 568.909.

(2) Notwithstanding ORS chapters 195, 196, 197 and 215, the following are not permitted uses on land designated for exclusive farm use:

- (a) A new dwelling used in conjunction with a marijuana crop;
- (b) A farm stand, as described in ORS 215.213 (1)(r) or 215.283 (1)(o), used in conjunction with a marijuana crop; and
- (c) A commercial activity, as described in ORS 215.213 (2)(c) or 215.283 (2)(a), carried on in conjunction with a marijuana crop.

(3) A county may allow the production of marijuana as a farm use on land zoned for farm or forest use in the same manner as the production of marijuana is allowed in exclusive farm use zones under this section and ORS 215.213 and 215.283.

(4)(a) Prior to the issuance of a license under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, the Oregon Liquor Control Commission shall request a land use compatibility statement from the city or county that authorizes the land use. The land use compatibility statement must demonstrate that the requested license is for a land use that is allowable as a permitted or conditional use within the given zoning designation where the land is located. The commission may not issue a license if the land use compatibility statement shows that the proposed land use is prohibited in the applicable zone.

(b) A city or county that receives a request for a land use compatibility statement under this subsection must act on that request within 21 days of:

- (A) Receipt of the request, if the land use is allowable as an outright permitted use; or
- (B) Final local permit approval, if the land use is allowable as a conditional use.

(c) A city or county action concerning a land use compatibility statement under this subsection is not a land use decision for purposes of ORS chapter 195, 196, 197 or 215.

(Local Option Tax)

SECTION 34a. (1)(a) Except as expressly authorized by this section, the authority to impose a tax or fee on the production, processing or sale of marijuana items in this state is vested solely in the Legislative Assembly.

(b) Except as expressly authorized by this section, a county, city or other municipal corporation or district may not adopt or enact ordinances imposing a tax or fee on the production, processing or sale of marijuana items in this state.

(2) Subject to subsection (4) of this section, the governing body of a city or county may adopt an ordinance to be referred to the electors of the city or county as described in subsection (3) of this section that imposes a tax or a fee on the sale of marijuana items that are sold in the area subject to the jurisdiction of the city or the unincorporated area subject to the jurisdiction of a county by a person that holds a license under section 22, chapter 1, Oregon Laws 2015.

(3) If the governing body of a city or county adopts an ordinance under this section, the governing body shall refer the measure of the ordinance to the electors of the city or county for approval at the next statewide general election.

(4) An ordinance adopted under this section may not impose a tax or fee in excess of 3 percent.

# BUDGET NARRATIVE

(Form and Style Amendments)

**SECTION 35.** Section 1, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 1.** (1) The People of the State of Oregon declare that the purposes of **sections 3 to 70, chapter 1, Oregon Laws 2015, [this Act]** are:

- (a) To eliminate the problems caused by the prohibition and uncontrolled manufacture, delivery[,] and possession of marijuana within this state;
- (b) To protect the safety, welfare, health[,] and peace of the people of this state by prioritizing [the] this state's limited law enforcement resources in the most effective, consistent[,] and rational way;
- (c) To permit persons licensed, controlled[,] and regulated[, and taxed] by this state to legally manufacture and sell marijuana to persons 21 years of age and older, subject to the provisions of **sections 3 to 70, chapter 1, Oregon Laws 2015 [this Act]**;
- (d) To ensure that the State Department of Agriculture issues industrial hemp licenses and agricultural hemp seed production permits in accordance with [existing] state law; and
- (e) To establish a comprehensive regulatory framework concerning marijuana under existing state law.

(2) The People of the State of Oregon intend that the provisions of **sections 3 to 70, chapter 1, Oregon Laws 2015 [this Act]**, together with [the] other provisions of [existing] state law, will: (a) Prevent the distribution of marijuana to persons under 21 years of age;

- (b) Prevent revenue from the sale of marijuana from going to criminal enterprises, gangs[,] and cartels;
- (c) Prevent the diversion of marijuana from this state to other states;
- (d) Prevent marijuana activity that is legal under state law from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- (e) Prevent violence and the use of firearms in **association with** the cultivation and distribution of marijuana;
- (f) Prevent drugged driving and the exacerbation of other adverse public health consequences associated with the use of marijuana;
- (g) Prevent the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
- (h) Prevent the possession and use of marijuana on federal property.

**SECTION 36.** Section 2, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 2.** [(1) Sections 3 to 70 of this Act are added to and made a part of the Oregon Revised

Statutes.]

[(2) Section 71 is added to and made a part of ORS chapter 317.]

[(3)] (1) Section 72, **chapter 1, Oregon Laws 2015**, is added to and made a part of ORS chapter 475.

[(4)] (2) Section 73, **chapter 1, Oregon Laws 2015**, is added to and made a part of ORS chapter 811.

**SECTION 37.** Section 3, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 3.** Sections 3 to 70, **chapter 1, Oregon Laws 2015, [of this Act]** shall be known and may be cited as the Control[,] and Regulation[, and Taxation] of Marijuana [and Industrial Hemp] Act.

**SECTION 38.** Section 4, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 4.** Sections 3 to 70, **chapter 1, Oregon Laws 2015, [of this Act]** may not be construed:

- (1) To amend or affect [in any way any] state or federal law pertaining to employment matters;
- (2) To amend or affect [in any way any] state or federal law pertaining to landlord-tenant matters;
- (3) To prohibit a recipient of a federal grant or an applicant for a federal grant from prohibiting the manufacture, delivery, possession[,] or use of marijuana to the extent necessary to satisfy federal requirements for the grant;
- (4) To prohibit a party to a federal contract or a person applying to be a party to a federal contract from prohibiting the manufacture, delivery, possession[,] or use of marijuana to the extent necessary to comply with the terms and conditions of the contract or to satisfy federal requirements for the contract;
- (5) To require a person to violate a federal law;
- (6) To exempt a person from a federal law or obstruct the enforcement of a federal law; or
- (7) To amend or affect [in any way] the Oregon Medical Marijuana Act.

**SECTION 39.** Section 6, chapter 1, Oregon Laws 2015, is amended to read:

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**Sec. 6.** (1) Sections 7 to 44 and 60 to 62, **chapter 1, Oregon Laws 2015**, [of this Act] do not apply:

(a) To the production, processing[, *keeping*.] or storage of homegrown marijuana at a household by one or more persons 21 years of age and older, if the total **amount** of homegrown marijuana at the household does not exceed four marijuana plants and eight ounces of usable marijuana at [a given] any time.

(b) To the making, processing[, *keeping*.] or storage of homemade [marijuana] **cannabinoid** products at a household by one or more persons 21 years of age and older, if the total **amount** of homemade [marijuana] **cannabinoid** products at the household does not exceed [sixteen] **16** ounces in solid form at [a given] any time.

(c) To the making, processing[, *keeping*.] or storage of homemade [marijuana] **cannabinoid** products at a household by one or more persons 21 years of age and older, if the total **amount** of homemade [marijuana] **cannabinoid** products at the household does not exceed [seventy-two] **72** ounces in liquid form at [a given] any time.

(d) **To the making, processing or storage of homemade cannabinoid concentrates at a household by one or more persons 21 years of age or older, if the total amount of homemade cannabinoid concentrates at the household does not exceed 16 ounces at any time.**

[d] (e) To the delivery of not more than one ounce of homegrown marijuana at a [given] time by a person 21 years of age or older to another person 21 years of age or older for noncommercial purposes.

[e] (f) To the delivery of not more than [sixteen] **16** ounces of homemade [marijuana] **cannabinoid** products in solid form at a [given] time by a person 21 years of age or older to another person 21 years of age or older for noncommercial purposes.

[f] (g) To the delivery of not more than [seventy-two] **72** ounces of homemade [marijuana] **cannabinoid** products in liquid form at a [given] time by a person 21 years of age or older to another person 21 years of age or older for noncommercial purposes.

(h) **To the delivery of not more than 16 ounces of cannabinoid concentrates at a time by a person 21 years of age or older to another person 21 years of age or older for noncommercial purposes.**

(2) Sections 7 to 70, **chapter 1, Oregon Laws 2015** [of this Act]:

(a) Do not apply to the extent a person acts within the scope of and in compliance with the Oregon Medical Marijuana Act; [or] and

(b) Do not amend or affect [in any way the function.] duties, **functions** and powers of the Oregon Health Authority under the Oregon Medical Marijuana Act.

**SECTION 40.** Section 10, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 10.** [No member of the Oregon Liquor Control Commission, the State Department of Agriculture, or the Oregon Health Authority may be sued for doing or omitting to do any act in the performance of duties as prescribed in sections 3 to 70 of this Act.] **A person may not sue the Oregon Liquor Control Commission or a member of the commission, the State Department of Agriculture or the Oregon Health Authority, or any employee of the commission, department or authority, for performing or omitting to perform any duty, function or power of the commission, department or authority set forth in sections 3 to 70, chapter 1, Oregon Laws 2015, or in any other law of this state requiring the commission, department or authority to perform a duty, function or power related to marijuana.**

**SECTION 41.** Section 11, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 11.** (1) [Neither] The Oregon Liquor Control Commission, the State Department of Agriculture[, nor] and the Oregon Health Authority may **not** refuse to perform any duty under sections 3 to 70, **chapter 1, Oregon Laws 2015**, [of this Act] on the basis that manufacturing, distributing, dispensing, possessing[,] or using marijuana is prohibited by federal law.

(2) The commission may not revoke or refuse to issue or renew a license under sections 3 to 70, **chapter 1, Oregon Laws 2015**, [of this Act] on the basis that manufacturing, distributing, dispensing, possessing[,] or using marijuana is prohibited by federal law.

**SECTION 42.** Section 12, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 12.** [No] A contract [shall be] **is not** unenforceable on the basis that manufacturing, distributing, dispensing, possessing[,] or using marijuana is prohibited by federal law.

**SECTION 43.** Section 13, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 13.** Licensees and licensee representatives may produce, deliver[,] and possess marijuana items subject to the provisions of sections 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act]. The production, delivery[,] and possession of marijuana items by a licensee or a licensee representative in compliance with sections 3 to 70, **chapter 1, Oregon Laws 2015**, [of this Act shall] **does not** constitute a criminal or civil offense under [Oregon law] **the laws of this state.**

**SECTION 44.** Section 14, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 14.** [No] A licensee or licensee representative may **not** sell or deliver [any marijuana items to any] **a marijuana item to a person under 21 years of age.**

**SECTION 45.** Section 17, chapter 1, Oregon Laws 2015, is amended to read:

# BUDGET NARRATIVE

**Sec. 17.** (1) [No] A person [shall] **may not** produce any piece of identification that would falsely indicate the person's age.

(2) If a piece of identification is offered as evidence in any administrative or criminal prosecution of a licensee or licensee representative for sale or service of [marijuana items] **a marijuana item** to a person [not having reached] **under 21 years of age**, the licensee or licensee representative [shall be found to have committed no crime or other wrong] **is not guilty of any offense prohibiting a person from selling or serving a marijuana item to a person under 21 years of age** unless it is demonstrated that a reasonable person would have determined that the identification exhibited by the person **under 21 years of age** was altered or did not accurately describe the person **under 21 years of age** to whom the marijuana [items were] **item was sold or served**.

**SECTION 46.** Section 23, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 23.** (1) The Oregon Liquor Control Commission has the right after 72 hours' notice to the owner or the agent of the owner to make an examination of the books and may at any time make an examination of the premises of any person licensed under sections 3 to 70, **chapter 1, Oregon Laws 2015 [of this Act]**, for the purpose of determining compliance with sections 3 to 70, **chapter 1, Oregon Laws 2015, [of this Act]** and the rules of the commission.

(2) The commission [shall] **may not** require the books of [any] a licensee to be maintained on the premises of the licensee.

(3) **This section does not authorize the commission to make an examination of the premises of a person registered under ORS 475.300 to 475.346.**

**SECTION 47.** Section 24, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 24.** The same person may hold one or more production licenses, one or more processor licenses, one or more wholesale licenses[,] and one or more retail licenses.

**SECTION 48.** Section 45, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 45.** (1) **A licensee or licensee representative may not import** marijuana items [may not be imported] into this state or [exported] **export marijuana items** from this state [by any licensee or licensee representative].

(2) A violation of subsection (1) of this section is a:

(a) Class C felony, if the importation or exportation is for consideration; or

(b) Class A misdemeanor, if the importation or exportation is not for consideration.

**SECTION 49.** Section 46, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 46.** [Marijuana items] **A marijuana item** may not be given as a prize, premium or consideration for a lottery, contest, game of chance [or], **game of skill[,] or competition of any kind.**

**SECTION 50.** Section 47, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 47.** (1) A person may not sell, give or otherwise make available any marijuana [items] **item to [any] a person who is visibly intoxicated.**

(2)(a) A person who exercises control over private real property may not knowingly allow [any other] **a person under the age of 21 years to consume marijuana items on the property, or allow any other person under the age of 21 years to remain on the property if the person under the age of 21 years consumes marijuana items on the property.**

(b) This subsection:

(A) Applies only to a person who is present and in control of the location at the time the consumption occurs; and

(B) Does not apply to the owner of rental property, or the agent of an owner of rental property, unless the consumption occurs in the individual **housing** unit in which the owner or agent resides.

**SECTION 51.** Section 48, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 48.** (1) [No] A person [shall] **may not** make false representations or statements to the Oregon Liquor Control Commission in order to induce or prevent action by the commission.

(2) [No] A licensee of the commission [shall] **may not** maintain a noisy, lewd, disorderly or insanitary establishment or supply impure or otherwise deleterious marijuana items.

(3) [No] A licensee of the commission [shall] **may not** misrepresent to a customer or to the public any marijuana items.

**SECTION 52.** Section 50, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 50.** (1) [No marijuana items shall] **A marijuana item may not** be sold or offered for sale within this state unless [such marijuana items comply] **the marijuana item complies** with the minimum standards [fixed pursuant to law] **prescribed by the statutory laws of this state.**

[ (2) The Oregon Liquor Control Commission may require a marijuana producer, marijuana processor, or marijuana wholesaler to provide a laboratory analysis demonstrating to the satisfaction of the commission that particular marijuana items comply with the minimum standards in this state. ] [ (3) No marijuana items offered for sale within this state may be altered or tampered with in any way by any person not licensed to do so by the commission. ]

[ (4) ] (2) The Oregon Liquor Control Commission may prohibit the sale of [any marijuana items] **a marijuana item by a marijuana retailer** for a reasonable period of time [while it is determining] **for the purpose of determining** whether the marijuana [items comply] **item complies** with the minimum standards [in this] **prescribed by the statutory laws of this state.**

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**SECTION 53.** Section 51, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 51.** (1) [No] A licensee [shall] **may not** use or allow the use of [any] a mark or label on the container of [any marijuana items which are] **a marijuana item that is kept for sale,**] if the container does not precisely and clearly indicate the nature of [its] **the container's** contents or in any way might deceive [any] a customer as to the nature, composition, quantity, age or quality of [such] **the marijuana [items] item.**

(2) The Oregon Liquor Control Commission may prohibit [any] a licensee from selling any brand of marijuana [items which] **item that in [its] the commission's** judgment is deceptively labeled or branded as to content[,], or contains injurious or adulterated ingredients.

**SECTION 54.** Section 53, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 53.** (1) Except for a licensed marijuana [producers and their] **producer and the producer's** licensee [representatives, no] **representative,** a licensee may **not** possess a mature marijuana plant.

(2) [No] A licensee may **not** sell a mature marijuana plant.

**SECTION 55.** Section 56, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 56.** (1) [No] A person may **not** produce, process[, keep,] or store homegrown marijuana or homemade [marijuana] **cannabinoid products or cannabinoid concentrates** if the homegrown marijuana or homemade [marijuana] **cannabinoid products or cannabinoid concentrates** can be readily seen by normal unaided vision from a public place.

(2) A violation of subsection (1) of this section is a Class B violation.

**SECTION 56.** Section 57, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 57.** [No] A person may **not** produce, process[, keep,] or store homemade [marijuana] **cannabinoid** extracts.

**SECTION 57.** Section 58, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 58.** [Sections 3 to 70 of this Act.] **The provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, are** designed to operate uniformly throughout the state[, shall be] **and are** paramount and superior to and [shall] fully replace and supersede any [and all] municipal charter [enactments] **amendment** or local [ordinances] **ordinance** inconsistent with [it] **the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015.** [Such charters] **Amendments** and ordinances **that are inconsistent with the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, [hereby] are repealed.**

**SECTION 58.** Section 60, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 60.** (1) The governing body of a city or a county, when a petition is filed as provided in this section, shall order an election on the question whether the operation of licensed premises [shall] **should** be prohibited in the city or county.

(2) Except as **otherwise** provided in [subsections (3), (4) and (5) of] this section, the requirements for preparing, circulating and filing a petition under this section:

(a) In the case of a city, [shall] **must** be as provided for an initiative petition under ORS 250.265 to 250.346.

(b) In the case of a county, [shall] **must** be as provided for an initiative petition under ORS 250.165 to 250.235.

(3) A petition under [subsection (2) of] this section:

(a) Must be filed not less than 60 days before the day of the election; and

(b) Must be signed by not less than 10 percent of the electors registered in the city or county.

(4) If ORS 250.155 makes ORS 250.165 to 250.235 inapplicable to a county or if ORS 250.255 makes ORS 250.265 to 250.346 inapplicable to a city, the requirements for preparing, circulating and filing a petition under this section [shall] **must** be as provided for an initiative petition under the county or city charter or an ordinance adopted under the county or city charter.

(5) [No] A signature is **not** valid unless signed within 180 days before the petition is filed.

(6) An election under this section [shall] **must** be held at the time of the next statewide general election.

(7) An election under this section [shall] **must** be conducted under ORS chapters 246 to 260. **SECTION 59.** Section 61, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 61.** Section 60, **chapter 1, Oregon Laws 2015, does** [of this Act shall] not prevent any person residing in the county or city from having, for personal use, a marijuana [items] **item** purchased from a marijuana [retailers duly] **retailer** licensed under **section 22, chapter 1, Oregon Laws 2015** [this Act].

**SECTION 60.** Section 63, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 63.** The state police, sheriffs[, constables and all] **and** police officers [within the State of Oregon shall] **of this state may** enforce sections 3 to [30 of this Act and sections 45 to] **70, chapter 1, Oregon Laws 2015, [of this Act]** and assist the Oregon Liquor Control Commission in detecting violations of sections 3 to [30 of this Act and sections 45 to] **70, chapter 1, Oregon Laws 2015, [of this Act]** and apprehending offenders. [Each such] **An** enforcing officer [having] **who has** notice, knowledge or reasonable ground of suspicion of [any] a violation of sections 3 to [30 of this Act or

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sections 45 to 70, chapter 1, Oregon Laws 2015, [of this Act] shall immediately notify the district attorney[,] and furnish the district attorney with names and addresses of any witnesses, or other information within the officer's knowledge, of [such] the violation.

**SECTION 61.** Section 64, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 64.** (1) [Whenever any] **When an officer arrests [any] a person for violation of sections 3 to [30 of this Act or sections 45 to] 70, chapter 1, Oregon Laws 2015 [of this Act],** the officer may take into possession all marijuana items[,] and other property [which] **that** the person so arrested has in possession, or **that is** on the premises, [which] **that** is apparently being used in violation of sections 3 to [30 of this Act or sections 45 to] 70, chapter 1, Oregon Laws 2015 [of this Act].

(2) If [the] a person [so] arrested **as described in this section** is convicted, and [it is found] **the court finds** that the marijuana items[,] and other property [has] **have** been used in violation of [Oregon law] **the laws of this state:**

(a) The marijuana items [shall] **must** be forfeited to an appropriate state or local law enforcement agency[,] and [shall] **must** be delivered by the court or officer, **at the direction of the court,** to the law enforcement agency; and

(b) Subject to other applicable law, the other property [shall] **must** be forfeited to the Oregon Liquor Control Commission, and [shall] **must** be delivered by the court or officer to the commission.

(3) The commission is authorized to destroy or make such other disposition of any property it receives under [paragraph (b) of] subsection (2)(b) of this section as it considers to be in the public interest. In any such case, all such property, including [lockers, chairs, tables, cash registers, music devices, gambling devices,] furniture, furnishings, equipment and facilities for the storing, serving or using of marijuana items [shall] **must** be confiscated and forfeited to the state, and the clear proceeds [shall] **must** be deposited with the State Treasury in the Common School Fund [in the manner provided in this section].

**SECTION 62.** Section 65, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 65.** The county courts, district attorneys and municipal authorities, immediately upon the conviction of any licensee of the Oregon Liquor Control Commission of a violation of any provision of sections 3 to [30 of this Act or sections 45 to] 70, chapter 1, Oregon Laws 2015, [of this Act] or the violation of any other law of this state or ordinance of any municipality [therein] **in this state,** in which violation marijuana had any part, shall notify the commission [thereof. Such officials] **of the conviction. The county courts, district attorneys and municipal authorities** shall notify the commission of any acts, practices or other conduct of [any such] a licensee [which] **convicted as described in this section** that may be subversive of the general welfare or contrary to the spirit of sections 3 to 70, chapter 1, Oregon Laws 2015, [this Act] and shall recommend such action on the part of the commission as will remove the evil.

**SECTION 63.** Section 66, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 66.** Any room, house, building, boat, structure or place of any kind where marijuana items are sold, manufactured, bartered or given away in violation of [Oregon law] **the laws of this state,** or where persons are permitted to resort for the purpose of using marijuana items in violation of [Oregon law] **the laws of this state,** or any place where marijuana items are kept for sale, barter or gift in violation of [Oregon law] **the laws of this state,** and all marijuana items or property subject to confiscation under section 64, chapter 1, Oregon Laws 2015, [of this Act] kept and used in such a place, [is] **are** a common nuisance. [Any] **A** person who maintains or assists in maintaining [such] **the** common nuisance or knowingly suffers or permits [such] **the** nuisance to exist in any place of which the person is the owner, manager or lessor, [shall be] **is** guilty of a violation of sections 3 to [30 of this Act and sections 45 to] 70, chapter 1, Oregon Laws 2015 [of this Act].

**SECTION 64.** Section 67, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 67.** If it is proved that the owner of [any] a building or premises knowingly has [suffered the same to be used or] **used the building or premises or allowed the building or premises to be** occupied for the manufacture, sale or possession of marijuana items[,] contrary to the provisions of sections 3 to [30 of this Act or sections 45 to] 70, chapter 1, Oregon Laws 2015 [of this Act], [such] **the** building or premises are subject to a lien for, and may be sold to pay all fines and costs assessed against their occupants for, any violation of sections 3 to [30 of this Act or sections 45 to] 70, chapter 1, Oregon Laws 2015 [of this Act]. The lien [shall] **must** be enforced immediately by civil action in any court [having] **that has** jurisdiction, by the district attorney of the county [wherein] **in which** the building or premises are located.

**SECTION 65.** Section 68, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 68.** In case of invasion, disaster, insurrection[,] or riot, or imminent danger [thereof] **of invasion, disaster, insurrection or riot,** the Governor may, for the duration of [such] **the** invasion, disaster, insurrection[,] or riot, or imminent danger [thereof], immediately suspend without notice any license in the area involved granted under sections 3 to [30 of this Act or sections 45 to] 70, chapter 1, Oregon Laws 2015 [of this Act].

**SECTION 66.** Section 69, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 69.** (1) Except where other punishment is specifically provided for in sections 3 to 70, chapter 1, Oregon Laws 2015 [of this Act], violation of any provision of sections 3 to 70, chapter 1, Oregon Laws 2015, [of this Act] is a Class A misdemeanor.

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[2] A violation of subsection (1) of section 40 of this Act is a Class B misdemeanor.]

[3] (2) Subject to ORS 153.022, violation of [any regulation promulgated] a rule adopted under section 7 (2)(d), chapter 1, Oregon Laws 2015, [paragraph (e) of subsection (2) of section 7 of this Act] is a Class C violation.

**SECTION 67.** Section 70, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 70.** If any [sections, subsections, paragraphs, phrases, or words] section, subsection, paragraph, phrase or word of sections 3 to 70, chapter 1, Oregon Laws 2015, [of this Act shall be] is held to be unconstitutional, void[,] or illegal, either on [their] its face or as applied, [this shall] that holding does not affect the applicability, constitutionality[,] or legality of any other [sections, subsections, paragraphs, phrases, and words] section, subsection, paragraph, phrase or word of sections 3 to 70, chapter 1, Oregon Laws 2015 [of this Act]. To that end, the sections, subsections, paragraphs, phrases[,] and words of sections 3 to 70, chapter 1, Oregon Laws 2015, [of this Act] are intended to be severable. It is hereby declared to be the intent of the people of this state in adopting sections 3 to 70, chapter 1, Oregon Laws 2015, [of this Act] that sections 3 to 70, chapter 1, Oregon Laws 2015, [of this Act] would have been adopted had such unconstitutional, void[,] or illegal sections, subsections, paragraphs, phrases[,] or words, if any, not been included in sections 3 to 70, chapter 1, Oregon Laws 2015 [of this Act].

**SECTION 68.** Section 72, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 72.** As used in the following statutes and any rule adopted [thereunder] under the following statutes, the term “controlled substance” [shall] does not include marijuana:

- (1) ORS 475.125 [to ORS], 475.135, 475.145, 475.155 and 475.165 [(registration with the State Board of Pharmacy)].
- (2) ORS 475.175 [to ORS], 475.185, 475.188 and 475.190 [(records)].

**SECTION 69.** Section 32, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 32.** (1) As used in sections 31 to 44, chapter 1, Oregon Laws 2015 [of this Act], “sale” or “sold” means any transfer, exchange or barter, in any manner or by any means, for a consideration, and includes [and means] all sales made by any person. It includes a gift by a person engaged in the business of selling marijuana, for advertising, as a means of evading sections 31 to 44, chapter 1, Oregon Laws 2015 [of this Act], or for any other purpose.

(2) If a marijuana producer also holds one or more processor licenses, one or more wholesale licenses[,] or one or more retail licenses, a sale of marijuana flowers, marijuana leaves[,] or immature marijuana plants will be deemed to occur if and when the marijuana producer processes or takes any other action with respect to [such] the marijuana flowers, marijuana leaves[,] or immature marijuana plants for which a processor license, wholesale license[,] or retail license is required, regardless of whether the marijuana producer continues to own or possess the marijuana flowers, marijuana leaves[,] or immature marijuana plants.

**SECTION 70.** Section 33, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 33.** (1) A tax is imposed upon the privilege of engaging in business as a marijuana producer at the rate of:

- (a) \$35 per ounce on all marijuana flowers; (b) \$10 per ounce on all marijuana leaves; and (c) \$5 per immature marijuana plant.
- (2) The rates of tax imposed by this section upon marijuana flowers and marijuana leaves apply proportionately to quantities of less than one ounce.
- (3) The tax imposed by this section [shall] must be measured by the quantities of marijuana flowers, marijuana leaves[,] and immature marijuana plants produced and sold by any marijuana producer. The taxes specified in this section [shall] must be levied and assessed to the marijuana producer at the time of the first sale of the marijuana flowers, marijuana leaves[,] and immature marijuana plants by the marijuana producer.

(4) For reporting periods beginning on or after July 1, 2017, the rates of tax under subsection(1) of this section [shall] must be adjusted for each biennium according to the cost-of-living adjustment for the calendar year. The Oregon Liquor Control Commission shall recompute the rates for each biennium by adding to each rate in subsection (1) of this section the product obtained by multiplying the rate by a factor that is equal to 0.25 multiplied by the percentage (if any) by which the monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending August 31 of the prior calendar year exceeds the monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending August 31, 2015.

(5) The commission shall regularly review the rates of tax under subsection (1) of this section and make recommendations to the Legislative Assembly regarding appropriate adjustments to the rates that will further the purposes of:

- (a) Maximizing net revenue;
- (b) Minimizing the illegal marijuana industry under [Oregon law] the laws of this state; and (c) Discouraging the use of marijuana by minors under 21 years of age.

**SECTION 71.** Section 34, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 34.** (1) The privilege tax imposed by section 33, chapter 1, Oregon Laws 2015, [of this Act shall] must be paid to the Oregon Liquor Control Commission. The taxes covering the periods for which statements are required to be rendered by section 35, chapter 1, Oregon Laws 2015, [of this Act shall] must be paid before the time for filing such statements expires. If not so paid, a penalty of

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10 percent and interest at the rate of one percent a month or fraction of a month *[shall]* **must** be added and collected. The commission may refund any tax payment imposed upon or paid in error by any licensee.

(2) The commission may waive any interest or penalty assessed to a marijuana producer subject to the tax imposed under section 33, **chapter 1, Oregon Laws 2015**, *[of this Act]* if the commission, in its discretion, determines that the marijuana producer has made a good faith attempt to comply with the requirements of sections 31 to 44, **chapter 1, Oregon Laws 2015** *[of this Act]*.

(3) Except in the case of fraud, the commission may not assess any interest or penalty on any tax due under section 33, **chapter 1, Oregon Laws 2015**, *[of this Act]* following the expiration of 36 months from the date on which was filed the statement required under section 35, **chapter 1, Oregon Laws 2015**, *[of this Act]* reporting the quantities of marijuana flowers, marijuana leaves[,] and immature marijuana plants upon which the tax is due.

(4) A marijuana producer may appeal a tax imposed under section 33, **chapter 1, Oregon Laws 2015**, *[of this Act]* in the manner of a contested case under ORS chapter 183.

**SECTION 72.** Section 35, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 35.** On or before the 20th day of each month, every marijuana producer shall file with the Oregon Liquor Control Commission a statement of the quantities of marijuana flowers, marijuana leaves[,] and immature marijuana plants sold by the marijuana producer during the preceding calendar month.

**SECTION 73.** Section 36, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 36.** If any marijuana producer fails, neglects or refuses to file a statement required by section 35, **chapter 1, Oregon Laws 2015**, *[of this Act]* or files a false statement, the Oregon Liquor Control Commission shall estimate the quantities of marijuana flowers, marijuana leaves[,] and immature marijuana plants sold by the marijuana producer and assess the privilege taxes *[thereon]* on the **estimated quantities**. The marijuana producer *[shall]* **must** be estopped from complaining of the quantities so estimated.

**SECTION 74.** Section 37, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 37.** The privilege tax required to be paid by section 33, **chapter 1, Oregon Laws 2015**, *[of this Act]* constitutes a lien upon, and has the effect of an execution duly levied against, any and all property of the marijuana producer, attaching at the time the marijuana flowers, marijuana leaves[,] and immature marijuana plants subject to the tax were sold, and remaining until the tax is paid. The lien created by this section is paramount to all private liens or encumbrances.

**SECTION 75.** Section 38, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 38.** Every marijuana producer shall keep a complete and accurate record of all sales of marijuana flowers, marijuana leaves[,] and immature marijuana plants, and a complete and accurate record of the number of ounces of marijuana flowers produced, the number of ounces of marijuana leaves produced, the number of immature marijuana plants produced[,] and the dates of production. The records *[shall]* **must** be in such form and contain such other information as the Oregon Liquor Control Commission may prescribe.

**SECTION 76.** Section 39, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 39.** (1) The Oregon Liquor Control Commission may, at any time, examine the books and records of any marijuana producer[,] and may appoint auditors, investigators and other employees that the commission considers necessary to enforce its powers and perform its duties under sections 31 to 44, **chapter 1, Oregon Laws 2015** *[of this Act]*.

(2) Every marijuana producer shall maintain and keep for two years all records, books and accounts required by sections 31 to 44, **chapter 1, Oregon Laws 2015**, *[of this Act]* and shall provide copies of those records, books and accounts to the commission when requested by the commission.

**SECTION 77.** Section 40, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 40.** (1) *[No]* A marijuana producer *[shall]* **may not**:

(a) Fail to pay the privilege tax prescribed in section 33, **chapter 1, Oregon Laws 2015**, *[of this Act]* when it is due; or

(b) Falsify the statement required by section 35, **chapter 1, Oregon Laws 2015** *[of this Act]*.

(2) *[No]* A person *[shall]* **may not**:

(a) Refuse to permit the Oregon Liquor Control Commission or any of its representatives to make an inspection of the books and records authorized by sections 38 and 39, **chapter 1, Oregon Laws 2015** *[of this Act]*;

(b) Fail to keep books of account prescribed by the commission or required by sections 31 to 44, **chapter 1, Oregon Laws 2015** *[of this Act]*;

(c) Fail to preserve the books for two years for inspection of the commission; or

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(d) Alter, cancel or obliterate entries in the books of account for the purpose of falsifying any record required by sections 31 to 44, **chapter 1, Oregon Laws 2015**, [of this Act] to be made, maintained or preserved.

**SECTION 78.** Section 41, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 41.** Sections 31 to 44, **chapter 1, Oregon Laws 2015**, [of this Act] do not apply to commerce with foreign nations or commerce with the several states, except [in so far] insofar as the same may be permitted under the Constitution and laws of the United States.

**SECTION 79.** Section 43, chapter 1, Oregon Laws 2015, is amended to read:

**Sec. 43.** (1) All money collected by the Oregon Liquor Control Commission under sections **31 to 44, chapter 1, Oregon Laws 2015**, [3 to 70 of this Act shall] **must** be remitted to the State Treasurer, who shall credit it to a suspense account of the commission. Whenever the commission determines that moneys have been received by it in excess of the amount legally due and payable to the commission or that it has received money [to] in which it has no legal interest, or that any license fee or deposit is properly refundable, the commission is authorized and directed to refund such money by check drawn upon the State Treasurer and charged to the suspense account of the commission. After withholding refundable license fees and such sum, not to exceed \$250,000, as it considers necessary as a revolving fund for a working cash balance for the purpose of paying travel expenses, advances, other miscellaneous bills and extraordinary items [which] **that** are payable in cash immediately upon presentation, the commission shall direct the State Treasurer to transfer the money remaining in the suspense account to the Oregon Marijuana Account established under section 44, **chapter 1, Oregon Laws 2015** [of this Act]. Moneys in the Oregon Marijuana Account are continuously appropriated to the commission to be distributed and used as required or allowed by [Oregon law] **the laws of this state**.

(2) All necessary expenditures of the commission incurred in carrying out sections 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act], including [such] sums necessary to reimburse the \$250,000 revolving fund, [shall] **must** be paid from the Oregon Marijuana Account.

## OREGON MEDICAL MARIJUANA ACT OPERATIVE MARCH 1, 2016

### (Definitions)

**SECTION 80.** ORS 475.302 is amended to read:

475.302. As used in ORS 475.300 to 475.346:

- (1) "Attending physician" means a physician licensed under ORS chapter 677 who has primary responsibility for the care and treatment of a person diagnosed with a debilitating medical condition.
- [(2)] "Authority" means the Oregon Health Authority.
- (2) "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana.
- (3) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from marijuana by:
  - (a) A mechanical extraction process;
  - (b) A chemical extraction process using a nonhydrocarbon-based solvent, such as vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;
  - (c) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use of high heat or pressure; or
  - (d) Any other process identified by the Oregon Health Authority, in consultation with the Oregon Liquor Control Commission, by rule.
- (4) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract or dried leaves or flowers of marijuana have been incorporated.
- (5) "Cannabinoid extract" means a substance obtained by separating cannabinoids from marijuana by:
  - (a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane or propane;
  - (b) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, if the process uses high heat or pressure; or
  - (c) Any other process identified by the Oregon Health Authority, in consultation with the Oregon Liquor Control Commission, by rule.
- [(3)] (6) "Debilitating medical condition" means:
  - (a) Cancer, glaucoma, agitation incident to Alzheimer's disease, positive status for human immunodeficiency virus or acquired immune deficiency syndrome, or a side effect related to the treatment of [these] those medical conditions;
  - (b) A medical condition or treatment for a medical condition that produces, for a specific patient, one or more of the following:

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- (A) Cachexia;
- (B) Severe pain;
- (C) Severe nausea;
- (D) Seizures, including seizures caused by epilepsy; or
- (E) Persistent muscle spasms, including spasms caused by multiple sclerosis;

- (c) Post-traumatic stress disorder; or

- (d) Any other medical condition or side effect related to the treatment of a medical condition adopted by the **Oregon Health** Authority by rule or approved by the authority pursuant to a petition [submitted] filed under ORS 475.334.

[(4)(a)] (7)(a) “Delivery” has the meaning given that term in ORS 475.005.

(b) “Delivery” does not include transfer of[.:]

[(A)] marijuana by a registry identification cardholder to another registry identification cardholder if no consideration is paid for the transfer[.:].

[(B)] Usable marijuana or immature marijuana plants from a registry identification cardholder, the designated primary caregiver of a registry identification cardholder or a marijuana grow site to a medical marijuana facility registered under ORS 475.314; or]

[(C)] Usable marijuana or immature marijuana plants from a medical marijuana facility registered under ORS 475.314 to a registry identification cardholder or the designated primary caregiver of a registry identification cardholder.]

[(5)] (8)(a) “Designated primary caregiver” means an individual:

- (A) Who is 18 years of age or older;

- (B) Who has significant responsibility for managing the well-being of a person who has been diagnosed with a debilitating medical condition; and

- (C) Who is designated as [such on that] the person responsible for managing the well-being of a person who has been diagnosed with a debilitating medical condition on that person’s application for a registry identification card or in other written notification submitted to the authority.

- (b) “Designated primary caregiver” does not include [the] a person’s attending physician.

[(6)] “Marijuana” has the meaning given that term in ORS 475.005.] (9) “High heat” means a temperature exceeding 180 degrees.

(10) “Immature marijuana plant” means a marijuana plant that is not flowering.

(11)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae. (b) “Marijuana” does not include industrial hemp, as defined in ORS 571.300.

[(7)] (12) “Marijuana grow site” means a location registered under ORS 475.304 where marijuana is produced for use by a registry identification cardholder.

(13) “Marijuana processing site” means a marijuana processing site registered under section 85 of this 2015 Act or a site for which an applicant has submitted an application for registration under section 85 of this 2015 Act.

(14) “Mature marijuana plant” means a marijuana plant that is not an immature marijuana plant.

(15)(a) “Medical cannabinoid product” means a cannabinoid edible and any other product intended for human consumption or use, including a product intended to be applied to a person’s skin or hair, that contains cannabinoids or dried leaves or flowers of marijuana.

- (b) “Medical cannabinoid product” does not include:

- (A) Usable marijuana by itself;

- (B) A cannabinoid concentrate by itself;

- (C) A cannabinoid extract by itself; or

- (D) Industrial hemp, as defined in ORS 571.300.

(16) “Medical marijuana dispensary” means a medical marijuana dispensary registered under ORS 475.314 or a site for which an applicant has submitted an application for registration under ORS 475.314.

[(8)] (17) “Medical use of marijuana” means the production, processing, possession, delivery[, distribution] or administration of marijuana, or use of paraphernalia used to administer marijuana, [as necessary for the exclusive benefit of a person] to mitigate the symptoms or effects of [the person’s] a debilitating medical condition.

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[(9) "Production" has the meaning given that term in ORS 475.005.]

(18) "Person designated to produce marijuana by a registry identification cardholder" means a person designated to produce marijuana by a registry identification cardholder under ORS 475.304 who produces marijuana for a registry identification cardholder at an address other than the address where the registry identification cardholder resides or at an address where more than 12 mature marijuana plants are produced.

(19) "Process" means the compounding or conversion of marijuana into medicalcannabinoid products, cannabinoid concentrates or cannabinoid extracts.

(20) "Production" means:

(a) Planting, cultivating, growing, trimming or harvesting marijuana; or (b) Drying marijuana leaves or flowers.

[(10)] (21) "Registry identification card" means a document issued by the Oregon Health Authority under ORS 475.309 that identifies a person authorized to engage in the medical use of marijuana and, if the person has a designated primary caregiver under ORS 475.312, the person's designated primary caregiver.

(22) "Registry identification cardholder" means a person to whom a registry identification card has been issued under ORS 475.309.

[(11)] (23)(a) "Usable marijuana" means the dried leaves and flowers of [the plant Cannabis family Moraceae, and any mixture or preparation thereof, that are appropriate for medical use as allowed in ORS 475.300 to 475.346] marijuana. (b) "Usable marijuana" does not include:

(A) The seeds, stalks and roots of [the plant.] marijuana; or (B) Waste material that is a by-product of producing marijuana.

[(12)] (24) "Written documentation" means a statement signed by the attending physician of a person diagnosed with a debilitating medical condition or copies of the person's relevant medical records.

(Registry Identification Cardholders and Designated Primary Caregivers) SECTION 80a. ORS 475.309 is amended to read:

475.309. [(1) Except as provided in ORS 475.316, 475.320 and 475.342, a person engaged in or assisting in the medical use of marijuana is excepted from the criminal laws of the state for possession, delivery or production of marijuana, aiding and abetting another in the possession, delivery or production of marijuana or any other criminal offense in which possession, delivery or production of marijuana is an element if the following conditions have been satisfied:]

[(a)(A) The person holds a registry identification card issued pursuant to this section, has applied for a registry identification card pursuant to subsection (9) of this section, is the designated primary caregiver of the cardholder or applicant, or is the person responsible for a marijuana grow site that is producing marijuana for the cardholder and is registered under ORS 475.304; and]

[(B) The person who has a debilitating medical condition, the person's primary caregiver and the person responsible for a marijuana grow site that is producing marijuana for the cardholder and is registered under ORS 475.304 are collectively in possession of, delivering or producing marijuana for medical use in amounts allowed under ORS 475.320; or]

[(b) The person is responsible for or employed by a medical marijuana facility registered under ORS 475.314 and does not commit any of the acts described in this subsection anywhere other than at the medical marijuana facility.]

[(2) The Oregon Health Authority shall establish and maintain a program for the issuance of registry identification cards to persons who meet the requirements of this section. Except as provided in subsection (3) of this section, the authority shall issue a registry identification card to any person who pays a fee in the amount established by the authority and provides the following:]

[(a) Valid, written documentation from the person's attending physician stating that the person has been diagnosed with a debilitating medical condition and that the medical use of marijuana may mitigate the symptoms or effects of the person's debilitating medical condition;]

[(b) The name, address and date of birth of the person;]

[(c) The name, address and telephone number of the person's attending physician;]

[(d) The name and address of the person's designated primary caregiver, if the person has designated a primary caregiver at the time of application; and]

[(e) A written statement that indicates whether the marijuana used by the cardholder will be produced at a location where the cardholder or designated primary caregiver is present or at another location.]

[(3) The authority shall issue a registry identification card to a person who is under 18 years of age if the person submits the materials required under subsection (2) of this section, and the custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age signs a written statement that:]

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*[(a) The attending physician of the person under 18 years of age has explained to that person and to the custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age the possible risks and benefits of the medical use of marijuana;]*

*[(b) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age consents to the use of marijuana by the person under 18 years of age for medical purposes;]*

*[(c) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age agrees to serve as the designated primary caregiver for the person under 18 years of age; and]*

*[(d) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age agrees to control the acquisition of marijuana and the dosage and frequency of use by the person under 18 years of age.]*

*[(4) A person applying for a registry identification card pursuant to this section may submit the information required in this section to a county health department for transmittal to the authority. A county health department that receives the information pursuant to this subsection shall transmit the information to the authority within five days of receipt of the information. Information received by a county health department pursuant to this subsection shall be confidential and not subject to disclosure, except as required to transmit the information to the authority.]*

*[(5)(a) The authority shall verify the information contained in an application submitted pursuant to this section and shall approve or deny an application within thirty days of receipt of the application.]*

*[(b) In addition to the authority granted to the authority under ORS 475.316 to deny an application, the authority may deny an application for the following reasons:]*

*[(A) The applicant did not provide the information required pursuant to this section to establish the applicant's debilitating medical condition and to document the applicant's consultation with an attending physician regarding the medical use of marijuana in connection with such condition, as provided in subsections (2) and (3) of this section;]*

*[(B) The authority determines that the information provided was falsified; or]*

*[(C) The applicant has been prohibited by a court order from obtaining a registry identification card.]*

*[(c) Denial of a registry identification card shall be considered a final authority action, subject to judicial review. Only the person whose application has been denied, or, in the case of a person under the age of 18 years of age whose application has been denied, the person's parent or legal guardian, shall have standing to contest the authority's action.]*

*[(d) Any person whose application has been denied may not reapply for six months from the date of the denial, unless so authorized by the authority or a court of competent jurisdiction.]*

*[(6)(a) If the authority has verified the information submitted pursuant to subsections (2) and (3) of this section and none of the reasons for denial listed in subsection (5)(b) of this section is applicable, the authority shall issue a serially numbered registry identification card within five days of verification of the information. The registry identification card shall state:]*

*[(A) The cardholder's name, address and date of birth;]*

*[(B) The date of issuance and expiration date of the registry identification card;]*

*[(C) The name and address of the person's designated primary caregiver, if any;]*

*[(D) Whether the marijuana used by the cardholder will be produced at a location where the cardholder or designated primary caregiver is present or at another location; and]*

*[(E) Any other information that the authority may specify by rule.]*

*[(b) When the person to whom the authority has issued a registry identification card pursuant to this section has specified a designated primary caregiver, the authority shall issue an identification card to the designated primary caregiver. The primary caregiver's registry identification card shall contain the information provided in paragraph (a) of this subsection.]*

*[(7)(a) A person who possesses a registry identification card shall:]*

*[(A) Notify the authority of any change in the person's name, address, attending physician or designated primary caregiver.]*

*[(B) If applicable, notify the designated primary caregiver of the cardholder, the person responsible for the marijuana grow site that produces marijuana for the cardholder and any person responsible for a medical marijuana facility that transfers usable marijuana or immature marijuana plants to the cardholder under ORS 475.314 of any change in status including, but not limited to:]*

*[(i) The assignment of another individual as the designated primary caregiver of the cardholder;]*

*[(ii) The assignment of another individual as the person responsible for a marijuana grow site producing marijuana for the cardholder; or]*

*[(iii) The end of the eligibility of the cardholder to hold a valid registry identification card.] [(C) Annually submit to the authority:]*

*[(i) Updated written documentation from the cardholder's attending physician of the person's debilitating medical condition and that the medical use of marijuana may mitigate the symptoms or effects of the person's debilitating medical condition; and]*

*[(ii) The name of the person's designated primary caregiver if a primary caregiver has been designated for the upcoming year.]*

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*[(b) If a person who possesses a registry identification card fails to comply with this subsection, the card shall be deemed expired. If a registry identification card expires, the identification card of any designated primary caregiver of the cardholder shall also expire.]*

*[(8)(a) A person who possesses a registry identification card pursuant to this section and who has been diagnosed by the person's attending physician as no longer having a debilitating medical condition or whose attending physician has determined that the medical use of marijuana is contraindicated for the person's debilitating medical condition shall return the registry identification card and any other associated Oregon Medical Marijuana Program cards to the authority within 30 calendar days of notification of the diagnosis or notification of the contraindication.]*

*[(b) If, due to circumstances beyond the control of the registry identification cardholder, a cardholder is unable to obtain a second medical opinion about the cardholder's continuing eligibility to use medical marijuana before the 30-day period specified in paragraph (a) of this subsection has expired, the authority may grant the cardholder additional time to obtain a second opinion before requiring the cardholder to return the registry identification card and any associated cards.]*

*[(9) A person who has applied for a registry identification card pursuant to this section but whose application has not yet been approved or denied, and who is contacted by any law enforcement officer in connection with the person's administration, possession, delivery or production of marijuana for medical use may provide to the law enforcement officer a copy of the written documentation submitted to the authority pursuant to subsection (2) or (3) of this section and proof of the date of mailing or other transmission of the documentation to the authority. This documentation shall have the same legal effect as a registry identification card until such time as the person receives notification that the application has been approved or denied.]*

*[(10)(a) A registry identification cardholder has the primary responsibility of notifying the designated primary caregiver, the person responsible for the marijuana grow site that produces marijuana for the cardholder and any person responsible for a medical marijuana facility that transfers usable marijuana or immature marijuana plants to the cardholder under ORS 475.314 of any change in status of the cardholder.]*

*[(b) If the authority is notified by the cardholder that a primary caregiver or person responsible for a marijuana grow site has changed, the authority shall notify the primary caregiver or the person responsible for the marijuana grow site by mail at the address of record confirming the change in status and informing the caregiver or person responsible for the marijuana grow site that their card is no longer valid and must be returned to the authority.]*

*[(11) The authority shall revoke the registry identification card of a cardholder if a court has issued an order that prohibits the cardholder from participating in the medical use of marijuana or otherwise participating in the Oregon Medical Marijuana Program under ORS 475.300 to 475.346. The cardholder shall return the registry identification card to the authority within seven calendar days of notification of the revocation. If the cardholder is a patient, the patient shall return the patient's card and all other associated Oregon Medical Marijuana Program cards.]*

*[(12) The authority shall revoke the registration of a medical marijuana facility registered under ORS 475.314 if a court has issued an order that prohibits the person responsible for the medical marijuana facility from participating in the Oregon Medical Marijuana Program under ORS 475.300 to 475.346.]*

*[(13) The authority and employees and agents of the authority acting within the course and scope of their employment are immune from any civil liability that might be incurred or imposed for the performance of or failure to perform duties required by this section.]*

**(1) The Oregon Health Authority shall establish a program for the issuance of registry identification cards to applicants who meet the requirements of this section.**

**(2) The authority shall issue a registry identification card to an applicant who is 18 years of age or older if the applicant pays a fee in an amount established by the authority by rule and submits to the authority an application containing the following information:**

**(a) Written documentation from the applicant's attending physician stating that the attending physician has diagnosed the applicant as having a debilitating medical condition and that the medical use of marijuana may mitigate the symptoms or effects of the applicant's debilitating medical condition;**

**(b) The name, address and date of birth of the applicant;**

**(c) The name, address and telephone number of the applicant's attending physician;**

**(d) Proof of residency, as required by the authority by rule;**

**(e) The name and address of the applicant's designated primary caregiver, if the applicant is designating a primary caregiver under ORS 475.312; and**

**(f) The information described in ORS 475.304 (2), if the applicant is applying to produce marijuana or designate another person under ORS 475.304 to produce marijuana.**

**(3)(a) The authority shall issue a registry identification card to an applicant who is under 18 years of age if:**

**(A) The applicant pays the fee and submits the application described in subsection (2) of this section; and**

**(B) The custodial parent or legal guardian who is responsible for the health care decisions of the applicant signs and submits to the authority a written statement that:**

**(i) The applicant's attending physician has explained to the applicant and to the custodial parent or legal guardian the possible risks and benefits of the medical use of marijuana;**

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- (ii) The custodial parent or legal guardian consents to the medical use of marijuana by the applicant;
- (iii) The custodial parent or legal guardian agrees to serve as the applicant's designated primary caregiver; and
- (iv) The custodial parent or legal guardian agrees to control the acquisition, dosage and frequency of the medical use of marijuana by the applicant.

(b) An applicant who is under 18 years of age may not apply to produce marijuana under subsection (2)(f) of this section.

(4) The authority shall approve or deny an application within 30 days after receiving the application.

(5)(a) If the authority approves an application, the authority shall issue a serially numbered registry identification card to the applicant within five days after approving the application.

The registry identification card must include the following information:

- (A) The registry identification cardholder's name, address and date of birth;
- (B) The issuance date and expiration date of the registry identification card;
- (C) If the registry identification cardholder designated a primary caregiver under ORS 475.312, the name and address of the registry identification cardholder's designated primary caregiver; and
- (D) Any other information required by the authority by rule.

(b) If the registry identification cardholder designated a primary caregiver under ORS 475.312, the authority shall issue an identification card to the designated primary caregiver. The identification card must contain the information required by paragraph (a) of this subsection.

(6) A registry identification cardholder shall:

(a) In a form and manner prescribed by the authority, notify the authority of any change concerning the registry identification cardholder's:

- (A) Name, address or attending physician;
- (B) Designated primary caregiver, including the designation of a primary caregiver made at a time other than at the time of applying for or renewing a registry identification card; or
- (C) Person responsible for a marijuana grow site, including the designation of a person responsible for a marijuana grow site made at a time other than at the time of applying for or renewing a registry identification card.

(b) Annually renew the registry identification card by paying a fee in an amount established by the authority by rule and submitting to the authority an application that contains the following information:

(A) Updated written documentation from the registry identification cardholder's attending physician stating that the registry identification cardholder still has a debilitating medical condition and that the medical use of marijuana may mitigate the symptoms or effects of the registry identification cardholder's debilitating medical condition;

(B) The information described in subsection (2)(b) to (f) of this section; and

(C) If the registry identification cardholder is under 18 years of age, a statement signed by the custodial parent or legal guardian of the registry identification cardholder that meets the requirements of subsection (3) of this section.

(7)(a) If the registry identification cardholder's attending physician determines that the registry identification cardholder no longer has a debilitating medical condition or determines that the medical use of marijuana is contraindicated for the registry identification cardholder's debilitating medical condition, the registry identification cardholder shall return the registry identification card to the authority within 30 calendar days after receiving notice of the determination.

(b) If, because of circumstances beyond the control of the registry identification cardholder, a registry identification cardholder is unable to obtain a second medical opinion about the registry identification cardholder's continuing eligibility for the medical use of marijuana before having to return the registry identification card to the authority, the authority may grant the registry identification cardholder additional time to obtain a second medical opinion.

(8)(a) The authority may deny an application for a registry identification card or an application to renew a registry identification card, or may suspend or revoke a registry identification card, if:

- (A) The applicant or registry identification cardholder does not provide the information required by this section;
- (B) The authority determines that the applicant or registry identification cardholder provided false information; or
- (C) The authority determines that the applicant or registry identification cardholder violated a provision of ORS 475.300 to 475.346 or a rule adopted under ORS 475.300 to 475.346.

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(b) If a registry identification card is revoked, any associated identification card issued under subsection (5)(b) of this section, or marijuana grow site registration card issued under ORS 475.304 (6), shall also be revoked.

(c) A person whose application is denied, or whose registry identification card is revoked, under this subsection may not reapply for a registry identification card for six months from the date of the denial or revocation unless otherwise authorized by the authority.

(9)(a) The authority may deny a designation of a primary caregiver made under ORS 475.312, or suspend or revoke an associated identification card issued under subsection (5)(b) of this section, if the authority determines that the designee or the registry identification cardholder violated a provision of ORS 475.300 to 475.346 or a rule adopted under ORS 475.300 to 475.346.

(b) A person whose designation has been denied, or whose identification card has been revoked, under this subsection may not be designated as a primary caregiver under ORS 475.312 for six months from the date of the denial or revocation unless otherwise authorized by the authority.

(10) Notwithstanding subsection (2) or (6)(b) of this section, if an applicant for a registry identification card, or a registry identification cardholder applying for renewal of a registry identification card, submits to the authority proof of having served in the Armed Forces of the United States and of having been diagnosed with post-traumatic stress disorder, the authority may not impose a fee that is greater than \$20 for the issuance or renewal of the registry identification card.

**SECTION 80b.** ORS 475.312 is amended to read:

475.312. (1) If a person who [possesses a registry identification card issued pursuant to ORS 475.309] is applying for a registry identification card under ORS 475.309, or who is a registry identification cardholder, chooses to [have a designated] designate, or to change the designation of, a primary caregiver, the person must [designate the primary caregiver by including] include the primary caregiver's name and address:

(a) On the person's application for a registry identification card;

[(b) In the annual updated information required under ORS 475.309; or]

(b) On the person's application to renew a registry identification card; or

(c) In a [written,] form and manner prescribed by the authority, in a signed statement [submitted to] notifying the Oregon Health Authority of the designation.

(2) A [person described in this section] registry identification cardholder may have only one designated primary caregiver at any given time.

(3) If a registry identification cardholder who previously designated a primary caregiver chooses to designate a different primary caregiver, the authority shall notify the previous designee of the new designation and issue an identification card to the newly designated primary caregiver.

**SECTION 80c.** The amendments to ORS 475.309 and 475.312 by sections 80a and 80b of this 2015 Act apply to:

(1) Applications received by the Oregon Health Authority for a registry identification card on or after the operative date specified in section 179 of this 2015 Act;

(2) Applications received by the authority to renew a registry identification card on or after the operative date specified in section 179 of this 2015 Act; and

(3) Registry identification cards updated by the authority on or after the operative date specified in section 179 of this 2015 Act.

## (Medical Marijuana Producers)

**SECTION 81.** ORS 475.304 is amended to read:

475.304. [(1) The Oregon Health Authority shall establish by rule a marijuana grow site registration system to authorize production of marijuana by a registry identification cardholder, a designated primary caregiver who grows marijuana for the cardholder or a person who is responsible for a marijuana grow site. The marijuana grow site registration system adopted must require a registry identification cardholder to submit an application to the authority that includes:]

[(a) The name of the person responsible for the marijuana grow site;]

[(b) The address of the marijuana grow site;]

[(c) The registry identification card number of the registry cardholder for whom the marijuana is being produced; and]

[(d) Any other information the authority considers necessary.]

[(2) The authority shall issue a marijuana grow site registration card to a registry identification cardholder who has met the requirements of subsection (1) of this section.]

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*[(3) A person who has been issued a marijuana grow site registration card under this section must display the registration card at the marijuana grow site at all times when marijuana is being produced.]*

*[(4) A marijuana grow site registration card must be obtained and posted for each registry identification cardholder for whom marijuana is being produced at a marijuana grow site.]*

*[(5) All usable marijuana, plants, seedlings and seeds associated with the production of marijuana for a registry identification cardholder by a person responsible for a marijuana grow site are the property of the registry identification cardholder and must be provided to the registry identification cardholder, or, if the marijuana is usable marijuana or an immature marijuana plant, transferred to a medical marijuana facility registered under ORS 475.314, upon request.]*

*[(6)(a) The authority shall conduct a criminal records check under ORS 181.534 of any person whose name is submitted as a person responsible for a marijuana grow site.]*

*[(b) A person convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not be issued a marijuana grow site registration card or produce marijuana for a registry identification cardholder for five years from the date of conviction.]*

*[(c) A person convicted more than once of a Class A or Class B felony under ORS 475.752 to 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not be issued a marijuana grow site registration card or produce marijuana for a registry identification cardholder.]*

*[(7) A registry identification cardholder or the designated primary caregiver of the cardholder may reimburse the person responsible for a marijuana grow site for the costs of supplies and utilities associated with the production of marijuana for the registry identification cardholder. No other costs associated with the production of marijuana for the registry identification cardholder, including the cost of labor, may be reimbursed.]*

*[(8) The authority may adopt rules imposing a fee in an amount established by the authority for registration of a marijuana grow site under this section.]*

**(1)(a) The Oregon Health Authority shall establish by rule a marijuana grow site registration system to track and regulate the production of marijuana by a registry identification cardholder or a person designated by the registry identification cardholder to produce marijuana for the registry identification cardholder.**

**(b) Except as provided in paragraph (c) of this subsection, a person may not produce marijuana unless the person is registered under this section.**

**(c) Paragraph (b) of this subsection does not apply to the production of marijuana as provided in sections 3 to 70, chapter 1, Oregon Laws 2015, or as otherwise provided for by the statutory laws of this state.**

**(2) Rules adopted under this section must require an applicant for a registry identification card, or a registry identification cardholder who produces marijuana or who designates another person to produce marijuana, to submit an application to the authority containing the following information at the time of making an application under ORS 475.309 (2), renewing a registry identification card under ORS 475.309 (6)(b), or notifying the authority of a change under ORS 475.309 (6)(a):**

**(a) The name of the person responsible for the marijuana grow site;**

**(b) Proof, until January 1, 2020, that the person responsible for the marijuana grow site has been a resident of this state for two or more years, and proof that the person is 21 years of age or older;**

**(c) The address of the marijuana grow site; and**

**(d) Any other information that the authority considers necessary to track the production of marijuana under ORS 475.300 to 475.346.**

**(3)(a) The authority shall conduct a criminal records check under ORS 181.534 of any person whose name is submitted under this section as the person responsible for a marijuana grow site.**

**(b) A person convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not act as or be designated a person responsible for a marijuana grow site for two years from the date of conviction.**

**(c) A person convicted more than once of a Class A or Class B felony under ORS 475.752 to 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not act as or be designated a person responsible for a marijuana grow site.**

**(4) Subject to subsection (11) of this section, the authority shall issue a marijuana grow site registration card if the requirements of subsections (2) and (3) of this section are met.**

**(5) A person who holds a marijuana grow site registration card under this section must display the card at the marijuana grow site at all times.**

**(6) A marijuana grow site registration card must be obtained and posted for each registry identification cardholder for whom marijuana is being produced at a marijuana grow site.**

**(7)(a) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana associated with the production of marijuana for a registry identification cardholder by a person responsible for a marijuana grow site are the property of the registry identification cardholder.**

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(b) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana associated with the production of marijuana for a registry identification cardholder by a person responsible for a marijuana grow site must be transferred to the registry identification cardholder upon the request of the registry identification cardholder.

(c) All usable marijuana associated with the production of marijuana for a registry identification cardholder by a person responsible for a marijuana grow site must be transferred to a marijuana processing site upon the request of the registry identification cardholder. For purposes of this paragraph, a request to transfer usable marijuana constitutes an assignment of the right to possess the usable marijuana.

(d) All seeds, immature marijuana plants and usable marijuana associated with the production of marijuana for a registry identification cardholder by a person responsible for a marijuana grow site must be transferred to a medical marijuana dispensary upon request of the registry identification cardholder. For purposes of this paragraph, a request to transfer seeds, immature marijuana plants or usable marijuana constitutes an assignment of the right to possess the seeds, immature marijuana plants or usable marijuana.

(e) Information related to transfers made under this subsection must be submitted to the authority in the manner required by section 81a of this 2015 Act.

(8) A registry identification cardholder, or the designated caregiver of a registry identification cardholder, may reimburse a person responsible for a marijuana grow site for all costs associated with the production of marijuana for the registry identification cardholder.

(9) The authority may inspect:

(a) The marijuana grow site of a person designated to produce marijuana by a registry identification cardholder to ensure compliance with this section and section 81a of this 2015 Act and ORS 475.320 and any rule adopted under this section and section 81a of this 2015 Act and ORS 475.320; and

(b) The records of the marijuana grow site of a person designated to produce marijuana by a registry identification cardholder to ensure compliance with this section and section 81a of this 2015 Act and any rule adopted under this section and section 81a of this 2015 Act.

(10) The authority may refuse to register a registry identification cardholder or a designee under this section or may suspend or revoke the registration of a person responsible for a marijuana grow site if the authority determines that the applicant or the person responsible for a marijuana grow site violated a provision of ORS 475.300 to 475.346, a rule adopted under ORS 475.300 to 475.346 or an ordinance adopted pursuant to section 2, chapter 79, Oregon Laws 2014.

(11) The authority may require a person responsible for a marijuana grow site, prior to issuing a marijuana grow site registration card under subsection (4) of this section, to pay a fee reasonably calculated to pay costs incurred under this section and sections 81a and 85e of this 2015 Act.

**SECTION 81a.** (1) A person designated to produce marijuana by a registry identification cardholder must submit to the Oregon Health Authority, in a form and manner established by the authority by rule, the following information related to the production of marijuana: (a) The number of mature marijuana plants and immature marijuana plants, the amount of marijuana leaves and flowers being dried, and the amount of usable marijuana, in the person's possession;

(b) The number of mature marijuana plants and immature marijuana plants, and the amount of usable marijuana, that the person transfers to each registry identification cardholder for whom the person produces marijuana;

(c) The amount of usable marijuana that the person transfers to each marijuana processing site; and

(d) The number of immature marijuana plants, and the amount of usable marijuana, that the person transfers to each medical marijuana dispensary.

(2) The authority shall by rule require a person designated to produce marijuana by a registry identification cardholder to submit the information described in subsection (1) of this section once each month. The authority may not employ any method other than that described in this section to obtain information related to the production of marijuana from a person designated to produce marijuana by a registry identification cardholder.

(3) In addition to submitting the information as required by subsection (1) of this section, a person designated to produce marijuana by a registry identification cardholder must keep a record of the information described in subsection (1) of this section for two years after the date on which the person submits the information to the authority.

**SECTION 81b.** (1) Except as provided in subsection (2) of this section, section 81a of this 2015 Act and the amendments to ORS 475.304 by section 81 of this 2015 Act apply to persons who have registered with the Oregon Health Authority under ORS 475.304 before, on or after the operative date specified in section 179 of this 2015 Act.

(2) The amendments to ORS 475.304 by section 81 of this 2015 Act pertaining to the submission of information necessary to register a person as a person responsible for a marijuana grow site apply to applications for registry identification cards, applications to renew registry identification cards, and designations made under ORS 475.304, on or after the operative date specified in section 179 of this 2015 Act.

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## (Grow Site Possession Limits)

**SECTION 82.** ORS 475.320 is amended to read:

475.320. [(1)(a) A registry identification cardholder or the designated primary caregiver of the cardholder may possess up to six mature marijuana plants and 24 ounces of usable marijuana.]

[(b) Notwithstanding paragraph (a) of this subsection, if a registry identification cardholder has been convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II, the registry identification cardholder or the designated primary caregiver of the cardholder may possess one ounce of usable marijuana at

any given time for a period of five years from the date of the conviction.]

[(2) A person authorized under ORS 475.304 to produce marijuana at a marijuana grow site:]

[(a) May produce marijuana for and provide marijuana:]

[(A) To a registry identification cardholder or a cardholder's designated primary caregiver as authorized under this section; or]

[(B) If the marijuana is usable marijuana or an immature marijuana plant and the registry identification cardholder authorizes the person responsible for the marijuana grow site to transfer the usable marijuana or immature marijuana plant to a medical marijuana facility registered under ORS 475.314, to the medical marijuana facility.]

[(b) May possess up to six mature plants and up to 24 ounces of usable marijuana for each cardholder or caregiver for whom marijuana is being produced.]

[(c) May produce marijuana for no more than four registry identification cardholders or designated primary caregivers concurrently.]

[(d) Must obtain and display a marijuana grow site registration card issued under ORS 475.304 for each registry identification cardholder or designated primary caregiver for whom marijuana is being produced.]

[(e) Must provide all marijuana produced for a registry identification cardholder or designated primary caregiver to the cardholder or caregiver at the time the person responsible for a marijuana grow site ceases producing marijuana for the cardholder or caregiver.]

[(f) Must return the marijuana grow site registration card to the registry identification cardholder to whom the card was issued when requested to do so by the cardholder or when the person responsible for a marijuana grow site ceases producing marijuana for the cardholder or caregiver.]

[(3) Except as provided in subsections (1) and (2) of this section, a registry identification cardholder, the designated primary caregiver of the cardholder and the person responsible for a marijuana grow site producing marijuana for the registry identification cardholder may possess a combined total of up to six mature plants and 24 ounces of usable marijuana for that registry identification cardholder.]

[(4)(a) A registry identification cardholder and the designated primary caregiver of the cardholder may possess a combined total of up to 18 marijuana seedlings or starts as defined by rule of the Oregon Health Authority.]

[(b) A person responsible for a marijuana grow site may possess up to 18 marijuana seedlings or starts as defined by rule of the authority for each registry identification cardholder for whom the person responsible for the marijuana grow site is producing marijuana.]

**(1) Subject to subsection (2) of this section, a registry identification cardholder and the designated primary caregiver of the registry identification cardholder may jointly possess six or fewer mature marijuana plants.**

**(2)(a) A person may be designated to produce marijuana under ORS 475.304 by no more than four registry identification cardholders.**

**(b) A person who is designated to produce marijuana by a registry identification cardholder may produce no more than six mature marijuana plants per registry identification cardholder.**

**(3) If the address of a person responsible for a marijuana grow site under ORS 475.304 is located within city limits in an area zoned for residential use:**

**(a) Except as provided in paragraph (b) of this subsection, no more than 12 mature marijuana plants may be produced at the address; or**

**(b) Subject to subsection (5) of this section, if each person responsible for a marijuana grow site located at the address first registered with the Oregon Health Authority under ORS 475.304 before January 1, 2015, no more than the amount of mature marijuana plants located at that address on December 31, 2014, in excess of 12 mature marijuana plants, not to exceed 24 mature marijuana plants, may be produced at the address.**

**(4) If the address of a person responsible for a marijuana grow site under ORS 475.304 is located in an area other than an area described in subsection (3) of this section:**

**(a) Except as provided in paragraph (b) of this subsection, no more than 48 mature marijuana plants may be produced at the address; or**

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(b) Subject to subsections (5) and (6) of this section, if each person responsible for a marijuana grow site located at the address first registered with the authority under ORS 475.304 before January 1, 2015, no more than the amount of mature marijuana plants located at that address on December 31, 2014, in excess of 48 mature marijuana plants, not to exceed 96 mature marijuana plants, may be produced at the address.

(5) If the authority suspends or revokes the registration of a person responsible for a marijuana grow site that is located at an address described in subsection (3)(b) or (4)(b) of this section:

(a) No more than 12 mature marijuana plants may be subsequently produced at any address described in subsection (3) of this section at which the person responsible for that marijuana grow site produces marijuana.

(b) No more than 48 mature marijuana plants may be subsequently produced at any address described in subsection (4) of this section at which the person responsible for that marijuana grow site produces marijuana.

(6) If a registry identification cardholder who designated a person to produce marijuana for the registry identification cardholder pursuant to ORS 475.304 terminates the designation, the person responsible for the marijuana grow site whose designation has been terminated may not be designated to produce marijuana by another registry identification cardholder, except that the person may be designated by another registry identification cardholder if no more than 48 mature marijuana plants are produced at the address for the marijuana grow site at which the person produces marijuana.

(7) If a law enforcement officer determines that a registry identification cardholder, the designated primary caregiver of a registry identification cardholder, or a person responsible for a marijuana grow site under ORS 475.304 who grows marijuana for a registry identification cardholder, possesses a number of mature marijuana plants in excess of the quantities specified in this section, the law enforcement officer may confiscate only the excess number of mature marijuana plants.

**SECTION 82a.** (1) Except as provided in subsection (2) of this section, a registry identification cardholder and the designated primary caregiver of the registry identification cardholder may jointly possess no more than 24 ounces of usable marijuana.

(2) Subject to subsection (3) of this section, a person designated to produce marijuana by a registry identification cardholder may possess the amount of usable marijuana that the person harvests from the person's mature marijuana plants, provided that the person may not possess usable marijuana in excess of the amount of usable marijuana in the person's possession as reported to the Oregon Health Authority under section 81a of this 2015 Act.

(3) A person designated to produce marijuana by a registry identification cardholder may not possess usable marijuana in excess of:

(a) For a marijuana grow site located outdoors, 12 pounds of usable marijuana per mature marijuana plant; or

(b) For a marijuana grow site located indoors, six pounds of usable marijuana per mature marijuana plant.

**SECTION 82b.** The amendments to ORS 475.320 by section 82 of this 2015 Act apply to persons who registered with the Oregon Health Authority under ORS 475.304 before, on or after the operative date specified in section 179 of this 2015 Act.

## (Personal Agreements)

**SECTION 83.** Notwithstanding ORS 475.304 (7), a person responsible for a marijuana grow site may enter into an agreement with a registry identification cardholder under which the registry identification cardholder assigns, to the person responsible for the marijuana grow site, a portion of the right to possess the seeds, immature marijuana plants and usable marijuana that are the property of the registry identification cardholder.

## (Proof of Issuance)

**SECTION 84.** ORS 475.306 is amended to read:

475.306. [(1) A person who possesses a registry identification card issued pursuant to ORS 475.309 may engage in, and a designated primary caregiver of such a person may assist in, the medical use of marijuana only as justified to mitigate the symptoms or effects of the person's debilitating medical condition.]

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*[(2) A person who is a registry identification cardholder must possess the registry identification card when using or transporting marijuana in a location other than the residence of the cardholder.]*  
*[(3) The Oregon Health Authority shall define by rule when a marijuana plant is mature and when it is immature. The rule shall provide that a plant that has no flowers and that is less than 12 inches in height and less than 12 inches in diameter is a seedling or a start and is not a mature plant.]*

A person to whom a registry identification card has been issued under ORS 475.309 (5)(a), an identification card has been issued under ORS 475.309 (5)(b), or a marijuana grow site registration card has been issued under ORS 475.304, may not possess marijuana, usable marijuana, medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts in a location other than the address on file with the Oregon Health Authority unless the person is carrying the card.

## (Medical Marijuana Processors)

**SECTION 85.** (1)(a) The Oregon Health Authority shall establish by rule a marijuana processing site registration system to track and regulate the processing of marijuana by a person responsible for a marijuana processing site.

(b) Except as provided in paragraph (c) of this subsection, a person may not process marijuana unless the person is registered under this section.

(c) Paragraph (b) of this subsection does not apply to the processing of marijuana as provided in sections 3 to 70, chapter 1, Oregon Laws 2015, or as otherwise provided for by the statutory laws of this state.

(2) The registration system established under subsection (1) of this section must require an applicant for a marijuana processing site to submit an application to the authority that includes:

(a) The name of the individual who owns the marijuana processing site or, if a business entity owns the marijuana processing site, the name of each individual who has a financial interest in the marijuana processing site;

(b) The name of the individual or individuals responsible for the marijuana processing site, if different from the name of the individual who owns the marijuana processing site;

(c) The address of the marijuana processing site;

(d) Proof, until January 1, 2020, that each individual responsible for the marijuana processing site has been a resident of this state for two or more years, and proof that each individual responsible for the marijuana processing site is 21 years of age or older;

(e) Documentation, as required by the authority by rule, that demonstrates the marijuana processing site meets the requirements of subsection (3) of this section; and (f) Any other information that the authority considers necessary.

(3) To qualify for registration under this section, a marijuana processing site:

(a) May not be located in an area that is zoned for residential use if the marijuana processing site processes cannabinoid extracts;

(b) Must be registered as a business, or have filed an application to register as a business, with the office of the Secretary of State; and

(c) Must meet the requirements of any rule adopted by the authority under subsection (10) of this section.

(4)(a) The authority shall conduct a criminal records check under ORS 181.534 for each individual named in an application under subsection (2) of this section.

(b) An individual convicted for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not own or be responsible for a marijuana processing site for two years from the date the individual is convicted.

(c) An individual convicted more than once for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not own or be responsible for a marijuana processing site.

(5) If a person submits the application required under subsection (2) of this section, if the marijuana processing site identified in the application meets the requirements of this section and any rules adopted under this section and if each individual named in the application passes the criminal records check required under subsection (4) of this section, the authority shall register the marijuana processing site and issue proof of registration. Proof of registration must be displayed on the premises of the marijuana processing site at all times.

(6) A marijuana processing site that is registered under this section is not required to register with the State Board of Pharmacy under ORS 475.125.

(7) The individual or individuals responsible for a marijuana processing site shall maintain documentation of each transfer of usable marijuana, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

(8) The authority may inspect:

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(a) The premises of a proposed marijuana processing site or a registered marijuana processing site to ensure compliance with this section and sections 85a and 85b of this 2015 Act and any rules adopted under this section and sections 85a and 85b of this 2015 Act; and

(b) The records of a registered marijuana processing site to ensure compliance with subsection (7) of this section.

(9) Subject to the provisions of ORS chapter 183, the authority may refuse to register an applicant under this section or may suspend or revoke the registration of a marijuana processing site if the authority determines that the applicant, the owner of the marijuana processing site, a person responsible for the marijuana processing site, or an employee of the marijuana processing site, violated a provision of ORS 475.300 to 475.346, a rule adopted under ORS 475.300 to 475.346 or an ordinance adopted pursuant to section 2, chapter 79, Oregon Laws 2014.

(10) The authority shall adopt rules to implement this section, including rules that:

(a) Require a registered marijuana processing site to annually renew the registration for that site;

(b) Establish fees for registering, and renewing the registration of, a marijuana processing site;

(c) Require that medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts transferred by a marijuana processing site be tested to ensure the public health and safety; and

(d) Impose any other standard on the operation of a marijuana processing site to ensure the public health and safety.

**SECTION 85a.** (1) A marijuana processing site must meet any public health and safety standards established by the Oregon Health Authority by rule related to:

(a) Cannabinoid edibles, if the marijuana processing site processes marijuana into cannabinoid edibles;

(b) Cannabinoid concentrates, if the marijuana processing site processes marijuana into cannabinoid concentrates;

(c) Cannabinoid extracts, if the marijuana processing site processes marijuana into cannabinoid extracts; or

(d) Any other type of medical cannabinoid product identified by the authority by rule, if the marijuana processing site processes marijuana into that type of medical cannabinoid product.

(2) The authority shall adopt rules to implement this section.

**SECTION 85b.** (1) The Oregon Health Authority shall require by rule a marijuana processing site to submit to the authority for inclusion in the database developed and maintained pursuant to section 85e of this 2015 Act the following information:

(a) The amount of usable marijuana transferred to the marijuana processing site;

(b) The amount and type of medical cannabinoid products transferred by the marijuana processing site;

(c) The amount and type of cannabinoid concentrates transferred by the marijuana processing site; and

(d) The amount and type of cannabinoid extracts transferred by the marijuana processing site.

(2) The authority by rule may require a marijuana processing site to submit to the authority for inclusion in the database developed and maintained pursuant to section 85e of this 2015 Act information that is in addition to the information described in subsection (1) of this section as the authority considers necessary to fulfill the authority's duties under section 85 (1) of this 2015 Act. The authority may not employ any method other than that described in this section to obtain information from a marijuana processing site.

**SECTION 85c.** (1) A marijuana processing site may not transfer medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts to a person other than a registry identification cardholder, a designated primary caregiver or a medical marijuana dispensary.

(2) A person other than a marijuana processing site may not transfer medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts to a medical marijuana dispensary.

**SECTION 85d.** Section 85 of this 2015 Act does not apply to a registry identification cardholder or a person who has been designated as a primary caregiver under ORS 475.312 who processes a medical cannabinoid product or a cannabinoid concentrate for a registry identification cardholder.

(Database)

**SECTION 85e.** (1) The Oregon Health Authority shall develop and maintain a database of information related to the production of marijuana by persons designated to produce marijuana by a registry identification cardholder, the processing of marijuana by a marijuana processing site under section 85 of this 2015 Act and the transfer of usable marijuana, medical cannabinoid

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products, cannabinoid concentrates and cannabinoid extracts by medical marijuana dispensaries under ORS 475.314. At a minimum, the database must include the information submitted to the authority under sections 81a, 85b and 86b of this 2015 Act.

(2)(a) Subject to paragraph (c) of this subsection, the authority may provide information that is stored in the database developed and maintained under this section to a law enforcement agency.

(b) Subject to paragraph (c) of this subsection, the authority may provide information that is stored in the database developed and maintained under this section to the regulatory agencies of a city or county.

(c) The authority may not disclose:

(A) Any personally identifiable information related to a registry identification cardholder or a designated primary caregiver that is stored in the database developed and maintained under this section.

(B) Any information related to the amount and type of usable marijuana, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts transferred to or by persons designated to produce marijuana by a registry identification cardholder, marijuana processing sites or medical marijuana dispensaries.

(3) Nothing in this section prevents a law enforcement agency from lawfully obtaining information that is stored in the database developed and maintained under this section by subpoena.

## (Medical Marijuana Dispensaries)

**SECTION 86.** ORS 475.314, as amended by section 5, chapter 79, Oregon Laws 2014, is amended to read:

475.314. *[(1) The Oregon Health Authority shall establish by rule a medical marijuana facility registration system to authorize the transfer of usable marijuana and immature marijuana plants from:]*

*[(a) A registry identification cardholder, the designated primary caregiver of a registry identification cardholder, or a person responsible for a marijuana grow site to the medical marijuana facility; or]*

*[(b) A medical marijuana facility to a registry identification cardholder or the designated primary caregiver of a registry identification cardholder.]*

**(1)(a) The Oregon Health Authority shall establish by rule a medical marijuana dispensary registration system for the purpose of tracking and regulating the transfer of:**

**(A) Usable marijuana, immature marijuana plants and seeds from registry identification cardholders, designated primary caregivers and persons responsible for marijuana grow sites to medical marijuana dispensaries;**

**(B) Medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts from persons responsible for marijuana processing sites to medical marijuana dispensaries; and**

**(C) Usable marijuana, immature marijuana plants, seeds, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts from medical marijuana dispensaries to registry identification cardholders and designated primary caregivers.**

**(b) A person may not operate an establishment for the purpose of providing the services described in paragraph (a) of this subsection unless the person is registered under this section.**

**(2) The registration system established under subsection (1) of this section must require an applicant for a medical marijuana [facility] dispensary to submit an application to the authority that includes:**

**(a) The name of the individual who owns the medical marijuana dispensary or, if a business entity owns the medical marijuana dispensary, the name of each individual who has a financial interest in the medical marijuana dispensary;**

**[(a)] (b) The name of the [person] individual or individuals responsible for the medical marijuana [facility] dispensary, if different from the name of the individual who owns the medical marijuana dispensary;**

**[(b)] (c) The address of the medical marijuana [facility] dispensary;**

**[(c)] (d) Proof, until January 1, 2020, that [the person] each individual responsible for the medical marijuana [facility is a resident of Oregon] dispensary has been a resident of this state for two or more years, and proof that each individual responsible for the medical marijuana dispensary is 21 years of age or older;**

**[(d)] (e) Documentation, as required by the authority by rule, that demonstrates the medical marijuana [facility] dispensary meets the [qualifications for a medical marijuana facility as described in] requirements of subsection (3) of this section; and**

**[(e)] (f) Any other information that the authority considers necessary.**

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(3) To qualify for registration under this section, a medical marijuana [facility] dispensary:

*[(a) Must be located in an area that is zoned for commercial, industrial or mixed use or as agricultural land;]*

(a) **May not be located in an area that is zoned for residential use;**

(b) May not be located at the same address as a marijuana grow site;

(c) Must be registered as a business, or have filed *[a pending]* an application to register as a business, with the office of the Secretary of State;

*[(d) Must not be located within 1,000 feet of the real property comprising a public or private elementary, secondary or career school attended primarily by minors;]* (d) **May not be located within 1,000 feet of:**

(A) **A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or**

(B) **A private or parochial elementary or secondary school, teaching children as described in ORS 339.030 (1)(a);**

(e) Must not be located within 1,000 feet of another medical marijuana [facility] dispensary; and *[(f) Must comport with rules adopted by the authority related to:]*

*[(A) Installing a minimum security system, including a video surveillance system, alarm system and safe; and]*

*[(B) Testing for pesticides, mold and mildew and the processes by which usable marijuana and immature marijuana plants that test positive for pesticides, mold or mildew must be returned to the registry identification cardholder, the cardholder's designated primary caregiver or the cardholder's registered grower.]*

(f) **Must meet the requirements of any rule adopted by the authority under subsection (10) of this section.**

(4)(a) The authority shall conduct a criminal records check under ORS 181.534 *[of a person whose name is submitted as the person responsible for a medical marijuana facility]* **for each individual named in an application submitted** under subsection (2) of this section.

(b) *[A person]* **An individual** convicted for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not *[be the person]* **own or be** responsible for a medical marijuana [facility] dispensary for *[five]* **two** years from the date the *[person]* **individual** is convicted.

(c) *[A person]* **An individual** convicted more than once for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not *[be the person]* **own or be** responsible for a medical marijuana [facility] dispensary.

(5) If a person submits the application required under subsection (2) of this section, **if the medical marijuana [facility] dispensary identified in the application meets the [qualifications for a medical marijuana facility described in subsection (3) of this section and the person responsible for the medical marijuana facility] requirements of this section and any rules adopted under this section and if each individual named in the application** passes the criminal records check required under subsection (4) of this section, the authority shall register the medical marijuana [facility] dispensary and issue *[the person responsible for the medical marijuana facility]* proof of registration. *[The person responsible for the medical marijuana facility shall display the]* Proof of registration **must be displayed** on the premises of the medical marijuana [facility at all times when usable marijuana or immature marijuana plants are being transferred as described in subsection (1) of this section] **dispensary at all times.**

(6) **A medical marijuana dispensary that is registered under this section is not required to register with the State Board of Pharmacy under ORS 475.125.**

*[(6)(a) A registered medical marijuana facility may receive usable marijuana or immature marijuana plants only from a registry identification cardholder, designated primary caregiver or person responsible for a marijuana grow site if the registered medical marijuana facility obtains authorization, on a form prescribed by the authority by rule and signed by a registry identification cardholder, to receive the usable marijuana or immature marijuana plants.]*

*[(b) A registered medical marijuana facility shall maintain:]*

*[(A) A copy of each authorization form described in paragraph (a) of this subsection; and]*

*[(B) Documentation of each transfer of usable marijuana or immature marijuana plants.]*

(7) **The individual or individuals responsible for a medical marijuana dispensary shall maintain documentation of each transfer of usable marijuana, medical cannabinoid products, cannabinoid concentrates, cannabinoid extracts, immature marijuana plants and seeds.**

*[(7) A medical marijuana facility registered under this section may possess usable marijuana and immature marijuana plants in excess of the limits imposed on registry identification cardholders and designated primary caregivers under ORS 475.320.]*

*[(8)(a) A registered medical marijuana facility may not transfer any tetrahydrocannabinol-infused product that is meant to be swallowed or inhaled, unless the product is packaged in child-resistant safety packaging that meets standards established by the authority by rule.]*

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*[(b) A registered medical marijuana facility may not transfer any tetrahydrocannabinol-infused product that is manufactured or packaged in a manner that is attractive to minors, as determined by the authority by rule.]*

*[(9)] (8) The authority may inspect:*

*[(a) The premises of an applicant for a medical marijuana facility or a registered medical marijuana facility to ensure compliance with the qualifications for a medical marijuana facility described in subsection (3) of this section; and]*

**(a) The premises of a proposed medical marijuana dispensary or a registered medical marijuana dispensary to ensure compliance with this section and section 86b of this 2015 Act and any rules adopted under this section or section 86b of this 2015 Act; and**

**(b) The records of a registered medical marijuana [facility] dispensary to ensure compliance with subsection [(6)(b)] (7) of this section.**

*[(10)(a) A registry identification cardholder or the designated primary caregiver of a registry identification cardholder may reimburse a medical marijuana facility registered under this section for the normal and customary costs of doing business, including costs related to transferring, handling, securing, insuring, testing, packaging and processing usable marijuana and immature marijuana plants and the cost of supplies, utilities and rent or mortgage.]*

*[(b) A medical marijuana facility may reimburse a person responsible for a marijuana grow site under this section for the normal and customary costs of doing business, including costs related to transferring, handling, securing, insuring, testing, packaging and processing usable marijuana and immature marijuana plants and the cost of supplies, utilities and rent or mortgage.]*

*[(11) the authority may revoke the registration of a medical marijuana facility registered under this section for failure to comply with ORS 475.300 to 475.346, rules adopted under ORS 475.300 to 475.346 or ordinances adopted pursuant to section 2, chapter 79, Oregon Laws 2014. The authority may release to the public a final order revoking a medical marijuana facility registration.]*

**(9) Subject to the provisions of ORS chapter 183, the authority may refuse to register an applicant under this section or may suspend or revoke the registration of a medical marijuana dispensary if the authority determines that the applicant, the owner of the medical marijuana dispensary, a person responsible for the medical marijuana dispensary, or an employee of the medical marijuana dispensary, violated a provision of ORS 475.300 to 475.346, a rule adopted under ORS 475.300 to 475.346 or an ordinance adopted pursuant to section 2, chapter 79, Oregon Laws 2014.**

*[(12)] (10) The authority shall adopt rules to implement this section, including rules that:*

**(a) Require a registered medical marijuana [facility registered under this section] dispensary to annually renew [that registration; and] the registration for that dispensary;**

**(b) Establish fees for registering, and renewing the registration [for] of, a medical marijuana [facility under this section.] dispensary;**

**(c) Require that each medical marijuana dispensary install and maintain a minimum security system that includes video surveillance, an alarm system and a safe;**

**(d) Require that usable marijuana, medical cannabinoid products, cannabinoid concentrates, cannabinoid extracts and immature marijuana plants transferred by a medical marijuana dispensary be tested to ensure the public health and safety; and**

**(e) Impose any other standard on the operation of a medical marijuana dispensary to ensure the public health and safety.**

**SECTION 86a.** If a school described in ORS 475.314 (3)(d) that has not previously been attended by children is established within 1,000 feet of a medical marijuana dispensary, the medical marijuana dispensary may remain at its current location unless the Oregon Health Authority revokes the registration of the medical marijuana dispensary.

**SECTION 86b.** (1) The Oregon Health Authority shall require by rule a medical marijuana dispensary to submit to the authority for inclusion in the database developed and maintained pursuant to section 85e of this 2015 Act the following information:

**(a) The amount of usable marijuana transferred to and by the medical marijuana dispensary;**

**(b) The amount and type of medical cannabinoid products transferred to and by the medical marijuana dispensary;**

**(c) The amount and type of cannabinoid concentrates transferred to and by the medical marijuana dispensary;**

**(d) The amount and type of cannabinoid extracts transferred to and by the medical marijuana dispensary; and**

**(e) The quantity of immature marijuana plants transferred to and by the medical marijuana dispensary.**

**(2) The authority by rule may require a medical marijuana dispensary to submit to the authority for inclusion in the database developed and maintained pursuant to section 85e of this 2015 Act information that is in addition to the information described in subsection (1) of this section as the authority considers necessary to fulfill the authority's duties under ORS 475.314**

**(1). The authority may not employ any method other than that described in this section to obtain information from a medical marijuana dispensary.**

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## (Designation, Assignment and Foreclosure)

**SECTION 86c.** (1) A person responsible for a marijuana processing site, or a person responsible for a medical marijuana dispensary, may designate that responsibility to another person.

(2) If a designation is made under this section, the designee must submit to the Oregon Health Authority proof that the designee meets the requirements and restrictions set forth in:

(a) For marijuana processing sites, section 85 (2)(d) and (4) of this 2015 Act; or (b) For medical marijuana dispensaries, ORS 475.314 (2)(d) and (4).

(3) The authority may prescribe the form and manner of submitting proof under subsection (2) of this section.

**SECTION 86d.** (1) A person responsible for a marijuana processing site, or a person responsible for a medical marijuana dispensary, may assign that responsibility to another person.

(2) If an assignment is made under this section, the assignee must submit to the Oregon Health Authority proof that the assignee meets the requirements and restrictions set forth in:

(a) For marijuana processing sites, section 85 (2)(d) and (4) of this 2015 Act; or (b) For medical marijuana dispensaries, ORS 475.314 (2)(d) and (4).

(3) The authority may prescribe the form and manner of submitting proof under subsection (2) of this section.

**SECTION 86e.** (1) In the event that a marijuana processing site or a medical marijuana dispensary is foreclosed or otherwise ceases operations as described in ORS chapter 79, a secured party, as defined in ORS 79.0102, may continue operations at the marijuana processing site or medical marijuana dispensary upon submitting to the Oregon Health Authority proof that the secured party or, if the secured party is a business entity, any individual who has a financial interest in the secured party, meets the requirements and restrictions set forth in:

(a) For marijuana processing sites, section 85 (2)(d) and (4) of this 2015 Act; or (b) For medical marijuana dispensaries, ORS 475.314 (2)(d) and (4).

(2) The authority may prescribe the form and manner of submitting proof under subsection (1) of this section.

## (Exemptions from Criminal Liability

## and Affirmative Defense)

**SECTION 87.** Except as provided in ORS 475.316, a person engaged in or assisting in the medical use of marijuana is exempt from the criminal laws of this state for possession, delivery or manufacture of marijuana, aiding and abetting another in the possession, delivery or manufacture of marijuana, or any other criminal offense in which possession, delivery or manufacture of marijuana is an element if:

(1) The person holds a registry identification card.

(2) The person has applied for a registry identification card under ORS 475.309 and the person has proof of written documentation described in ORS 475.309 (2)(a) and proof of the date on which the person submitted the application to the Oregon Health Authority. An exemption under this subsection applies only until the authority approves or denies the application.

(3) The person is designated as a primary caregiver under ORS 475.312.

(4) The person is responsible for or is employed by a marijuana grow site registered under ORS 475.304.

(5) The person owns, is responsible for, or is employed by, a marijuana processing site.

(6) The person owns, is responsible for, or is employed by, a medical marijuana dispensary.

**SECTION 87a.** ORS 475.319 is amended to read:

475.319. (1) Except as provided in ORS 475.316 [and 475.342, it is], a person has an affirmative defense to a criminal charge of possession [or production], delivery or manufacture of marijuana, or any other criminal offense in which possession [or production], delivery or manufacture of marijuana is an element, [that] if the person charged with the offense [is a person who]:

(a) [Has been] Was diagnosed with a debilitating medical condition within 12 months [prior to arrest and been] of the date on which the person was arrested and was advised by the person's attending physician that the medical use of marijuana may mitigate the symptoms or effects of that debilitating medical condition;

(b) Is engaged in the medical use of marijuana; and

(c) Possesses [or produces], delivers or manufactures marijuana only in [amounts] quantities permitted under ORS 475.320.

(2) [It is not necessary for a person asserting an affirmative defense pursuant to this section to have received] A person does not need to lawfully possess a registry identification card [in order] to assert the affirmative defense established in this section.

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(3) [No] A person engaged in the medical use of marijuana who claims that marijuana provides medically necessary benefits and who is charged with a crime pertaining to [such] the use of marijuana [shall be] is **not** precluded from presenting a defense of choice of evils, as set forth in ORS 161.200, or from presenting evidence supporting the necessity of marijuana for treatment of a specific disease or medical condition, provided that [the amount of marijuana at issue is no greater than permitted under ORS 475.320 and the patient]:

(a) **The person possesses, delivers or manufactures marijuana only as permitted under ORS 475.320 (1); and**

(b) **The person has taken a substantial step [to comply] toward complying with the provisions of ORS 475.300 to 475.346.**

(4) [Any] A defendant proposing to use the affirmative defense [provided for by] **established in** this section in a criminal action shall, not less than five days before the trial of the cause, file and serve upon the district attorney a written notice of the intention to [offer such a] **assert the affirmative** defense [that]. **The notice must** specifically [states] **state** the reasons why the defendant is entitled to assert **the affirmative defense** and the factual basis for [such] **the affirmative defense**. If the defendant fails to file and serve [such] **the notice**, the defendant is not permitted to assert the affirmative defense at the trial of the cause unless the court [for good cause] orders, **for good cause**, otherwise.

**SECTION 87b.** ORS 475.316 is amended to read:

475.316. [(1) No person authorized to possess, deliver or produce marijuana for medical use pursuant to ORS 475.300 to 475.346 shall be excepted from the criminal laws of this state or shall be deemed to have established an affirmative defense to criminal charges of which possession, delivery or production of marijuana is an element if the person, in connection with the facts giving rise to such charges:] **A person is not exempt from the criminal laws of this state for possession, delivery or manufacture of marijuana, aiding and abetting another in the possession, delivery or manufacture of marijuana, or any other criminal offense in which possession, delivery or manufacture of marijuana is an element, and the person may not assert the affirmative defense established in ORS 475.319, if the person, in connection with conduct constituting an element of the offense:**

[(a)] (1) **Drives under the influence of marijuana as provided in ORS 813.010;**

[(b)] (2) **Engages in the medical use of marijuana in a public place, as [that term is] defined in ORS 161.015, [or] in public view or in a correctional facility, as defined in ORS 162.135 (2), or a youth correction facility, as defined in ORS 162.135 (6); or**

[(c)] (3) **Delivers marijuana to any individual who the person knows is not in possession of a registry identification card[:]; or to any individual or entity that the person knows has not been designated to receive marijuana or assigned a possessory interest in marijuana by an individual in possession of a registry identification card.**

[(d) *Delivers marijuana for consideration to any individual, even if the individual is in possession of a registry identification card;*]

[(e) *Manufactures or produces marijuana at a place other than a marijuana grow site authorized under ORS 475.304; or*]

[(f) *Manufactures or produces marijuana at more than one address.*]

[(2) *In addition to any other penalty allowed by law, a person who the Oregon Health Authority finds has willfully violated the provisions of ORS 475.300 to 475.346, or rules adopted under ORS 475.300 to 475.346, may be precluded from obtaining or using a registry identification card for the medical use of marijuana for a period of up to six months, at the discretion of the authority.*]

## (General Powers)

**SECTION 88.** (1) **In addition to any other liability or penalty provided by law, the Oregon Health Authority may impose for each violation of a provision of ORS 475.300 to 475.346, or for each violation of a rule adopted under a provision of ORS 475.300 to 475.346, a civil penalty that does not exceed \$500 for each day that the violation occurs.**

(2) **The authority shall impose civil penalties under this section in the manner provided by ORS 183.745.**

(3) **All moneys collected pursuant to this section shall be deposited in the Oregon Health Authority Fund established under ORS 413.101 and are continuously appropriated to the authority for the purpose of carrying out the duties, functions and powers of the authority under ORS 475.300 to 475.346.**

**SECTION 88a.** **Upon request the State Department of Agriculture and the Oregon Liquor Control Commission, pursuant to an agreement or otherwise, shall assist the Oregon Health Authority in implementing and enforcing the provisions of ORS 475.300 to 475.346 and rules adopted under the provisions of ORS 475.300 to 475.346.**

**SECTION 88b.** **The Oregon Health Authority, the State Department of Agriculture and the Oregon Liquor Control Commission may possess, seize or dispose of marijuana, usable marijuana, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts as is necessary for the authority to ensure compliance with and enforce the provisions of ORS 475.300 to 475.346 and any rule adopted under ORS 475.300 to 475.346.**

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## (Exemption from Civil Liability)

**SECTION 88c.** The Oregon Health Authority, the State Department of Agriculture and the Oregon Liquor Control Commission, and the officers, employees and agents of the authority, department and commission, are immune from any cause of action for the performance of, or the failure to perform, duties required by ORS 475.300 to 475.346.

## (Confidentiality)

**SECTION 88d.** (1) Any personally identifiable information, as defined in ORS 432.005, other than a name of an individual or an address submitted with an application under ORS 475.314 or section 85 of this 2015 Act, that the Oregon Health Authority collects and maintains for purposes of registering a marijuana grow site under ORS 475.304, a marijuana processing site under section 85 of this 2015 Act, or a medical marijuana dispensary under ORS 475.314, is confidential and not subject to public disclosure under ORS 192.410 to 192.505, except that the authority may provide personally identifiable information to a person registered under ORS 475.300 to 475.346 if the registrant requests the information and the information is related to a designation made under ORS 475.300 to 475.346.

(2) Any personally identifiable information, as defined in ORS 432.005, submitted to the authority under section 81a, 85b or 86b of this 2015 Act or pursuant to section 85e of this 2015 Act is confidential and not subject to public disclosure under ORS 192.410 to 192.505.

(3) Any record that the authority keeps or maintains for purposes related to the installation or maintenance of a security system by a medical marijuana dispensary pursuant to rules adopted under ORS 475.314 (10) is confidential and not subject to public disclosure under ORS 192.410 to 192.505.

**SECTION 88e.** Notwithstanding section 88d of this 2015 Act, if the Oregon Health Authority suspends or revokes the registration of the marijuana grow site of a person designated to produce marijuana by a registry identification cardholder, a marijuana processing site or a medical marijuana dispensary, or otherwise takes disciplinary action against the marijuana grow site of a person designated to produce marijuana by a registry identification cardholder, a marijuana processing site or a medical marijuana dispensary, the authority shall provide that information to a law enforcement agency.

## (Seeds)

**SECTION 88f.** (1) For purposes of ORS 475.300 to 475.346, seeds of the plant Cannabis family Cannabaceae are a propagant of nursery stock as defined in ORS 571.005.

(2) Notwithstanding subsection (1) of this section, the production and processing of seeds under ORS 475.300 to 475.346 is not subject to the labeling or other requirements of ORS 576.715 to 576.744 or 633.511 to 633.750.

## (Ordinances)

**SECTION 89.** Section 2, chapter 79, Oregon Laws 2014, is amended to read:

**Sec. 2.** *[Notwithstanding ORS 633.738, the governing body of a city or county may adopt ordinances that impose reasonable regulations on the operation of medical marijuana facilities registered, or applying for registration, under ORS 475.314 that are located in the area subject to the jurisdiction of the city or county. For purposes of this section, "reasonable regulations" includes reasonable limitations on the hours during which a medical marijuana facility may be operated, reasonable limitations on where a medical marijuana facility may be located within a zone described in ORS 475.314 (3)(a) and reasonable conditions on the manner in which a medical marijuana facility may dispense medical marijuana.]*

(1) For purposes of this section, "reasonable regulations" includes:

(a) Reasonable limitations on the hours during which the marijuana grow site of a person designated to produce marijuana by a registry identification cardholder, a marijuana processing site or a medical marijuana dispensary may operate;

(b) Reasonable conditions on the manner in which a marijuana processing site or medical marijuana dispensary may transfer usable marijuana, medical cannabinoid products, cannabinoid concentrates, cannabinoid extracts, immature marijuana plants and seeds;

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(c) Reasonable requirements related to the public's access to the marijuana grow site of a person designated to produce marijuana by a registry identification cardholder, a marijuana processing site or a medical marijuana dispensary; and

(d) Reasonable limitations on where the marijuana grow site of a person designated to produce marijuana by a registry identification cardholder, a marijuana processing site or a medical marijuana dispensary may be located.

(2) Notwithstanding ORS 633.738, the governing body of a city or county may adopt ordinances that impose reasonable regulations on the operation of marijuana grow sites of persons designated to produce marijuana by registry identification cardholders, marijuana processing sites and medical marijuana dispensaries that are located in the area subject to the jurisdiction of the city or county.

## (Other Amendments)

**SECTION 90.** ORS 475.300 is amended to read:

475.300. The people of the State of Oregon [*hereby*] find that:

(1) Patients and doctors have found marijuana to be an effective treatment for suffering caused by debilitating medical conditions[,] and, therefore, marijuana [*should*] **must** be treated like other medicines;

(2) Oregonians suffering from debilitating medical conditions should be allowed to use [*small amounts of*] marijuana without fear of civil or criminal penalties when [*their doctors advise that such use*] **a doctor advises that using marijuana** may provide a medical benefit [*to them*] and when other reasonable restrictions are met regarding that use;

(3) ORS 475.300 to 475.346 are intended to allow Oregonians with debilitating medical conditions who may benefit from the medical use of marijuana to be able to [*discuss freely with their*] **freely discuss with** doctors the possible risks and benefits [*of*] **associated with the medical use of** marijuana [*use*] and to have the benefit of [*their doctor's*] professional **medical** advice; and

(4) ORS 475.300 to 475.346 are intended [*to make only those changes to existing Oregon laws that are necessary*] to protect patients and [*their*] doctors from criminal and civil penalties[,] and are not intended to change current civil and criminal laws governing the use of marijuana for nonmedical purposes.

**SECTION 90a.** ORS 475.303 is amended to read:

475.303. (1) There is [*created*] **established within the Oregon Health Authority** the Advisory Committee on Medical Marijuana [*in the Oregon Health Authority*], consisting of 11 members appointed by the Director of the Oregon Health Authority.

(2) The director shall appoint members of the committee from [*persons who possess registry identification cards, designated primary caregivers of persons who possess registry identification cards and advocates of the Oregon Medical Marijuana Act.*] **persons who are knowledgeable about marijuana or who are registered with the authority under ORS 475.300 to 475.346 and who are advocates for the medical use of marijuana, provided that a majority of the members of the committee are registered with the authority under ORS 475.300 to 475.346 and are advocates for the medical use of marijuana.**

(3) The committee shall advise the director on the administrative aspects of [*the Oregon Medical Marijuana Program, review current and proposed administrative rules of the program and provide annual input on the fee structure of the program.*] **ORS 475.300 to 475.346, including rules and fees adopted, and proposed for adoption, under ORS 475.300 to 475.346.**

(4) The committee shall meet at least four times per year, at times and places specified by the director.

(5) The authority shall provide staff support to the committee.

(6) All agencies of state government, as defined in ORS 174.111, are directed to assist the committee in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish information and advice that the members of the committee consider necessary to perform their duties.

**SECTION 90b.** ORS 475.323 is amended to read:

475.323. (1) [*Possession of a registry identification card, designated primary caregiver identification card pursuant to ORS 475.309 or proof of registration as a medical marijuana facility under ORS 475.314*] **Registration under ORS 475.300 to 475.346 or possession of proof of registration under ORS 475.300 to 475.346** does not [*alone*] constitute probable cause to search the person or property of the [*cardholder*] **registrant** or otherwise subject the person or property of the [*cardholder*] **registrant** to inspection by [*any governmental*] **a government** agency. However, the Oregon Health Authority may inspect a [*medical marijuana facility registered under ORS 475.314*] **marijuana grow site registered under ORS 475.304, a marijuana processing site registered under section 85 of this 2015 Act, or a medical marijuana dispensary registered under ORS 475.314**, at any reasonable time to determine whether [*the facility*] **the person responsible for the marijuana**

# BUDGET NARRATIVE

grow site, the person responsible for the marijuana processing site, or the person responsible for the medical marijuana dispensary, is in compliance with ORS 475.300 to 475.346 and rules adopted under ORS 475.300 to 475.346.

(2) Any property interest possessed, owned or used in connection with the medical use of marijuana or acts incidental to the medical use of marijuana that has been seized by state or local law enforcement officers may not be harmed, neglected, injured or destroyed while in the possession of *[any]* a law enforcement agency<sup>[.]</sup>, **except that** a law enforcement agency has no responsibility to maintain live marijuana plants lawfully seized. *[No]* Such property interest may **not** be forfeited under any provision of law providing for the forfeiture of property *[other than as]*, **except pursuant to** a sentence imposed after conviction of a criminal offense. *[Usable]* Marijuana and **equipment or paraphernalia** used to **produce, process or** administer marijuana that was seized by *[any]* a law enforcement *[office]* **officer** shall be returned immediately *[upon a determination by]* **if** the district attorney in whose county the property was seized, or the district attorney's designee, **determines** that the person from whom the marijuana, **equipment or paraphernalia** *[used to administer marijuana]* was seized is entitled to the protections *[contained in]* **provided by** ORS 475.300 to 475.346. The determination may be evidenced<sup>[, for example,]</sup> by a decision not to prosecute, the dismissal of charges or acquittal.

**SECTION 90c.** ORS 475.326 is amended to read:

475.326. *[No attending physician may be subjected to civil penalty or discipline by the Oregon Medical Board for:]* **The Oregon Medical Board may not impose a civil penalty or take other disciplinary action against an attending physician for:**

(1) Advising a person *[whom the attending physician has]* diagnosed as having a debilitating medical condition<sup>[, or a person who the attending physician knows has been so diagnosed]</sup> by the **attending physician or** another physician licensed under ORS chapter 677<sup>[.]</sup> about the risks and benefits *[of]* **associated with the** medical use of marijuana or that the medical use of marijuana may mitigate the symptoms or effects of the person's debilitating medical condition, provided **that** the advice is based on the attending physician's personal assessment of the person's medical history and current medical condition; or

(2) Providing the written documentation necessary for issuance **or renewal** of a registry identification card under ORS 475.309, *[if]* **provided that** the **written** documentation is based on the attending physician's personal assessment of the *[applicant's]* **person's** medical history and current medical condition and the attending physician has discussed **with the person** the potential *[medical]* risks and benefits *[of]* **associated with the** medical use of marijuana *[with the applicant]*. **SECTION 90d.** ORS 475.328 is amended to read:

475.328. (1) *[No]* A professional licensing board may **not** impose a civil penalty or take other disciplinary action against a licensee based on the licensee's medical use of marijuana *[in accordance with]* **under** the provisions of ORS 475.300 to 475.346 or actions taken by the licensee *[that are necessary to carry out the licensee's role as a designated primary caregiver to a person who possesses a lawful registry identification card]* **pursuant to the licensee's designation as a primary caregiver under ORS 475.312.**

(2)(a) A licensed health care professional may administer medical marijuana to a person who possesses a registry identification card and resides in a licensed health care facility if the administration of pharmaceuticals is within the scope of practice of the licensed health care professional. Administration of medical marijuana under this subsection may not take place in a public place as defined in ORS 161.015 or in the presence of a person under 18 years of age. If the medical marijuana administered under this subsection is smoked, adequate ventilation must be provided.

(b) Nothing in this subsection requires:

- (A) A licensed health care professional to administer medical marijuana; or
- (B) A licensed health care facility to make accommodations for the administration of medical marijuana.

**SECTION 90e.** ORS 475.331 is amended to read:

475.331. (1)(a) The Oregon Health Authority shall *[create]* **establish** and maintain a list of *[the persons to whom the authority has issued registry identification cards, the names of any designated primary caregivers, the names of persons responsible for a medical marijuana facility registered under ORS 475.314, the addresses of authorized marijuana grow sites and the addresses of registered medical marijuana facilities.]*:

**(A) The names of persons to whom a registry identification card has been issued under ORS 475.309;**

**(B) The names of persons designated as primary caregivers under ORS 475.312; and (C) The addresses of marijuana grow sites registered under ORS 475.304.**

**(b)** Except as provided in subsection (2) of this section, the list *[shall be]* is confidential and not subject to public disclosure **under ORS 192.410 to 192.505.**

*[b)]* **(c)** The authority shall develop a system by which authorized employees of state and local law enforcement agencies may verify *[at all times]* that:

- (A) A person *[is a lawful possessor of]* **lawfully possesses** a registry identification card;
- (B) A person is the designated primary caregiver of a lawful possessor of a registry identification card; or
- (C) A location is *[an authorized]* **a registered** marijuana grow site<sup>[.]</sup>.

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*[(D) A location is a registered medical marijuana facility; or]*

*[(E) A person is the person listed as the person responsible for a registered medical marijuana facility.]*

(2) Names, addresses and other identifying information from the list established and maintained pursuant to subsection (1) of this section may be released to:

(a) Authorized employees of the authority as necessary to perform official duties of the authority.

(b) Authorized employees of state or local law enforcement agencies[,] who provide to the authority adequate identification, *[such as a badge number or similar authentication of authority,]* but only as necessary to verify that:

(A) A person *[is a lawful possessor of]* lawfully possesses a registry identification card;

(B) A person is the designated primary caregiver of a lawful possessor of a registry identification card; or

(C) A location is *[an authorized]* a registered marijuana grow site[.].

*[(D) A location is a registered medical marijuana facility; or]*

*[(E) A person is the person listed as the person responsible for a registered medical marijuana facility.]*

(3) Authorized employees of state or local law enforcement agencies *[that]* who obtain identifying information *[from the list]* as authorized *[under]* by this section may not release or use the information for any purpose other than *[verification]* to verify that:

(a) A person *[is a lawful possessor of]* lawfully possesses a registry identification card;

(b) A person is the designated primary caregiver of a lawful possessor of a registry identification card; or

(c) A location is *[an authorized]* a registered marijuana grow site[.].

*[(d) A location is a registered medical marijuana facility; or]*

*[(e) A person is the person listed as the person responsible for a registered medical marijuana facility.]*

(4) In addition to releasing information to authorized employees of state or local law enforcement agencies for purposes of verifying information under subsection (2)(b) of this section, the authority may release to authorized employees of state or local law enforcement agencies the minimum amount of information necessary to enable an employee to determine whether an individual or location is in compliance with a provision of ORS 475.300 to 475.346 or a rule adopted under ORS 475.300 to 475.346.

(5) If the authority determines, after conducting an investigation or receiving a complaint of an alleged violation of a provision of ORS 475.300 to 475.346 or a rule adopted under ORS 475.300 to 475.346, that a violation of a provision of ORS 475.300 to 475.346 or a rule adopted under ORS 475.300 to 475.346 has occurred, the authority may provide information obtained by the authority, except for information related to a registry identification cardholder's debilitating condition, to authorized employees of state or local law enforcement agencies, or to another state or local government agency with jurisdiction over the matter. **SECTION 90f.** ORS 475.334 is amended to read:

475.334. Any person may *[submit a petition to]* petition the Oregon Health Authority *[requesting]* to request that a *[particular]* disease or condition be included among the diseases and conditions that qualify as debilitating medical conditions under ORS *[475.302]* 475.300 to 475.346. The authority shall adopt rules establishing *[the manner in which the authority will evaluate petitions submitted under this section]* the procedure for filing a petition under this section and the manner by which the authority evaluates a request made under this section. *[Any]* Rules adopted *[pursuant to]* under this section *[shall]* must require the authority to approve or deny a petition within 180 days of *[receipt of]* receiving the petition *[by the authority]*. Denial of a petition *[shall be considered]* is a final *[authority]* agency action subject to judicial review.

**SECTION 90g.** ORS 475.338 is amended to read:

475.338. (1) The Oregon Health Authority shall adopt *[all]* rules necessary for the implementation, *[and]* administration and enforcement of ORS 475.300 to 475.346.

(2) The authority may adopt rules as the authority considers necessary to protect the public health and safety.

**SECTION 90h.** ORS 475.340 is amended to read:

475.340. Nothing in ORS 475.300 to 475.346 *[shall be construed to require]* requires:

(1) A government medical assistance program or private health insurer to reimburse a person for costs associated with the medical use of marijuana; or

(2) An employer to accommodate the medical use of marijuana in *[any]* the workplace. **SECTION 90i.** ORS 475.342 is amended to read:

475.342. *[Nothing in]* The provisions of ORS 475.300 to 475.346 *[shall protect]* do not protect a person from a criminal cause of action based on possession, *[production, or]* delivery or manufacture of marijuana that is not *[authorized by]* described in ORS 475.300 to 475.346.

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## TESTING

OPERATIVE JANUARY 1, 2016 SECTION 91. As used in sections 91 to 99 of this 2015 Act:

- (1) "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana.
- (2) "Cannabinoid concentrate or extract" means a substance obtained by separating cannabinoids from marijuana by a mechanical, chemical or other process.
- (3) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate or extract or the dried leaves or flowers of marijuana have been incorporated.
- (4)(a) "Cannabinoid product" means a cannabinoid edible or any other product intended for human consumption or use, including a product intended to be applied to a person's skin or hair, that contains cannabinoids or the dried leaves or flowers of marijuana.
  - (b) "Cannabinoid product" does not include:
    - (A) Usable marijuana by itself;
    - (B) A cannabinoid concentrate or extract by itself; or
    - (C) Industrial hemp, as defined in ORS 571.300.
  - (5)(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.
  - (b) "Marijuana" does not include industrial hemp, as defined in ORS 571.300.
  - (6) "Marijuana item" means marijuana, usable marijuana, a cannabinoid product or a cannabinoid concentrate or extract.
  - (7) "Processing" means the compounding or conversion of marijuana into cannabinoid products or cannabinoid concentrates or extracts.
  - (8) "Producing" means:
    - (a) Planting, cultivating, growing, trimming or harvesting marijuana; or
    - (b) Drying marijuana leaves and flowers.
  - (9)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.
    - (b) "Usable marijuana" does not include:
      - (A) The seeds, stalks and roots of marijuana; or
      - (B) Waste material that is a by-product of producing or processing marijuana.

SECTION 92. (1) As is necessary to protect the public health and safety, and in consultation with the Oregon Liquor Control Commission and the State Department of Agriculture, the Oregon Health Authority shall adopt rules:

- (a) Establishing standards for testing marijuana items.
- (b) Identifying appropriate tests for marijuana items, depending on the type of marijuana item and the manner in which the marijuana item was produced or processed, that are necessary to protect the public health and safety, including, but not limited to, tests for:
  - (A) Microbiological contaminants;
  - (B) Pesticides;
  - (C) Other contaminants;
  - (D) Solvents or residual solvents; and
  - (E) Tetrahydrocannabinol and cannabidiol concentration.
- (c) Establishing procedures for determining batch sizes and for sampling usable marijuana, cannabinoid products and cannabinoid concentrates or extracts.
- (d) Establishing different minimum standards for different varieties of usable marijuana and different types of cannabinoid products and cannabinoid concentrates and extracts.
  - (2) In addition to the testing requirements established under subsection (1) of this section, the authority or the commission may require cannabinoid edibles to be tested in accordance with any applicable law of this state, or any applicable rule adopted under a law of this state, related to the production and processing of food products or commodities.
  - (3) In adopting rules under ORS 475.300 to 475.346, the authority may require:
    - (a) A person responsible for a marijuana grow site under ORS 475.304 to test usable marijuana before transferring the usable marijuana to a registrant other than an individual who holds a registry identification card under ORS 475.309; and
    - (b) A person processing marijuana to test cannabinoid products or cannabinoid concentrates or extracts before transferring the cannabinoid products or cannabinoid concentrates or extracts to a registrant other than an individual who holds a registry identification card under ORS 475.309.

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(4) In adopting rules under sections 3 to 70, chapter 1, Oregon Laws 2015, the commission may require:

(a) A marijuana producer that holds a license under section 19, chapter 1, Oregon Laws 2015, or a marijuana wholesaler that holds a license under section 21, chapter 1, Oregon Laws 2015, to test usable marijuana before selling or transferring the usable marijuana; and

(b) A marijuana processor that holds a license under section 20, chapter 1, Oregon Laws 2015, or a marijuana wholesaler that holds a license under section 21, chapter 1, Oregon Laws 2015, to test cannabinoid products or cannabinoid concentrates or extracts before selling or transferring the cannabinoid products or cannabinoid concentrates or extracts.

(5) The authority and the commission may conduct random testing of marijuana items for the purpose of determining whether a person subject to testing under subsection (3) of this section or a licensee subject to testing under subsection (4) of this section is in compliance with this section.

(6) In adopting rules to implement this section, the authority and commission may not require a marijuana item to undergo the same test more than once unless the marijuana item is processed into a different type of marijuana item or the condition of the marijuana item has fundamentally changed.

(7) The testing of marijuana items as required by this section must be conducted by a laboratory licensed by the commission under section 93 of this 2015 Act and accredited by the authority under section 94 of this 2015 Act.

(8) In adopting rules under subsection (1) of this section, the authority:

(a) Shall consider the cost of a potential testing procedure and how that cost will affect the cost to the ultimate consumer of the marijuana item; and

(b) May not adopt rules that are more restrictive than is reasonably necessary to protect the public health and safety.

**SECTION 93.** (1) A laboratory that conducts testing of marijuana items as required by section 92 of this 2015 Act must have a license to operate at the premises at which the marijuana items are tested.

(2) For purposes of this section, the Oregon Liquor Control Commission shall adopt rules establishing:

(a) Qualifications to be licensed under this section, including that an applicant for licensure under this section must be accredited by the authority as described in section 94 of this 2015 Act;

(b) Processes for applying for and renewing a license under this section; (c) Fees for applying for, receiving and renewing a license under this section; and (d) Procedures for:

(A) Tracking usable marijuana, cannabinoid products and cannabinoid concentrates or extracts to be tested;

(B) Documenting and reporting test results; and

(C) Disposing of samples of usable marijuana, cannabinoid products and cannabinoid concentrates or extracts that have been tested.

(3) A license issued under this section must be renewed annually.

(4) The commission may inspect premises licensed under this section to ensure compliance with sections 91 to 99 of this 2015 Act and rules adopted under sections 91 to 99 of this 2015 Act.

(5) Subject to the applicable provisions of ORS chapter 183, the commission may refuse to issue or renew, or may suspend or revoke, a license issued under this section for violation of:

(a) A provision of sections 91 to 99 of this 2015 Act or a rule adopted under a provision of sections 91 to 99 of this 2015 Act; or

(b) A provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or a rule adopted under a provision of sections 3 to 70, chapter 1, Oregon Laws 2015.

(6) Fees adopted under subsection (2)(c) of this section must be reasonably calculated to pay the expenses incurred by the commission under sections 91 to 99 of this 2015 Act.

(7) Fee moneys collected under this section shall be deposited in the Marijuana Control and Regulation Fund established under section 32 of this 2015 Act and are continuously appropriated to the commission for the purpose of carrying out the duties, functions and powers of the commission under sections 91 to 99 of this 2015 Act.

**SECTION 94.** (1) A laboratory that conducts testing of marijuana items as required by section 92 of this 2015 Act must be accredited under ORS 438.605 to 438.620 and meet other qualifications as established by the Oregon Health Authority under this section.

(2) In addition to other qualifications required pursuant to ORS 438.605 to 438.620, the authority shall require an applicant for accreditation under ORS 438.605 to 438.620 for purposes related to the testing of marijuana items to:

(a) Complete an application;

(b) Undergo an onsite inspection; and

(c) Meet other applicable requirements, specifications and guidelines for testing marijuana items, as determined to be appropriate by the authority by rule.

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(3) The authority may inspect premises licensed under section 93 of this 2015 Act to ensure compliance with sections 91 to 99 of this 2015 Act and rules adopted under sections 91 to 99 of this 2015 Act.

(4) Subject to the applicable provisions of ORS chapter 183, the authority may refuse to issue or renew, or may suspend or revoke, a laboratory's accreditation granted under this section and ORS 438.605 to 438.620 for violation of:

(a) A provision of sections 91 to 99 of this 2015 Act or a rule adopted under a provision of sections 91 to 99 of this 2015 Act; or

(b) A provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or a rule adopted under a provision of sections 3 to 70, chapter 1, Oregon Laws 2015.

(5) In establishing fees under ORS 438.620 for laboratories that test marijuana items, the authority shall establish fees that are reasonably calculated to pay the expenses incurred by the authority under this section and ORS 438.605 to 439.620 in accrediting laboratories that test marijuana items.

SECTION 95. Sections 91 to 99 of this 2015 Act do not apply to:

(1) A person responsible for a marijuana grow site under ORS 475.304 if the person is transferring usable marijuana or an immature marijuana plant, as defined in section 5, chapter 1, Oregon Laws 2015, to:

(a) A person who holds a registry identification card under ORS 475.309 and who designated the person responsible for the marijuana grow site to grow marijuana for the person who holds a registry identification card; or

(b) A person who has been designated as the primary caregiver under ORS 475.312 of a person who holds a registry identification card under ORS 475.309 and who designated the person responsible for the marijuana grow site to grow marijuana for the person who holds a registry identification card; or

(2) A person who has been designated as the primary caregiver under ORS 475.312 of a person who holds a registry identification card under ORS 475.309 if the person is transferring a marijuana item to the person who holds a registry identification card.

SECTION 96. Subject to the applicable provisions of ORS chapter 183, if an applicant or licensee violates a provision of sections 91 to 99 of this 2015 Act or a rule adopted under a provision of sections 91 to 99 of this 2015 Act, the Oregon Liquor Control Commission may refuse to issue or renew, or may suspend or revoke, a license issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.

SECTION 97. Subject to the applicable provisions of ORS chapter 183, if a person violates a provision of sections 91 to 99 of this 2015 Act or a rule adopted under a provision of sections 91 to 99 of this 2015 Act, the Oregon Health Authority may:

(1) Refuse to register the person under ORS 475.300 to 475.346;

(2) Suspend activities conducted by a registrant pursuant to ORS 475.300 to 475.346; or

(3) Remove a registrant from a registry kept pursuant to ORS 475.300 to 475.346.

SECTION 98. (1) In addition to any other liability or penalty provided by law, the Oregon Health Authority may impose for each violation of a provision of sections 91 to 99 of this 2015 Act, or a rule adopted under a provision of sections 91 to 99 of this 2015 Act, a civil penalty that does not exceed \$500 for each day that the violation occurs.

(2) The authority shall impose civil penalties under this section in the manner provided by ORS 183.745.

(3) Moneys collected under this section shall be deposited in the Oregon Health Authority Fund established under ORS 413.101 and are continuously appropriated to the authority for the purpose of carrying out the duties, functions and powers of the authority under sections 91 to 99 of this 2015 Act.

SECTION 99. A person who holds a license under section 93 of this 2015 Act, and an employee of or other person who performs work for a person who holds a license under section 93 of this 2015 Act, are exempt from the criminal laws of this state for possession, delivery or manufacture of marijuana, aiding and abetting another in the possession, delivery or manufacture of marijuana, or any other criminal offense in which possession, delivery or manufacture of marijuana is an element, while performing activities related to testing as described in sections 91 to 99 of this 2015 Act.

## PACKAGING, LABELING AND DOSAGE OPERATIVE JANUARY 1, 2016

SECTION 100. As used in sections 100 to 112 of this 2015 Act:

(1) "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana.

(2) "Cannabinoid concentrate or extract" means a substance obtained by separating cannabinoids from marijuana by a mechanical, chemical or other process.

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(3) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate or extract or the dried leaves or flowers of marijuana have been incorporated.

(4)(a) "Cannabinoid product" means a cannabinoid edible or any other product intended for human consumption or use, including a product intended to be applied to a person's skin or hair, that contains cannabinoids or the dried leaves or flowers of marijuana.

(b) "Cannabinoid product" does not include:

(A) Usable marijuana by itself;

(B) A cannabinoid concentrate or extract by itself; or (C) Industrial hemp, as defined in ORS 571.300.

(5)(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

(b) "Marijuana" does not include industrial hemp, as defined in ORS 571.300.

(6) "Marijuana item" means marijuana, usable marijuana, a cannabinoid product or a cannabinoid concentrate or extract.

(7) "Processing" means the compounding or conversion of marijuana into cannabinoid products or cannabinoid concentrates or extracts.

(8) "Producing" means:

(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

(b) Drying marijuana leaves and flowers.

(9)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

(b) "Usable marijuana" does not include:

(A) The seeds, stalks and roots of marijuana; or

(B) Waste material that is a by-product of producing or processing marijuana.

**SECTION 101.** (1) As is necessary to protect the public health and safety, and in consultation with the Oregon Liquor Control Commission and the State Department of Agriculture, the Oregon Health Authority shall adopt rules establishing standards for the labeling of marijuana items, including but not limited to:

(a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles and other cannabinoid products have labeling that communicates:

(A) Health and safety warnings;

(B) Activation time;

(C) Results of tests conducted pursuant to sections 91 to 99 of this 2015 Act;

(D) Potency;

(E) For cannabinoid products and cannabinoid concentrates and extracts, serving size and the number of servings included in a cannabinoid product or cannabinoid concentrate or extract package; and

(F) Content of the marijuana item; and

(b) Labeling that is in accordance with applicable state food labeling requirements for the same type of food product or potable liquid when the food product or potable liquid does not contain marijuana or cannabinoids.

(2) In adopting rules under ORS 475.300 to 475.346, the authority shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical marijuana dispensary registered under ORS 475.314 to be labeled in accordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

(3) In adopting rules under sections 3 to 70, chapter 1, Oregon Laws 2015, the commission shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by a marijuana retailer that holds a license under section 22, chapter 1, Oregon Laws 2015, to be labeled in accordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

(4) In adopting rules under subsection (1) of this section, the authority:

(a) May establish different labeling standards for different varieties of usable marijuana and for different types of cannabinoid products and cannabinoid concentrates and extracts;

(b) May establish different minimum labeling standards for persons registered under ORS 475.300 to 475.346 and persons licensed under sections 3 to 70, chapter 1, Oregon Laws 2015;

(c) Shall consider the cost of a potential requirement and how that cost will affect the cost to the ultimate consumer of the marijuana item; and

(d) May not adopt rules that are more restrictive than is reasonably necessary to protect the public health and safety.

**SECTION 102.** (1) As used in this section:

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(a) "Licensee" has the meaning given that term in section 5, chapter 1, Oregon Laws 2015.

(b) "Registrant" means a person registered under ORS 475.300 to 475.346.

(2) The Oregon Liquor Control Commission may by rule require a licensee, and the Oregon Health Authority may by rule require a registrant, to submit a label intended for use on a marijuana item for preapproval by the commission before the licensee or registrant may sell or transfer a marijuana item bearing the label. The commission shall determine whether a label submitted under this section complies with section 101 of this 2015 Act and any rule adopted under section 101 of this 2015 Act.

(3) The commission may impose a fee for submitting a label for preapproval under this section that is reasonably calculated to not exceed the cost of administering this section.

**SECTION 103.** (1) As is necessary to protect the public health and safety, and in consultation with the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor Control Commission shall adopt rules establishing standards for the packaging of marijuana items, including but not limited to:

(a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles and other cannabinoid products are:

(A) Packaged in child-resistant safety packaging; and (B) Not marketed in a manner that:

(i) Is untruthful or misleading;

(ii) Is attractive to minors; or

(iii) Otherwise creates a significant risk of harm to public health and safety; and

(b) Ensuring that cannabinoid edibles and other cannabinoid products are not packaged in a manner that is attractive to minors.

(2) In adopting rules under ORS 475.300 to 475.346, the authority shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical marijuana dispensary registered under ORS 475.314 to be packaged in accordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

(3) In adopting rules under sections 3 to 70, chapter 1, Oregon Laws 2015, the commission shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by a marijuana retailer that holds a license under section 22, chapter 1, Oregon Laws 2015, to be packaged in accordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

(4) In adopting rules under subsection (1) of this section the commission:

(a) May establish different packaging standards for different varieties of usable marijuana and for different types of cannabinoid products and cannabinoid concentrates and extracts;

(b) May establish different minimum packaging standards for persons registered under ORS 475.300 to 475.346 and persons licensed under sections 3 to 70, chapter 1, Oregon Laws 2015;

(c) May consider the effect on the environment of requiring certain packaging;

(d) Shall consider the cost of a potential requirement and how that cost will affect the cost to the ultimate consumer of the marijuana item; and

(e) May not adopt rules that are more restrictive than is reasonably necessary to protect the public health and safety.

**SECTION 104.** (1) As used in this section:

(a) "Licensee" has the meaning given that term in section 5, chapter 1, Oregon Laws 2015.

(b) "Registrant" means a person registered under ORS 475.300 to 475.346.

(2) The Oregon Liquor Control Commission may by rule require a licensee, and the Oregon Health Authority may by rule require a registrant, to submit packaging intended for a marijuana item for preapproval by the commission before the licensee or registrant may sell or transfer a marijuana item packaged in the packaging. The commission shall determine whether packaging submitted under this section complies with section 103 of this 2015 Act and any rule adopted under section 103 of this 2015 Act.

(3) The commission may impose a fee for submitting packaging for preapproval under this section that is reasonably calculated to not exceed the cost of administering this section.

**SECTION 105.** (1) The Oregon Health Authority shall adopt rules establishing:

(a) The maximum concentration of tetrahydrocannabinol that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract; and

(b) The number of servings that are permitted in a cannabinoid product or cannabinoid concentrate or extract package.

(2) In adopting rules under ORS 475.300 to 475.346, the authority shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical marijuana dispensary registered under ORS 475.314 to meet the concentration standards adopted by rule pursuant to subsection (1) of this section.

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(3) In adopting rules under sections 3 to 70, chapter 1, Oregon Laws 2015, the Oregon Liquor Control Commission shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by a marijuana retailer that holds a license under section 22, chapter 1, Oregon Laws 2015, to meet the concentration standards adopted by rule pursuant to subsection (1) of this section.

SECTION 106. Sections 100 to 112 of this 2015 Act do not apply to:

(1) A person responsible for a marijuana grow site under ORS 475.304 if the person is transferring usable marijuana or an immature marijuana plant, as defined in section 5, chapter 1, Oregon Laws 2015, to:

(a) A person who holds a registry identification card under ORS 475.309 and who designated the person responsible for the marijuana grow site to grow marijuana for the person who holds a registry identification card; or

(b) A person who has been designated as the primary caregiver under ORS 475.312 of a person who holds a registry identification card under ORS 475.309, and who designated the person responsible for the marijuana grow site to grow marijuana for the person who holds a registry identification card; or

(2) A person who has been designated as the primary caregiver under ORS 475.312 of a person who holds a registry identification card under ORS 475.309 if the person is transferring a marijuana item to the person who holds a registry identification card.

SECTION 107. To ensure compliance with sections 100 to 112 of this 2015 Act and any rule adopted under sections 100 to 112 of this 2015 Act, the Oregon Health Authority may inspect the premises of:

(1) A medical marijuana dispensary registered under ORS 475.314; and

(2) A person that processes marijuana to test cannabinoid products or cannabinoid concentrates or extracts for the purpose of transferring the cannabinoid products or cannabinoid concentrates or extracts to a medical marijuana dispensary registered under ORS 475.314.

SECTION 108. To ensure compliance with sections 100 to 112 of this 2015 Act and any rule adopted under sections 100 to 112 of this 2015 Act, the Oregon Liquor Control Commission may inspect the premises of a person that holds a license under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.

SECTION 109. Subject to the applicable provisions of ORS chapter 183, if a person violates a provision of sections 100 to 112 of this 2015 Act or a rule adopted under a provision of sections 100 to 112 of this 2015 Act, the Oregon Health Authority may:

(1) Refuse to register a person under ORS 475.300 to 475.346;

(2) Suspend activities conducted by a registrant pursuant to ORS 475.300 to 475.346; or

(3) Remove a registrant from a registry kept pursuant to ORS 475.300 to 475.346.

SECTION 110. Subject to the applicable provisions of ORS chapter 183, if the applicant or licensee violates a provision of sections 100 to 112 of this 2015 Act or a rule adopted under a provision of sections 100 to 112 of this 2015 Act, the Oregon Liquor Control Commission may refuse to issue or renew, or may suspend or revoke, a license issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.

SECTION 111. (1) In addition to any other liability or penalty provided by law, the Oregon Health Authority may impose for each violation of a provision of sections 100 to 112 of this 2015 Act, or a rule adopted under a provision of sections 100 to 112 of this 2015 Act, a civil penalty that does not exceed \$500 for each day that the violation occurs.

(2) The authority shall impose civil penalties under this subsection in the manner provided by ORS 183.745.

(3) Moneys collected under this section shall be deposited in the Oregon Health Authority Fund established under ORS 413.101 and are continuously appropriated to the authority for the purpose of carrying out the duties, functions and powers of the authority under sections 100 to 112 of this 2015 Act.

SECTION 112. The rules of the Oregon Health Authority adopted under ORS 475.314 (8) as that statute was in effect before the operative date specified in section 178 of this 2015 Act continue in effect until superseded or repealed by rules of the authority or of the commission adopted under sections 100 to 112 of this 2015 Act.

## RESEARCH CERTIFICATE OPERATIVE NOVEMBER 15, 2015

SECTION 113. (1) The Oregon Liquor Control Commission, in consultation with the Oregon Health Authority and the State Department of Agriculture, shall establish a program for the purpose of identifying and certifying private and public researchers of cannabis.

(2)(a) The authority shall assist the commission in identifying candidates for certification under this section with respect to potential medical research.

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(b) The department shall assist the commission in identifying candidates for certification under this section with respect to potential agricultural research.

(3) Subject to subsection (4) of this section, the commission shall adopt by rule or order:

(a) Qualifications for certification under this section;

(b) The term of a certificate issued under this section;

(c) Processes for applying for, receiving and renewing a certificate under this section;

(d) Procedures for tracking marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts received by and disposed or otherwise made use of by a person certified under this section; and

(e) Procedures for disposing or otherwise making use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

(4) In establishing qualifications under subsection (3) of this section, the commission shall consider the following:

(a) A research applicant's access to funding and the overall cost of the proposed research;

(b) The overall benefit of an applicant's proposed research to this state's cannabis industry or to public health and safety; and

(c) Legal barriers to conducting the proposed research or legal risks associated with conducting the proposed research.

(5) A person certified under this section:

(a) May receive marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts from a licensee or a registrant under ORS 475.300 to 475.346; and

(b) May not sell or otherwise transfer marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts to any other person, except as provided in rules adopted by the commission under subsection (3)(e) of this section.

(6) Except as otherwise provided by the commission by rule, rules adopted by the commission for the purpose of administering and enforcing sections 3 to 70, chapter 1, Oregon Laws 2015, with respect to licensees and licensee representatives apply to persons certified under this section and persons employed by or who otherwise perform work for persons certified under this section.

(7) A person who is certified under this section, and an employee of or other person who performs work for a person certified under this section, is exempt from the criminal laws of this state for possession, delivery or manufacture of marijuana, aiding and abetting another in the possession, delivery and manufacture of marijuana, or any other criminal offense in which possession, delivery or manufacture of marijuana is an element, while performing activities related to conducting research as described in this section.

## CANNABINOID EDIBLES OPERATIVE JANUARY 1, 2016

**SECTION 114.** (1) Notwithstanding the authority granted to the State Department of Agriculture under ORS chapters 571, 618 and 633 and ORS 632.206 to 632.260, 632.275 to 632.290, 632.450 to 632.490, 632.516 to 632.625, 632.705 to 632.815, 632.835 to 632.850 and 632.900 to 632.985, the department may not exercise authority over marijuana items or a licensee, except that ORS 618.121 to 618.161, 618.991, 618.995, 633.311 to 633.479, 633.992 and 633.994 apply to marijuana items or to a licensee.

(2) In exercising its authority under ORS chapter 616, the department may not:

(a) Establish standards for marijuana as a food additive, as defined in ORS 616.205;

(b) Consider marijuana to be an adulterant, unless the concentration of a cannabinoid in a cannabinoid product, cannabinoid concentrate or cannabinoid extract exceeds acceptable levels established by the Oregon Health Authority by rule; or

(c) Apply ORS 616.256, 616.265, 616.270 or 616.275 to cannabinoid edibles or enforce ORS 616.256, 616.265, 616.270 or 616.275 with respect to cannabinoid edibles.

**SECTION 115.** ORS 616.010 is amended to read:

616.010. The duty of administration and enforcement of all regulatory legislation applying to:

(1) The production, processing and distribution of all food products or commodities of agricultural origin shall, in addition to such further legislation as shall specifically name the State Department of Agriculture as the administering agency, be performed by the department to the exclusion of any other department not so specifically named, **except as provided in section 114 of this 2015 Act.**

(2) The sanitation of establishments where food or drink is consumed on the premises where sold, or to sanitary practices used in such establishments, shall be performed by the Oregon Health Authority.

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## MEDICAL MARIJUANA GROW SITE OPT-IN OPERATIVE JANUARY 1, 2016

**SECTION 116.** (1) A person responsible for a marijuana grow site under ORS 475.304 may apply for a license under section 19, chapter 1, Oregon Laws 2015, to produce marijuana at the address of the marijuana grow site, provided that all individuals registered with the Oregon Health Authority to produce marijuana at the address are listed on the application submitted to the Oregon Liquor Control Commission under section 28, chapter 1, Oregon Laws 2015.

(2) Notwithstanding any other provision of sections 3 to 70, chapter 1, Oregon Laws 2015, the commission may issue a license under section 19, chapter 1, Oregon Laws 2015, to a person responsible for a marijuana grow site under ORS 475.304 if the person responsible for the marijuana grow site:

- (a) Meets any criminal background check requirements established by the commission by rule;
  - (b) Agrees to be subject to the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, including section 59, chapter 1, Oregon Laws 2015, and section 34 of this 2015 Act, and rules adopted under sections 3 to 70, chapter 1, Oregon Laws 2015, that apply to marijuana producers; and
  - (c) Submits proof, in a form and manner prescribed by the commission, of having obtained the permission to apply for licensure under section 19, chapter 1, Oregon Laws 2015, of each individual who holds a registry identification card issued under ORS 475.309 for whom the person produces marijuana at the address of the marijuana grow site.
- (3) The commission by rule or order may waive the application of any rule adopted under sections 3 to 70, chapter 1, Oregon Laws 2015, to a person responsible for a marijuana grow site that holds a license under section 19, chapter 1, Oregon Laws 2015.

- (4) A person responsible for a marijuana grow site that holds a license under section 19, chapter 1, Oregon Laws 2015:
- (a) May not possess more than the amount or number of marijuana plants permitted pursuant to ORS 475.300 to 475.346;
  - (b) Must allow each marijuana plant to be tracked using the system developed and maintained under section 23 of this 2015 Act;
  - (c) May sell immature marijuana plants and usable marijuana in excess of amounts produced for individuals who hold a registry identification card issued under ORS 475.309 to a person who holds a license under section 20, 21 or 22, chapter 1, Oregon Laws 2015, in accordance with rules adopted by the commission; and
  - (d) May transfer marijuana and usable marijuana to other registrants under ORS 475.300 to 475.346 in accordance with rules adopted by the authority.
- (5) In a form and manner prescribed by the commission, a person responsible for a marijuana grow site that holds a license under section 19, chapter 1, Oregon Laws 2015, may surrender the person's license. If the person surrenders the person's license, the person is no longer subject to the provisions of this section.
- (6) Notwithstanding ORS 475.331, the authority may provide information to the commission as is necessary for the commission to determine whether a person responsible for a marijuana grow site that holds a license under section 19, chapter 1, Oregon Laws 2015, is in compliance with this section.
- (7) This section does not prohibit or otherwise restrict the duties, functions and powers of a person responsible for a marijuana grow site as set forth in ORS 475.300 to 475.346, except that the person is not subject to any requirement related to the reporting or tracking of mature marijuana plants and usable marijuana.

## CANNABIS EDUCATION PROGRAM EFFECTIVE ON PASSAGE

**SECTION 117.** (1) As part of the comprehensive alcohol and drug abuse policy and implementation plan described in ORS 336.222, the Oregon Health Authority, State Board of Education and Alcohol and Drug Policy Commission shall collaborate on developing marijuana abuse prevention curricula and public information programs for students, parents, teachers, administrators and school board members.

(2) In the manner provided by ORS 192.245, the authority shall report on the implementation of this section to the Legislative Assembly on or before February 1 of each odd-numbered year.

**SECTION 118.** Notwithstanding section 117 (2) of this 2015 Act, the Oregon Health Authority shall first report on the implementation of section 117 of this 2015 Act and may make recommendations for legislation, including recommendations related to the use of moneys collected as a tax from businesses involved in marijuana operations, to the Legislative Assembly on or before February 1, 2016.

# BUDGET NARRATIVE

## CRIMES EFFECTIVE ON PASSAGE

**SECTION 119.** ORS 475.858 is amended to read:

475.858. (1) It is unlawful for any person to manufacture marijuana within 1,000 feet of the real property comprising a public or private elementary, secondary or career school attended primarily by minors.

(2) Unlawful manufacture of marijuana within 1,000 feet of a school is a Class A felony.

(3) **This section does not apply to:**

(a) **A licensee or licensee representative, as those terms are defined in section 5, chapter 1, Oregon Laws 2015, that is engaged in lawful activities; or**

(b) **A person acting within the scope of and in compliance with section 6 (1), chapter 1, Oregon Laws 2015.**

**SECTION 120.** ORS 475.862 is amended to read:

475.862. (1) It is unlawful for any person to deliver marijuana within 1,000 feet of the real property comprising a public or private elementary, secondary or career school attended primarily by minors.

(2) Unlawful delivery of marijuana within 1,000 feet of a school is a Class A felony.

(3) **This section does not apply to:**

(a) **A licensee or licensee representative, as those terms are defined in section 5, chapter 1, Oregon Laws 2015, that is engaged in lawful activities; or**

(b) **A person acting within the scope of and in compliance with section 6 (1), chapter 1, Oregon Laws 2015.**

**SECTION 121.** ORS 475.856, as amended by section 77, chapter 1, Oregon Laws 2015, is amended to read:

475.856. (1) **As used in this section, “homegrown,” “household,” “license” and “licensee representative” have the meanings given those terms in section 5, chapter 1, Oregon Laws 2015.**

[1] (2) Except for licensees and licensee representatives that are engaged in lawful activities [as defined in subsections (10) and (11) of section 5 of this Act], and except for a person acting within the scope of and in compliance with section 6 (1), chapter 1, Oregon Laws 2015 [subsection (1) of section 6 of this Act], it is unlawful for any person to manufacture marijuana.

[2] (3) Unlawful manufacture of marijuana is a Class [B] C felony.

[3] (4) Notwithstanding subsection [(2)] (3) of this section, unlawful manufacture of marijuana is a Class B misdemeanor[,] if a person 21 years of age or older manufactures homegrown marijuana at a household and the total number of homegrown marijuana plants at the household exceeds four marijuana plants but does not exceed eight marijuana plants.

[4] *As used in subsection (3) of this section, the terms “homegrown” and “household” have the meanings given to them in section 5 of this Act.*

**SECTION 122.** ORS 475.860, as amended by section 78, chapter 1, Oregon Laws 2015, is amended to read:

475.860. (1) Except for licensees and licensee representatives, **as those terms are defined in section 5, chapter 1, Oregon Laws 2015, that are engaged in lawful activities** [as defined in subsections (10) and (11) of section 5 of this Act], and except for a person acting within the scope of and in compliance with section 6 (1), chapter 1, Oregon Laws 2015 [subsection (1) of section 6 of this Act], it is unlawful for any person to deliver marijuana.

(2) Unlawful delivery of marijuana is a[.] **Class A misdemeanor.**

[a] *Class B felony if the delivery is for consideration.*

[b] *Class C felony if the delivery is for no consideration.*

(3) Notwithstanding subsection (2) of this section, unlawful delivery of marijuana is a:

(a) Class A [*misdemeanor*] **violation**, if the delivery is for no consideration and consists of less than one avoirdupois ounce of the dried leaves, stems and flowers of the plant Cannabis family Moraceae; or

(b) Violation, if the delivery is for no consideration and consists of less than five grams of the dried leaves, stems and flowers of the plant Cannabis family Moraceae. A violation under this paragraph is a specific fine violation. The presumptive fine for a violation under this paragraph is \$650.

(4) Notwithstanding subsections (2) and (3) of this section, unlawful delivery of marijuana is a[.] **Class C felony, if the delivery is to a person under 18 years of age and the defendant is at least 21 years of age.**

[a] *Class A felony, if the delivery is to a person under 18 years of age and the defendant is at least 18 years of age and is at least three years older than the person to whom the marijuana is delivered; or*

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[(b) Class C misdemeanor, if the delivery:]

[(A) Is for no consideration;]

[(B) Consists of less than five grams of the dried leaves, stems and flowers of the plant Cannabis family Moraceae;]

[(C) Takes place in a public place, as defined in ORS 161.015, that is within 1,000 feet of the real property comprising a public or private elementary, secondary or career school attended primarily by minors; and]

[(D) Is to a person who is 18 years of age or older.]

**SECTION 123.** ORS 475.864, as amended by section 79, chapter 1, Oregon Laws 2015, is amended to read:

475.864. (1) As used in subsections (2) to (4) of this section:

(a) “Marijuana” means the leaves, stems[,] and flowers of the plant Cannabis family Moraceae.

(b) “Marijuana product” has the meaning given the term “marijuana” in ORS 475.005 (16), but does not include the leaves, stems and flowers of the plant Cannabis family Moraceae.

(2) It is unlawful for any person under 21 years of age knowingly or intentionally to possess marijuana or marijuana product.

(3)(a) Unlawful possession of [four] **more than eight** avoirdupois ounces [or more] of marijuana by a person under 21 years of age is a Class [C felony] **A misdemeanor**.

(b) Unlawful possession of **more than** one avoirdupois ounce of marijuana [or more], but less than [four] **eight** avoirdupois ounces, by a person under 21 years of age is a Class B misdemeanor.

(c) Unlawful possession of [less than] one avoirdupois ounce **or less** of marijuana by a person under 21 years of age is a specific fine violation. The presumptive fine for a violation under this paragraph is \$650.

(4)(a) Unlawful possession of [one-quarter avoirdupois ounce or more] **more than 16 avoirdupois ounces** of marijuana product in a solid form **or more than 72 ounces of marijuana product in a liquid form** by a person under 21 years of age is a Class [C felony] **A misdemeanor**.

(b) Unlawful possession of [less than one-quarter avoirdupois ounce] **16 avoirdupois ounces or less** of marijuana product in a solid form **or 72 ounces or less of marijuana product in a liquid form** by a person under 21 years of age is a Class B misdemeanor.

(5) As used in subsections (6) to (8) of this section, [the terms] “cannabinoid concentrate,”

“cannabinoid extract,” “cannabinoid product,” “licensee,” “licensee representative,” “marijuana,” [“marijuana extracts,” “marijuana products,”] “marijuana retailer,” “public place[,]” and “usable marijuana” have the meanings given [to them] **those terms** in section 5, chapter 1, Oregon Laws 2015 [of this Act].

(6) Except for licensees and licensee representatives **acting in accordance with sections 3 to 70, chapter 1, Oregon Laws 2015, and any rule adopted under sections 3 to 70, chapter 1, Oregon Laws 2015**, it is unlawful for any person 21 years of age or older knowingly or intentionally to possess:

(a) More than one ounce of usable marijuana in a public place.

(b) More than eight ounces of usable marijuana.

(c) More than [sixteen] **16** ounces of [marijuana] **cannabinoid** products in solid form **or cannabinoid concentrates**.

(d) More than [seventy-two] **72** ounces of [marijuana] **cannabinoid** products in liquid form. (e) More than one ounce of [marijuana extracts] **cannabinoid extracts**.

(f) [Any marijuana extracts that were] **A cannabinoid extract that was not purchased from a [licensed] marijuana retailer that holds a license under section 22, chapter 1, Oregon Laws 2015**.

(7) A violation of [paragraphs (a) to (e) of] subsection (6)(a) to (e) of this section is a:

(a) Class [C felony] **A misdemeanor**, if the amount possessed is more than four times the applicable maximum amount specified in subsection (6)(a) to (e) of this section;

(b) Class B misdemeanor, if the amount possessed is more than two times, but not more than four times, the applicable maximum amount specified in subsection (6)(a) to (e) of this section; or

(c) Class B violation, if the amount possessed is not more than two times the applicable maximum amount specified in subsection (6)(a) to (e) of this section.

(8) A violation of [paragraph (f) of] subsection (6)(f) of this section is a:

(a) Class C felony, if the amount possessed is more than one-quarter ounce of [such marijuana extracts] **the cannabinoid extract**; or

(b) Class B misdemeanor, if the amount possessed is not more than one-quarter ounce of [such marijuana extracts] **the cannabinoid extract**.

**SECTION 124.** ORS 475.752, as amended by section 76, chapter 1, Oregon Laws 2015, is amended to read:

475.752. (1) Except for licensees and licensee representatives, **as those terms are defined in section 5, chapter 1, Oregon Laws 2015, that are engaged in lawful activities [as defined in subsections (10) and (11) of section 5 of this Act]**, and except for a person acting within the scope of and in compliance with **section 6 (1), chapter 1, Oregon Laws 2015 [subsection (1) of section 6 of**

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*this Act*], and except as authorized by ORS 475.005 to 475.285 and 475.752 to 475.980, it is unlawful for any person to manufacture or deliver a controlled substance. Any person who violates this subsection with respect to:

- (a) A controlled substance in Schedule I, is guilty of a Class A felony, except as otherwise provided in ORS 475.886 and 475.890.
- (b) A controlled substance in Schedule II, is guilty of a Class B felony, except as otherwise provided in ORS 475.858, 475.860, 475.862, 475.878, 475.880, 475.882, 475.904 and 475.906.
- (c) A controlled substance in Schedule III, is guilty of a Class C felony, except as otherwise provided in ORS 475.904 and 475.906.
- (d) A controlled substance in Schedule IV, is guilty of a Class B misdemeanor.
- (e) A controlled substance in Schedule V, is guilty of a Class C misdemeanor.

(2) Except as authorized in ORS 475.005 to 475.285 and 475.752 to 475.980, it is unlawful for any person to create or deliver a counterfeit substance. Any person who violates this subsection with respect to:

- (a) A counterfeit substance in Schedule I, is guilty of a Class A felony.
- (b) A counterfeit substance in Schedule II, is guilty of a Class B felony.
- (c) A counterfeit substance in Schedule III, is guilty of a Class C felony.
- (d) A counterfeit substance in Schedule IV, is guilty of a Class B misdemeanor.
- (e) A counterfeit substance in Schedule V, is guilty of a Class C misdemeanor.

(3) It is unlawful for any person knowingly or intentionally to possess a controlled substance, other than marijuana, unless the substance was obtained directly from, or pursuant to a valid prescription or order of, a practitioner while acting in the course of professional practice, or except as otherwise authorized by ORS 475.005 to 475.285 and 475.752 to 475.980. Any person who violates this subsection with respect to:

- (a) A controlled substance in Schedule I, is guilty of a Class B felony, except as otherwise provided in ORS 475.894.
- (b) A controlled substance in Schedule II, is guilty of a Class C felony, except as otherwise provided in ORS 475.864.
- (c) A controlled substance in Schedule III, is guilty of a Class A misdemeanor.
- (d) A controlled substance in Schedule IV, is guilty of a Class C misdemeanor.
- (e) A controlled substance in Schedule V, is guilty of a violation.

(4) In any prosecution under this section for manufacture, possession or delivery of that plant of the genus *Lophophora* commonly known as peyote, it is an affirmative defense that the peyote is being used or is intended for use:

- (a) In connection with the good faith practice of a religious belief;
- (b) As directly associated with a religious practice; and
- (c) In a manner that is not dangerous to the health of the user or others who are in the proximity of the user.

(5) The affirmative defense created in subsection (4) of this section is not available to any person who has possessed or delivered the peyote while incarcerated in a correctional facility in this state.

(6)(a) Notwithstanding subsection (1) of this section, a person who unlawfully manufactures or delivers a controlled substance in Schedule IV and who thereby causes death to another person is guilty of a Class C felony.

(b) For purposes of this subsection, causation is established when the controlled substance plays a substantial role in the death of the other person.

**SECTION 125.** ORS 161.705, as amended by section 2, chapter \_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 364), is amended to read:

161.705. Notwithstanding ORS 161.525, the court may enter judgment of conviction for a Class A misdemeanor and make disposition accordingly when:

(1)(a) A person is convicted of any Class C felony; **or**

*[(b) A person is convicted of a Class B felony pursuant to ORS 475.860 (2)(a); or]*

*[(c)]* (b) A person convicted of a felony described in paragraph (a) *[or (b)]* of this subsection, of possession **or delivery** of marijuana constituting a Class B felony, or of a Class A felony pursuant to ORS 166.720, has successfully completed a sentence of probation; and

(2) The court, considering the nature and circumstances of the crime and the history and character of the defendant, believes that it would be unduly harsh to sentence the defendant for a felony.

**SECTION 126.** ORS 475.900 is amended to read:

475.900. (1) A violation of ORS 475.752, 475.806 to 475.894, 475.904 or 475.906 shall be classified as crime category 8 of the sentencing guidelines grid of the Oregon Criminal Justice Commission if:

# BUDGET NARRATIVE

(a) The violation constitutes delivery or manufacture of a controlled substance and involves substantial quantities of a controlled substance. For purposes of this paragraph, the following amounts constitute substantial quantities of the following controlled substances:

- (A) Five grams or more of a mixture or substance containing a detectable amount of heroin;
- (B) Ten grams or more of a mixture or substance containing a detectable amount of cocaine;
- (C) Ten grams or more of a mixture or substance containing a detectable amount of methamphetamine, its salts, isomers or salts of its isomers;
- (D) Two hundred or more user units of a mixture or substance containing a detectable amount of lysergic acid diethylamide;
- (E) Sixty grams or more of a mixture or substance containing a detectable amount of psilocybin or psilocin; or
- (F) Five grams or more or 25 or more pills, tablets or capsules of a mixture or substance containing a detectable amount of:
  - (i) 3,4-methylenedioxyamphetamine; (ii) 3,4-methylenedioxymethamphetamine; or (iii) 3,4-methylenedioxy-N-ethylamphetamine.

(b) The violation constitutes possession, delivery or manufacture of a controlled substance and the possession, delivery or manufacture is a commercial drug offense. A possession, delivery or manufacture is a commercial drug offense for purposes of this subsection if it is accompanied by at least three of the following factors:

- (A) The delivery was of heroin, cocaine, methamphetamine, lysergic acid diethylamide, psilocybin or psilocin and was for consideration;
- (B) The offender was in possession of \$300 or more in cash;
- (C) The offender was unlawfully in possession of a firearm or other weapon as described in ORS 166.270 (2), or the offender used, attempted to use or threatened to use a deadly or dangerous weapon as defined in ORS 161.015, or the offender was in possession of a firearm or other deadly or dangerous weapon as defined in ORS 161.015 for the purpose of using it in connection with a controlled substance offense;

(D) The offender was in possession of materials being used for the packaging of controlled substances such as scales, wrapping or foil, other than the material being used to contain the substance that is the subject of the offense;

- (E) The offender was in possession of drug transaction records or customer lists;
- (F) The offender was in possession of stolen property;
- (G) Modification of structures by painting, wiring, plumbing or lighting to facilitate a controlled substance offense;
- (H) The offender was in possession of manufacturing paraphernalia, including recipes, precursor chemicals, laboratory equipment, lighting, ventilating or power generating equipment;
- (I) The offender was using public lands for the manufacture of controlled substances;
- (J) The offender had constructed fortifications or had taken security measures with the potential of injuring persons; or
- (K) The offender was in possession of controlled substances in an amount greater than:
  - (i) Three grams or more of a mixture or substance containing a detectable amount of heroin;
  - (ii) Eight grams or more of a mixture or substance containing a detectable amount of cocaine;
  - (iii) Eight grams or more of a mixture or substance containing a detectable amount of methamphetamine;
  - (iv) Twenty or more user units of a mixture or substance containing a detectable amount of lysergic acid diethylamide;
  - (v) Ten grams or more of a mixture or substance containing a detectable amount of psilocybin or psilocin; or
  - (vi) Four grams or more or 20 or more pills, tablets or capsules of a mixture or substance containing a detectable amount of:
    - (I) 3,4-methylenedioxyamphetamine; (II) 3,4-methylenedioxymethamphetamine; or (III) 3,4-methylenedioxy-N-ethylamphetamine.

(c) The violation constitutes a violation of ORS 475.848, 475.852, 475.862, 475.868, 475.872, 475.878, 475.882, 475.888, 475.892 or 475.904.

(d) The violation constitutes manufacturing methamphetamine and the manufacturing consists of:

- (A) A chemical reaction involving one or more precursor substances for the purpose of manufacturing methamphetamine; or
- (B) Grinding, soaking or otherwise breaking down a precursor substance for the purpose of manufacturing methamphetamine.

(e) The violation constitutes [a violation of ORS 475.860 (4)(a) or] a violation of ORS 475.906 (1) or (2) that is not described in ORS 475.907.

(2) A violation of ORS 475.752 or 475.806 to 475.894 shall be classified as crime category 6 of the sentencing guidelines grid of the Oregon Criminal Justice Commission if:

# BUDGET NARRATIVE

(a) The violation constitutes delivery of heroin, cocaine, methamphetamine or 3,4-methylenedioxyamphetamine, 3,4-methylenedioxymethamphetamine or 3,4-methylenedioxy-N-ethylamphetamine and is for consideration.

(b) The violation constitutes possession of:

- (A) Five grams or more of a mixture or substance containing a detectable amount of heroin;
- (B) Ten grams or more of a mixture or substance containing a detectable amount of cocaine;
- (C) Ten grams or more of a mixture or substance containing a detectable amount of methamphetamine;
- (D) Two hundred or more user units of a mixture or substance containing a detectable amount of lysergic acid diethylamide;
- (E) Sixty grams or more of a mixture or substance containing a detectable amount of psilocybin or psilocin; or
- (F) Five grams or more or 25 or more pills, tablets or capsules of a mixture or substance containing a detectable amount of:
  - (i) 3,4-methylenedioxyamphetamine; (ii) 3,4-methylenedioxymethamphetamine; or (iii) 3,4-methylenedioxy-N-ethylamphetamine.

(3) Any felony violation of ORS 475.752 or 475.806 to 475.894 not contained in subsection (1) or

(2) of this section shall be classified as:

- (a) Crime category 4 of the sentencing guidelines grid of the Oregon Criminal Justice Commission if the violation involves delivery or manufacture of a controlled substance; or
- (b) Crime category 1 of the sentencing guidelines grid of the Oregon Criminal Justice Commission if the violation involves possession of a controlled substance.
- (4) In order to prove a commercial drug offense, the state shall plead in the accusatory instrument sufficient factors of a commercial drug offense under subsections (1) and (2) of this section. The state has the burden of proving each factor beyond a reasonable doubt.
- (5) As used in this section, "mixture or substance" means any mixture or substance, whether or not the mixture or substance is in an ingestible or marketable form at the time of the offense.

**SECTION 127.** ORS 475.904 is amended to read:

475.904. (1) Except as authorized by ORS 475.005 to 475.285 and 475.752 to 475.980, it is unlawful for any person to manufacture or deliver a schedule I, II or III controlled substance within 1,000 feet of the real property comprising a public or private elementary, secondary or career school attended primarily by minors.

(2) Unlawful manufacture or delivery of a controlled substance within 1,000 feet of a school is a Class A felony, *except as otherwise provided in ORS 475.860*.

(3) **This section does not apply to:**

- (a) A licensee or licensee representative, as those terms are defined in section 5, chapter 1, Oregon Laws 2015, that is engaged in lawful activities; or
- (b) A person acting within the scope of and in compliance with section 6 (1), chapter 1, Oregon Laws 2015.

**SECTION 128.** The amendments to statutes by sections 119 to 127 of this 2015 Act apply to conduct occurring on or after the effective date of this 2015 Act.

**SECTION 129.** When a person convicted of a marijuana offense based on conduct that occurs before the effective date of this 2015 Act files a motion for a court order setting aside the conviction pursuant to ORS 137.225, the court shall consider the offense to be classified under ORS 161.535 or 161.555 as if the conduct occurred on or after the effective date of this 2015 Act, or if the offense is no longer a crime, the court shall consider the offense to be classified as a Class C misdemeanor, when determining if the person is eligible for the order.

## RETAIL DRUG OUTLETS EFFECTIVE ON PASSAGE

**SECTION 130.** Section 131 of this 2015 Act is added to and made a part of ORS chapter 689.

**SECTION 131.** (1) The State Board of Pharmacy shall establish by rule instructions for the disposal of marijuana left behind by individuals visiting retail drug outlets.

(2) At a minimum, the instructions established under subsection (1) of this section must:

- (a) Require an employee or supervisor of the retail drug outlet to notify law enforcement upon discovering marijuana at the site; and
- (b) Include procedures for destroying the marijuana so that it can no longer be used for human consumption.

(3) A person acting under and in accordance with this section is exempt from the criminal laws of this state for any criminal offense in which possession of marijuana is an element.

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## TASK FORCE EFFECTIVE ON PASSAGE

**SECTION 132.** (1)(a) The Task Force on Cannabis Environmental Best Practices is established, consisting of 13 members appointed as follows:

- (A) The President of the Senate shall appoint one member from among members of the Senate;
- (B) The Senate Minority Leader shall appoint one member from among members of the Senate;
- (C) The Speaker of the House shall appoint one members from among members of the House of Representatives;
- (D) The House Minority Leader shall appoint one member from among members of the

House of Representatives; and

(E) The Governor shall appoint nine representatives from among the following:

- (i) One individual who represents utilities;
- (ii) One individual who represents electricians;
- (iii) Two individuals who represent the cannabis industry;
- (iv) One individual who represents the State Department of Agriculture;
- (v) One individual who represents the Water Resources Department;
- (vi) One individual who represents the Public Utility Commission; (vii) One individual who represents the State Department of Energy; and (viii) One individual who the Energy Trust of Oregon.

(b) In making appointments under paragraph (a) of this subsection, the President of the Senate, the Senate Minority Leader, the Speaker of the House and the House Minority Leader shall appoint, if available, members of the Senate and members of the House of Representatives who served on the Joint Committee on Implementing Measure 91 during the 2015 regular session of the Legislative Assembly.

(2) The task force shall study the use of electricity and water by, and the agricultural practices associated with, the growing of cannabis by persons who hold a license under section 19, chapter 1, Oregon Laws 2015, and by persons who are responsible for a marijuana grow site under ORS 475.304. As part of the report submitted under subsection (9) of this section, the task force shall include suggestions related to environmental best practices for the propagating, producing and harvesting of cannabis.

(3) A majority of the voting members of the task force constitutes a quorum for the transaction of business.

(4) Official action by the task force requires the approval of a majority of the voting members of the task force.

(5) The task force shall elect one of its members to serve as chairperson.

(6) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.

(7) The task force shall meet at times and places specified by the call of the chairperson or of a majority of the voting members of the task force.

(8) The task force may adopt rules necessary for the operation of the task force.

(9) The task force shall submit a report in the manner provided by ORS 192.245, and may include recommendations for legislation, to an interim committee of the Legislative Assembly related to the regulation of cannabis as appropriate no later than September 15, 2016.

(10) The Oregon Liquor Control Commission shall provide staff support to the task force.

(11) Members of the task force who are not members of the Legislative Assembly are not entitled to compensation, but may be reimbursed for actual and necessary travel and other expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495. Claims for expenses incurred in performing functions of the task force shall be paid out of funds appropriated to Oregon Liquor Control Commission for purposes of the task force.

(12) All agencies of state government, as defined in ORS 174.111, are directed to assist the task force in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the task force consider necessary to perform their duties.

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## LOCAL OPTION EFFECTIVE ON PASSAGE

**SECTION 133.** (1) As used in this section, “qualifying city or county” means a county, or a city located in a county, in which not less than 55 percent of votes cast in the county during the statewide general election held on November 4, 2014, on Ballot Measure 91 (chapter 1, Oregon Laws 2015) were in opposition to the ballot measure.

(2)(a) The governing body of a qualifying city or county may adopt ordinances that prohibit the establishment of any one or more of the following in the area subject to the jurisdiction of the city or the unincorporated area subject to the jurisdiction of the county:

- (A) Marijuana processing sites registered under section 85 of this 2015 Act;
- (B) Medical marijuana dispensaries registered under ORS 475.314;
- (C) Marijuana producers licensed under section 19, chapter 1, Oregon Laws 2015;
- (D) Marijuana processors licensed under section 20, chapter 1, Oregon Laws 2015;
- (E) Marijuana wholesalers licensed under section 21, chapter 1, Oregon Laws 2015; (F) Marijuana retailers licensed under section 22, chapter 1, Oregon Laws 2015; or (G) Any combination of the entities described in this subsection.

(b) The governing body of a qualifying city or county may not adopt an ordinance under this section later than 180 days after the effective date of this 2015 Act.

(3) If the governing body of a qualifying city or county adopts an ordinance under this section, the governing body must provide the text of the ordinance:

(a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the ordinance concerns a medical marijuana dispensary registered under ORS 475.314 or a marijuana processing site registered under section 85 of this 2015 Act; or

(b) To the Oregon Liquor Control Commission, if the ordinance concerns a premises for which a license has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.

(4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the authority shall discontinue registering those entities to which the prohibition applies.

(b) Upon receiving notice of a prohibition under subsection (3) of this section, the commission shall discontinue licensing those premises to which the prohibition applies.

(5) Notwithstanding any other provisions of law, a qualifying city or county that adopts an ordinance under this section may not impose a tax or fee on the production, processing or sale of marijuana or any product into which marijuana has been incorporated.

(6) Notwithstanding subsection (2) of this section, a medical marijuana dispensary is not subject to an ordinance adopted under this section if the medical marijuana dispensary:

- (a) Is registered under ORS 475.314 on or before the date on which the governing body adopts the ordinance; and
- (b) Has successfully completed a city or county land use application process.

(7) Notwithstanding subsection (2) of this section, a marijuana processing site is not subject to an ordinance adopted under this section if the marijuana processing site:

- (a) Is registered under section 85 of this 2015 Act on or before the date on which the governing body adopts the ordinance; and
- (b) Has successfully completed a city or county land use application process.

**SECTION 134.** (1) The governing body of a city or county may adopt ordinances to be referred to the electors of the city or county as described in subsection (2) of this section that prohibit or allow the establishment of any one or more of the following in the area subject to the jurisdiction of the city or the unincorporated area subject to the jurisdiction of the county:

- (a) Marijuana processing sites registered under section 85 of this 2015 Act;
- (b) Medical marijuana dispensaries registered under ORS 475.314;
- (c) Marijuana producers licensed under section 19, chapter 1, Oregon Laws 2015;
- (d) Marijuana processors licensed under section 20, chapter 1, Oregon Laws 2015;
- (e) Marijuana wholesalers licensed under section 21, chapter 1, Oregon Laws 2015; (f) Marijuana retailers licensed under section 22, chapter 1, Oregon Laws 2015; or (g) Any combination of the entities described in this subsection.

(2) If the governing body of a city or county adopts an ordinance under this section, the governing body shall submit the measure of the ordinance to the electors of the city or county for approval at the next statewide general election.

(3) If the governing body of a city or county adopts an ordinance under this section, the governing body must provide the text of the ordinance:

(a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the ordinance concerns a medical marijuana dispensary registered under ORS 475.314 or a marijuana processing site registered under section 85 of this 2015 Act; or

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(b) To the Oregon Liquor Control Commission, if the ordinance concerns a premises for which a license has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.

(4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the authority shall discontinue registering those entities to which the prohibition applies until the date of the next statewide general election.

(b) Upon receiving notice of a prohibition under subsection (3) of this section, the commission shall discontinue licensing those premises to which the prohibition applies until the date of the next statewide general election.

(5) Notwithstanding any other provisions of law, a city or county that adopts an ordinance under this section that prohibits the establishment of an entity described in subsection (1) of this section may not impose a tax or fee on the production, processing or sale of marijuana or any product into which marijuana has been incorporated.

(6) Notwithstanding subsection (1) of this section, a medical marijuana dispensary is not subject to an ordinance adopted under this section if the medical marijuana dispensary:

(a) Is registered under ORS 475.314 on or before the date on which the governing body adopts the ordinance; and

(b) Has successfully completed a city or county land use application process.

(7) Notwithstanding subsection (1) of this section, a marijuana processing site is not subject to an ordinance adopted under this section if the marijuana processing site:

(a) Is registered under section 85 of this 2015 Act on or before the date on which the governing body adopts the ordinance; and

(b) Has successfully completed a city or county land use application process.

**SECTION 135.** (1) Notwithstanding sections 133 and 134 of this 2015 Act, a medical marijuana dispensary is not subject to an ordinance adopted pursuant to section 133 or 134 of this 2015 Act if the medical marijuana dispensary:

(a) Was registered under ORS 475.314, or has applied to be registered under ORS 475.314, on or before July 1, 2015; and

(b) Has successfully completed a city or county land use application process.

(2) This section does not apply to a medical marijuana dispensary if the Oregon Health Authority revokes the registration of the medical marijuana dispensary.

**SECTION 136.** (1) Notwithstanding sections 133 and 134 of this 2015 Act, a marijuana processing site is not subject to an ordinance adopted pursuant to section 133 or 134 of this 2015 Act if the person responsible for the marijuana processing site or applying to be the person responsible for the marijuana processing site:

(a) Was registered under ORS 475.300 to 475.346 on or before July 1, 2015;

(b) Was processing usable marijuana as described in section 85 (1) of this 2015 Act on or before July 1, 2015; and

(c) Has successfully completed a city or county land use application process.

(2) This section does not apply to a marijuana processing site if the Oregon Health Authority revokes the registration of the marijuana processing site.

## OTHER AMENDMENTS

(Operative January 1, 2016)

**SECTION 137.** ORS 133.005 is amended to read:

133.005. As used in ORS 133.005 to 133.400 and 133.410 to 133.450, unless the context requires otherwise:

(1) "Arrest" means to place a person under actual or constructive restraint or to take a person into custody for the purpose of charging that person with an offense. A "stop" as authorized under ORS 131.605 to 131.625 is not an arrest.

(2) "Federal officer" means a special agent or law enforcement officer employed by a federal agency who is empowered to effect an arrest with or without a warrant for violations of the United States Code and who is authorized to carry firearms in the performance of duty.

(3) "Peace officer" means:

(a) A member of the Oregon State Police;

(b) A sheriff, constable, marshal, municipal police officer or reserve officer or a police officer commissioned by a university under ORS 352.383 or 353.125;

(c) An investigator of a district attorney's office if the investigator is or has been certified as a peace officer in this or any other state;

(d) An investigator of the Criminal Justice Division of the Department of Justice of the State of Oregon;

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- (e) A humane special agent as defined in ORS 181.435;
- (f) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS 471.775 (2);
- (g) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011; or
- (h) A judicial marshal appointed under ORS 1.177 who is trained pursuant to ORS 181.647.

(4) "Reserve officer" means an officer or member of a law enforcement agency who is:

(a) A volunteer or employed less than full-time as a peace officer commissioned by a city, port, school district, mass transit district, county, county service district authorized to provide law enforcement services under ORS 451.010, the Criminal Justice Division of the Department of Justice, the Oregon State Lottery Commission or the Governor or a member of the Department of State Police;

(b) Armed with a firearm; and

(c) Responsible for enforcing the criminal laws and traffic laws of this state or laws or ordinances relating to airport security.

**SECTION 138.** ORS 133.005, as amended by section 39, chapter 644, Oregon Laws 2011, section 7, chapter 54, Oregon Laws 2012, section 4, chapter 67, Oregon Laws 2012, section 5, chapter 154, Oregon Laws 2013, and section 9, chapter 180, Oregon Laws 2013, is amended to read:

133.005. As used in ORS 133.005 to 133.400 and 133.410 to 133.450, unless the context requires otherwise:

(1) "Arrest" means to place a person under actual or constructive restraint or to take a person into custody for the purpose of charging that person with an offense. A "stop" as authorized under ORS 131.605 to 131.625 is not an arrest.

(2) "Federal officer" means a special agent or law enforcement officer employed by a federal agency who is empowered to effect an arrest with or without a warrant for violations of the United States Code and who is authorized to carry firearms in the performance of duty.

(3) "Peace officer" means:

(a) A member of the Oregon State Police;

(b) A sheriff, constable, marshal, municipal police officer or reserve officer or a police officer commissioned by a university under ORS 352.383 or 353.125;

(c) An investigator of a district attorney's office if the investigator is or has been certified as a peace officer in this or any other state;

(d) An investigator of the Criminal Justice Division of the Department of Justice of the State of Oregon;

(e) A humane special agent as defined in ORS 181.435;

(f) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS 471.775 (2); or

(g) A judicial marshal appointed under ORS 1.177 who is trained pursuant to ORS 181.647.

(4) "Reserve officer" means an officer or member of a law enforcement agency who is:

(a) A volunteer or employed less than full-time as a peace officer commissioned by a city, port, school district, mass transit district, county, county service district authorized to provide law enforcement services under ORS 451.010, the Criminal Justice Division of the Department of Justice, the Oregon State Lottery Commission or the Governor or a member of the Department of State Police;

(b) Armed with a firearm; and

(c) Responsible for enforcing the criminal laws and traffic laws of this state or laws or ordinances relating to airport security.

**SECTION 139.** ORS 133.525 is amended to read:

133.525. As used in ORS 133.525 to 133.703, unless the context requires otherwise:

(1) "Judge" means any judge of the circuit court, the Court of Appeals, the Supreme Court, any justice of the peace or municipal judge authorized to exercise the powers and perform the duties of a justice of the peace.

(2) "Police officer" means:

(a) A member of the Oregon State Police;

(b) A sheriff or municipal police officer, a police officer commissioned by a university under ORS 352.383 or 353.125 or an authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011;

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- (c) An investigator of a district attorney's office if the investigator is or has been certified as a peace officer in this or any other state;
- (d) An investigator of the Criminal Justice Division of the Department of Justice;
- (e) A humane special agent as defined in ORS 181.435; or
- (f) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS 471.775 (2).

**SECTION 140.** ORS 133.525, as amended by section 40, chapter 644, Oregon Laws 2011, section 9, chapter 54, Oregon Laws 2012, section 6, chapter 67, Oregon Laws 2012, and section 11, chapter 180, Oregon Laws 2013, is amended to read:

133.525. As used in ORS 133.525 to 133.703, unless the context requires otherwise:

- (1) "Judge" means any judge of the circuit court, the Court of Appeals, the Supreme Court, any justice of the peace or municipal judge authorized to exercise the powers and perform the duties of a justice of the peace.
- (2) "Police officer" means:
  - (a) A member of the Oregon State Police;
  - (b) A sheriff or municipal police officer or a police officer commissioned by a university under ORS 352.383 or 353.125;
  - (c) An investigator of a district attorney's office if the investigator is or has been certified as a peace officer in this or any other state;
  - (d) An investigator of the Criminal Justice Division of the Department of Justice;
  - (e) A humane special agent as defined in ORS 181.435; or
  - (f) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS 471.775 (2).

**SECTION 141.** ORS 133.721 is amended to read:

133.721. As used in ORS 41.910 and 133.721 to 133.739, unless the context requires otherwise:

- (1) "Aggrieved person" means a person who was a party to any wire, electronic or oral communication intercepted under ORS 133.724 or 133.726 or a person against whom the interception was directed and who alleges that the interception was unlawful.
- (2) "Contents," when used with respect to any wire, electronic or oral communication, includes any information concerning the identity of the parties to such communication or the existence, substance, purport or meaning of that communication.
- (3) "Electronic communication" means any transfer of signs, signals, writing, images, sounds, data or intelligence of any nature transmitted in whole or in part by a radio, electromagnetic, photoelectronic or photo-optical system, or transmitted in part by wire, but does not include: (a) Any oral communication or any communication that is completely by wire; or (b) Any communication made through a tone-only paging device.
- (4) "Electronic, mechanical or other device" means any device or apparatus that can be used to intercept a wire, electronic or oral communication other than:
  - (a) Any telephone or telegraph instrument, equipment or facility, or any component thereof that is furnished to the subscriber or user by a telecommunications carrier in the ordinary course of its business and that is being used by the subscriber or user in the ordinary course of its business or being used by a telecommunications carrier in the ordinary course of its business, or by an investigative or law enforcement officer in the ordinary course of official duties; or
  - (b) A hearing aid or similar device being used to correct subnormal hearing to not better than normal.
- (5) "Intercept" means the acquisition, by listening or recording, of the contents of any wire, electronic or oral communication through the use of any electronic, mechanical or other device.
- (6) "Investigative or law enforcement officer" means:
  - (a) An officer or other person employed to investigate or enforce the law by:
    - (A) A county sheriff or municipal police department, or a police department established by a university under ORS 352.383 or 353.125;
    - (B) The Oregon State Police, the Department of Corrections, the Attorney General or a district attorney; or
    - (C) Law enforcement agencies of other states or the federal government;
  - (b) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011; or
  - (c) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS 471.775 (2).
- (7) "Oral communication" means:

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(a) Any oral communication, other than a wire or electronic communication, uttered by a person exhibiting an expectation that such communication is not subject to interception under circumstances justifying such expectation; or

(b) An utterance by a person who is participating in a wire or electronic communication, if the utterance is audible to another person who, at the time the wire or electronic communication occurs, is in the immediate presence of the person participating in the communication.

(8) "Telecommunications carrier" means:

(a) A telecommunications utility as defined in ORS 759.005; or

(b) A cooperative corporation organized under ORS chapter 62 that provides telecommunications services.

(9) "Telecommunications service" has the meaning given that term in ORS 759.005.

(10) "Wire communication" means any communication made in whole or in part through the use of facilities for the transmission of communications by the aid of wire, cable or other like connection between the point of origin and the point of reception, whether furnished or operated by a public utility or privately owned or leased.

**SECTION 142.** ORS 133.721, as amended by section 70, chapter 644, Oregon Laws 2011, section 11, chapter 54, Oregon Laws 2012, and section 13, chapter 180, Oregon Laws 2013, is amended to read:

133.721. As used in ORS 41.910 and 133.721 to 133.739, unless the context requires otherwise:

(1) "Aggrieved person" means a person who was a party to any wire, electronic or oral communication intercepted under ORS 133.724 or 133.726 or a person against whom the interception was directed and who alleges that the interception was unlawful.

(2) "Contents," when used with respect to any wire, electronic or oral communication, includes any information concerning the identity of the parties to such communication or the existence, substance, purport or meaning of that communication.

(3) "Electronic communication" means any transfer of signs, signals, writing, images, sounds, data or intelligence of any nature transmitted in whole or in part by a radio, electromagnetic, photoelectronic or photo-optical system, or transmitted in part by wire, but does not include: (a) Any oral communication or any communication that is completely by wire; or (b) Any communication made through a tone-only paging device.

(4) "Electronic, mechanical or other device" means any device or apparatus that can be used to intercept a wire, electronic or oral communication other than:

(a) Any telephone or telegraph instrument, equipment or facility, or any component thereof that is furnished to the subscriber or user by a telecommunications carrier in the ordinary course of its business and that is being used by the subscriber or user in the ordinary course of its business or being used by a telecommunications carrier in the ordinary course of its business, or by an investigative or law enforcement officer in the ordinary course of official duties; or

(b) A hearing aid or similar device being used to correct subnormal hearing to not better than normal.

(5) "Intercept" means the acquisition, by listening or recording, of the contents of any wire, electronic or oral communication through the use of any electronic, mechanical or other device.

(6) "Investigative or law enforcement officer" means:

(a) An officer or other person employed to investigate or enforce the law by:

(A) A county sheriff or municipal police department, or a police department established by a university under ORS 352.383 or 353.125;

(B) The Oregon State Police, the Department of Corrections, the Attorney General or a district attorney; or

(C) Law enforcement agencies of other states or the federal government; or

(b) A [liquor enforcement inspector] **regulatory specialist** exercising authority described in ORS 471.775 (2).

(7) "Oral communication" means:

(a) Any oral communication, other than a wire or electronic communication, uttered by a person exhibiting an expectation that such communication is not subject to interception under circumstances justifying such expectation; or

(b) An utterance by a person who is participating in a wire or electronic communication, if the utterance is audible to another person who, at the time the wire or electronic communication occurs, is in the immediate presence of the person participating in the communication.

(8) "Telecommunications carrier" means:

(a) A telecommunications utility as defined in ORS 759.005; or

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(b) A cooperative corporation organized under ORS chapter 62 that provides telecommunications services.

(9) "Telecommunications service" has the meaning given that term in ORS 759.005.

(10) "Wire communication" means any communication made in whole or in part through the use of facilities for the transmission of communications by the aid of wire, cable or other like connection between the point of origin and the point of reception, whether furnished or operated by a public utility or privately owned or leased.

**SECTION 143.** ORS 133.726 is amended to read:

133.726. (1) Notwithstanding ORS 133.724, under the circumstances described in this section, a law enforcement officer is authorized to intercept an oral communication to which the officer or a person under the direct supervision of the officer is a party, without obtaining an order for the interception of a wire, electronic or oral communication under ORS 133.724.

(2) For purposes of this section and ORS 133.736, a person is a party to an oral communication if the oral communication is made in the person's immediate presence and is audible to the person regardless of whether the communication is specifically directed to the person.

(3) An ex parte order for intercepting an oral communication in any county of this state under this section may be issued by any judge as defined in ORS 133.525 upon written application made upon oath or affirmation of the district attorney or a deputy district attorney authorized by the district attorney for the county in which the order is sought or upon the oath or affirmation of any peace officer as defined in ORS 133.005. The application shall include:

(a) The name of the applicant and the applicant's authority to make the application;

(b) A statement demonstrating that there is probable cause to believe that a person whose oral communication is to be intercepted is engaged in committing, has committed or is about to commit a particular felony, or a misdemeanor under ORS 167.007 or 167.008, and that intercepting the oral communication will yield evidence thereof; and

(c) The identity of the person, if known, suspected of committing the crime and whose oral communication is to be intercepted.

(4) The judge may require the applicant to furnish further testimony or documentary evidence in support of the application.

(5) Upon examination of the application and evidence, the judge may enter an ex parte order, as requested or as modified, authorizing or approving the interception of an oral communication within the state if the judge determines on the basis of the facts submitted by the applicant that:

(a) There is probable cause to believe that a person is engaged in committing, has committed or is about to commit a particular felony, or a misdemeanor under ORS 167.007 or 167.008; and

(b) There is probable cause to believe that the oral communication to be obtained will contain evidence concerning that crime.

(6) An order authorizing or approving the interception of an oral communication under this section must specify:

(a) The identity of the person, if known, whose oral communication is to be intercepted;

(b) A statement identifying the particular crime to which the oral communication is expected to relate;

(c) The agency authorized under the order to intercept the oral communication;

(d) The name and office of the applicant and the signature and title of the issuing judge;

(e) A period of time after which the order shall expire; and

(f) A statement that the order authorizes only the interception of an oral communication to which a law enforcement officer or a person under the direct supervision of a law enforcement officer is a party.

(7) An order under ORS 133.724 or this section is not required when a law enforcement officer intercepts an oral communication to which the officer or a person under the direct supervision of the officer is a party if the oral communication is made by a person whom the officer has probable cause to believe has committed, is engaged in committing or is about to commit:

(a) A crime punishable as a felony under ORS 475.752, 475.806 to 475.894 or 475.906 or as a misdemeanor under ORS 167.007 or 167.008; or

(b) Any other crime punishable as a felony if the circumstances at the time the oral communication is intercepted are of such exigency that it would be unreasonable to obtain a court order under ORS 133.724 or this section.

(8) A law enforcement officer who intercepts an oral communication pursuant to this section may not intentionally fail to record and preserve the oral communication in its entirety. A law enforcement officer, or a person under the direct supervision of the officer, who is authorized under this section to intercept an oral communication is not required to exclude from the interception an oral communication made by a person for whom probable cause does not exist if the officer or the person under the officer's direct supervision is a party to the oral communication.

(9) A law enforcement officer may not divulge the contents of an oral communication intercepted under this section before a preliminary hearing or trial in which an oral communication is going to be introduced as evidence against a person except:

(a) To a superior officer or other official with whom the law enforcement officer is cooperating in the enforcement of the criminal laws of this state or the United States;

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- (b) To a magistrate;
- (c) In a presentation to a federal or state grand jury; or(d) In compliance with a court order.
- (10) A law enforcement officer may intercept an oral communication under this section onlywhen acting within the scope of the officer’s employment and as a part of assigned duties.
- (11) As used in this section, “law enforcement officer” means:
  - (a) An officer employed to enforce criminal laws by:
    - (A) The United States, this state or a municipal government within this state;
    - (B) A political subdivision, agency, department or bureau of the governments described in subparagraph (A) of this paragraph; or
    - (C) A police department established by a university under ORS 352.383 or 353.125;
  - (b) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011;or
  - (c) A [*liquor enforcement inspector*] **regulatory specialist** as defined in ORS 471.001.
- (12) Violation of subsection (9) of this section is a Class A misdemeanor.

**SECTION 144.** ORS 133.726, as amended by section 71, chapter 644, Oregon Laws 2011, section 13, chapter 54, Oregon Laws 2012, and section 15, chapter 180, Oregon Laws 2013, is amended to read:

133.726. (1) Notwithstanding ORS 133.724, under the circumstances described in this section, a law enforcement officer is authorized to intercept an oral communication to which the officer or a person under the direct supervision of the officer is a party, without obtaining an order for the interception of a wire, electronic or oral communication under ORS 133.724.

(2) For purposes of this section and ORS 133.736, a person is a party to an oral communicationif the oral communication is made in the person’s immediate presence and is audible to the person regardless of whether the communication is specifically directed to the person.

(3) An ex parte order for intercepting an oral communication in any county of this state underthis section may be issued by any judge as defined in ORS 133.525 upon written application made upon oath or affirmation of the district attorney or a deputy district attorney authorized by the district attorney for the county in which the order is sought or upon the oath or affirmation of any peace officer as defined in ORS 133.005. The application shall include:

- (a) The name of the applicant and the applicant’s authority to make the application;
- (b) A statement demonstrating that there is probable cause to believe that a person whose oralcommunication is to be intercepted is engaged in committing, has committed or is about to commit a particular felony, or a misdemeanor under ORS 167.007 or 167.008, and that intercepting the oral communication will yield evidence thereof; and
- (c) The identity of the person, if known, suspected of committing the crime and whose oralcommunication is to be intercepted.
- (4) The judge may require the applicant to furnish further testimony or documentary evidencein support of the application.
- (5) Upon examination of the application and evidence, the judge may enter an ex parte order,as requested or as modified, authorizing or approving the interception of an oral communication within the state if the judge determines on the basis of the facts submitted by the applicant that:

- (a) There is probable cause to believe that a person is engaged in committing, has committedor is about to commit a particular felony, or a misdemeanor under ORS 167.007 or 167.008; and
- (b) There is probable cause to believe that the oral communication to be obtained will containevidence concerning that crime.

(6) An order authorizing or approving the interception of an oral communication under this section must specify:

- (a) The identity of the person, if known, whose oral communication is to be intercepted;
- (b) A statement identifying the particular crime to which the oral communication is expectedto relate;
- (c) The agency authorized under the order to intercept the oral communication;
- (d) The name and office of the applicant and the signature and title of the issuing judge;
- (e) A period of time after which the order shall expire; and
- (f) A statement that the order authorizes only the interception of an oral communication towhich a law enforcement officer or a person under the direct supervision of a law enforcement officer is a party.

(7) An order under ORS 133.724 or this section is not required when a law enforcement officer intercepts an oral communication to which the officer or a person under the direct supervision of the officer is a party if the oral communication is made by a person whom the officer has probable cause to believe has committed, is engaged in committing or is about to commit:

- (a) A crime punishable as a felony under ORS 475.752, 475.806 to 475.894 or 475.906 or as amisdemeanor under ORS 167.007 or 167.008; or

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(b) Any other crime punishable as a felony if the circumstances at the time the oral communication is intercepted are of such exigency that it would be unreasonable to obtain a court order under ORS 133.724 or this section.

(8) A law enforcement officer who intercepts an oral communication pursuant to this section may not intentionally fail to record and preserve the oral communication in its entirety. A law enforcement officer, or a person under the direct supervision of the officer, who is authorized under this section to intercept an oral communication is not required to exclude from the interception an oral communication made by a person for whom probable cause does not exist if the officer or the person under the officer's direct supervision is a party to the oral communication.

(9) A law enforcement officer may not divulge the contents of an oral communication intercepted under this section before a preliminary hearing or trial in which an oral communication is going to be introduced as evidence against a person except:

(a) To a superior officer or other official with whom the law enforcement officer is cooperating in the enforcement of the criminal laws of this state or the United States; (b) To a magistrate;

(c) In a presentation to a federal or state grand jury; or (d) In compliance with a court order.

(10) A law enforcement officer may intercept an oral communication under this section only when acting within the scope of the officer's employment and as a part of assigned duties.

(11) As used in this section, "law enforcement officer" means:

(a) An officer employed to enforce criminal laws by:

(A) The United States, this state or a municipal government within this state;

(B) A political subdivision, agency, department or bureau of the governments described in subparagraph (A) of this paragraph; or

(C) A police department established by a university under ORS 352.383 or 353.125; or (b) A [*liquor enforcement inspector*] **regulatory specialist** as defined in ORS 471.001.

(12) Violation of subsection (9) of this section is a Class A misdemeanor.

**SECTION 145.** ORS 153.005 is amended to read:

153.005. As used in this chapter:

(1) "Enforcement officer" means:

(a) A member of the Oregon State Police.

(b) A sheriff or deputy sheriff.

(c) A city marshal or a member of the police of a city, municipal or quasi-municipal corporation. (d) A police officer commissioned by a university under ORS 352.383 or 353.125.

(e) An investigator of a district attorney's office if the investigator is or has been certified as a peace officer in this or any other state.

(f) An investigator of the Criminal Justice Division of the Department of Justice of the State of Oregon.

(g) A Port of Portland peace officer.

(h) A humane special agent as defined in ORS 181.435.

(i) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS 471.775 (2).

(j) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011.

(k) Any other person specifically authorized by law to issue citations for the commission of violations.

(2) "Traffic offense" has the meaning given that term in ORS 801.555.

(3) "Violation" means an offense described in ORS 153.008.

(4) "Violation proceeding" means a judicial proceeding initiated by issuance of a citation that charges a person with commission of a violation.

**SECTION 146.** ORS 153.005, as amended by section 45, chapter 644, Oregon Laws 2011, section 15, chapter 54, Oregon Laws 2012, section 8, chapter 67, Oregon Laws 2012, and section 22, chapter 180, Oregon Laws 2013, is amended to read:

153.005. As used in this chapter:

(1) "Enforcement officer" means:

(a) A member of the Oregon State Police.

(b) A sheriff or deputy sheriff.

(c) A city marshal or a member of the police of a city, municipal or quasi-municipal corporation. (d) A police officer commissioned by a university under ORS 352.383 or 353.125.

(e) An investigator of a district attorney's office if the investigator is or has been certified as a peace officer in this or any other state.

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- (f) An investigator of the Criminal Justice Division of the Department of Justice of the State of Oregon.
- (g) A Port of Portland peace officer.
- (h) A humane special agent as defined in ORS 181.435.
- (i) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS 471.775 (2).
- (j) Any other person specifically authorized by law to issue citations for the commission of violations.
  - (2) “Traffic offense” has the meaning given that term in ORS 801.555.
  - (3) “Violation” means an offense described in ORS 153.008.
  - (4) “Violation proceeding” means a judicial proceeding initiated by issuance of a citation that charges a person with commission of a violation.

**SECTION 147.** ORS 161.015 is amended to read:

161.015. As used in chapter 743, Oregon Laws 1971, and ORS 166.635, unless the context requires otherwise:

- (1) “Dangerous weapon” means any weapon, device, instrument, material or substance which under the circumstances in which it is used, attempted to be used or threatened to be used, is readily capable of causing death or serious physical injury.
- (2) “Deadly weapon” means any instrument, article or substance specifically designed for and presently capable of causing death or serious physical injury.
- (3) “Deadly physical force” means physical force that under the circumstances in which it is used is readily capable of causing death or serious physical injury.
- (4) “Peace officer” means:
  - (a) A member of the Oregon State Police;
  - (b) A sheriff, constable, marshal, municipal police officer or reserve officer as defined in ORS 133.005, or a police officer commissioned by a university under ORS 352.383 or 353.125;
  - (c) An investigator of the Criminal Justice Division of the Department of Justice or investigator of a district attorney’s office;
  - (d) A humane special agent as defined in ORS 181.435;
  - (e) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS 471.775 (2);
  - (f) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011; and
  - (g) Any other person designated by law as a peace officer.
- (5) “Person” means a human being and, where appropriate, a public or private corporation, an unincorporated association, a partnership, a government or a governmental instrumentality.
- (6) “Physical force” includes, but is not limited to, the use of an electrical stun gun, tear gas or mace.
- (7) “Physical injury” means impairment of physical condition or substantial pain.
- (8) “Serious physical injury” means physical injury which creates a substantial risk of death or which causes serious and protracted disfigurement, protracted impairment of health or protracted loss or impairment of the function of any bodily organ.
- (9) “Possess” means to have physical possession or otherwise to exercise dominion or control over property.
- (10) “Public place” means a place to which the general public has access and includes, but is not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting rooms or apartments designed for actual residence, and highways, streets, schools, places of amusement, parks, playgrounds and premises used in connection with public passenger transportation.

**SECTION 148.** ORS 161.015, as amended by section 46, chapter 644, Oregon Laws 2011, section 17, chapter 54, Oregon Laws 2012, section 10, chapter 67, Oregon Laws 2012, and section 24, chapter 180, Oregon Laws 2013, is amended to read:

161.015. As used in chapter 743, Oregon Laws 1971, and ORS 166.635, unless the context requires otherwise:

- (1) “Dangerous weapon” means any weapon, device, instrument, material or substance which under the circumstances in which it is used, attempted to be used or threatened to be used, is readily capable of causing death or serious physical injury.
- (2) “Deadly weapon” means any instrument, article or substance specifically designed for and presently capable of causing death or serious physical injury.
- (3) “Deadly physical force” means physical force that under the circumstances in which it is used is readily capable of causing death or serious physical injury.
- (4) “Peace officer” means:
  - (a) A member of the Oregon State Police;
  - (b) A sheriff, constable, marshal, municipal police officer or reserve officer as defined in ORS 133.005, or a police officer commissioned by a university under ORS 352.383 or 353.125;

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- (c) An investigator of the Criminal Justice Division of the Department of Justice or investigator of a district attorney's office;
- (d) A humane special agent as defined in ORS 181.435;
- (e) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS 471.775 (2); and
- (f) Any other person designated by law as a peace officer.
- (5) "Person" means a human being and, where appropriate, a public or private corporation, an unincorporated association, a partnership, a government or a governmental instrumentality.
- (6) "Physical force" includes, but is not limited to, the use of an electrical stun gun, tear gas or mace.
- (7) "Physical injury" means impairment of physical condition or substantial pain.
- (8) "Serious physical injury" means physical injury which creates a substantial risk of death or which causes serious and protracted disfigurement, protracted impairment of health or protracted loss or impairment of the function of any bodily organ.
- (9) "Possess" means to have physical possession or otherwise to exercise dominion or control over property.
- (10) "Public place" means a place to which the general public has access and includes, but is not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting rooms or apartments designed for actual residence, and highways, streets, schools, places of amusement, parks, playgrounds and premises used in connection with public passenger transportation.
- SECTION 149.** ORS 163.095 is amended to read:
- 163.095. As used in ORS 163.105 and this section, "aggravated murder" means murder as defined in ORS 163.115 which is committed under, or accompanied by, any of the following circumstances:
- (1)(a) The defendant committed the murder pursuant to an agreement that the defendant receive money or other thing of value for committing the murder.
- (b) The defendant solicited another to commit the murder and paid or agreed to pay the person money or other thing of value for committing the murder.
- (c) The defendant committed murder after having been convicted previously in any jurisdiction of any homicide, the elements of which constitute the crime of murder as defined in ORS 163.115 or manslaughter in the first degree as defined in ORS 163.118.
- (d) There was more than one murder victim in the same criminal episode as defined in ORS 131.505.
- (e) The homicide occurred in the course of or as a result of intentional maiming or torture of the victim.
- (f) The victim of the intentional homicide was a person under the age of 14 years.
- (2)(a) The victim was one of the following and the murder was related to the performance of the victim's official duties in the justice system:
- (A) A police officer as defined in ORS 181.610;
- (B) A correctional, parole and probation officer or other person charged with the duty of custody, control or supervision of convicted persons;
- (C) A member of the Oregon State Police;
- (D) A judicial officer as defined in ORS 1.210;
- (E) A juror or witness in a criminal proceeding;
- (F) An employee or officer of a court of justice;
- (G) A member of the State Board of Parole and Post-Prison Supervision; or (H) A [*liquor enforcement inspector*] **regulatory specialist**.
- (b) The defendant was confined in a state, county or municipal penal or correctional facility or was otherwise in custody when the murder occurred.
- (c) The defendant committed murder by means of an explosive as defined in ORS 164.055.
- (d) Notwithstanding ORS 163.115 (1)(b), the defendant personally and intentionally committed the homicide under the circumstances set forth in ORS 163.115 (1)(b).
- (e) The murder was committed in an effort to conceal the commission of a crime, or to conceal the identity of the perpetrator of a crime.
- (f) The murder was committed after the defendant had escaped from a state, county or municipal penal or correctional facility and before the defendant had been returned to the custody of the facility.

**SECTION 150.** ORS 165.805 is amended to read:

165.805. (1) A person commits the crime of misrepresentation of age by a minor if:

- (a) Being less than a certain, specified age, the person knowingly purports to be of any age other than the true age of the person with the intent of securing a right, benefit or privilege which by law is denied to persons under that certain, specified age; or

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(b) Being unmarried, the person knowingly represents that the person is married with the intent of securing a right, benefit or privilege which by law is denied to unmarried persons.

(2) Misrepresentation of age by a minor is a Class C misdemeanor.

(3) In addition to and not in lieu of any other penalty established by law, a person who, using a driver permit or license or other identification issued by the Department of Transportation of this state or its equivalent in another state, commits the crime of misrepresentation of age by a minor in order to purchase or consume alcoholic liquor may be required to perform community service and the court shall order that the person's driving privileges and right to apply for driving privileges be suspended for a period not to exceed one year. If a court has issued an order suspending driving privileges under this section, the court, upon petition of the person, may withdraw the order at any time the court deems appropriate. The court notification to the department under this subsection may include a recommendation that the person be granted a hardship permit under ORS 807.240 if the person is otherwise eligible for the permit.

(4) The prohibitions of this section do not apply to any person acting under the direction of the Oregon Liquor Control Commission or a [*liquor enforcement inspector*] **regulatory specialist** or under the direction of state or local law enforcement agencies for the purpose of investigating possible violations of laws prohibiting sales of alcoholic beverages to persons who are under a certain, specified age.

(5) The prohibitions of this section do not apply to a person under the age of 21 years who is acting under the direction of a licensee for the purpose of investigating possible violations by employees of the licensee of laws prohibiting sales of alcoholic beverages to persons who are under the age of 21 years.

**SECTION 151.** ORS 166.070 is amended to read:

166.070. (1) A person commits the crime of aggravated harassment if the person, knowing that the other person is a:

(a) Staff member, knowingly propels saliva, blood, urine, semen, feces or other dangerous substance at the staff member while the staff member is acting in the course of official duty or as a result of the staff member's official duties;

(b) Public safety officer, knowingly propels blood, urine, semen or feces at the public safety officer while the public safety officer is acting in the course of official duty or as a result of the public safety officer's official duties; or

(c) Public safety officer, intentionally propels saliva at the public safety officer, and the saliva comes into physical contact with the public safety officer, while the public safety officer is acting in the course of official duty or as a result of the public safety officer's official duties.

(2) Aggravated harassment is a Class C felony. When a person is convicted of violating subsection (1)(a) of this section, in addition to any other sentence it may impose, the court shall impose a term of incarceration in a state correctional facility.

(3) As used in this section:

(a) "Public safety officer" means an emergency medical services provider as defined in ORS 682.025, a [*liquor enforcement inspector*] **regulatory specialist** as defined in ORS 471.001 or a fire service professional, a parole and probation officer or a police officer as those terms are defined in ORS 181.610.

(b) "Staff member" has the meaning given that term in ORS 163.165.

**SECTION 152.** ORS 181.010, as amended by section 1, chapter 119, Oregon Laws 2014, is amended to read:

181.010. As used in ORS 181.010 to 181.560 and 181.715 to 181.730, unless the context requires otherwise:

(1) "Criminal justice agency" means:

(a) The Governor;

(b) Courts of criminal jurisdiction;

(c) The Attorney General;

(d) District attorneys, city attorneys with criminal prosecutorial functions, attorney employees of the office of public defense services and nonprofit public defender organizations established under contract with the Public Defense Services Commission;

(e) Law enforcement agencies;

(f) The Department of Corrections;

(g) The Oregon Youth Authority;

(h) The State Board of Parole and Post-Prison Supervision;

(i) The Department of Public Safety Standards and Training;

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(j) The enforcement division of the Oregon Liquor Control Commission **in performing duties related to investigating and enforcing the criminal laws of this state that the commission is charged to enforce;**

(k) Regional information systems that share programs to track, identify and remove crossjurisdictional criminal and terrorist conspiracies; and

(L) Any other state or local agency with law enforcement authority.

(2) "Criminal offender information" includes records and related data as to physical description and vital statistics, fingerprints received and compiled for purposes of identifying criminal offenders and alleged offenders, records of arrests and the nature and disposition of criminal charges, including sentencing, confinement, parole and release.

(3) "Department" means the Department of State Police established under ORS 181.020.

(4) "Deputy superintendent" means the Deputy Superintendent of State Police appointed under ORS 181.220.

(5) "Designated agency" means any state, county or municipal government agency where Oregon criminal offender information is required to implement a federal or state statute, executive order or administrative rule that expressly refers to criminal conduct and contains requirements or exclusions expressly based on such conduct or for agency employment purposes, licensing purposes or other demonstrated and legitimate needs when designated by order of the Governor.

(6) "Disposition report" means a form or process prescribed or furnished by the department, containing a description of the ultimate action taken subsequent to an arrest.

(7) "Law enforcement agency" means:

(a) County sheriffs, municipal police departments, police departments established by a university under ORS 352.383 or 353.125 and State Police;

(b) Other police officers of this state or another state, including humane special agents as defined in ORS 181.435;

(c) A tribal government as defined in section 1, chapter 644, Oregon Laws 2011, that employs authorized tribal police officers as defined in section 1, chapter 644, Oregon Laws 2011; and (d) Law enforcement agencies of the federal government.

(8) "State police" means the sworn members of the state police force appointed under ORS 181.250.

(9) "Superintendent" means the Superintendent of State Police appointed under ORS 181.200.

**SECTION 153.** ORS 181.010, as amended by section 49, chapter 644, Oregon Laws 2011, section 19, chapter 54, Oregon Laws 2012, section 12, chapter 67, Oregon Laws 2012, section 30, chapter 180, Oregon Laws 2013, and section 2, chapter 119, Oregon Laws 2014, is amended to read:

181.010. As used in ORS 181.010 to 181.560 and 181.715 to 181.730, unless the context requires otherwise:

(1) "Criminal justice agency" means:

(a) The Governor;

(b) Courts of criminal jurisdiction;

(c) The Attorney General;

(d) District attorneys, city attorneys with criminal prosecutorial functions, attorney employees of the office of public defense services and nonprofit public defender organizations established under contract with the Public Defense Services Commission;

(e) Law enforcement agencies;

(f) The Department of Corrections;

(g) The Oregon Youth Authority;

(h) The State Board of Parole and Post-Prison Supervision;

(i) The Department of Public Safety Standards and Training;

(j) The enforcement division of the Oregon Liquor Control Commission **in performing duties related to investigating and enforcing the criminal laws of this state that the commission is charged to enforce;**

(k) Regional information systems that share programs to track, identify and remove crossjurisdictional criminal and terrorist conspiracies; and

(L) Any other state or local agency with law enforcement authority.

(2) "Criminal offender information" includes records and related data as to physical description and vital statistics, fingerprints received and compiled for purposes of identifying criminal offenders and alleged offenders, records of arrests and the nature and disposition of criminal charges, including sentencing, confinement, parole and release.

(3) "Department" means the Department of State Police established under ORS 181.020.

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(4) "Deputy superintendent" means the Deputy Superintendent of State Police appointed under ORS 181.220.

(5) "Designated agency" means any state, county or municipal government agency where Oregon criminal offender information is required to implement a federal or state statute, executive order or administrative rule that expressly refers to criminal conduct and contains requirements or exclusions expressly based on such conduct or for agency employment purposes, licensing purposes or other demonstrated and legitimate needs when designated by order of the Governor.

(6) "Disposition report" means a form or process prescribed or furnished by the department, containing a description of the ultimate action taken subsequent to an arrest.

(7) "Law enforcement agency" means:

(a) County sheriffs, municipal police departments, police departments established by a university under ORS 352.383 or 353.125 and State Police;

(b) Other police officers of this state or another state, including humane special agents as defined in ORS 181.435; and

(c) Law enforcement agencies of the federal government.

(8) "State police" means the sworn members of the state police force appointed under ORS 181.250.

(9) "Superintendent" means the Superintendent of State Police appointed under ORS 181.200. **SECTION 154.** ORS 181.610 is amended to read:

181.610. As used in ORS 181.610 to 181.712, unless the context requires otherwise:

(1) "Abuse" has the meaning given that term in ORS 107.705.

(2) "Board" means the Board on Public Safety Standards and Training appointed pursuant to ORS 181.620.

(3) "Certified reserve officer" means a reserve officer who has been designated by a local law enforcement unit, has received training necessary for certification and has met the minimum standards and training requirements established under ORS 181.640.

(4) "Commissioned" means being authorized to perform various acts or duties of a police officer or certified reserve officer and acting under the supervision and responsibility of a county sheriff or as otherwise provided by law.

(5) "Corrections officer" means an officer or member employed full-time by a law enforcement unit who:

(a) Is charged with and primarily performs the duty of custody, control or supervision of individuals convicted of or arrested for a criminal offense and confined in a place of incarceration or detention other than a place used exclusively for incarceration or detention of juveniles; or

(b) Has been certified as a corrections officer described in paragraph (a) of this subsection and has supervisory or management authority for corrections officers described in paragraph (a) of this subsection.

(6) "Department" means the Department of Public Safety Standards and Training.

(7) "Director" means the Director of the Department of Public Safety Standards and Training.

(8) "Domestic violence" means abuse between family or household members.

(9) "Emergency medical dispatcher" means a person who has responsibility to process requests for medical assistance from the public or to dispatch medical care providers.

(10) "Family or household members" has the meaning given that term in ORS 107.705.

(11) "Fire service professional" means a paid or volunteer firefighter, an officer or a member of a public or private fire protection agency that is engaged primarily in fire investigation, fire prevention, fire safety, fire control or fire suppression or providing emergency medical services, light and heavy rescue services, search and rescue services or hazardous materials incident response. "Fire service professional" does not mean forest fire protection agency personnel.

(12) "Law enforcement unit" means:

(a) A police force or organization of the state, a city, university that has established a police department under ORS 352.383 or 353.125, port, school district, mass transit district, county, county service district authorized to provide law enforcement services under ORS 451.010, tribal government as defined in section 1, chapter 644, Oregon Laws 2011, that employs authorized tribal police officers as defined in section 1, chapter 644, Oregon Laws 2011, the Criminal Justice Division of the Department of Justice, the Department of Corrections, the Oregon State Lottery Commission, the Security and Emergency Preparedness Office of the Judicial Department or common carrier railroad the primary duty of which, as prescribed by law, ordinance or directive, is one or more of the following:

(A) Detecting crime and enforcing the criminal laws of this state or laws or ordinances relating to airport security;

(B) The custody, control or supervision of individuals convicted of or arrested for a criminal offense and confined to a place of incarceration or detention other than a place used exclusively for incarceration or detention of juveniles; or

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(C) The control, supervision and reformation of adult offenders placed on parole or sentenced to probation and investigation of adult offenders on parole or probation or being considered for parole or probation;

(b) A police force or organization of a private entity with a population of more than 1,000 residents in an unincorporated area the employees of which are commissioned by a county sheriff; (c) A district attorney's office;

(d) The Oregon Liquor Control Commission with regard to *[liquor enforcement inspectors]* **regulatory specialists**; or

(e) A humane investigation agency as defined in ORS 181.433.

[(13) "*Liquor enforcement inspector*" has the meaning given that term in ORS 471.001.] [(14) (13) "Parole and probation officer" means:

(a) An officer who is employed full-time by the Department of Corrections, a county or a court and who is charged with and performs the duty of:

(A) Community protection by controlling, investigating, supervising and providing or making referrals to reformatory services for adult parolees or probationers or offenders on post-prison supervision; or

(B) Investigating adult offenders on parole or probation or being considered for parole or probation; or

(b) An officer who:

(A) Is certified and has been employed as a full-time parole and probation officer for more than one year;

(B) Is employed part-time by the Department of Corrections, a county or a court; and (C) Is charged with and performs the duty of:

(i) Community protection by controlling, investigating, supervising and providing or making referrals to reformatory services for adult parolees or probationers or offenders on post-prison supervision; or

(ii) Investigating adult offenders on parole or probation or being considered for parole or probation.

[(15) (14) "Police officer" means:

(a) An officer, member or employee of a law enforcement unit employed full-time as a peace officer who is:

(A) Commissioned by a city, port, school district, mass transit district, county, county service district authorized to provide law enforcement services under ORS 451.010, tribal government as defined in section 1, chapter 644, Oregon Laws 2011, the Criminal Justice Division of the Department of Justice, the Oregon State Lottery Commission, a university that has established a police department under ORS 352.383 or 353.125, the Governor or the Department of State Police; and

(B) Responsible for enforcing the criminal laws of this state or laws or ordinances relating to airport security;

(b) An investigator of a district attorney's office if the investigator is or has been certified as a peace officer in this or another state;

(c) A humane special agent commissioned under ORS 181.433;

(d) A judicial marshal appointed under ORS 1.177 who is trained pursuant to ORS 181.647; or (e) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011.

[(16) (15) "Public or private safety agency" means a unit of state or local government, a special purpose district or a private firm that provides, or has authority to provide, fire fighting, police, ambulance or emergency medical services.

[(17) (16) "Public safety personnel" and "public safety officer" include corrections officers, youth correction officers, emergency medical dispatchers, parole and probation officers, police officers, certified reserve officers, telecommunicators, *[liquor enforcement inspectors]* **regulatory specialists** and fire service professionals.

(17) "**Regulatory specialist**" has the meaning given that term in ORS 471.001.

(18) "Reserve officer" means an officer or member of a law enforcement unit who is:

(a) A volunteer or employed less than full-time as a peace officer commissioned by a city, port, school district, mass transit district, county, county service district authorized to provide law enforcement services under ORS 451.010, tribal government as defined in section 1, chapter 644, Oregon Laws 2011, the Criminal Justice Division of the Department of Justice, the Oregon State Lottery Commission, a university that has established a police department under ORS 352.383 or 353.125, the Governor or the Department of State Police;

(b) Armed with a firearm; and

(c) Responsible for enforcing the criminal laws and traffic laws of this state or laws or ordinances relating to airport security.

(19) "Telecommunicator" means a person employed as an emergency telephone worker as defined in ORS 243.736 or a public safety dispatcher whose primary duties are receiving, processing and transmitting public safety information received through a 9-1-1 emergency reporting system as defined in ORS 403.105.

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(20) “Youth correction officer” means an employee of the Oregon Youth Authority who is charged with and primarily performs the duty of custody, control or supervision of youth offenders confined in a youth correction facility.

**SECTION 155.** ORS 181.610, as amended by section 50, chapter 644, Oregon Laws 2011, section 23, chapter 54, Oregon Laws 2012, section 14, chapter 67, Oregon Laws 2012, section 5, chapter 88, Oregon Laws 2012, section 18, chapter 1, Oregon Laws 2013, section 7, chapter 154, Oregon Laws 2013, and section 32, chapter 180, Oregon Laws 2013, is amended to read:

181.610. As used in ORS 181.610 to 181.712, unless the context requires otherwise:

- (1) “Abuse” has the meaning given that term in ORS 107.705.
- (2) “Board” means the Board on Public Safety Standards and Training appointed pursuant to ORS 181.620.
- (3) “Certified reserve officer” means a reserve officer who has been designated by a local law enforcement unit, has received training necessary for certification and has met the minimum standards and training requirements established under ORS 181.640.
- (4) “Commissioned” means being authorized to perform various acts or duties of a police officer or certified reserve officer and acting under the supervision and responsibility of a county sheriff or as otherwise provided by law.
- (5) “Corrections officer” means an officer or member employed full-time by a law enforcement unit who:
  - (a) Is charged with and primarily performs the duty of custody, control or supervision of individuals convicted of or arrested for a criminal offense and confined in a place of incarceration or detention other than a place used exclusively for incarceration or detention of juveniles; or
  - (b) Has been certified as a corrections officer described in paragraph (a) of this subsection and has supervisory or management authority for corrections officers described in paragraph (a) of this subsection.
- (6) “Department” means the Department of Public Safety Standards and Training.
- (7) “Director” means the Director of the Department of Public Safety Standards and Training.
- (8) “Domestic violence” means abuse between family or household members.
- (9) “Emergency medical dispatcher” means a person who has responsibility to process requests for medical assistance from the public or to dispatch medical care providers.
- (10) “Family or household members” has the meaning given that term in ORS 107.705.
- (11) “Fire service professional” means a paid or volunteer firefighter, an officer or a member of a public or private fire protection agency that is engaged primarily in fire investigation, fire prevention, fire safety, fire control or fire suppression or providing emergency medical services, light and heavy rescue services, search and rescue services or hazardous materials incident response. “Fire service professional” does not mean forest fire protection agency personnel.
- (12) “Law enforcement unit” means:
  - (a) A police force or organization of the state, a city, university that has established a police department under ORS 352.383 or 353.125, port, school district, mass transit district, county, county service district authorized to provide law enforcement services under ORS 451.010, tribal government, the Criminal Justice Division of the Department of Justice, the Department of Corrections, the Oregon State Lottery Commission, the Security and Emergency Preparedness Office of the Judicial Department or common carrier railroad the primary duty of which, as prescribed by law, ordinance or directive, is one or more of the following:
    - (A) Detecting crime and enforcing the criminal laws of this state or laws or ordinances relating to airport security;
    - (B) The custody, control or supervision of individuals convicted of or arrested for a criminal offense and confined to a place of incarceration or detention other than a place used exclusively for incarceration or detention of juveniles; or
    - (C) The control, supervision and reformation of adult offenders placed on parole or sentenced to probation and investigation of adult offenders on parole or probation or being considered for parole or probation;
  - (b) A police force or organization of a private entity with a population of more than 1,000 residents in an unincorporated area the employees of which are commissioned by a county sheriff; (c) A district attorney’s office;
  - (d) The Oregon Liquor Control Commission with regard to *[liquor enforcement inspectors]* **regulatory specialists**; or
  - (e) A humane investigation agency as defined in ORS 181.433.
- [(13) “Liquor enforcement inspector” has the meaning given that term in ORS 471.001.] [(14) (13) “Parole and probation officer” means:*
  - (a) An officer who is employed full-time by the Department of Corrections, a county or a court and who is charged with and performs the duty of:

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(A) Community protection by controlling, investigating, supervising and providing or making referrals to reformatory services for adult parolees or probationers or offenders on post-prison supervision; or

(B) Investigating adult offenders on parole or probation or being considered for parole or probation; or

(b) An officer who:

(A) Is certified and has been employed as a full-time parole and probation officer for more than one year;

(B) Is employed part-time by the Department of Corrections, a county or a court; and (C) Is charged with and performs the duty of:

(i) Community protection by controlling, investigating, supervising and providing or making referrals to reformatory services for adult parolees or probationers or offenders on post-prison supervision; or

(ii) Investigating adult offenders on parole or probation or being considered for parole or probation.

[(15)] (14) "Police officer" means:

(a) An officer, member or employee of a law enforcement unit employed full-time as a peace officer who is:

(A) Commissioned by a city, port, school district, mass transit district, county, county service district authorized to provide law enforcement services under ORS 451.010, tribal government, the Criminal Justice Division of the Department of Justice, the Oregon State Lottery Commission, a university that has established a police department under ORS 352.383 or 353.125, the Governor or the Department of State Police; and

(B) Responsible for enforcing the criminal laws of this state or laws or ordinances relating to airport security;

(b) An investigator of a district attorney's office if the investigator is or has been certified as a peace officer in this or another state;

(c) A humane special agent commissioned under ORS 181.433; or

(d) A judicial marshal appointed under ORS 1.177 who is trained pursuant to ORS 181.647.

[(16)] (15) "Public or private safety agency" means a unit of state or local government, a special purpose district or a private firm that provides, or has authority to provide, fire fighting, police, ambulance or emergency medical services.

[(17)] (16) "Public safety personnel" and "public safety officer" include corrections officers, youth correction officers, emergency medical dispatchers, parole and probation officers, police officers, certified reserve officers, telecommunicators, [liquor enforcement inspectors] **regulatory specialists** and fire service professionals.

(17) "Regulatory specialist" has the meaning given that term in ORS 471.001.

(18) "Reserve officer" means an officer or member of a law enforcement unit who is:

(a) A volunteer or employed less than full-time as a peace officer commissioned by a city, port, school district, mass transit district, county, county service district authorized to provide law enforcement services under ORS 451.010, tribal government, the Criminal Justice Division of the Department of Justice, the Oregon State Lottery Commission, a university that has established a police department under ORS 352.383 or 353.125, the Governor or the Department of State Police;

(b) Armed with a firearm; and

(c) Responsible for enforcing the criminal laws and traffic laws of this state or laws or ordinances relating to airport security.

(19) "Telecommunicator" means a person employed as an emergency telephone worker as defined in ORS 243.736 or a public safety dispatcher whose primary duties are receiving, processing and transmitting public safety information received through a 9-1-1 emergency reporting system as defined in ORS 403.105.

(20) "Youth correction officer" means an employee of the Oregon Youth Authority who is charged with and primarily performs the duty of custody, control or supervision of youth offenders confined in a youth correction facility.

**SECTION 156.** ORS 181.645 is amended to read:

181.645. A law enforcement unit in this state may not employ as a police officer, correction officer, parole and probation officer or [liquor enforcement inspector] **regulatory specialist**, or utilize as a certified reserve officer, any person who has not yet attained the age of 21 years.

**SECTION 157.** ORS 181.646 is amended to read:

181.646. (1) Except for a person who has requested and obtained an extension from the Department of Public Safety Standards and Training under subsection (2) of this section, subject to subsection (3) of this section the Oregon Liquor Control Commission may not employ a person as a [liquor enforcement inspector] **regulatory specialist** for more than 18 months

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unless the person is a citizen of the United States who has been certified under ORS 181.640 as being qualified as a [*liquor enforcement inspector*] **regulatory specialist** and the certification has not:

- (a) Lapsed; or
  - (b) Been revoked under ORS 181.661, 181.662 and 181.664 (1) and not reissued under ORS 181.661
- (2).  
(2) The department, upon the facts contained in an affidavit accompanying the request for extension, may find good cause for failure to obtain certification within the time period described in subsection (1) of this section. If the department finds that there is good cause for the failure, the department may extend for up to one year the period that a person may serve as a [*liquor enforcement inspector*] **regulatory specialist** without certification. The grant or denial of an extension is within the sole discretion of the department.
- (3) The citizenship requirement in subsection (1) of this section does not apply to a person employed as a [*liquor enforcement inspector*] **regulatory specialist** on March 16, 2012, who continues to serve as a [*liquor enforcement inspector*] **regulatory specialist** without a lapse under subsection (4) of this section.
- (4) The certification of a [*liquor enforcement inspector*] **regulatory specialist** shall lapse after three or more consecutive months of not being employed as a [*liquor enforcement inspector*] **regulatory specialist** unless the [*liquor enforcement inspector*] **regulatory specialist** is on leave from the commission. Upon reemployment as a [*liquor enforcement inspector*] **regulatory specialist**, the person whose certification has lapsed may apply to be certified under ORS 181.610 to 181.712.
- (5) The commission shall pay the costs of training required for a [*liquor enforcement inspector*] **regulatory specialist** to be certified by the department.

**SECTION 158.** Section 32, chapter 54, Oregon Laws 2012, is amended to read:

**Sec. 32.** (1) The Department of Public Safety Standards and Training shall make public safety personnel certification under ORS 181.640 as [*liquor enforcement inspectors*] **regulatory specialists** available for qualified applicants no later than July 1, 2015.

(2) Notwithstanding [*section 21 of this 2012 Act*] **ORS 181.646** and the amendments to ORS 181.610 by sections 22 and 23, **chapter 54, Oregon Laws 2012** [*of this 2012 Act*], an inspector or investigator employed by the Oregon Liquor Control Commission and not granted an extension under [*section 21 of this 2012 Act*] **ORS 181.646** to obtain certification may perform the duties of a [*liquor enforcement inspector*] **regulatory specialist** without certification under ORS 181.640 until January 1, 2017.

(3) An employee of the Oregon Liquor Control Commission who takes voluntary training for commission inspectors and investigators provided by the Department of Public Safety Standards and Training prior to the date that [*liquor enforcement inspector*] **regulatory specialist** training is available from the department is deemed to have met the minimum basic training requirements for a [*liquor enforcement inspector*] **regulatory specialist** and is exempt from any minimum physical standards for [*liquor enforcement inspectors*] **regulatory specialists** developed under [*section 21 of this 2012 Act*] **ORS 181.646**.

**SECTION 159.** ORS 238.005, as amended by section 2, chapter 107, Oregon Laws 2014, is amended to read:

238.005. For purposes of this chapter:

- (1) "Active member" means a member who is presently employed by a participating public employer in a qualifying position and who has completed the six-month period of service required by ORS 238.015.
- (2) "Annuity" means payments for life derived from contributions made by a member as provided in this chapter.
- (3) "Board" means the Public Employees Retirement Board.
- (4) "Calendar year" means 12 calendar months commencing on January 1 and ending on December 31 following.
- (5) "Continuous service" means service not interrupted for more than five years, except that such continuous service shall be computed without regard to interruptions in the case of:
  - (a) An employee who had returned to the service of the employer as of January 1, 1945, and who remained in that employment until having established membership in the Public Employees Retirement System.
  - (b) An employee who was in the armed services on January 1, 1945, and returned to the service of the employer within one year of the date of being otherwise than dishonorably discharged and remained in that employment until having established membership in the Public Employees Retirement System.
- (6) "Creditable service" means any period of time during which an active member is being paid a salary by a participating public employer and for which benefits under this chapter are funded by employer contributions and earnings on the fund. For purposes of computing years of "creditable service," full months and major fractions of a month shall be considered to be one-twelfth of a year and shall be added to all full years. "Creditable service" includes all retirement credit received by a member.
- (7) "Earliest service retirement age" means the age attained by a member when the member could first make application for retirement under the provisions of ORS 238.280.

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- (8) "Employee" includes, in addition to employees, public officers, but does not include: (a) Persons engaged as independent contractors.  
(b) Seasonal, emergency or casual workers whose periods of employment with any public employer or public employers do not total 600 hours in any calendar year.  
(c) Persons provided sheltered employment or made-work by a public employer in an employment or industries program maintained for the benefit of such persons.  
(d) Persons employed and paid from federal funds received under a federal program intended primarily to alleviate unemployment. However, any such person shall be considered an "employee" if not otherwise excluded by paragraphs (a) to (c) of this subsection and the public employer elects to have the person so considered by an irrevocable written notice to the board.  
(e) Persons who are employees of a railroad, as defined in ORS 824.020, and who, as such employees, are included in a retirement plan under federal railroad retirement statutes. This paragraph shall be deemed to have been in effect since the inception of the system.
- (9) "Final average salary" means whichever of the following is greater:  
(a) The average salary per calendar year paid by one or more participating public employers to an employee who is an active member of the system in three of the calendar years of membership before the effective date of retirement of the employee, in which three years the employee was paid the highest salary. The three calendar years in which the employee was paid the largest total salary may include calendar years in which the employee was employed for less than a full calendar year. If the number of calendar years of active membership before the effective date of retirement of the employee is three or fewer, the final average salary for the employee is the average salary per calendar year paid by one or more participating public employers to the employee in all of those years, without regard to whether the employee was employed for the full calendar year.  
(b) One-third of the total salary paid by a participating public employer to an employee who is an active member of the system in the last 36 calendar months of active membership before the effective date of retirement of the employee.
- (10) "Firefighter" does not include a volunteer firefighter, but does include:  
(a) The State Fire Marshal, the chief deputy fire marshal and deputy state fire marshals; and  
(b) An employee of the State Forestry Department who is certified by the State Forester as a professional wildland firefighter and whose primary duties include the abatement of uncontrolled fires as described in ORS 477.064.
- (11) "Fiscal year" means 12 calendar months commencing on July 1 and ending on June 30 following.
- (12) "Fund" means the Public Employees Retirement Fund.
- (13) "Inactive member" means a member who is not employed in a qualifying position, whose membership has not been terminated in the manner described by ORS 238.095 and who is not retired for service or disability.
- (14) "Institution of higher education" means a public university listed in ORS 352.002, the Oregon Health and Science University and a community college, as defined in ORS 341.005.
- (15) "Member" means a person who has established membership in the system and whose membership has not been terminated as described in ORS 238.095. "Member" includes active, inactive and retired members.
- (16) "Member account" means the regular account and the variable account.
- (17) "Normal retirement age" means:  
(a) For a person who establishes membership in the system before January 1, 1996, as described in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter or 58 years of age if the employee retires at that age as other than a police officer or firefighter.  
(b) For a person who establishes membership in the system on or after January 1, 1996, as described in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter or 60 years of age if the employee retires at that age as other than a police officer or firefighter.
- (18) "Pension" means annual payments for life derived from contributions by one or more public employers.
- (19) "Police officer" includes:  
(a) Employees of institutions defined in ORS 421.005 as Department of Corrections institutions whose duties, as assigned by the Director of the Department of Corrections, include the custody of persons committed to the custody of or transferred to the Department of Corrections and employees of the Department of Corrections who were classified as police officers on or before July 27, 1989, whether or not such classification was authorized by law.  
(b) Employees of the Department of State Police who are classified as police officers by the Superintendent of State Police.  
(c) Employees of the Oregon Liquor Control Commission who are classified as *[liquor enforcement inspectors]* **regulatory specialists** by the administrator of the commission.  
(d) Sheriffs and those deputy sheriffs or other employees of a sheriff whose duties, as classified by the sheriff, are the regular duties of police officers or corrections officers.

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- (e) Police chiefs and police personnel of a city who are classified as police officers by the council or other governing body of the city.
  - (f) Police officers who are commissioned by a university under ORS 352.383 or 353.125 and who are classified as police officers by the university.
  - (g) Parole and probation officers employed by the Department of Corrections, parole and probation officers who are transferred to county employment under ORS 423.549 and adult parole and probation officers, as defined in ORS 181.610, who are classified as police officers for the purposes of this chapter by the county governing body. If a county classifies adult parole and probation officers as police officers for the purposes of this chapter, and the employees so classified are represented by a labor organization, any proposal by the county to change that classification or to cease to classify adult parole and probation officers as police officers for the purposes of this chapter is a mandatory subject of bargaining.
  - (h) Police officers appointed under ORS 276.021 or 276.023.
  - (i) Employees of the Port of Portland who are classified as airport police by the Board of Commissioners of the Port of Portland.
  - (j) Employees of the State Department of Agriculture who are classified as livestock police officers by the Director of Agriculture.
  - (k) Employees of the Department of Public Safety Standards and Training who are classified by the department as other than secretarial or clerical personnel.
  - (L) Investigators of the Criminal Justice Division of the Department of Justice.
  - (m) Corrections officers as defined in ORS 181.610.
  - (n) Employees of the Oregon State Lottery Commission who are classified by the Director of the Oregon State Lottery as enforcement agents pursuant to ORS 461.110.
  - (o) The Director of the Department of Corrections.
  - (p) An employee who for seven consecutive years has been classified as a police officer as defined by this section, and who is employed or transferred by the Department of Corrections to fill a position designated by the Director of the Department of Corrections as being eligible for police officer status.
  - (q) An employee of the Department of Corrections classified as a police officer on or prior to July 27, 1989, whether or not that classification was authorized by law, as long as the employee remains in the position held on July 27, 1989. The initial classification of an employee under a system implemented pursuant to ORS 240.190 does not affect police officer status.
  - (r) Employees of a school district who are appointed and duly sworn members of a law enforcement agency of the district as provided in ORS 332.531 or otherwise employed full-time as police officers commissioned by the district.
  - (s) Employees at youth correction facilities and juvenile detention facilities under ORS 419A.050, 419A.052 and 420.005 to 420.915 who are required to hold valid Oregon teaching licenses and who have supervisory, control or teaching responsibilities over juveniles committed to the custody of the Department of Corrections or the Oregon Youth Authority.
  - (t) Employees at youth correction facilities as defined in ORS 420.005 whose primary job description involves the custody, control, treatment, investigation or supervision of juveniles placed in such facilities.
  - (u) Employees of the Oregon Youth Authority who are classified as juvenile parole and probation officers.
- (20) "Prior service credit" means credit provided under ORS 238.442 or under ORS 238.225 (2) to (6) (1999 Edition).
- (21) "Public employer" means the state, one of its agencies, any city, county, or municipal or public corporation, any political subdivision of the state or any instrumentality thereof, or an agency created by one or more such governmental organizations to provide governmental services. For purposes of this chapter, such agency created by one or more governmental organizations is a governmental instrumentality and a legal entity with power to enter into contracts, hold property and sue and be sued.
- (22) "Qualifying position" means one or more jobs with one or more participating public employers in which an employee performs 600 or more hours of service in a calendar year, excluding any service in a job for which a participating public employer does not provide benefits under this chapter pursuant to an application made under ORS 238.035.
- (23) "Regular account" means the account established for each active and inactive member under ORS 238.250.
- (24) "Retired member" means a member who is retired for service or disability.
- (25) "Retirement credit" means a period of time that is treated as creditable service for the purposes of this chapter.
- (26)(a) "Salary" means the remuneration paid an employee in cash out of the funds of a public employer in return for services to the employer, plus the monetary value, as determined by the Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry and other advantages the employer furnishes the employee in return for services.
- (b) "Salary" includes but is not limited to:
    - (A) Payments of employee and employer money into a deferred compensation plan, which are deemed salary paid in each month of deferral;
    - (B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary paid in each month of participation;
    - (C) Retroactive payments described in ORS 238.008; and

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(D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS652.190.

(c) "Salary" or "other advantages" does not include:

(A) Travel or any other expenses incidental to employer's business which is reimbursed by the employer;

(B) Payments for insurance coverage by an employer on behalf of employee or employee dependents, for which the employee has no cash option;

(C) Payments made on account of an employee's death;

(D) Any lump sum payment for accumulated unused sick leave;

(E) Any accelerated payment of an employment contract for a future period or an advance against future wages;

(F) Any retirement incentive, retirement severance pay, retirement bonus or retirement gratuitous payment;

(G) Payments for periods of leave of absence after the date the employer and employee have agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for sick leave and vacation;

(H) Payments for instructional services rendered to public universities listed in ORS 352.002 or the Oregon Health and Science University when such services are in excess of full-time employment subject to this chapter. A person employed under a contract for less than 12 months is subject to this subparagraph only for the months to which the contract pertains; or

(I) Payments made by an employer for insurance coverage provided to a domestic partner of an employee.

(27) "School year" means the period beginning July 1 and ending June 30 next following.

(28) "System" means the Public Employees Retirement System.

(29) "Variable account" means the account established for a member who participates in the Variable Annuity Account under ORS 238.260.

(30) "Vested" means being an active member of the system in each of five calendar years.

(31) "Volunteer firefighter" means a firefighter whose position normally requires less than 600 hours of service per year.

**SECTION 160.** ORS 471.001 is amended to read:

471.001. As used in this chapter and ORS chapter 473:

(1) "Alcoholic beverage" and "alcoholic liquor" mean any liquid or solid containing more than one-half of one percent alcohol by volume and capable of being consumed by a human being.

(2) "Commercial establishment" means a place of business:

(a) Where food is cooked and served;

(b) That has kitchen facilities adequate for the preparation and serving of meals; (c) That has dining facilities adequate for the serving and consumption of meals; and (d) That:

(A) If not a for-profit private club, serves meals to the general public; or

(B) If a for-profit private club, serves meals to the club's members and guests and complies with any minimum membership and food service requirements established by Oregon Liquor Control Commission rules.

(3) "Commission" means the Oregon Liquor Control Commission.

(4) "Distilled liquor" means any alcoholic beverage other than a wine, cider or malt beverage.

"Distilled liquor" includes distilled spirits.

(5) "Licensee" means any person holding a license issued under this chapter.

[(6) "Liquor enforcement inspector" means a full-time employee of the commission who is authorized to act as an agent of the commission in conducting inspections or investigations, making arrests and seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise enforcing this chapter, ORS 474.005 to 474.095 and 474.115, commission rules and any other statutes the commission considers related to alcoholic liquor.]

[(7)(a)] (6)(a) "Malt beverage" means an alcoholic beverage obtained by the fermentation of grain that contains not more than 14 percent alcohol by volume.

(b) "Malt beverage" includes:

(A) Beer, ale, porter, stout and similar alcoholic beverages containing not more than 14 percent alcohol by volume;

(B) Malt beverages containing six percent or less alcohol by volume and that contain at least 51 percent alcohol by volume obtained by the fermentation of grain, as long as not more than 49 percent of the beverage's overall alcohol content is obtained from flavors and other added nonbeverage ingredients containing alcohol; and

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(C) Malt beverages containing more than six percent alcohol by volume that derive not more than 1.5 percent of the beverage's overall alcohol content by volume from flavors and other added nonbeverage ingredients containing alcohol.

(c) "Malt beverage" does not include cider or an alcoholic beverage obtained primarily by fermentation of rice, such as sake.

[(8)] (7) "Manufacturer" means every person who produces, brews, ferments, manufactures or blends an alcoholic beverage within this state or who imports or causes to be imported into this state an alcoholic beverage for sale or distribution within the state.

[(9)] (8) "Permittee" means a person holding a permit issued under ORS 471.360 to 471.390.

[(10)] (9) "Premises" or "licensed premises" means a location licensed under this chapter and includes all enclosed areas at the location that are used in the business operated at the location, including offices, kitchens, rest rooms and storerooms, including all public and private areas where patrons are permitted to be present. "Premises" or "licensed premises" includes areas outside of a building that the commission has specifically designated as approved for alcoholic beverage service or consumption.

(10) "Regulatory specialist" means a full-time employee of the commission who is authorized to act as an agent of the commission in conducting inspections or investigations, making arrests and seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise enforcing this chapter, ORS 474.005 to 474.095 and 474.115, commission rules and any other statutes the commission considers related to regulating liquor or marijuana.

(11) "Wine" means any fermented vinous liquor or fruit juice, or other fermented beverage fit for beverage purposes that is not a malt beverage, containing more than one-half of one percent of alcohol by volume and not more than 21 percent of alcohol by volume. "Wine" includes fortified wine. "Wine" does not include cider.

**SECTION 161.** ORS 471.360 is amended to read:

471.360. (1) Except as otherwise provided in ORS 471.375:

(a) Any person employed by a licensee of the Oregon Liquor Control Commission must have a valid service permit issued by the commission if the person:

(A) Participates in any manner in the mixing, selling or service of alcoholic liquor for consumption on the premises where served or sold; or

(B) Participates in the dispensing of malt beverages, wines or cider sold in securely covered containers provided by the consumer.

(b) A licensee of the commission may not permit any person who lacks a service permit required of the person under paragraph (a) of this subsection:

(A) To mix, sell or serve any alcoholic liquor for consumption on licensed premises; or

(B) To dispense malt beverages, wines or cider sold in securely covered containers provided by the consumer.

(c) A permittee shall make the service permit available at any time while on duty for immediate inspection by any [*liquor enforcement inspector*] **regulatory specialist** or by any other peace officer.

(2) The commission may waive the requirement for a service permit for an employee of a licensee whose primary function is not the sale of alcoholic liquor or food, including but not limited to public passenger carriers, hospitals, or convalescent, nursing or retirement homes.

**SECTION 162.** ORS 471.375 is amended to read:

471.375. (1) Any person who has not had a permit refused or revoked or whose permit is not under suspension may mix, sell or serve alcoholic beverages as provided under subsection (4) of this section if the person prepares in duplicate an application for a service permit prior to mixing, selling or serving any alcoholic beverage for consumption on licensed premises and the application is indorsed as required under subsection (2) of this section. A copy of the indorsed application must be kept on the licensed premises by any licensee for whom the person mixes, sells or serves alcoholic beverages and must be made available for immediate inspection by any [*liquor enforcement inspector*] **regulatory specialist** or by any other peace officer until the applicant receives the service permit.

(2) An application for a service permit under subsection (1) of this section must be indorsed by one of the following persons:

(a) The licensee under whose license the applicant will mix, sell or serve alcoholic beverages. If a licensee indorses an application, the licensee must immediately transmit the application to the commission with the fee required by subsection (3) of this section.

(b) An officer or employee of a company that provides servers to licensees on a temporary basis. The commission must give a company written approval to indorse service permit applications before an application may be indorsed under this paragraph.

(c) An employee of the commission designated by the commission to accept and indorse applications under this section. The applicant must personally appear before the employee of the commission and provide identification as may be required by commission rule.

(d) An employee of an alcohol server education course provider that has been certified by the commission under ORS 471.542 (8). The employee must be specifically designated by the provider to indorse applications under this section.

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(3) An applicant for a service permit must be 18 years of age or over. Application for a service permit shall be made on a form supplied by the commission. The applicant shall truly answer all questions, provide any further information required, and pay a fee not to exceed \$10. The commission shall either set the fee to cover only the administrative costs of the service permit program, or apply any excess to the Alcohol Education Program established under ORS 471.541.

(4) An applicant for a service permit whose application has been indorsed as provided under this section may:

- (a) Participate in the mixing, selling or service of alcoholic beverages for consumption on the premises where served or sold; and
- (b) Participate in the dispensing of malt beverages, wine or cider sold in securely covered containers provided by the consumer.

**SECTION 163.** ORS 471.675 is amended to read:

471.675. A person may not forcibly resist lawful arrest, or by physical contact recklessly interfere with an investigation of any infringement of the Liquor Control Act or with any lawful search or seizure being made by a peace officer or a [*liquor enforcement inspector*] **regulatory specialist** if the person knows or should know that the investigation, search or seizure is being performed by a peace officer or [*liquor enforcement inspector*] **regulatory specialist**.

**SECTION 164.** ORS 471.775 is amended to read:

471.775. (1) The provisions of ORS 183.440 shall apply to subpoenas issued by each member of the Oregon Liquor Control Commission or any of its authorized agents.

(2) [*Liquor enforcement inspectors*] **Regulatory specialists** have authority as provided under this chapter, ORS chapter 153, ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739, 161.235, 161.239 and 161.245 and chapter 743, Oregon Laws 1971, to conduct inspections or investigations, make arrests and seizures, aid in prosecutions for offenses, issue criminal citations and citations for violations and otherwise enforce this chapter, ORS 474.005 to 474.095 and 474.115, commission rules and any other laws of this state that the commission considers related to alcoholic liquor, including but not limited to laws regarding the manufacture, importation, transportation, possession, distribution, sale or consumption of alcoholic beverages, the manufacture or use of false identification or the entry of premises licensed to sell alcoholic liquor.

**SECTION 165.** ORS 659A.320 is amended to read:

659A.320. (1) Except as provided in subsection (2) of this section, it is an unlawful employment practice for an employer to obtain or use for employment purposes information contained in the credit history of an applicant for employment or an employee, or to refuse to hire, discharge, demote, suspend, retaliate or otherwise discriminate against an applicant or an employee with regard to promotion, compensation or the terms, conditions or privileges of employment based on information in the credit history of the applicant or employee. (2) Subsection (1) of this section does not apply to:

- (a) Employers that are federally insured banks or credit unions;
- (b) Employers that are required by state or federal law to use individual credit history for employment purposes;
- (c) The application for employment or the employment of a public safety officer who will be or who is:

(A) A member of a law enforcement unit;

(B) Employed as a peace officer commissioned by a city, port, school district, mass transit district, county, university under ORS 352.383 or 353.125, Indian reservation, the Superintendent of State Police under ORS 181.433, the Criminal Justice Division of the Department of Justice, the Oregon State Lottery Commission or the Governor or employed as a [*liquor enforcement inspector*] **regulatory specialist** by the Oregon Liquor Control Commission; and

(C) Responsible for enforcing the criminal laws of this state or laws or ordinances related to airport security; or

(d) The obtainment or use by an employer of information in the credit history of an applicant or employee because the information is substantially job-related and the employer's reasons for the use of such information are disclosed to the employee or prospective employee in writing.

(3) An employee or an applicant for employment may file a complaint under ORS 659A.820 for violations of this section and may bring a civil action under ORS 659A.885 and recover the relief as provided by ORS 659A.885 (1) and (2).

(4) As used in this section, "credit history" means any written or other communication of any information by a consumer reporting agency that bears on a consumer's creditworthiness, credit standing or credit capacity.

**SECTION 166.** ORS 659A.885 is amended to read:

659A.885. (1) Any person claiming to be aggrieved by an unlawful practice specified in subsection (2) of this section may file a civil action in circuit court. In any action under this subsection, the court may order injunctive relief and any other equitable relief that may be appropriate, including but not limited to reinstatement or the hiring of employees with or without back pay. A court may order back pay in an action under this subsection only for the two-year period immediately preceding the filing of a complaint under ORS 659A.820 with the Commissioner of the Bureau of Labor and

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Industries, or if a complaint was not filed before the action was commenced, the twoyear period immediately preceding the filing of the action. In any action under this subsection, the court may allow the prevailing party costs and reasonable attorney fees at trial and on appeal. Except as provided in subsection (3) of this section:

- (a) The judge shall determine the facts in an action under this subsection; and
  - (b) Upon any appeal of a judgment in an action under this subsection, the appellate court shall review the judgment pursuant to the standard established by ORS 19.415 (3).
- (2) An action may be brought under subsection (1) of this section alleging a violation of ORS 10.090, 10.092, 25.337, 25.424, 171.120, 408.230, 408.237 (2), 476.574, 652.355, 653.060, 659A.030, 659A.040, 659A.043, 659A.046, 659A.063, 659A.069, 659A.082, 659A.088, 659A.103 to 659A.145, 659A.150 to 659A.186, 659A.194, 659A.199, 659A.203, 659A.218, 659A.228, 659A.230, 659A.233, 659A.236, 659A.250 to 659A.262, 659A.277, 659A.290, 659A.300, 659A.306, 659A.309, 659A.315, 659A.318, 659A.320 or 659A.421 or **section 20b of this 2015 Act**.
- (3) In any action under subsection (1) of this section alleging a violation of ORS 25.337, 25.424, 659A.030, 659A.040, 659A.043, 659A.046, 659A.069, 659A.082, 659A.103 to 659A.145, 659A.199, 659A.228, 659A.230, 659A.250 to 659A.262, 659A.290, 659A.318 or 659A.421:
- (a) The court may award, in addition to the relief authorized under subsection (1) of this section, compensatory damages or \$200, whichever is greater, and punitive damages;
  - (b) At the request of any party, the action shall be tried to a jury;
  - (c) Upon appeal of any judgment finding a violation, the appellate court shall review the judgment pursuant to the standard established by ORS 19.415 (1); and
  - (d) Any attorney fee agreement shall be subject to approval by the court.
- (4) In any action under subsection (1) of this section alleging a violation of ORS 652.355 or 653.060, the court may award, in addition to the relief authorized under subsection (1) of this section, compensatory damages or \$200, whichever is greater.
- (5) In any action under subsection (1) of this section alleging a violation of ORS 171.120, 476.574, 659A.203 or 659A.218, the court may award, in addition to the relief authorized under subsection (1) of this section, compensatory damages or \$250, whichever is greater.
- (6) In any action under subsection (1) of this section alleging a violation of ORS 10.090 or 10.092, the court may award, in addition to the relief authorized under subsection (1) of this section, a civil penalty in the amount of \$720.
- (7) Any individual against whom any distinction, discrimination or restriction on account of race, color, religion, sex, sexual orientation, national origin, marital status or age, if the individual is 18 years of age or older, has been made by any place of public accommodation, as defined in ORS 659A.400, by any employee or person acting on behalf of the place or by any person aiding or abetting the place or person in violation of ORS 659A.406 may bring an action against the operator or manager of the place, the employee or person acting on behalf of the place or the aider or abettor of the place or person. Notwithstanding subsection (1) of this section, in an action under this subsection:
- (a) The court may award, in addition to the relief authorized under subsection (1) of this section, compensatory and punitive damages;
  - (b) The operator or manager of the place of public accommodation, the employee or person acting on behalf of the place, and any aider or abettor shall be jointly and severally liable for all damages awarded in the action;
  - (c) At the request of any party, the action shall be tried to a jury;
  - (d) The court shall award reasonable attorney fees to a prevailing plaintiff;
  - (e) The court may award reasonable attorney fees and expert witness fees incurred by a defendant who prevails only if the court determines that the plaintiff had no objectively reasonable basis for asserting a claim or no reasonable basis for appealing an adverse decision of a trial court; and
  - (f) Upon any appeal of a judgment under this subsection, the appellate court shall review the judgment pursuant to the standard established by ORS 19.415 (1).
- (8) When the commissioner or the Attorney General has reasonable cause to believe that a person or group of persons is engaged in a pattern or practice of resistance to the rights protected by ORS 659A.145 or 659A.421 or federal housing law, or that a group of persons has been denied any of the rights protected by ORS 659A.145 or 659A.421 or federal housing law, the commissioner or the Attorney General may file a civil action on behalf of the aggrieved persons in the same manner as a person or group of persons may file a civil action under this section. In a civil action filed under this subsection, the court may assess against the respondent, in addition to the relief authorized under subsections (1) and (3) of this section, a civil penalty: (a) In an amount not exceeding \$50,000 for a first violation; and (b) In an amount not exceeding \$100,000 for any subsequent violation.
- (9) In any action under subsection (1) of this section alleging a violation of ORS 659A.145 or 659A.421 or alleging discrimination under federal housing law, when the commissioner is pursuing the action on behalf of an aggrieved complainant, the court shall award reasonable attorney fees to the commissioner if the commissioner prevails in the action. The court may award reasonable attorney

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fees and expert witness fees incurred by a defendant that prevails in the action if the court determines that the commissioner had no objectively reasonable basis for asserting the claim or for appealing an adverse decision of the trial court.

(10) In an action under subsection (1) or (8) of this section alleging a violation of ORS 659A.145 or 659A.421 or discrimination under federal housing law:

(a) "Aggrieved person" includes a person who believes that the person:

- (A) Has been injured by an unlawful practice or discriminatory housing practice; or
- (B) Will be injured by an unlawful practice or discriminatory housing practice that is about to occur.

(b) An aggrieved person in regard to issues to be determined in an action may intervene as of right in the action. The Attorney General may intervene in the action if the Attorney General certifies that the case is of general public importance. The court may allow an intervenor prevailing party costs and reasonable attorney fees at trial and on appeal.

**SECTION 167.** ORS 802.250 is amended to read:

802.250. (1) An eligible public employee may request that any driver or vehicle record kept by the Department of Transportation that contains or is required to contain the eligible employee's residence address contain instead the address of the public agency employing the eligible employee. A request under this section shall:

- (a) Be in a form specified by the department that provides for verification of the eligible employee's employment.
- (b) Contain verification by the employing public agency of the eligible employee's employment with the public agency.

(2) Upon receipt of a request and verification under subsection (1) of this section, the department shall remove the eligible employee's residence address from its records, if necessary, and substitute therefor the address of the public agency employing the eligible employee. The department shall indicate on the records that the address shown is an employment address. While the request is in effect, the eligible employee may enter the address of the public agency employing the eligible employee on any driver or vehicle form issued by the department that requires an address.

(3) A public agency that verifies an eligible employee's employment under subsection (1) of this section shall notify the department within 30 days if the eligible employee ceases to be employed by the public agency. The eligible employee shall notify the department of a change of address as provided in ORS 803.220 or 807.560.

(4) If an eligible employee is killed in the line of duty, a person who is a household member of the eligible employee may request that any driver or vehicle record kept by the department that contains or is required to contain the household member's residence address continue to contain the address of the public agency that employed the eligible employee for up to four years after the date of the death of the eligible employee. On or before the date on which the four-year period ends, the household member shall notify the department of a change of address as provided in ORS 803.220 or 807.560. A request under this subsection shall be in a form specified by the department.

(5) As used in this section, "eligible employee" means:

- (a) A member of the State Board of Parole and Post-Prison Supervision.
- (b) The Director of the Department of Corrections and an employee of an institution defined in ORS 421.005 as Department of Corrections institutions, whose duties, as assigned by the superintendent, include the custody of persons committed to the custody of or transferred to the institution.
- (c) A parole and probation officer employed by the Department of Corrections and an employee of the Department of Corrections Release Center whose duties, as assigned by the Chief of the Release Center, include the custody of persons committed to the custody of or transferred to the Release Center.
- (d) A police officer appointed under ORS 276.021 or 276.023.
- (e) An employee of the State Department of Agriculture who is classified as a brand inspector by the Director of Agriculture.
- (f) An investigator of the Criminal Justice Division of the Department of Justice.
- (g) A corrections officer as defined in ORS 181.610.
- (h) A federal officer. As used in this paragraph, "federal officer" means a special agent or law enforcement officer employed by:
  - (A) The Federal Bureau of Investigation;
  - (B) The United States Secret Service;
  - (C) The United States Citizenship and Immigration Services;
  - (D) The United States Marshals Service;
  - (E) The Drug Enforcement Administration;
  - (F) The United States Postal Service;
  - (G) The United States Customs and Border Protection;

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- (H) The United States General Services Administration;
  - (I) The United States Department of Agriculture;
  - (J) The Bureau of Alcohol, Tobacco, Firearms and Explosives;
  - (K) The Internal Revenue Service;
  - (L) The United States Department of the Interior; or
  - (M) Any federal agency if the person is empowered to effect an arrest with or without warrant for violations of the United States Code and is authorized to carry firearms in the performance of duty.
- (i) An employee of the Department of Human Services or the Oregon Health Authority whose duties include personal contact with clients or patients of the department or the authority.
  - (j) Any judge of a court of this state.
  - (k) An employee of the Oregon Youth Authority whose duties include personal contact with persons committed to the legal or physical custody of the authority.
  - (L) A district attorney, as defined in ORS 131.005, or deputy district attorney.
  - (m) An employee who provides educational services to persons who are clients or patients of the Department of Human Services or the Oregon Health Authority, who are under the jurisdiction of the Psychiatric Security Review Board or who are under the custody or supervision of the Department of Corrections, the State Board of Parole and Post-Prison Supervision, a community corrections agency, the Oregon Youth Authority or a juvenile department. As used in this paragraph, "employee who provides educational services" means a person who provides instruction, or services related to the instruction, of a subject usually taught in an elementary school, a secondary school or a community college or who provides special education and related services in other than a school setting and who works for:
    - (A) An education service district or a community college district; or
    - (B) A state officer, board, commission, bureau, department or division in the executive branch of state government that provides educational services.
  - (n) An employee of the Oregon Liquor Control Commission who is:
    - (A) A *[liquor enforcement inspector]* **regulatory specialist**; or (B) A regulatory manager.
    - (o) A police officer as defined in ORS 801.395.
    - (p) An employee whose duties include personal contact with criminal offenders and who is employed by a law enforcement unit, as defined in ORS 181.610.

**(Operative March 1, 2016)**

**SECTION 168.** ORS 181.534 is amended to read:

181.534. (1) As used in this section:

- (a) "Authorized agency" means state government as defined in ORS 174.111 and the Oregon State Bar. "Authorized agency" does not include:
  - (A) The Oregon State Lottery Commission or the Oregon State Lottery; or
  - (B) A criminal justice agency, as defined in ORS 181.010, that is authorized by federal law to receive fingerprint-based criminal records checks from the Federal Bureau of Investigation.
- (b) "Subject individual" means a person from whom an authorized agency may require fingerprints pursuant to statute for the purpose of enabling the authorized agency to request a state or nationwide criminal records check.
  - (2) An authorized agency may request that the Department of State Police conduct a criminal records check on a subject individual for non-criminal justice purposes. If a nationwide criminal records check of a subject individual is necessary, the authorized agency may request that the Department of State Police conduct the check, including fingerprint identification, through the Federal Bureau of Investigation.
  - (3) The Department of State Police shall provide the results of a criminal records check conducted pursuant to subsection (2) of this section to the authorized agency requesting the check.
  - (4) The Federal Bureau of Investigation shall return or destroy the fingerprint cards used to conduct the criminal records check and may not keep any record of the fingerprints. If the federal bureau policy authorizing return or destruction of the fingerprint cards is changed, the Department of State Police shall cease to send the cards to the federal bureau but shall continue to process the information through other available resources.

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(5) If the Federal Bureau of Investigation returns the fingerprint cards to the Department of State Police, the department shall destroy the fingerprint cards and shall retain no facsimiles or other material from which a fingerprint can be reproduced.

(6) If only a state criminal records check is conducted, the Department of State Police shall destroy the fingerprint cards after the criminal records check is completed and the results of the criminal records check provided to the authorized agency and shall retain no facsimiles or other material from which a fingerprint can be reproduced.

(7) An authorized agency may conduct criminal records checks on subject individuals through the Law Enforcement Data System maintained by the Department of State Police in accordance with rules adopted, and procedures established, by the Department of State Police.

(8) An authorized agency and the Department of State Police shall permit a subject individual for whom a fingerprint-based criminal records check was conducted to inspect the individual's own state and national criminal offender records and, if requested by the subject individual, provide the individual with a copy of the individual's own state and national criminal offender records.

(9) Each authorized agency, in consultation with the Department of State Police, shall adopt rules to implement this section and other statutes relating to criminal offender information obtained through fingerprint-based criminal records checks. The rules shall include but need not be limited to:

(a) Identifying applicable categories of subject individuals as specified by the Oregon Department of Administrative Services under ORS 181.547 who are subject to criminal records checks by the authorized agency.

(b) Identifying applicable information that may be required from a subject individual to permit a criminal records check as specified by the Oregon Department of Administrative Services under ORS 181.547.

(c) Specifying which programs or services are subject to this section.

(d) If the authorized agency uses criminal records checks for agency employment purposes:

(A) Determining when and under what conditions a subject individual may be hired on a preliminary basis pending a criminal records check; and

(B) Defining the conditions under which a subject individual may participate in training, orientation and work activities pending completion of a criminal records check.

(e) Establishing fees in an amount not to exceed the actual cost of acquiring and furnishing criminal offender information.

(10) The Department of State Police shall verify that an authorized agency has adopted the rules required by subsection (9) of this section.

(11)(a) Except as otherwise provided in ORS 181.612, 342.143, 342.223, 443.735 and [475.304] **475.300 to 475.346** and paragraph (b) of this subsection, an authorized agency, using the rules adopted by the authorized agency under subsection (9) of this section and the rules adopted by the Oregon Department of Administrative Services under ORS 181.547, shall determine whether a subject individual is fit to hold a position, provide services, be employed or be granted a license, certification, registration or permit, based on the criminal records check obtained pursuant to this section, on any false statements made by the individual regarding the criminal history of the individual and on any refusal to submit or consent to a criminal records check including fingerprint identification. If a subject individual is determined to be unfit, then the individual may not hold the position, provide services, be employed or be granted a license, certification, registration or permit.

(b) An individual prohibited from receiving public funds for employment under ORS 443.004 (3) is not entitled to a determination of fitness as a subject individual under paragraph (a) of this subsection.

(c)(A) Subject to subparagraph (B) of this paragraph, an authorized agency making a fitness determination of an individual under this subsection may request results of a previously made fitness determination from an authorized agency that has already made a fitness determination for the individual. An authorized agency that receives a request under this paragraph shall provide the requested information.

(B) An authorized agency may make a request under this paragraph only for individuals:

(i) Who are applying to hold a position, provide services, be employed or be granted a license, certification, registration or permit;

(ii) Who are in a category of individuals as specified by the Oregon Department of Administrative Services under ORS 181.547; and

(iii) For whom a fitness determination has already been made.

(12) Except as otherwise provided in ORS 181.612, in making the fitness determination under subsection (11) of this section, the authorized agency shall consider:

(a) The nature of the crime;

(b) The facts that support the conviction or pending indictment or that indicate the making of the false statement;

(c) The relevancy, if any, of the crime or the false statement to the specific requirements of the subject individual's present or proposed position, services, employment, license, certification or registration; and

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(d) Intervening circumstances relevant to the responsibilities and circumstances of the position, services, employment, license, certification, registration or permit. Intervening circumstances include but are not limited to:

- (A) The passage of time since the commission of the crime;
- (B) The age of the subject individual at the time of the crime;
- (C) The likelihood of a repetition of offenses or of the commission of another crime;
- (D) The subsequent commission of another relevant crime;
- (E) Whether the conviction was set aside and the legal effect of setting aside the conviction; and
- (F) A recommendation of an employer.

(13) An authorized agency and an employee of an authorized agency acting within the course and scope of employment are immune from any civil liability that might otherwise be incurred or imposed for determining, pursuant to subsection (11) of this section, that a subject individual is fit or not fit to hold a position, provide services, be employed or be granted a license, certification, registration or permit. An authorized agency and an employee of an authorized agency acting within the course and scope of employment who in good faith comply with this section are not liable for employment-related decisions based on determinations made under subsection (11) of this section. An authorized agency or an employee of an authorized agency acting within the course and scope of employment is not liable for defamation or invasion of privacy in connection with the lawful dissemination of information lawfully obtained under this section.

(14)(a) Each authorized agency shall establish by rule a contested case process by which a subject individual may appeal the determination that the individual is fit or not fit to hold a position, provide services, be employed or be granted a license, certification, registration or permit on the basis of information obtained as the result of a criminal records check conducted pursuant to this section. Challenges to the accuracy or completeness of information provided by the Department of State Police, the Federal Bureau of Investigation and agencies reporting information to the Department of State Police or Federal Bureau of Investigation must be made through the Department of State Police, Federal Bureau of Investigation or reporting agency and not through the contested case process required by this paragraph.

(b) A subject individual who is employed by an authorized agency and who is determined not to be fit for a position on the basis of information obtained as the result of a criminal records check conducted pursuant to this section may appeal the determination through the contested case process adopted under this subsection or applicable personnel rules, policies and collective bargaining provisions. An individual's decision to appeal a determination through personnel rules, policies and collective bargaining provisions is an election of remedies as to the rights of the individual with respect to the fitness determination and is a waiver of the contested case process.

(c) An individual prohibited from receiving public funds for employment under ORS 443.004 (3) is not entitled to appeal a determination under paragraph (a) or (b) of this subsection.

(15) Criminal offender information is confidential. Authorized agencies and the Department of State Police shall adopt rules to restrict dissemination of information received under this section to persons with a demonstrated and legitimate need to know the information.

(16) If a subject individual refuses to consent to the criminal records check or refuses to be fingerprinted, the authorized agency shall deny the employment of the individual, or revoke or deny any applicable position, authority to provide services, license, certification, registration or permit.

(17) If an authorized agency requires a criminal records check of employees, prospective employees, contractors, vendors or volunteers or applicants for a license, certification, registration or permit, the application forms of the authorized agency must contain a notice that the person is subject to fingerprinting and a criminal records check.

## **SECTION 169.** ORS 181.537 is amended to read:

181.537. (1) As used in this section:

- (a) "Care" means the provision of care, treatment, education, training, instruction, supervision, placement services, recreation or support to children, the elderly or persons with disabilities.
- (b) "Native American tribe" has the meaning given that term in ORS 181.538 (4).
- (c) "Qualified entity" means a community mental health program, a community developmental disabilities program, a local health department, the government of a Native American tribe or an agency of a Native American tribe responsible for child welfare or an individual or business or organization, whether public, private, for-profit, nonprofit or voluntary, that provides care, including a business or organization that licenses, certifies or registers others to provide care.

(2) For the purpose of requesting a state or nationwide criminal records check under ORS 181.534, the Department of Human Services, the Oregon Health Authority and the Employment Department may require the fingerprints of a person:

- (a) Who is employed by or is applying for employment with either department or the authority;
- (b) Who provides or seeks to provide services to either department or the authority as a contractor, subcontractor, vendor or volunteer who:

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- (A) May have contact with recipients of care;
- (B) Has access to personal information about employees of either department or the authority, recipients of care from either department or the authority or members of the public, including Social Security numbers, dates of birth, driver license numbers, medical information, personal financial information or criminal background information;
- (C) Has access to information the disclosure of which is prohibited by state or federal laws, rules or regulations, or information that is defined as confidential under state or federal laws, rules or regulations;
- (D) Has access to property held in trust or to private property in the temporary custody of the state;
- (E) Has payroll or fiscal functions or responsibility for:
  - (i) Receiving, receipting or depositing money or negotiable instruments;
  - (ii) Billing, collections, setting up financial accounts or other financial transactions; or
  - (iii) Purchasing or selling property;
- (F) Provides security, design or construction services for government buildings, grounds or facilities;
- (G) Has access to critical infrastructure or secure facilities information; or
- (H) Is providing information technology services and has control over or access to information technology systems;
- (c) For the purposes of licensing, certifying, registering or otherwise regulating or administering programs, persons or qualified entities that provide care;
- (d) For the purposes of employment decisions by or for qualified entities that are regulated or otherwise subject to oversight by the Department of Human Services or the Oregon Health Authority and that provide care;
- (e) For the purposes of employment decisions made by a mass transit district or transportation district for qualified entities that, under contracts with the district or the Oregon Health Authority, employ persons to operate motor vehicles for the transportation of medical assistance program clients; or
- (f) For the purposes of licensure, certification or registration of foster homes by the government of a Native American tribe or an agency of a Native American tribe responsible for child welfare.
- (3) The Department of Human Services and the Oregon Health Authority may conduct criminal records checks on a person through the Law Enforcement Data System maintained by the Department of State Police, if deemed necessary by the Department of Human Services or the Oregon Health Authority to protect children, elderly persons, persons with disabilities or other vulnerable persons.
- (4) The Department of Human Services and the Oregon Health Authority may furnish to qualified entities, in accordance with the rules of the Department of Human Services or the Oregon Health Authority and the rules of the Department of State Police, information received from the Law Enforcement Data System. However, any criminal offender records and information furnished to the Department of Human Services or the Oregon Health Authority by the Federal Bureau of Investigation through the Department of State Police may not be disseminated to qualified entities.
- (5)(a) Except as otherwise provided in ORS 443.735 and [475.304] 475.300 to 475.346, a qualified entity, using rules adopted by the Department of Human Services or the Oregon Health Authority under ORS 181.534 (9) and rules adopted by the Oregon Department of Administrative Services under ORS 181.547, shall determine under this section whether a person is fit to hold a position, provide services, be employed or, if the qualified entity has authority to make such a determination, be licensed, certified or registered, based on the criminal records check obtained pursuant to ORS 181.534, any false statements made by the person regarding the criminal history of the person and any refusal to submit or consent to a criminal records check including fingerprint identification. If a person is determined to be unfit, then that person may not hold the position, provide services or be employed, licensed, certified or registered.
  - (b) A person prohibited from receiving public funds for employment under ORS 443.004 (3) is not entitled to a determination of fitness under paragraph (a) of this subsection.
- (6) In making the fitness determination under subsection (5) of this section, the qualified entity shall consider:
  - (a) The nature of the crime;
  - (b) The facts that support the conviction or pending indictment or indicate the making of the false statement;
  - (c) The relevancy, if any, of the crime or the false statement to the specific requirements of the person's present or proposed position, services, employment, license, certification or registration;and
  - (d) Intervening circumstances relevant to the responsibilities and circumstances of the position, services, employment, license, certification or registration. Intervening circumstances include but are not limited to the passage of time since the commission of the crime, the age of the person at the time of the crime, the likelihood of a repetition of offenses, the subsequent commission of another relevant crime and a recommendation of an employer.

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(7) The Department of Human Services, the Oregon Health Authority and the Employment Department may make fitness determinations based on criminal offender records and information furnished by the Federal Bureau of Investigation through the Department of State Police only as described in ORS 181.534.

(8) A qualified entity and an employee of a qualified entity acting within the course and scope of employment are immune from any civil liability that might otherwise be incurred or imposed for determining pursuant to subsection (5) of this section that a person is fit or not fit to hold a position, provide services or be employed, licensed, certified or registered. A qualified entity, employee of a qualified entity acting within the course and scope of employment and an employer or employer's agent who in good faith comply with this section and the decision of the qualified entity or employee of the qualified entity acting within the course and scope of employment are not liable for the failure to hire a prospective employee or the decision to discharge an employee on the basis of the qualified entity's decision. An employee of the state acting within the course and scope of employment is not liable for defamation or invasion of privacy in connection with the lawful dissemination of information lawfully obtained under this section.

(9) The Department of Human Services and the Oregon Health Authority, subject to rules adopted by the Oregon Department of Administrative Services under ORS 181.547, shall develop systems that maintain information regarding criminal records checks in order to minimize the administrative burden imposed by this section and ORS 181.534. Records maintained under this subsection are confidential and may not be disseminated except for the purposes of this section and in accordance with the rules of the Department of Human Services, the Oregon Health Authority and the Department of State Police. Nothing in this subsection permits the Department of Human Services to retain fingerprint cards obtained pursuant to this section.

(10) In addition to the rules required by ORS 181.534, the Department of Human Services and the Oregon Health Authority, in consultation with the Department of State Police, shall adopt rules:

(a) Specifying which qualified entities are subject to this section;

(b) Specifying which qualified entities may request criminal offender information;

(c) Specifying which qualified entities are responsible for deciding, subject to rules adopted by the Oregon Department of Administrative Services under ORS 181.547, whether a subject individual

is not fit for a position, service, license, certification, registration or employment; and

(d) Specifying when a qualified entity, in lieu of conducting a completely new criminal records check, may proceed to make a fitness determination under subsection (5) of this section using the information maintained by the Department of Human Services and the Oregon Health Authority pursuant to subsection (9) of this section.

(11) If a person refuses to consent to the criminal records check or refuses to be fingerprinted, the qualified entity shall deny or terminate the employment of the person, or revoke or deny any applicable position, authority to provide services, employment, license, certification or registration.

(12) If the qualified entity requires a criminal records check of employees or other persons, the application forms of the qualified entity must contain a notice that employment is subject to fingerprinting and a criminal records check.

## ANNUAL REPORT EFFECTIVE ON PASSAGE

**SECTION 170.** (1) As used in this section, "marijuana" and "marijuana item" have the meanings given those terms in section 5, chapter 1, Oregon Laws 2015.

(2) On or before February 1 of each odd-numbered year, the Oregon Liquor Control Commission shall report to the Legislative Assembly in the manner required by ORS 192.245, the approximate amount of marijuana produced by persons who hold a license under section 19, chapter 1, Oregon Laws 2015, and the approximate amount of marijuana items sold by persons who hold a license under section 22, chapter 1, Oregon Laws 2015, and whether the supply of marijuana in this state is commensurate with the demand for marijuana items in this state.

## TEMPORARY PROVISIONS EFFECTIVE ON PASSAGE

**SECTION 171.** The Oregon Liquor Control Commission shall approve or deny applications submitted to the commission under section 18, chapter 1, Oregon Laws 2015, to produce, process or sell marijuana under sections 19, 20, 21 and 22, chapter 1, Oregon Laws 2015, as soon as practicable after January 4, 2016.

**SECTION 172.** On or before January 1, 2017, the Oregon Liquor Control Commission:

(1) Shall examine available research, and may conduct or commission new research, to investigate the influence of marijuana on the ability of a person to drive a vehicle and on the concentration of delta-9-tetrahydrocannabinol in a person's blood, in each case taking into account all relevant factors; and

# BUDGET NARRATIVE

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(2) In the manner provided by ORS 192.245, shall present the results of the research, including any recommendations for legislation, to the interim committees of the Legislative Assembly related to judiciary.

SECTION 173. (1) The Oregon Health Authority, in addition to the information required under ORS 475.304 for registering as a marijuana grow site or renewing a marijuana grow site registration, and in addition to information required under ORS 475.314 for registering as a medical marijuana dispensary or renewing a medical marijuana dispensary registration, shall require all applications for registering or renewing registration under ORS 475.304 and 475.314 to contain proof that any person whose name is included in the application has been a resident of this state for:

(a) Except as provided in paragraph (b) of this subsection, two or more years; or

(b) Subject to subsection (2) of this section, and notwithstanding any residency requirements under ORS 475.304 or 475.314, if the person first registered with the authority on or before January 1, 2015, one year.

(2) For purposes of subsection (1)(b) of this section, the authority may not require proof of residency for any person whose name is included in the application for renewing a marijuana grow site registration or renewing a medical marijuana dispensary registration until January 1, 2016.

SECTION 174. If the Oregon Health Authority refuses to reregister a medical marijuana dispensary before the effective date of this 2015 Act on the basis that the medical marijuana dispensary is located within 1,000 feet of a school as described in ORS 475.314 (3)(d), the authority shall reregister the medical marijuana dispensary on or after the effective date of this 2015 Act upon receiving a request, in a form and manner prescribed by the authority, to reregister the medical marijuana dispensary from the person who was previously registered as the person responsible for the medical marijuana dispensary.

## REPEALS

SECTION 175. (1) Sections 26, 42, 55, 71, 81, 82, 83, 84, 85 and 86, chapter 1, Oregon Laws 2015, are repealed.

(2) Section 132 of this 2015 Act is repealed on December 31, 2016. SECTION 175a. ORS 475.324 is repealed.

SECTION 175b. Section 173 of this 2015 Act is repealed on January 1, 2019.

## CONFLICTS

SECTION 176. If Senate Bill 964 becomes law, sections 32, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 67 (amending section 5, chapter 1, Oregon Laws 2015), 69, 70, 71, 72, 73 and 74, chapter , Oregon Laws 2015 (Enrolled Senate Bill 964), are repealed.

## SERIES PLACEMENT

SECTION 177. (1) Sections 3, 4, 10, 13, 17 to 23, 26, 29 to 32, 34, 34a, 113, 114 and 116 of this 2015 Act are added to and made a part of sections 3 to 70, chapter 1, Oregon Laws 2015.

(2) Sections 81a, 82a, 83, 85 to 85e, 86a to 87 and 88 to 88f of this 2015 Act are added to and made a part of ORS 475.300 to 475.346.

## DATES

SECTION 178. (1) Sections 3, 4, 10, 13, 17 to 23, 26, 29 to 32, 34, 91 to 112, 114, and 116 of this 2015 Act and the amendments to statutes and session law by sections 1, 2, 5 to 9, 11, 12, 14 to 16, 24, 25, 27, 28, 33, 35 to 68, 115 and 137 to 167 of this 2015 Act become operative on January 1, 2016.

(2) Section 113 of this 2015 Act becomes operative on November 15, 2015.

(3) The Oregon Liquor Control Commission, Oregon Health Authority and State Department of Agriculture may take any action before the operative dates specified in subsections (1) and (2) of this section that is necessary to enable the commission, authority and departments to exercise all the duties, functions and powers conferred on the commission,

# BUDGET NARRATIVE

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authority and departments by sections 3, 4, 10, 13, 17 to 23, 26, 29 to 32, 34, 91 to 112, 114 and 116 of this 2015 Act and the amendments to statutes and session law by sections 1, 2, 5 to 9, 11, 12, 14 to 16, 24, 25, 27, 28, 33, 35 to 68, 115 and 137 to 167 of this 2015 Act.

SECTION 179. (1) Sections 81a, 82a, 83, 85 to 85e, 86b to 87 and 88 to 88f of this 2015 Act, the amendments to statutes and session law by sections 80 to 80b, 81, 82, 84, 86, 87a, 87b, 89 to 90i, 168 and 169 of this 2015 Act and the repeal of ORS 475.324 by section 175a of this 2015 Act become operative on March 1, 2016.

(2) The Oregon Health Authority, the Oregon Liquor Control Commission and the State Department of Agriculture may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the authority, commission and department to exercise, on and after the operative date specified in subsection (1) of this section, all the duties, powers and functions conferred on the authority, commission and department by sections 81a, 82a, 83, 85 to 85e, 86b to 87 and 88 to 88f of this 2015 Act and the amendments to statutes and session law by sections 80 to 80b, 81, 82, 84, 86, 87a, 87b, 89 to 90i, 168 and 169 of this 2015 Act.

SECTION 180. The Oregon Health Authority shall adopt rules that the authority is charged with adopting under sections 91 to 112 of this 2015 Act on or before November 15, 2015.

## CAPTIONS

SECTION 181. The unit captions used in this 2015 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2015 Act.

## EMERGENCY CLAUSE

SECTION 182. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect

# BUDGET NARRATIVE

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on its passage.

Passed by House June 24, 2015

.....  
Timothy G. Sekerak, Chief Clerk of House

.....  
Tina Kotek, Speaker of House Passed by Senate June 30, 2015

.....  
Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2015

Approved:

.....M.,....., 2015

.....  
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2015

.....  
Jeanne P. Atkins, Secretary of State

# BUDGET NARRATIVE

78th OREGON LEGISLATIVE ASSEMBLY--2015 Regular Session

Enrolled

## House Bill 5047

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Oregon Department of Administrative Services)

CHAPTER .....

AN ACT

Relating to state financial administration; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

**SECTION 1.** Notwithstanding any other law limiting expenditures, the limitations on expenditures established by section 2, chapter \_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5526), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, tobacco tax receipts, provider taxes, Medicare receipts and federal funds for indirect cost recovery, Supplemental Security Income recoveries, Women, Infants and Children Program food rebates, the Coordinated School Health Program, the Edward Byrne Memorial State and Local Law Enforcement Assistance Grant Program, homeland security and emergency preparedness and response services, but excluding lottery funds and federal funds not described in section 2, chapter \_\_\_\_, Oregon Laws 2015 (Enrolled Senate Bill 5526), collected or received by the Oregon Health Authority, are increased by the following amounts for the following purposes:

- (1) Programs ..... \$ 4,510,752
- (2) Central services, statewide assessments  
and enterprise-wide costs ..... \$ 1,284,723
- (3) Shared administrative  
services ..... \$ 898,312

**SECTION 2.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (4), chapter \_\_\_\_, Oregon Laws 2015 (Enrolled House Bill 5026), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and Medicare receipts and including federal funds for indirect cost recovery, Social Security Supplemental Security Income recoveries and the Child Care and Development Fund, but excluding lottery funds and federal funds not described in section 2, chapter \_\_\_\_, Oregon Laws 2015 (Enrolled House Bill 5026), collected or received by the Department of Human Services, is increased by \$386,411.

**SECTION 3.** Notwithstanding any other law limiting expenditures, the amount of \$1,100,000 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Department of Revenue, for the core system replacement project.

# BUDGET NARRATIVE

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SECTION 4. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (1), chapter 596, Oregon Laws 2015 (Enrolled House Bill 5035), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in section 2, chapter 596, Oregon Laws 2015 (Enrolled House Bill 5035), collected or received by the Department of Revenue, is increased by \$145,544 for the purpose of implementing chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 2041).

SECTION 5. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (4), chapter 596, Oregon Laws 2015 (Enrolled House Bill 5035), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in section 2, chapter 596, Oregon Laws 2015 (Enrolled House Bill 5035), collected or received by the Department of Revenue, is increased by \$618,909 for the purpose of implementing chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 2041).

SECTION 6. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (1), chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5002), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, and including federal funds for contract services, but excluding lottery funds and federal funds not described in section 2, chapter \_\_\_, Oregon Laws 2015 (Enrolled House Bill 5002), collected or received by the State Department of Agriculture, is increased by \$212,641.

SECTION 7. Notwithstanding any other law limiting expenditures, the amount of \$8,332,933 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Liquor Control Commission, from the Oregon Liquor Control Commission Account and the Marijuana Control and Regulation Fund for expenses related to the regulation of recreational marijuana.

SECTION 8. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect July 1, 2015.

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# BUDGET NARRATIVE

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Passed by House July 3, 2015

.....  
Timothy G. Sekerak, Chief Clerk of House

.....  
Tina Kotek, Speaker of House **Passed by Senate July 6, 2015**

.....  
Peter Courtney, President of Senate

**Received by Governor:**

.....M,....., 2015

**Approved:**

.....M,....., 2015

.....  
Kate Brown, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2015

.....  
Jeanne P. Atkins, Secretary of State

# BUDGET NARRATIVE

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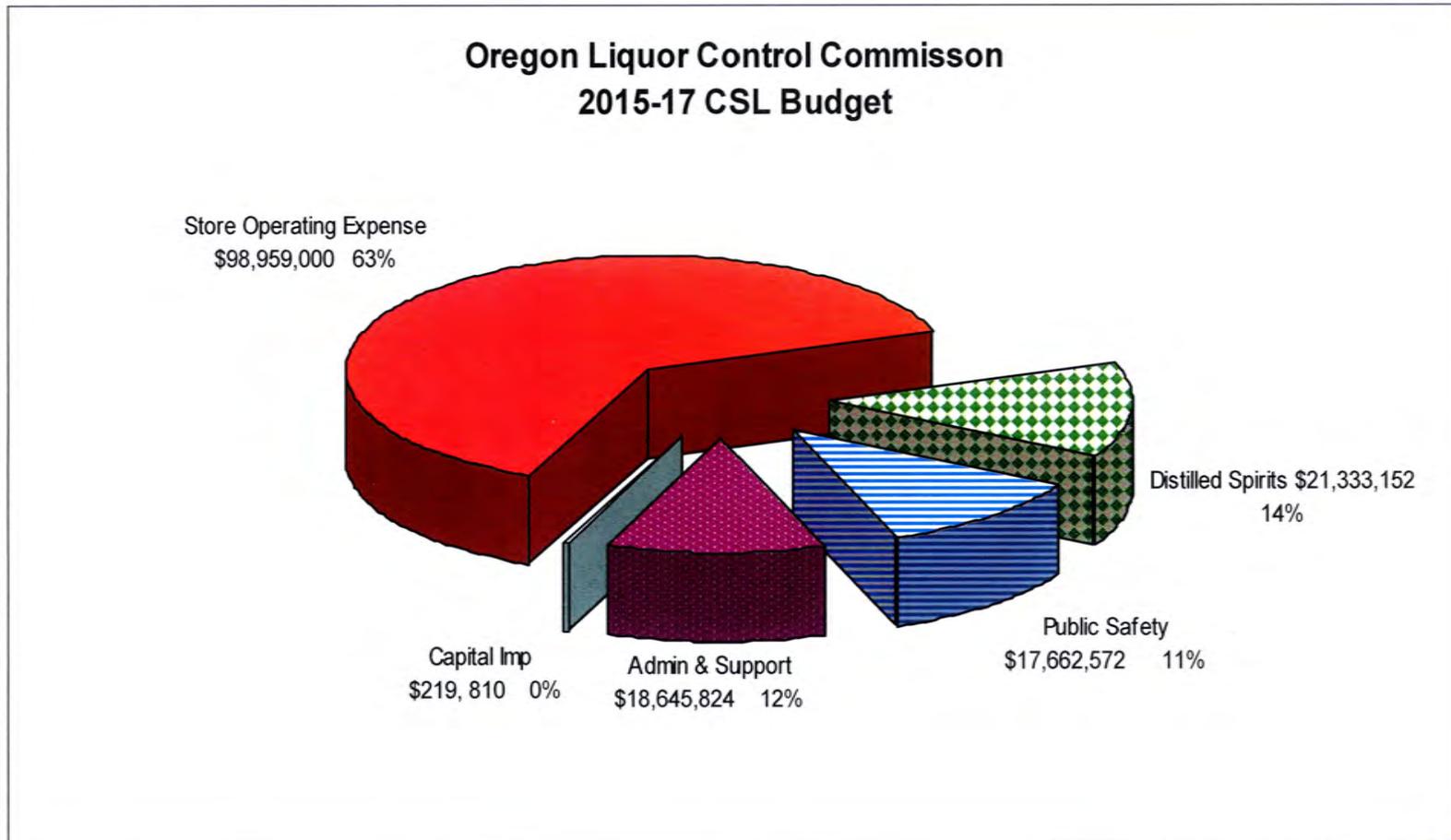
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# BUDGET NARRATIVE

## Oregon Liquor Control Commission

### AGENCY SUMMARY 2015-17 LEGISLATIVELY ADOPTED BUDGET

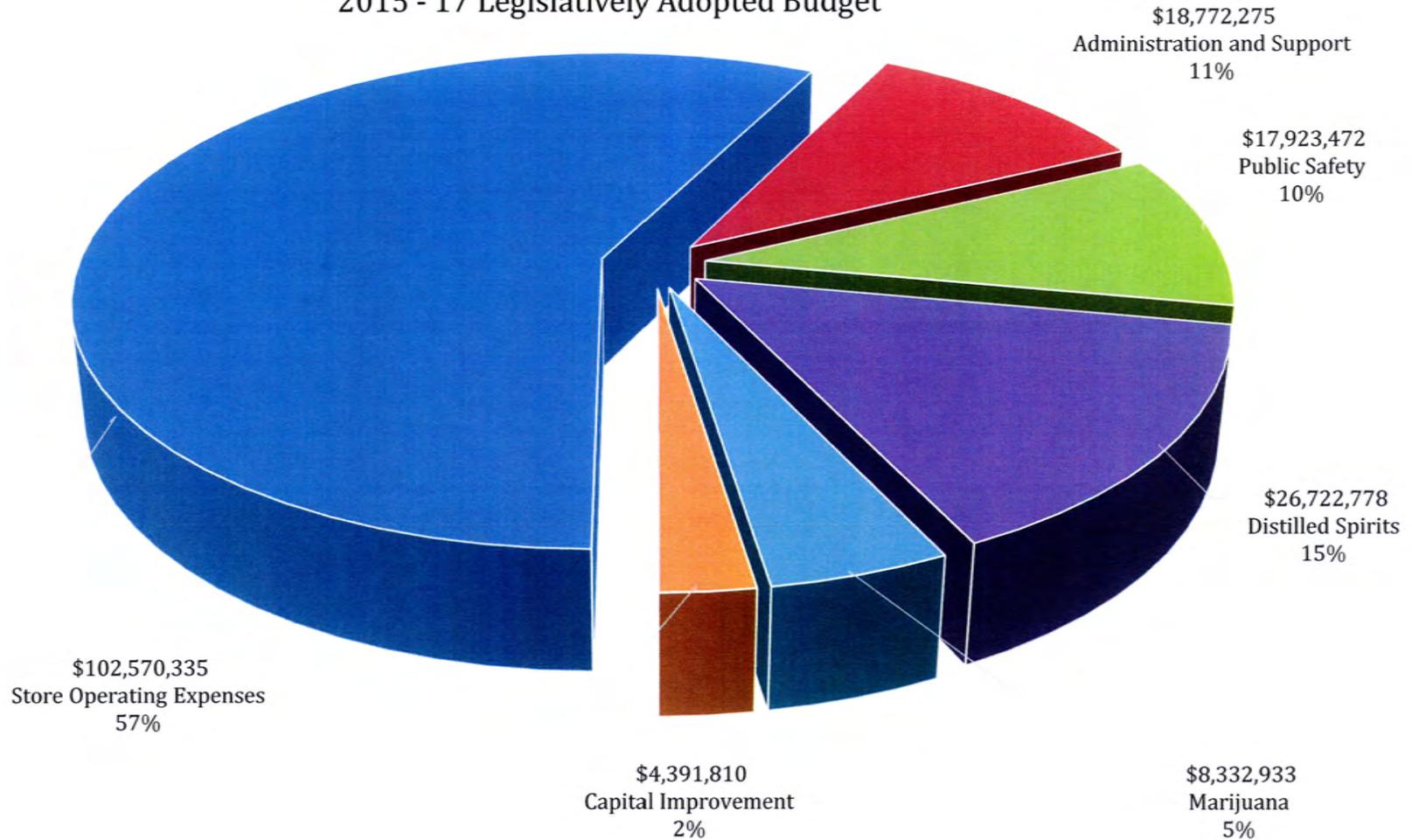
#### A. BUDGET SUMMARY GRAPHICS



# BUDGET NARRATIVE

## BUDGET SUMMARY GRAPHICS Continued:

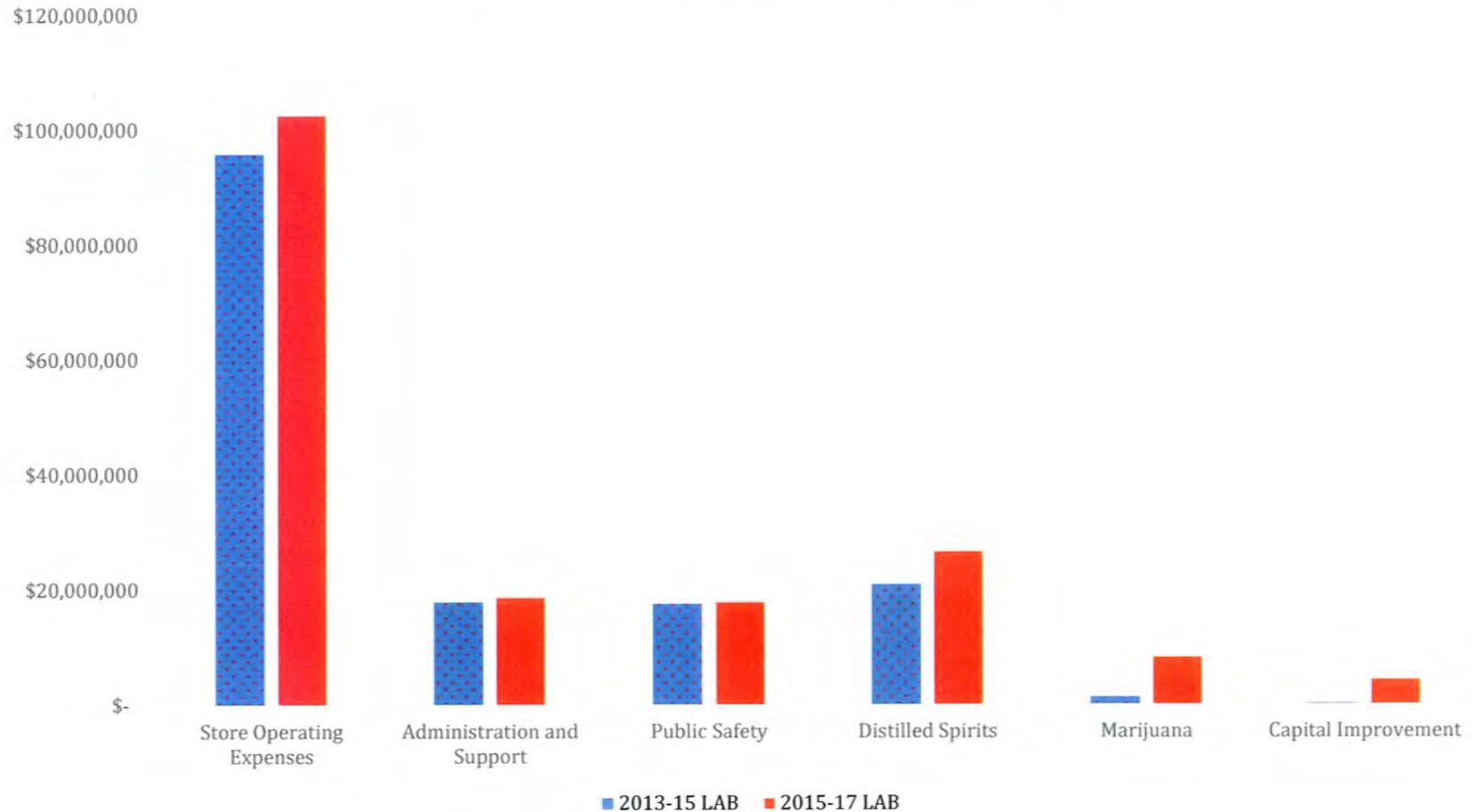
Oregon Liquor Control Commission  
2015 - 17 Legislatively Adopted Budget



# BUDGET NARRATIVE

## BUDGET SUMMARY GRAPHICS Continued:

### 2013-15 LAB and 2015-17 LAB Compared



In 2013 – 15 the Legislature (E-Board) set aside a limitation of \$ 1,339,610 for the start-up of the Marijuana Program. This money was spent from the Administrative fund and the actual expenditures will be repaid by the Revenue Department from Marijuana taxes in the 2015 – 17 Biennium.

# BUDGET NARRATIVE

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## **B. MISSION STATEMENT AND STATUTORY AUTHORITY**

The mission of the Oregon Liquor Control Commission (OLCC) is to promote the public interest through the responsible sale and service of alcoholic beverages. The OLCC values managing the alcoholic beverage control system intelligently, ensuring that any growth or change is socially responsible, responsive to citizens' needs, and encourages the development of all Oregon industry.

The OLCC administers Oregon's Liquor Control Act. The OLCC's authority is derived from Oregon Revised Statutes Chapters 471, Alcoholic Liquor Generally; 473, Wine, Cider and Malt Beverage Privilege Tax; 474, Trade Practices Related to Malt Beverages; 459A.700 to 740, Beverages Containers; the Bottle Bill, and Administrative Rules Chapter 845.

During the 2015 Regular Session the Legislature passed several bills in response to Measure 91. HB 2041, HB 3400, and HB 5047.

## **C. AGENCY STRATEGIC BUSINESS PLANS**

The existing long-term strategy was established in 2007 in accordance with the Governor's governing principles of economic development, public safety and stewardship of state resources. Each of OLCC's programs makes major contributions in these key areas; nevertheless, the Commission, agency leadership and staff at the OLCC are working on a new blueprint for agency operations and services that will enhance its long-term strategic directions for the public services it provides. The following discussion outlines strategic considerations that will be formative in the creation of the new plan.

### *Creating a culture of accountability for change*

The Commission membership has changed substantially over the past two years and about half of the personnel at the executive management level have also transitioned during this same period of time. The "new" and continuing leadership of OLCC is working to update the agency's strategies for the future. New commissioners, a new executive director, and new division directors in key positions are introducing fresh approaches to the work of the agency; there is both excitement and stress present within the agency as a dedicated, knowledgeable and seasoned staff work to enable new ideas and change.

The OLCC has a culture that prides itself on its service, expertise, and integrity. It is both the producer of public services and a provider of public safety and that integrated responsibility is reflected across the breadth of the organization. Integration of these dual responsibilities remains one of the most vital elements of an OLCC plan for the future.

# BUDGET NARRATIVE

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It is a key agency objective to harness the richness of its considerable human capital talent and knowledge to advance a culture of accountability for change and productivity. The agency believes it has strong competencies within its staff and throughout its divisions that will enable it to accomplish this result.

## **Tactics for creating a culture of accountability for change include:**

- Continue the strategic issues briefings established by the Commission throughout its 2014 schedule of meetings to create accountability for the evolution of new approaches to OLCC issues and to support a culture of change leadership
- Enhance workforce productivity through training and by making long overdue investments in the productivity of employee communication and computing tools
- Normalize employment policies to support common management and staff understandings of policy application within the workplace
- Provide greater inclusion and opportunity for employees to contribute to the work of the OLCC through a greater reliance on work teams that have responsibility for specific projects
- Ensure consistency between divisions in charge of licensing, public safety and the OLCC sanction processes to provide for consistent practices and high levels of accurate technical support regardless of which field or regional office the service is provided through
- Strengthen the licensing staff roles, support and processes to ensure the gateway to alcohol sales and services is a learning and accountability process that prepares licensees and permittees for the challenges of successful compliance.
- Build upon OLCC's impeccable record of strong expertise in financial services, as documented by a history of outstanding audit results, and develop even greater efficiencies in processes concerning tax collection, business support services and payment.
- Refine data and measures of progress on desired outcomes through improvements made to the monthly reports on activity provided to the director and the Commission
- Build upon an established commitment to public service and the diversity of the staff to ensure a dynamic, open, and inclusive workplace
- Ensure that all staff understands the role they have to support the vital public services the OLCC provides and the role all divisions have to keep Oregonians safe in communities – maintain and grow a culture of integrity supporting all the agency's responsibilities to citizens
- Support and advance opportunities for professional growth and development of all staff

# BUDGET NARRATIVE

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## Desired outcomes and prospective measures include:

- Employee engagement and work satisfaction as measured by employee surveys
- Increased employee productivity as measured by FTE to output metrics
- Fiscal accountability as measured by audits of agency practices and performance
- Diversity and inclusion as measured by tracking implementation of the diversity and inclusion plan
- Trained staff as measured by progress on using new systems and equipment utilizing I-learn and attendance records for training
- Monthly reports that are observably improved and that include data that is focused on tracking key outcomes identified in the strategic plan
- Professional growth and development as measured by training and incentives provided and pay differentials for extended duties as well as internal and external advancement
- Normalized workplace policy as measured by staff and management that have received orientation and who apply consistent practices throughout the organization.

## *Facilitating the contribution of businesses to sustain community growth throughout Oregon*

The business of the OLCC takes place in communities throughout Oregon. The OLCC's agents and licensees sell and produce revenue from within the community, likewise Oregon's manufacturing industry and servers throughout the state earn their livings and income when local businesses thrive. The OLCC makes a positive contribution to Oregon economic development and community livability by developing rules and regulations that support business growth and protect public safety. In addition, the OLCC's management of liquor sales and beer and wine privilege taxes produces the third largest source of revenue for the State of Oregon; its revenue stream is directly and indirectly returned to services within communities through allocations to the general fund, cities, counties and mental health programs.

The OLCC is developing a deeper economic understanding of the importance of the alcohol beverage industry to Oregon, not just as a source of revenue to support public services, but also as a contributor to business growth and the creation of jobs. Oregon's reputation as a producer of beer, wine, and distilled spirits continues to grow both nationally and internationally. The ties between Oregon's manufacturing base, hospitality industry, tourism, and the local sourcing of agricultural products, offers opportunity for economic growth by creating new opportunities for business development and jobs throughout the state. This growth is particularly important for the economically stressed communities of rural Oregon. The OLCC has a central role in facilitating this economic trend as a source of prosperity for the long-term.

# BUDGET NARRATIVE

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Oregon is home to a rich and diverse producer market and provides world-class access to the Oregon market from manufactures of alcohol products from throughout the world. Oregon’s system for the regulation of the sale and service of alcohol results in the comparative vastness of the number of products citizens have access to within their community and through OLCC retail services – over 4000 products are listed with the Commission or available to Oregon consumers as special orders. The OLCC makes certain its wide selection of products is available statewide.

The licensing function of OLCC protects public safety while responsibly supporting the growth of commerce, employment and business activity in Oregon. Innovative business models within the producer and service sectors are driving exciting business opportunities and new challenges for the OLCC to enable innovations through its regulatory structure. The OLCC is key to a growing number of community events and celebrations throughout Oregon that create commerce and support the vibrancy of Oregon communities (special events, temporary sales licenses and tastings). All of this means that future strategies of the OLCC need to position it as a nimble and adaptable organization that is prepared to move forward in new ways to achieve its mission of providing for the responsible sale and service of alcohol.

Adaptability is a key competency the OLCC will require in its future strategies. Aligning the objectives of OLCC’s public safety services to support licensee and permittee education with the agency’s mission of supporting the responsible sale and service of alcohol is a vital strategy to achieve compliance. Working with licensees, permittees and community leaders is a focused strategy for achieving greater agency results for public safety, employment and development of a bright hospitality, tourism, and entertainment economy throughout urban and rural Oregon. To support this priority the OLCC is working to streamline licensing processes by advancing investments in online applications, payments, and access to customer services that will speed businesses’ ability to attain decisions about licenses. It is aligning enforcement services to gain increased time for field education that will help bars, restaurants, wineries, brew pubs, spirit tasting rooms and the organizers of special events to be safe, successful and profitable.

The OLCC must work with its business and community partners, and the executive and legislative branch of government, to create a stable business climate that will support investments that in turn spur revenue growth and the Oregon economy. Historical and recent policy discussions to privatize the state system have worked contrary to this purpose. While either retail innovation or privatization remain worthy public conversations, the state faces necessary decisions to invest and improve the productivity of its current retail and distribution system or by default and lack of productivity the system simply will defer to the economic forces favoring privatization.

The long-term strategy of the OLCC calls for actions, investments and activity that will support a robust system for the retail sale and distribution of liquor in Oregon. As product customers and as citizens that share in the public distribution of revenue to vital public purposes, Oregonians should be able to rely on government to utilize known industry efficiencies into government operations. However, that long-term path relies on near-term decisions to make a state investment in distribution and shipping capacity to meet future consumer demand and to secure the desirable outcome of unimpeded growth in revenue. With such an investment the citizens of Oregon will

# BUDGET NARRATIVE

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realize a similar return on investment based on the long-term life cycle of systems that are in wide application throughout the private sector. An investment of revenue from two and half days of operations or one week of net revenue will cover the costs of upgrades to the existing shipping lines and software that will double its maximum output.

Meeting customer demands through warehouse and distribution investments is a preliminary requirement of building a strong business climate, but there are other important areas that the OLCC will be strategically focused on long-term to support a strong business climate as well. The OLCC's entire regulatory structure, including rules, contracts, payments and sanctions all contribute to the alcohol safety and the creation of a service oriented business climate for both the consumer and industry. In this regard the OLCC is making future plans to improve its overall system of retail through innovation and the creation of incentives for improvements in customer selection, access, convenience and overall quality of service.

The OLCC is working to advance retail services to consumers and returns to the taxpayer through the pursuit of four principal strategies to improve the overall business climate:

1. Creating transparent access and listing processes to bring products into the Oregon marketplace
2. Ensuring agent store improvements and positive profitability based on compensation driven by both sales and customer services
3. Providing for phased retail market expansion based on both geographic demand and market analysis
4. Adapting to new market innovation

**Bringing products into the Oregon marketplace:** If Oregon is to continue to be a world-class leader in product selection; it must have open and transparent processes for manufacturers and product representatives. The process must enable them to access the Oregon market without barriers to equal competitive opportunities to be listed as a product available for sale through OLCC. The OLCC takes pride in its existing process that puts a great selection on the shelves of agent stores throughout Oregon. The OLCC is working with the National Alcohol Beverage Control Association, the President's Forum and the Distilled Spirits Council of the United States to identify best practices and new opportunities to ensure regulatory integrity and fairness.

**Agent store improvements and profitability:** Oregon's liquor agent retail outlets and the independent business women and men that operate them make the responsible sale of alcohol to customers and the hospitality industry possible. This system has been the heart of Oregon's dependable generation of revenue to support public service at the state, county and city level of government.

Despite challenges, Oregon's retail store operations are slowly transitioning to fuller service operations with a greater focus on customer service. As Oregon moves forward, productivity investments and the development of new policies are needed throughout the retail and

# BUDGET NARRATIVE

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distribution system. The OLCC and policy makers must look to ensure that business people who sell alcohol as agents have an attractive and sufficient return on investment to provide the revenues the state desires and to support high quality customer convenience.

As Oregon looks to diversify retail offerings, it must also solidify the core of its retail operations. Incentives and the development of standards appropriate to the geography and service area of retail agent stores can be coupled to produce better consumer and retailer results. Rules and regulations should support agent investments with growing and positive financial returns. Contract standards, terms, and lengths – and the process of appointment of agents to manage stores -- are all tools to move the retail agent store system forward.

For some time now, agents have identified constrained compensation as a barrier to improvement; that complaint alone has not been enough to change overall compensation limitations. The existing formula for allocating agent compensation is seemingly an insufficient tool to ensure that increases in compensation produces adequate benefits for both the state and agents. Addressing this issue is fundamental to ensure effective OLCC operations. The OLCC will pursue a strategy to re-tool and redevelop a fair compensation system in conjunction with agents, customers, citizens, and with the legislature.

**Phased market expansion:** The OLCC recognizes a need to provide for increased market expansion to serve customers and over the coming years expects to grow access appropriate to density and demand of population growth. This means new traditional agent store expansion and expansion specifically directed to provide increased customer convenience.

The OLCC values its agents and the business investments they have made, and the OLCC will work to preserve agent opportunities to grow their businesses. Nevertheless, an ongoing conversation about retail innovation means new avenues for the sale of liquor are an important consideration for the future of the Oregon liquor marketplace. In fact, the OLCC has existing means to provide for the sale of liquor through a variety of outlets. The agency has diverse operational models at work today with existing agents who operate in a variety of unique circumstances throughout Oregon.

Going forward, the OLCC will be evaluating the markets of liquor across the geography of rural and urban Oregon to identify opportunities for growth and innovative ways to meet demand. It will also be looking to utilize tools such as revising contract and licensing requirements to ease a transition into a more diverse liquor sales environment. Within this long-term strategy of phased-expansion, the OLCC must be aware of the distribution efficiencies of the current system and the additional costs of expanding markets and access. It is clear to the OLCC that the pursuit and success of a phased growth strategy must engage interests, citizens and executive and legislative policy makers in finding achievable routes to implementation.

**Adaptability to innovation:** Oregon’s liquor control system is based on a post-prohibition foundation for control and licensing of the production, distribution, and sales of alcohol. It integrates this responsibility with the objective of the “control” system to protect the

# BUDGET NARRATIVE

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public. For decades now the OLCC has delivered on this public safety mission – and it will continue to do so. That said, eighty years after the end of prohibition, the tools to control how liquor is regulated are changing. Old impenetrable and time-tested means to achieve control are being tested by the practicalities of a world that has advanced both technologically and socially. Innovation and adaptation has been a part of the Oregon system of control for some time now. For instance, the emergent Oregon craft wine, beer, and distilled spirits industries were all based on making important changes to the law which was designed to control market entry. Today Oregon has wine and beer growlers, bottle sales from distillery manufactures are allowed for personal consumption and, home brewing is a hobby for many Oregonians. The need for market innovation is moving forward at an unmatched pace and it is necessary for the OLCC to have a key organizational strategy of developing the knowledge and willingness to support the adaptability necessary to serve industry and consumer needs.

## **Tactics for facilitating the contribution of businesses to sustain community growth throughout Oregon include:**

- Collect daily sales data from liquor agents
- Refine OLCC’s role as a facilitator of change for retail innovation
- Maintain a statewide diversity of product selection, including Oregon craft products,
- Provide for transparency and fairness in the process of product listings which supports the OLCC’s business interest in robust sales to meet demand
- Streamline licensing applications and approvals
- Provide increased licensee and permittee education
- Build the skill of adaptability into the organization to support innovation and a positive business climate
- Incent changes in the compensation that provide positive returns for the agents and the state
- Link agent compensation changes to sales and customer services investment
- Phase retail market expansion based on geographic market demand analysis

## **Desired outcomes and prospective measures include:**

- Provide a customer convenient marketplace as measured by survey and comparison with other states/counties
- Make timely licensing decisions as measured by meeting timeline benchmarks
- Deliver online license application and payment system as measured by successful operation of system
- Provide increased licensee and permittee education as measured by tracking trainings provided at renewal and education provided through consultation visits, track data on efficiency of increased training by examining records of violations
- Maintain robust market access for all manufactures of distilled spirits as measured by diversity of product listings

# BUDGET NARRATIVE

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- Collect daily sales data from liquor stores as measured by 100% reporting of sales data by July 1, 2015
- Encourage adaptability and the creation of opportunities to support a positive business climate as measured by the identification of activities to support economic development and jobs in agency strategic plan and keeping records of the agency execution of plan activities
- Provide for agent return on investment to improve store quality as measured by the tracking of agent capital investments
- Increase the shipping capacity ROI as measured by tracking capacity enhancements and resulting changes in revenue
- Phase retail market expansion as measured by documenting the creation of a market analysis, actual expansion activity, and overall results in a given area

## *Creating new means to advance public health and safety through prevention and community engagement*

The OLCC has duties to oversee the safe operations of its licensed facilities and to ensure the responsible sales and service of alcohol. A continuing major focus of the agency for the long-term includes its fundamental work to prevent the sale of alcohol to minors. The OLCC is not satisfied by the rate of non-sales to minors even though this rate has improved considerably over the past 10 years; currently 82% of licensees do not make sales to minors that are part of OLCC's minor decoy program. Broader use of age verification equipment, improved visible coloring of minor drivers licenses and consistent OLCC compliance work has contributed to about a 10% reduction in sales to minors. To close the gap and eliminate sales to minors the OLCC will pursue four primary strategies:

1. Increase the number of decoy operations;
2. Expand upon the agencies general prevention communication strategy by providing increased community level communications when communities are faltering or not improving so community and licensee based awareness is heightened;
3. Increased licensee education; and,
4. Consider the implementation of heightened fines for violations if the rate of non-sales to minors fails to improve over time

The OLCC plans to measure the results of these strategies to further reduce the illegal sale of alcohol to minors and to demonstrate continuing progress in achieving compliance.

Another central focus of the OLCC is to reduce the incidents of sales and service of visibly intoxicated persons. This fundamental interest of the OLCC is primarily pursued through both the general structure of rules, training and enforcement. The agency utilizes a primary strategy of training licensees and servers to reduce the incidents of sales and service to visibly intoxicated people. Such incidents are considered when a community identifies concerns and the agency is approving or renewing license applications for the sale and service of alcohol.

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While the OLCC is only responsible to prevent the sale and service to visibly intoxicated persons at licensed premises, the agency will actively partner with local governments who express concerns that licensees and new licensees may be contributing to the problems of street drinking and associated problems related to intoxication. The complex regulatory relationship at the local level works best when all partners use the authority and the tools they have available to them to achieve an overall positive result.

To promote compliance and business success, the OLCC will work toward visiting all new licensees within 90 days of issuance of a license to consult about practices of the new business enterprise with the aim of helping correct deficiencies in practices and provide for long-term compliance. It is important to get all licensees off to a good start of responsible sales and services — early opportunities to provide guidance to licensees on a consistent basis should decrease violations. A safe-harbor process that allows open consultation without the threat of violations being written can facilitate compliance. This strategy is part of a renewed focus on education as a primary means to prevent violations, support compliance, and achieve greater business and economic success. The OLCC is committed to make progress on this strategy in the 2015-17 biennium; prioritization through the long-term strategic plan should identify the resources and timing of reaching the 100% goal.

Licensee and permittees currently have no continuing education requirements, nor does the OLCC have good systems to inform them about the ever-changing regulatory framework they operate within. As penalties and sanctions through OLCC are rather significant, especially for repeat violations, developing better channels of communication is a strategy for improved compliance. The OLCC will consider the necessity of new entry and continuing education requirements. To achieve better compliance outcomes, the OLCC will focus on developing the capability for direct electronic information updates via e-mail or other means. Regular identification and communication about OLCC regulations will not only better serve licensees and permittees; it will also help maintain staff knowledge about the application of requirements. Because of the importance of server knowledge for the responsible service of alcohol, the OLCC will work with bars and restaurants to develop the skills and knowledge of their server workforce.

As data becomes increasingly available, the OLCC is looking to advance its use of data to improve its ability to provide for the health and safety of communities. In the future, the OLCC hopes to improve its reliance on public safety and alcohol abuse data to identify the need for community level prevention measures and necessary enforcement. As the timeliness of compiled data improves, the utility of community level alcohol violations, crime and alcohol abuse treatment data will increase. The OLCC and community leaders will be able to “see” problems and take effective preventive or enforcement actions. The OLCC anticipates that comparative data between communities will provide a useful index of information that can be used to focus community and licensee attention on the need to improved community outcomes related to the sales and service of alcohol.

The OLCC will work with licensees, local government and the legislature to provide a limited and temporary power to suspend liquor licenses when serious public safety incidents have occurred. The OLCC is not asking for this power, but the agency believes some

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proper entity should have this ability and that the privilege of liquor sales and services should be temporarily halted based on a potential for health and safety risk while an investigation is underway.

The OLCC sees opportunities to work with communities to tailor efforts to specific needs and problems of their community. In rural areas this may be engaging local government and public safety officials to work with licensees and the OLCC through new approaches like intergovernmental agreements, or within the current structure of stipulated settlements of violations. In the urban areas it may be contributing to local government efforts on problems associated with the control and behavior of large crowds and density issues. Like other areas of public policy, statewide requirements are essential to guide the consistency of policy throughout the state. While OLCC's regulatory authority often ends at the doors and parking lots of its regulated facilities, and local authorities regulations and public safety responsibilities extends beyond these limits, nothing prohibits the OLCC, licensees, and communities from working together to support a safer environment for citizens and customers. The strategic direction of the future for the OLCC is one of being a full participant with governmental entities, customers, community members and licensees to work toward the resolution of problems that no one agency or entity can solve without the cooperation of others.

The OLCC work of the future will focus on several aspects of working with communities and information to improve health and safety as it relates to the sale and service of alcohol.

## **Tactics for creating new means to advance public health and safety through prevention and community engagement include:**

- Close the gap on sales of alcohol to minors
- Work with licensees on training and with communities to reduce contacts in the community between the public and visibly intoxicated persons
- Make structural changes to ensure immediate progress toward the goal of visiting new license within 90 days
- Affirm a safe-harbor compliance concept is provided for in OLCC rules, practices, and manuals
- Advance work with licensees to support ongoing training and continuing education
- Communicate changing laws, rules, and practices with licensee and permittees on a regular and timely basis
- Improve consistency of staff licensing knowledge and expertise within central and regional offices
- Utilize public safety and health related data to affect prevention on the community level and be a catalyst for improved data services
- Create enhanced emergency powers to protect public safety
- Engage communities at a meaningful level locally

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## Desired outcomes and prospective measures include:

- Close gap in sales to minors as measured by tracking minor decoy program results as policies are changed
- Reduce complaints of visibly intoxicated persons as measured by reduction of complaints from the public and/or local government
- Visit new licenses with 90 days as measured by tracking visitations and comparing violation records to premises that did not receive safe-harbor visits
- Provide training as measured by participation in training activities and monitoring the overall effect on compliance
- Communicate law and rule changes as measured by providing a calendar documenting communication efforts
- Improve licensing staff technical consistency as measured by the reduction in the number of reports rewritten
- Partner in efforts to improve data collection as measured by recording activity
- Provide for public safety temporary license suspensions as measured by evidence of law and rule changes and improved application of the standards
- Engage communities in meaningful regulatory partnerships as measured by documenting engagement activities

## *Opening communications as a means to place the agency closer to Oregon customers and to advance all other agency strategies*

The OLCC sees improved communication strategies as a fundamental need to support its duties to keep the public safe, licensees in compliance, and the business of OLCC productive. The OLCC sees a future in which it will affirmatively support Oregon's development through active policies and communication with the greater alcoholic beverage system and its stakeholders across the state. Over the coming years the OLCC will work to establish renewed and new regular communication channels with a host of its constituencies. There is both a critical need for improvement and considerable opportunity to effectively move forward in opening lines of communication.

The OLCC has a broad scope of communication needs within Oregon. This begins with establishing the means to communicate with licensees, permittees, and agents on a regular basis. The OLCC responsibilities cover the entire state and combined operations of the agency cover 19 to 20 hours on most days. This broad community responsibility should be matched by strong community level communications – OLCC strategies for the future include bolstering responsiveness and capability to engage local communities at the policy, processes and operational levels.

There are intense demands for business communication on both the operations and policy levels. The OLCC deals with a fast moving global marketplace and has strong needs to have great customer services in place. Manufacturers, product representatives, all businesses involved in the supply chain logistics, and OLCC agent retail stores require clear and timely communications to enable the full productivity of these vital relationships.

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The OLCC must take an active role in reaching out to its state partners to work on solutions in their areas of responsibility that intersect with OLCC's functions and to gain their necessary efforts to help OLCC fulfill its mission to promote the public interest through the responsible sale and service of alcoholic beverages. On a policy and financial level the OLCC of the future sees its relationship to the governor and legislature as fundamental. Consistent steps will be taken by the OLCC to improve responsiveness and participation in activities of the executive and legislative branches of government. The OLCC practices and communication strategies will detail new levels of consistent information flow from OLCC to the broad enterprise of state government.

The OLCC is focused on building its skills and working to communicate ubiquitously from a diversity and inclusion perspective. Establishing new levels of transparency across employment, recruitment, appointment of agents, and licensing is an important activity to ensure all can share in the work and opportunities the OLCC represents. Development of an OLCC strategic communication plan will detail new commitments to provide transparent and improved communication in support of all other long-term strategies and core programs.

**Tactics for opening communications as a means to place the agency closer to Oregon customers and to advance all other agency strategies include:**

- Prioritize public access and transparency to information about OLCC
- Ensure a robust availability of information and services available through the agency's web and social media presence
- Engage individual commission members in civic communication activities and outreach
- Provide for the success of all agency strategies by developing a strategic communication support plan for them and core programs of the OLCC
- Develop a fuller understanding of all the ways the OLCC communicates with the public and use the information to support improved community engagements
- Establish opportunities to communicate with licensees, permittees and retail agents and provide regular opportunities for substantial annual engagements and trainings
- Hold regular meetings with industry sales and policy representatives
- Establish opportunities for the broad Oregon based alcoholic beverage industry to come together to discuss contemporary issues, concerns and specific business potentials
- Participate in Association of Oregon Counties, League of Oregon cities and affiliate public safety organization conferences and committees on a regular basis
- Ensure that the diversity and inclusion long-term plan provides for levels of communication that will effectively communicate the plan to a diversity of interested citizens

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- Revitalize the OLCC connection to the state enterprise and to the executive and legislative branches of government
- Advance communication with national associations to maintain a high level of knowledge and understanding of how broad trends interact with OLCC's responsibilities to Oregonians

## **Desired outcomes and prospective measures include:**

- Information access and transparency as measured by visits to websites and social media outlets, responsiveness to records requests, and information on website that is correct and regularly updated in compliance with schedule
- Commissioner participation in communication strategy as measured by a plan which identifies general activities and implementation of plan elements
- Communication plan support of all other strategies as measured by the production of a communication plan that details strategic plan communication activities and implementation
- Understand and utilize the ways in which OLCC staff communicates with the public as measured by surveys and use of information to extend the reach of the communication plan
- Establish direct communications with primary partners as measured by updating contact information and recording the number of communications to identified partner groups of organizations and participation in, or creation of conferencing opportunities
- Hold regular meetings with industry representatives to increase understanding of the business or regulated community as measured by a calendar of activity;
- Participate in local government and affiliated public safety committees and conferences to increase management understanding of local issues as measured by documented participation
- Produce and circulate agency diversity and inclusion plans as measured by completion of the plan and documentations of implementation
- Revitalize communication with the statewide government enterprise and with the executive and legislative branches as measured by documenting outreach efforts

The OLCC is continuing its good stewardship of state resources and finding efficient business processes as it works to embrace new strategic focuses for the future. It is constructively reaching out to the public, and using more dialogue to strengthen relationships and partnerships with its external stakeholders. Through implementation of the strategic plan, increased engagement with liquor license holders, liquor agents, neighborhood associations, state and local government representatives and the general public, the OLCC can improve rules and processes to fit today's entrepreneurial needs while keeping customers and the community safe. The strategic plan will hold the OLCC accountable for the results of its strategies within its emergent long-term plan.

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## *Agency Process Improvement Efforts*

Process improvements are a high priority for OLCC for several biennia, including streamlining and technological and automation improvements for the Public Safety Services Program and Distilled Spirits Programs.

Agency efforts in 2013-15 have included updating internal processes, restructuring organizational units, improving workflow processing, updating equipment, and exploring or incorporating technological improvements.

For example, the agency is creating a customer service center by the main office front entrance. Instead of having to walk through the building to consult with staff, visitors such as license or service permit applicants can more quickly receive some services from agency staff relocated near the front entrance. Approved policy option packages for 2015-17 would help complete the customer service center, as well as maintain or improve the main office, Distribution Center, and OLCC statewide infrastructure: warehouse roofs, heating and cooling systems, desktop computers, and the phone system, for example.

In the OLCC Distribution Center warehouses, cases of distilled spirits are handled more efficiently in 2013-15 with added work shifts; even during some crews' lunch and break times, other crews are moving product through the center. A 2015-17 policy option package, "Increase OLCC Shipping Capacity," requests additional resources – equipment or staffing – to accommodate the increasing demands placed on the state's Distilled Spirits Program. The increase in demand is from consumers continuing to shift their alcohol preference to distilled spirits, combined with a projected 1.2 percent year-over-year growth in population. An increased number of the variety of items produced by the evolving Oregon craft distillery industry also puts pressure on small-quantity, labor-intensive operations (such as split cases and repacked boxes) in the Distribution Center. The additional, requested resources would allow OLCC to meet consumer needs and realize potential revenue for the state in the next ten years. OLCC needs to take steps now to have the necessary infrastructure in place for the years to come.

In 2013-15, the Public Safety Services Program has been focusing on further developing liquor regulatory specialist staff in field offices across the state to be equally competent in their compliance inspector and license investigator (dual) roles – a departure from past specialization. With fully developed dual roles for staff, business people can consult with a single individual at OLCC – from the applicant's initial application submittal to their full-fledged business operation – creating efficiencies for both OLCC and the customer by having a consistent contact.

The OLCC is continuing to innovate on technology projects to enhance the licensing database to provide a foundation for future improvements. It also continues to enhance a new database application for all enforcement activities, which will streamline the work flow as well as simplify the data collection process for the Public Safety Division.

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To improve customer service and enable business people to get and stay in business with fewer steps and paperwork, the Public Safety Services Program proposes upgrading its technology so applicants can apply for and pay for their liquor license or service permit online through the Internet. Please see the 2013-15 Legislatively Adopted policy option package no. 303, "Provide Online and E-Commerce Licensing," presented in the Support Services Program section of this budget book. This project will also help applicants to rely less on staff for assistance, helping the program to absorb ever-increasing workloads without proportionate FTE increases.

## *2015-17 Short-Term Plan*

### *OLCC Agency Programs*

Functionally, the Oregon Liquor Control Commission manages the business of making packaged distilled spirits available to adults over 21; regulates all individuals and businesses that manufacture, wholesale, retail, import, export or serve alcoholic beverage to ensure compliance with state liquor laws; educates and trains liquor licensees, the public and other groups; investigates and takes compliance action when necessary against those who violate liquor laws; provides due process in contested cases; and provides revenues for cities, counties and the state General Fund. It fulfills these functions in ways that encourage the development of Oregon industries.

A five-member, part-time citizen board of Commissioners administers the Liquor Control Act. The OLCC carries out its mission through three operational program units: Distilled Spirits, Public Safety Services and Administration/Support Services. The OLCC administrative budget fund comprises these three program units. Additionally, the Store Operating Expenses Program fund contains dollars for the OLCC to pay independent, contracted liquor store agents for their services operating liquor stores. The Capital Improvement Program fund contains dollars to support the infrastructure of the Milwaukie office complex, including two warehouses and grounds owned by the OLCC. The OLCC's limitations and programs are funded through OLCC-generated revenue, such as from the sale of bottled distilled spirits, collection of privilege taxes on beer and wine, and from liquor license and permit fees and fines.

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## **Administrative Limitation Fund**

### ***Distilled Spirits Program 001***

The Distilled Spirits Program enables the socially responsible availability of distilled spirits in Oregon; a vital part of key Oregon industries and the state's economic development: hospitality and tourism. Oregon's liquor system promotes public safety and livable communities, and generates revenue by making alcohol available in a managed environment. The program makes distilled spirits available for sale by the bottle through liquor stores run by independent, contracted business people (liquor agents), appointed by the liquor Commissioners in a competitive process. The program regulates legal and responsible sales through the liquor stores. The Distilled Spirits Program comprises the Wholesale Operations' Distribution Center, the Purchasing Division, and the Retail Services Division. The program centrally purchases, warehouses, and distributes distilled spirits to Oregon's liquor stores. It oversees the liquor agents. Under this system, the OLCC can provide a varied and balanced inventory of distilled spirit brands to the public. Customers throughout the state have a wide choice of distilled spirits available in their communities or within a reasonable distance from them at consistent prices. Through oversight of retail operations, the program ensures responsible sales in the liquor stores. Liquor agents and their customers; distillers and their representatives; and licensees purchasing spirits from liquor stores are key stakeholders of this program and serve as its partners.

### ***Public Safety Services Program 002***

The Public Safety Services Program protects the public safety, supports livable communities and enables economic development through administering and enforcing liquor laws. The program regulates the manufacture, distribution and sale of alcoholic beverages. It builds partnerships with local law enforcement, moderation groups and licensees. The program comprises three divisions: the License Services Division, the Public Safety Division and the Alcohol Education Division.

The Public Safety Services divisions work to license only qualified people and businesses to sell and serve alcoholic beverages, and to ensure their compliance with liquor laws. Program staff work extensively with licensees to help them understand and comply with the laws that govern them; training and educating them in processes and laws is OLCC's first strategy to gaining liquor law compliance. Staff also works with neighborhood, civic and business groups; the general public; schools and local governments to educate them about liquor laws and to gain their perspective on a variety of issues. Additionally, the program ensures that people who sell or serve alcohol take the mandatory alcohol server education course, and that the curriculum is effective, accurate and reflects current laws and policies. The hospitality industry (including restaurants, taverns and other businesses selling and serving alcohol at the retail level); beer and wine wholesalers and distributors; and the alcoholic beverage industry are customers of this program. Neighborhoods, communities, local law enforcement, moderation groups and local government also have interest in this program and serve as its partners.

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## ***Administration and Support Services Program 003***

The Administration and Support Services Program (usually called the *Support Services Program* for ease) provides the infrastructure to fulfill the liquor Commissioners' policy direction, and for OLCC programs to provide services to its customers and stakeholders. The program provides a means to communicate and collaborate with external stakeholders. It provides the OLCC with an internal infrastructure to create and implement organizational structure; ensure accountability and stewardship; and provide the tools and supplies for an efficient and safe workplace. Functions include setting and implementing policy; representing the OLCC in administrative hearings, providing public information, internal and external communications; providing fiscal accountability and recordkeeping; administering privilege tax collection; providing information technology services, stewardship of facilities, business continuity, internal auditing, staff training, labor relations, commodity purchasing, personal property control, building and equipment leasing, motor pool management, physical plant and building maintenance, mailroom services, and central supplies. OLCC's internal users of these services are the program's customers. Additionally, external stakeholders are customers -- including legislators, local governments, law enforcement, and the alcoholic beverage and hospitality industries. The media is also a customer of this program.

## **Store Operating Expenses Limitation Fund Program 005**

The OLCC contracts with individual, private business people, to operate the more than 248 exclusive and nonexclusive liquor stores around the state to make distilled spirits available in a managed and socially responsible manner. These independent contractors (called *liquor agents*) receive funds from which they pay all store expenses, including rent, utilities, store fixtures, remodeling, moving and staffing expenses. From the net, they fund their own salary and any benefits or retirement savings. The Store Operating Expenses Program fund contains the dollars the OLCC distributes to liquor agents to operate the stores. Both the shopping public and businesspeople with licenses to sell distilled spirits by the drink are customers of the liquor stores.

## **Capital Improvements Limitation Fund Program 088**

Through OLCC's Capital Improvements Program, the agency provides effective stewardship of OLCC-owned building and grounds. The OLCC owns its Milwaukie office and warehouse complex, which includes the distribution center for all bottled distilled liquor and which typically, houses about 185 employees. The distribution center comprises two warehouse facilities in Milwaukie. Each biennium, the OLCC completes regular maintenance and repairs per its ten-year plan, and does major projects as provided for by the Legislatively Adopted Budget.

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## Marijuana Limitation Fund Program 080

In November 2014, Oregon voters approved Ballot Measure 91, which legalized the sale and use of recreational marijuana in Oregon, and provided for a means of taxation and regulation of the product. The ballot measure gave OLCC responsibility to set and implement policy through adoption of administrative rules, collect taxes, license marijuana businesses and enforce of laws and administrative rules adopted under the measure

The 2015 Legislative Assembly passed measures to further define and expand the scope of regulation of both recreational and medical marijuana, with the passage of HB 3400, HB 2041, SB 460 and SB 844. These measures included additional recreational marijuana license types, allowed for medical growers to opt-in to the recreational systems, created a marijuana handlers permit, directed OLCC to set fees in rule, shifted taxation to Department of Revenue and directed OLCC to develop a seed to sale tracking system. OLCC will begin accepting license applications from growers, producers, wholesalers, retailers, laboratories, marijuana handler permits, and research certificates, effective January 4, 2016. The first licenses are anticipated to be issued in April of the same year.

In November of 2014, Oregon voters approved Ballot Measure 91, which set up a means of regulating and taxing recreational marijuana. As previously noted, the ballot measure resulted in a fundamental change to the character of the OLCC and required the agency to develop a regulatory framework in a very short period of time. OLCC's duties for marijuana regulation will include the following, per Ballot Measure 91, HB 3400 and HB 2041:

- Adoption and enforcement of regulations relating to growers, wholesalers, processors, retailers, laboratories, marijuana handler permits, and research certificates
- Developing a product tracking system which must be used by licensees to track all marijuana and marijuana products from plant viability to final sale to the consumer;
- Implementation of a marijuana handlers permitting program for workers in retail marijuana establishments;
- Inspections, seizures, citation and arrest authority to OLCC related to OLCC-licensed marijuana facilities;
- Regulation of marijuana concentrates and extracts in products;
- Study of environmental practices related to marijuana cultivation;
- Working with the Oregon Health Authority to allow the medical marijuana program to utilize tracking technology;
- Assisting in the development of testing requirements and standards for product testing, and packaging and labeling of marijuana items; and
- Working with the Department of Revenue to reconcile product movement with taxes paid.

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OLCC Program (excludes Analysts package for marijuana)	2015-17 Legislatively Adopted Budget - Other Funds	2015-17 Legislatively Adopted Budget - FTE	2015-17 Legislatively Adopted Budget - Positions	Caseload/Workload for 2015-17
Distilled Spirits	\$ 26,722,778	66.00	66.00	Number of cases of distilled spirits sold in liquor stores 6,329,930 Oversight of agents for more than 248 stores Spirits product items purchased and wholesaled by OLCC 2,000
Public Safety Services	\$ 17,923,472	91.00	93.00	Retailers (restaurants, bars, supermarkets, etc.) with liquor licenses 11,900 All active licenses 17,600 Active service permits 153,200 Criminal citations 300 per year Administrative violations 800 per year
Administration & Support Services	\$ 18,772,275	68.00	68.00	Media contacts: 500 inquiries, 100 news releases each biennium. Audit liquor stores inventories: average 1.5 times a year each.
Store Operating Expenses	\$ 102,5780,335	0.00	0.00	Distilled spirits dollar sales in liquor stores \$1.114 billion per biennium.
Capital Improvements	\$ 4,391,810	0.00	0.00	Milwaukie and Milport facilities – Office space - 53,000 sq. ft. Warehouse space - 229,000 sq. ft.
Marijuana Enforcement	\$ 8,332,933	24.98	30.00	New program as of the result of Initiative 53, passed in November 2014.

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## Environmental factors

The Oregon Liquor Control Commission is an “other funds agency”. Revenues generated for agency operations and distributed to state, county and city governments come from sales, taxes, and license fees related to alcohol. During the 2015-17 biennium, the Legislatively Adopted Budget estimates it will collect \$1.198 billion in revenue from three primary areas: 96% of the agency’s revenue comes from sales of distilled spirits, 3% from collection of wine and beer tax and 1% from liquor license fees. Given the importance of liquor sales to the state, city, and county revenue streams it is important to be aware of the economic, business, regulatory, and other environmental factors that affect sales.

Given the changes in personnel at both the Commission and agency level, the Commissioners, agency director and management team are focusing on creating a culture of accountability for change throughout the organization. A key focus is aligning rules, regulations, and enforcement, and utilizing education to increase compliance to both protect public safety and support the success of businesses, the creation of jobs throughout Oregon, and the expansion of the retail footprint. This will require enhanced efforts to reach out to the agencies local and state partners to work on community based solutions.

A major challenge facing the agency is the need to enhance its distribution system to meet the increase in demand; without an investment the infrastructure limitations can negatively impact the generation of revenues. Historical and recent policy discussions to privatize the state system have worked contrary to this purpose. While either retail innovation or privatization remain worthy public conversations, the state faces the decision of whether or not to invest in additional equipment and software to preserve revenues.

## Consumer Preference and Choice

There has been a shift in alcohol preference among consumers over the last decade. Beer consumption in the US and Oregon has leveled off as consumers have switched to wine and spirits. In Oregon, excise tax collections for wine exceeded tax collections for beer in 2004. Revenue from malt beverage tax collections has been relatively flat since 2007 while revenues from wine tax collections and spirits sales have increased every year.

## The Great Recession

Before the Great Recession (starting Fiscal Year 2008) liquor sales revenue had increased at an average rate of 7% during the previous decade. After the recession began, the liquor sales revenue declined to an average annual increase rate of 2%. Coming out of the recession,

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liquor sales have resumed a 6% annual growth rate. The volume of liquor as represented by case sales, which had increased at an average annual rate of 5% during the previous decade, went to almost 0% after the recession. The implementation of the .50¢ surcharge helped maintain positive revenue growth after the recession while volume growth was negligible. Since the economic recovery, case sales have resumed at an annual average increase of 4%.

Important also to liquor sales during the Great Recession was an increase in the share of sales to consumers. The percent of sales to licensees dropped from 29% in 2007 (prior to the recession) to 24% in 2013 and has not recovered indicating that the increases in liquor sales have been driven by consumers rather than bars and restaurants. Liquor sales growth for licensees (bars and restaurants) went negative in 2009 and 2010 as many businesses were affected by the Great Recession but has since recovered showing annual increases of 4% since 2010.

## Privatization of Washington Liquor Sales

A ballot initiative changed the Washington liquor system in 2012. The combined effect of revenue replacement fees along with private wholesaler and retailer markups raised liquor prices about 30% over pre-privatization levels and created a significant differential with Oregon liquor prices. The impact to Oregon was that liquor stores along the Washington state line saw an average increase of 33% in sales, which has been maintained. Oregon liquor stores do not track out-of-state purchases, so it is not possible to know exactly how much revenue was generated as a result of the Washington privatization. A comparison of before and after sales for stores near the Washington state line suggests, however, that as much as \$10 million in additional revenue may be added annually to Oregon sales.

## Spirits Industry

Sales of distilled spirits in Oregon pattern sales on a national level. Vodkas are the sales leaders followed by domestic whiskies. The major brands are the biggest sellers with about 400 products accounting for 75% of the sales revenue. During Fiscal Year 2013 about 4,500 different products were sold through the Oregon liquor system. Oregon based spirits account for 12% of annual liquor sales, in the state making them an important factor both to state revenue and to local communities.

In recent years, the national and Oregon distilled spirits sales trends that evolved in the last two biennia have continued to grow. Manufacturers' liquor (distilled spirits) prices continue to increase modestly. Distilled spirits customers' preferences for premium brands are expected to continue to show improvement since a recession-driven shift to less expensive items. For 2015-17, the Legislatively Adopted Budget is projecting an annual growth rate of 2.70 percent.

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Over the last several years, the Distilled Spirits Council of the U.S. (DISCUS) has observed that while *per capita* consumption of all alcoholic beverage types -- *combined* -- remained flat nationally (but risen in Oregon since 1995), distilled spirits has captured more of the alcoholic beverage market share. This shift has continued since 2011-13. Distillers' increased national marketing and advertising; and distillers offering many new distilled spirits choices contribute to the new sales trend. New flavored spirits (including "pink goods" geared towards women) have been successful. The industry continues to develop new flavored products. Customers, especially women, who used to prefer wine or beer, now choose flavored spirits.

Oregon distilled spirits sales are affected by demographic and market forces similar to those in the national environment. Oregon case sales will continue to increase in 2015-17. The OLCC expects a growth rate of 1.0 percent per year in case sales during the 2015-17 biennium. In 2009-11, people were "buying down"; that is, buying less expensive brands than in the recent past. Since 2011-13, OLCC has seen a shift back to higher priced products as the worst effects of the recession continue to diminish.

A major issue facing the OLCC's distilled spirits program is how to manage resources and gain efficiencies to keep pace with the changing, growing marketplace while within the state budget framework. The OLCC has applied several strategies to this challenge and sales performance shows the strategies' success. Spirits sales revenues in Oregon have grown an average of 6.4 percent over ten years, even including the recession years.

The Oregon wine industry, like the national distilled spirits industry over the last several years, is actively competing for market share. Other business people wanting Oregon liquor licenses are exploring new venues to compete in the marketplace. Businesses' innovative and creative marketing, selling and product development challenge OLCC to be responsive but careful in applying policy and practices to the ever-changing marketplace.

Oregon continues to experience significant increases in: total population, the number of tourists, service permittees, and outlets licensed to sell alcoholic beverages. Tourism spending for 2013 continued to increase over prior years. People continue to move to Oregon from outside the state. Many of them are professionals, and as consumers, they arrive with sophisticated expectations about the marketplace. Demand has grown for customer-convenient retail locations to serve more complex, densely populated communities. Also, prime retail locations price-per-square-foot rent has grown more expensive over the years. OLCC is committed to continuing to respond to the changing marketplace while meeting its social responsibilities.

Underage drinking continues to be a serious problem across the nation, and in Oregon, though the country has been able to affect a downward trend in recent years. The OLCC's number one public safety issue is preventing underage drinking. The OLCC realizes it cannot alone adequately address the problem, but can be a major part in the solution by ensuring alcohol is not available to minors from licensed premises.

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The Public Safety Services Program works in partnership with a variety of entities to increase communication between agencies and public. The program staff have been active on the Governor's Advisory Committee on DUII, the Governor's Alcohol and Drug Policy Committee; National Liquor Law Enforcement Association; Oregon Chief of Police Association; Office of Mental Health and Addiction Services Department; Oregon Lottery, local law enforcement agencies, State Police, and city and county government agencies.

Currently the Public Safety Services Program has 17,600 active liquor licensees. Of these, more than 11,000 are retail businesses such as restaurants or convenience stores that serve or sell alcohol directly to the public. In addition to working with licensees, Public Safety Services staff annually processes more than 34,000 alcohol service permit applications

## ***Agency Initiatives in the 2015-17 Budget***

The 2015-17 Legislatively Adopted Budget includes the following policy option packages for OLCC. They all enable OLCC to contribute to OLCC's supporting the state economic growth and public safety.

### **Repair OLCC Facilities (as modified)**

**Package No. 301, 0 FTE, \$4,172,000**

Both of the OLCC's facilities in Milwaukie – including its distilled spirits Distribution Center – need extensive repairs and replacements, mainly to the roofs and heating and cooling (HVAC) systems. The well-being and safety of staff, visitors, and distilled spirits inventory are at risk. Left unattended, building failures would significantly interfere with or halt OLCC functions, including its distilled spirits business and the state, city and county revenue streams.

### **Meet Peace Officer Training Requirements (as modified)**

**Package No. 202, 0 FTE, \$260,900**

This package requests funding for OLCC's Public Safety Division staff to attend DPSST and receive statutorily required certification, as required by SB 1628, passed during the Legislature's 2012 regular session.

### **Provide Online and E-Commerce Licensing (as modified)**

**Package No. 303, 0 FTE, \$305,000**

This package requests funding to enhance the OLCC's existing information technology system. The enhancement will enable people and businesses to apply and pay for licenses and permits online through the Internet, by creating web-based service applications. This will improve OLCC efficiencies, better serve stakeholders, and support the economy and revenue stream.

# BUDGET NARRATIVE

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## **Increase OLCC Shipping Capacity**

**Package No. 104, 0 FTE, \$5,020,000**

OLCC needs additional equipment or staff to meet the increase in demand; otherwise, infrastructure limitations in the physical plant will hold OLCC back from meeting anticipated demand. Infrastructure and equipment improvements and support are needed for an efficient, long-term solution to meet expected demand for product. In their absence, OLCC will need additional FTE to add crews to the warehouses

Option A, the addition of shipping lines and software is a one-time investment of \$5.02 million to increase the capacity of the distribution infrastructure to meet demand for distilled products for the next ten years. This is a cornerstone for supporting and encouraging the development of key Oregon industries, such as the hospitality and tourism industries.

## **Store Improvements Matching Funds (not approved)**

**Package No. 105, 0 FTE, \$0**

OLCC will match a portion of agents' costs in making capital store improvements once a biennium, using established criteria, on a first-come first-serve basis. To help ensure the pool of liquor agents moves towards a diverse group of agents more representative of the state's population, applicants or first-time agents who are women and minorities will receive priority consideration for awards of up to 10% of the created fund (if unclaimed such funds will be released in the final quarter of the biennium, April 2017).

## **Fund Bank Card Fees as Business Expense (not approved)**

**Package No. 106, 0 FTE, \$0**

OLCC pays the bank card fees incurred when customer purchase distilled spirits in the liquor stores. The fees are fluctuating cost of doing business. This package will allow the OLCC to pay for bank card fees for the purchase of spirits by consumers without an artificial limitation cap. Approval of this package will recognize bank card fees and expenses as a variable cost correlated with sales and the independent purchase decision by customers. Bank card fees will be viewed similarly to other variable costs of doing business, such as purchasing product (cost of goods sold) and freight costs

## **Upgrade OLCC's Desktop Infrastructure (not approved)**

**Package No. 307, 0 FTE, \$0**

This package seeks funding for OLCC's next PC workstation lifecycle replacement. The agency will be able to apply a desktop virtualization solution to its 250 internal workstations, increasing staff productivity by providing appropriate access to OLCC's datacenter.

# BUDGET NARRATIVE

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## **Upgrade Phone System (approved)**

**Package No. 308, 0 FTE, \$110,000**

OLCC relies on an outdated, line-card based phone system for voice communications. This package seeks funding to replace it in line with the Department of Administrative Services' goal to migrate the state enterprise to Voice over IP (VoIP) technology. VoIP uses the Internet to carry voice

## **Support Alcohol and Drug Policy Commission (not approved)**

**Package No. 209, 0 FTE, \$0**

With approval of this package, OLCC will be able to fulfill its statutory obligation to support the state's Alcohol and Drug Policy Commission.

## **Complete Customer Service Center (not approved)**

**Package No. 310, 0 FTE, \$0**

The agency seeks funds to complete the remodeling of the McLoughlin building's entrance to provide public areas for licensees, server permit applicants, and the public to receive services.

## ***Legislative Concepts***

### **1. Agency Concept 84500/001**

Withdrawn from consideration.

### **2. Agency Concept 84500/002**

Oregon's fees for annual liquor licenses are among the lowest in the nation. And, because license fees are not collected until a license or authority is issued, applicants risk little in applying for a license. However, staff must invest time to vet the applications even if the applicant is not highly committed to getting a liquor license. The program is proposing to charge a \$150 nonrefundable application fee for all new annual license applications and for licensed businesses submitting a change of ownership for OLCC to approve. The application fee would be refunded if the agency does not render a decision on the license within a set time period. Note that Legislatively Adopted Budget has included \$324,750 in estimated revenue for 2015-17.

# BUDGET NARRATIVE

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## D. CRITERIA FOR 2015-17 BUDGET DEVELOPMENT

OLCC administers the Liquor Control Act to ensure social responsibility in liquor regulation. In doing so, its functions of providing for the retail sales of alcohol, licensing and efficient collection of taxes supports the Oregon economy, business investment, employment and vital public services. It is within this legal framework that the OLCC is responsive to citizens' needs, for public health and safety and engagement on matters of civic and consumer concern. Through and within this framework the OLCC finds its processes and means to meet the challenges of the changing marketplace of the 21<sup>st</sup> century.

The OLCC's long-term plan is to manage growth within its values and mission. The OLCC actively is planning how to be responsive to the changing demographics and marketplace, while promoting responsible alcohol sales and service and encouraging the development of all Oregon industry and consumer sensitive retail markets.

The OLCC is engaging responsible growth by prioritizing public safety, embracing economic opportunity, and safeguarding its ability to produce revenue to support public programs vital to Oregonians:

- By continuing to create and strengthen partnerships with local law enforcement, moderation groups and others, the OLCC can make well-informed policy decisions and resource allocations to protect the public
- By reinforcing its commitment to establishing a positive business environment within its overall regulatory structure, the OLCC sets the tone for a sustainable and productive business climate
- By prioritizing investments which enhance overall productivity, the OLCC can deliver on expectations that its business operation generate revenue for state, county, and city public services

The OLCC recognizes that as the environment changes, OLCC and its stakeholders will benefit from the OLCC's responsiveness to changes. OLCC seeks to use the most modern technology it can afford, to improve services and help business people get into business and employ others. It seeks to transition to modern web-based services which provide greater flexibility, use state technology resources, and create more ease for the user.

The future of Oregon depends on its ability to strategically invest in human capital and infrastructure to facilitate the growth of business and jobs, and to contribute to a positive business climate. The OLCC licenses, permits, and appoints people to sell and serve alcohol when they meet certain criteria. They must consistently comply with the law to keep the privilege, so Oregon's communities can be safe. The OLCC needs a certain level of resources to manage growth and regulate the industry responsibly. In order to keep barriers at a minimum and provide good service levels, the agency also focuses on streamlining and automating processes as much as possible. This also is consistent with the priority to reduce barriers for business, including regulatory barriers.

# BUDGET NARRATIVE

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The OLCC budget proposal focuses on its charge to safeguard state assets and provide responsible stewardship for the continued sale and service of alcohol. The proposals are primarily focused on adding capability and capacity, and not on adding additional FTE to support operations in the next biennium.

*The major criteria for 2015-17 budget development are to:*

All budget proposals align with the long-term strategies the OLCC is working toward:

1. Creating a culture of accountability for change
2. Facilitating the contribution of businesses to sustain community growth throughout Oregon
3. Creating new means to advance public health and safety through prevention and community engagement
4. Opening communications as a means to place the agency closer to Oregon customers and to advance all other agency strategies

The focus for the establishment of priorities across the agency includes criteria that supports measured progress toward achieving the strategic plans of the OLCC:

- Invest in the productivity of the workforce and their professional growth and develop to improve agency teamwork
- Manage the integrated programs of OLCC to respond to growth of the alcoholic beverage system and retail innovation intelligently
- Invest in the capacity to meet potential customer demand and secure forecasted revenue necessary to support public services
- Align public safety services toward education to achieve greater compliance and secure safety through prevention
- Facilitate the contribution that the alcohol and beverage industry is making across Oregon communities in support of long-term prosperity goals and jobs
- Streamline and automate processes as much as possible including, reducing barriers for business and server licensing training, application and financial transactions
- Safeguard state assets and provide responsible stewardship and return on investments
- Increase partnership and communication with business, community, public safety and other partners

# BUDGET NARRATIVE

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*The OLCC used the following criteria to develop its policy option packages for 2015-17 and their priority ranking:*

1. Will an approved package strengthen OLCC's ability to use its existing line resources most effectively and protect its infrastructure?
2. Will an approved package contribute to meeting citizen's interests in public safety and consumers interests in products and services more effectively and efficiently?
3. Will an approved package contribute to a sustainable base for economic growth?

## **E. PERFORMANCE MEASUREMENT**

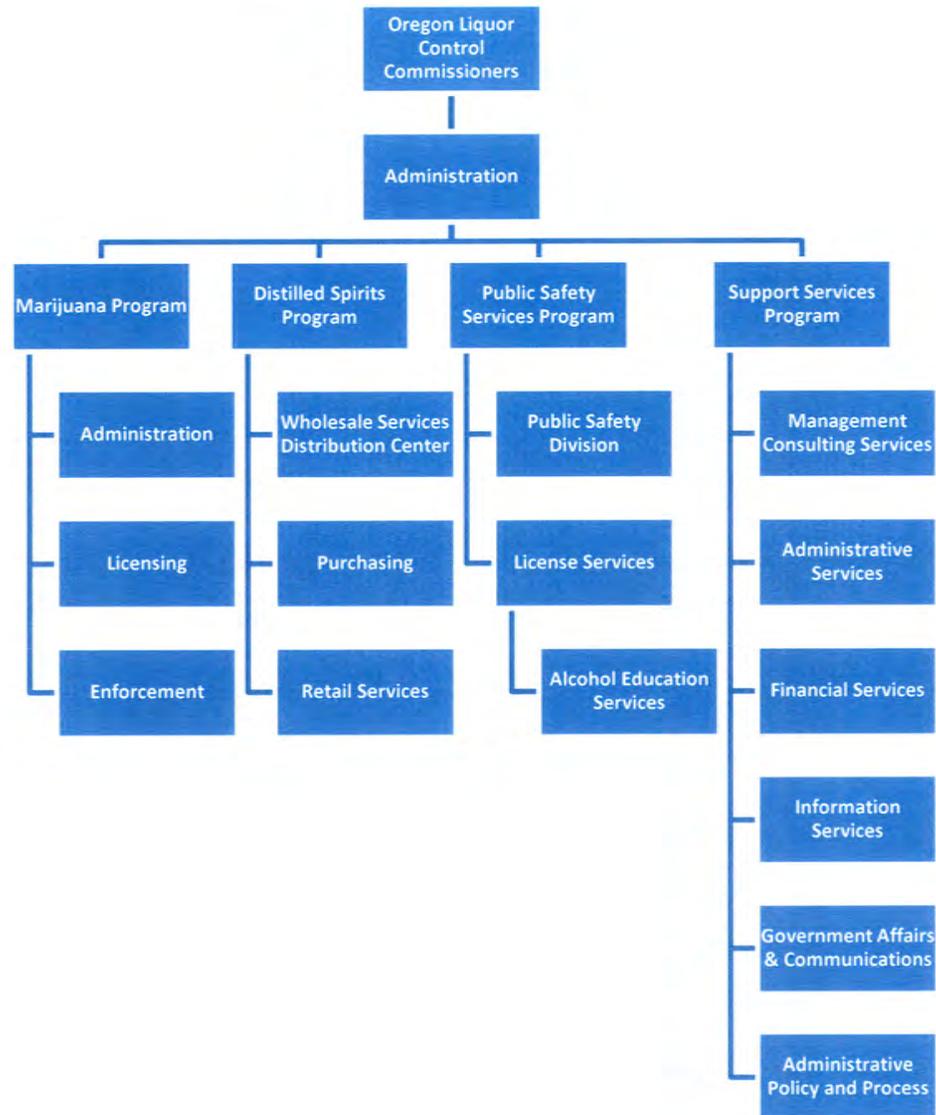
Performance measurement documents appear at the end of the agency summary.

## **F. MAJOR INFORMATION TECHNOLOGY PROJECTS**

The OLCC does not have any information technology projects of the scope to be included in this section.

# BUDGET NARRATIVE

## AGENCY SUMMARY NARRATIVE: AGENCY ORGANIZATION CHART



**PROGRAM PRIORITIZATION FOR 2015-17**

1		2		3		4		5		6		7		8		9		10		11		12		13		14		15		16		17		18		19		20		21		22		
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description		Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request																							
			<b>Distilled Spirits Program</b> - The Distilled Spirits Program makes distilled spirits by the bottle available for purchase through liquor stores throughout the state. The program oversees the liquor agents that OLCC contracts with to operate retail liquor stores.		645-4 "Customer Service", 645-5 "OLCC Rate of Return"	6																																						
2	1		001-030	Wholesale Services					13,088,703			\$ 13,088,703	58	55.50	N	Y	C				POP 104 will provide resources to enhance the shipping capability of the physical facility increasing the physical flow of goods through retail system.																							
11	2		001-040	Retail Services				1,817,214				\$ 1,817,214	8	8.00	N	Y	C																											
12	3		001-020	Purchasing				718,501				\$ 718,501	3	3.00	N	Y	C																											
15	4		001-024	Bank Card Fees					11,055,489			\$ 11,055,489	0	0.00	N	Y	C				POP 106 will make bank card fees non-limited, recognizing that the expenditures are directly related to sales volume.																							
16	5		001-042	Liquor Sales Support				35,739				\$ 35,739	0	0.00	N	Y	C																											
									15,660,157			\$ -																																
												\$ -																																
												\$ -																																
												\$ 26,715,646	69	66.50																														

**7. Primary Purpose Program/Activity Exists**

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

**19. Legal Requirement Code**

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

**Document criteria used to prioritize activities:**

All Oregonians and tourists to Oregon who purchase distilled spirits buy them from OLCC-licensed outlets (restaurants, bars, etc.) or from the OLCC-contracted liquor stores that supply those licensed outlets. More than two hundred forty-five small-business people and their employees earn their livelihood through operating liquor stores. Distilleries and their suppliers, across the country, benefit from the Oregon distilled spirits market. All Oregonians benefit from the sales profits distributed to Oregon cities, counties and the state General Fund. The Distilled Spirits Program operates as an integrated unit to move product through the supply chain to the end consumer. The divisions within the program constitute an integrated program that serves to efficiently and effectively meet the customer demand for distilled products by consumers and industry participants. In addition to the Distilled Spirits Program, the Store Operating Expense Program provides the operating capital and the profits for each of the independent, contracted liquor agents, and is an integral part of the wholesale/retail supply chain. The Distilled Spirits Program is guided by the principle of supporting and increasing the economic development of the state as a way to invest in the future of Oregon. Oregon's method of retailing distilled spirits through liquor agents appointed by and overseen by the OLCC also supports the principle of public safety. The OLCC manages the location and density of outlets, and their effects on the community. As a result, included in the Agency Request Budget for the OLCC Distilled Spirits Program is a policy option package to increase resources so that the OLCC will be able to continue to meet consumer demand, thus increasing the amount of revenue returned to the state after paying all operating expenses.

Agency Request Budget

Governor's Balanced Budget

Legislatively Approved Budget

OLCC Agency Summary

Budget Page 33

**PROGRAM PRIORITIZATION FOR 2015-17**

Agency Name: Oregon Liquor Control Commission				Agency Number: 84500																	
2015-17 Biennium				Fund 001																	
SCR 002				Program/Division Priorities for 2015-17 Biennium																	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
				Public Safety Services Program - The Public Safety Services Program administers and enforces the state liquor laws. The program investigates, monitors, and inspects licensed businesses for liquor law compliance. This program assures only qualified people obtain and retain liquor licenses.	845-1 "Sales to Minors", 845-2 "Rate of Second Violation", 845-3 "Licensing Times", 845-4 "Customer Service"	5														OLCC has been designated the duty distribute, enforce and educate the activities related to the importation, manufacture, distribution and sale of alcohol.	
3	1		002-045	Licenses Services				3,989,709				\$ 3,989,709	22	22.00	N	Y	C				
9	2		002-047	Public Safety				13,312,090				\$ 13,312,090	68	66.00	N	Y	C				POP 202 will provide resources to meet the statutorily mandated DPSST training for all Public Safety sworn officers.
14	3		002-046	AlcoholEducation				601,072				\$ 601,072	3	3.00	N	Y	C				
												\$ -									
												\$ -									
												\$ -									
												\$ -									
								17,902,871				\$ 17,902,871	93	91.00							

**7. Primary Purpose Program/Activity Exists**

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural

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- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

**Document criteria used to prioritize activities:**

All Oregonians and tourists to Oregon who purchase distilled spirits by the drink, beer or wine are impacted by the number, location and liquor law compliance of licensed establishments. Communities and neighbors are affected by whether or not only qualified business people receive and keep liquor licenses, and their responsible sale and service. Cities and counties' law enforcement workloads are affected by OLCC's staffing and effectiveness. The alcoholic beverage industry is protected by assuring licenses are issued only to qualified individuals. All Oregonians' safety is protected by OLCC's Public Safety Division assuring licensees comply with liquor laws. Keeping alcohol from underage drinkers and keeping visibly intoxicated persons from being served preserves public safety by reducing drunk-driving, alcohol-related accidents and other associated problems, such as our youths health and safety. The OLCC Public Safety Program works to fulfill the Governor's principle of public safety.

         Agency Request Budget

         Governor's Balanced Budget

  X   Legislatively Approved Budget

OLCC Agency Summary

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**PROGRAM PRIORITIZATION FOR 2015-17**

1		2	3	4	5												6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request													
				<b>Support Services Program - The Support Services Program is responsible for the coordination, management, reporting and physical infrastructure used to support both the merchandising and regulatory functions of the commission.</b>	845-4 "Customer Service", 845-6 "Best Practices"	4																											
4	1		003-010	Administration				2,365,960				\$ 2,365,960	7	7.00	N	Y	C																
5	2		003-025	Financial Services				4,966,248				\$ 4,966,248	22	22.00	N	Y	C																
6	3		003-026	Information Services				5,496,273				\$ 5,496,273	15	15.00	N	Y	C																
7	4		003-011	Communications/Govt Affairs				821,463				\$ 821,463	4	4.00	N	Y	C																
8	5		003-015	Administrative Services				2,117,169				\$ 2,117,169	8	8.00	N	Y	C																
10	6		002-055	Administrative Policy and Process				2,058,887				\$ 2,058,887	9	9.00	N	Y	C																
13	7		003-016	Management Consulting				611,379				\$ 611,379	3	3.00	N	Y	C																
17	8		003-075	Motor Pool				304,820				\$ 304,820	0	0.00	N	Y	C																
18	9		003-060	Supply Center				58,889				\$ 58,889	0	0.00	N	Y	C																
												\$ -																					
												\$ -																					
												\$ -																					
												\$ 18,821,088																					
												\$ 18,821,088	68	68.00																			

**7. Primary Purpose Program/Activity Exists**

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

**19. Legal Requirement Code**

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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

**Document criteria used to prioritize activities:**

The Support Services Program operates in conjunction with the Distilled Spirits and Public Safety Programs to assure the functionality and the accountability of those programs to the people of Oregon. The Support Services program provides human resources, labor relations, non-liquor purchasing, maintenance, motor pool, mail, supply, accounting and information services to the OLCC. These activities are key to providing responsible stewardship by managing risk for the agency and assuring fiscal accountability. The program provides all of the administrative support to the OLCC's mission of "promoting the public interest through the responsible sale and service of alcoholic beverages. The Support Services Program ensures that the two operating programs of the OLCC meet both principles of public safety and economic development.

**PROGRAM PRIORITIZATION FOR 2015-17**

Agency Name: Oregon Liquor Control Commission														Agency Number: 84500									
2015-17 Biennium														Fund 002									
SCR 005														Program/Division Priorities for 2015-17 Biennium									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22		
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request			
Agcy	Prgm/ Div		STORE OPERATING EXPENSES PROGRAM - This program funds the operating expenses and the income of contracted liquor agents who sell the products at retail on behalf of the OLCC.	845-5 "OLCC Rate of Return"	6															OLCC has been delegated the duty distribute, enforce and educate the activities related to the importation, manufacture, distribution and sale of alcohol.			
19	1		005-072 Store Operating Expenses					101,958,335				\$ 101,958,335		0	0.00	N	Y	C					
												\$ -											
												\$ -											
												\$ -											
												\$ -											
												\$ -											
												\$ -											
								101,958,335				\$ 101,958,335		0	0.00								

- 7. Primary Purpose Program/Activity Exists**
- 1 Civil Justice
  - 2 Community Development
  - 3 Consumer Protection
  - 4 Administrative Function
  - 5 Criminal Justice
  - 6 Economic Development
  - 7 Education & Skill Development
  - 8 Emergency Services
  - 9 Environmental Protection
  - 10 Public Health
  - 11 Recreation, Heritage, or Cultural
  - 12 Social Support

- 19. Legal Requirement Code**
- C Constitutional
  - D Debt Service
  - FM Federal - Mandatory
  - FO Federal - Optional (once you choose to participate, certain requirements exist)
  - S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

**Document criteria used to prioritize activities:**

The Store Operating Expense Program manifests the Governor's principles by supporting economic development within the state of Oregon. This program provides the operating income for more than 245 independent businesses (liquor stores) that makes distilled spirits available by the bottle to citizens, businesses and tourists. This program provides the resources for those businesses to pay for the rent, utilities, wages for employees, as well as the net income to the liquor store owner. These funds enable the livelihood of liquor agents, their employees. Under the direction of the OLCC Retail Services Division, agents sell over two thousand different products to individuals and licensed businesses. Agents generate in excess of \$1.114 billion dollars of sales in the 15-17 biennium, which encourages economic activity in the private businesses in the hospitality and the alcoholic beverage industry industries. Additionally, the revenue remaining after paying the operating costs of the agents, the cost of goods sold and the operating expenses of the commission are distributed to state and local governments to support programs in the public sector.

Oregon's method of retailing distilled spirits through liquor agents appointed by and overseen by the OLCC also supports the principle of public safety. The OLCC manages the location and density of outlets, and their effects on neighborhood livability.



**PROGRAM PRIORITIZATION FOR 2015-17**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
			<b>MARIJUANA ENFORCEMENT PROGRAM</b> - The Marijuana Enforcement Program administers and enforces the state marijuana laws. The program investigates, monitors, and inspects licensed businesses for marijuana law compliance. This program assures only qualified people obtain and retain marijuana licenses.																		
20	1	004-080	Marijuana Administration					2,429,000				\$ 2,429,000	11	9.00	Y	N	S		Initiative		
21	2	004-085	Marijuana Licensing					2,510,524				\$ 2,510,524	11	8.50	Y	N	S		Initiative		
22	3	004-087	Marijuana Enforcement					1,866,422				\$ 1,866,422	6	3.00	Y	N	S		Initiative		
												\$ -									
												\$ -									
								6,805,946				\$ 6,805,946	28	20.50							

**7. Primary Purpose Program/Activity Exists**

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

**19. Legal Requirement Code**

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

All Oregonians who purchase marijuana will be impacted by the number, location and marijuana law compliance of licensed entities. Communities and neighbors are affected by whether or not only qualified people receive and keep marijuana licenses, and the responsible sale and service. Cities and counties' law enforcement workloads will be affected by OLCC's staffing and effectiveness. The marijuana industry will be protected by assuring licenses are issued only to qualified individuals. All Oregonians' safety will be protected by OLCC's Marijuana Program assuring licensees comply with all laws and rules. The OLCC Marijuana Enforcement Program will work to fulfill the Governor's principle of public safety.

## BUDGET NARRATIVE

ACTIVITY OR PROGRAM (WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN)	DESCRIBE REDUCTION (DESCRIBE THE EFFECTS OF THIS REDUCTION. INCLUDE POSITIONS AND FTE IN 2011-13 AND 2013-15)	AMOUNT AND FUND TYPE (GF, LF, OF, FF. IDENTIFY REVENUE SOURCE FOR OF, FF)	RANK AND JUSTIFICATION (RANK THE ACTIVITIES OR PROGRAMS NOT UNDERTAKEN IN ORDER OF LOWEST COST FOR BENEFIT OBTAINED)
1. Distilled Spirits Program – Bank Card Fee Limitation	Reduce bank card fees by 10% for the purchase of liquor	(OF) \$1,070,000	1. The OLCC does not have the ability to control the use of bank cards by consumers wishing to purchase distilled spirits. A reduction in the amount of limitation needed to pay for bank card fees would require the OLCC to limit the agency outlets authorized to accept bank cards. Only the largest class of stores would be allowed to accept bank cards with the potential of OLCC withdrawing even their authority at the end of the biennium if use is higher than projected. This would create dissatisfaction among consumers and liquor agents by establishing a two-tier system for customer service. In the 2003-05 biennium, bank fees were a non-limited item.
2. Support Services Program – Motor Pool and Supply Center	Eliminate the purchase of replacement motor pool vehicles and reduce supply center costs.	(OF) \$125,000	2. OLCC staff travel throughout the state to visit liquor license applicants and established licensees – to investigate, inspect, monitor, and assess compliance with liquor laws. Retail Services district managers travel long distances to visit liquor stores to oversee the retail operation, transfer product, and process claims. OLCC

Agency Request

Governor's Budget

Legislatively Adopted

Reduction Options

Budget Page 39

## BUDGET NARRATIVE

			<p>auditors travel to all liquor stores throughout the year to ensure the reporting and depositing accuracy of independent contractors handling state funds. Having reliable vehicles means having a safe work environment for OLCC's staff. This cut would eliminate the replacement of aging vehicles for the 2015-17 biennium and reduce maintenance activities for the remaining fleet. This cut compromises a safe work environment and service to stakeholders. Reducing supplies reduces employee effectiveness.</p>
<p>3. Distilled Spirits Program – Retail Services Division</p>	<p>Eliminate 1 Program Analyst 2 FTE (District Manager) in Retail Services and related service &amp; supplies expenditures in Liquor Sales Support.</p>	<p>(OF)      \$171,000</p>	<p>3. OLCC would be providing less oversight for liquor stores at a time it believes it should be increasing services to agents instead. Reducing staff means fewer contacts with liquor agents, and fewer visits to stores across the state. This cut would reduce OLCC support of store agents regarding store operations, applying the retail operations manual, customer service, inventory control of the state's investment in distilled spirits stock, and liquor law compliance issues. It would affect the timely tracking of damages, claims and inventory adjustments. Would slow down inter-store transfers. Workload would shift to remaining staff, but they would not be able to</p>

## BUDGET NARRATIVE

			<p>provide same level of service to each agent. Possible negative impact on agents' viability, store sales and revenue distribution. Negatively impact the ability of the OLCC to explore new retailing models and siting of new outlets.</p>
<p>4. Distilled Spirits Program – Distribution Center</p>	<p>Eliminate 6.5 Liquor Dist. Worker 1 FTE's, 1 Liquor Distribution Worker 2 FTE and 1 Liquor Equip Operator FTE in the Distribution Center.</p>	<p>(OF)     \$960,000</p>	<p>4. This reduction would eliminate the distribution center's ability to fill liquor store orders for partial cases or special orders. Liquor stores would have to order full cases, or none, of slower-moving products including emerging Oregon craft products which depend on individual bottle sales throughout the state. If stores choose to order full cases, unnecessary state dollars would be invested in higher inventory quantities. If stores do not order the product due to storage or inventory goal restraints, they may lose sales and customers would not find their desired products as dependably. Special orders would have to be dramatically curtailed impacting the ability to meet consumer demand for varieties of products. In either case, state general fund revenue is lost, either by extra inventory investment or lost sales.</p> <p>This reduction has the potential to negatively impact the development of the Oregon Craft Distilling industry. The</p>

## BUDGET NARRATIVE

			income of smaller volume, Oregon-based, distilled spirits suppliers' would be reduced, as well as contracted agents' compensation which is determined by sales volume.
5. Support Services Program – Administration	Eliminate 1 Operations and Policy Analyst 3 FTE.	(OF) \$189,000	5. This reduction would eliminate professional-level analytical services and consultation to agency executives in the Distilled Spirits, Public Safety Services and Support Services programs on behalf of the Executive Director. It would eliminate the ability to perform analyses on a wide variety of program and policy functions, including: budget development; strategic and business planning; operational and program special project development and communications. It would compromise development of communication of the budget process, including budget policy option packages, budget book narratives, or to report on budget notes, budget appeals to persuade the Department of Administrative Services or the Governor's Office to revise their recommendations, and other reports to explain OLCC budget-development principles and their significance.
6. Public Safety Services Program – Alcohol Education	Eliminate 1.00 Admin Specialist FTE1.	(OF) \$122,000	6. The reduction of 1.00 FTE out of a total of 3 FTE from the Alcohol Education Division will lessen the

## BUDGET NARRATIVE

			OLCC's ability to monitor and enforce statewide training and testing obligations for 25,000 servers each year. The division's objectives are to equip servers with the knowledge and procedures to stop sales to minors and visibly intoxicated persons.
7. Support Services Program – Government Affairs and Communications Division	Reduce Public Service Rep 3 FTE to half time.	(OF) \$59,000	7. Reduces the receptionist position for the front desk of the OLCC main office. The receptionist is the initial contact for walk-ins and telephone calls. Assists with clerical duties for the Communications Division. Higher-level staff would have to assume the duties and security would be compromised at the front entrance.
<b>Administrative Fund – First 5% Total</b>		<b>(OF) \$2,696,000</b>	
8. Public Safety Services Program – Public Safety Division	Reduce 1.0 PEM D, and 5.0 Liquor Regulatory Specialists from Public Safety staff. Eliminate the Salem office and related expenditures.	(OF) \$1,154,000	8. This reduction seriously reduces OLCC's ability to enforce liquor laws and protect the public safety in a large area of the state. This reduction would reduce total Public Safety Division staffing by 9 % out of a total of 66 FTE. Public Safety compliance managers and regulatory specialists are stationed in field and district offices throughout the state, servicing license applicants and licensee holders directly. This reduction would eliminate 1 Public Safety management

## BUDGET NARRATIVE

			<p>positions, 5 liquor regulatory specialist positions and close the Salem field office, requiring the Portland and Eugene offices to provide coverage. Public safety compliance activity in Portland, Salem and Eugene would be reduced to minimal coverage for only the most serious situations. Salem liquor license applications would have to be sent to other offices for processing. In addition, private sector jobs in the hospitality industry would be affected by applicants waiting longer for licenses and licensees receiving less OLCC support in learning how to comply with liquor laws effectively. Public safety and economic sustainability would be affected.</p>
<p>9. Public Safety Services Program – License Services Division</p>	<p>Eliminate 3 Support Staff FTE and 1 Liquor Regulatory Specialist FTE.</p>	<p>(OF)     \$501,000</p>	<p>9. The OLCC continues to experience significant increased workloads from businesses wishing to start or renew licenses in the tourism, hospitality, and craft beer, wine, and distilled spirits industries. The licensing function contributes to the economic livelihood of many Oregonians. The loss of 4 FTE would increase the total time to issue liquor licenses substantially from the current performance levels of 67 days (2012 KPM); in the Portland metro area licensing times may increase to</p>

## BUDGET NARRATIVE

			<p>between 90 and 120 days. Investigatory and clerical duties currently assigned to these lost FTEs would need to be assumed by other employees, which would add to an already overburdened staff.</p>
<p>10. Support Services Program – Administrative Policy and Process Division</p>	<p>Eliminate 1 Compliance Specialist 3 FTE.</p>	<p>(OF) \$222,000</p>	<p>10. Elimination of the Wholesale/ Manufacturing Specialist would result in loss of the technical support, training, and compliance guidance to the public, industry and OLCC staff regarding regulations affecting the relationships between different tiers of the industry, financial assistance laws, advertising laws, sponsorships, promotions, and the Beverage Control Act (Bottle Bill). This loss will result in drastically less compliance in these areas. Separation of these tiers and compliance with the laws designed to maintain this separation is essential to Oregon’s three-tier system. Other duties, such as drafting of default final orders and response to complex public records requests, would need to be reassigned to staff in the division. This would result in significant delays in issuing of charge documents for violations, licensing actions and agent contract issues. Contested case hearings and case resolution by settlement would also be delayed.</p>

## BUDGET NARRATIVE

			OLCC would lose the deterrent effect of the timely enforcement of laws.
11. Support Services Program – Management Consulting Services Division	Eliminate Research Analyst 4 FTE.	(OF) \$188,000	11. The reduction will impact several key areas of agency management. The position is the primary analyst for the agency; duties include forecasting revenue, preparing Key Performance Measures, improving business processes, preparing public safety and licensing statistics, planning for business continuity and many other duties of an analytical nature. Loss of the position would result in reporting delays, lack of improvement in agency business processes and loss of a unique skill set that may not be absorbed by other employees in the agency. The position serves as the fiscal analyst for the agency during the legislative session. Evaluation of bills and legislative concepts would have to be assigned elsewhere. The loss of expertise could result in fiscal analysis and impact statements that are not prepared timely, may be inaccurate, and would overburden other staff that would have to assume the responsibilities.

## BUDGET NARRATIVE

<p>12. Support Services Program – Financial Services</p>	<p>Eliminate 1 Liquor Auditor FTE and 1.0 PEM D FTE</p>	<p>(OF) \$402,000</p>	<p>12. Losing financial services staff would increase the state's exposure to liquor agents potentially under-reporting their liquor sales. OLCC collects over \$500 million annually in sales revenue which is independently reported by agents. Reducing audit staff would extend the period of time between audits and would require higher-level employees to assume some of the work load of reviewing and reconciling audit activity. Remaining audit staff would have to increase the amount of time spent traveling. Smaller liquor agencies and those in eastern Oregon would be reduced in audit oversight the most. Reducing management staff would cause the timely reporting and accuracy of financial reporting to be compromised.</p>
<p>13. Support Services Program – Information Services Division</p>	<p>Reduce 2.0 FTE Info System Specialist 3 FTE in IT and S and S for expendable property and computer replacement.</p>	<p>(OF) \$400,000</p>	<p>13. OLCC business partners, such as licensees, liquor agents, and their customers, rely on OLCC's efficient processes. Compromising OLCC's ability to maintain its computer network infrastructure will affect its business processes. Customer service will be impacted reducing report distribution/preparation, order and inventory processing and inventory accountability. The impact of this</p>

## BUDGET NARRATIVE

			proposal will be a reduction in maintenance of network infrastructure hardware and software. Customer service, responsiveness, reliability and support of the state's economic infrastructure are directly and indirectly affected. Any changes that may affect OLCC's ability to order and ship distilled spirits to liquor stores potentially may seriously affect sales and revenue distribution to local and state government.
<b>Administrative Fund – Second 5% Reductions Total</b>		(OF) <u>\$2,867,000</u>	
<b>Administrative Fund – 10% Reductions Total</b>		(OF) <u>\$5,563,000</u>	
1. Capital Improvements Fund – First 5% Reductions Total	Reduce capital improvements by 5%	(OF)    \$12,000	1. OLCC is the steward of state-owned offices, 2 warehouses, distilled spirits inventory, and grounds situated on approximately 25.0 acres in Milwaukie. The 40,000 sq. ft. office building and 230,000 sq. ft. of warehouse space plus property are worth in excess of \$18 million dollars. An adequate capital improvement budget is needed to assure the property will not diminish in value, protect the warehouse inventory, and assure visitors and employees have a safe facility. All businesses supported by OLCC's functions are in turn affected

## BUDGET NARRATIVE

			by how well the state safeguards the facility and its activities; these budget reductions compromise the stewardship.
2. Capital Improvements Fund – Second 5% Reductions Total	Reduce capital improvements by 5%	(OF) \$12,000	2. OLCC is the steward of state-owned offices, 2 warehouses, distilled spirits inventory, and grounds situated on approximately 25.0 acres in Milwaukie. The 40,000 sq. ft. office building and 230,000 sq. ft. of warehouse space plus property are worth in excess of \$18 million dollars. An adequate capital improvement budget is needed to assure the property will not diminish in value, protect the warehouse inventory, and assure visitors and employees have a safe facility. All businesses supported by OLCC's functions are in turn affected by how well the state safeguards the facility and its activities; these budget reductions compromise the stewardship. An additional reduction will exacerbate the problems associated with lack of upkeep and maintenance of state owned properties.
<b>Capital Improvements Fund – 10% Reductions Total</b>		(OF) <b><u>\$24,000</u></b>	
1. Store Operating Expenses Fund – First 5% Reduction Total	Reduce compensation to agents for store operating expenses, from a statewide average of 8.88% of their	(OF) \$4,948,000	1. Reducing liquor agent's funding could result in reduced liquor store service levels to consumers and

## BUDGET NARRATIVE

	distilled spirits sales to 8.46%.		<p>licensed business; lower liquor sales and reduced profits distributed to local and state government. Reduced service levels could create State government reputational risk if customers become frustrated. Historically agents have asked for more funding, not less. If their compensation drops, agent liquor stores may not produce enough income to be viable. To compensate for reduced funding agents may need to shorten their hours to save labor expenses, reduce store staffing levels, defer maintenance, remodels or relocations to better locations, and/or have fewer cash registers and computer upgrades. These types of reductions would reduce service levels to consumers and tourists. Reduced liquor agent funding could also impact the quality of the applicant pool when appointing liquor agents. Economic development, public safety, and stewardship could be negatively effected.</p>
2. Store Operating Expenses Fund – Second 5% Reduction Total	Reduce compensation to agents for store operating expenses, from a statewide average of 8.88% of their distilled spirits sales to 8.05%.	(OF) \$4,948,000	2. Reducing liquor agents' funding could reduce liquor store service levels to consumers and licensed businesses; could in lower liquor sales and reduced profits distributed to local and state government. Citizens will be more frustrated with state government.

## BUDGET NARRATIVE

			<p>Agents have historically asked for more funding, not less. If their compensation drops, most agents will probably need to reduce service levels so they can afford running the liquor agencies. Store agents' might shorten their hours to save labor expenses; reduce store staffing levels generally, creating more opportunity for theft, less service, and more unemployment; and they may defer maintenance, remodels or relocating to better locations. They may have fewer cash registers or computer upgrades. Reduction would reduce service levels to consumers and tourists. OLCC may have fewer and less qualified people to choose from when appointing liquor agents. Economic development, public safety, and stewardship could be negatively affected.</p>
<p><b>Store Operating Expenses Fund – 10% Reductions Total</b></p>		<p>(OF)    <u><b>\$9,896,000</b></u></p>	

**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
Oregon Liquor Control Comm  
2015-17 Biennium

Leg. Adopted Budget  
Cross Reference Number: 84500-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2013-15 Leg Adopted Budget	233	227.63	150,626,250	-	-	150,626,250	-	-	-
2013-15 Emergency Boards	(3)	(2.50)	1,249,449	-	-	1,249,449	-	-	-
<b>2013-15 Leg Approved Budget</b>	<b>230</b>	<b>225.13</b>	<b>151,875,699</b>	<b>-</b>	<b>-</b>	<b>151,875,699</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2015-17 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	0.37	116,247	-	-	116,247	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
<b>Subtotal 2015-17 Base Budget</b>	<b>230</b>	<b>225.50</b>	<b>151,991,946</b>	<b>-</b>	<b>-</b>	<b>151,991,946</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	(261,074)	-	-	(261,074)	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	43,694	-	-	43,694	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>(217,380)</b>	<b>-</b>	<b>-</b>	<b>(217,380)</b>	<b>-</b>	<b>-</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	4,351,596	-	-	4,351,596	-	-	-
State Gov't & Services Charges Increase/(Decrease)			694,196	-	-	694,196	-	-	-

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**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
 Oregon Liquor Control Comm  
 2015-17 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 84500-000-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
<b>Subtotal</b>	-	-	5,045,792	-	-	5,045,792	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2015-17 Current Service Level</b>	<b>230</b>	<b>225.50</b>	<b>156,820,358</b>	-	-	<b>156,820,358</b>	-	-	-

**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
Oregon Liquor Control Comm  
2015-17 Biennium

Leg. Adopted Budget  
Cross Reference Number: 84500-000-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
<b>Subtotal: 2015-17 Current Service Level</b>	<b>230</b>	<b>225.50</b>	<b>156,820,358</b>	-	-	<b>156,820,358</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2015-17 Current Service Level</b>	<b>230</b>	<b>225.50</b>	<b>156,820,358</b>	-	-	<b>156,820,358</b>	-	-	-
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
081 - September 2014 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
501 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
801 - LFO Analyst Adjustments	-	-	3,313,961	-	-	3,313,961	-	-	-
802 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
803 - Non Exclusive Store Differential	-	-	612,000	-	-	612,000	-	-	-
811 - Updated Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
840 - SB 5507 End of Session	-	-	(367,287)	-	-	(367,287)	-	-	-
845 - SB 501 Program Change	-	-	-	-	-	-	-	-	-
850 - Substantive Bills	31	25.66	8,466,671	-	-	8,466,671	-	-	-
104 - Increase OLCC Shipping Capacity - Upgrade Equipment	-	-	5,020,000	-	-	5,020,000	-	-	-
105 - Store Improvements Matching Funds	-	-	-	-	-	-	-	-	-
106 - Fund Bank Card Fees as Business Expense	-	-	-	-	-	-	-	-	-
202 - Meet Peace Officer Training Requirements	-	-	260,900	-	-	260,900	-	-	-
209 - Support Alcohol and Drug Policy Commission	-	-	-	-	-	-	-	-	-

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**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
 Oregon Liquor Control Comm  
 2015-17 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 84500-000-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
301 - Repair OLCC Facilities	-	-	4,172,000	-	-	4,172,000	-	-	-
303 - Provide Online and E-Commerce Licensing	-	-	305,000	-	-	305,000	-	-	-
307 - Upgrade OLCC's Desktop Infrastructure	-	-	-	-	-	-	-	-	-
308 - Upgrade Phone System	-	-	110,000	-	-	110,000	-	-	-
310 - Complete Customer Service Center	-	-	-	-	-	-	-	-	-
401 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	<b>31</b>	<b>25.66</b>	<b>21,893,245</b>	<b>-</b>	<b>-</b>	<b>21,893,245</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Total 2015-17 Leg Adopted Budget</b>	<b>261</b>	<b>251.16</b>	<b>178,713,603</b>	<b>-</b>	<b>-</b>	<b>178,713,603</b>	<b>-</b>	<b>-</b>	<b>-</b>
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Percentage Change From 2013-15 Leg Approved Budget	13.48%	11.56%	17.67%	-	-	17.67%	-	-	-
Percentage Change From 2015-17 Current Service Level	13.48%	11.38%	13.96%	-	-	13.96%	-	-	-

**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
 Distilled Spirits Program  
 2015-17 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 84500-001-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2013-15 Leg Adopted Budget	71	68.00	20,869,469	-	-	20,869,469	-	-	-
2013-15 Emergency Boards	(1)	(0.50)	347,280	-	-	347,280	-	-	-
<b>2013-15 Leg Approved Budget</b>	<b>70</b>	<b>67.50</b>	<b>21,216,749</b>	<b>-</b>	<b>-</b>	<b>21,216,749</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2015-17 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(1)	(1.00)	(216,650)	-	-	(216,650)	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
<b>Subtotal 2015-17 Base Budget</b>	<b>69</b>	<b>66.50</b>	<b>21,000,099</b>	<b>-</b>	<b>-</b>	<b>21,000,099</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	(78,849)	-	-	(78,849)	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	101,677	-	-	101,677	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>22,828</b>	<b>-</b>	<b>-</b>	<b>22,828</b>	<b>-</b>	<b>-</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	335,536	-	-	335,536	-	-	-
State Gov't & Services Charges Increase/(Decrease)			(25,311)	-	-	(25,311)	-	-	-

**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
 Distilled Spirits Program  
 2015-17 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 84500-001-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
<b>Subtotal</b>	-	-	310,225	-	-	310,225	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2015-17 Current Service Level</b>	<b>69</b>	<b>66.50</b>	<b>21,333,152</b>	-	-	<b>21,333,152</b>	-	-	-

**Summary of 2015-17 Biennium Budget**

**Oregon Liquor Control Comm  
Distilled Spirits Program  
2015-17 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 84500-001-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
<b>Subtotal: 2015-17 Current Service Level</b>	<b>69</b>	<b>66.50</b>	<b>21,333,152</b>	-	-	<b>21,333,152</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2015-17 Current Service Level</b>	<b>69</b>	<b>66.50</b>	<b>21,333,152</b>	-	-	<b>21,333,152</b>	-	-	-
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
081 - September 2014 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
501 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
801 - LFO Analyst Adjustments	-	-	314,626	-	-	314,626	-	-	-
802 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
803 - Non Exclusive Store Differential	-	-	-	-	-	-	-	-	-
811 - Updated Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
840 - SB 5507 End of Session	-	-	-	-	-	-	-	-	-
845 - SB 501 Program Change	-	-	-	-	-	-	-	-	-
850 - Substantive Bills	-	-	-	-	-	-	-	-	-
104 - Increase OLCC Shipping Capacity - Upgrade Equipment	-	-	5,020,000	-	-	5,020,000	-	-	-
105 - Store Improvements Matching Funds	-	-	-	-	-	-	-	-	-
106 - Fund Bank Card Fees as Business Expense	-	-	-	-	-	-	-	-	-
202 - Meet Peace Officer Training Requirements	-	-	-	-	-	-	-	-	-
209 - Support Alcohol and Drug Policy Commission	-	-	-	-	-	-	-	-	-

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**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
 Distilled Spirits Program  
 2015-17 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 84500-001-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
301 - Repair OLCC Facilities	-	-	-	-	-	-	-	-	-
303 - Provide Online and E-Commerce Licensing	-	-	55,000	-	-	55,000	-	-	-
307 - Upgrade OLCC's Desktop Infrastructure	-	-	-	-	-	-	-	-	-
308 - Upgrade Phone System	-	-	-	-	-	-	-	-	-
310 - Complete Customer Service Center	-	-	-	-	-	-	-	-	-
401 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	<b>5,389,626</b>	-	-	<b>5,389,626</b>	-	-	-
<b>Total 2015-17 Leg Adopted Budget</b>	<b>69</b>	<b>66.50</b>	<b>26,722,778</b>	-	-	<b>26,722,778</b>	-	-	-
Percentage Change From 2013-15 Leg Approved Budget	-1.43%	-1.48%	25.95%	-	-	25.95%	-	-	-
Percentage Change From 2015-17 Current Service Level	-	-	25.26%	-	-	25.26%	-	-	-

**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
Public Safety Services Program  
2015-17 Biennium

Leg. Adopted Budget  
Cross Reference Number: 84500-002-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2013-15 Leg Adopted Budget	94	92.00	17,027,683	-	-	17,027,683	-	-	-
2013-15 Emergency Boards	(1)	(1.00)	467,409	-	-	467,409	-	-	-
<b>2013-15 Leg Approved Budget</b>	<b>93</b>	<b>91.00</b>	<b>17,495,092</b>	-	-	<b>17,495,092</b>	-	-	-
<b>2015-17 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	251,542	-	-	251,542	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2015-17 Base Budget</b>	<b>93</b>	<b>91.00</b>	<b>17,746,634</b>	-	-	<b>17,746,634</b>	-	-	-
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	(105,148)	-	-	(105,148)	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	12,745	-	-	12,745	-	-	-
<b>Subtotal</b>	-	-	<b>(92,403)</b>	-	-	<b>(92,403)</b>	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	48,372	-	-	48,372	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	(40,031)	-	-	(40,031)	-	-	-

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**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
Public Safety Services Program  
2015-17 Biennium

Leg. Adopted Budget  
Cross Reference Number: 84500-002-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal	-	-	8,341	-	-	8,341	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2015-17 Current Service Level</b>	<b>93</b>	<b>91.00</b>	<b>17,662,572</b>	-	-	<b>17,662,572</b>	-	-	-

**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
Public Safety Services Program  
2015-17 Biennium

Leg. Adopted Budget  
Cross Reference Number: 84500-002-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2015-17 Current Service Level</b>	<b>93</b>	<b>91.00</b>	<b>17,662,572</b>	-	-	<b>17,662,572</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2015-17 Current Service Level</b>	<b>93</b>	<b>91.00</b>	<b>17,662,572</b>	-	-	<b>17,662,572</b>	-	-	-
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
081 - September 2014 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
501 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
801 - LFO Analyst Adjustments	-	-	-	-	-	-	-	-	-
802 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
803 - Non Exclusive Store Differential	-	-	-	-	-	-	-	-	-
811 - Updated Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
840 - SB 5507 End of Session	-	-	-	-	-	-	-	-	-
845 - SB 501 Program Change	-	-	-	-	-	-	-	-	-
850 - Substantive Bills	-	-	-	-	-	-	-	-	-
104 - Increase OLCC Shipping Capacity - Upgrade Equipment	-	-	-	-	-	-	-	-	-
105 - Store Improvements Matching Funds	-	-	-	-	-	-	-	-	-
106 - Fund Bank Card Fees as Business Expense	-	-	-	-	-	-	-	-	-
202 - Meet Peace Officer Training Requirements	-	-	260,900	-	-	260,900	-	-	-
209 - Support Alcohol and Drug Policy Commission	-	-	-	-	-	-	-	-	-

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**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
Public Safety Services Program  
2015-17 Biennium

Leg. Adopted Budget  
Cross Reference Number: 84500-002-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
301 - Repair OLCC Facilities	-	-	-	-	-	-	-	-	-
303 - Provide Online and E-Commerce Licensing	-	-	-	-	-	-	-	-	-
307 - Upgrade OLCC's Desktop Infrastructure	-	-	-	-	-	-	-	-	-
308 - Upgrade Phone System	-	-	-	-	-	-	-	-	-
310 - Complete Customer Service Center	-	-	-	-	-	-	-	-	-
401 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	<b>260,900</b>	-	-	<b>260,900</b>	-	-	-

<b>Total 2015-17 Leg Adopted Budget</b>	<b>93</b>	<b>91.00</b>	<b>17,923,472</b>	-	-	<b>17,923,472</b>	-	-	-
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Percentage Change From 2013-15 Leg Approved Budget	-	-	2.45%	-	-	2.45%	-	-	-
Percentage Change From 2015-17 Current Service Level	-	-	1.48%	-	-	1.48%	-	-	-

**Summary of 2015-17 Biennium Budget**

**Oregon Liquor Control Comm  
Administration and Support  
2015-17 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 84500-003-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2013-15 Leg Adopted Budget	68	67.63	17,357,690	-	-	17,357,690	-	-	-
2013-15 Emergency Boards	(1)	(1.00)	434,760	-	-	434,760	-	-	-
<b>2013-15 Leg Approved Budget</b>	<b>67</b>	<b>66.63</b>	<b>17,792,450</b>	<b>-</b>	<b>-</b>	<b>17,792,450</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2015-17 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	1	1.37	81,355	-	-	81,355	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
<b>Subtotal 2015-17 Base Budget</b>	<b>68</b>	<b>68.00</b>	<b>17,873,805</b>	<b>-</b>	<b>-</b>	<b>17,873,805</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	(77,077)	-	-	(77,077)	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	(70,728)	-	-	(70,728)	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>(147,805)</b>	<b>-</b>	<b>-</b>	<b>(147,805)</b>	<b>-</b>	<b>-</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	160,286	-	-	160,286	-	-	-
State Gov't & Services Charges Increase/(Decrease)			759,538	-	-	759,538	-	-	-

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**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
Administration and Support  
2015-17 Biennium

Leg. Adopted Budget  
Cross Reference Number: 84500-003-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
<b>Subtotal</b>	-	-	919,824	-	-	919,824	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2015-17 Current Service Level</b>	<b>68</b>	<b>68.00</b>	<b>18,645,824</b>	-	-	<b>18,645,824</b>	-	-	-

**Summary of 2015-17 Biennium Budget**

**Oregon Liquor Control Comm  
Administration and Support  
2015-17 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 84500-003-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
<b>Subtotal: 2015-17 Current Service Level</b>	<b>68</b>	<b>68.00</b>	<b>18,645,824</b>	-	-	<b>18,645,824</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2015-17 Current Service Level</b>	<b>68</b>	<b>68.00</b>	<b>18,645,824</b>	-	-	<b>18,645,824</b>	-	-	-
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
081 - September 2014 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
501 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
801 - LFO Analyst Adjustments	-	-	-	-	-	-	-	-	-
802 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
803 - Non Exclusive Store Differential	-	-	-	-	-	-	-	-	-
811 - Updated Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
840 - SB 5507 End of Session	-	-	(367,287)	-	-	(367,287)	-	-	-
845 - SB 501 Program Change	-	-	-	-	-	-	-	-	-
850 - Substantive Bills	1	0.75	133,738	-	-	133,738	-	-	-
104 - Increase OLCC Shipping Capacity - Upgrade Equipment	-	-	-	-	-	-	-	-	-
105 - Store Improvements Matching Funds	-	-	-	-	-	-	-	-	-
106 - Fund Bank Card Fees as Business Expense	-	-	-	-	-	-	-	-	-
202 - Meet Peace Officer Training Requirements	-	-	-	-	-	-	-	-	-
209 - Support Alcohol and Drug Policy Commission	-	-	-	-	-	-	-	-	-

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**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
Administration and Support  
2015-17 Biennium

Leg. Adopted Budget  
Cross Reference Number: 84500-003-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
301 - Repair OLCC Facilities	-	-	-	-	-	-	-	-	-
303 - Provide Online and E-Commerce Licensing	-	-	250,000	-	-	250,000	-	-	-
307 - Upgrade OLCC's Desktop Infrastructure	-	-	-	-	-	-	-	-	-
308 - Upgrade Phone System	-	-	110,000	-	-	110,000	-	-	-
310 - Complete Customer Service Center	-	-	-	-	-	-	-	-	-
401 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	<b>1</b>	<b>0.75</b>	<b>126,451</b>	-	-	<b>126,451</b>	-	-	-
<b>Total 2015-17 Leg Adopted Budget</b>	<b>69</b>	<b>68.75</b>	<b>18,772,275</b>	-	-	<b>18,772,275</b>	-	-	-
Percentage Change From 2013-15 Leg Approved Budget	2.99%	3.18%	5.51%	-	-	5.51%	-	-	-
Percentage Change From 2015-17 Current Service Level	1.47%	1.10%	0.68%	-	-	0.68%	-	-	-

**Summary of 2015-17 Biennium Budget**

**Oregon Liquor Control Comm  
Marijuana Regulation  
2015-17 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 84500-004-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2013-15 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2013-15 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2013-15 Leg Approved Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2015-17 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2015-17 Base Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-

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**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
 Marijuana Regulation  
 2015-17 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 84500-004-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2015-17 Current Service Level</b>	-	-	-	-	-	-	-	-	-

**Summary of 2015-17 Biennium Budget**

**Oregon Liquor Control Comm  
Marijuana Regulation  
2015-17 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 84500-004-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
<b>Subtotal: 2015-17 Current Service Level</b>	-	-	-	-	-	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2015-17 Current Service Level</b>	-	-	-	-	-	-	-	-	-
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
081 - September 2014 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
501 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
801 - LFO Analyst Adjustments	-	-	-	-	-	-	-	-	-
802 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
803 - Non Exclusive Store Differential	-	-	-	-	-	-	-	-	-
811 - Updated Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
840 - SB 5507 End of Session	-	-	-	-	-	-	-	-	-
845 - SB 501 Program Change	-	-	-	-	-	-	-	-	-
850 - Substantive Bills	30	24.91	8,332,933	-	-	8,332,933	-	-	-
104 - Increase OLCC Shipping Capacity - Upgrade Equipment	-	-	-	-	-	-	-	-	-
105 - Store Improvements Matching Funds	-	-	-	-	-	-	-	-	-
106 - Fund Bank Card Fees as Business Expense	-	-	-	-	-	-	-	-	-
202 - Meet Peace Officer Training Requirements	-	-	-	-	-	-	-	-	-
209 - Support Alcohol and Drug Policy Commission	-	-	-	-	-	-	-	-	-

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**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
 Marijuana Regulation  
 2015-17 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 84500-004-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
301 - Repair OLCC Facilities	-	-	-	-	-	-	-	-	-
303 - Provide Online and E-Commerce Licensing	-	-	-	-	-	-	-	-	-
307 - Upgrade OLCC's Desktop Infrastructure	-	-	-	-	-	-	-	-	-
308 - Upgrade Phone System	-	-	-	-	-	-	-	-	-
310 - Complete Customer Service Center	-	-	-	-	-	-	-	-	-
401 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	<b>30</b>	<b>24.91</b>	<b>8,332,933</b>	-	-	<b>8,332,933</b>	-	-	-
<b>Total 2015-17 Leg Adopted Budget</b>	<b>30</b>	<b>24.91</b>	<b>8,332,933</b>	-	-	<b>8,332,933</b>	-	-	-

Percentage Change From 2013-15 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-

**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
Store Operating Expenses  
2015-17 Biennium

Leg. Adopted Budget  
Cross Reference Number: 84500-005-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2013-15 Leg Adopted Budget	-	-	95,158,000	-	-	95,158,000	-	-	-
2013-15 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2013-15 Leg Approved Budget</b>	-	-	<b>95,158,000</b>	-	-	<b>95,158,000</b>	-	-	-
<b>2015-17 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
<b>Subtotal 2015-17 Base Budget</b>	-	-	<b>95,158,000</b>	-	-	<b>95,158,000</b>	-	-	-
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	3,801,000	-	-	3,801,000	-	-	-
<b>Subtotal</b>	-	-	<b>3,801,000</b>	-	-	<b>3,801,000</b>	-	-	-
040 - Mandated Caseload									

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**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
 Store Operating Expenses  
 2015-17 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 84500-005-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2015-17 Current Service Level</b>	-	-	<b>98,959,000</b>	-	-	<b>98,959,000</b>	-	-	-

**Summary of 2015-17 Biennium Budget**

**Oregon Liquor Control Comm  
Store Operating Expenses  
2015-17 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 84500-005-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
<b>Subtotal: 2015-17 Current Service Level</b>	-	-	<b>98,959,000</b>	-	-	<b>98,959,000</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2015-17 Current Service Level</b>	-	-	<b>98,959,000</b>	-	-	<b>98,959,000</b>	-	-	-
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
081 - September 2014 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
501 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
801 - LFO Analyst Adjustments	-	-	2,999,335	-	-	2,999,335	-	-	-
802 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
803 - Non Exclusive Store Differential	-	-	612,000	-	-	612,000	-	-	-
811 - Updated Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
840 - SB 5507 End of Session	-	-	-	-	-	-	-	-	-
845 - SB 501 Program Change	-	-	-	-	-	-	-	-	-
850 - Substantive Bills	-	-	-	-	-	-	-	-	-
104 - Increase OLCC Shipping Capacity - Upgrade Equipment	-	-	-	-	-	-	-	-	-
105 - Store Improvements Matching Funds	-	-	-	-	-	-	-	-	-
106 - Fund Bank Card Fees as Business Expense	-	-	-	-	-	-	-	-	-
202 - Meet Peace Officer Training Requirements	-	-	-	-	-	-	-	-	-
209 - Support Alcohol and Drug Policy Commission	-	-	-	-	-	-	-	-	-

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**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
 Store Operating Expenses  
 2015-17 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 84500-005-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
301 - Repair OLCC Facilities	-	-	-	-	-	-	-	-	-
303 - Provide Online and E-Commerce Licensing	-	-	-	-	-	-	-	-	-
307 - Upgrade OLCC's Desktop Infrastructure	-	-	-	-	-	-	-	-	-
308 - Upgrade Phone System	-	-	-	-	-	-	-	-	-
310 - Complete Customer Service Center	-	-	-	-	-	-	-	-	-
401 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	<b>3,611,335</b>	-	-	<b>3,611,335</b>	-	-	-
<b>Total 2015-17 Leg Adopted Budget</b>	-	-	<b>102,570,335</b>	-	-	<b>102,570,335</b>	-	-	-
Percentage Change From 2013-15 Leg Approved Budget	-	-	7.79%	-	-	7.79%	-	-	-
Percentage Change From 2015-17 Current Service Level	-	-	3.65%	-	-	3.65%	-	-	-

**Summary of 2015-17 Biennium Budget**

**Oregon Liquor Control Comm  
Capital Improvements  
2015-17 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 84500-088-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2013-15 Leg Adopted Budget	-	-	213,408	-	-	213,408	-	-	-
2013-15 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2013-15 Leg Approved Budget</b>	-	-	<b>213,408</b>	-	-	<b>213,408</b>	-	-	-
<b>2015-17 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2015-17 Base Budget</b>	-	-	<b>213,408</b>	-	-	<b>213,408</b>	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	6,402	-	-	6,402	-	-	-
<b>Subtotal</b>	-	-	<b>6,402</b>	-	-	<b>6,402</b>	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									

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**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
 Capital Improvements  
 2015-17 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 84500-088-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2015-17 Current Service Level</b>	-	-	<b>219,810</b>	-	-	<b>219,810</b>	-	-	-

**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
 Capital Improvements  
 2015-17 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 84500-088-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2015-17 Current Service Level</b>	-	-	<b>219,810</b>	-	-	<b>219,810</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2015-17 Current Service Level</b>	-	-	<b>219,810</b>	-	-	<b>219,810</b>	-	-	-
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
081 - September 2014 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
501 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
801 - LFO Analyst Adjustments	-	-	-	-	-	-	-	-	-
802 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
803 - Non Exclusive Store Differential	-	-	-	-	-	-	-	-	-
811 - Updated Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
840 - SB 5507 End of Session	-	-	-	-	-	-	-	-	-
845 - SB 501 Program Change	-	-	-	-	-	-	-	-	-
850 - Substantive Bills	-	-	-	-	-	-	-	-	-
104 - Increase OLCC Shipping Capacity - Upgrade Equipment	-	-	-	-	-	-	-	-	-
105 - Store Improvements Matching Funds	-	-	-	-	-	-	-	-	-
106 - Fund Bank Card Fees as Business Expense	-	-	-	-	-	-	-	-	-
202 - Meet Peace Officer Training Requirements	-	-	-	-	-	-	-	-	-
209 - Support Alcohol and Drug Policy Commission	-	-	-	-	-	-	-	-	-

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**Summary of 2015-17 Biennium Budget**

Oregon Liquor Control Comm  
 Capital Improvements  
 2015-17 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 84500-088-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
301 - Repair OLCC Facilities	-	-	4,172,000	-	-	4,172,000	-	-	-
303 - Provide Online and E-Commerce Licensing	-	-	-	-	-	-	-	-	-
307 - Upgrade OLCC's Desktop Infrastructure	-	-	-	-	-	-	-	-	-
308 - Upgrade Phone System	-	-	-	-	-	-	-	-	-
310 - Complete Customer Service Center	-	-	-	-	-	-	-	-	-
401 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	<b>4,172,000</b>	-	-	<b>4,172,000</b>	-	-	-
<b>Total 2015-17 Leg Adopted Budget</b>	-	-	<b>4,391,810</b>	-	-	<b>4,391,810</b>	-	-	-
Percentage Change From 2013-15 Leg Approved Budget	-	-	1,957.94%	-	-	1,957.94%	-	-	-
Percentage Change From 2015-17 Current Service Level	-	-	1,898.00%	-	-	1,898.00%	-	-	-

## Legislatively Approved 2015-2017 Key Performance Measures

**Agency: LIQUOR CONTROL COMMISSION, OREGON**

Mission: To promote the public interest through the responsible sale and service of alcoholic beverages.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
1 - Sales to Minors – Percentage of licensees who refuse to sell to minor decoys.		Approved KPM	81.00	82.00	82.00
2 - RATE OF SECOND VIOLATION – Percentage of licensees detected to have violated a liquor law in a second, separate, incident occurring within 2 years after the year of the first violation.		Approved KPM	13.10	12.00	12.00
3 - Licensing Time – Average days from application receipt to license issuance.		Approved KPM	76.00	75.00	75.00
4 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM	77.00	85.00	85.00
4 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM	72.00	85.00	85.00
4 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM	81.00	85.00	85.00
4 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM	80.00	85.00	85.00
4 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM	77.00	85.00	85.00

**Agency: LIQUOR CONTROL COMMISSION, OREGON**

Mission: To promote the public interest through the responsible sale and service of alcoholic beverages.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
4 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM	74.00	85.00	85.00
5 - OLCC Rate of Return - Net OLCC distribution divided by actual expenses.		Approved KPM	2.94	2.70	2.70
6 - Best Practices: Percent of total best practices met by the Board.		Approved KPM	100.00	100.00	100.00

**LFO Recommendation:**

The Legislative Fiscal Office recommends the Key Performance Measures as presented. It is further recommended that the Commission work with the Legislative Fiscal Office to devise appropriate KPMs related to the regulation of recreational marijuana, to be submitted in conjunction with the 2017-19 Governor's recommended budget.

**Sub-Committee Action:**

Approve the Legislative Fiscal Office recommendation.

**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Agencywide Program Unit Summary  
2015-17 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

<b>Summary Cross Reference Number</b>	<b>Cross Reference Description</b>	<b>2011-13 Actuals</b>	<b>2013-15 Leg Adopted Budget</b>	<b>2013-15 Leg Approved Budget</b>	<b>2015-17 Agency Request Budget</b>	<b>2015-17 Governor's Budget</b>	<b>2015-17 Leg Adopted Budget</b>
<b>001-00-00-00000</b>	<b>Distilled Spirits Program</b>						
	Other Funds	18,073,544	20,869,469	21,216,749	26,458,152	26,715,646	26,722,778
<b>002-00-00-00000</b>	<b>Public Safety Services Program</b>						
	Other Funds	15,566,078	17,027,683	17,495,092	18,023,472	17,902,871	17,923,472
<b>003-00-00-00000</b>	<b>Administration and Support</b>						
	Other Funds	16,805,885	17,357,690	17,792,450	19,345,824	18,821,088	18,772,275
<b>004-00-00-00000</b>	<b>Marijuana Regulation</b>						
	Other Funds	-	-	-	-	6,805,946	8,332,933
<b>005-00-00-00000</b>	<b>Store Operating Expenses</b>						
	Other Funds	86,384,020	95,158,000	95,158,000	98,959,000	101,958,335	102,570,335
<b>088-00-00-00000</b>	<b>Capital Improvements</b>						
	Other Funds	208,406	213,408	213,408	5,027,810	2,850,810	4,391,810
<b>TOTAL AGENCY</b>							
	Other Funds	137,037,933	150,626,250	151,875,699	167,814,258	175,054,696	178,713,603

# BUDGET NARRATIVE

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## REVENUE

### OLCC 2015-17 Legislatively Adopted Budget

#### OTHER FUNDS

All revenue received by the Oregon Liquor Control Commission (OLCC) is classified as "Other Funds."

#### SOURCES

The Oregon Liquor Control Commission receives revenues from hard liquor (distilled spirits) sales, license fees and fines, server education fees, taxes on malt beverages and wines (Privilege Tax), and miscellaneous income.

#### MATCHING RATES

The Oregon Liquor Control Commission receives no revenue subject to matching rates.

#### GENERAL LIMITATIONS ON USE

The Oregon Liquor Control Commission focuses on producing growing and stable revenue for the support of public programs. Its stewardship of sales of liquor and collection of malt and wine privilege taxes are optimized to protect the long-term stability of this significant revenue stream for the state General Fund, cities, and counties. The Oregon Liquor Control Commissions management of liquor sales and beer and wine privilege taxes produces the third largest source of revenue for the State of Oregon with a biennia value of over \$1.16 billion as a business enterprise.

ORS 471.805 directs the Oregon Liquor Control Commission to do the following:

"Except as otherwise provided in ORS 471.810(2), all money collected by the Oregon Liquor Control Commission under this chapter, and ORS chapter 473 and Privilege Taxes shall be remitted to the State Treasurer who shall credit it to a suspense account of the commission . . . After withholding refundable license fees and such sum, not to exceed \$250,000, as it considers

# BUDGET NARRATIVE

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necessary as a revolving fund for a working cash balance for the purpose of paying travel expenses, advances, and other miscellaneous bills and extraordinary items which are payable in cash immediately upon presentation, the commission shall direct the State Treasurer to transfer the money remaining in the suspense account to the Oregon Liquor Control Commission Account in the General Fund.

"All necessary expenditures of the commission incurred in carrying out the purpose and provisions required of the commission by law, including the salaries of its employees, purchases made by the commission and such sums necessary to reimburse the \$250,000 revolving fund, shall be audited and paid from the Oregon Liquor Control Commission account in the General Fund

...

"Money produced by the operation of this chapter and ORS chapter 473 necessary to pay such expenditures is appropriated from the Oregon Liquor Control Commission Account in the General Fund for such purposes."

ORS 471.810 directs the OLCC to do the following:

"At the end of each month, the Oregon Liquor Control Commission shall certify the amount of moneys available for distribution in the Oregon Liquor Control Commission Account, and after withholding such moneys as it may deem necessary to pay its outstanding obligations shall within 35 days of the month for which a distribution is made direct the State Treasurer to pay the amounts due, upon warrants drawn by the Oregon Department of Administrative Services, as follows..."

In the 2013-15 biennium the OLCC is projected to distribute \$441 million to the state general fund, cities, counties and mental health for vital services. The distribution formula as defined by statute dedicates 56 percent of the revenue to the General Fund, 20 percent to Cities, 10% to Counties, 14 percent to City Revenue Sharing, and 50 percent of privilege tax revenue to Mental Health.

SB 501 directs the OLCC to do the following:

(5) Notwithstanding subsection (1) of this section, amounts to be distributed from the Oregon Liquor Control Commission Account that are attributable to a per bottle surcharge imposed by the Oregon Liquor Control Commission, shall be credited to the General Fund. SECTION 8a. The amendments to ORS 471.810 by section 8 of this 2015 Act apply to moneys attributable to a per bottle surcharge collected or received by the Oregon Liquor Control Account on or after the effective date of this 2015 Act.

# BUDGET NARRATIVE

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For the 2013-15 biennium, the OLCC continues a surcharge. The surcharge is expected to raise an additional \$32.4 million of revenue for distribution to the state General Fund. The OLCC commissioners continued the surcharge of 50-cents per spirits bottle at its August 2014 meeting, to be distributed to the General Fund in 2015-17 biennia – an estimated \$33.8 million.

And, regarding Marijuana, the bill also directs the following:

**SECTION 10.** If House Bill 2041 becomes law, section 3, chapter 20, Oregon Laws 2015 (Enrolled Senate Bill 605), is amended to read:

**Sec. 3.** (1) Notwithstanding ORS 221.770, 471.805 and 471.810, for the biennium beginning July 1, 2013, and the biennium beginning July 1, 2015, the Oregon Liquor Control Commission may expend moneys in the Oregon Liquor Control Commission Account to pay any expenses incurred by the commission in implementing and carrying out sections 3 to 70, chapter 1, Oregon Laws 2015 [*Control, Regulation and Taxation of Marijuana and Industrial Hemp Act*]. Any expenditure made under this subsection is considered a loan and must be repaid from the Oregon Marijuana Account established by section 44, chapter 1, Oregon Laws 2015. Expenditures made under this subsection shall be made from moneys in the Oregon Liquor Control Commission Account before the distributions required by ORS 471.810 are made.

Enrolled Senate Bill 501 (SB 501-A) Page 4

(2) Notwithstanding [*sections 43 and*] **section 44**, chapter 1, Oregon Laws 2015, not later than June 30, 2017, the [*commission*] **Department of Revenue** shall transfer from the Oregon Marijuana Account to the **commission for deposit in the** Oregon Liquor Control Commission Account an amount equal to the total amount expended by the commission under subsection (1) of this section plus two percent of the total amount expended. The [*commission*] **department** shall make the transfer required by this subsection before making any other withholding, distribution or expenditure from the Oregon Marijuana Account for purposes described in [*sections 43 and*] **section 44**, chapter 1, Oregon Laws 2015.

HB 3400 A directs the OLCC to do the following:

SECTION 22. (Marijuana Control and Regulation Fund)

The Marijuana Control and Regulation Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Marijuana Control and Regulation Fund shall be credited to the fund. Moneys in the fund are

# BUDGET NARRATIVE

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continuously appropriated to the Oregon Liquor Control Commission to administer and enforce sections 3 to 70, chapter 1, Oregon Laws 2015.

## **BASIS FOR THE 2015-17 FORECASTS**

### **Liquor (distilled spirits) sales ORBITS 0710**

The OLCC forecasts hard liquor (distilled spirits) sales based on an econometric model. This model uses projections of population growth from the Oregon Office of Economic Analysis to predict consumption per capita. This is combined with estimates of inflation in the wholesale cost of liquor (distilled spirits) based on historical data. The OLCC then evaluates the range of possible revenue outcomes given the current operating environment.

In recent years, the national and Oregon distilled spirits sales trends that evolved in the last biennia have continued to grow. Population growth and distilled spirits market share are the main drivers, rather than per capita alcohol consumption increases. Manufacturers' liquor (distilled spirits) prices continue to increase modestly. Distilled spirits customers' preferences for premium brands are expected to continue to show improvement since a recession-driven shift to less expensive items. For 2015-17 the Agency Request Budget is projecting an annual growth rate of 2.70%.

Based on the expected trends in the retail marketplace the OLCC Agency Request Budget forecasts 2015-17 liquor (distilled spirits) sales gross revenue at \$1,114,398,480. This forecast total does not include approximately \$33,776,300 million estimated that would be generated by the surcharge. Extension of surcharge was passed in a public hearing at the August 2014 Commission meeting; OLCC extended the surcharge through June 30, 2017.

The Legislatively Adopted Budget will provide the necessary resources for the OLCC to meet expected demand for spirits in the next biennium;

# BUDGET NARRATIVE

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## **Privilege Taxes ORBITS 0185**

Revenue from taxes on malt beverages and table wines and dessert wines is forecast to be \$36,622,000 for the 2015-17 biennium. This compares to an estimate of \$36,284,000 for the 2013-15 biennium.

Taxes on malt beverages and wine:

- Malt beverage privilege tax = \$2.60 per 31-gallon barrel;
- Table wine privilege tax = 67 cents per gallon;
- Dessert wine privilege tax = 77 cents per gallon.

The forecasted change in revenues results from the continued maturing of the wine industry in Oregon coupled with an expected increase in population. The continued growth in privilege taxes has been mitigated by the shift in consumer preferences from malt beverages to distilled spirits. Per capita consumption of malt beverage products has demonstrated a shift to distilled spirits.

## **Other Business License and Fees ORBITS 0205**

The OLCC continues to see an increased demand for licenses as the hospitality industry continues to grow and the economy recovers. The OLCC Legislatively Adopted Budget forecasts revenues to be \$10,304,000 from license fees and permits in the 2015-17 biennium.

## **Fines ORBITS 0505**

The OLCC forecasts revenues from fines to increase slightly to \$1,107,000 in 2015-17. The continued demand and issuance of licenses results in a corresponding continuation in violations revenue.

## **Miscellaneous Income VARIOUS**

Miscellaneous income is from a variety of service charges. This income is expected to increase slightly in 2015-17 due to the continued expansion of OLCC business operations.

# BUDGET NARRATIVE

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**Other Sales, ORBITS 0705**, is from handling fees of government sales and miscellaneous fees. The OLCC forecasts a slight increase from \$650,000 in 2013-15 to \$700,000 in 2015-17.

**Other Revenues, ORBITS 0975**, is primarily from the sale of fixed assets. The OLCC again forecasts \$25,000 in 2015-17.

**Charges for Services, ORBITS 0410**, is fees for replacing lost liquor licenses, copier fees, and other similar charges. The OLCC forecasts \$6,000 in 2015-17.

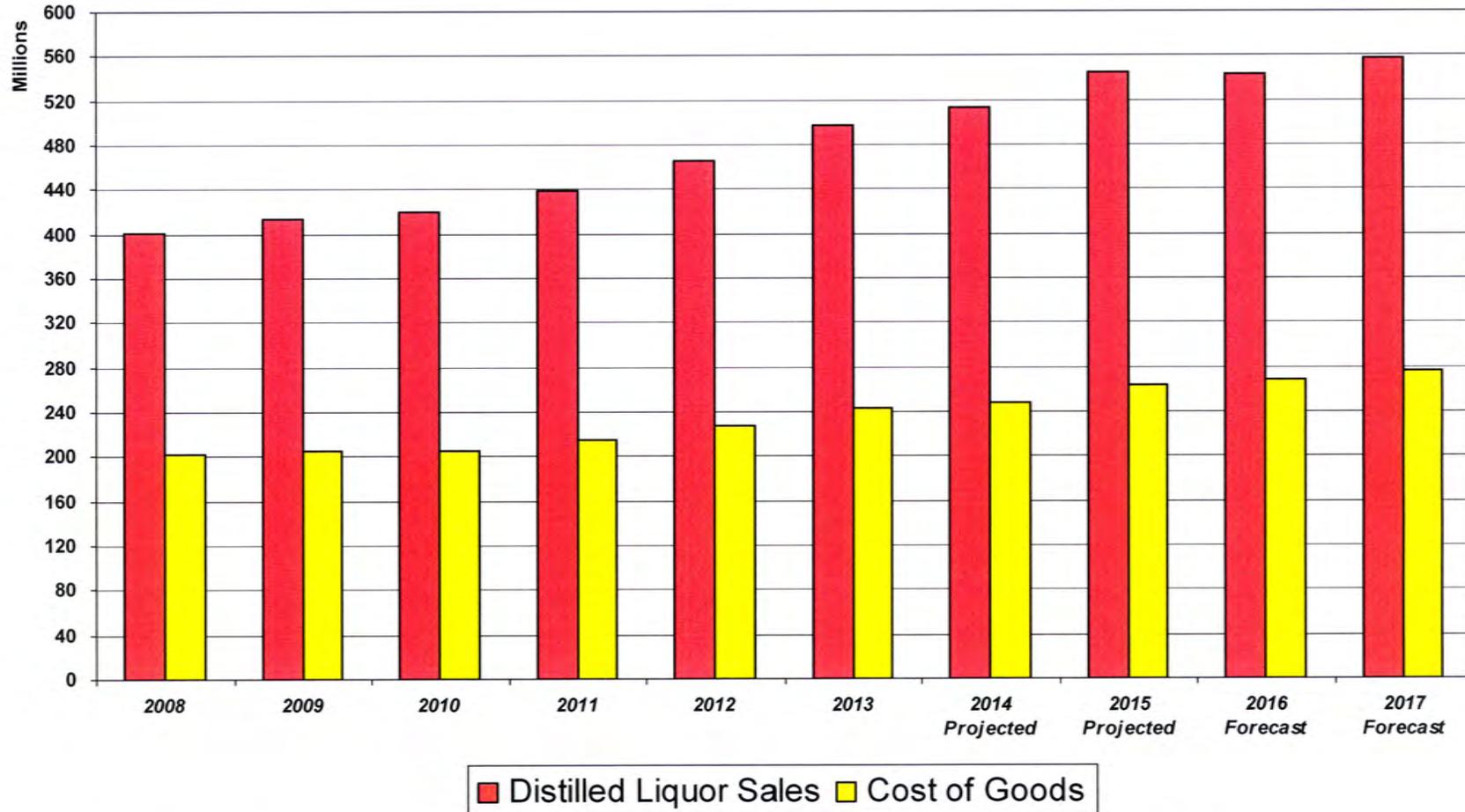
## **Fee Schedules**

The effective mark-up on distilled spirits is 107 percent, and liquor (distilled spirits) prices are set by the OLCC (ORS 471.745). The tax rates on malt beverages and wines are set by law (ORS 473.030). The tax rate is \$2.60 per 31-gallon barrel of malt beverages; 67 cents per gallon of wine 14 percent alcohol by volume and under, and 77 cents per gallon of wine over 14 percent alcohol by volume. License fees are set by law (ORS 471.290, ORS 472.117, and ORS 472.150). The fees vary by the type of license, and range from \$10 to \$500 for periods of one to five years depending on the type of license.

# BUDGET NARRATIVE

GRAPH A

**Distilled Liquor Sales/Cost of Sales**  
(net of licensee discount, excludes surcharge for FY16 and FY17)

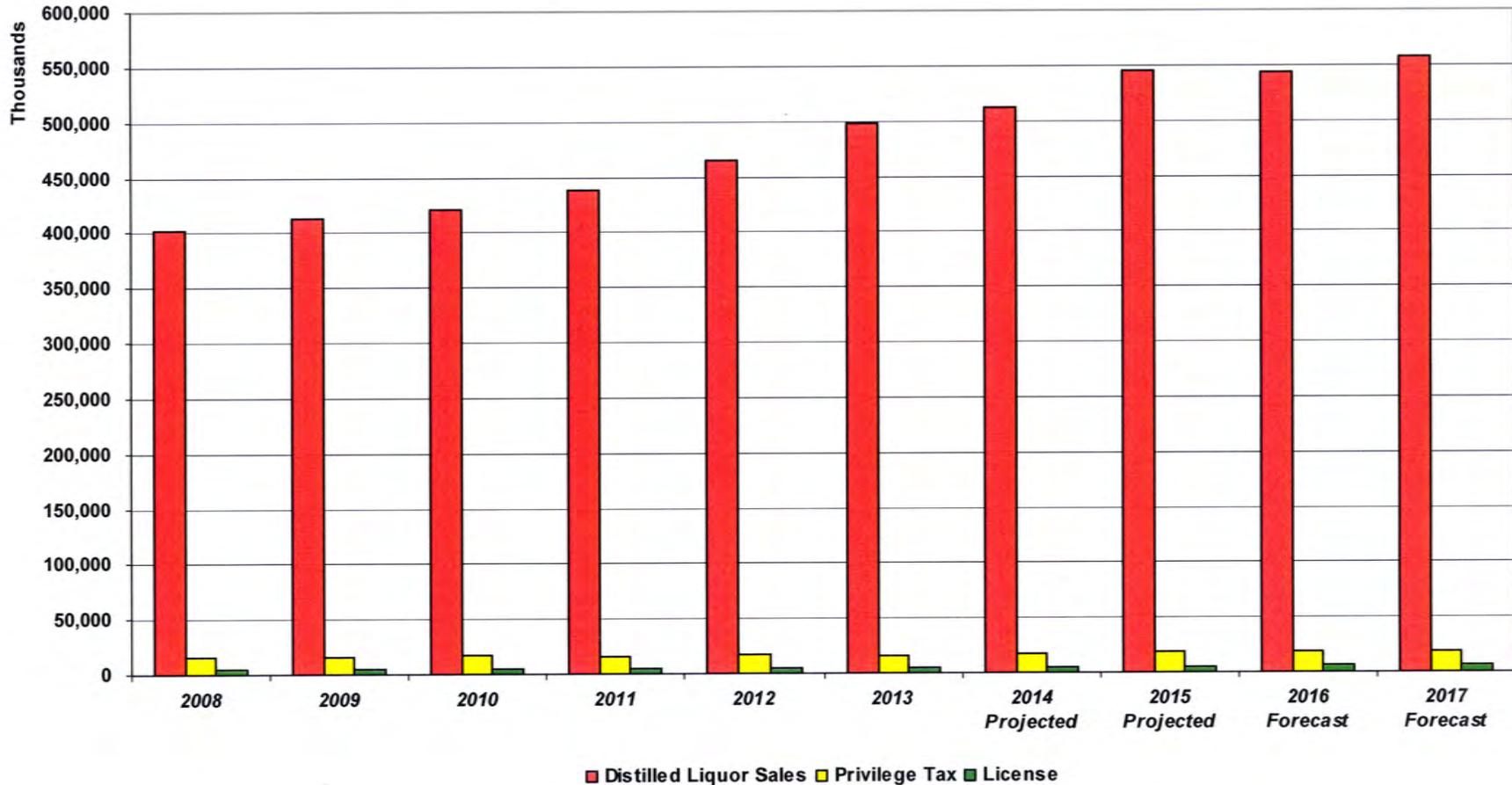


Historically the cost of goods sold remains at approximately 49-50% of total revenue from distilled liquor sales.

# BUDGET NARRATIVE

GRAPH B

**OLCC Revenue**  
(net of licensee discount, excludes surcharge for FY16 and FY17)



In 2013, 96% of the revenue came from distilled liquor sales, 3% from privilege tax, and 1% from licensing fees.

# BUDGET NARRATIVE

## SCHEDULE 1

### Distilled Spirits Case Sales For the 10 years ended June 30, 2013 and estimated through June 30, 2023

Fiscal Year Ended <u>June 30</u>	Cases Sold	Increase (Decrease)	Per Cent Increase (Decrease)
2006	2,295,797	187,762	8.91%
2007	2,431,531	135,734	5.91%
2008	2,551,732	120,201	4.94%
2009	2,572,865	21,133	0.83%
2010	2,573,935	1,070	0.04%
2011	2,676,106	102,171	3.97%
2012	2,791,591	115,485	4.32%
2013	2,911,100	119,509	4.28%
2014 <i>Revised</i>	2,969,701	58,601	2.01%
2015 <i>Revised</i>	3,030,771	61,070	2.06%

### 2015-17 Agency Request Budget and forward

2016 <i>Forecast</i>	3,113,860	83,089	2.74%
2017 <i>Forecast</i>	3,216,070	102,210	3.28%
2018 <i>Forecast</i>	3,309,430	93,360	2.90%
2019 <i>Forecast</i>	3,385,030	75,600	2.28%
2020 <i>Forecast</i>	3,439,702	54,672	1.62%
2021 <i>Forecast</i>	3,541,008	101,306	2.95%
2022 <i>Forecast</i>	3,643,370	102,362	2.89%
2023 <i>Forecast</i>	3,747,054	103,684	2.85%

# BUDGET NARRATIVE

## SCHEDULE 2

### Classification of Liquor (distilled spirits) Sales by type of Purchaser for the 10 Fiscal Years ended June 30, 2013 and estimated through 2023

Fiscal Year Ended June 30	Liquor Sales to Licensees		Liquor Sales to Individuals		Total
	Amount	% to Total	Amount	% to Total	
2004	77,848,585	26.93%	211,223,536	73.07%	289,072,121
2005	83,629,580	27.03%	225,737,456	72.97%	309,367,036
2006	93,131,810	27.02%	251,560,177	72.98%	344,691,987
2007	102,181,493	27.24%	272,992,200	72.76%	375,173,693
2008	108,859,765	27.09%	292,954,537	72.91%	401,814,302
2009	104,511,496	25.26%	309,154,504	74.74%	413,666,000
2010	102,209,577	24.33%	317,949,096	75.67%	420,158,673
2011	105,453,552	24.06%	332,812,401	75.94%	438,265,953
2012	110,800,967	23.81%	354,617,370	76.19%	465,418,338
2013	115,181,909	23.15%	382,440,006	76.85%	497,621,914
2014 <i>Projected</i>	122,953,560	23.98%	389,859,600	76.02%	512,813,160
2015 <i>Projected</i>	130,514,560	23.98%	413,837,400	76.02%	544,351,960
<b>2015-17 Agency Request Budget and forward</b>					
2016 <i>Forecast</i>	130,431,212	24.03%	412,432,838	75.97%	542,864,050
2017 <i>Forecast</i>	133,887,607	24.03%	423,366,023	75.97%	557,253,630
2018 <i>Forecast</i>	142,847,419	24.03%	451,693,774	75.97%	594,541,193
2019 <i>Forecast</i>	148,905,325	24.03%	470,849,306	75.97%	619,754,631
2020 <i>Forecast</i>	154,264,373	24.03%	487,795,001	75.97%	642,059,374
2021 <i>Forecast</i>	161,900,125	24.03%	511,939,794	75.97%	673,839,919
2022 <i>Forecast</i>	169,804,976	24.03%	536,935,501	75.97%	706,740,477
2023 <i>Forecast</i>	177,995,396	24.03%	562,834,194	75.97%	740,829,590

# BUDGET NARRATIVE

## SCHEDULE 3

### Agency Request Distilled Spirits Sales Forecast 2015-2017 by Month and Year

Fiscal Year 2016	Net of Licensee Discount		
	Sales	Cost of Sales	Cases
July	\$ 48,369,250	\$ 23,969,390	277,440
August	48,423,410	23,996,320	277,760
September	44,894,890	22,247,670	257,520
October	46,849,180	23,216,160	268,730
November	44,623,430	22,113,200	255,960
December	60,909,400	30,183,630	349,370
January	38,651,940	19,153,960	221,710
February	38,217,620	18,938,800	219,210
March	42,452,020	21,037,080	243,500
April	41,094,810	20,364,550	235,720
May	44,134,750	21,871,010	253,160
June	44,243,350	21,924,880	253,780
<b>Totals</b>	<b>\$542,864,050</b>	<b>\$269,016,650</b>	<b>3,113,860</b>
<b>Fiscal Year 2017</b>			
July	\$ 49,651,320	\$ 24,609,240	286,550
August	49,706,980	24,636,870	286,870
September	46,084,870	22,841,520	265,970
October	48,091,000	23,835,880	277,550
November	45,806,250	22,703,430	264,360
December	62,523,810	30,989,360	360,840
January	39,676,510	19,665,280	228,980
February	39,230,690	19,444,280	226,410
March	43,577,240	21,598,620	251,500
April	42,184,120	20,908,180	243,460
May	45,304,660	22,454,890	261,470
June	45,416,180	22,510,070	262,110
<b>Totals</b>	<b>\$557,253,630</b>	<b>\$276,197,620</b>	<b>3,216,070</b>
<b>Biennial Totals</b>	<b>\$1,100,117,680</b>	<b>\$545,214,270</b>	<b>6,329,930</b>

# BUDGET NARRATIVE

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## SCHEDULE 4

### GROSS REVENUES For the 10 years ended June 30, 2013 and estimated through June 30, 2023

<u>Through June 30</u>	<u>Liquor (distilled spirits) Revenues</u>	<u>Privilege Tax</u>	<u>License Fees</u>	<u>Total Revenue</u>
2004	289,072,121	13,656,406	3,535,615	306,273,142
2005	309,367,036	13,956,978	3,739,569	327,070,583
2006	344,691,987	14,850,823	4,509,318	364,052,128
2007	375,173,692	15,203,958	4,038,247	394,415,897
2008	401,814,302	16,086,956	4,290,056	422,191,314
2009	413,666,000	16,339,768	4,628,019	434,633,787
2010	420,158,672	16,754,392	4,725,715	441,638,780
2011	438,265,953	16,203,500	4,574,925	459,044,377
2012	465,418,338	16,892,654	4,791,065	487,102,057
2013	497,621,914	16,387,708	4,933,215	518,942,837
2014 <i>Projected</i>	512,813,160	17,868,000	5,235,500	535,916,660
2015 <i>Projected</i>	544,351,960	18,416,000	5,235,500	568,003,460
<b>2015-17 Biennium Estimate – Agency Request Budget and forward</b>				
2016 <i>Forecast</i>	542,864,050	18,090,000	5,705,500	566,659,550
2017 <i>Forecast</i>	557,253,630	18,532,000	5,705,500	581,491,130
2018 <i>Forecast</i>	594,541,193	18,950,663	6,038,946	619,530,802
2019 <i>Forecast</i>	619,754,631	19,316,179	6,265,766	645,336,576
2020 <i>Forecast</i>	642,059,374	19,633,681	6,495,419	668,188,474
2021 <i>Forecast</i>	673,839,919	20,081,172	6,730,922	700,652,014
2022 <i>Forecast</i>	706,740,477	20,533,708	6,969,377	734,243,562
2023 <i>Forecast</i>	740,829,590	20,991,384	7,209,987	769,030,961

# BUDGET NARRATIVE

## SCHEDULE 5

### PER CAPITA SALES OF LIQUOR (distilled spirits) AND VERMOUTH BY OREGON LIQUOR CONTROL COMMISSION

Fiscal Year Ended <u>June 30</u>	Liquor (distilled spirits) and <u>Vermouth Sales</u>	Estimated <u>Population</u>	Per Capita <u>Sales</u>
2004	289,072,121	3,541,500	81.62
2005	309,367,036	3,582,600	86.35
2006	344,691,987	3,631,440	94.92
2007	375,173,692	3,690,505	101.66
2008	401,814,302	3,745,455	107.28
2009	413,666,000	3,791,075	109.12
2010	420,158,672	3,823,465	109.89
2011	438,265,953	3,837,300	114.21
2012	465,418,338	3,857,625	120.65
2013	497,621,914	3,883,735	128.13
2014 <i>Projected</i>	512,813,160	3,932,942	130.39
2015 <i>Projected</i>	544,351,960	3,982,773	136.68

#### 2015-17 Agency Request Budget and forward

2016 <i>Forecast</i>	542,864,050	4,033,235	134.60
2017 <i>Forecast</i>	557,253,630	4,084,336	136.44
2018 <i>Forecast</i>	594,541,193	4,136,085	143.74
2019 <i>Forecast</i>	619,754,631	4,188,489	147.97
2020 <i>Forecast</i>	642,059,374	4,241,557	151.37
2021 <i>Forecast</i>	673,839,919	4,295,298	156.88
2022 <i>Forecast</i>	706,740,477	4,349,720	162.48
2023 <i>Forecast</i>	740,829,590	4,404,831	168.19

# DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Source Other Funds	Fund	ORBITS Revenue Acct	2011-2013 Actual	2013-15 Legislatively Adopted	2013-15 Estimated	2015-17		
						Agency Request	Governor's Recommended	Legislatively Adopted
Privilege Taxes	3400	0185	32,957,892	26,303,120	26,303,120	26,543,960	42,579,790	26,543,960
				9,980,880	9,980,880	10,078,040	10,078,040	10,078,040
Business License & Fees	3400	0205	8,216,151	3,183,880	3,183,880	3,504,480	4,072,170	8,678,680
	8800			6,245,120	6,245,120	6,799,520	6,981,380	6,799,520
Charges for Services	3400	0410	5,720	6,000	6,000	6,000	6,000	6,000
Fines & Forfeitures	3400	0505	1,078,769	1,042,000	1,042,000	1,107,000	1,107,000	1,107,000
Sales Income	3400	0705	699,144	650,000	650,000	700,000	700,000	700,000
Liquor Sales	3010	0710	215,816	213,408	213,408	5,027,810	5,027,810	4,391,810
	3400		670,482,731	799,630,824	799,630,824	892,600,744	892,600,744	921,195,154
	8800		198,570,000	224,203,768	224,203,768	216,769,926	250,546,226	260,755,926
Liquor Cost of Goods Sold	3400	0755	(423,055,087)	(488,474,741)	(488,474,741)	(545,214,268)	(545,214,268)	(570,804,894)
Cost of Goods Sold	3400	0760	(10,843,921)	(13,788,990)	(13,788,990)	(14,280,800)	(13,645,839)	(14,264,646)
Other Revenues	3400	0975	26,602	25,000	25,000	25,000	25,000	25,000

Agency Request   
  Governors Budget   
  Legislatively Adopted   
 OLCC REVENUES   
 Budget Page   
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# DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Source Other Funds	Fund	ORBITS Revenue Acct	2011-2013 Actual	2013-15 Legislatively Adopted	2013-15 Estimated	2015-17		
						Agency Request	Governor's Recommended	Legislatively Adopted
Transfer Out – Intrafund	3010	2010	215,816	(213,408)	(213,408)	(5,027,810)	(2,850,810)	(4,391,810)
	3200					(10,733,731)	(11,048,357)	
	3400		127,885,746	(146,190,843)	(146,190,843)	(196,542,758)	(186,906,379)	(157,616,991)
Transfer Out - Other	3400	2050	(570,000)	(638,000)	(638,000)	(629,000)	(629,000)	(629,000)
Transfer Out – Gen' Fund	8800	2060	(198,570,000)	(240,429,768)	(240,429,768)	(233,647,486)	(267,605,646)	(277,633,486)
Transfer Out – Cities	3400	2070	(61,279,463)	(74,284,204)	(74,284,204)	(83,445,531)	(84,421,376)	(89,705,749)
Transfer Out – Counties	3400	2080	(30,656,807)	(37,142,104)	(37,142,104)	(41,722,765)	(42,666,135)	(61,442,971)
Tsfr Out – Human Svcs	3400	2100	(16,256,455)	- 0 -	- 0 -	- 0 -	- 0 -	-0-
Tsfr Out – Admin Svcs	3400	2107	(42,919,530)	(51,998,943)	(51,998,943)	(58,411,871)	(58,457,871)	(41,475,244)
Tsfr Out State Police	3400	2257					(1,366,342)	-0-
Tsfr Out -OHA	3400	2443	0 -	(17,823,000)	(17,823,000)	(17,966,500)	(20,273,736)	(17,996,500)
Trsfe out to Agriculture	3400	2603	-       - 0 -	- 0 -	- 0 -	- 0 -	(212,641)	-0-

**DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE**

Oregon Liquor Control Comm  
2015-17 Biennium

Agency Number: 84500  
Cross Reference Number: 84500-000-00-00-00000

<i>Source</i>	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>Other Funds</b>						
Privilege Taxes	33,280,362	36,284,000	36,284,000	36,622,000	52,657,830	36,622,000
Business Lic and Fees	9,724,280	9,429,000	9,429,000	10,304,000	11,053,550	15,478,200
Charges for Services	182	6,000	6,000	6,000	6,000	6,000
Fines and Forfeitures	643,493	1,042,000	1,042,000	1,107,000	1,107,000	1,107,000
Sales Income	1,061,553	650,000	650,000	700,000	700,000	700,000
Liquor Sales	974,830,186	1,071,596,000	1,072,845,449	1,114,398,480	1,148,174,780	1,186,342,890
Liquor Cost of Goods Sold	(474,005,720)	(511,678,841)	(511,678,841)	(545,214,268)	(545,214,268)	(570,804,897)
Cost of Goods Sold	(11,789,934)	(14,430,880)	(14,430,880)	(14,280,800)	(13,645,839)	(14,264,646)
Other Revenues	9,775	25,000	25,000	25,000	25,000	25,000
Transfer In - Intrafund	137,037,933	146,404,251	147,653,700	157,080,527	157,400,862	162,008,801
Tsfr From Revenue, Dept of	-	-	-	-	-	4,076,313
Tsfr From Or Liquor Cntrl Comm	-	-	-	-	-	8,521,335
Transfer Out - Intrafund	(137,037,933)	(146,404,251)	(147,653,700)	(167,814,258)	(168,449,219)	(162,008,801)
Transfer to Other	(564,984)	(638,000)	(638,000)	(629,000)	(629,000)	(629,000)
Transfer to General Fund	(225,564,157)	(251,618,574)	(251,618,574)	(233,647,486)	(267,605,646)	(277,633,486)
Transfer to Cities	(70,107,375)	(78,280,206)	(78,280,206)	(83,445,531)	(84,421,376)	(89,705,749)
Transfer to Counties	(35,053,688)	(39,140,105)	(39,140,105)	(41,722,765)	(42,666,135)	(61,442,971)
Tsfr To Administrative Svcs	(49,075,163)	(54,796,144)	(54,796,144)	(58,411,871)	(58,457,336)	(41,475,244)
Tsfr To Lands, Dept of State	-	-	-	-	(3,643,577)	-
Tsfr To Police, Dept of State	-	-	-	-	(1,366,342)	-
Tsfr To Oregon Health Authority	(16,350,877)	(17,823,000)	(17,823,000)	(17,996,500)	(20,273,736)	(17,996,500)
Tsfr To Agriculture, Dept of	-	-	-	-	(212,641)	(212,641)
<b>Total Other Funds</b>	<b>\$137,037,933</b>	<b>\$150,626,250</b>	<b>\$151,875,699</b>	<b>\$157,080,528</b>	<b>\$164,539,907</b>	<b>\$178,713,604</b>

**DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE**

Oregon Liquor Control Comm  
2015-17 Biennium

Agency Number: 84500  
Cross Reference Number: 84500-000-00-00-00000

<i>Source</i>	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>Nonlimited Other Funds</b>						
Transfer In - Intrafund	-	-	-	10,733,731	11,048,357	-
<b>Total Nonlimited Other Funds</b>	-	-	-	<b>\$10,733,731</b>	<b>\$11,048,357</b>	-

**DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE**

Oregon Liquor Control Comm  
2015-17 Biennium

Agency Number: 84500  
Cross Reference Number: 84500-001-00-00-00000

Source	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>Other Funds</b>						
Liquor Sales	-	43,326,000	43,326,000	-	33,776,300	33,776,300
Liquor Cost of Goods Sold	-	(22,704,100)	(22,704,100)	-	-	-
Cost of Goods Sold	-	(641,890)	(641,890)	-	-	-
Transfer In - Intrafund	18,073,544	20,869,470	21,216,750	15,724,421	15,674,421	21,812,778
Tsfr From Or Liquor Cntrl Comm	-	-	-	-	-	4,910,000
Transfer to General Fund	-	(11,188,806)	(11,188,806)	-	(33,776,300)	(18,914,728)
Transfer to Cities	-	(3,996,002)	(3,996,002)	-	-	(6,755,260)
Transfer to Counties	-	(1,998,001)	(1,998,001)	-	-	(3,377,630)
Tsfr To Administrative Svcs	-	(2,797,201)	(2,797,201)	-	-	(4,728,682)
<b>Total Other Funds</b>	<b>\$18,073,544</b>	<b>\$20,869,470</b>	<b>\$21,216,750</b>	<b>\$15,724,421</b>	<b>\$15,674,421</b>	<b>\$26,722,778</b>
<b>Nonlimited Other Funds</b>						
Transfer In - Intrafund	-	-	-	10,733,731	11,048,357	-
<b>Total Nonlimited Other Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$10,733,731</b>	<b>\$11,048,357</b>	<b>-</b>

**DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE**

Oregon Liquor Control Comm  
2015-17 Biennium

Agency Number: 84500  
Cross Reference Number: 84500-002-00-00-00000

<i>Source</i>	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>Other Funds</b>						
Business Lic and Fees	-	-	-	-	324,750	-
Transfer In - Intrafund	15,566,078	17,027,683	17,495,092	18,023,472	17,911,472	17,923,472
Transfer to General Fund	-	-	-	-	(181,860)	-
Transfer to Cities	-	-	-	-	(64,950)	-
Transfer to Counties	-	-	-	-	(32,475)	-
Tsfr To Administrative Svcs	-	-	-	-	(45,465)	-
<b>Total Other Funds</b>	<b>\$15,566,078</b>	<b>\$17,027,683</b>	<b>\$17,495,092</b>	<b>\$18,023,472</b>	<b>\$17,911,472</b>	<b>\$17,923,472</b>

**DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE**

Oregon Liquor Control Comm  
2015-17 Biennium

Agency Number: 84500  
Cross Reference Number: 84500-003-00-00-00000

<i>Source</i>	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>Other Funds</b>						
Transfer In - Intrafund	16,805,885	17,357,690	17,792,450	19,345,824	19,005,824	18,772,275
<b>Total Other Funds</b>	<b>\$16,805,885</b>	<b>\$17,357,690</b>	<b>\$17,792,450</b>	<b>\$19,345,824</b>	<b>\$19,005,824</b>	<b>\$18,772,275</b>

**DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE**

Oregon Liquor Control Comm  
2015-17 Biennium

Agency Number: 84500  
Cross Reference Number: 84500-004-00-00-00000

<i>Source</i>	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>Other Funds</b>						
Privilege Taxes	-	-	-	-	16,035,830	-
Business Lic and Fees	-	-	-	-	424,800	5,174,200
Transfer In - Intrafund	-	-	-	-	-	149,466
Tsfr From Revenue, Dept of	-	-	-	-	-	3,221,908
Transfer to Cities	-	-	-	-	(910,895)	-
Transfer to Counties	-	-	-	-	(910,895)	-
Tsfr To Lands, Dept of State	-	-	-	-	(3,643,577)	-
Tsfr To Police, Dept of State	-	-	-	-	(1,366,342)	-
Tsfr To Oregon Health Authority	-	-	-	-	(2,277,236)	-
Tsfr To Agriculture, Dept of	-	-	-	-	(212,641)	(212,641)
<b>Total Other Funds</b>	-	-	-	-	<b>\$7,139,044</b>	<b>\$8,332,933</b>

**DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE**

Oregon Liquor Control Comm  
2015-17 Biennium

Agency Number: 84500  
Cross Reference Number: 84500-005-00-00-00000

<i>Source</i>	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>Other Funds</b>						
Liquor Sales	-	4,222,000	4,222,000	-	-	-
Transfer In - Intrafund	86,384,020	90,936,000	90,936,000	98,959,000	101,958,335	98,959,000
Tsfr From Or Liquor Cntrl Comm	-	-	-	-	-	3,611,335
<b>Total Other Funds</b>	<b>\$86,384,020</b>	<b>\$95,158,000</b>	<b>\$95,158,000</b>	<b>\$98,959,000</b>	<b>\$101,958,335</b>	<b>\$102,570,335</b>

**DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE**

Oregon Liquor Control Comm  
2015-17 Biennium

Agency Number: 84500  
Cross Reference Number: 84500-088-00-00-00000

<i>Source</i>	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>Other Funds</b>						
Transfer In - Intrafund	208,406	213,408	213,408	5,027,810	2,850,810	4,391,810
<b>Total Other Funds</b>	<b>\$208,406</b>	<b>\$213,408</b>	<b>\$213,408</b>	<b>\$5,027,810</b>	<b>\$2,850,810</b>	<b>\$4,391,810</b>

**DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE**

Oregon Liquor Control Comm  
2015-17 Biennium

Agency Number: 84500  
Cross Reference Number: 84500-990-00-00-00000

<i>Source</i>	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>Other Funds</b>						
Privilege Taxes	33,280,362	36,284,000	36,284,000	36,622,000	36,622,000	36,622,000
Business Lic and Fees	9,724,280	9,429,000	9,429,000	10,304,000	10,304,000	10,304,000
Charges for Services	182	6,000	6,000	6,000	6,000	6,000
Fines and Forfeitures	643,493	1,042,000	1,042,000	1,107,000	1,107,000	1,107,000
Sales Income	1,061,553	650,000	650,000	700,000	700,000	700,000
Liquor Sales	974,830,186	1,024,048,000	1,025,297,449	1,114,398,480	1,114,398,480	1,152,566,590
Liquor Cost of Goods Sold	(474,005,720)	(488,974,741)	(488,974,741)	(545,214,268)	(545,214,268)	(570,804,897)
Cost of Goods Sold	(11,789,934)	(13,788,990)	(13,788,990)	(14,280,800)	(13,645,839)	(14,264,646)
Other Revenues	9,775	25,000	25,000	25,000	25,000	25,000
Tsfr From Revenue, Dept of	-	-	-	-	-	854,405
Transfer Out - Intrafund	(137,037,933)	(146,404,251)	(147,653,700)	(167,814,258)	(168,449,219)	(162,008,801)
Transfer to Other	(564,984)	(638,000)	(638,000)	(629,000)	(629,000)	(629,000)
Transfer to General Fund	(225,564,157)	(240,429,768)	(240,429,768)	(233,647,486)	(233,647,486)	(258,718,758)
Transfer to Cities	(70,107,375)	(74,284,204)	(74,284,204)	(83,445,531)	(83,445,531)	(82,950,489)
Transfer to Counties	(35,053,688)	(37,142,104)	(37,142,104)	(41,722,765)	(41,722,765)	(58,065,341)
Tsfr To Administrative Svcs	(49,075,163)	(51,998,943)	(51,998,943)	(58,411,871)	(58,411,871)	(36,746,562)
Tsfr To Oregon Health Authority	(16,350,877)	(17,823,000)	(17,823,000)	(17,996,500)	(17,996,500)	(17,996,500)
<b>Total Other Funds</b>	-	(\$1)	(\$1)	\$1	\$1	\$1

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Agency-Wide Consolidation  
 Cross Reference Number: 84500-990-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Cost of Goods Sold	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Agency-Wide Consolidation  
Cross Reference Number: 84500-990-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Cost of Goods Sold	-	-	-	-	-	-	-
Transfer In - Intrafund	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Transfers Out</b>							
Transfer Out - Intrafund	-	-	-	-	-	-	-
<b>Total Transfers Out</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**DETAIL OF FEE, LICENSE, OR ASSESSMENT REVENUE INCREASE**

**PROPOSED FOR INCREASE/ESTABLISHMENT**

Purpose or Type of Fee, License or Assessment	Who Pays	2013-15 Estimated Revenue	2015-17 Agency Request	2015-17 Governor's Budget	2015-17 Legislatively Adopted	Explanation
License Application Fee	OLCC Liquor Licensees	\$ -	\$ -	\$ 324,750.00	\$ 324,750.00	OLCC has submitted LC 84502 that would establish a \$150 application fee. HB 5480 passed.

Agency Request   
  Governor's Budget   
  Legislatively Adopted   
 Budget Page 27

# BUDGET NARRATIVE

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# BUDGET NARRATIVE

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The bars show OLCC Distilled Spirits (DS) Program's expenditures, separated into bank cards and non-bank cards portions. All are funded by Other Funds (OLCC-generated liquor revenues). The line graph shows gross hard liquor (distilled spirits) revenue.

## **D. PROGRAM OVERVIEW**

The Distilled Spirits Program centrally purchases, warehouses and distributes bottled distilled spirits to the more than 248 liquor stores, making spirits available through OLCC-appointed retail sales agents. The state's system supports jobs throughout the distilled spirits production and supply chain, encouraging the development of Oregon economy, per ORS 741.030, Purpose of Liquor Control Act.

## **E. PROGRAM FUNDING**

The Legislatively Adopted Budget is \$26,722,778 Other Funds limitation for the 2015-17 biennium for this program, with 66.50 FTE and 69 positions.

## **F. PROGRAM DESCRIPTION**

The program efficiently makes available more than 1,900 different distilled spirits items every day, plus special orders, using economy of scale and minimal distribution layers. It operates a Milwaukie Distribution Center that safeguards \$40.1 million worth of vendor-owned distilled spirits inventory plus \$1.0 million in state-owned inventory. It coordinates the appointment of and then oversees contracted liquor agents' operation of the stores located throughout the state, ensuring the quality of services to the public and the more than 4,200 businesses licensed to sell distilled spirits. The program generates more than \$400 million in distributions to state and local governments each biennium.

## **G. PROGRAM JUSTIFICATION AND LINK TO 10-YEAR OUTCOME**

The Distilled Spirits Program's linchpin role in the alcoholic beverage industry supports Oregon's economy and job growth. The industry supplies jobs through an entire supply chain – from international distillers to local micro-distillers to local brokers to delivery truck drivers to the owners and servers in the small restaurant in your neighborhood; they depend on OLCC's reliable management and movement of spirits for their livelihoods. The sale of distilled spirits generates significant revenue that OLCC

## BUDGET NARRATIVE

distributes to the state general fund and to local governments. The total revenue distribution to the general fund, counties and cities in 2013-15 is expected to be \$441 million. This program contributes to the following strategies:

- Meeting the immediate growing demand for spirits in Oregon and preparing for anticipated 10-year growth
- Efficiently supplying and supporting local Oregon based businesses including liquor agents, licensees, manufacturers, and distributors
- Developing and maintaining regulatory rules that protect public safety and supports Oregon’s economic development.

### PROGRAM PERFORMANCE

Biennium	Cases of Spirits Handled, millions	Program Cost per Case (excludes bank card fees)	OLCC KPM, Rate of Return (Distribution per Expenditure)	Distilled Spirits Gross Sales, millions
2001-03	3.70	\$1.51	\$2.73	\$522
2003-05	4.12	\$1.67	\$2.70	\$598
2005-07	4.73	\$1.96	\$2.47	\$719
2007-09	5.12	\$1.67	\$2.72	\$815
2009-11	5.25	\$1.75	\$2.73	\$858
2011-13	5.70	\$1.70	\$2.90	\$973
2013-15	6.14	\$1.77	\$2.90	\$1,071
2015-17	6.33	\$2.48	\$2.73	\$1,148
2017-19	6.59	\$1.73	\$2.90	\$1,220
2019-21	6.87	\$1.80	\$2.90	\$1,296
2021-23	7.16	\$1.84	\$2.90	\$1,377

The chart above shows the number of cases handled by the program’s Distribution Center, in millions; the cost per case handled; the key performance measure of distribution to the state General Fund and local governments per expenditure dollar, and the distilled spirits gross sales dollars (the ultimate output). Actuals are through fiscal year 2013. Projections include the continued OLCC 50-cent per bottle surcharge, scheduled to expire on June 30, 2017, because the liquor commissioners have taken action

# BUDGET NARRATIVE

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to ensure its continuance. A public hearing and commission action was held in August 2014. The OLCC's rate of return will depend on agency-wide funding levels.

## **I. ENABLING LEGISLATION/PROGRAM AUTHORIZATION**

The OLCC administers Oregon's Liquor Control Act. The OLCC's authority is derived from Oregon Revised Statutes Chapters 471, Alcoholic Liquor Generally; 473, Wine Cider and Malt Beverage Privilege Tax; 474, Trade Practices Related to Malt Beverages; 459A.700 to 74, Beverages Containers; the Bottle Bill, and Administrative Rules Chapter 845.

## **J. FUNDING STREAMS**

All OLCC programs are funded by OLCC-generated revenue. All revenue received by the OLCC is classified as "Other Funds." Revenues come from liquor sales, license fees and fines, server education fees, taxes on malt beverages and wines (Privilege Tax) and miscellaneous income. ORS 471.805 directs the OLCC to distribute available moneys to the state General Fund, cities, counties, and Mental Health.

## **K. SIGNIFICANT PROPOSED PROGRAM CHANGES FROM 2013-15**

The program proposes three packages to meet projected demand for distilled spirits and consumer expectations:

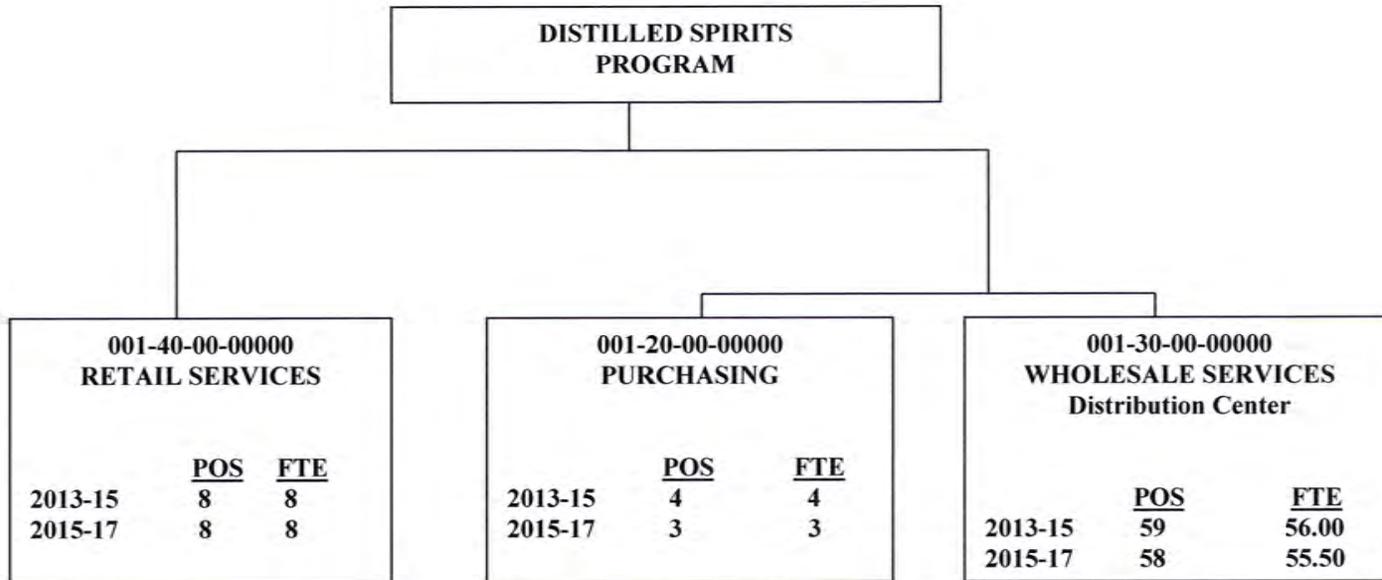
Package no. 104 Increase OLCC Shipping Capacity upgrades existing equipment (option A) or adds staff (option B) to meet current and expected future distribution demands of distilled spirits. Option A is a one-time investment in machinery and technology. Option B adds staff. *The Legislatively Adopted Budget approved option A.*

- Package no. 106 Fund Bank Cards as a Business Expense bank card fees as a variable cost-of-doing business expense; it restores the bank card expenditure limitation as a non-limited expenditure directly driven by external customers' payment choices. *This package was approved for the Governor's Recommended Budget, but not for the Legislatively Adopted Budget.*
- Package no. 105 Store Improvement Matching Funds creates an incentive program for liquor agents to invest in making retail store improvements. *This package was not approved for the Governor's Budget, or for the Legislatively Adopted Budget.*

# BUDGET NARRATIVE

## DISTILLED SPIRITS PROGRAM – 001 OLCC 2015-17 Legislatively Adopted Budget

### ORGANIZATION CHART



# BUDGET NARRATIVE

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## DISTILLED SPIRITS PROGRAM SUMMARY – PROGRAM 001 OLCC 2015-17 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

#### *Purpose*

The Distilled Spirits Program functions are an essential part of the state’s strategy to protect the public safety while encouraging economic development, per ORS 471.030. The program makes bottled distilled spirits available for purchase by Oregon’s citizens, visitors, and the hospitality industry in a managed, efficient and business-like fashion. The state’s distilled spirits retailing system supports the viability of small entrepreneurs, along with the larger hospitality and alcoholic beverage industries, as they create a stable economic and employment base for the state. The sale of distilled spirits generates significant revenue that OLCC distributes to the state General Fund and to local governments.

The Distilled Spirits Program’s linchpin role in the alcoholic beverage industry supports the state of Oregon’s role in fostering economic growth and jobs. The industry provides jobs throughout Oregon and the entire supply chain– from international distillers to local micro-distillers to local brokers, to delivery truck drivers and liquor store staff, to the owners and servers in the restaurants throughout rural and urban Oregon– they depend upon OLCC’s reliable management and movement of spirits for their livelihoods. The Distilled Spirits Program collaborates with producers, wholesalers and independent retailers to provide economic growth and a self-supporting system.

Restaurants and bars – often locally-owned businesses – purchase approximately 24 percent of the spirits sold by the liquor stores. The OLCC contracts with entrepreneurs to serve as agents and operate those liquor stores – standalone or within another store –which employ hundreds of store clerks statewide. Additionally, the craft distillery industry has been growing in Oregon, and hopes to gain more national momentum and recognition. OLCC and its liquor stores can make sure that these local micro-businesses get an equal footing – alongside national and international brands – on the product of shelves of Oregon liquor stores.

#### *Activities*

To accomplish its mission, the program centrally purchases, warehouses and distributes bottled distilled spirits to the more than 248 locations including 138 exclusive stand-alone liquor stores, and 110 nonexclusive liquor stores combined with grocery

# BUDGET NARRATIVE

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stores, convenience stores, and other retail outlets. Nonexclusive stores are primarily located in rural areas. The program coordinates the liquor commissioners' appointment of new liquor agents and oversees their operations. Liquor agents order inventory, then pay for it when it is sold. Through this system, the OLCC provides the public with a varied and balanced inventory of distilled spirits brands and encourages the development and availability of Oregon products. Through oversight of retail operations, the program ensures responsible sales in the liquor stores and customer service. Program management collaborates with its varied stakeholders to understand their needs and problem solve constructively together. OLCC partners with liquor stores, trade conferences and industry members frequently as part of OLCC's continued outreach focus.

The Distilled Spirits Program provides economies of scale and avoids additional "middle-man" markups by providing both wholesaling and retailing functions statewide. More detailed descriptive narratives on the divisions and functions follow this summary. In addition, please see the Store Operating Expenses Fund, Program 005 section in this budget book.

This division is responsible for the outcomes of: selecting, purchasing, storing and distributing distilled liquor, maintaining shipping lines within the warehouse, managing the selection, contracts and operations of exclusive and nonexclusive liquor agents, and the monitoring, tracking, and safekeeping of manufacture-owned and state owned inventory

## *Issues*

Case sales of distilled spirits in Oregon have grown an average of 4.5 percent per year over ten years. Sales revenue continues to grow even faster than case sales, averaging 6.4 percent for the same period. Customers' special orders for products outside the regular product line continue to be a small but significant portion of sales. For 2013, OLCC processed more than 1,300 special orders.

The program continues to respond to today's marketplace. The OLCC hosted Retail Innovations Group from October 2013 to January 2014. The purpose of the group was to look at the current alcohol system and formulate creative ways to expand the system, produce revenue for the state and local governments, and balance critical public safety needs. Group members included representatives from the beer and wine wholesale industry, the media, the Legislative Fiscal Office, liquor agents, distillery industry representatives, Oregon distillery representatives, off-premises licensees (large and small), on-premises licensees, manufacturers, and local governments. The work of the Retail Innovations Group provided the foundation for continuing alignment of policies and procedures to create opportunities for economic development, consumer convenience, and public safety.

# BUDGET NARRATIVE

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Meanwhile, to respond to a growing population and its interest in spirits, some liquor agents are investing in upgrades – moving to larger stores, and to better locations. OLCC continues to make policy changes to support new business models to give liquor agents more flexibility in the types of alcoholic beverage they carry in their stores and the services they provide. As these types of changes better meet customers’ desires for more convenience, the stores’ sales increase. Popular legislative and administrative rule changes—such as the new distillery special events license; allowing agents who exclusively sell spirits to become non-exclusive ones who can also obtain licenses to sell beer and wine (and thus fill growlers); allowing distillery agents to sell spirits in multiple locations, and expanding free tastings of distilled spirits—have helped to foster growth in the program.

But, increased case sales volume puts more pressure on the Distribution Center infrastructure. A major issue facing the OLCC’s Distilled Spirits Program is how to manage resources and gain efficiencies to keep pace with the changing, growing, and flexible marketplace while working within the comparatively static state budget framework. The more responsive and timely OLCC can meet marketplace demands and changes, the more efficiently the system can meet liquor agent, customer and industry needs. If OLCC does not have an adequate infrastructure and the resources to meet consistent case growth, then the state risks losing potential distilled spirits sales revenue.

Historically OLCC improved processes and added equipment to gain efficiencies to keep up with demand. However, the current service level budget is inadequate for future growth. Therefore, OLCC presents policy option packages to upgrade its infrastructure and to cover its business expenses in order to meet future customer demand that would enable OLCC to meet consumer, industry and business needs and realize potential revenue for the state and local governments.

The 2015-17 Legislatively Adopted Budget forecasts \$1.14 billion in total gross sales for 2015-17 and a total of 6.3 million cases handled. Legislatively Adopted package no. 104, “Increase OLCC Shipping Capacity,” will make this possible. The package requests authority for the OLCC to construct and implement infrastructure improvements for the sorting and shipping of liquor orders in the distribution center. The warehouses also need a roof, floor and other repairs as outlined in the Agency Request package no. 301 (as modified for the Governor’s Budget) in the Capital Improvements Fund. Please see the packages that follow:

- Package no. 104, “Increase OLCC Shipping Capacity
- Package no. 301 in the Capital Improvements Fund

Beginning with the 1999-2001 biennium, OLCC expenses associated with supporting liquor store bank (credit and debit) card acceptance were converted from the administrative limitation to non-limited funds by the Legislature. However, the Legislature reverted the funds back to the OLCC administrative limitation beginning with the 2005-07 biennia (reported as subprogram 24). The OLCC 2015-17 Governor’s Recommended package no. 106, “Fund Bank Card Fees as Business Expense,” requests making bank card expenses once again a non-limited budget item. The Legislatively Adopted Budget did not include this package.

# BUDGET NARRATIVE

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- Package no. 106, “Fund Bank Card Fees as Business Expense. *This package was not approved for the Legislatively Adopted Budget.*

The Distilled Spirits Program oversees the more than 248 exclusive and nonexclusive liquor stores. Liquor agents are encouraged to invest their compensation in improving the stores and locating them convenient to customers; not all are able to do so readily. To help them better able to afford improvements that will meet customer’s modern expectations, improving sales, income and revenue, OLCC proposes matching some agents’ store improvement investments. Please see the package that follows.

- Package no. 105, “Store Improvements Matching Funds. *This package was not approved for the Governor’s Budget or for the Legislatively Adopted Budget.*

***The structural components of the program are:***

***Purchasing (subprogram 20)*** staff works closely with Retail Services Division staff to provide distilled liquor to customers. Purchasing staff order bottled spirits produced throughout the world, and make sure the emerging Oregon craft distillery industry is represented in the state inventory lineup. Staff continuously monitors trends in sales, review new liquor items to add to the line, and identify slow-selling products to eliminate from inventory. They work closely with industry representatives to stay informed about new products and trends.

This division is responsible for the outcomes of: purchasing distilled liquor, maintaining product in-stock levels, filling exclusive and nonexclusive liquor store requests, managing product lines, and assuring that a variety of products including Oregon craft products are available to consumers state-wide.

***The Wholesale Services Division (subprogram 30)*** staff manages the OLCC distribution center for distilled spirits and provide customer service to the exclusive and nonexclusive retail liquor stores. The distribution center comprises of two warehouses in Milwaukie, creating efficiencies by providing centralized distribution and warehousing services for the state liquor operation. The center manages the liquor shipments ordered by Purchasing; its crews receive and store the products, fill merchandise orders, and ship products coordinating with common carriers to receive and ship millions of cases of liquor a year. They keep the inventory secure in the bailment warehouses. The bailment warehouse is a staging area for inventory of manufacturer-owned high demand products. OLCC pays for the manufacturer owned inventory when it is ordered by and shipped to liquor agents. The distribution center staff settles claims for any damaged and defective goods returned by stores.

# BUDGET NARRATIVE

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This division is responsible for the outcomes of: receiving, storing, and shipping distilled spirits, maintaining shipping lines, verifying and maintaining inventory records and control, and providing for the security of manufacturer-owned and state-owned inventory.

*The Retail Services Division (subprogram 40)* oversees the operation of the liquor stores. Retail Services staff work closely with exclusive and nonexclusive liquor store agents so they know how to apply liquor regulations and retail operating procedures to their store operations. Staff assists them in managing the state-owned liquor inventory in the stores, to make a variety of products, including Oregon products, readily available to customers. The liquor agents receive monthly compensation payments that they use to fund the stores' operating expenses. The OLCC does provide some specific supplies to the stores; these OLCC expenses, associated with supporting liquor stores, appear in Liquor Sales Support, subprogram 42.

This division is responsible for the outcomes of: overseeing the selection, contracts, and operations of the 248 exclusive and nonexclusive liquor stores located throughout Oregon.

## **B. BACKGROUND**

In 1933, the Knox Act created the alcohol "control system" in Oregon. This state chose a control system to make alcohol available in a regulated, managed environment, and to avoid the abuses that led to the national Prohibition movement. Since the Knox Act, Oregon's system has evolved in response to changing environments. The original retail system, with its larger stores operated by state employees, was converted to a completely exclusive and nonexclusive agent-run system by the early 1980s. With Measure 5 reductions to this program in the 1990's, the program began in earnest to reduce administrative costs by reassigning OLCC staff duties, streamlining, and incorporating more efficient, modern technology. The program continues to contain administrative costs through greater efficiencies.

The Distilled Spirits Program continues to focus on modernizing operations, meeting higher customer expectations, and responding to industry's long-term growth trends. OLCC has been revitalizing its product selection processes; managing the product line to be more responsive to the market and carry more variety; and enhancing its distribution center's systems and equipment – relying more on electronics, computerization and automation to gain efficiencies while minimizing needs to increase staffing levels. Examples include: acquiring a second warehouse to store most of its bulk case storage and make room for efficiencies from adding conveyors in the first warehouse; raising OLCC's expectations of agents in their choice of store locations and appearance to meet customers' expectations; creating incentives for excellent liquor store operation (e.g., allowing appointment of outstanding agents to more than one store location); adding liquor stores in underserved areas, giving liquor

# BUDGET NARRATIVE

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agents more professional advice on how to meet customers' growing expectations; allowing non-licensee customers to use bank cards in liquor stores; conducting pilot projects for applying the Oregon liquor store model to new situations (satellite locations and corporate agents); and changing organizational structures to enable divisions to work more effectively with each other.

## C. EXPECTED RESULTS

This program is focused on the effective and efficient sale and distribution of distilled liquor throughout Oregon. Management oversight of exclusive and nonexclusive liquor agents, distribution processes, and meeting consumers' demands are key activities. The Distilled Spirits Program plans to achieve the primary goals as outlined in the subsequent subprogram narratives, in doing so, the division is focused on specific results including:

- **Preserving a growing revenue stream.** The program will enhance revenue to the state general fund, counties and cities, by utilizing technology and modern warehouse processes to meet current and expected consumer demand over the next ten years in a cost effective manner.
- **Managing distilled liquor inventory.** The program will continue to effectively supply exclusive and nonexclusive liquor stores in a timely fashion without paying for excess inventory.
- **Providing for statewide selection of distilled spirits.** The program will assure that a wide variety of distilled products, including Oregon products and special orders, are timely available statewide at a consistent price.
- **Supporting Oregon economic growth.** The program supports the development and success of multiple small businesses including manufacturers of Oregon craft beverage products.
- **Applying distribution industry best business practices.** The program will utilize enhanced distribution technology to deliver products in a way that effectively manages costs.
- **Providing superior, high quality customer service.** The program will continuously respond to the evolving needs of stakeholders – consumers, agents, licensees, suppliers, and government.
- **Protecting the public and consumers from harm.** The program will continue to train and provide oversight on Liquor Law compliance in the 248 exclusive and nonexclusive agent-operated stores.

The program will provide the buying public and licensees from the hospitality industry with the more than 248 exclusive and nonexclusive agent-operated liquor stores across the state. In 2013 the OLCC distribution center carried more than 1,900 listed items throughout Oregon and filled more than 1,400 special orders. OLCC anticipates the product line will continue to grow, adding up to another 400-500 items in 2015-17 to meet consumer demand.

# BUDGET NARRATIVE

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The OLCC has used the following measures to evaluate how well the Distilled Spirits Program provides retail and wholesale functions:

- *Cases handled* – the number of liquor cases handled daily per distribution center staff
- *Stock availability*– rate of product in-stock availability in the distribution center when an order is placed by a liquor agent
- *Inventory turnover* – number of turns of product inventory
- *Agents' evaluation* – percent of liquor agent annual performance evaluations that receive an “outstanding” score.
- *Net profit margin* – the net profit margin of OLCC Distilled Spirits Program

The OLCC anticipated its 2009-11 and 2011-13 surcharge of 50 cents per-bottle would be extended for 2015-17. At the August 2014 Commission meeting the Commissioners extended the surcharge through June 30, 2017. Therefore, the Governor’s Recommended Budget liquor (spirits) revenue forecast of \$1.148 billion in total gross sales does include a surcharge estimate for 2015-17. The OLCC projects that an additional \$33.7 million will be realized. The Governor’s Recommended Budget expects the Distilled Spirits Program will handle 6.3 million cases of spirits in 2015-17.

## **D. REVENUE SOURCE**

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

## **E. PROPOSED LEGISLATIVE CHANGES**

There are no proposed legislative changes.

# BUDGET NARRATIVE

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## PURCHASING – SUBPROGRAM 20 OLCC 2015-17 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

The Purchasing Division is responsible for ensuring that adequate, appropriate inventories and a varied selection of liquor products – including Oregon-produced distilled spirits – are available to meet customer demand. This function is a vital component of the system that makes distilled spirits available to Oregon consumers. OLCC division staff monitors changes in the suppliers' product lines and manage the OLCC product line. Staff determines OLCC order quantities by regularly reviewing sales history, sales forecasts, inventory on hand and order quantities, and service level expectations. They maintain liquor price quotes from suppliers and supplier discount offers and post the state's retail liquor prices.

The division continues to look for ways to enhance customer service and meet consumer needs in this growing and increasingly sophisticated and varied distilled spirits market place. It looks to make up-to-date product information more readily available and accessible to liquor agents (retail liquor store contractors) and the general public. As part of this effort, the program designed a technology system to capture liquor store distilled spirits retail sales information more frequently – by item, on a daily basis. With this up-to-date information, the OLCC has significantly improved service to customers by letting the public search through the OLCC website [OregonLiquorSearch.com](http://OregonLiquorSearch.com) to see which products are in stock and at which stores, statewide. The site now shows photos of products, as well. The division will continue to develop ways to make information more readily available and useful.

This division is responsible for the outcomes of: monitoring changes in the suppliers' product lines, managing the OLCC product line, reviewing sales histories, forecasts, managing inventory, obtaining liquor price quotes and posting liquor prices.

### B. BACKGROUND

The powers and duties of the OLCC are defined in ORS 471.705 through 471.810. Under these statutes, the OLCC is authorized to control the manufacture, possession, sale, purchase, transportation, importation and delivery of distilled spirits (ORS 471.730). The OLCC is also authorized to set retail prices for distilled spirits (ORS 471.745) and to have, in stores and warehouses, the quantities and kinds of product reasonably required to supply the public demand (ORS 471.750). ORS 471.030 (2) clarifies that the policy of this state is to encourage the development of all Oregon industry; the division looks to see that Oregon-produced spirits are represented in its line, no matter how small an Oregon craft distiller might be.

# BUDGET NARRATIVE

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The distilled spirits industry continues its trend to introduce many new products, such as higher-priced specialty items. Customers have responded enthusiastically to the greater diversity of products. Because the suppliers continue to own most of the product in the OLCC bailment distribution center and the state owns the inventory in the retail stores, the contracted liquor agents can afford to carry an excellent and varied selection of products, often more than most stores carry in open, or privatized, states; they are not limited to the largest sellers with the greatest turnover. They can also afford to carry products of small Oregon craft distillers. The OLCC continues to expand its product line in response to the industry's creation of new products and the growing Oregon craft distillery industry. In 2013, the OLCC distribution center carried more than 1,900 listed items and filled more than 1,400 special orders. OLCC anticipates the product line will continue to grow, adding up to another 400-500 items in 2015-17 to meet consumer demand.

By continually evaluating the product line, the division provides the public with new liquor products as they are introduced, and eliminates non-performing items. This helps ensure the state's investment in liquor inventory will optimize profits for the state, customers have the products they desire, and the OLCC encourages Oregon economic development.

In the 1993-95 biennium, the OLCC converted to a bailment warehouse system. The manufacturers own the distilled spirits under bailment; they are stored in the bailment warehouse prior to their sale to the state. Under this system, suppliers stock merchandise in the physical OLCC distribution center warehouses. Holding large stocks of state-owned inventory in the warehouses is minimized this way. In most instances, the OLCC purchasing staff sends suppliers suggested bailment replenishment notices rather than purchase orders. Then staff withdraws stock from bailment as needed for the OLCC to fill retail store liquor orders. Twice a month, after orders are shipped, the OLCC sends combination purchase order/invoices to the suppliers notifying them of items withdrawn from bailment that are due to be paid.

Since 2007-09, to build on the benefits of central oversight, the Purchasing staff report directly to the Deputy Director who is also the Distilled Spirits Program Director. The Wholesale Services (Distribution Center) manager and the Retail Services Division director also report directly to the Deputy Director. The Purchasing Division continually seeks more efficient ways of doing business and using technology to avoid needing more purchasing staff despite increased number of items, a growing complexity in the marketplace, and increased product demand.



# BUDGET NARRATIVE

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## BANK CARDS – SUBPROGRAM 24 OLCC 2015-17 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

Since the 1995-97 biennium, the Legislature approves funds in the OLCC budget for liquor stores to accept bank cards; liquor store customers may choose to use their bank cards (credit and debit cards) when they shop in liquor stores. OLCC pays the bank transaction fees and the rental charges for bank card processing equipment in the liquor stores. This funding supports a popular convenience for over-the-counter liquor store customers. This Governor's Recommended budget presents policy option package no. 106 to convert the OLCC's bank card limitation back to a non-limited, Other Funds type of limitation. This conversion would recognize that bank card fees and expenses are variable costs correlated with sales and independent purchase decisions by customers; those costs are an expense of doing business and outside of OLCC's control. If adopted, OLCC would have had funding immediately available for bank card expenses at all times, even as they vary through the biennium.

The OLCC's bank card-related expenditures continue to grow as the sales of distilled products grow. Bank-fee expenditures vary depending on how many customers use bank cards and the nature and volume of their purchases. Customers' bank card use continues to increase as a percentage of overall liquor sales. In fiscal year 2000, bank card sales were 28 percent of total consumer sales. By fiscal year 2007, they had grown to 57 percent. For fiscal year 2014, through March, bank card sales are 69 percent of total consumer sales. Consumers continue to shift towards bank cards and away from cash/checks due to the convenience of cards and an increasingly electronic society. Customers using cards also tend to buy higher-priced liquor products than customers using cash or checks, bolstering liquor revenues. OLCC expects these trends to continue into the future. The OLCC's bank card expenses are a function of customers' choices when buying distilled spirits, and varies accordingly. Additional information is outlined in:

- Package no. 106 OLCC's bank card limitation

Please note that OLCC is requesting an additional \$55 thousand bank card resources related to its request for expenditures for on-line licensing. Please see additional information in the Support Services narrative for package no. 303 "Provide Online and E-Commerce Licensing".

# BUDGET NARRATIVE

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## **B. BACKGROUND**

Before the mid-1990s, liquor stores did not accept any bank cards. A 1993 legislative budget note directed the OLCC to study bank cards during 1993-95. The OLCC did a pilot study, developed a plan, and projected revenue and expenditure effects. Based on that information, the Legislature approved \$425,000 to phase in implementation during 1995-97. The OLCC projected that additional revenue would offset both one-time implementation and ongoing operating costs, because customers tend to buy higher-priced products when using bank cards. The Legislature approved the funding if the liquor commissioners would approve an administrative rule change to allow stores to accept the cards. The liquor commissioners approved the rule change on April 25, 1995. By the end of fiscal year 1996, all stores choosing to be in the program received equipment and training and started accepting bank cards.

From the beginning, bank cards were popular with customers. More and more liquor agents wanted to take bank cards to meet consumer needs. As the program grew, the OLCC needed more limitation authority to pay the transactions fees. OLCC repeatedly asked for more limitation authority, including making Emergency Board requests. In these requests, OLCC asked to spend some of the increased liquor sales revenue to pay for bank card transactions that helped to fuel that revenue increase.

The 1999 legislative assembly regarded bank card expenses as a variable cost of doing business. Vendors' fee rates and customers' buying decisions set the expense level, not the OLCC; the 1999 legislative assembly shifted the bank card budget to a "non-limited" fund. In 2005 the legislative assembly re-established a bank card expenditure limitation.

## **C. EXPECTED RESULTS**

For 2015-17, the OLCC will continue to allow customers to use alternative methods of payment, by enabling liquor stores to accept Visa, MasterCard, Discover and debit cards as demanded by the retail customer.

# BUDGET NARRATIVE

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## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

## E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes.

# BUDGET NARRATIVE

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## WHOLESALE SERVICES – SUBPROGRAM 30 (DISTRIBUTION CENTER) OLCC 2015-17 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

The OLCC operates a distribution center for centralized distilled spirits distribution and warehousing services for the state liquor operation. This centralized distribution function enables economies of scale for the OLCC's wholesale services, which support the retail store functions. Responsibilities of the division are to manage and execute effectively and efficiently these functions: receiving and storing all incoming shipments of distilled spirits to the state of Oregon, verifying and maintaining records of product shipments, participating in inventory control, ensuring security for inventory, scheduling order-picking sequence and pick orders, and shipping distilled spirits via common carrier to all Oregon exclusive and nonexclusive liquor stores.

The distribution center has been handling more cases; the more diverse product lines that suppliers are offering, and an increasingly larger number of stocked liquor items. Customers desire more specialty holiday items and Oregon products. The program encourages the development of the Oregon economy by carrying products from Oregon distillers. Even though the total number of bottles may be small, the center carries a wide variety of products from the growing number of Oregon craft distilleries. The division supports this growing industry by splitting and repacking cases to send even single bottles to liquor stores throughout Oregon. Maintaining adequate product selection and quantities is important to fill liquor store orders, meet consumer's needs, and encourage the development of small, growing Oregon distilleries

OLCC calculates the limitations in the physical plant will ultimately hold OLCC back from meeting all future demand. Additional funding for either equipment or staffing is needed to improve on – or compensate for – the physical plant limitations. OLCC has developed a plan to expand the shipping capacity of the Milwaukie site that would allow more efficient use of the storage space, increase the efficiency of the product fulfillment cycle, and meet the needs of the distribution center for the next ten years. OLCC proposes the Legislatively Adopted package no. 104, "Increase OLCC Shipping Capacity: to meet the growing demands of the spirits industry, its customers, and provide Oregon with a stable, reliable revenue stream. Please see the package narrative for details:

- Package no. 104, "Increase OLCC Shipping Capacity



# BUDGET NARRATIVE

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The 2007-09 Budget provided more staff and other resources to keep up with the growing demand for spirits. Adding the Milport facility gave the capability for the OLCC to store manufacturer-owned inventory in bailment. This has virtually eliminated out of stocks and improved customer service. It eliminates large amounts of excess state-owned inventory that would have been necessary to meet demand in a timely manner.

The 2007-09 and the 2009-11 Legislatively Adopted budgets gave the distribution center more equipment and staffing to meet customer demand and realize the revenue stream. However, sales trends showed even more potential growth for 2013-15 and beyond. Meanwhile, the distribution center lost resources in the 2013-15 legislatively mandated budget reductions: a seasonal liquor distribution worker was abolished, and more than \$102,000 in services and supplies and capital outlay. The center has countered by squeezing more productivity from its resources through shift overlaps and extensions; for example, as one shift takes a lunch break, another crew works the floor.

The OLCC provides stewardship of the physical site, too. In 1999-2001, OLCC replaced part of the warehouse roof, repaired and repainted the warehouse exterior, and fixed the warehouse floor. During 1999-2001, the OLCC filled in an unused train well in the warehouse. In 2003-05 the OLCC made emergency repairs to the 1977 warehouse addition. In 2005-07 the OLCC added storage racking and upgraded the sprinkler system to protect vendor-owned inventory from potential fire loss. The December 2006 Emergency Board approved funding for OLCC to purchase the Milport warehouse, to meet storage needs for the next ten years. These facilities enable OLCC to continue responsible stewardship of the \$40.1 million bailment inventory and \$1.0 million state-owned inventory stored in the distribution center. To maintain the distribution center and safeguard its inventory, the agency requests authority to spend a portion of its revenue on warehouse roof replacements in 2015-17. Please see the package request for repairs in the Capital Improvement Fund section:

- Package no. 301, "Repair OLCC Facilities,"

## C. EXPECTED RESULTS

The efforts of the Wholesale Services Program (Distribution Program), including the policy option packages, will enable the division to meet the liquor (spirits revenue) forecast of \$1.14 billion in total gross sales and handle 6.3 million cases of spirits in 2015-17. The goals of the division include:

- **Preserving a growing revenue stream.** The program will preserve revenue to the state general fund, counties and cities, by utilizing technology and efficient warehouse processes to meet current and expected consumer demand over the next ten years in a cost effective manner.

# BUDGET NARRATIVE

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- **Effectively manage distilled liquor inventory.** The program will continue to supply exclusive and nonexclusive liquor stores in a timely fashion without paying for excess inventory.
- **Apply distribution industry best business practices.** The program will utilize enhanced distribution technology to deliver products in a way that effectively manages costs.
- **Safety store and manage manufacturer-owned and state-owned inventory.** The program will participate in inventory control and make sure that inventory is protected from damage.

## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

## E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes.

# BUDGET NARRATIVE

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## RETAIL SERVICES DIVISION – SUBPROGRAM 40 OLCC 2015-17 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

The Retail Services Division oversees the operation of the statewide retail distilled spirits business. As of spring 2013, the system includes more than 248 retail liquor stores located throughout Oregon. Independent businesspeople or businesses contract with OLCC to operate the stores as liquor agents (retail contractors). The Retail Services Division manages the retail function for the state and oversees these contracted liquor agents.

State statutes, administrative rules, liquor agents' contracts and the OLCC retail operations manual provide the guidelines and requirements for store operations. Retail Services staff works closely with agents to help them understand and follow liquor regulations and store operating procedures. Staff assists agents in managing the state's investment in inventory. They make sure enough merchandise is available to meet customer demands while optimizing investment dollars and encouraging the development of the Oregon economy. Agency staff oversees agents in sales, cash control, customer service, upgrading store appearance, layout, signing, and displays. Staff works to understand liquor agents' changing needs and respond to their concerns. Staff explores updating procedures, technology and policies. They advise agency administration and commissioners on their policy decisions affecting agent contracts and compensation administration.

The division continues to focus on developing and implementing a retail business plan to modernize the system. The plan calls for continuously enhancing and modernizing the system. Recent changes have included enabling some liquor stores that exclusively sold spirits to become non-exclusive stores that could also receive licenses for additional privileges such as selling beer and wine – including filling growlers for customers. Also, the OLCC is appointing more Oregon distilleries as liquor agents who can sell their own products retail directly to the customer.

This division is responsible for the outcomes of: oversight of selection, contracts, and operations of statewide exclusive and nonexclusive liquor agents, the development and education of agent store operating requirements and procedures, assisting in managing the state's investment in inventory, and oversight of agent cash control, customer service and relationship with the agency.



# BUDGET NARRATIVE

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- **Preserving a growing revenue stream.** The program will enhance revenue to the state general fund, counties and cities, through its selection, management and oversight of exclusive and nonexclusive liquor agents.
- **Providing for statewide selection of distilled spirits.** Through their work with agents the program will assure that a wide variety of distilled products, including Oregon products and special orders, are timely available statewide at a consistent price.
- **Supporting Oregon economic growth.** The program focuses on enhancing revenue growth by supporting the development and entrepreneurial success of exclusive and nonexclusive liquor store agents located in both urban and rural areas of Oregon.
- **Providing superior, high quality customer service.** The program will continuously respond to the evolving needs of stakeholders – consumers, agents, licensees, suppliers, and government, focusing on modernizing the retail business model to enhance the customer’s shopping experience and provide one stop, attractive, and friendly shopping environments.
- **Protecting the public and consumers from harm.** The program will continue to train and provide oversight on Liquor Law compliance in the 248 exclusive and nonexclusive agent-operated stores.

## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

## E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes.





# BUDGET NARRATIVE

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**Increase OLCC Shipping Capacity**  
OLCC 2015-17 Legislatively Adopted Budget  
Policy Option Package No. 104, Agency Priority No. 4

**A. PACKAGE PURPOSE**

The primary purpose of this package is to preserve expected state, county and city revenue streams currently and into the future.

The state's distilled spirits retailing system supports the viability of small entrepreneurs and the larger hospitality and alcoholic beverage industries in Oregon. These businesses help create a stable economic and employment base for the state and fulfill the Liquor Control Act's purpose to regulate alcoholic beverages as the state encourages economic development. The sale of distilled spirits also generates revenue that OLCC distributes to the state general fund and to local governments. Estimated revenue distributed to the State General Fund, counties and cities is expected to be \$441 million in 2013-15. In addition, consumers' support of Oregon's control state system depends on their continued satisfaction with how well the system provides the products they want in a convenient and timely retail system that protects public safety.

The OLCC requests one-time resources, equivalent to one week of net revenue or two and a half days of total revenue to accommodate the increasing distribution demands placed on the state's Distilled Spirits Program. The increase in demand is being driven by the continuing increase in state's population, consumers shifting their alcohol preference to distilled spirits from malt beverage, and increased sales from out-of-state consumers resulting from the changes in Washington's liquor system. OLCC needs to take steps now to have the necessary infrastructure in place to meet this demand and the timely delivery that licensees and consumers expect. If the state does not make this investment state revenue is put at risk along the economic health of small businesses throughout Oregon. Enhancements to the current warehouse conveyor system, which includes adding conveyer belts and upgrading software, will increase the shipping capacity for distribution of distilled liquor and the productivity of existing staff. This upgrade will allow the OLCC to meet consumer demand for spirits and preserve expected state, county and city revenue streams in the short and long term.

# BUDGET NARRATIVE

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## Problem Statement

Over time, OLCC has made improvements to the distribution center, its equipment and its processes. Built in 1954, the main warehouse has seen biennium case shipments grow from 1.7 million to the projected 6.1 million in 2013-15. To accommodate decades of growth, periodically OLCC has made improvements: it expanded the facility (1979, 2007), installed conveyors (1972, 2007), added handling equipment (ongoing), installed storage racking (ongoing), and implemented a Warehouse Management System (WMS, 2002) to maximize efficiencies in storage and shipping

One key function of the warehouse system that has not been updated (since 1972) has been the conveyor configuration to ship product to liquor stores. The primary constraint of the current system is that shipping can only occur through one door meaning that all liquor store orders are fulfilled one at a time. The shipping window for OLCC product is about 11 hours per day, which allows for same day delivery for local stores and next day delivery for stores outside of the Portland region. The shipping window is also constrained by the need for the inventory management and ordering information systems to process information between 9 p.m. and 6 a.m. without interruption. This means that product cannot be shipped or received between those hours.

Given the time constraints and the number of current warehouse personnel, the warehouse can process and ship about 1,000 cases per hour for about 11 hour per work day. The combination of the single shipping portal with the constraints on the shipping and delivery windows establishes an annual capacity maximum of 3 million cases per year. The OLCC warehouse received, stored and shipped 2.95 million cases of spirits during fiscal year 2014. Demand for spirits in Oregon is forecast to grow at an annual rate of 2.6 percent per year over the next 10 years and reach an annual shipping volume of 3.7 cases by 2023. It is expected that the demand for spirits will exceed the shipping capacity for the OLCC warehouse during the current fiscal year.

Warehouse managers have been able to hire temporary workers and provide for extra overtime to temporarily mitigate the capacity shortfalls during times of high demand but a permanent solution is needed to accommodate the increasing demand for spirits. The potential impacts of lack of distribution capacity includes untimely deliveries leading to out-of stock situations, and lost sales which can result in consumer dissatisfaction and hardships for private businesses such as restaurants and bars. Constraints on the distribution capacity has the potential of impacting \$60 million in sales revenue during the 2015-17 biennia and up to \$660 million of revenue over the next ten years.

# BUDGET NARRATIVE

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## Solution

OLCC is proposing policy option package 104 to increase shipping capacity otherwise, the current infrastructure limitations in the physical plant will hold OLCC back from meeting anticipated demand. Option A includes a one-time expenditure for additional distribution equipment including belts, conveyer lines, scanners, and a software upgrade; this investment will enable the agency to effectively utilize current staff to meet the increase in demand for distribution of distilled spirits now and in the future. Option B includes the addition of FTE, however, this solution is less optimal – bottlenecks and space considerations would still exist in the warehouse, which impedes distribution efficiency.

Customer demand will have the OLCC distribution center handling 6.3 million cases during the upcoming 2015-17 biennia. The OLCC expects case movement in 2015-17 to increase by more than 188,000 cases compared to 2013-15 biennium. The distilled spirits industry also, continues to increase significantly their product lines, in turn making OLCC's product handling more complex

This package requests a limitation increase to (Option A) upgrade and modernize the OLCC distribution center conveyor system and expand its RIMS computerized warehouse management system. If that request is denied, OLCC asks funding and FTE authority (Option B) to add more distribution center positions to the now-partial swing shift, and supply them with equipment they need daily.

Option A, to modernize the conveyor system to allow for simultaneous order fulfillment and shipping through multiple doors will allow for increased throughput of products utilizing existing staff. Increasing shipping capacity through the addition of additional conveyers and software used to merge, identify, and separate products will allow for fulfilling multiple orders at a time out of multiple doors. This investment will increase the productivity of existing staff and the distribution throughput of the warehouse. The upgrade is expected to double OLCC's maximum shipping capacity. This is one-time investment that will build the capacity to meet expected demand for distilled products in a timely, efficient and cost effective manner utilizing a highly trained, slow growing work force.

Option B, increasing FTE, is a potential solution for immediate short term needs. Paying for increased staff year after year will be more expensive than a one-time solution to maximize productivity of existing staff and is unsuitable for meeting medium and long-term needs for distribution. While this option would add more distribution center positions to the now-partial swing shift, the warehouse configuration under this option would continue to be constrained by fulfilling one order (instead of multiple orders) at a time and merging those orders to be shipped out of one door (versus four). In addition, while carriers can and do moderate their deliveries outside of normal working hours, there is an additional cost for those services. The resulting irregular

# BUDGET NARRATIVE

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delivery hours will require staff to receive orders, adding additional expenditure requirements to exclusive and nonexclusive liquor store agents.

The Legislatively Adopted Budget approved Option A as the best return on investment, meeting increased demand by providing cost effective delivery while utilizing the existing well-trained staff.

## **B. HOW ACHIEVED**

OLCC requests limitation authority to increase the warehouse shipping capacity in 2015-17. Adding additional conveyers and software used to merge, identify, and separate products to the facility's main warehouse conveyor system and upgrades to the Warehouse Management System Software would expand the distribution center's order processing and shipping abilities. Minor upgrades to the Warehouse Management System Software would enable the system to group multiple orders, create combined picking requests, consolidate picked items, and then separate the picked items back to individual orders and divert them to multiple doors. Sortation will allow for efficiencies to be gained in both picking orders and shipping orders. Picking of outbound orders is now done one order at a time by crew members traveling around a conveyor line and placing cases onto it. Sortation will allow for multiple orders to be joined together at the picking locations, reducing travel time and maximizing picking from each stop. At shipping, the addition of sortation to the conveyor system will allow crews to use multiple doors simultaneously, increasing the rate of output.

This request proposes making modifications to the existing physical facility, acquiring and installing conveyor equipment, and making minor upgrades to the existing Warehouse Management Software. The existing facility would be modified to automate shipping out of multiple doors; upgraded to increase electrical capacity; and enhanced by the construction of raised platforms for scanners, the addition of workstations to enable staff to monitor and control the consolidation and flow of product, and retrofitting the existing racking and equipment to facilitate new traffic patterns. The existing conveyor system would be rebuilt to increase accumulation ability; redirect the flow of product, add diverters to move product to the correct destination; create output points for the multiple shipping doors; and to have controller equipment added to allow variable speeds on the conveyor system. The modifications to equipment and software updates will be strategically timed and physically staged to minimize distribution disruptions.

Processing 250 more cases per hour will translate into 25 percent shorter shifts for shipping. Then OLCC could ship greater volumes to its customers in less time, helping meet liquor stores' needs for receiving products, both in timeliness and quantity. OLCC will be able to accommodate future sales volume growth within the same facility, no longer limited by the single shipping

# BUDGET NARRATIVE

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door constraint. The addition of conveyers and software used to merge, identify, and separate products, will allow OLCC to meet consumer demand for distilled spirits for the next ten years, according to forecast growth. It will reduce the need for additional staff in current and future biennia support the businesses and individuals who rely on spirits sales for livelihood, and avoid negative impact on the revenue stream distributed to state and local government.

The Legislatively Adopted Budget provides limitation authority to increase the shipping capacity through the purchase of additional conveyers and software (Option A) to better use the distribution center to meet future demand. The 10 year cost for this solution is expected to be \$5.02 million.

OLCC estimates the following schedule and costs beginning in 2015-17

**Increase OLCC Shipping Capacity Option A – Upgrade Equipment**  
**2015-17 Governor’s Recommended Policy Option Package No. 104**

July 2015	RFP released to the public
August 2015	RFP closes, proposals evaluated
September 2015	Vendor selection
November 2015	Contract signed and awarded
January 2015	Construction begins
August 2015	Construction completed

# BUDGET NARRATIVE

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	<u>One-time Costs</u>	<u>Ongoing Costs</u>	<u>Total 2015-17</u>
<u>Option A, Upgrade Equipment</u>			
Personal Services	\$ 0	\$ 0	\$ 0
<u>Services &amp; Supplies</u>			
Maintain and repair equipment (Supplies and parts such as motors, rollers, belts)		20,000	20,000
Licensing and maintenance of RIMS software expansion	<u>          </u>	<u>90,000</u>	<u>90,000</u>
Total Services and Supplies	<u>          </u>	<u>110,000</u>	<u>\$110,000</u>
<u>Capital Outlay</u>			
Construction/project management	4,486,100		4,486,100
Forklift	45,000		45,000
Software upgrades for RIMS	222,200		222,200
Computer hardware upgrades	<u>156,700</u>		<u>156,700</u>
Total Capital Outlay	<u>4,910,000</u>	<u>0</u>	<u>4,910,000</u>
 Total Option A Upgrade Equipment	 <u>\$ 4,910,000</u>	 <u>\$ 110,000</u>	 <u>\$ 5,020,000</u>

## C. STAFFING IMPACT

Option A does not request any staffing



# BUDGET NARRATIVE

## THIS PACKAGE IS NOT IN THE LEGISLATIVELY ADOPTED BUDGET

### Fund Bank Card Fees as Business Expense

OLCC 2013-15 Governor's Recommended Budget  
Policy Option Package No. 106, Agency Priority No. 6

#### A. PACKAGE PURPOSE

Since the 1995-97 biennium, the Legislature approves funds for liquor stores to accept bank cards. Liquor store customers may choose to use their bank cards (credit and debit cards) when they shop in liquor stores. OLCC pays the bank transaction fees and the rental charges for bank card processing equipment in the liquor stores. This funding supports an increasingly popular convenience for over-the-counter liquor store customers. This package requests a change in how this funding is structured, to ensure OLCC's responsiveness to business needs.

The OLCC's bank card-related expenditures grow as the sales of distilled products grow. Bank-fee expenditures vary depending on how many customers use bank cards and the nature and volume of their purchases. Customers' bank card use continues to increase as a percentage of overall liquor sales. Bank cards have become a common, convenient form of consumer payment. Bank card use has risen from 10 percent of customer (non-licensee) sales in liquor stores, when first approved in fiscal year 1997. In fiscal year 2014, as of March 2014, bank cards represent 69 percent of customer (non-licensee) liquor store sales.

The OLCC's 2015-17 current service level budget perpetuates having a fixed limitation for bank cards. However, this 2015-17 Governor's Recommended package proposes removing the fixed limit so that OLCC has the flexibility to meet this flexing cost of doing business. Bank card fees directly relate to the customer's purchasing decisions at the time of sale; the same customer may elect to pay cash, use a debit card or use a credit card upon each individual visit to a liquor agency. Bank card expenditures are also a function of the quantity and sales value of the individual customer's purchase decision. The higher the purchase value, the higher the associated fees assessed by the bank card processor. Bank card fees are a variable cost of doing business. The OLCC has no control over the timing, nature of or volume of fees associated with the use of bank cards in a liquor store; the fees are controlled by a statewide contract issued and managed by the state Treasury.

OLCC forecasts an estimated expenditure limitation for bank card fees during the biennial budgetary process; OLCC records expenditures against it as the charges are billed. If customers use cards less than expected, or if overall sales are less, OLCC can allow liquor agencies to accept bank cards from over-the-counter customer bank card without new restrictions. But, if

# BUDGET NARRATIVE

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bank card use is greater than forecast, OLCC must adjust policy to stay within bank card budget limitation. OLCC must limit the use of until the Legislature or the E-Board is available and approves additional limitation. If OLCC did not have enough bank card budget, it would limit bank card acceptance to only the largest liquor agencies. This would have the effect of creating a two-tier system for customer service at liquor agencies. This could affect income for agents of smaller liquor stores, and possibly of overall state liquor sales, and the state's economic wellbeing.

## **B. HOW ACHIEVED**

This "Fund Bank Card Fees as Business Expense" package, when approved, will allow the OLCC to pay for bank card fees for the purchase of spirits by consumers without a limitation cap. Approval of this package will recognize bank card fees and expenses as a variable cost correlated with sales and the independent purchase decision by customers. Bank card fees will be viewed similarly to other variable costs of doing business, such as purchasing product (cost of goods sold) and freight costs. Approval of this package will restore the non-limited status of these expenses as recognized by the 1999 Legislature. It will reduce the OLCC administrative limitation by \$10.7 million dollars, dollars will still be expended but not from the limitation.

## **C. STAFFING IMPACT**

This package does not request any changes to FTE or positions.

## **D. QUANTIFYING RESULTS**

The OLCC will monitor payments to ensure that expenditures are only for fees charged through the state Treasury for the use of bank cards at contracted liquor agencies. Expenditures will be reported as a separate line item in the books of account. The use of bank cards contributes to improved customer satisfaction. OLCC will monitor the annual customer satisfaction survey to ensure that customer needs are being met by operations policies.

## **E. REVENUE SOURCE**

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

# BUDGET NARRATIVE

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**THIS PACKAGE WAS NOT APPROVED FOR THE GOVERNOR'S RECOMMENDED BUDGET.  
THIS PACKAGE IS NOT IN THE LEGISLATIVELY ADOPTED BUDGET**

## **Store Improvements Matching Funds**

OLCC 2013-15 Agency Request Budget  
Policy Option Package No. 105, Agency Priority No. 5

### **B. PACKAGE PURPOSE**

Liquor – distilled spirits – sales provide income and livelihood for agents across the state, their employees, and the businesses up and down the supply chain, such as the businesses that sell spirits at restaurants and bars. Liquor (spirits) revenue is significant for state and local governments. By providing the distilled spirits products that customers want – in more modern and convenient liquor stores – OLCC and its liquor agents can help generate more sales – more income, more revenue, more customer satisfaction. Some agents have made significant investments in remodeling or relocating the liquor store, and have seen store sales increase as they attract more market share.

Agents have many choices for spending their compensation from the state. If they have a balance after meeting expenses, they can invest more in the store – in staffing levels, in store remodels, or in costlier leases for a better store location, for example. Or, they could choose investments other than the store, increase their take-home pay or retirement funds, or just save the funds. Encouraging agent investment in the store or its location could better meet customers' needs and increase store sales longer term, but be costly to the agent in the short run.

OLCC proposes providing an incentive to liquor agents to invest in the liquor stores by helping them afford the improvements as they await increased sales to make their investments pay for themselves over time.

### **B. HOW ACHIEVED**

OLCC will match a portion of agents' costs in making capital store improvements once a biennium, using established criteria, on a first-come first-serve basis. To help ensure the pool of liquor agents moves towards adverse group of agents, more

# BUDGET NARRATIVE

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representative of the state’s population, applicants or first-time agents who are women and minorities will receive priority consideration.

When requesting matching funds, agents will submit a business plan and improvement proposal to a committee comprising liquor agents and OLCC staff. Agents might receive a match for remodels to upgrade the store, new fixtures and equipment, as well as for moving to store locations more convenient for customers. The committee will evaluate the proposals using priorities and criteria that a standing committee of liquor agents and staff decide on in advance. The OLCC executive director will appoint the committee, and the executive director will have final decision authority and release the matching funds.

OLCC requests \$50,000 per biennium to match agents’ investments in store improvements. These dollars will be part of OLCC’s Administrative Limitation subprogram 42, Liquor Sales Support – a subprogram that captures dollars that OLCC pays in direct support of liquor store expenses. Using established criteria, OLCC will match store improvement project costs dollar-for-dollar, up to a \$2,500 contribution from OLCC.

### Store Improvements Matching Funds

2015-17 Agency Request Policy Option Package No. 105

	<u>One-time Costs</u>	<u>Ongoing Costs</u>	<u>Total 2015-17</u>
Services & Supplies	\$ _____	\$ 50,000	\$ 50,000
Total	<u>\$ _____</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

## C. STAFFING IMPACT

This package does not request any changes to FTE or positions.

# BUDGET NARRATIVE

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## D. QUANTIFYING RESULTS

This package will enable the program to meet its goals in customer service and liquor sales levels.

## E. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Distilled Spirits Program  
 Cross Reference Number: 84500-001-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	22,828	-	-	-	22,828
<b>Total Revenues</b>	-	-	<b>\$22,828</b>	-	-	-	<b>\$22,828</b>
<b>Personal Services</b>							
Temporary Appointments	-	-	681	-	-	-	681
Overtime Payments	-	-	4,668	-	-	-	4,668
Shift Differential	-	-	53	-	-	-	53
All Other Differential	-	-	194	-	-	-	194
Public Employees' Retire Cont	-	-	835	-	-	-	835
Pension Obligation Bond	-	-	95,845	-	-	-	95,845
Social Security Taxes	-	-	428	-	-	-	428
Mass Transit Tax	-	-	(1,027)	-	-	-	(1,027)
Vacancy Savings	-	-	(78,849)	-	-	-	(78,849)
<b>Total Personal Services</b>	-	-	<b>\$22,828</b>	-	-	-	<b>\$22,828</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	22,828	-	-	-	22,828
<b>Total Expenditures</b>	-	-	<b>\$22,828</b>	-	-	-	<b>\$22,828</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 031 - Standard Inflation

Cross Reference Name: Distilled Spirits Program  
Cross Reference Number: 84500-001-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	309,494	-	-	-	309,494
<b>Total Revenues</b>	-	-	<b>\$309,494</b>	-	-	-	<b>\$309,494</b>
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	1,589	-	-	-	1,589
Out of State Travel	-	-	145	-	-	-	145
Employee Training	-	-	112	-	-	-	112
Office Expenses	-	-	315,850	-	-	-	315,850
Telecommunications	-	-	1,711	-	-	-	1,711
State Gov. Service Charges	-	-	(25,311)	-	-	-	(25,311)
Data Processing	-	-	2,330	-	-	-	2,330
Publicity and Publications	-	-	493	-	-	-	493
Professional Services	-	-	407	-	-	-	407
IT Professional Services	-	-	403	-	-	-	403
Employee Recruitment and Develop	-	-	258	-	-	-	258
Dues and Subscriptions	-	-	57	-	-	-	57
Facilities Rental and Taxes	-	-	1,761	-	-	-	1,761
Fuels and Utilities	-	-	4,072	-	-	-	4,072
Facilities Maintenance	-	-	831	-	-	-	831
Agency Program Related S and S	-	-	3,083	-	-	-	3,083
Other Services and Supplies	-	-	255	-	-	-	255
IT Expendable Property	-	-	352	-	-	-	352
<b>Total Services &amp; Supplies</b>	-	-	<b>\$308,398</b>	-	-	-	<b>\$308,398</b>

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 031 - Standard Inflation

Cross Reference Name: Distilled Spirits Program  
Cross Reference Number: 84500-001-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Capital Outlay</b>							
Industrial and Heavy Equipment	-	-	655	-	-	-	655
Data Processing Hardware	-	-	441	-	-	-	441
<b>Total Capital Outlay</b>	-	-	<b>\$1,096</b>	-	-	-	<b>\$1,096</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	309,494	-	-	-	309,494
<b>Total Expenditures</b>	-	-	<b>\$309,494</b>	-	-	-	<b>\$309,494</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Distilled Spirits Program  
Cross Reference Number: 84500-001-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	731	-	-	-	731
<b>Total Revenues</b>	-	-	<b>\$731</b>	-	-	-	<b>\$731</b>
<b>Services &amp; Supplies</b>							
Professional Services	-	-	41	-	-	-	41
IT Professional Services	-	-	40	-	-	-	40
Facilities Rental and Taxes	-	-	650	-	-	-	650
<b>Total Services &amp; Supplies</b>	-	-	<b>\$731</b>	-	-	-	<b>\$731</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	731	-	-	-	731
<b>Total Expenditures</b>	-	-	<b>\$731</b>	-	-	-	<b>\$731</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Distilled Spirits Program  
Cross Reference Number: 84500-001-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Liquor Sales	-	-	-	-	-	-	-
Transfer In - Intrafund	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Transfers Out</b>							
Transfer to General Fund	-	-	-	-	-	-	-
Transfer to Cities	-	-	-	-	-	-	-
Transfer to Counties	-	-	-	-	-	-	-
Tsfr To Administrative Svcs	-	-	-	-	-	-	-
<b>Total Transfers Out</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Office Expenses	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 104 - Increase OLCC Shipping Capacity - Upgrade Equipment

Cross Reference Name: Distilled Spirits Program  
 Cross Reference Number: 84500-001-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	110,000	-	-	-	110,000
Tsfr From Or Liquor Cntrl Comm	-	-	4,910,000	-	-	-	4,910,000
<b>Total Revenues</b>	-	-	<b>\$5,020,000</b>	-	-	-	<b>\$5,020,000</b>
<b>Services &amp; Supplies</b>							
Data Processing	-	-	90,000	-	-	-	90,000
Agency Program Related S and S	-	-	20,000	-	-	-	20,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$110,000</b>	-	-	-	<b>\$110,000</b>
<b>Capital Outlay</b>							
Industrial and Heavy Equipment	-	-	-	-	-	-	-
Data Processing Software	-	-	-	-	-	-	-
Data Processing Hardware	-	-	-	-	-	-	-
Building Structures	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	-	-	-	-	-	-	-
<b>Special Payments</b>							
Spc Pmt to Or Liquor Cntrl Comm	-	-	4,910,000	-	-	-	4,910,000
<b>Total Special Payments</b>	-	-	<b>\$4,910,000</b>	-	-	-	<b>\$4,910,000</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	5,020,000	-	-	-	5,020,000
<b>Total Expenditures</b>	-	-	<b>\$5,020,000</b>	-	-	-	<b>\$5,020,000</b>

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 104 - Increase OLCC Shipping Capacity - Upgrade Equipment

Cross Reference Name: Distilled Spirits Program  
 Cross Reference Number: 84500-001-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 105 - Store Improvements Matching Funds

Cross Reference Name: Distilled Spirits Program  
 Cross Reference Number: 84500-001-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Professional Services	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 106 - Fund Bank Card Fees as Business Expense

Cross Reference Name: Distilled Spirits Program  
 Cross Reference Number: 84500-001-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Office Expenses	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 303 - Provide Online and E-Commerce Licensing

Cross Reference Name: Distilled Spirits Program  
 Cross Reference Number: 84500-001-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Liquor Sales	-	-	-	-	-	-	-
Transfer In - Intrafund	-	-	55,000	-	-	-	55,000
<b>Total Revenues</b>	-	-	<b>\$55,000</b>	-	-	-	<b>\$55,000</b>
<b>Transfers Out</b>							
Transfer to General Fund	-	-	-	-	-	-	-
<b>Total Transfers Out</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Office Expenses	-	-	55,000	-	-	-	55,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$55,000</b>	-	-	-	<b>\$55,000</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	55,000	-	-	-	55,000
<b>Total Expenditures</b>	-	-	<b>\$55,000</b>	-	-	-	<b>\$55,000</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 801 - LFO Analyst Adjustments

Cross Reference Name: Distilled Spirits Program  
Cross Reference Number: 84500-001-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	314,626	-	-	-	314,626
<b>Total Revenues</b>	-	-	<b>\$314,626</b>	-	-	-	<b>\$314,626</b>
<b>Services &amp; Supplies</b>							
Office Expenses	-	-	314,626	-	-	-	314,626
<b>Total Services &amp; Supplies</b>	-	-	<b>\$314,626</b>	-	-	-	<b>\$314,626</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	314,626	-	-	-	314,626
<b>Total Expenditures</b>	-	-	<b>\$314,626</b>	-	-	-	<b>\$314,626</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

# BUDGET NARRATIVE

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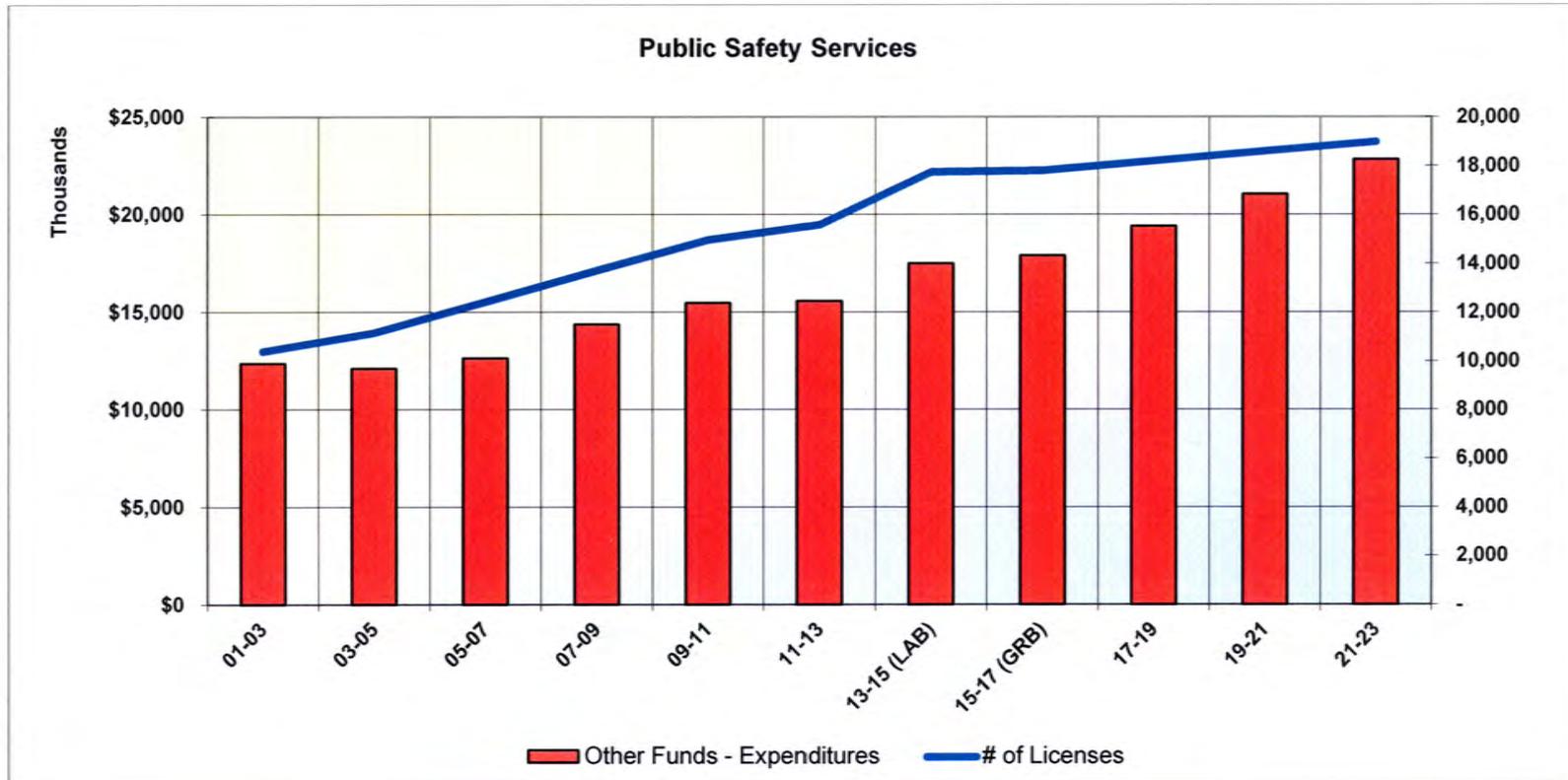


# BUDGET NARRATIVE

## PUBLIC SAFETY SERVICES PROGRAM – 002 OLCC 2015-17 Legislatively Adopted Budget

### PROGRAM UNIT EXECUTIVE SUMMARY

- A. **PRIMARY OUTCOME AREA**                      Economy and Jobs
- B. **PROGRAM CONTACT**                         Merle Lindsey, OLCC Deputy Director, 503-872-5161
- C. **FUNDS BUDGET AND PERFORMANCE**



# BUDGET NARRATIVE

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The bars show the OLCC Public Safety Services (PSS) Program expenditures. The line shows the number of OLCC liquor licenses, which have been steadily increasing over time.

## D. PROGRAM OVERVIEW

The OLCC Public Safety Services (PSS) Program regulates the manufacture, distribution and sale of alcohol beverages while encouraging the development of Oregon's economy, per ORS 741.030. This program is focused on ensuring the legal sale and service of alcohol to responsible adults and minimizing alcohol-related risks to society. This program implements all fundamental agency responsibilities and strategies related to licensing, education and enforcement; this effort has statewide reaches and contributes to the quality of community life throughout Oregon. A primary mission for this work is to prevent the sale of alcohol to minors.

## E. PROGRAM FUNDING

The Legislatively Adopted Budget is \$17,923,472 Other Funds limitation for the 2015-17 biennium, including 93 positions and 91 FTE.

## E. PROGRAM DESCRIPTION

The Public Safety Services Programs is vital to meeting the agency's mission by working to create an environment of responsibility for the sale and service of alcohol in Oregon. The three divisions within this program are focused on the OLCC's primary objective of preventing alcohol from getting into the hands of minors and preventing the over-service of alcohol:

- License Services Division – responsible for investigating and processing license applications and renewals, and issuing permits to serve alcohol by the drink.
- Alcohol Education Division – responsible for overseeing private industry server education providers and other programs that train people to sell and serve alcohol legally
- Public Safety Division – responsible for educating licensees, investigating complaints, and enforcing liquor laws through sanctions if education is not effective.

The Public Safety Program is responsible for providing statewide services to every Oregon community. For 2015-17, OLCC will provide oversight of more than 17,600 licensees, including 11,900 restaurants, bars, grocery and convenience stores – plus 248 liquor stores and 34,100 service permittees throughout the state. To ensure statewide reach, the program is organized around five regional offices and eight satellite offices, including its headquarters in Milwaukie. All three divisions of the program work with businesses,

# BUDGET NARRATIVE

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## F. PROGRAM JUSTIFICATION AND LINK TO LONG TERM OUTCOMES

The State of Oregon taxes on alcohol and distilled spirits raises about a half a billion dollars annually to support public services, including the regulation of alcohol. The state has chosen to create a regulated market that requires adherence to standards of complex laws and rules – these are focused on both creating the market for the sale and service of alcohol and on supporting community health and safety. Inherent in the mosaic of state law concerning alcohol, is the directive to minimize both the health and safety risk it presents.

Alcohol is widely available throughout the state and is a major part of Oregon’s economy and culture. If abused, it can contribute to crime and health problems that exact high-societal costs. In providing for access to alcohol Oregon has two high priority issues for control: keeping alcohol out of the hands of minor children and preventing the over service of individuals.

The OLCC Public Safety Services Program through its ability to control the sale and service of alcohol connects to Oregonian’s long-term desires for growing the Oregon economy by supporting the safe operation of small business and the creation of urban and rural jobs. It also connects with the long-term goal of minimizing alcohol-related risks to the public and providing for public safety.

Oregon’s alcoholic beverage system – including the hospitality, tourism, grocery, and beer and wine industries – provides thousands of jobs for Oregonians in restaurants, hotels, grocery and convenience stores, bars and taverns. Oregon local producers – such as winemakers, brewers and craft distillers – also rely on Oregon’s agricultural industry to supply them with raw materials for their alcohol products. OLCC’s ability to efficiently and quickly issue appropriate statute-required licenses and permits to qualified alcohol beverage system members generates economic benefits throughout rural and urban Oregon. Educating licensees, and monitoring and enforcing their compliance with liquor laws, does more than keep businesses in compliance and out of trouble; it creates an industry-wide business climate of viability and profitability within local communities.

The program links to supporting and building Oregon’s economy and the creation of jobs in the following ways:

- **Protecting the public and consumers from harm.** The program works with licensees and communities to respond to community level problems associated with the consumption and service of alcohol with an emphasis on education and prevention strategies as a key part of a regulatory system that ranges from corrective compliance to loss of licensing and service privileges.
- **Proactively encouraging Oregon’s economy and communities.** The program contributes to the growing and stable revenue for the support of public programs by focusing on supporting the success of licensees and their employees.

# BUDGET NARRATIVE

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The program also links to statewide long-term health and safety strategies; minimizing the over consumption of alcohol and alcohol related disease, eliminating driving while under intoxicants, and preventing alcoholism. The OLCC is active in its support of public messages to citizens to drink and drive responsibly.

The OLCC is hopeful that support of the Governor's new statutory Alcohol and Drug Policy Commission will enhance the availability of timely community level data. Improvements in the reporting and timeliness of data through the Public Safety Commission, combined with that from the health community, could form a powerful tool to guide OLCC's community level responses in its efforts to prevent alcohol related health and safety issues.

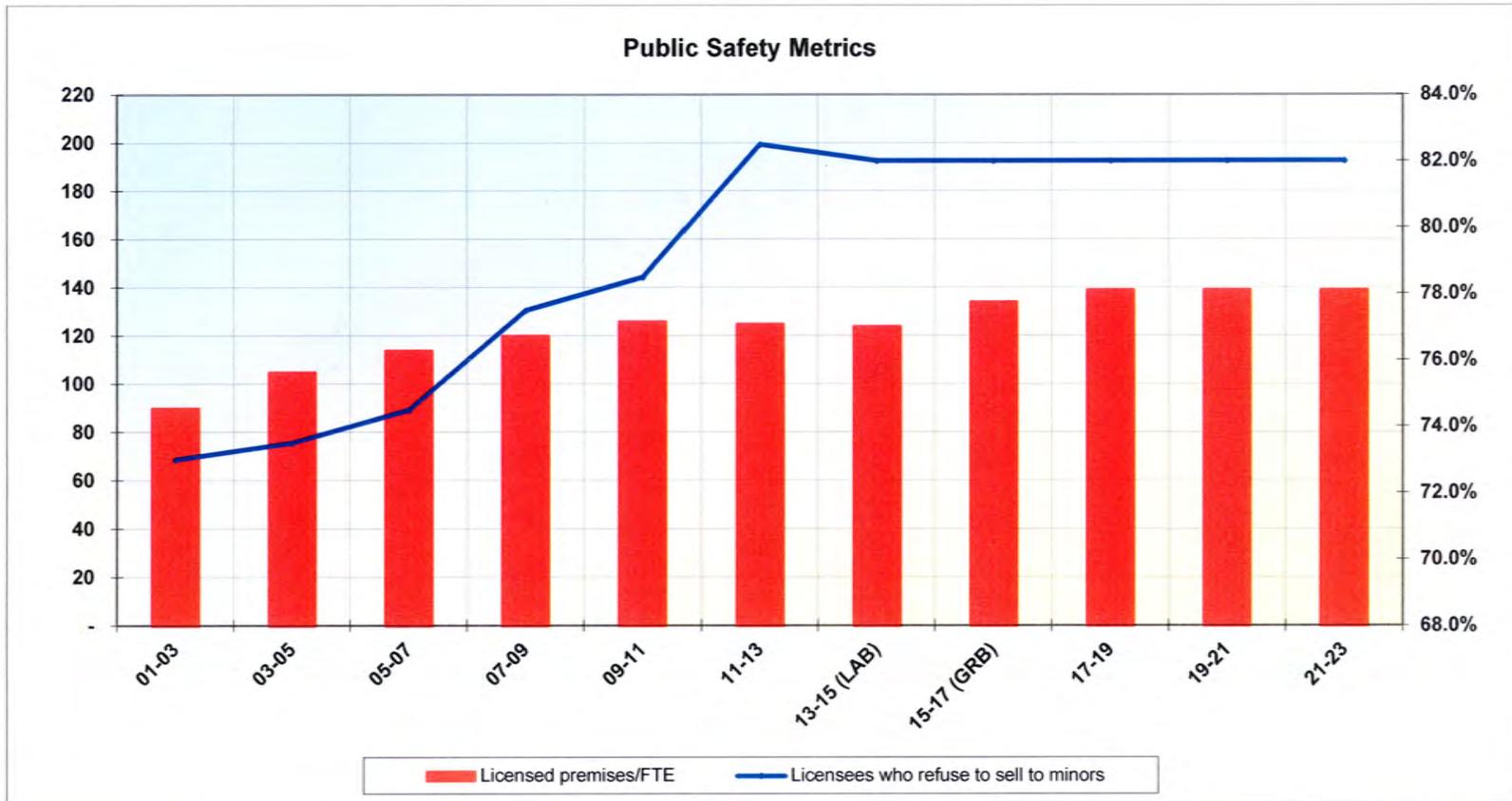
The OLCC will use the community level data to monitor trends in alcohol abuse and, if necessary, adjust its practices in order to continually contribute to improving the overall safety and health of Oregonians. In regard to these issues, the overall and full societal cost of liquor consumption by Oregonians should be understood and the OLCC is looking to maintain an environment of positive returns within the context of its systems and authorities under state law.

The state system of control can be a contributor to increased public safety and better health outcomes. The Public Safety Services Program links to general long-term goals for health and safety by supporting actions that are preventative in nature:

- Reduction of mortality and morbidity
  - Provide server education and hold licensees who violate regulations accountable – including the denial and suspension of license privileges.
  - Support public services messages focused on the responsible use of alcohol and the prevention of driving under the influence.
- Reduction of chronic disease
  - Collaborate on messages about the health effects of alcohol
  - Produce revenue to support treatment
  - Regulate the over-service of alcohol
- Enhancing community safety
  - Enforce prohibition on the sale of alcohol to minors aggressively
  - Provide local funding to assist local policing
  - Use an awareness of health and public safety data to monitoring success in controlling access to alcohol, particularly to minors
  - Use an awareness of health and public safety data to direct community and licensee prevention actions

# BUDGET NARRATIVE

## H. PROGRAM PERFORMANCE



The graph shows the steady growth in licensed premises and a significantly higher compliance rate of licensees who refuse to make illegal sales to minors. As desired, more licensees have been refusing to sell to minors during minor decoy program checks.

# BUDGET NARRATIVE

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## I. ENABLING LEGISLATION/PROGRAM AUTHORIZATION

The OLCC administers Oregon's Liquor Control Act. The OLCC's authority is derived from Oregon Revised Statutes Chapters 471, Alcoholic Liquor Generally; Chapter 473, Wine Cider and Malt Beverage Privilege Tax; Chapter 474, Trade Practices Related to Malt Beverages; Chapters 459A.700 to 74, Beverages Containers; the Bottle Bill, and Administrative Rules Chapter 845.

## J. FUNDING STREAMS

All OLCC programs are funded by OLCC-generated revenue. All revenue received by the OLCC is classified as "Other Funds." Revenues come from liquor sales, license fees and fines, server education fees, taxes on malt beverages and wines (Privilege Tax) and miscellaneous income. ORS 471.805 directs the OLCC to distribute available moneys to the state General Fund, cities, counties, and mental health.

## K. SIGNIFICANT PROPOSED PROGRAM CHANGES FROM 2013-15

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The program proposes to maintain its 2013-15 activity level through a request for a current service level budget in 2015-17. It also presents two packages to support legislative training mandates and support of the Governor's Alcohol and Drug Policy Commission:

- Package no. 202 Meet Peace Officer training requirements, will provide funding to meet the legislatively-mandated requirement for OLCC compliance inspectors to receive DPSST peace officer training. *This package was approved for the Legislatively Adopted Budget as modified.*
- Package no. 209 Support Alcohol and Drug Policy Commission, will providing funding for an agency contribution to the statewide effort of the Commission, focused on reducing the public health and safety impact of alcohol and drug abuse. *This package was not approved for the Governor's Budget or the Legislatively Adopted Budget.*

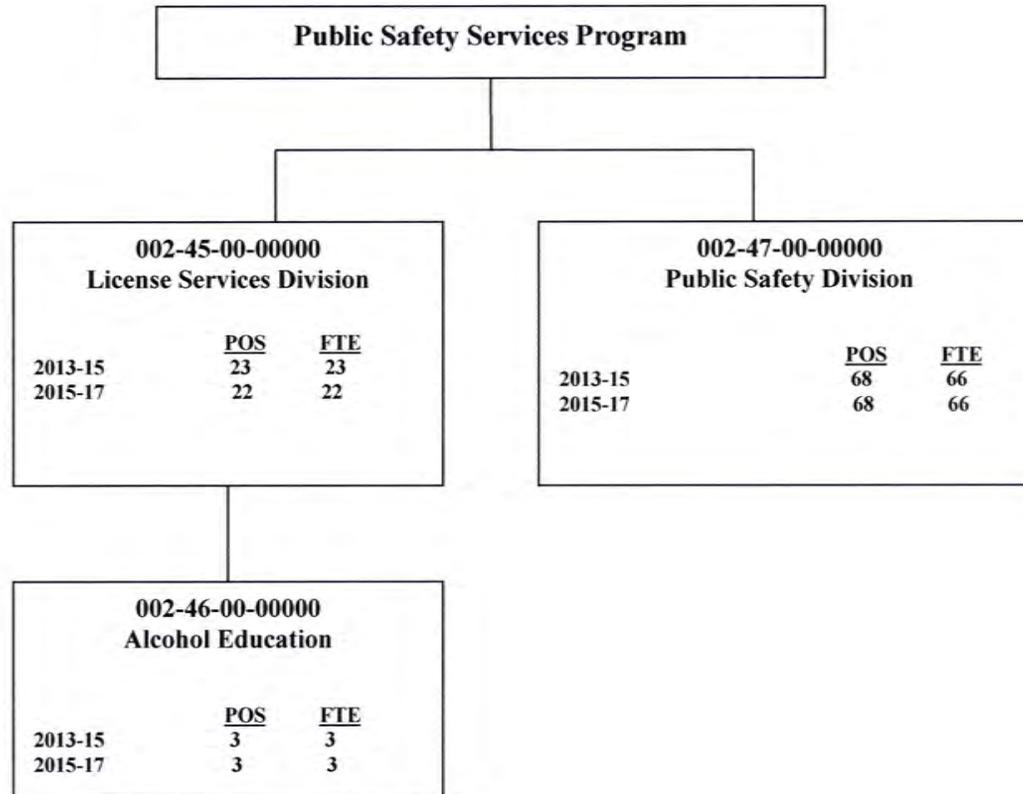
An additional request that will enhance Public Safety Services effectiveness is found within the OLCC Support Services Program request for funding to provide technology that will enable people applying and paying for liquor licenses and service permits to do so online, through internet provided services:

- Package no. 303 Provide Online and E-Commerce Licensing. Will enable businesses and employees applying and paying for liquor licenses and alcohol service permits to do so online through the Internet. *Approved for the Legislatively Adopted Budget.*

# BUDGET NARRATIVE

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## PUBLIC SAFETY SERVICES PROGRAM – 002 OLCC 2015-17 Legislatively Adopted Budget ORGANIZATION CHART



# BUDGET NARRATIVE

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## PUBLIC SAFETY SERVICES PROGRAM SUMMARY – PROGRAM 002 OLCC 2015-17 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

The Public Safety Services Program regulates the manufacture, distribution and sale of alcoholic beverages. It protects the public safety within the context of ORS 741.030(2) – while “encourage(ing) the development of all Oregon industry”. The mission of the agency is about integrating and balancing its role in promoting the public interest through the responsible sale and service of alcoholic beverages.

Regulation of alcohol use is essential for minimizing its risk to society while making it available for responsible consumption. Irresponsible alcohol use is widely recognized as causing social and health problems including contributing to criminal activity such as crimes of violence and domestic abuse, driving under the influence, and alcoholism - all significant factors for society’s desire to regulate the availability and consumption of alcohol. Regulation is a focus of government, not only because of concern for the health, safety and welfare of all individuals, but also because problem drinking burdens society with high-costs related to preserving health and the livability of communities. Controlling the misuse of alcohol, and setting standards for the responsible sale and service of alcohol, is a means of preventing both problems and limiting costs.

At the same time, the responsible use of alcohol is intertwined with Oregonians love of food, sport, entertainment and social and cultural relationships and celebrations. The sale and service of alcohol is an important part of the Oregon economy including not just those business and jobs related to the manufacturing, shipping, marketing, warehousing, distribution and sales to the public, but it is a major component of our hospitality, tourism, and special events business base. These activities represent a significant portion of the Oregon economy.

The purpose of the Public Safety Services Program is to help ensure licensees and permittees comply with liquor laws: to protect the public safety and safeguard Oregon’s economic development and viability. The OLCC rules and regulations and state law surrounding alcohol, balances and integrates policies and practices to regulate various aspects of the alcoholic beverage system in a socially responsible manner.

A main strategy for protecting the public and community welfare is to prevent underage drinking. Alcohol is a major contributor in the four leading causes of teen deaths: highway crashes, homicides, suicides and drowning. Minor alcohol consumption is also linked

# BUDGET NARRATIVE

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to other crimes such as sexual assault, vandalism, excessive noise, littering and public urination – which deeply affect communities’ livability. Other priorities include preventing over consumption by patrons in licensed businesses and preventing driving under the influence of intoxicants (DUII) through education and enforcement.

The Public Safety Services Program consists of three divisions: License Services, Alcohol Education, and Public Safety. The organizational structures of these divisions are designed to achieve an integrative approach to the work the agency does to control alcohol sales and use.

This program is responsible for the outcomes of: approving licenses for the sale and service of alcohol, educating and permitting servers, inspecting licensed premises and enforcing standards for operations, regulating access to sales, preventing access to alcohol by minors, and preventing over service of alcohol.

*The structural components of the program are:*

**The License Services Division** investigates applications and issues licenses for businesses and special events, and permits for alcohol servers. A liquor license is a key component for most businesses in the hospitality and grocery industries. A liquor license is a statutory requirement for all producers of distilled spirits, beer, wine and cider. These manufacturing industries thrive in Oregon where the licensing framework and process is straightforward and easily navigated compared to other states. Licensing staff works with applicants, providing the initial education and assistance with liquor laws and working to develop safe, responsible businesses for communities. Staff works closely with local governments when processing new and renewing annual licenses and event licenses, to ensure the community voice is heard. License Services Division is also responsible for permitting and certifying out-of-state producers and distributors to sell and ship their products to Oregon businesses.

This division is responsible for the outcomes of: supporting business development through the licensing of manufacturers, distributors, temporary sales permits and server permits in a fair and consistent manner that supports an overall healthy and safe business climate for the responsible sale of alcoholic products and beverages throughout Oregon.

**The Alcohol Education Program** is a key for preventing alcohol related problems; the program evaluates and monitors online and in-person alcohol server education classes, oversees server education providers and is responsible for the course curriculum. Service Permit and Alcohol Education staffs work together to provide qualified and trained servers to the service and hospitality industry in Oregon. Alcohol Education staff also work with industry, prevention groups, education and local jurisdictions to provide information and to develop educational materials including award-winning videos. Alcohol Education staff are working to enhance the Law

# BUDGET NARRATIVE

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Orientation Course for license applicants, and are also responsible for administering the Responsible Vendor and Clerk Training programs.

This division is responsible for the outcomes of: providing and monitoring licensing and server education that contributes to business sustainability and the preservation of public safety; it utilizes education to prevent public safety issues and business violations of regulations.

**The Public Safety Division** operates thirteen offices statewide whose staff locally conduct license investigations, respond to complaints, and investigate liquor law violations. The top priorities are: educating licensees and the staff of licensed establishments on liquor laws and strategies to run a safe business; preventing sales to minors and visibly intoxicated persons; preventing disorderly establishments; and minimizing community and other alcohol-related problems caused by alcohol businesses and their patrons, such as drunk driving. If preventative efforts such as education are insufficient, the division can use its administrative authority over licensees to gain compliance. This can involve warnings, fines, license restrictions, suspensions and ultimately license cancellations. These latter strategies are last resorts because they have negative impacts on the livelihoods of the people working in the businesses and on the economic viability of the communities at large, by decreasing supply and demand for services.

The Public Safety Division has been working more proactively with local communities to tailor regulatory compliance plans to their needs and develop community-based solutions. Field office staff also work in partnership with local governments and community groups to resolve or prevent problems created by liquor businesses or their patrons. Staffs also work closely with universities to administer their alcohol-use policies on campuses. They provide training and education at DPSST; the Police Academy; Oregon universities, colleges and schools; tribal governments and MADD. In addition to regulating the alcohol industry, the division also enforces laws related to unlicensed sales, adults furnishing alcohol to minors, and minor keg parties.

The Public Safety Services Program collaborates with a variety of entities to provide services, create solutions and increase communication. The program staffs have been active on the Governor's Advisory Committee on DUII, the Governor's Alcohol and Drug Policy Committee, the Oregon Chief of Police Association, Office of Mental Health and Addiction Services Department, Oregon Lottery, local law enforcement agencies, State Police, and city and county government agencies. OLCC continues to work with Portland's Office of Neighborhood Improvement on livability and public safety concerns. Since 2007-09, the program has been focusing more on outreach and coordination with other organizations and the industry. It also began working more closely with Oregon Partnership, a non-profit alcohol and drug prevention organization that share OLCC's interest in preventing alcohol use by minors.

# BUDGET NARRATIVE

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The activity of the Public Safety Services Division is reflected in by the following output measures:

In fiscal year 2013, the Public Safety Services Program had more than 15,900 active liquor licensees.

More than 11,900 are retail businesses that serve or sell alcohol directly to the public.

Approximately 32,000 alcohol service permit applications were processed

The agency processed 2,000 new license investigations

Over 13,000 license renewals were issued

Over 9,600 special licenses were approved

The Public Safety Division investigated 960 complaints of liquor law violations

1,600 criminal citations for liquor law violations were issued

800 administrative tickets to licensees or permittees were written

This division is responsible for the outcomes of: regulatory compliance of licensees and permittees throughout all regions of the state, utilizing both education and enforcement strategies. The actions of the Public Safety Division are not just focused on finding violations; it is also about providing education to licensees in order to create an understanding of the alcoholic beverage system's needs for the attainment of compliance. This education strengthens the overall industry's sustainability and increases individual opportunities for business success.

Beginning with an approved policy option package for 2015-17, OLCC will financially contribute to supporting Oregon's newly created Alcohol and Drug Policy Commission:

- Package no. 209, Support Alcohol and Drug Policy Commission," This new commission, created by ORS 430.241 and 430.242, is charged with planning, evaluating and coordinating policies for the funding and effective delivery of alcohol and drug prevention and treatment services by entities statewide. *This package was not approved for the Governor's Budget or the Legislatively Adopted Budget.*

## ***Issues***

The program has long worked to balance the concern of its wide range of stakeholders. Licensees and license applicants expect fair, speedy and responsive service from the OLCC. The public expects to be able to buy alcoholic beverages from a variety of convenient outlets such as grocery stores, restaurants, and taverns. The public expects business operators to comply with liquor laws, especially laws related to avoiding alcohol sales to minors and intoxicated persons. Neighbors of liquor outlets do not want businesses to have adverse impacts on their communities. Public Safety Services Program staff work to balance all of these concerns in partnership with

## BUDGET NARRATIVE

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diverse groups, such as local government, law enforcement, and neighborhood associations, to provide quality service to all Oregonians while promoting responsible alcohol sale and service.

The program faces many challenges in ensuring the public's safety from the abuse and misuse of alcohol, and helping businesses to comply with laws so they can stay in business, provide jobs, and enhance their communities. Changes in our social environment, marketing trends, and media exposure have contributed to the stress on program resources to keep up with the pace of a growing population; for example, social media allows large crowds to be drawn together in a matter of hours, often overwhelming safeguards and crowd control preparations. Crowd control and security are growing problems within portions of Oregon's cities and metropolitan areas. Underage drinking continues to be a major problem across the nation and especially in Oregon. The OLCC realizes it cannot alone adequately address the problem, but it can be a major part of the solution by ensuring alcohol is not available to minors from licensed premises. The OLCC's public safety concerns also focus on alcohol over-serving and specific licensed businesses that present liquor law compliance challenges.

In 2013, the program had about 16,000 licenses (including out-of-state businesses that require licenses to ship product to Oregon.) Program staff screens out license applicants according to statutory criteria – applicants whose histories show they would be a poor risk for complying with liquor laws. These include convicted felons, those who cannot demonstrate financial responsibility, persons with ties to organized crime, people with serious drug or alcohol abuse problems, and people who cannot demonstrate the ability to control existing problems with their patrons. The 16,000 licenses include about 11,300 premises located in Oregon that hold licenses to sell or serve alcohol and need to be monitored ongoing by Public Safety Division staff.

The program continues to experience a steady increase in the demand for liquor licenses. The state has experienced a 2.4% continuous increase in the number of licenses issued in the last 21 years. Between fiscal years 2003 and 2013, it experienced a 50 percent increase in the number of Oregon liquor licenses, with service permits growing by more than 25 percent. The 2013-15 level of licenses increased 25% over the prior biennium. Meanwhile, the program has lost resources over the same time period. For example, through legislative and DAS actions, the program lost three licensing staff in 2003, and as recently as 2013-15 it lost two Public Safety Division managers (one director position was re-classed as a liquor regulatory specialist position; a field office manager abolished without any position replacement). Also in 2013-15, a License Services Division manager position was abolished through legislative administrative reductions. The program has less opportunity to use temporary staff, as well. Therefore, OLCC continues to look for non-staff level methods and technology to improve and streamline the process – both internally and for the public – to maintain efficiency levels and issue licenses in a speedy fashion to get and keep people in business. If the program cannot process license applications quickly, new businesses might have to delay their openings, and private industry jobs in key industries might go unfilled as a result

# BUDGET NARRATIVE

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**Program strategies to efficiently and effectively get and keep businesses in business and support the state economy include:**

*Customize for today's marketplace and community needs*

*Update licensing policies*

As the marketplace innovates, OLCC can support the economy by proactively helping keep the Legislature aware of entrepreneurs' modern business models, and revise statutes as appropriate. OLCC can also reinterpret existing laws and rules, or amend its rules, to reflect modern industry standards and needs. Examples from recent years include OLCC's rules to allow liquor-licensing of popular and proliferating food cart businesses in Portland (FY 2014); its support of a new special events distillery license (FY 2013) and expanded privileges for licensed distilleries, including distilled spirits tastings (FY 2014); along with accommodating the expanded public desire to use "growlers;" in 2013 the Legislature began to allow liquor license holders to sell wine and cider, in addition to beer, in containers provided by the customer.

*Tailor community-based regulatory plans*

The Public Safety Division has been working more proactively with local communities to tailor regulatory compliance plans to their needs and develop community-based solutions.

*Educate sellers and servers*

*Education first*

In 2013-15, a major strategy to balance concerns and meet universal needs is for the program to more emphatically favor liquor law education as the first strategy to gain liquor law compliance.

The OLCC is reviewing its processes to ensure it uses its enforcement and punitive strategies – including penalties such as license suspensions, fines and ultimately business closures – in extreme circumstances or as last resorts – to protect the public from safety threats posed by licensees or permittees not able to comply with laws even after education efforts. Server education for licensees and servers is only a first step; investigators and inspectors can provide ongoing education and corrective feedback to help ensure liquor law compliance, especially for new licensees and start-up businesses.

# BUDGET NARRATIVE

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## *First Call Program*

The Public Safety Division's First Call Program helps give new retail licensees the resources to successfully comply with liquor laws. Division staff visit newly licensed businesses, businesses whose ownership is changing, and businesses with restrictions placed on their newly issued licenses. Program staff visit within 90 days of the license issuance to provide education and information on all liquor laws, review any restrictions to ensure the licensee understands them, and help solve any compliance issues without penalty for non-priority violations during this 90-day start-up period.

## *Gain efficiencies and improve customer services:*

### *Redesign workloads*

In order to continue to be an effective agency, the program continues to seek ways for the OLCC to issue liquor licenses in a timely manner, despite stable or even shrinking staff numbers in the face of growing numbers of people wanting OLCC services. The program remains committed to streamlining the license process to reduce regulatory barriers to getting people into business.

The program has been focusing on further developing liquor regulatory specialist staff in field offices across the state to be equally competent in their compliance inspector and license investigator (dual) roles. That way, business people can consult with a single individual at OLCC – from the applicant's initial application submittal to their full-fledged business operation, creating efficiencies for both OLCC and the customer by having a consistent contact.

### *Rely more on technology*

The OLCC is continuing to innovate on technology projects to enhance the licensing database, to provide a foundation for future improvements. It also continues to enhance a new database application for all enforcement activities, which will streamline the workflow as well as simplify the data collection process for the Public Safety Division.

To improve customer service and enable business people to get and stay in business with fewer steps and paperwork, the program proposes upgrading its technology so applicants can apply for and pay for their liquor license or service permit online through the Internet. Please see the 2013-15 Legislatively Adopted policy option package no. 303, "Provide Online and E-Commerce Licensing," presented in the Support Services Program section of this budget book. This will also help applicants to rely less on staff for assistance, helping the program to absorb ever-increasing workloads without proportionate FTE increases.

# BUDGET NARRATIVE

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## C. EXPECTED RESULTS

Based on the agency mission, strategic plan and performance measures the Public Safety Services Program expects the following results in the 2015-17 biennia:

- **Decrease the availability of alcohol to minors through licensed premises**  
Attain an 82 percent compliance rate for 1,800 minor decoy operations per year, a key performance measure (KPM) target established by the 2013 legislative session.
- **Improve liquor law compliance as shown by a limited number of repeat violators**  
Limit to 12 percent the number of licensed businesses who deserve receiving a second violation within two years of the first, a key performance measurement (KPM) target established by the 2013 legislative session.
- **Increase contact with licensees and service permittees**  
Visit at least 25 percent of all licensed premises during the biennium; check for service permits and inform licensees about other compliance requirements.
- **Balance enforcement**  
Maintain existing minor intervention programs: minor decoy, college/contacts, high-priority ID checking, and false ID investigations. Of these programs, spend 60 percent of enforcement activities on minor decoy operations and 40 percent on the other programs.
- **Issue licenses efficiently**  
Enable Oregon businesses to begin and operate safely and responsibly as soon as possible. Issue licenses more quickly than an average of 75 days statewide, a key performance measurement (KPM) target set by the 2013 legislative session.
- **Improve licensing customer service**  
Continue migrating existing license processing systems to contemporary, web-based software platforms. Improve license processing efficiency and customer service through process reengineering and automation. With a successful Governor's recommended policy option package no. 303, "Provide Online and E-Commerce Licensing," improve license processing and customer service by enabling applicants to apply and pay for licenses online through the Internet. Please see the Support Services Program section for the complete text of this package.

# BUDGET NARRATIVE

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## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accord with ORS Chapters 471 and 473.

## E. PROPOSED LEGISLATIVE CHANGES

### **Agency Concept 84500/001**

Withdrawn from consideration.

### **Agency Concept 84500/002**

Oregon's fees for annual liquor licenses are among the lowest in the nation. And, because license fees are not collected until a license or authority is issued, applicants risk little in applying for a license. However, staff must invest time to vet the applications even if the applicant is not highly committed to getting a liquor license. The program is considering revising state statute to be able to charge a \$150 nonrefundable application fee for all new annual license applications and for licensed businesses submitting a change of ownership for OLCC to approve. **HB 2480** established this fee.

# BUDGET NARRATIVE

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## LICENSE SERVICES DIVISION – SUBPROGRAM 45 OLCC 2015-17 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

The License Services Division promotes the safe and responsible operation of businesses within Oregon’s hospitality and craft wine, beer, and spirits industries. The businesses that make up these industries are small and large, new and established, and are a vital part of the state’s economy and identity. The License Services Division regulates these industries by investigating and issuing liquor licenses and alcohol service permits. Through its actions, License Services ensures that public safety, economic development, stewardship and livability concerns are addressed.

The License Services Division issues and renews licenses and service permits; interprets and communicates policy regarding licensing and service permits; provides technical assistance, consultation and guidance for licensees, permittees, applicants, and field staff; processes and reviews completed license and service permit applications; processes and reviews compliance actions; and maintains files and records on all licenses and service permits. Division staff communicates and collaborates regularly with individual businesses, alcohol beverage industry representatives, local governments, neighborhood associations, and moderation groups to ensure understanding and compliance with liquor laws, and to promote awareness of general public policy issues, as well as those issues arising from specific licensing matters.

The division is organized into two sections:

**The Metro Licensing Unit** is stationed in Portland and handles approximately 52 percent of the statewide license investigation workload. Technical and administrative staffs are responsible for distributing license applications, and providing guidance and information on liquor licensing regulations to applicants, local governments and the public. The staff investigates applications for annual and temporary liquor licenses. The unit generally serves licensees in Multnomah, Clackamas, Washington, Clatsop, Hood River, Wasco and Columbia counties, but frequently assists other field office investigations around the state. They are responsible for presenting policy matters to decision makers. They also develop and maintain the license manual.

**The License Process Unit** oversees liquor license and service permit application workflow and records. The unit is the conduit between the license investigator, compliance inspector and licensing data systems. It processes initial applications and issues licenses and service permit renewals statewide; maintains the OLCC’s official license and service permit files; responds to public records requests, and provides clerical support to the License Services Division staff. Unlike in field offices outside of the Portland-Metro

# BUDGET NARRATIVE

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area, this unit's staff processes licenses for businesses owned out-of-state that now require Oregon licenses: licenses such as direct shippers, certificates of approval (CERAs) and wine self- distributors because of new legislation in 2008.

Staff maintain records for alcohol servers and licensees on approximately 16,000 licensees, including about 5,000 headquartered out-of-state, and more than 136,000 alcohol service permittees. These reflect a 25 percent increase over the 2011-13 biennium.

OLCC's License Services Division directly facilitates the growth of Oregon's "leisure and hospitality industries" by licensing its businesses that sell alcohol. These industries employ well over 173,000 workers ([OR Office of Economic Analysis, 2013](#)), and are expected to grow by 4,600 jobs during the 2015-17 biennia.

The number of licensed businesses regulated by the OLCC has steadily increased since 2000. In the past decade the number of Oregon liquor licenses has grown by approximately 50 percent, with service permits growing more than 25 percent. On average, the number of licensed businesses has grown more than 4.1 percent year over year in the last 10 years, or by approximately 500 more businesses per year. The complexity of licensing work has also increased during the last decade, as businesses pursue new operational models not contemplated when the agency's regulatory and licensing framework was first conceived, for example the sale of beer and wine growlers, or take home containers of alcohol is a great example of new industry innovation. Many of these complexities focus on creating new capability and innovation desired by Oregon's own craft producers that are interested in maximizing their ability to grow business income in Oregon and internationally; the OLCC plays a leading role in facilitating policies and regulations that advance the growth of Oregon's alcohol producing pioneers. Out-of-state licenses comprise 15 percent of the new licenses processed annually, compared to a decade ago when it was only five percent. As the economic recovery takes hold in 2013-15, the agency sees a trend of even more license applications and renewals.

The License Services Division continues to pursue streamlining efforts and the use of technology to provide more and higher quality service to its stakeholders. However, these efficiency initiatives can only go so far in addressing the growing volume and complexity of licensing work. While the number of licenses and permits has grown steadily, the License Services Division has not been able to grow its staff resources correspondingly. The division continues to look for opportunities to create efficiencies by reconfiguring work processes and using technology to meet the growth.

This division is responsible for: distributing license applications, providing guidance and information on liquor licensing regulations to applicants, local governments and the public, investigating applications for annual and temporary liquor licenses and server permit applications.

# BUDGET NARRATIVE

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## **B. BACKGROUND**

The License Services Division administers relevant parts of the Liquor Control Act ORS Ch. 471, the Wine, Cider and Malt Beverage Privilege Tax ORS Ch. 473, Administrative Procedures Act ORS Ch. 183, Reuse and Recycling ORS Ch. 459A, Trade Practices Relating to Malt Beverages ORS Ch. 474, Department of Justice OAR 137, Ch. 1 and 3, and the Liquor Control Administrative Rules OAR Chapter 845.

## **C. EXPECTED RESULTS**

In the 2015-17 biennium, the division expects the following results:

- Improve production through streamlining procedures and processes; evaluate policy updates such as applying more risk-based criteria to licensing businesses.
- Maximize the allocation of resources through better coordination.
- Manage increased licensing workload while maintaining high quality customer service.
- Issue licenses efficiently - Enable Oregon businesses to begin and operate safely and responsibly as soon as possible. Issue licenses more quickly than an average of 75 days statewide, a key performance measurement (KPM) target set in the 2013 legislative session.
- Improve customer service and support economic and job development by enabling applicants to apply and pay for liquor licenses service permits online through the Internet, through a successful Legislatively Adopted policy option package No. 303, "Provide Online and E-Commerce Licensing." Please see the Support Services Program section for the complete text of this package.

## **D. REVENUE SOURCE**

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

# BUDGET NARRATIVE

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## E. PROPOSED LEGISLATIVE CHANGES

### **Agency Concept 84500/002**

Oregon's fees for annual liquor licenses are among the lowest in the nation. And, because license fees are not collected until a license or authority is issued, applicants risk little in applying for a license. However, staff must invest time to vet the applications even if the applicant is not highly committed to getting a liquor license. The program is considering revising state statute to be able to charge a \$150 nonrefundable application fee for all new annual license applications and for licensed businesses submitting a change of ownership for OLCC to approve. **HB 2480** established this fee.

# BUDGET NARRATIVE

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## ALCOHOL EDUCATION DIVISION – SUBPROGRAM 46 OLCC 2015-17 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

#### *Purpose*

The Alcohol Education Division works to decrease alcohol service to minors and visibly intoxicated persons, and to keep intoxicated drivers off our roads, by providing educational opportunities and resources. The misuse or abuse of alcohol can lead to serious consequences, including death. Oregon's server education program was the first such mandated alcohol education in the United States. This program is a model for many other states that are looking for assistance and guidance in developing their own programs. Alcohol Education Division staff maintain the quality and integrity of Oregon's program.

The division staff consists of two compliance specialists and one support staff. Among other responsibilities, staff monitor and enforce the standards of the statewide Alcohol Server Education (ASE) Program. The proactive training outlined in the model server education curriculum is the key to responsible alcohol service. It is designed to give alcohol servers and their managers the knowledge and skills needed to take serious steps to minimize the problems caused by alcohol abuse. Instructors teach topics such as effective alcohol server intervention techniques, checking ID, preventing sales to minors and visibly intoxicated patrons, drunk driving laws, liquor liability, the effects of alcohol on the body, and marketing for safe and responsible alcohol consumption. OLCC division staff, with advice from an Alcohol Server Education Advisory Committee (whose membership is legislatively mandated in ORS 471.547), determines the course curriculum, teaching and training techniques, quality assurance plan, and test questions.

#### *Activities*

Division staff monitors about 1,000 server education classes taught statewide, as well as the various approved online courses. More than 30,000 alcohol servers go through a course each year. OLCC division staff oversees the training and testing of the servers. Staff evaluates instructors, update curriculum and tests, and certify private online and classroom providers and instructors to ensure they are teaching according to requirements laid out in statute and administrative rule. They assist providers in maintaining compliance with administrative rules and statutes; in improving the quality of their instruction; provide training tools; grade and record tests; provide sign interpreters for the hearing impaired; and provide course materials and tests for classes taught in Chinese and Spanish. Staff investigates complaints of substandard performance and violations of program rules and takes the necessary compliance actions. In addition, staff develops class calendars and serves as a resource in directing prospective students to the location of classes throughout Oregon. Staff maintains and collects statistics and produces a newsletter to update providers and instructors on changes in the law, policies, or items for class instruction.

# BUDGET NARRATIVE

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Staff has focused their efforts to meet the priority of streamlining governmental processes on behalf of the public. In 2007, the OLCC amended its rules to allow providers to offer the initial alcohol server education class online, in addition to the online renewal class. Division staff, in consultation with the Alcohol Server Education Advisory Committee, developed standards for approving the online courses. As of April 2013, the Alcohol Education Program staff has approved five online server education renewal classes and seven online server education initial classes, supplementing the existing in-classroom providers and instructor's class offerings. Additional online proposals are pending.

The division also administers the clerk training course, the seller-training course and the Responsible Vendor Program.

- The clerk-training course is mandatory for any off-premises sales license employee or liquor store employee who sells alcohol to a minor and who will be retained by his or her employer. To continue to sell alcohol, the clerk must take this training in responsible alcohol sales. Division staff approve curriculum and course providers. Staff notifies licensees if their clerks need to take training, then track clerks' progress through the course.
- The voluntary seller-training course was established by the 2009 Legislature and implemented in 2010. House Bill 3343 created a new provision for employees of a liquor licensee or liquor store agent who sell or serve alcohol to a minor. These employees may receive a reduced criminal penalty (a violation instead of a misdemeanor for the first two convictions), if they voluntarily complete an OLCC-approved training program such as this, prior to their court appearance. Division staff approves the curriculum and course providers for the seller-training course. SB 1546 passed during the 2014 legislative session, establishing reduced penalties for clerks who sell to a minor; their first two convictions are considered only violations, regardless of whether they have completed any prior OLCC-approved training.
- The Responsible Vendor Program is a voluntary program, which rewards retail licensees who adopt best practices on alcohol sales and provide ongoing training to their employees. Licensees receive reduced sanctions if an employee does sell alcohol to a minor, as long as the licensee has all of the Responsible Vendor Program requirements in place at the time of the violation. Division staff review and approve all applications, and provide assistance to licensees in understanding and meeting program requirements. In 2008, staff revised Responsible Vendor Program materials into a plain language format for licensees' ease of reading and understanding of the program's requirements. In 2008, the Responsible Vendor Program won a Best Practices Award from the National Conference of State Liquor Administrators (NCSLA). The program won the Social Responsibility Award for programs that are "innovative, pioneering, and deemed to be of value to other states and the regulated industry."

# BUDGET NARRATIVE

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Division staff also designs and develop special educational projects, which promote the goals of alcohol education.

- In 2010-11, program staff developed additional education projects including: revamping the existing OLCC Law Orientation training for new licensees and offering it in an online format; developed a new course for owners and managers that focus on house policies and best practices for promoting responsible alcohol sales; and initiating a licensee mentoring program to help new licensees avoid common violations in their first three to six months of operation.
- In 2011, the OLCC again won a Best Practices Award from NCSLA for a video created for server education classes. This video, called “It’s Your Call,” won the Health and Safety Award. The video was a taping of a “wet lab” which shows people’s behavior changing as they drink alcohol at regimented intervals. It demonstrates the challenges servers and bartenders face when serving alcohol and how difficult it can be to sometimes recognize signs of visible intoxication, and the additional importance of counting drinks when serving in order to serve and sell alcohol responsibly and help prevent intoxication
- In 2011, staff worked with two video production professionals at Camerawork to create a short video called “OLCC – It’s Your Business,” about the benefits and services the OLCC provides to the state and its citizens The video covers public safety and alcohol education, revenue generation for the general funds of the state, cities and counties, the fast pace growth of the burgeoning craft distillery industry in Oregon, and the wide variety of distilled spirits and competitive pricing of those products.
- In 2011-12, staff partnered with the Responsible Retailing Forum (RRF) to conduct two rounds of a Pseudo-Intoxicated Mystery Shopper project around the issue of over-service at alcohol-licensed businesses. Over 100 businesses were part of this project. Staff also attended and presented the results of this project at the RRF Conference as well as to the OLCC commissioners.
- In 2013, staff partnered with the alcohol industry and the public bus systems to produce a bus ad campaign around the issue of “Buzzed Driving is Drunk Driving.” The campaign was on buses in Portland, Eugene, Albany, Corvallis, and Medford. The ad campaign was also picked up by the Portland Timbers and was shown at three sold-out home games during their soccer season. Over 3 million people saw the ad campaign.
- Also in 2013, the Alcohol Education Program and OLCC put forward a legislative bill to expand the ASE Advisory Committee to include public health and educator positions and positions for both classroom and online providers. The bill was approved during the 2013 legislative session.
- In December of 2013, staff partnered with the Oregon Distiller Guild and OLCC’s Retail Stores and Distribution staff to put on an Education Media Event highlighting the ever-growing number of Oregon distilleries that are thriving under the control system and represent more than 12 percent of all distilled spirit sales.
- In 2014, the staff put forward a concept to stop the practice of sending postcards with test scores to people who complete alcohol server education. The scores will now be available on the OLCC website. This not only saves budget and public



# BUDGET NARRATIVE

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Responsible Vendor Program. Staff provides guidance and assistance to licensees and the general public on responsible alcohol sales and consumption, and this technical and educational component will continue for the biennium of 2015-17.

## **D. REVENUE SOURCE**

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

## **E. PROPOSED LEGISLATIVE CHANGES**

There are no proposed legislative changes.



# BUDGET NARRATIVE

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are responsible for conducting minor decoy operations and working on compliance issues. Each of the four other regional units consists of a manager and, dual-role regulatory specialists (license investigator and compliance inspectors) and support staff. License investigators serving the Portland-metro area are organized within the separate License Services Division.

**The five regional units are:**

1. Metro Enforcement Unit, headquartered at the Milwaukie office with a field office in Troutdale
2. Salem Region, headquartered in Salem with field offices in Warrenton and Corvallis
3. Eugene Region headquartered in Eugene with field offices in Newport and Roseburg
4. Medford Region, headquartered in Medford with field offices in Klamath Falls and Coos Bay
5. Bend Region, headquartered in Bend with a field office in Pendleton.

Regular staff activities include making on-site observations; educating licensees; issuing citations; doing compliance work with licensees in their districts; responding to alcohol parties involving minors; working with local governments, neighborhoods, and law enforcement; and conducting license investigations. In addition to these activities, field operations staffs are using the following proactive programs for educating new licensees and dealing with minors and drunk drivers ongoing:

First Call Program To provide new retail licensees with the resources to be successful by complying with liquor laws, division staff visits newly licensed premises. They also visit licensees who have restrictions placed on their newly issued licenses, and when a business's ownership changes. Staff visit within 90 days to provide education and information on all liquor laws, review any restrictions to ensure the licensee understands them, and helps solve any compliance issues without penalty the licensee for non-priority violations during this 90-day start-up period.

Minor Intervention Program The division spends about 50 percent of enforcement resources preventing underage drinking. Staff uses a variety of techniques, which are constantly under review and further development. The division balances enforcement efforts between those that target alcohol sellers, such as the minor decoy program; those that are undertaken in cooperation with the industry, such as high-priority identification checking; and those that focus on the minors, such as working with communities and citing minors who purchase and/or consume alcohol. Minor intervention programs include minor decoy, high-priority identification checking, false ID and providing education to licensees and their staff on checking ID.

DUII Report and Special Investigation Unit The DUII Report Program seeks to reduce the sale or service of alcohol to visibly intoxicated persons. The program identifies licensed outlets that have a high incidence of DUII reports and follows up with notification, education, and enforcement. It also has implemented a Statewide Investigation Unit that specializes in undercover

# BUDGET NARRATIVE

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work to detect over service or minor access issues. These programs play an important role in making Oregon's highways safer and reducing unlawful activity.

Saturation Patrols This program conducts compliance checks in a geographic area with a number of different teams. Sometimes it teams up with local law enforcement to conduct walk-through of licensed businesses to check for compliance. This allows the OLCC and local law enforcement to visit many more premises than could be conducted by one or two inspectors and provides high visibility for the industry and their patrons.

The Public Safety Division also conducts classes and training at the DPSST, the Police Academy, Oregon universities, colleges and schools, tribal governments and for organizations such as MADD. It has been working more proactively with local communities to tailor regulatory compliance plans to their needs and develop community-based solutions.

## *Enforcement Challenges*

Alcohol continues to be the number one drug abused by teens, according to the 2013 Oregon Healthy Teen Survey. An American Medical Association report shows that adolescent drinkers perform worse in school, are more likely to fall behind, and have an increased risk of social problems, depression, suicidal thoughts and violence. Even occasional heavy drinking injures young brains. About one out of fifteen youth age 12 to 17 in Oregon suffer from alcohol abuse or dependence -- about 21,000 youth. Young abusers are significantly more likely to have drinking problems as adults. In Oregon in 2011, 14 percent of 8<sup>th</sup> graders and 31 percent of 11<sup>th</sup> graders surveyed had drunk alcohol on one or more occasions in the past 30 days.

In addition, Oregon continues to experience tragedies from irresponsible consumption and service of alcohol. The OLCC plays an important role in reducing the number of intoxicated drivers on the road by educating servers and licensees and enforcing Oregon's laws relating to the sale or service of alcoholic beverages to visibly intoxicated persons.

The increase in competition for market share between the beer, wine and spirits industries has brought about aggressive industry marketing campaigns and promotion practices – many of which target minors and may not be compliant with state laws and rules. Because of this, OLCC has an increased need to continue to monitor alcohol advertising, financial assistance, and tied house issues. Regulating manufacturers and wholesalers is important to keep a fair and equitable market place for retail premises.

# BUDGET NARRATIVE

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## B. BACKGROUND

The division ensures compliance with liquor laws (ORS Chapters 471, 473 and OAR Chapter 845) by OLCC licensees, contract liquor agents, alcohol sellers, servers, and the public. The division also enforces certain provisions of the Beverage Container Act (Bottle Bill) (ORS 459A.700-.740).

## C. EXPECTED RESULTS

The Public Safety Division expects the following results in 2015-17:

- **Decrease the availability of alcohol to minors through licensed premises**  
Attain an 82 percent compliance rate for 1,800 minor decoy operations run annually, a key performance measure (KPM) target established by the 2013 legislative session.
- **Improve liquor law compliance as shown by a limited number of repeat violators**  
Limit to 12 percent the number of licensed businesses who deserve receiving a second violation within two years of the first, a key performance measurement (KPM) target established by the 2013 legislative session.
- **Increase contact with licensees and service permittees**  
Visit at least 25 percent of all licensed premises during the biennium; check for service permits and inform licensees about other compliance requirements.
- **Balance enforcement**  
Maintain existing minor intervention programs; minor decoy, college/contacts, high-priority ID checking, and false ID investigations. Of these programs, spend 60 percent of enforcement activities on minor decoy operations and 40 percent on the other programs.

The Public Safety Division also expects to continue to:

- **Issue liquor licenses only to qualified people.** Ensure that applicants for licenses meet the standards set out in state law and administrative rule. Thoroughly review an applicant's criminal record, financial resources, prior OLCC record; any unauthorized interests in the business, and operational plans. Review the proposed location for previous and potential problems.
- **Protect public safety by ensuring compliance with liquor laws and rules.** Ensure that liquor licensees and alcohol servers comply with liquor laws.

# BUDGET NARRATIVE

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- Public Safety Program staff will educate licensees as the first strategy to gain their compliance with liquor laws.
  - Continue to investigate complaints from citizens, local law enforcement agencies, and others.
  - Continue to increase the number of dual role staff to increase the education and prevention practices in licensing and compliance.
  - Direct staff resources to priority violations, and so ensure that licensed establishments do not threaten neighborhood livability and can be good employers and contributors to the community's economic foundation.
  - As a last resort, use court and administrative processes to deal with violators who cannot remedy situations after education.
- 
- **Enforce liquor laws in a timely and effective manner.** Complete most enforcement investigations within 30 days. Focus on priority violations. Monitor DUII reports and intervene in a timely manner.
  - **Serve as a liaison.** Be responsive to industry groups, neighborhood organizations, local governments, and citizens to promote open communication, mutual understanding, and participation in OLCC processes.
  - **Collaborate with law enforcement.**
    - Increase participation with law enforcement in identifying organized crime and human trafficking/sexual exploitation in liquor-licensed establishments.
    - Increase developing tailored regulatory plans for communities' needs, customizing community-based solutions.
  - **Provide training for staff.** Ensure OLCC staffs are trained and proficient in liquor laws, policies, procedures, ethics, and cultural sensitivity. Ensure staff maintains consistent work practices and that staff makes consistent decisions statewide.
    - Ensure OLCC inspectors meet statute requirements for their "peace officer" status. Per SB 1528 from the 2012 regular legislative session, OLCC inspectors will attend training at the state Department of Public Safety Standards and Training (DPSST). OLCC 2015-17 policy option package no. 202, "Meet Peace Officer Training Requirements," will provide funds for OLCC to pay DPSST to develop and execute the training. Please see the complete text of the package towards the end of this section.
  - **Provide training for law enforcement.** Provide training to local law enforcement agencies on liquor law enforcement. Develop strong partnerships with local law enforcement to enforce liquor laws.

# BUDGET NARRATIVE

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## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

## E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes.

# BUDGET NARRATIVE

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## MEET PEACE OFFICER TRAINING REQUIREMENTS

OLCC 2015-17 Legislatively Adopted Budget

Policy Option Package No. 202 (as modified), Agency Priority No. 2

### A. PACKAGE PURPOSE

During its 2012 regular session, the Legislature passed SB 1528, clarifying the authority of OLCC's liquor enforcement inspectors. It made explicit broad peace officer authority for OLCC's liquor enforcement inspectors (also called "compliance" inspectors) -- consistently under a number of statutes -- and added OLCC lists of criminal justice agencies and law enforcement units.

Along with this authority, SB 1528 added the inspectors to the list of peace officers requiring certification from the state Department of Public Safety Standards and Training (DPSST). The revised statutes require OLCC to pay for costs associated with their inspectors' DPSST certification, and required DPSST to develop and make a training and certification program available to them by July 1, 2015.

OLCC does not have existing funds for this new legislatively mandated certification requirement. This package requests funding for OLCC's staff to attend DPSST and receive statutorily required certification.

### B. HOW ACHIEVED

Beginning with the 2015-17 biennium, each OLCC compliance inspector will need to attend and pass training sessions at DPSST for certification as a peace officer; their managers will receive specialized supervisory training. Initially, inspectors who received similar training in the past will be grandfathered into the program (DPSST received federal funds from the Oregon Department of Transportation to deliver that training in the past). In subsequent years and biennia, all staff new to compliance inspector (liquor regulatory specialist) and regional manager positions will have to attend and pass the DPSST training requirements.

OLCC is arranging with DPSST for OLCC to pay a flat fee for each training session DPSST conducts for OLCC, regardless of the number of attendees per session. Each session includes four weeks of classes, and attendees lodge at the Academy during that time.

# BUDGET NARRATIVE

In 2015-17, DPSST will provide OLCC two sessions of training for compliance inspectors during the first biennium (one a year) – ten staff will attend each session. DPSST will conduct a one-time specialized training session for the regional manager supervisors. Staff will be required to undergo additional training each year to keep their DPSST peace officer certification.

OLCC will need additional funds to buy training equipment (uniform, boots and other equipment not usually provided for these positions) for the attendees. The program also needs additional overtime funds; other OLCC compliance inspector staff will incur overtime as they help cover the absent training inspectors' shifts.

OLCC will require ongoing funds in future biennia for:

- An annual training class for new compliance inspectors
- Continuing education of 28 hours a year per person to maintain certification
- Equipment for new compliance inspectors
- Overtime for staff covering trainees in their absence

The program will absorb the individual training cost of any new regional manager.

## Meet Peace Officer Training Requirements OLCC 2015-17 Agency Request Policy Option Package No. 202

	<u>One-time Costs</u>	<u>Ongoing Costs</u>	<u>Total 2015-17</u>
Personal Services			
Overtime		\$ 12,000	\$ 12,000
Supplies and Services			
Training fees to DPSST	\$ 15,000	163,000	178,000
Continuing education		53,900	53,900
Academy required Equipment	<u>8,500</u>	<u>8,500</u>	<u>17,000</u>
 Total	 <u>\$ 23,500</u>	 <u>\$ 237,400</u>	 <u>\$ 260,900</u>

# BUDGET NARRATIVE

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**C. STAFFING IMPACT**

No impact on positions or FTE counts.

**D. QUANTIFYING RESULTS**

These funds will enable the Public Safety Division to meet its goals by ensuring required training for its staff.

**E. REVENUE SOURCE**

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this in accordance with ORS Chapters 471 and 473.

# BUDGET NARRATIVE

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**THIS PACKAGE WAS NOT APPROVED FOR THE GOVERNOR'S RECOMMENDED BUDGET  
THIS PACKAGE WAS NOT APPROVED FOR THE LEGISLATIVELY ADOPTED BUDGET**

## **SUPPORT ALCOHOL AND DRUG POLICY COMMISSION**

**OLCC 2015-17 Agency Request Budget  
Policy Option Package No. 209, Agency Priority No. 9**

### **B. PACKAGE PURPOSE**

With approval of this package, OLCC will be able to fulfill its statutory obligation to support the state's Alcohol and Drug Policy Commission. The 2011 Legislature created this commission, and charged it with planning, evaluating and coordinating policies for the funding and effective delivery of alcohol and drug prevention and treatment services statewide. It consists of 16 members appointed by the Governor, two members of the Legislative Assembly appointed as advisors, plus nine voting ex officio members -- including the executive director of the OLCC.

ORS 430.242 (5) states that all participating state agencies:

- (1) Provide staff support and financial resources to assist the commission in the performance of its duties . . .

And further it states:

- (8) The commission and participating state agencies shall enter into interagency agreements to
  - (a) Provide staff and financial resources to assist the commission in carrying out its duties; . . .

ORS 430.241 and ORS 430.242 establish the Alcohol and Drug Policy Commission and other agencies' responsibilities to support its mandate.

# BUDGET NARRATIVE

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**B. HOW ACHIEVED**

With an approved policy option package, OLCC will contribute funds to the Alcohol and Drug Policy Commission sufficient for it to hire a 0.5 FTE, policy and operations analyst 3, with related services and supplies to support the position. This amount will be ongoing into future biennia.

**Support Alcohol and Drug Policy Commission**  
**OLCC 2015-17 Agency Request Policy Option Package No. 209**

	<u>One-time Costs</u>	<u>Ongoing Costs</u>	<u>Total 2015-17</u>
<u>Personal Services</u>			
Supplies and Services	\$ <u>          0</u>	\$ <u>100,000</u>	\$ <u>100,000</u>
Total	\$ <u>          0.00</u>	\$ <u>100,000</u>	\$ <u>100,000</u>

**C. STAFFING IMPACT**

This package requests funding sufficient to support a 0.5 FTE, policy and operations analyst 3, but does not request FTE or position authority for OLCC.

**D. QUANTIFYING RESULTS**

This package will enable the agency to meet its statutory requirements.

**E. REVENUE SOURCE**

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this in accordance with ORS Chapters 471 and 473.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Public Safety Services Program  
 Cross Reference Number: 84500-002-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	(92,403)	-	-	-	(92,403)
<b>Total Revenues</b>	-	-	<b>(\$92,403)</b>	-	-	-	<b>(\$92,403)</b>
<b>Personal Services</b>							
Temporary Appointments	-	-	957	-	-	-	957
Overtime Payments	-	-	2,096	-	-	-	2,096
Shift Differential	-	-	1,357	-	-	-	1,357
All Other Differential	-	-	914	-	-	-	914
Public Employees' Retire Cont	-	-	743	-	-	-	743
Pension Obligation Bond	-	-	(1,059)	-	-	-	(1,059)
Social Security Taxes	-	-	406	-	-	-	406
Mass Transit Tax	-	-	7,331	-	-	-	7,331
Vacancy Savings	-	-	(105,148)	-	-	-	(105,148)
<b>Total Personal Services</b>	-	-	<b>(\$92,403)</b>	-	-	-	<b>(\$92,403)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(92,403)	-	-	-	(92,403)
<b>Total Expenditures</b>	-	-	<b>(\$92,403)</b>	-	-	-	<b>(\$92,403)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 031 - Standard Inflation

Cross Reference Name: Public Safety Services Program  
Cross Reference Number: 84500-002-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	2,141	-	-	-	2,141
<b>Total Revenues</b>	-	-	<b>\$2,141</b>	-	-	-	<b>\$2,141</b>
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	3,220	-	-	-	3,220
Out of State Travel	-	-	313	-	-	-	313
Employee Training	-	-	534	-	-	-	534
Office Expenses	-	-	7,229	-	-	-	7,229
Telecommunications	-	-	7,658	-	-	-	7,658
State Gov. Service Charges	-	-	(40,031)	-	-	-	(40,031)
Data Processing	-	-	680	-	-	-	680
Publicity and Publications	-	-	1,688	-	-	-	1,688
Professional Services	-	-	2,358	-	-	-	2,358
IT Professional Services	-	-	1,974	-	-	-	1,974
Attorney General	-	-	-	-	-	-	-
Employee Recruitment and Develop	-	-	227	-	-	-	227
Dues and Subscriptions	-	-	88	-	-	-	88
Facilities Rental and Taxes	-	-	13,096	-	-	-	13,096
Fuels and Utilities	-	-	628	-	-	-	628
Facilities Maintenance	-	-	502	-	-	-	502
Agency Program Related S and S	-	-	1,134	-	-	-	1,134
Other Services and Supplies	-	-	294	-	-	-	294

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 031 - Standard Inflation

Cross Reference Name: Public Safety Services Program  
Cross Reference Number: 84500-002-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
IT Expendable Property	-	-	549	-	-	-	549
<b>Total Services &amp; Supplies</b>	-	-	<b>\$2,141</b>	-	-	-	<b>\$2,141</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	2,141	-	-	-	2,141
<b>Total Expenditures</b>	-	-	<b>\$2,141</b>	-	-	-	<b>\$2,141</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Public Safety Services Program  
Cross Reference Number: 84500-002-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	6,200	-	-	-	6,200
<b>Total Revenues</b>	-	-	<b>\$6,200</b>	-	-	-	<b>\$6,200</b>
<b>Services &amp; Supplies</b>							
Professional Services	-	-	236	-	-	-	236
IT Professional Services	-	-	197	-	-	-	197
Facilities Rental and Taxes	-	-	5,767	-	-	-	5,767
<b>Total Services &amp; Supplies</b>	-	-	<b>\$6,200</b>	-	-	-	<b>\$6,200</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	6,200	-	-	-	6,200
<b>Total Expenditures</b>	-	-	<b>\$6,200</b>	-	-	-	<b>\$6,200</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Public Safety Services Program  
Cross Reference Number: 84500-002-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Business Lic and Fees	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Transfers Out</b>							
Transfer to General Fund	-	-	-	-	-	-	-
Transfer to Cities	-	-	-	-	-	-	-
Transfer to Counties	-	-	-	-	-	-	-
Tsfr To Administrative Svcs	-	-	-	-	-	-	-
<b>Total Transfers Out</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 202 - Meet Peace Officer Training Requirements

Cross Reference Name: Public Safety Services Program  
 Cross Reference Number: 84500-002-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	260,900	-	-	-	260,900
<b>Total Revenues</b>	-	-	<b>\$260,900</b>	-	-	-	<b>\$260,900</b>
<b>Personal Services</b>							
Overtime Payments	-	-	9,627	-	-	-	9,627
Public Employees' Retire Cont	-	-	1,637	-	-	-	1,637
Social Security Taxes	-	-	736	-	-	-	736
<b>Total Personal Services</b>	-	-	<b>\$12,000</b>	-	-	-	<b>\$12,000</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	248,900	-	-	-	248,900
<b>Total Services &amp; Supplies</b>	-	-	<b>\$248,900</b>	-	-	-	<b>\$248,900</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	260,900	-	-	-	260,900
<b>Total Expenditures</b>	-	-	<b>\$260,900</b>	-	-	-	<b>\$260,900</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 209 - Support Alcohol and Drug Policy Commission

Cross Reference Name: Public Safety Services Program  
 Cross Reference Number: 84500-002-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Professional Services	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 501 - Measure 91 Implementation

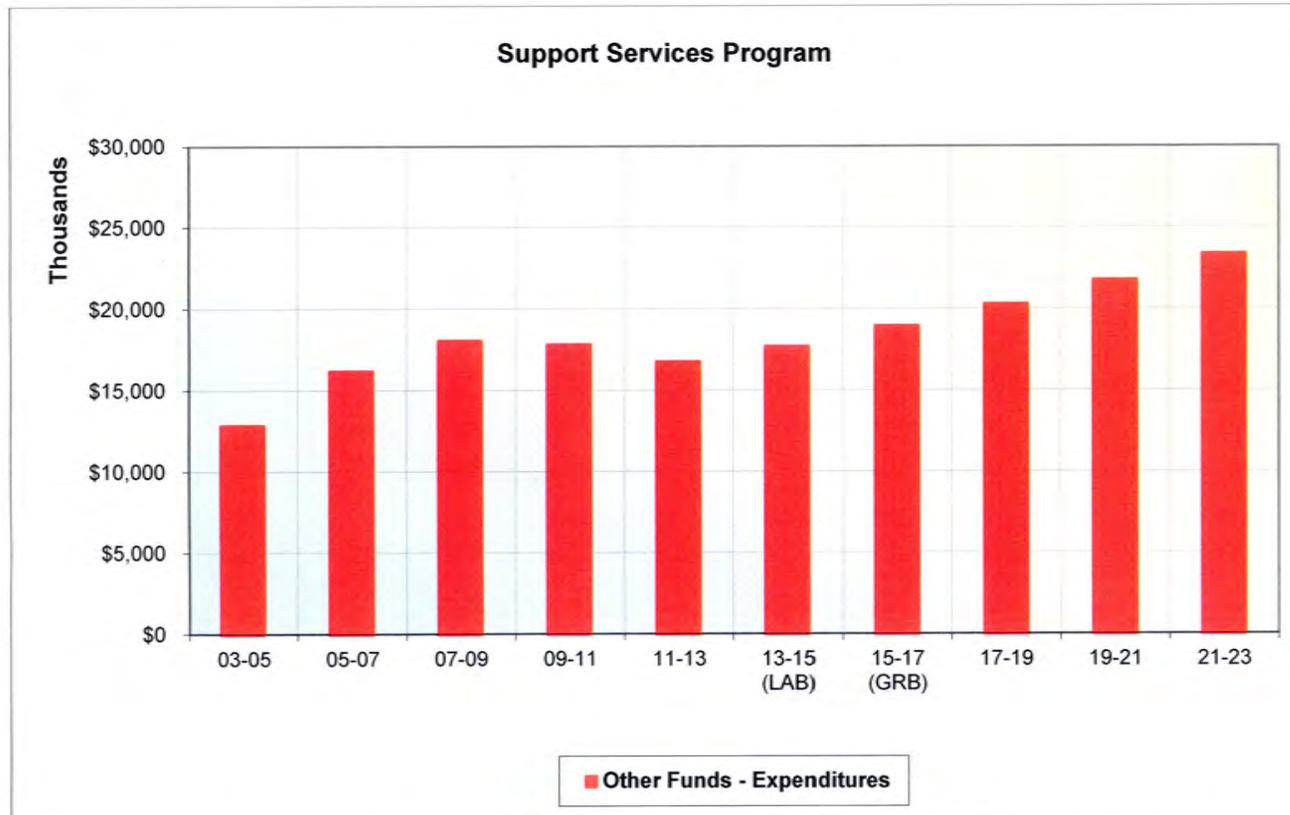
Cross Reference Name: Public Safety Services Program  
Cross Reference Number: 84500-002-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Business Lic and Fees	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Transfers Out</b>							
Transfer to General Fund	-	-	-	-	-	-	-
Transfer to Cities	-	-	-	-	-	-	-
Transfer to Counties	-	-	-	-	-	-	-
Tsfr To Administrative Svcs	-	-	-	-	-	-	-
<b>Total Transfers Out</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

# BUDGET NARRATIVE

## ADMINISTRATION AND SUPPORT SERVICES PROGRAM – 003 OLCC 2015-17 Legislatively Adopted Budget PROGRAM UNIT EXECUTIVE SUMMARY

- A. **PRIMARY OUTCOME AREA**                      Economy and Jobs
- B. **PROGRAM CONTACT**                         Merle Lindsey, OLCC Deputy Director, 503-872-5161
- C. **FUNDS BUDGET AND PERFORMANCE**



The bars on the graph show historical and projected total expenditures for the support services program.

# BUDGET NARRATIVE

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## D. PROGRAM OVERVIEW

The Administration and Support Services Program provides the infrastructure for the agency to fulfill liquor commissioners' policy direction and for OLCC programs to provide services to customers and stakeholders. It provides a means to communicate and collaborate with external stakeholders; the internal structure to ensure accountability and stewardship, and provide the tools and supplies for an efficient and safe workplace.

## E. PROGRAM FUNDING

The Legislatively Adopted Budget provides \$18,772,275 Other Funds limitation for the 2015-17 biennium for this program, with 71 FTE and 68.75 positions.

## F. PROGRAM DESCRIPTION

Functions include setting and implementing policy; providing public information; communicating with internal and external stakeholders; building relationships with partners; providing fiscal accountability and recordkeeping; administering privilege tax collection; adjudicating enforcement activities; providing due process to licensees, permittees and agents; providing information technology; training staff; providing labor relations; purchasing commodities; controlling personal property; leasing buildings and equipment; managing its motor pool; maintaining the physical plant and buildings; and providing mailroom services, central supplies and printing coordination.

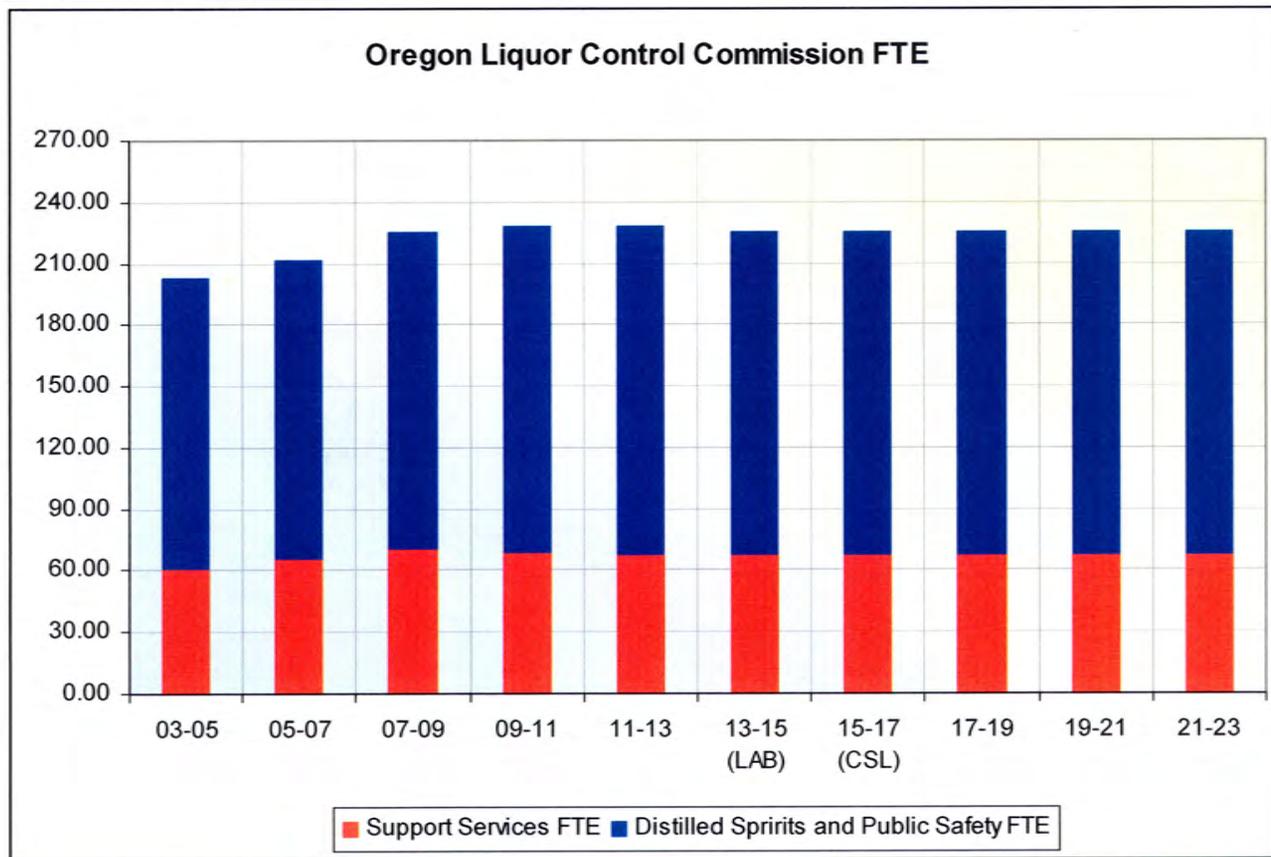
## G. PROGRAM JUSTIFICATION AND LINK TO 10-YEAR OUTCOME

The Administration and Support Services Program enables the agency's Distilled Spirits and Public Safety Services programs, and its Store Improvement and Capital Improvement funds to meet projected 10 year revenue outcomes, growing from projected revenue of \$1.07 billion in 2013-15 to projected revenue of \$1.14 billion in 2015-17. These programs and funds contribute to the following strategies (see other program unit executive summaries for more details):

- Meeting the immediate growing demand for spirits in Oregon and preparing for the anticipated 10-year growth
- Efficiently supplying and supporting local Oregon based businesses including liquor agents, licensees, manufacturers, and distributors.
- Developing and maintaining regulatory rules that protect public safety and supports Oregon economic development.

# BUDGET NARRATIVE

## H. PROGRAM PERFORMANCE



The bars on the graph show historical and projected FTE for the support services program and the distilled spirits and public safety programs.

# BUDGET NARRATIVE

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## **I. ENABLING LEGISLATION/PROGRAM AUTHORIZATION**

The OLCC administers Oregon’s Liquor Control Act. The OLCC’s authority is derived from Oregon Revised Statutes Chapters 471, Alcoholic Liquor Generally; 473, Wine Cider and Malt Beverage Privilege Tax; 474, Trade Practices Related to Malt Beverages; 459A.700 to 74, Beverages Containers; the Bottle Bill, and Administrative Rules Chapter 845.

## **J. FUNDING STREAMS**

All OLCC programs are funded by OLCC-generated revenue. All revenue received by the OLCC is classified as “Other Funds.” Revenues come from liquor sales, license fees and fines, server education fees, taxes on malt beverages and wines (Privilege Tax) and miscellaneous income. ORS 471.805 directs the OLCC to distribute available moneys to the state General Fund, cities, counties, and Mental Health.

## **K. SIGNIFICANT PROPOSED PROGRAM CHANGES FROM 2013-15**

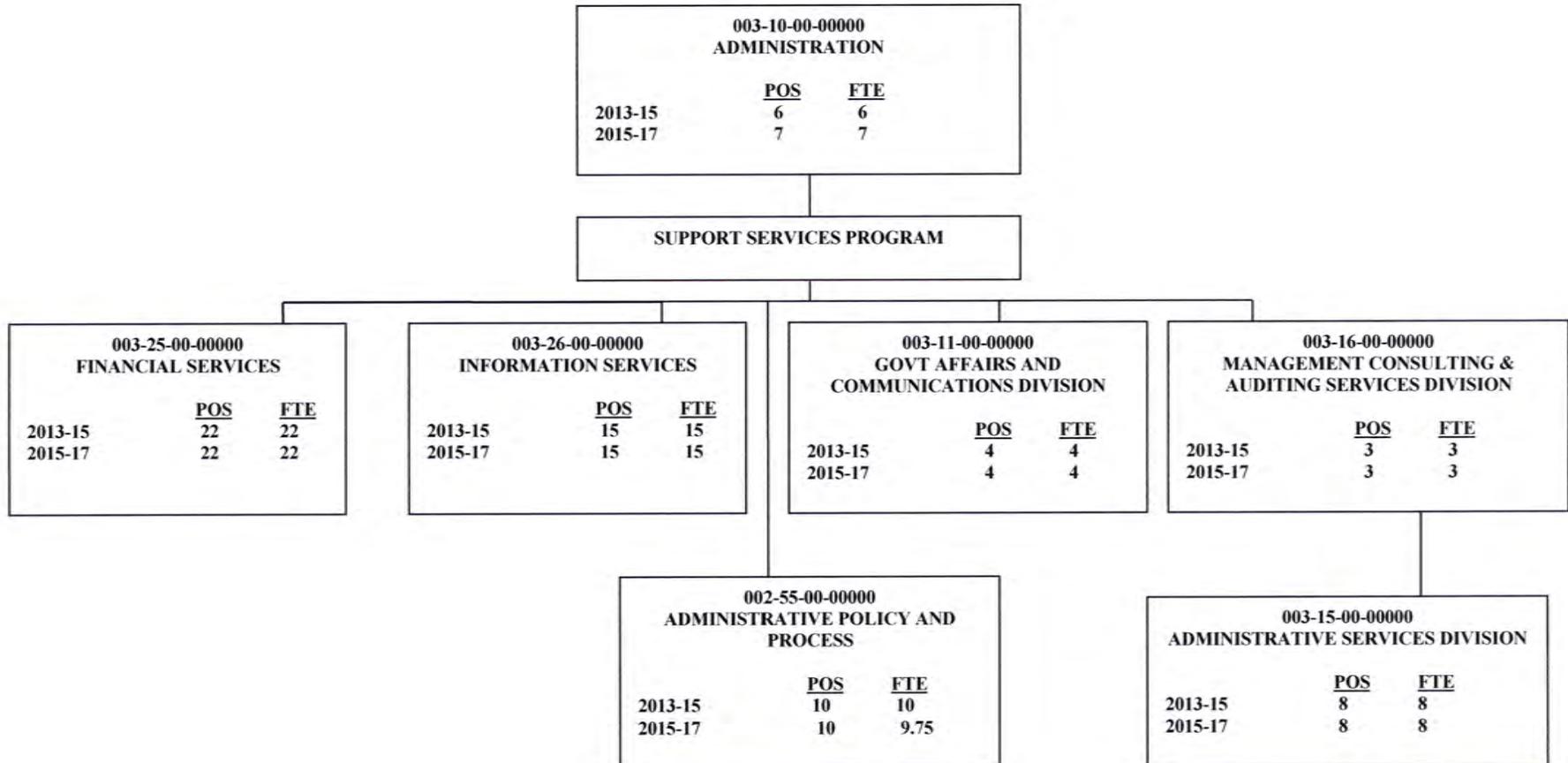
The program presents three packages to sustain and enhance the agency’s operations:

- Package no. 303 (approved for the Governor’s Budget), Provide Online and E-Commerce Licensing, will enable businesses and employees applying and paying for liquor licenses and alcohol service permits to do so online through the Internet;
- Package no. 307 (not approved for the Governor’s Budget), Upgrade OLCC’s Desktop Infrastructure will modernize OLCC workstations with virtualization hardware; and
- Package no. 308 (approved for the Governor’s Budget), Upgrade Phone System, will replace OLCC’s antiquated, at-risk phone system with a modern Voice over IP system. The following narrative gives details.

# BUDGET NARRATIVE

## ADMINISTRATION AND SUPPORT SERVICES PROGRAM – 003 OLCC 2015-17 Legislatively Adopted Budget

### ORGANIZATION CHART



# BUDGET NARRATIVE

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## ADMINISTRATION and SUPPORT SERVICES PROGRAM SUMMARY – PROGRAM 003

### OLCC 2015-17 Legislatively Adopted Budget

#### A. PURPOSE, ACTIVITIES & ISSUES

##### *Purpose*

The Administration and Support Services Program provides the infrastructure for the agency to fulfill liquor commissioners' policy direction and for OLCC programs to provide services to customers and stakeholders. It provides a means to communicate and collaborate with external stakeholders; the internal structure to ensure accountability and stewardship, and provide the tools and supplies for an efficient and safe workplace. Functions include setting and implementing policy; providing public information; communicating with internal and external stakeholders; building relationships with partners; providing fiscal accountability and recordkeeping; administering privilege tax collection; adjudicating enforcement activities; providing due process to licensees, permittees and agents; providing information technology; training staff; providing labor relations; purchasing commodities; controlling personal property; leasing buildings and equipment; managing its motor pool; maintaining the physical plant and buildings; and providing mailroom services, central supplies and printing coordination.

##### *Activities*

As the third largest state revenue producer after income tax and lottery, the program provides leadership and infrastructure to support economic development in the state while providing for the responsible sale and service of alcoholic beverages. ORS 471.3030 directs the Liquor Control Act to be implemented in the context of encouraging the development of all Oregon industry. This includes modernizing the retail alcoholic beverage system; streamlining and prioritizing public safety functions and workloads; and using affordable modern technology to optimize the OLCC's ability to regulate, distribute, and generate stable revenue for all Oregonians. With an annual growth rate of 4.3% in the first 11 months of the 2013-15 biennium, OLCC is on track to transfer record levels of revenue to cities, counties and the state General Fund

##### *Issues*

In 2013-15, new leadership is looking at strategies for the agency to best fulfill its mission. Two new commissioners, a new Commission Chair, a new executive director, and new directors in key positions were brought in to work alongside a team of long-term managers committed to maintaining an efficient and responsive organization. Together, this team is supporting Oregonians through the active development of new policy approaches, prioritizing improved communication across all areas of activity, and taking action to implement identified business investments to improve service and efficiency. This work is accomplished while maintaining a strong focus on the overriding priority of the OLCC to keep customers and the community safe. The OLCC is looking to strengthen

# BUDGET NARRATIVE

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the tools and communication it can apply at the local level to work with communities to ensure citizen safety and prevent alcohol related problems while maintaining an unwavering focus on preventing alcohol sales to minors

Over the last two decades, Oregon's population and its hospitality and tourism industries has resulted in a growing distilled spirits market, more liquor licensees, and greater demands on OLCC programs. The Support Services Program continues to streamline processes in order meet increasing workloads while bearing its share of State reduction in staff and dollars. The agency budget calls for paced investments to meet demand for future services.

For 2015-17, the program proposes policy option packages to accomplish what the CSL budget cannot – to meet the stakeholders' expectations for online services and to keep OLCC's infrastructure – both physical and information technology – modern and functional

This division is responsible for the outcomes of: facilitating and making decisions that support all other divisions' work to produce growing, stable revenue, and activities that provide for customer convenience and citizen safety through the OLCC regulatory processes of licensing and compliance.

***The structural components of the program are:***

***Administration Division, including Human Resources (subprogram 10)*** provides leadership in coordinating the development and articulation of the mission, vision and strategic goals for the agency, and implementing policy as set by the liquor commissioners. The administration division's key strategy to fulfilling the agency's role in economic development and public safety is to support current personnel's productivity through investment in technology infrastructure and training. The OLCC's five part-time citizen liquor commissioners are the ultimate decision makers and serve as the OLCC's policy setters for budget, regulation, appointment of liquor agents, and contested cases. This division ensures that the overall policy direction set by the board of commissioners, the Legislature and the Governor is carried out. The executive director sets the tone and the climate to achieve the OLCC's goals and objectives and leads the executive team. The division also spearheads creating and strengthening partnerships with stakeholders – explaining agency needs, policies and processes within state government, and to stakeholders, and the public Primary Administration Division functions are: strategic planning, policy and organizational development, guidance, assistance and support to the OLCC's program units – Distilled Spirits, Public Safety Services, and Support Services.

This division is responsible for the outcomes of: meeting the OLCC's overall mission of providing for the responsible sales and service of alcohol with accountability to the citizens of Oregon through management of an effective and productive workforce.

# BUDGET NARRATIVE

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**Government Affairs and Communications Division** (subprogram 11) is the central communication link between the agency and its external stakeholders, the media and the general public. It is responsible for internal and external agency communications, legislative coordination, media relations, and print and electronic materials.

This division is responsible for the outcomes of: providing Oregonians with timely information about the activities, products, services, and public meetings of the OLCC with transparency and clarity.

## **Management and Administrative Services**

The **Administrative Services Division** (subprogram 15) provides internal services including commodity purchasing and contracting, property control, **motor pool** (subprogram 75), physical plant maintenance, grounds/building maintenance, mail/**supply services** (subprogram 60), and administers the separate limitation fund for the **Capital Improvements Program** (program 88). The 2015-17 Governor's Recommended Budget approved one capital improvement fund package to maintain the infrastructure of the OLCC main campus facility in Milwaukie and denied a second:

- Package no. 301, "Repair OLCC Facilities" (as modified), and
- Package no. 309, "Complete Customer Service Center" (not approved for the Governor's Budget).

These divisions are responsible for the outcomes of: providing citizens cost effective services; providing stewardship for state owned assets; and ensuring the economy and equity of procurement processes.

**Management Consulting and Audit Services Division** (subprogram 16) ensures OLCC's sound stewardship of the state's resources and enables OLCC's Distilled Spirits, Public Safety Services, and rest of the Support Services programs to perform their functions effectively and optimally. The division's services provide quality control and enable the OLCC to meet highest standards in performance. Division staff ensures maintenance and support for the OLCC's functions and offices statewide. Its internal consulting services include performance measurement, statistical analysis, RFP development, research, and economic, sales and revenue forecasting services.

This division is responsible for the outcomes of: providing accountability for program operations; facilitating data-based performance standards and decision making; and, calculating predictive forecasts for revenue sources that allow the agency to meet its obligations for providing steady and growing revenue.

**Financial Services Division** (subprogram 25) provides fiscal accountability and stewardship of assets for the OLCC. In accordance with generally accepted accounting principles (GAAP), the division provides financial services, ensures OLCC-wide accountability,

# BUDGET NARRATIVE

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and maintains financial records in support of the OLCC's mission. Financial Services ensures appropriate oversight and review of the fiduciary role of the independent liquor agents' activities by providing an external audit function over liquor receipts. The division also is responsible for the collection and recording of privilege taxes due from licensees of the OLCC. Financial Services implements internal control policies to accurately record and report financial transactions.

This division is responsible for the outcomes of: accounting for the integrity of all OLCC financial transactions; providing analysis for the prioritization of programs and spending; and, maintaining and producing an agency budget.

**Information Services (IS) Division** (subprogram 26) provides the means for the OLCC staff to perform their functions efficiently and effectively using information technology. It enables OLCC to serve its stakeholders by using information technology. OLCC also relies on the data from IS to provide for responsible stewardship of resources, such as its Milwaukie liquor distribution center and the statewide retail liquor store operations.

The IS staff serve a varied internal and external customer base with various platforms, applications and desktop configurations. Its customers include: OLCC Licensing and Public Safety divisions, OLCC Distilled Spirits Program, liquor licensees, permittees, liquor suppliers, liquor agents, other agencies, local governments, and the general public. The OLCC has more than 250 internal PC clients who use standard office product systems and networks to interface with both custom-developed and off-the-shelf applications that provide major functionality for the OLCC programs. The OLCC is compliant with published state standards for networks, email, office software, servers, connectivity and security. The 2015-17 Agency Request presents policy option packages to increase productivity of OLCC staff and services to licensees, service permit applicants, liquor agents, manufacturers, distributors, regulatory partners, and the public. The Governor's Budget approved only a portion of the request. The packages are:

- Package no. 303 (approved for the Governor's Budget as modified), "Provide Online and E-Commerce Licensing;" ,
- Package no. 307 (not approved for the Governor's Budget), "Upgrade OLCC's Desktop Infrastructure,"
- Package and no. 308 (approved for the Governor's Budget, "Upgrade Phone System."

This division is responsible for the outcomes of: innovating and implementing information technology services and solutions that support an efficient workforce and information management oversight; and, providing citizens, licensees, and business customers convenient and accessible electronic services information, data and transactions.

**Administrative Policy and Process Division (AP&P)** (subprogram 55) reviews the final OLCC internal investigative reports for technical sufficiency. It provides due process to the OLCC's licensees, permit fees, applicants and liquor agents by developing the agency record at contested case hearing and ensuring consistent application of policies and laws. Please note that the AP&P Division

# BUDGET NARRATIVE

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was reported as part of the Public Safety Services Program before the 2011-13 biennium. As of July 2011, it was moved to Support Services to more closely align with the Governor’s Budget Outcome Areas.

This division is responsible for the outcomes of: leading transparent processes for policy and regulator rulemaking; ensuring effective agency representation in contested case matters; and, providing for the fair and equitable application and resolution of violations, penalties, and settlements.

Please see the following subprogram narratives for more detail.

## **B. BACKGROUND**

Oregon’s hospitality and distilled spirits industries and their customers depend on OLCC’s Distilled Spirits and Public Safety Services programs’ services for access to the marketplace and for clarity about regulatory controls. The OLCC works to prioritize and streamline services and program delivery through coordinated administration and support in order to facilitate commerce in a well-regulated marketplace. The Administration and Support Services Program creates a framework for providing the efficient and effective support of the Distilled Spirits and Public Safety Services programs. More and more emphasis is put on asset management, updating retail operations, and an increasing need for internal and external technology upgrades to support the effectiveness and timeliness of staff support and the delivery of services to customers.

In the 2007-09, the program reorganized its structural units to ensure centralization, efficiency and effective coordination. Since then, the Government Affairs and Communications Division, subprogram 11, reports to the executive director, prioritizing public outreach and coordinating with stakeholders. Human Resource’s budget (at one time “subprogram 12”) appears within Administration’s subprogram 10 and includes the agency training function. For 2013-15 and 2015-17, the Support Services’ other divisions coordinate through and report to the agency deputy director. In 2011 the Administrative Policy and Process Division (subprogram 55) was moved from the Public Safety Services Program to the Support Services Program, where it continues to reside.

## **C. EXPECTED RESULTS**

This program is focused on the organization-wide outcome of meeting the OLCC’s overall mission of providing for the responsible sales and service of alcohol with accountability to the citizens of Oregon through management of an effective and productive

# BUDGET NARRATIVE

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workforce. The Administration and Support Services Program plans to achieve the primary goals as outlined in the subsequent subprogram narratives, in doing so, the division is focused on specific results, including:

- **Protecting the public and consumers from harm.** The program works with communities to respond to community level problems associated with the consumption and service of alcohol with an emphasis on education and prevention strategies as a key part of a regulatory system that ranges from corrective compliance to loss of licensing and service privileges.
- **Leading the agency in affirmatively and proactively encouraging Oregon's economy and communities (per ORS 471.030).** The program produces growing and stable revenue for the support of public programs by focusing on the success of licensed and contracted businesses, and creating jobs and income for a diverse and growing workforce throughout Oregon.
- **Developing and solidifying communication, partnership and trust with stakeholders.** Stakeholders include the alcoholic beverage industry, hospitality industry, liquor agents, law enforcement, moderation groups and local and state government.
- **Enabling agency-wide streamlining.** Automation or removal of unnecessary barriers for stakeholders' assists in their successful entry into business and promotes sustained growth.
- **Providing responsible stewardship.** The program provides oversight of the operation, maintenance, and modernization of OLCC-owned facilities, infrastructure and contracted retail outlets to meet customers' needs, safeguard commission and vendor-owned assets, and optimize the long-term stability of this vital revenue stream.
- **Valuing diversity and inclusion.** The program incorporates diversity and inclusion system-wide and within the workplace.

## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accord with ORS Chapters 471 and 473.

## E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes.

# BUDGET NARRATIVE

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## ADMINISTRATION DIVISION – SUBPROGRAM 10

### *Including Human Resources* OLCC 2015-17 Legislatively Adopted Budget

#### A. PURPOSE, ACTIVITIES & ISSUES

The Administration Division provides leadership in implementing policy as set by the board of liquor commissioners. The division is the agency's central link with the five part-time, citizen liquor commissioners who serve as the OLCC's policy setters and ultimate decision makers. This is in compliance with Oregon Revised Statutes 471, 473 and 474. The board leads the OLCC in the development and articulation of the mission, vision and strategic goals for the agency. The Administration Division – consisting of the Executive Director's office and the Human Resources Division – provides the overall framework and structure in which the OLCC's managers and staff work to achieve the agency's goals and objectives. Planning, setting priorities, developing policy, providing guidance, and securing and allocating appropriate resources for the OLCC's programs – Distilled Spirits, Public Safety Services, and Support Services – are the Administration Division's primary management functions.

Administration's subprogram 10 includes the agency's Human Resources (HR) function. HR helps the Administration Division implement organizational, structural expression of the agency's vision and values and support staff. Administration also guides legislative activities, public outreach and internal communication, working with the Governmental Affairs and Communications Division, subprogram 11 to do so.

In 2015-17, the agency will continue to focus on accountability and outcomes, preserving stable revenue, enhancing the economy, removing regulatory barriers, streamlining and improving internal and public processes, public safety, and building a diverse workforce. In 2015-17, administration aims to more affirmatively and proactively support the Oregon economy through policy, communications and streamlined, efficient, modern services. The OLCC administration continues to focus on extending its outreach efforts. OLCC interacts regularly with stakeholders to understand their issues, gather information, and adjust rules as necessary to create a regulatory structure that fosters economic development and public safety.

#### B. BACKGROUND

Historically, the OLCC Communications Division was part of Administration's subprogram 10 budget. Since 2005-07 the Communications Division budget has appeared as its own subprogram, 11. Also since 2005-07, the Human Resources budget has

# BUDGET NARRATIVE

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been part of the budget for Administration, subprogram 10. Prior, it was part of Administrative Services, subprogram 15. These budget changes followed changes in organization reporting structure.

## C. EXPECTED RESULTS

In 2015-17, the Administration Division will advance implementation of specific strategic outcomes to improve business efficiency and customer service by focusing on:

- **Facilitating Accountability and Outcomes:** Administration will provide fiscal accountability and stewardship of assets and provide improved oversight of all agency functions and independent liquor agents by increasing data and analysis to support management decision making, results measures, and financial and management audits.
- **Prioritizing Economic Development and Job Creation in Oregon:** Administration will affirmatively and proactively support Oregon's economy and communities by initiating specific actions to modernize, streamline or remove regulatory barriers for stakeholders in order to free capital investments in communities, to create business income and commerce, and to provide for private sector job growth.
- **Advancing Public Outreach and Partnership Building:** Administration will increase its outreach to stakeholders in 2015-17 to promote understanding and partnership in supporting Oregon communities' economies, safety, and vitality by focusing on issues and challenges collaboratively.
- **Focusing on Policy Development, Planning and Analysis:** In 2015-17, Administration will work to integrate new policies into its operations based on a new short and long-term strategic planning that will provide for public safety, improve distribution and retail operations, and identify specific actions to enable a focus on economic development and jobs.
- **Implementing Operational Improvements:** Administration will improve the systems it manages and its operations by utilizing technology and analysis of best practices to support increased staff, distribution and retail store productivity; including efforts to speed customer services and expand warehouse capacity by implementing high-value, high-return investments to secure long-term service and cost efficiencies.
- **Evolving Human Resources Management:** Human Resources will take a greater role in facilitating staff and manager success in an increasingly diverse work environment by providing consultative support for managers and staff in order to ensure best practices problem solving and training, and to insure that the OLCC has a productive and creative work environment, that meets the needs of a diverse workforce, throughout the agency.

# BUDGET NARRATIVE

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## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

## E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes.

# BUDGET NARRATIVE

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## GOVERNMENT AFFAIRS AND COMMUNICATIONS DIVISION – SUBPROGRAM 11 OLCC 2013-15 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

The OLCC Government Affairs and Communications Division is the central communication link between external stakeholders, OLCC employees, legislators, and the general public. The division puts a high priority on excellent customer service through communications with the public, the media, and lawmakers, as well as developing all agency Internet content, publications and educational media used throughout the state. Effective and coordinated messages play a key role in providing consistent and accurate information to the public and creating a more transparent agency.

Partners and constituents include neighborhood and community groups, the Governor, legislators, industry groups, licensees, liquor agents, moderation advocacy groups, local governments, and police agencies as well as the Oregon departments of Human Services, Transportation, Environmental Quality and Agriculture. Additional partners include the League of Oregon Cities, the Association of Oregon Counties, the Governor’s Advisory Committee on DUII, the Governor’s Alcohol and Drug Policy Commission, and the Oregon Transportation Safety Commission.

The division is responsible for identifying information needs and designing, developing, and disseminating communications to external and internal stakeholders of OLCC to meet those needs. Consulting with program staff to meet agency communication, information, and public relations expectations does this. The division also provides guidance to OLCC management on effective communication strategies for high-profile, urgent or controversial issues.

The division coordinates communications and legislative advocacy services for OLCC staff during legislative sessions. Writing and coordinating legislative concept drafts and legislative testimony, along with working with stakeholders on legislative matters, are the responsibility of the division. It also maintains communication with legislators and works on constituent issues within their districts.

The director of the Government Affairs and Communications Division is a key advisor to the agency executive director, senior staff and board of commissioners in identifying, designing and implementing legislative responses and solutions to alcohol control system policy issues; analyzing proposed and adopted policy, procedural, administrative rule, legislative impacts and application; and establishing productive relationships with internal and external stakeholders locally and nationally. The division participates in various external and internal meetings and makes presentations to develop and communicate agency goals, policies and objectives.

# BUDGET NARRATIVE

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Assisting community partners, licensees and members of the public who contact the agency with questions is a vital part of providing excellent agency communications and service to stakeholders. Knowing how the different divisions of the OLCC work together and knowing how best to communicate with each area helps the division meet the needs of constituents in a timely and effective manner.

The Government Affairs and Communication Division coordinates a variety of external communications including distribution of press releases to local, regional and national media outlets. The division works with the media to educate licensees, lawmakers and the public about OLCC's initiatives to support economic development and community livability, and to combat underage drinking and alcohol abuse. The division also provides information on managing the sale of distilled spirits in the state, such as encouraging the growth of Oregon businesses and generating revenue that benefits state General Fund programs and city and county programs, as well as drug and alcohol treatment. The division provides a public service by responding to more than 500 media inquiries and distributes more than 100 news releases each year. Key topics include: minor sales checks, social responsibility messages, licensing activities, liquor commissioners' decisions, rulemaking, regulatory actions, social responsibility messages, revenue distribution, and distilled spirits sales. The division's management of a digital subscription service, GovDelivery, which allows citizens to subscribe to topics of interest and receive automated email or wireless notification when those topics are updated, enhances external communications. The division currently manages more than 24,300 subscriptions to this service.

The agency website is a primary communication link between the OLCC and the general public. As constituents' online needs grow, the need for OLCC's communications strategy to focus on new and developing online technology is crucial. Google Analytics data shows that traffic on OLCC's website continues to increase substantially. The OLCC website provides valuable resources such as updates on administrative rule changes; public meeting dates, agendas and minutes; liquor licensing information; resources for those who sell and serve alcohol; and important social responsibility messages directed at combating over-consumption and underage drinking. The Government Affairs and Communication team continues to make improvements to the website, increasing accessibility to information. Enhanced online features added in 2013 include: liquor stores and distilled product information; monthly reports for allocation of liquor revenue; the ability for the public to give electronic input on existing and pending liquor licenses; service permit applicant's test scores, and case digests and final orders for contested cases involving liquor licenses and service permit applications.

Social media has been successful in the agency's efforts to improve transparency. The Government Affairs and Communications Division use several social media tools to share information with the public and provide effective two-way communication with its constituents. The division continues to enhance relationships with a variety of stakeholders – especially the ever-growing population of people who get the vast majority of their information from online sources and mobile devices. Such tools help OLCC reach online communities to gather feedback on OLCC issues, and respond to incorrect information regarding OLCC initiatives. These tools are free to the public and a cost-effective way for the agency to communicate in a timely manner, without the additional cost of paper and postage.

# BUDGET NARRATIVE

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Providing timely and beneficial communication to OLCC staff is also a key role of the Government Affairs and Communications Division. An intranet website and inter-office emails provide a cost-effective way to disseminate information from executive staff quickly and in an easy-to-read manner. The team provides daily information to staff via email containing news related to the alcohol industry, communities and the agency.

The Government Affairs and Communication Division is responsible for ensuring consistent communication on the agency's mission and role. The division develops, creates and coordinates outreach materials, PowerPoint presentations and other graphic design services. The team serves as resource for other staff for designing and creating various public presentations and materials including forms, brochures, guides, fact sheets and signs. These materials, designed for external stakeholders, include: "The Guide to Manufacturing and Wholesaling Distilled Spirits," "Starting Your Own Craft Distillery," "A Guide to Liquor Licensing in Oregon," "Supplier and Retailer Guidelines," and the *Oregon Liquor Law Book*.

Educational materials to support social responsibility campaigns are also created by the Government Affairs and Communications team including pamphlets, videos and public service announcements. The OLCC has been partnering with alcohol industry representatives since 2008 to create public service announcement campaigns designed to educate the public on responsible alcohol consumption. These social responsibility messages reach a broad audience through television, social media, the web and news stories.

Oregon is known for its thriving wine and craft beer industries. Craft spirits and cider have also entered the Oregon market as burgeoning growth industries. As these industries develop, the OLCC Government Affairs and Communications Division will continue working with policy makers and the media to support Oregon businesses and their contribution to the local economy, while selling alcohol responsibly.

## **B. BACKGROUND**

In 1999-2001, OLCC restructured the Government Affairs and Communications Division to ensure stronger partnership building, legislative liaison activities, and production of modern communication materials. But, the 2003-05 Legislatively Adopted Budget reduced the Communications Division by one FTE: the community relation coordinator. Since then, other staff – such as the executive director, the Government Affairs and Communications Division director and program managers – have performed those partnership activities. The abolished coordinator also was responsible for agency legislative coordination and communication functions. Other staff – such as the Government Affairs and Communications Division director – now incorporate many of those functions into their positions.

# BUDGET NARRATIVE

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Before 2005-07, this division's budget appeared as part of Administration, subprogram 10. Since 2005-07 it appears separately as subprogram 11.

## C. EXPECTED RESULTS

The efforts of the Government Affairs and Communications Division staff help communicate the work of the agency to the public, all other interested stakeholders, and to internal staff in a manner that reflects the OLCC's mission. Expected results include both strengthening existing partnerships and creating new partnerships to improve the OLCC's public outreach. The goals of the division include:

- Developing and communicating strategic goals and plans
- Responding to all public inquiries
- Ensuring strong partnerships with state, county and local governmental agencies
- Aiding and assisting other departments with their stakeholders
- Promoting public safety and the responsible use of alcoholic beverages
- Ensuring a public and governmental understanding of the economic importance of Oregon's craft beverage industries

## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

## E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes.

# BUDGET NARRATIVE

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## MANAGEMENT AND ADMINISTRATIVE SERVICES

*Administrative Services Division – Subprogram 15*

*Management Consulting and Audit Services Division – Subprogram 16*

*Supply Center – Subprogram 60*

*Motor Pool – Subprogram 75*

**OLCC 2015-17 Legislatively Adopted Budget**

### A. PURPOSE, ACTIVITIES & ISSUES

The agency's Management and Administrative Services' functions provide the internal means that OLCC programs need to realize their goals and missions. The Management and Administrative Services area's two divisions and their unit subprograms ensure OLCC's sound stewardship of the state's resources, and enable OLCC's Distilled Spirits, Public Safety Services, and the rest of the Support Services programs to perform their functions effectively and efficiently. Providing research analysis, process improvement, strategic planning facilitation, internal auditing services, business disruption prevention, and safeguarding of information assets are essential functions for this area. Facilities maintenance and procurement-related support are essential services, as well.

Budget reductions over the last nineteen years cost the Administrative Services Division positions and funding that had helped manage risk and provide stewardship. In addition, the division has had to absorb new and unfunded statutory responsibilities requiring an internal audit function, information security program, and business continuity planning, subsequently organized into a Management Consulting and Audit Services Division (previously called "Management Consulting Services Division"). (See descriptions below). Most recently, the 2013-15 Legislatively Approved budget reduced the division's personal services budget by about \$20,200, and its capital outlay budget by almost \$2,000. Additionally, to meet DAS requirements for greater staff-to-management ratios, one of the division manager positions was converted to a non-supervisory position; the Administrative Services Division and the Management Consulting and Audit Services Division are now managed by a single position instead of two. These changes present a challenge to fulfilling the divisions' responsibility to protect the state's investments and more efficiently support OLCC's operational aims.

**Administrative Services Division** (*subprogram 15*) The Administrative Services Division staff provide internal services including supplies and services procurement and contracting; property control, motor pool (see narrative for Motor Pool, subprogram 75, below), property leasing, building security and access control, telephone services physical plant maintenance, grounds/building maintenance, mail/supply services (see Supply Center, subprogram 60, below) and administering the capital improvements program (see narrative in the Capital Improvements Program Fund in the section for that limitation.) The Division continues to work with energy monitoring,

# BUDGET NARRATIVE

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collection and reduction as required: ORS 276.900 through 276.915 and governed by OAR 330-130-0010 through 330-130-0100 (330-130-0080)

The division continues to focus on and take pride in providing quality services and supplies necessary for a productive workplace; maintaining a safely and efficiently operated building facility; and providing centralized purchasing and contracting services that are cost effective, timely, and compliant with all state rules and policies. Major projects in 2011-13 included continuing business process improvements and streamlining, enhanced by the acquisition of purchasing software in the preceding biennium. In 2013-15, they include lighting and energy conservation projects, the warehouse support beam upgrade project, HVAC controls system repairs and improvements, and mechanical system upgrades and Customer Service center phase one improvement.

**Management Consulting and Audit Services Division** (*subprogram 16*) This subprogram reports on program performance and provides information for corrective actions through internal auditing, process improvement, business analysis, business continuity planning, and information security.

The division's internal audit function is an independent, objective assurance-and-consulting activity with a goal of adding value and improving the operations of the OLCC. Since 2009-11, the division contracts with external consultants to provide these services. The internal audit function focuses on operational accountability and performance, and provides management with appraisals, analyses, and recommendations concerning the activities reviewed. Per OAR 125-700-0010 and with the passage of HB 3139, required internal audit activities include:

An annual risk assessment – this is a process of identifying and prioritizing possible events that could adversely affect the achievement of OLCC's mission.

An annual audit plan – based on the risk assessment, this is a roadmap defining audit areas, schedules, and objectives.

Individual audits – these are targeted studies of areas of concern based on the risk assessment. They typically result in recommendations for improving efficiency and effectiveness, customer service, and other operational or financial controls.

The division's management consultants collaborate with and advise agency executive staff and management on technical, operational, and strategic matters relating to the agency's three program areas. By providing supplemental quantitative and qualitative expertise to the Public Safety Services, the Distilled Spirits and the Support Services programs, management consulting activities promote more effective and consistent decision-making, streamline or enhance processes, and allow for more efficient use of limited resources. This

# BUDGET NARRATIVE

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optimizes OLCC's path toward its strategic goals and mission. Examples of consulting services include: revenue and sales forecasting, cost benefit analyses, distilled spirits market research, the Performance Measurement Program, and management of contract researchers. The division is also responsible for overseeing business continuity planning and ensuring OLCC's ability to conduct business soon after a disaster for those who depend on its services and revenues – from liquor agents, licensed restaurants and other licensed establishments, to state and local governments that depend on OLCC revenue.

This division is also responsible for OLCC's Information Security Program and policies required by the state Enterprise Security Office. Information security is the protection of information assets from a wide range of threats in order to ensure business continuity, ensure privacy of information, minimize business risk, and maximize return on investments and business opportunities. Activities include: conducting business security risk and technical vulnerability assessments, establishing an incident response team, conducting security awareness training, and monitoring for compliance.

**Supply Center** (*subprogram 60*) The supply center, managed by the Administrative Services Division, is a cost center used to accumulate expenditures for office supplies such as notebooks, pens, pencils, technology supplies, file folders, photocopier toner/developer, copier/computer paper, labels, envelopes, batteries and other items used by all OLCC work units. The supply center is a cost-effective, centralized service that provides office and warehouse supplies in a timely fashion. It supports the purchase of sustainable supplies and products available through state contracts. The supply center maximizes the use of materials through reuse and recycling.

**Motor Pool** (*subprogram 75*) The OLCC Administrative Services Division uses the Motor Pool subprogram 75 as a cost center to track, monitor and manage expenditures for vehicle purchase and maintenance, and fuel for vehicles of the OLCC. The OLCC motor pool operates with DAS authority. The fleet includes vehicles for staff to do liquor-license related inspections and investigations, maintenance, and also liquor distribution. Besides the Portland area staff, the liquor inspectors, investigators and Retail Services Division district managers located in offices need vehicles to do their jobs servicing their geographic areas. Additionally, other staff must travel on state business routinely. The agency monitors and actively manages the fleet to ensure compliance with DAS requirements. This subprogram has managed with budget reductions applied in past biennia and as recently as for 2013-15.

Rapidly increasing fuel costs in recent years have challenged the Administrative Services Division to regularly review individual vehicle use to ensure optimum use of the fleet, making reassignments among agency drivers as necessary or downsizing if appropriate. In 2013-15, the agency reduced its fleet by two cars, without replacement. For 2015-17, OLCC's fleet size will remain at the 2013-15 level with 68 vehicles: 64 light-duty and four heavy-duty.

# BUDGET NARRATIVE

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## B. BACKGROUND

A “Management Consulting Services Division” (*subprogram 16*) was originally organized in 2005-07 to bring together services previously found in separate parts of the agency. Functions within the Support Services Program were reorganized for greater efficiency and concentration of professional internal consulting services. Functions such as internal auditing, consulting, process improvement and information security had become state and agency priorities. As the internal auditing function became more instituted at OLCC, the division’s name was updated in 2013-15 to “Management Consulting and Auditing Services Division.”

Some of these functions historically had appeared within a General Services Unit within an Administrative Services Division, subprogram 15. The historical Administrative Services Division was created in 1978 to place support functions in one division for greater effectiveness and efficiency. In 1983, supplies and services procurement, office space leasing, human resources, contracting and property control were added. An Information technology Services (IS) Unit was added to the division in 1984. Information Services later become a stand-alone division, subprogram 26, as its manager gained greater authority for project management and coordinating with outside stakeholders such as DAS, and directly advising and consulting with the OLCC executive team. Since 2007-09, human resources (HR) services (previously subprogram 12) are reported as the Human Resources Division and part of subprogram 10, Administration.

In 2013-15, to streamline the organizational structure and improve the management-to-staff ratio, the position that managed the Management Consulting and Auditing Services Division was changed to a non-supervisory position, and the division began to report directly to the agency deputy director instead of an intermediary. Another manager still oversees subprograms 15, 60 and 75, for the Administrative Services Division, Supply Center and Motor Pool respectively, along with administering the Capital Improvements Fund, subprogram 88.

## C. EXPECTED RESULTS

These support services structures will continue in 2015-17 to provide the quality services and supplies necessary for a productive workplace using best practices and available funds to provide professional services. The goals for the division include:

- Providing enhanced analysis and forecasting
- Managing and maintaining building infrastructure
- Providing oversight for purchasing, asset management, and internal controls
- Providing policy and cost benefit analysis

# BUDGET NARRATIVE

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Management Consulting and Auditing Services will focus on identifying proper internal control systems and best practices, including meaningful and reliable performance measures, internal auditing, prevention of business disruption, protection of information assets, and efficiency through centralized purchasing, fleet and property management services.

After an extended period of deferred maintenance due to budget constraints, OLCC now needs to ensure the soundness of its infrastructure and repair its facilities. The current service level (CSL) budget is inadequate in 2015-17 for major repair projects and upgrades that are necessary to support and maintain the buildings and protect inventory. Without the necessary funding, building conditions will continue to deteriorate and building systems will fail to function; this would seriously interfere with OLCC services and revenue generation. The Administrative Services Division presented two Capital Improvement Fund packages for 2015-17. The Governor's recommended Budget modified one of the packages and declined the second. The packages are as follows:

- Package no. 301 (as modified in the Governor's Budget), "Repair OLCC Facilities," and
- Package 310 (denied for the Governor's Budget), "Complete Customer Service Center."

It is also a partner with Information Services Division's

- Package no. 308 (approved for the Governor's Budget), "Upgrade Phone System."

## **D. REVENUE SOURCE**

The Oregon Liquor Control is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

## **E. PROPOSED LEGISLATIVE CHANGES**

There are no proposed legislative changes.

# BUDGET NARRATIVE

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## FINANCIAL SERVICES DIVISION – SUBPROGRAM 25 OLCC 2015-17 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

The Financial Services Division provides fiscal accountability by administering the laws, rules, and policies of the state and the Oregon Liquor Control Commission. In accordance with generally accepted accounting principles, the division's goals are to provide fiscal services, ensure protection of the state's assets in conjunction with the activities of the Distilled Spirits Program, ensure OLCC-wide accountability, and maintain financial records in support of the OLCC's mission.

Financial Services is an integral component of the systems approach to distilled spirits industry adopted by the OLCC, and serves a critical function in the safeguarding of the state's assets. Financial Services ensures appropriate oversight and review of the fiduciary role of the independent liquor agents' activities by providing an external audit function over liquor receipts. Financial Services also plays a role in the collection and recording of privilege taxes due from licensees of the OLCC. Financial Services implements internal control policies to accurately record and report financial transactions. It ensures that the net cash flow generated each month from its activities is distributed timely to the state General Fund, Oregon cities and counties, the mental health, drug and alcohol treatment account, and the Oregon Wine Board to allow the continued delivery of services to the citizens of Oregon.

The division's staff includes auditors, accountants, accounting technicians, and managers. The staff develop, implement and monitor systems to ensure proper reporting, banking and recording of liquor, privilege tax and license revenue of more than \$1.16 billion per biennium; ensure that liquor inventories, fixed assets, and supplies are properly accounted for; audit and approve expenditures; manage budget development and budget implementation; maintain budgetary control of OLCC's activities; maintain central records of revenue and expenditures; prepare financial statements and reports; and perform audits of all retail liquor stores. Manufacturers and distributors of malt beverages and wine pay privilege tax monthly to the OLCC, amounting to approximately \$36.6 million included in the biennium total. OLCC Financial Services staff audit their monthly tax returns; maintain appropriate accounting records to ensure full payment of the tax and compliance with records maintenance and reporting procedures. Staff also administers and process tax returns, maintain accounting records, and collect amounts due for the payment of the vinifera grape tonnage tax on behalf of the Oregon Wine Board. The wine industry has grown steadily in the last 10 to 17 years, significantly affecting Oregon's economy. This growth and change in the operating environment has placed increasing demands on OLCC, which collects privilege taxes on this activity.

# BUDGET NARRATIVE

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The division has seen substantial workload increases in the last 15 years as a result of a 140 percent increase in gross revenues and the corresponding increase in transaction count. The division has seen additional workload responsibilities due to changes in the budget, operating and legal environments. Liquor business increases continue to put pressure on the staff resources required to perform audits of liquor stores due to increases in the quantity and variety of inventory products. Many audits that previously required two staff persons to perform now require as many as five staff to ensure accuracy. As the wine industry has matured, the number of licensees submitting tax returns has increased. Legislative action in 2008 approved the issuance of Direct Shipper permits to wineries, including out-of-state licensees. Each permit holder is required to submit tax reports for shipments into Oregon. During a time of dramatic growth, Financial Services staff decreased from 24.50 FTE in 1995 to the current 22.00 FTE. As a result of continuous efforts to streamline processes and to incorporate technological improvements, Financial Services has still maintained the highest level of accountability to the taxpayers of Oregon.

## **B. BACKGROUND**

The Oregon Liquor Control Commission functions in accordance with the Oregon Revised Statutes Chapters 471, 472, and 473. ORS 471.780, 471.790, 471.805, and 471.810 specifically deal with preservation of records, deposit of funds, disposition of monies and distribution of available funds. The Privilege Tax Section primarily administers ORS 473, which imposes a privilege tax on manufacturers and importing distributors of malt beverages and wine. Malt beverages are taxed at the rate of \$2.60 per 31-gallon barrel. Wine with not more than 14 percent alcohol by volume is taxed at the rate of \$0.67 per gallon. Wine with more than 14 percent but not more than 21 percent alcohol by volume is taxed at the rate of \$0.77 per gallon. The section also collects vinifera grape tonnage taxes for the Oregon Wine Board with a tax rate of \$25 per ton. These areas are under the jurisdiction of the OLCC's Financial Services Division.

The 2003-05 Legislatively Adopted Budget eliminated one support position (one FTE) from the Financial Services staff. This position provided administrative support for the Disbursements and Revenue sections, including preparing voucher documents, inputting privilege tax data, and preparing OLCC refund payments. This position also assisted division staff in basic functions of typing, filing and clerical support. Eliminating this position has required that higher-level staff perform the required duties since then.

# BUDGET NARRATIVE

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## C. EXPECTED RESULTS

The goals of the division include:

- Preparing correct financial statements within thirty days of each month's end so that accurate and timely distribution of funds are made to the state, cities, and counties;
- Ensuring that all revenue is reported revenue timely and appropriately banked, recorded, and transferred to appropriate accounts with the state treasurer's office;
- Ensuring that all bills are paid correctly and on time.
- Ensuring that all agency programs comply with fiscal procedures prescribed by various state agencies; and
- Preparing, implementing and monitoring the agency's budget in accordance with executive and legislative intent.

Additional objectives are to have monthly privilege tax reports reviewed, posted and recorded within one month of assessment, and discrepancies resolved immediately through correspondence and/or telephone; have all privilege tax revenue appropriately and timely banked and recorded; have an adequate bond or other acceptable collateral for each licensee; have manufacturers and importing distributors of malt beverages and wine audited in each three-year period; provide comprehensive information about the tax laws, tax reporting, and tax statistics to the malt beverage and wine industries and other interested parties; and to support the agency mission by providing cost/benefit and other financial management analyses of agency functions.

For 2015-17, the Financial Services Division will continue working to enhance fiscal systems through continued review and analysis of internal control policies and procedures, and improvements in software applications; a key activity will be to work with business partners to develop specifications for a software application for the efficient collection, analysis, and customer support of privilege taxes for wine and beer. The division managers will continue their practice of involving other OLCC managers in the preparation and monitoring of the agency budget. In addition, Financial Services will support the agency mission by providing financial management analyses of agency functions.

## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

# BUDGET NARRATIVE

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## E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes.

# BUDGET NARRATIVE

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## INFORMATION SERVICES DIVISION – SUBPROGRAM 26 OLCC 2015-17 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

The OLCC Information Services (IS) Division provides the means for OLCC staff to perform their functions and serve the agency's stakeholders efficiently and effectively using information technology. Additionally, the agency relies on the data from IS to provide for responsible stewardship of its resources -- such as vendor and OLCC spirits inventory in its warehouses and the liquor stores, and accounting for retail liquor store sales revenue. These functions -- along with issuing licenses and service permits, are essential for the OLCC to support the development of the Oregon economy in an environment safe from alcohol misuse.

IS staff serve a varied internal and external customer base including: the OLCC distribution center, the OLCC Licensing and Public Safety divisions' functions, liquor licensees, permittees, liquor suppliers, liquor agents, other agencies, local governments, and the general public -- with various platforms, applications and desktop configurations. The OLCC has more than 250 internal PC clients who use standard office productivity systems and networks to interface with both custom-developed and off-the-shelf applications that provide major functionality for the OLCC programs. The OLCC is compliant with published state standards for networks, email, office software, servers, connectivity, and security.

#### *Activities*

The division continually evaluates program areas and existing technologies for opportunities to increase effectiveness through the enhancement or application of information technology. In the 2013-15 biennium, IS continues to pursue modernization efforts along three strategic tracks: information technology network and infrastructure, distilled spirits operations and public safety operations. It has been working to replace aging network platforms with modern systems in order to improve operational capacity, reliability and security. This improvement will provide OLCC with a significantly higher level of network capability with which to serve business partners, stakeholders and constituents. It will provide more highly resilient, redundant systems to provide uninterrupted data processing for OLCC's Distilled Spirits and Public Safety Services programs.

OLCC recognizes that older technology is more susceptible and vulnerable to security breaches; the agency is investing in modern network security systems that will enable OLCC to drastically increase security and meet the requirements of emerging and future security standards, such as those issued by the Department of Administrative Services.

# BUDGET NARRATIVE

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The Information Services Division is working actively to modernize OLCC's mission-critical Merchandising Business System (MBS) -- the primary operations system for the OLCC distilled spirits business resulting in \$1.11 billion in revenue for the state and local government. MBS is used for liquor order and inventory processing, product maintenance and allocation, product pricing, inventory accounting, forecasting and liquor agent compensation. MBS is an aging COBOL-based system that is large and highly complex -- comprising hundreds of interdependent programs; it is also increasingly difficult to find programmers to support such an antiquated system. OLCC has gradually been moving the long-standing COBOL-based MBS to a modern, relational database system; OLCC is on track to complete the transition in the 2013-15 biennium.

The OLCC IS Division also is working to modernize OLCC's Public Safety Services Program operations systems. In previous biennia, IS developed both online case- and statistical-tracking systems for internal processing, as well as a web-based iPhone "app" called "iEnforce" that allows OLCC inspectors to remotely search license and permit information while they are in the field throughout the state. Both of these systems are in keeping with the agency's long-term goal to transition all internal development to web services architecture, and build on the agency's web-based systems services already offered to liquor agents through the Oregon Liquor Agent Services (OLAS) website and [Oregon Liquor Search](#), which allows customers to locate information about liquor stores and their products, statewide, online. In the 2013-15 biennium, IS is working to replace the Public Safety Services Program's aging HighView imaging system -- which is critical to the licensing process -- with a modern, web-based document imaging system.

The next priority project is to enhance the system to allow applicants for liquor licenses and service permits to apply and pay for these privileges online. Besides improving customer service, the application will enable the agency to process more applications without proportionately more License Services Division staff. For more information please see the following policy option:

- Package no. 303 (as modified for the Governor's Budget), "Provide Online and E-Commerce Licensing,"

## *Issues*

The central challenges for Information Services are meeting the demands of evolving global computing standards, preventing security risks, shortened lifecycle replacement timeframes, and prioritizing projects to meet increasing needs of the public, staff and stakeholders for information access and electronic services. Consistent financial support to execute the OLCC's 10-year plan will allow the agency to strategically meet ongoing and future information services.

In 2012, the Information Services Division published a 10-year plan outlining steps to build on its recent IT infrastructure investment to progressively improve functionality by streamlining operations incrementally over the life of the plan. The plan takes the agency from antiquated, centralized mainframe architecture, COBOL systems and Web 1.0 architecture to using service-oriented architecture and web services, in a virtualized environment.

# BUDGET NARRATIVE

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The top priority for information technology for the agency is stewardship of its distilled spirits business; that business provides significant state revenue and is a cornerstone of economic viability for a broad range of alcoholic beverage industry stakeholders. For this reason, the agency has focused its technology resources on the merchandising business system (MBS) and warehouse. To do so, the agency has had to defer maintenance and life-cycle upgrades for lower priority items – items that are still important. For example, in 2013-15 the IS Division has to find a solution for replacing the XP operating system for the agency’s 250 outdated workstations – Microsoft no longer supports XP. Also, newer versions of Microsoft Windows require greater processing capability than has been available at OLCC. Without adequate funds for OLCC to upgrade its aged workstations, OLCC resorted to a creative short-term solution – staff acquired used, surplus workstations from other agencies through DAS. Other agencies’ used-PC workstations were in fact upgrades compared to OLCC’s workstations. The agency now requires funding to match these acquired PC workstations with thin-client support hardware that will create a virtualized desktop environment that links the PCs to software applications that actually reside in a central datacenter serviced within Information Service Division facilities. (Package no. 307 below) The acquisition of the thin-client workstations will allow superior efficiencies for centralized support of desktop services throughout OLCC’s statewide operations. By matching the inexpensively acquired PC’s with thin-client technology, the OLCC will capture advanced functionality and overall dollar savings. This project is detailed within:

- Package no. 307, “Upgrade OLCC’s Desktop Infrastructure,”

Similarly, the agency relies on an outdated phone system for voice communication. Consistent with the Department of Administrative Services’ goal to migrate the state enterprise to Voice over IP (VoIP) technology, OLCC presents a policy option package to fund this project in 2015-17. Details of this projects benefits and costs are provided within:

- Package no. 308 (denied for the Governor’s Budget), “Upgrade Phone System.”

## **B. BACKGROUND**

In 2009-11 the agency invested significantly in its server, storage and network information system hardware infrastructure, providing a foundation for future development. In June 2012 OLCC published a 10-Year Road Map for its information technology. This roadmap leads the OLCC from convoluted legacy COBOL-applications and antiquated centralized mainframe architecture to a modern-day information service center founded on a common industry standard infrastructure that is tested, intuitive and ubiquitously utilized -- web-based applications built using HTML5. Its purpose is to achieve greater productivity by providing increased functionality and greater flexibility to respond to future policy challenges. This will empower agency staff, streamline operations, and lead to significant gains in efficiency and customer services.

# BUDGET NARRATIVE

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The plan is heavily based on using virtualization – the partitioning of a single physical computer resource into multiple virtual machines – for more efficient use of computer resources. It also relies heavily on web-based applications, which enable users to securely access information from any device, anywhere, anytime. OLCC's long-term plans also call for the use of enterprise content management (ECM), to efficiently and effectively catalog, index, and search agency data – something not possible with the outdated network platforms now in use at OLCC.

## C. EXPECTED RESULTS

In the 2015-17 budget period the OLCC expects to strategically reposition the capability of the agency to execute future improvements in customer services, processing capability and communication technology through investments in fundamental base systems that are primary to workforce customer services. The OLCC Information Services Division expects to realize tangible increases in network and server system reliability and performance. Goals include; improved data security and disaster recovery capabilities; reduction in energy consumption; improved customer service for business partners and citizens; and improved management and decision-making capabilities in both the Distilled Spirits and Public Safety Programs. The goals for the division include:

- Implementing online e-commerce licensing within the next two years
- Enhancing employee productivity at their work stations through voice communication and desktop computing improvements.
- Establishing platform for web services applications
- Retiring COBOL services and establish a web application platform for operations

OLCC must rely on information technology applications and networks for essential functions; generating revenue, serving its customers and safeguarding state assets require reliable, non-obsolete, maintainable technology, therefore it presents three policy option packages for 2015-17 that are linked to achievement of the efficiencies and results presented:

- Package no. 303 (as modified for the Governor's Budget), "Provide Online and E-Commerce Licensing,"
- Package no. 307 (not approved for the Governor's Budget), "Upgrade OLCC's Desktop Infrastructure," and
- Package no. 308 (approved for the Governor's Budget), "Upgrade Phone System."

# BUDGET NARRATIVE

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## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

## E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes.

# BUDGET NARRATIVE

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## ADMINISTRATIVE POLICY AND PROCESS SERVICES DIVISION – SUBPROGRAM 55 OLCC 2015-17 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

The Administrative Policy and Process Services (AP&P) Division provides technical and policy support, and consulting services, to OLCC programs. The division assists in formulating and recommending agency policies, procedures, or practices; resolving technical issues encountered while enforcing liquor laws, licensing or issuing permits to applicants, operating the state's Distilled Spirits Program, or responding to industry issues connected to wholesaling and manufacturing; with writing manuals; providing technical regulatory-related training to staff, and reviewing staff work in a quality assurance role.

The AP&P Division reviews and evaluates investigative reports with recommended enforcement actions or with actions involving contractual violations. AP&P staff reviews the cases for technical sufficiency. After evaluating reports, staff may issue a violation notice initiating the contested case hearing process. Staff ultimately resolves these cases via administrative hearing, settlement or withdrawal.

The division reviews licensing investigative reports for technical sufficiency. It makes recommendations to the OLCC executive director for cases where the executive director or the liquor commissioners must make the final decisions. If the final licensing decision is negative, AP&P staff issues a notice initiating the contested case hearing process.

The division presents the OLCC's administrative violations, licensing and certain contractual violation cases at contested case hearings; an OLCC employee representative prepares and presents the contested case before the Office of Administrative Hearings. OLCC's assigned assistant Attorney General sometimes consults on the case, and in rare cases presents the case with the OLCC employee representative assisting. Case preparation involves reviewing the case for legal sufficiency, identifying witnesses and documentary evidence, responding to discovery requests, subpoenaing witnesses, participating in pre-hearing conferences, filing and responding to motions, and planning and executing the presentation of the case at hearing. The OLCC employee representative reviews the administrative law judge's proposed order, files comments as appropriate, and orally presents the comments to the liquor commissioners at their regularly scheduled meetings.

The director of AP&P reviews the hearing record and assists the liquor commissioners in drafting and issuing final orders. If a final order is appealed, staff prepares and files the official hearing record with the Court of Appeals and tracks the progress of the appeal.

# BUDGET NARRATIVE

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The AP&P director provides review of OLCC policies, rulemaking, and significant regulatory issues. The AP&P director provides technical leadership and support to external stakeholder groups and agency task forces. The AP&P director receives all requests for legal assistance from throughout the OLCC and, in coordination with the Attorney General's (AG) Office, answers the requests where appropriate, or routes to the AG's Office.

The AP&P Division staff draft agency rules and conducts the agency's rulemaking function in accordance with the Administrative Procedures Act, including technical review of each proposed rulemaking action, empaneling stakeholder advisory groups and conducting rulemaking hearings.

The AP&P Division coordinates complex public record requests, provides technical advice on responding to such requests, and reviews the response to such requests to ensure compliance with Public Records law.

The AP&P director is part of a team responsible for the OLCC's legislative initiatives, including drafting legislative concepts, providing testimony, and lobbying the Legislature.

The volume of rules, technical requests and reviews, initiation of contested case prosecutions and number and complexity of contested case hearings have increased greatly since the 2003-05 biennium, while the staffing level has not increased. In fact, legislative administrative reductions for 2013-15 abolished an office specialist 2 position in this division. AP&P staff completes an average of 30 to 35 separate rulemaking actions each year (with each rulemaking action possibly containing multiple rules to amend); requests for AP&P's technical assistance and technical reviews continue to rise steadily; and the volume of charging documents issued is also up substantially. The OLCC expects these demands on its services to continue to rise.

## **B. BACKGROUND**

The division has historically performed the following functions: reviewing and evaluating final reports generated by the Public Safety Division (subprogram 47); issuing charging documents and otherwise resolving contested cases for the OLCC Public Safety Services and Distilled Spirits programs (including hearing preparations, post-hearing exceptions and oral argument to the liquor commissioners); drafting rules and conducting rulemaking; providing technical assistance to the Public Safety Division; coordinating with the state Office of Administrative Hearings; providing technical and policy support to the liquor commissioners, including assistance with drafting final orders in contested cases; compiling the contested case record on appeal, and compiling a Digest of Cases chronicling final orders in contested cases.

# BUDGET NARRATIVE

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In February 2005, the agency consolidated Public Safety Services Program's technical resources into the Administrative Policy and Process Services Division. The purpose of the reorganization was to provide consistent, centralized technical guidance and training to the agency; to respond to legal/technical issues from the agency as a whole; to review and make recommendations on policy issues and technical determinations concerning enforcement, licensing, retailing, rulemaking and hearings; to provide legal coordination for the agency; and, in coordination with the Attorney General's Office, to provide review for legal sufficiency and consistency at all levels. The decision to review for technical sufficiency earlier in the agency's processes and having one central clearinghouse for evaluating technical sufficiency and ensuring consistency was implemented using existing resources. In the 2011-13 biennium, AP&P was moved from the Public Safety Services Program to the Support Services Program to better reflect the agency-wide support role played by the division and to align with the Governor's budget outcome areas.

## C. EXPECTED RESULTS

The Administrative Policy and Process Division will continue to provide its services and activities in the 2015-17 biennium. The expected result is to meet growing demand for services across three base responsibilities of AP&P with existing staff:

- Meeting an expected 11% increase in demand for charging documents: As Oregon grows, so do the number of violations and charges, in the 2015-17 budget period the Administrative Policy and Process Division's workload is expected to increase. Based on data through June 30, 2013, the division projects an 11 percent increase in the number of charging documents issued in the 2013-15 biennium (1,522 cases) over the prior biennium. The division expects the trend to continue into 2015-17. It expects to issue 1,500 charging documents in the 2015-17 biennium. In order to preserve agency resources and achieve equitable results, the division continues a process for formal settlement negotiations to increase the number of settlements and reduce the number of contested case hearings.
- Meeting an expected increase in demand for rulemaking: The OLCC faces a rapidly changing regulatory environment. Based on rulemaking actions through June 30, 2013, the division projects that the number and complexity of rulemaking actions will continue to increase due to: ongoing legislative amendments to the agency's authorizing statutes; potential shifts in the traditional three-tier system of alcohol distribution and taxation; and the industry's increased use of the petition process to effect administrative rule changes. The division projects a 10-20 percent increase in rulemaking actions in the 2015-17 budget period.
- Meeting an expected demand for increased technical assistance: Innovation within growing spirits, wine and beer industries in Oregon, and internationally, is creating new complexities for regulating the industries and entertainment and hospitality businesses that serve alcoholic beverages. As a consequence, there is increasing need for technical assistance for the industry, and for personnel, to ensure commerce while maintaining compliance. The Technical Services Unit will continue to respond

# BUDGET NARRATIVE

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to requests for technical assistance throughout the agency. These requests are on the rise due, in part, to increased licensing and enforcement actions related to increases in the number of licensed businesses; fundamental shifts in the liquor industry, resulting in multi-faceted challenges to the traditional three-tier model of alcohol manufacture, distribution, and sales; new or expanded technical areas such as the siting of redemption centers under legislation expanding the Oregon Bottle Bill; and, continued enforcement of privilege tax reporting requirements.

## **D. REVENUE SOURCE**

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

## **E. PROPOSED LEGISLATIVE CHANGES**

There are no proposed legislative changes.

# BUDGET NARRATIVE

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## **PROVIDE ONLINE AND E-COMMERCE LICENSING** **OLCC 2015-17 Legislatively Adopted Budget** **Policy Option Package No. 303 (as modified), Agency Priority No. 3**

### **A. PACKAGE PURPOSE**

OLCC's License Services Division directly facilitates the growth of Oregon's hospitality and tourism industries by licensing its businesses that sell alcohol. Restaurants, taverns, grocery stores, and businesses within the craft wine, beer, and spirits industries, need liquor licenses to legally produce and sell their products. Their commerce is a vital part of the state's economy and identity.

In 2013-15, the License Services Division has records for approximately 16,000 licensees and more than 136,000 alcohol service permittees statewide. Licenses are renewed annually; service permits are valid for five years; the division issues and renews licenses and service permits.

The number of licensed businesses regulated by the OLCC has steadily increased since 2000. In the past decade the number of Oregon liquor licenses has grown by approximately 50 percent, with service permits growing more than 25 percent. On average, the number of licensed businesses has grown more than 4.1 percent year over year in the last ten years, or by approximately 500 more businesses per year. The complexity of licensing work has also increased during the last decade, as businesses pursue new operational models not contemplated when the agency's regulatory and licensing framework was first conceived. Out-of-state licenses comprise 15 percent of the new licenses processed annually, compared to a decade ago when it was only five percent. As the economic recovery takes hold in 2013-15, the agency sees a trend of even more license applications and renewals.

License Services Division continues to pursue streamlining efforts and the use of technology to provide more and higher quality service to its stakeholders. However, these efficiency initiatives can only go so far in addressing the growing volume and complexity of licensing work. While the number of licenses and permits has grown steadily, the License Services Division has not been able to grow its staff resources correspondingly.

To help meet the growth and provide the more modern customer service expected by today's business owner and staff, the agency looks to technology. The OLCC Information Services Division requests funding to enhance its existing information technology system to enable the License Services Division to better serve liquor-licensed businesses, and their employees who statutorily require permits

# BUDGET NARRATIVE

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to serve alcohol to patrons. OLCC seeks to enable people and businesses to apply and pay for licenses and permits online, through the Internet, by creating web-based service applications.

Currently applicants must get hard copy forms from OLCC – in person, by mail, or downloaded and printed from the OLCC website – complete them by hand, and submit them in person or by mail. Often the applicant must consult with an OLCC staff person, by phone or in-person, to identify the correct forms for the applicant to fill out. The required forms vary depending on the applicant’s business model; that will guide which of 24 different license types (and accompanying forms and documents) the applicant needs. Applicants must pay license fees by check or money order. Licensees renewing their annual license must follow the same payment process. Service permit applicants also must fill out hard copy forms and pay by check or money order. Once OLCC receives the hard copies and payment, staff must enter the data and scan original paperwork into its document imaging systems.

OLCC seeks to provide better customer service to applicants and improve its own efficiency by providing online and e-commerce services to liquor license and service permit applicants, and by streamlining the agency’s internal data collection processes accordingly.

## **B. HOW ACHIEVED**

With a legislatively adopted policy option package, OLCC will enhance its existing system to allow applicants for liquor licenses and service permits to apply and pay for these privileges online, with a bank card such as Visa or MasterCard. Applicants will be able to do so through an Internet website that can be accessed through modern web browsers and devices including iPhone, iPad and Android mobile devices. Besides improving customer service, the application will enable the agency to process more applications more efficiently without proportionately increasing its License Services Division staff to handle the growing workload.

Existing OLCC staff will build the needed foundational database and application services – building on existing OLCC processes – including enhancements and integrations designed to leverage existing OLCC application systems. OLCC intends to procure contract resources to build the public-facing “website” portion of the online system – essentially the online representation of the historically paper-based forms applicants have been required to complete to apply for a service permit or license privilege.

Rather than merely making paper forms electronic, OLCC plans to review and streamline the licensing requirements and process. It will simplify—the information gathering process as much as possible for the applicants.

# BUDGET NARRATIVE

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This package requests funding for OLCC to contract with an information technology expert, proficient in HTML, CSS and mobile devices. To speed the development of the online licensing application system the OLCC will focus on system architecture and contract for the development of a user-friendly mobile web application. OLCC will need to provide help desk services to applicants who have questions about using the site, or questions about OLCC licensing or service permit processes. For the most part, the website will substitute for in-person or phone consultations with OLCC license investigators and other OLCC licensing staff.

However, some license applicants will still need to consult to with OLCC staff to ascertain which of the different types of liquor licenses is the best fit for their business needs. Similar to “Turbo Tax,” – widely used by the public to file income taxes, rather than hiring a tax accountant – the OLCC website will be designed to lead the applicants to select the appropriate forms for their situations. But, similar to income tax filing, liquor license applicants will have many forms to choose from depending on their particular situation; OLCC will not be able to eliminate all staff consulting due to the complexity of licensing requirements. (It will, however, be more able to handle the anticipated increased number of applicants in the foreseeable future, without increasing the number of licensing staff.) Additionally, some license and service permit applicants may not be computer savvy and have questions about using the site. Therefore, this package requested a new ISS 1 position, phased in for 2015-17 as 0.25 FTE, and funded for full-time, permanent ongoing in future biennia, to serve as the website Help Desk. The additional FTE was not approved in the Governor’s Budget process or the Legislatively Adopted Budget. That person would have responded to most questions her or himself, and refer the most technical or specialized questions to licensing or information technology staff.

Applicants will be able to pay their license or service permit fees through the website, using bank cards such as Visa or MasterCard. OLCC will rely on the existing state of Oregon’s E-Government payment process. This package requests phased-in 2015-17 funds, and then ongoing full-biennia funds, to pay the bank and transaction fees associated with accepting bank cards. These fees will vary depending on customer use of the application system.

### *Benefits to stakeholders:*

- Business people seeking a new or renewed liquor license, or (employees seeking) a service permit, will be able to use a modern method to apply and pay for the license or permit.
  - Convenient, fast process; available 24/7
  - Less government bureaucracy; fewer barriers to getting into business or getting a job
  - An efficient alternative to meeting in person or on the phone with OLCC staff for many processes
  - Less time spent and money traveling
  - Can use modern devices to apply or pay
  - Avoid snail mail time, using paper forms, checks
  - Use modern currency – bank cards

# BUDGET NARRATIVE

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- Experience government/OLCC as modern, professional, efficient
- Help desk and professional OLCC licensing staff are still available for consulting
- Through automation, OLCC will better ensure timely tracking of statistical data.
- OLCC will be encouraging economic development in the state of Oregon

*Benefits to OLCC:*

- Process more liquor license and service permit applications without proportionate increase in staff; efficiency
  - Streamline processes and reduce duplication of efforts
  - Avoid OLCC cashier, investigators, licensing staff each handling same paperwork; replace paper applications with electronic records
  - Avoid document scanning to create electronic copies
  - Eliminate manual, paper records handling (history card)
  - Integrate electronic records with other OLCC applications

**Provide Online and E-Commerce Licensing**  
**OLCC 2015-17 Agency Request Policy Option Package No. 303**

	<u>One-time Costs</u>	<u>Ongoing Costs</u>	<u>Total 2015-17</u>
Personal Services			
ISS 1 Help Desk*		\$	\$
Supplies and Services			
S&S to support the help desk position			
Equipment for new help desk position			
Professional Services contract for HTML/CSS/Mobile expert	250,000		250,000
Bank card fees for applicants' online payments (Included in Division 24 bank card fees)	_____	<u>55,000</u>	<u>55,000</u>
Total package	<u>\$250,000</u>	<u>\$ 55,000</u>	<u>\$ 305,000</u>

*Note: the Legislatively Adopted Budget eliminated the ISS 1 and related S and S.*

# BUDGET NARRATIVE

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## C. STAFFING IMPACT

None.

\* This package requested funding and FTE authority for a permanent ISS 1 Help Desk position, phased in for 2015-17 as 0.25 FTE. The position was 1.0 FTE ongoing in future biennia. Position number was 2600827. This position was eliminated in both the Governor's and the Legislatively Adopted Budget.

## D. QUANTIFYING RESULTS

Increasing customer service and maintaining the existing average number of days for OLCC to process license applications, despite an increasing number of applications and a constant number of OLCC staff. (KPM)

## E. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this in accordance with ORS Chapters 471 and 473.

# BUDGET NARRATIVE

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**THIS PACKAGE WAS NOT APPROVED FOR THE GOVERNOR'S RECOMMENDED BUDGET  
THIS PACKAGE WAS NOT APPROVED FOR THE LEGISLATIVELY ADOPTED BUDGET**

## **UPGRADE OLCC'S DESKTOP INFRASTRUCTURE**

**OLCC 2015-17 Agency Request Budget**

**Policy Option Package No. 307, Agency Priority No. 7**

### **B. PACKAGE PURPOSE**

OLCC's Information Services (IS) Division serves a broad variety of internal customers including the OLCC distribution center, License Services and the Public Safety divisions' functions. It serves their external customers as well – their stakeholders such as business people and employees with liquor licenses and permits, liquor suppliers, liquor agents, other government agencies, and the general public. The IS Division serves them with various platforms, applications and desktop configurations. The OLCC has more than 250 internal PC clients who use standard office product systems and networks to interface with both custom-developed and off-the-shelf applications that provide major functionality for the OLCC programs. The OLCC is compliant with published state standards for networks, email, office software, servers, connectivity, and security.

In 2012 the IS Division published a 10-year plan, optimistic that the agency could build on its recent IT infrastructure investment – improving functionality and streamlining operations incrementally and ongoing. The plan takes the agency from antiquated, centralized mainframe architecture, COBOL systems and Web 1.0 architecture generating efficiencies by using up-to-date service-oriented architecture, using web services, in a virtualized environment. OLCC is on track to meet the state standard for network directory services by migrating from its outdated Novell system to Microsoft Active Directory in 2014. With OLCC's underlying infrastructure refresh complete, including a highly secure and highly scalable virtualization server cluster, IS can look to the next phase of workstation upgrades.

Organizations with small to medium technology environments – such as OLCC – do not need the full hardware capabilities provided by modern physical computer systems; many applications use only a fraction of the processing power available to them on physical hardware. One way to avoid wasting computer resources is through “virtualization.” Virtualization is the partitioning of physical computer resources into multiple virtual computers. Each virtual machine uses only a portion of the host computer's resources, and can act as an independent computer system. Benefits of virtualization include: more efficient allocation of available computer resources; scalability and availability improvements (a virtual machine acts as a file and can easily be duplicated, backed up, or restored); easier configuration for system redundancy and centralized administration of applications and security updates.

# BUDGET NARRATIVE

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However, the IS Division’s current service level budget does not accommodate updating infrastructure and platforms at regular intervals, especially on today’s shortened expected equipment lifecycles. Hardware and platforms become obsolete or lose their manufacturers’ support more and more quickly as the industry’s progress accelerates. The IS Division has relied heavily on negotiating internally or with other state agencies, or on legislatively adopted policy option packages, to fund its equipment upgrades for obsolete or end-of-life equipment. For example, in 2013-15 the IS Division had to find a solution for replacing its no-longer supported XP Microsoft operating system – and accommodate newer versions of Microsoft Windows that require greater processing capability than has been available at OLCC. Without adequate funds for OLCC to upgrade its aged workstations, OLCC resorted to acquiring used, surplus workstations from other agencies through DAS. Other agencies’ used-PC workstations are in fact upgrades compared to OLCC’s workstations.

The typical industry desktop replacement cycle is 3-5 years. OLCC now requires funding through a policy option package for the agency’s next PC workstation lifecycle replacement. The agency seeks to apply a desktop virtualization solution to its 250 internal workstations, providing appropriate access to OLCC’s now virtualized datacenter. Virtualized workstations will make the agency more efficient; reduce the need to supply or upgrade operating software and applications individually on 250 different workstations; this will mitigate agency risk by greatly improving data security, while increasing staff productivity.

**C. HOW ACHIEVED**

OLCC proposes to provide a desktop virtualization solution to the agency’s 250 PC workstations, using thin client hardware, to access the virtual machines in OLCC’s datacenter.

**Upgrade OLCC’s Desktop Infrastructure**  
**OLCC 2015-17 Agency Request Policy Option Package No. 307**

	<u>One-time Costs</u>	<u>Ongoing Costs</u>	<u>Total 2015-17</u>
Supplies and Services			
Professional services	\$ 50,000		\$ 50,000
Capital Outlay			
Thin-client hardware	150,000		150,000
Virtualization software	<u>100,000</u>	<u>                    </u>	<u>100,000</u>

# BUDGET NARRATIVE

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Total

\$ 300,000

\$ 0

\$ 300,000

**C. STAFFING IMPACT**

This package does not request funding or FTE authority for any positions.

**D. QUANTIFYING RESULTS**

Expected results include: providing staff with the technological tools necessary to increase organizational efficiencies and customer service.

**E. REVENUE SOURCE**

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this in accordance with ORS Chapters 471 and 473.

# BUDGET NARRATIVE

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## UPGRADE PHONE SYSTEM

**OLCC 2015-17 Legislatively Adopted Budget  
Policy Option Package No. 308, Agency Priority No. 8**

### **A. PACKAGE PURPOSE**

OLCC relies on an outdated, line-card based phone system for voice communications: the Meridian1 PBX system. This antiquated system creates risk for OLCC and needs to be replaced in line with the Department of Administrative Services' goal to migrate the state enterprise to Voice over IP (VoIP) technology. VoIP uses the Internet to carry voice.

The OLCC's current phone system is a 30-year-old legacy system using floppy discs and tapes for backup. The system has limited expandability. It has never been upgraded, and its manufacturer has phased it out; OLCC may not be able to make repairs that become necessary in the future.

Meanwhile, OLCC now has a modern information technology network infrastructure, with hardware and sufficient bandwidth to move to voice over its computer network. It could technically accommodate VoIP technology with the addition of desktop handsets.

OLCC's adding desktop handsets and moving to VOIP would benefit the state's effort to consolidate voice communications systems, and pave the way for future enhancements to customer services, allowing features such as interactive voice response (IVR) and automated call routing. It would mitigate the risk to OLCC operations that the current non-supported phone system presents

### **B. HOW ACHIEVED**

OLCC requests capital outlay dollars to purchase the new phone system desktop handsets. It also requests minimal additional network hardware specific to VoIP operations. OLCC anticipates working the State Data Center (SDC) to provide technical management hosting for OLCC's VoIP environment, OLCC will continue to pay monthly SDC handset management fees as it has been doing with its existing limitation.

# BUDGET NARRATIVE

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## Upgrade Phone System OLCC 2015-17 Agency Request Policy Option Package No. 308

	<u>One-time Costs</u>	<u>Ongoing Costs</u>	<u>Total 2015-17</u>
Supplies and Services	\$ 15,000		\$ 15,000
Capital Outlay	<u>95,000</u>	_____	<u>95,000</u>
 Total	 <u>\$ 110,000</u>	 <u>\$ 0</u>	 <u>\$ 110,000</u>

**C. STAFFING IMPACT**

This package does not request funding or FTE authority for any positions.

**D. QUANTIFYING RESULTS**

This package will allow the OLCC Information Services Division, coordinating with the OLCC Administrative Services Division, to continue to support the agency programs and enable them to meet their goals. Expected results include: providing staff with the technological tools necessary to increase organizational efficiencies and customer service.

**E. REVENUE SOURCE**

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this in accordance with ORS Chapters 471 and 473.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Administration and Support  
Cross Reference Number: 84500-003-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	(147,805)	-	-	-	(147,805)
<b>Total Revenues</b>	-	-	<b>(\$147,805)</b>	-	-	-	<b>(\$147,805)</b>
<b>Personal Services</b>							
Temporary Appointments	-	-	268	-	-	-	268
Overtime Payments	-	-	1,090	-	-	-	1,090
Shift Differential	-	-	70	-	-	-	70
All Other Differential	-	-	271	-	-	-	271
Public Employees' Retire Cont	-	-	243	-	-	-	243
Pension Obligation Bond	-	-	(65,988)	-	-	-	(65,988)
Social Security Taxes	-	-	129	-	-	-	129
Mass Transit Tax	-	-	(6,811)	-	-	-	(6,811)
Vacancy Savings	-	-	(77,077)	-	-	-	(77,077)
Reconciliation Adjustment	-	-	-	-	-	-	-
<b>Total Personal Services</b>	-	-	<b>(\$147,805)</b>	-	-	-	<b>(\$147,805)</b>
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-
Agency Program Related S and S	-	-	-	-	-	-	-
Other Services and Supplies	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Administration and Support  
 Cross Reference Number: 84500-003-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Capital Outlay</b>							
Automotive and Aircraft	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	(147,805)	-	-	-	(147,805)
<b>Total Expenditures</b>	-	-	<b>(\$147,805)</b>	-	-	-	<b>(\$147,805)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 031 - Standard Inflation

Cross Reference Name: Administration and Support  
Cross Reference Number: 84500-003-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	918,220	-	-	-	918,220
<b>Total Revenues</b>	-	-	<b>\$918,220</b>	-	-	-	<b>\$918,220</b>

**Services & Supplies**

Instate Travel	-	-	2,950	-	-	-	2,950
Out of State Travel	-	-	822	-	-	-	822
Employee Training	-	-	2,120	-	-	-	2,120
Office Expenses	-	-	9,605	-	-	-	9,605
Telecommunications	-	-	3,351	-	-	-	3,351
State Gov. Service Charges	-	-	759,538	-	-	-	759,538
Data Processing	-	-	12,802	-	-	-	12,802
Publicity and Publications	-	-	327	-	-	-	327
Professional Services	-	-	11,185	-	-	-	11,185
IT Professional Services	-	-	4,718	-	-	-	4,718
Attorney General	-	-	72,324	-	-	-	72,324
Employee Recruitment and Develop	-	-	374	-	-	-	374
Dues and Subscriptions	-	-	477	-	-	-	477
Facilities Rental and Taxes	-	-	31	-	-	-	31
Fuels and Utilities	-	-	9,851	-	-	-	9,851
Facilities Maintenance	-	-	6,089	-	-	-	6,089
Agency Program Related S and S	-	-	402	-	-	-	402
Other Services and Supplies	-	-	5,048	-	-	-	5,048

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 031 - Standard Inflation

Cross Reference Name: Administration and Support  
Cross Reference Number: 84500-003-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
IT Expendable Property	-	-	12,447	-	-	-	12,447
<b>Total Services &amp; Supplies</b>	-	-	<b>\$914,461</b>	-	-	-	<b>\$914,461</b>
<b>Capital Outlay</b>							
Technical Equipment	-	-	489	-	-	-	489
Automotive and Aircraft	-	-	3,270	-	-	-	3,270
<b>Total Capital Outlay</b>	-	-	<b>\$3,759</b>	-	-	-	<b>\$3,759</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	918,220	-	-	-	918,220
<b>Total Expenditures</b>	-	-	<b>\$918,220</b>	-	-	-	<b>\$918,220</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Administration and Support  
Cross Reference Number: 84500-003-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	1,604	-	-	-	1,604
<b>Total Revenues</b>	-	-	<b>\$1,604</b>	-	-	-	<b>\$1,604</b>
<b>Services &amp; Supplies</b>							
Professional Services	-	-	1,119	-	-	-	1,119
IT Professional Services	-	-	471	-	-	-	471
Facilities Rental and Taxes	-	-	14	-	-	-	14
<b>Total Services &amp; Supplies</b>	-	-	<b>\$1,604</b>	-	-	-	<b>\$1,604</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	1,604	-	-	-	1,604
<b>Total Expenditures</b>	-	-	<b>\$1,604</b>	-	-	-	<b>\$1,604</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 303 - Provide Online and E-Commerce Licensing

Cross Reference Name: Administration and Support  
 Cross Reference Number: 84500-003-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Liquor Sales	-	-	-	-	-	-	-
Transfer In - Intrafund	-	-	250,000	-	-	-	250,000
<b>Total Revenues</b>	-	-	<b>\$250,000</b>	-	-	-	<b>\$250,000</b>
<b>Transfers Out</b>							
Transfer to General Fund	-	-	-	-	-	-	-
Transfer to Cities	-	-	-	-	-	-	-
Transfer to Counties	-	-	-	-	-	-	-
Tsfr To Administrative Svcs	-	-	-	-	-	-	-
<b>Total Transfers Out</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Office Expenses	-	-	6,000	-	-	-	6,000
IT Professional Services	-	-	237,834	-	-	-	237,834
Facilities Maintenance	-	-	3,181	-	-	-	3,181
IT Expendable Property	-	-	2,985	-	-	-	2,985
<b>Total Services &amp; Supplies</b>	-	-	<b>\$250,000</b>	-	-	-	<b>\$250,000</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	250,000	-	-	-	250,000
<b>Total Expenditures</b>	-	-	<b>\$250,000</b>	-	-	-	<b>\$250,000</b>

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 303 - Provide Online and E-Commerce Licensing

Cross Reference Name: Administration and Support  
 Cross Reference Number: 84500-003-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							-
<b>Total Positions</b>	-	-	-	-	-	-	-
<b>Total FTE</b>							
Total FTE							-
<b>Total FTE</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 307 - Upgrade OLCC's Desktop Infrastructure

Cross Reference Name: Administration and Support  
Cross Reference Number: 84500-003-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
IT Professional Services	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Capital Outlay</b>							
Data Processing Software	-	-	-	-	-	-	-
Data Processing Hardware	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 308 - Upgrade Phone System

Cross Reference Name: Administration and Support  
Cross Reference Number: 84500-003-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	110,000	-	-	-	110,000
<b>Total Revenues</b>	-	-	<b>\$110,000</b>	-	-	-	<b>\$110,000</b>
<b>Services &amp; Supplies</b>							
Professional Services	-	-	15,000	-	-	-	15,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$15,000</b>	-	-	-	<b>\$15,000</b>
<b>Capital Outlay</b>							
Technical Equipment	-	-	95,000	-	-	-	95,000
<b>Total Capital Outlay</b>	-	-	<b>\$95,000</b>	-	-	-	<b>\$95,000</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	110,000	-	-	-	110,000
<b>Total Expenditures</b>	-	-	<b>\$110,000</b>	-	-	-	<b>\$110,000</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 840 - SB 5507 End of Session

Cross Reference Name: Administration and Support  
Cross Reference Number: 84500-003-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	(367,287)	-	-	-	(367,287)
<b>Total Revenues</b>	-	-	<b>(\$367,287)</b>	-	-	-	<b>(\$367,287)</b>
<b>Services &amp; Supplies</b>							
State Gov. Service Charges	-	-	(327,531)	-	-	-	(327,531)
Attorney General	-	-	(39,756)	-	-	-	(39,756)
<b>Total Services &amp; Supplies</b>	-	-	<b>(\$367,287)</b>	-	-	-	<b>(\$367,287)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(367,287)	-	-	-	(367,287)
<b>Total Expenditures</b>	-	-	<b>(\$367,287)</b>	-	-	-	<b>(\$367,287)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 850 - Substantive Bills

Cross Reference Name: Administration and Support  
Cross Reference Number: 84500-003-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	133,738	-	-	-	133,738
<b>Total Revenues</b>	-	-	<b>\$133,738</b>	-	-	-	<b>\$133,738</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	82,278	-	-	-	82,278
Empl. Rel. Bd. Assessments	-	-	33	-	-	-	33
Public Employees' Retire Cont	-	-	13,987	-	-	-	13,987
Social Security Taxes	-	-	6,294	-	-	-	6,294
Worker's Comp. Assess. (WCD)	-	-	51	-	-	-	51
Flexible Benefits	-	-	22,896	-	-	-	22,896
Reconciliation Adjustment	-	-	(501)	-	-	-	(501)
<b>Total Personal Services</b>	-	-	<b>\$125,038</b>	-	-	-	<b>\$125,038</b>
<b>Services &amp; Supplies</b>							
Office Expenses	-	-	8,700	-	-	-	8,700
<b>Total Services &amp; Supplies</b>	-	-	<b>\$8,700</b>	-	-	-	<b>\$8,700</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	133,738	-	-	-	133,738
<b>Total Expenditures</b>	-	-	<b>\$133,738</b>	-	-	-	<b>\$133,738</b>

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 850 - Substantive Bills

Cross Reference Name: Administration and Support  
Cross Reference Number: 84500-003-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							1
<b>Total Positions</b>	-	-	-	-	-	-	<b>1</b>
<b>Total FTE</b>							
Total FTE							0.75
<b>Total FTE</b>	-	-	-	-	-	-	<b>0.75</b>

# BUDGET NARRATIVE

## MARIJUANA REGULATION PROGRAM – 004

OLCC 2015-17 Legislatively Adopted Budget

### PROGRAM UNIT EXECUTIVE SUMMARY

- A. **PRIMARY OUTCOME AREA**                      Economy and Jobs
- B. **PROGRAM CONTACT**                              Will Higlin, 503-872-5224
- C. **FUNDS BUDGET AND PERFORMANCE**

OLCC – Marijuana Program Regulation\*

	2011-13 Actual	2013-15 Legislatively Approved	2015-17 Current Service Level	2015-17 Legislatively Adopted
Other Funds	-	1,339,610	\$2,294,941	8,332,933
<b>Total Funds</b>	-	<b>\$1,339,610</b>	<b>\$2,294,941</b>	<b>\$8,332,933</b>
Positions	-	7	7	30
FTE	-	1.47	7.00	24.91

\*In order to facilitate an appropriate comparison of marijuana regulatory expenses, the 2013-15 legislative approved budget for expenditures and positions/FTE that were allocated to the “Administration and Support Services” program for that biennium are displayed here. Service and supplies costs estimated to be ongoing include biennialized Department of Justice expenses, consultant services and software licensing costs.

#### D. **PROGRAM OVERVIEW**

In November 2014, Oregon voters approved Ballot Measure 91, which legalized the sale and use of recreational marijuana in Oregon, and provided for a means of taxation and regulation of the product. The ballot measure gave OLCC responsibility to set and implement policy through adoption of administrative rules, collect taxes, license marijuana businesses and enforce of laws and administrative rules adopted under the measure

The 2015 Legislative Assembly passed measures to further define and expand the scope of regulation of both recreational and medical marijuana, with the passage of HB 3400, HB 2041, SB 460 and SB 844. These measures included additional recreational



# BUDGET NARRATIVE

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unregulated market, consumer demand, initial volatility stemming from entrepreneurial enthusiasm, startups versus long-term successful marijuana-related businesses, and regulations both nationally and in neighboring states could all influence the number of licensees, and therefore the resources needed and available for effective regulation. It is anticipated that the budget will be adjusted pending actual experience as license applications are received and the work of approvals and inspections begins.

## H. PROGRAM PERFORMANCE

Identified Metrics for the 2015-17 biennium include (these estimates may vary significantly due to several factors and lack of experience with the program):

Issuing an estimated 750 license types and an undetermined number of marijuana handler permits, the collection of an estimated \$5 million in fee revenue.

Key Activity Outcomes for Establishing the Marijuana program include:

Integration of marijuana program administration with existing alcohol programs under a common management structure to gain efficiencies, reduce duplication and streamline overall implementation with respect to the marijuana program needs for administration, finance, technology management, policy development, communications, licensing, inspections and administration of sanctions.

Development of budgetary systems and accounting practices to ensure division of funds related to integrated administration and support services and for determining financial responsibility for the division time employees spend serving the marijuana and alcohol program functions.

Development of detailed accounting practices to match a complex system accounting for program costs for each license type, tiered fees, and the recovery of all program costs.

Development of ongoing relationships with law enforcement to ensure public safety and to advance knowledge of the laws amongst public safety professionals, identify training needs, and provide for enforcement.

Implementation of intergovernmental agreements between OLCC and the Oregon Health Authority, the Oregon Department of Agriculture and the Oregon Department of Revenue detailing the coordination responsibilities of each agency.

# BUDGET NARRATIVE

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Development of practices to track the levels of production for differing types of marijuana production to enable required reporting to the legislature.

Recruitment of staff and providing for their training in 2015 to ensure license applications and inspections of licensees are carried out starting in January of 2016.

Management and deployment of two mission critical technology projects: 1) online licensing system; 2) marijuana plant and product tracking system.

Facilitation of research, public processes and citizen involvement providing for Commission adoption of temporary and permanent rules to initiate the program and providing for the establishment of fees, sanctions, and enable licensing of six distinct license types and permits for marijuana handlers.

Provide support for staffing and/or participating in task forces and complete reports including required recommendations as mandated by legislation.

Ensure communication about the activities of the program with stakeholders, including the public, legislature, intergovernmental partners, and industry.

## **I. ENABLING LEGISLATION/PROGRAM AUTHORIZATION**

The OLCC's authority to regulate marijuana is derived from Ballot Measure 91 which was amended by House Bill 3400, House Bill 2041, and House Bill 5047 during the 2015 Legislative Session.

## **J. FUNDING STREAMS**

The Legislatively Adopted Budget approved 30 positions (24.91 FTE) and \$8.3 million for the 2015-17 biennium. Of this amount, \$3.8 million is related to personal services. \$1.8 million in services and supplies costs are not anticipated to recur in future biennia, including the purchase of information systems and development, vehicles, repayment of borrowed liquor funds from 2013-15, and certain costs relating to consulting and public relations.

# BUDGET NARRATIVE

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## K. SIGNIFICANT PROPOSED PROGRAM CHANGES FROM 2013-15

Positions identified within the Marijuana Program will be integrated into a common management structure that oversees both the alcohol and marijuana regulatory functions of the agency. Positions will be phased in based on when related systems and processes are expected to be in place to govern their activities. Seven of the positions established in the 2013-15 biennium are continued in 2015-17: a program manager, three operations and policy analysts, a public affairs specialist, an administrative support position, and a compliance specialist. These seven positions are augmented with the following:

- Eleven regulatory specialists (inspectors – four of which are limited duration) to be phased in as licensing infrastructure comes on line;
- A phased-in compliance specialist, responsible for handling appeals on license denials and violations, also limited duration;
- A compliance specialist to manage product labeling standards and testing lab certification;
- Four accounting staff, also phased in, and responsible for the following:
  - Insurance bonding requirements of those liable for tax payments – though OLCC isn't responsible for collecting the tax, bonding responsibilities still fall to OLCC under HB 3400;
  - Auditing functions related to traceability system related to agency compliance efforts
  - Licensing fee payment and administration of the Marijuana Control and Regulation Fund
  - Support to the Department of Revenue providing traceability system information to support marijuana tax collection accuracy.
- Three administrative support personnel, responsible for licensing services, hearings and violations;
- A limited duration human resources analyst;
- A limited duration compliance specialist related to manage appeals related to licensing denials and violations; and
- A procurement and contract specialist for the additional services and supplies that will be required by the agency's additional employees.

The legislatively adopted budget for the program assumes 750 licensees, not including marijuana handler permits. Should the actual number of licensees vary widely from this estimate, the budget will have to be adjusted in February of 2016 or later during the 2016-17 interim.

The Joint Committee on Measure 91 Implementation was clear in its intention that in future biennia, OLCC regulatory expenses are to be funded by fees charged to licensees. The following budget note provides direction to the OLCC in setting fees:

# BUDGET NARRATIVE

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## **Budget Note**

When setting fees for the recreational marijuana program, the Oregon Liquor Control Commission shall consider the following:

- Fees charged should provide for sustainable operations in the 2017-19 biennium and beyond;
- Fees charged to licensees should not be lower than those charged by the Oregon Health Authority for equivalent medical marijuana license classes.

The Oregon Liquor Control Commission shall report quarterly to the Legislative Fiscal Office on the number of license applications, the number of licenses approved, fee amounts received, marijuana program expenditures, and progress on implementing technology initiatives associated with the recreational marijuana program.

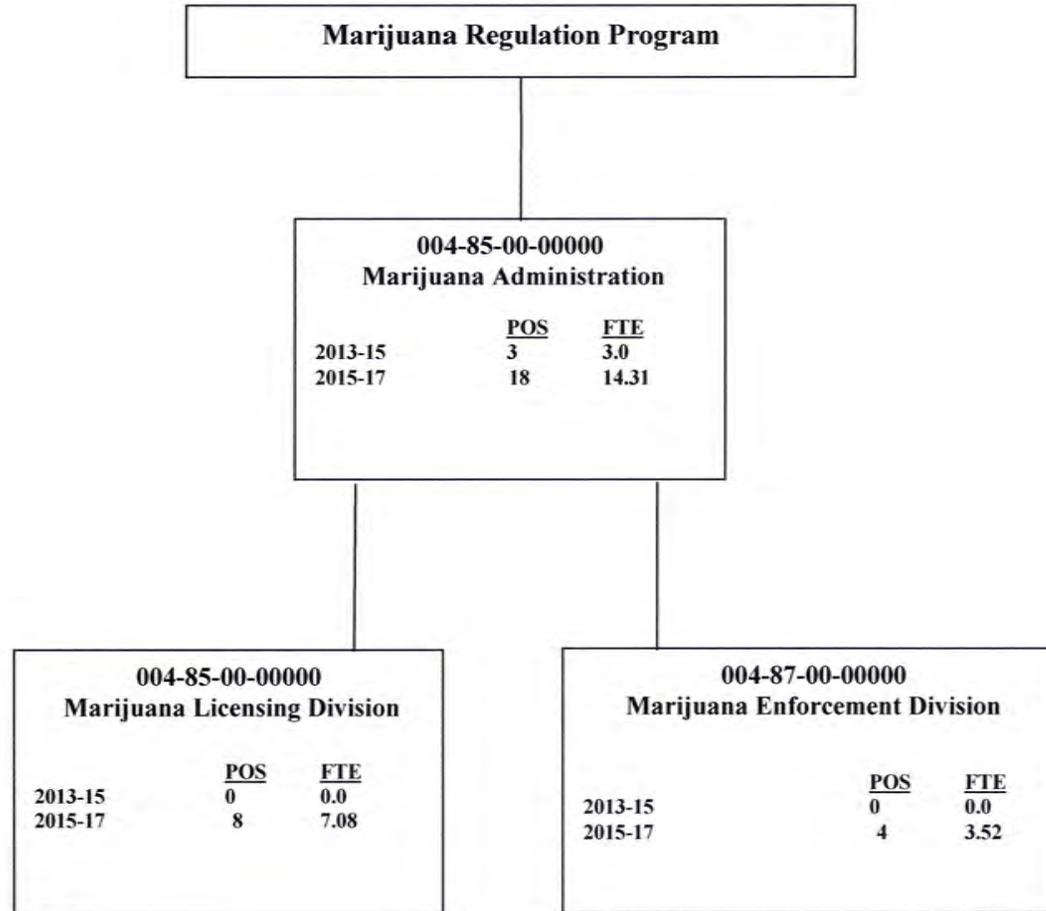
For the 2015-17 biennium, however, revenue from sales of the product, collected by the Department of Revenue, can be used to reimburse the Liquor Fund at an interest rate of 2%, before statutory distributions of revenue are made to other entities identified in HB 2041.

# BUDGET NARRATIVE

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## MARIJUANA REGULATION PROGRAM – 004

### OLCC 2015-17 Legislatively Adopted Budget ORGANIZATION CHART



# BUDGET NARRATIVE

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## **MARIJUANA ADMINISTRATION – SUBPROGRAM 85** **OLCC 2015-17 Legislatively Adopted Budget**

### **A. PURPOSE, ACTIVITIES & ISSUES**

The Marijuana Administration Division will be the primary entity for implementing recreational marijuana as outlined in Measure 91, HB 3400, and HB 2041. This division will coordinate rule making for all aspects of the law, administer procurement and development of licensing and tracking systems, develop interagency agreements with the Oregon Department of Revenue, Oregon Health Authority, and Oregon Department of Agriculture, establish standards and procedures for licensing and regulation, assist Department of Revenue in collection and audit of marijuana taxes, develop a service permit and education program for persons that sell marijuana at retail locations, and develop packaging and labeling standards for marijuana products.

### **B. BACKGROUND**

Measure 91 was passed in November of 2014. The Measure legalized recreational marijuana in Oregon and gave authority to the Oregon Liquor Control Commission for administration of the law. Several pieces of legislation were passed during the 2015 Legislative Session that refined and clarified OLCC's mission.

SB 460 allows medical marijuana dispensaries, starting October 1, 2015, to sell to recreational marijuana customers up to one quarter ounce of dried leaves and flowers and four immature marijuana plants per day. It requires the Oregon Health Authority to create rules to implement the measure and allows local governments to pass ordinances prohibiting sales. This bill sunsets on December 31, 2016.

HB 2041 imposed a 17% tax on marijuana items sold by recreational marijuana retailers at the point of retail sale starting January 1, 2016. HB 2041 requires the Department of Revenue (DOR) to collect the tax, requires retailers to submit tax returns quarterly, and allows retailers to deduct and retain 2 % of the taxes collected. The measure describes the process for collection of delinquent taxes and requires retailers to keep records for 5 years. HB 2041 requires medical marijuana dispensaries to collect 25% tax on all recreational sales starting on or after January 4, 2016. It repeals the 25% tax on December 31, 2016. The measure allows the DOR to

# BUDGET NARRATIVE

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use tax proceeds for administration and enforcement of the Act. All excess funds are deposited into the Oregon Marijuana Account for distribution. HB 2041 prohibits cities and counties that pass ordinances prohibiting any kind of medical or recreational marijuana facility or site from receiving any funds raised through the taxation of marijuana. OLCC will assist the Department of Revenue in their tax collection and audit activities through an interagency agreement.

HB 3400 clarified and added requirements for the implementation of Measure 91 as well as makes changes to the medical marijuana statutes. A section by section summary follows:

## **Powers and Duties of the Commission**

- Regulate the purchase, sale, production, processing, transportation and delivery of marijuana items
- Grant, refuse, suspend or cancel licenses for the sale, processing, or production of marijuana and make decisions on the ability to transfer an existing license between persons
- Investigate and aid in the prosecution of every violation of the statutory laws of this state relating to marijuana items
- Adopt, amend, and repeal rules to implement Measure 91 including rules that the commission considers necessary to protect the public health and safety
- Issue subpoenas, compel the attendance of witnesses, administer oaths, certify official acts, take depositions, compel the production of licensee records
- Establish fees in addition to the application, licensing and renewal fees as described later in the bill
- Adopt advertising rules to prohibit advertising marijuana items in a manner that is appealing to minors, promotes excessive use, promotes illegal activity or that otherwise present a significant risk to public health and safety
- Fees collected are deposited in the Marijuana Control and Regulation Fund (new fund created by HB 3400)

## **Power to Purchase, Possess, Seize and Dispose.**

Gives power to the commission to handle marijuana when necessary as part of its compliance activities.

## **Regulation of Licensees**

Adds that a licensed premises may receive marijuana items only from a marijuana producer, processor, or wholesaler that has a license from the OLCC. States that the OLCC may require the fingerprints of applicants for licenses.

## **License Holders**

- Adds requirement that until January 1, 2020, applicants for all license types must provide proof that they have been a resident of Oregon for two or more years

# BUDGET NARRATIVE

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- Fees may not exceed the cost of administration. Shall be in a form that imposes a greater fee for premises with more square footage or on which more mature marijuana plants are grown
- Fees are deposited in the Marijuana Control and Regulation Fund
- Requires all license types to meet public health and safety standards and industry best practices established by the commission
- Requires all products to be tested

## **Producer:**

- Requires at the time of applying or renewing a license that a producer:
  - Submits a report describing the applicants electrical or water usage
  - The Commission may not limit the number of immature marijuana plants that may be possessed by a producer, the size of the grow canopy of immature plants, the weight or size of shipment of immature plants
  - The Commission shall adopt rules restricting the size of mature marijuana plant grow canopies for indoor and outdoor grows in a manner calculated to result in premises that produce the same amount of harvested marijuana leaves and flowers regardless of whether the marijuana is grown indoors or outdoors
  - Adopt a tiered system under which the permitted size of the grow canopy increases at the time of licensure renewal except when the licensee has violated a provision of their license or a rule
  - Commission must take into consideration the market demand for marijuana items to determine whether the availability of marijuana items in this state is commensurate with the market demand. This does not apply to licenses that solely propagate immature plants

## **Processor:**

- If the processor processes marijuana extracts, they may not be located in an area zoned exclusively for residential use

## **Wholesalers:**

- May not be located in an area zoned exclusively for residential use

## **Retailers:**

- May not be located in an area zoned exclusively for residential use
- May not be located within 1,000 feet of a public elementary or secondary school or a private or parochial elementary or secondary school

## **Segregated Premises:**

# BUDGET NARRATIVE

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- To protect public health and safety the Commission may require licensee that hold more than one licensee type to be segregated into separate areas

## **Marijuana Handlers:**

- Requires marijuana handler permits for a person who works in a retail shop and who possesses, secures, sells or records marijuana items
- Retailers must verify that employees have a valid permit
- Commission shall establish fees and adopt rules regarding the qualifications, terms, procedures for application and renewal
- Commission shall require a course that includes checking identification, detecting intoxication, and handling marijuana items, the Commission cannot require the course more than once except as a condition of lifting a suspension
- Commission shall conduct a criminal records check and may suspend, revoke or refuse to issue or renew a permit if the individual makes a false statement or is convicted of a felony, except the commission may not consider a conviction for the manufacture or delivery of marijuana if the date of the conviction is two or more years before the date of application or renewal

## **Employment Relations:**

- Employees of licensees have the right to form, join and participate in the activities of a labor organization
- It is unlawful for the licensee to discharge, demote, suspend or discriminate or retaliate against an employee on the basis that the employee has reported information to the OLCC that that the employee believes is evidence of the violation of the law
- The Commission may establish merit-based criteria for licensure or renewal of licensure including but not limited to possession of a developed business plan, access to sufficient capital, offering living wages and benefits, provision of training and apprenticeship, provision of community benefits, implementation of best environmental practices and implementation of consumer safety practices.

## **Bonds and Liability Insurance:**

- OLCC may require retailers to obtain a bond if the licensee fails to pay any tax imposed on the retail sale of marijuana items.
- OLCC may require general liability insurance for all licensees.

## **Seed to Sale Tracking System:**

- OLCC shall develop and maintain a system for tracking the transfer of marijuana items between licensed premises in order to:

# BUDGET NARRATIVE

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- Prevent the diversion of marijuana items to other states or criminal enterprises
- Prevent substitution or tampering
- Ensure accurate accounting of production, processing and sales
- Ensure that taxes are collected
- Ensure that laboratory testing results are accurately reported
- Ensure compliance with rules and regulations
- The system must be capable of tracking at minimum:
  - Propagation of immature plants and the production of marijuana by a producer
  - The processing of marijuana by a processor
  - The receiving, storing and delivering of marijuana items by a wholesaler
  - The sale of marijuana items by a retailer to a consumer
  - The purchase, sale, and transfer of marijuana items between licensees
  - The collection of taxes

## **Identification Requirement:**

- Requires the showing of identification prior to selling or providing a marijuana items to another person
- The OLCC may adopt rules exempting a licensee or licensee representative from this requirement

## **Protection of Persons Under 21 Years of Age:**

- Except as authorized by the Commission by rule or as necessary in an emergency, a person under 21 years of age may not enter any portion of a licensed premises that is posted or otherwise identified as being prohibited to the use of persons under 21
- A court may require a person who misrepresents their age to perform community service and that their driving privileges or right to apply for driving privileges to be suspended for a period not to exceed one year. May grant a hardship permit. The court may order a person to undergo assessment and treatment if the person has previously violated this provision.
- These provisions don't apply to a person under 21 years of age who is acting under the direction of the licensee, the commission or state or local law enforcement agencies for purposes of investigating possible violations of the laws prohibiting sales to those under 21 years of age

# BUDGET NARRATIVE

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- The person under 21 is not in violation and is immune from prosecution if they contacted emergency medical services or law enforcement to obtain medical assistance for someone else or themselves; the immunity does not apply to other crimes or offenses
- The commission may adopt rules to require a retailer to use an age verification scanner or other equipment to verify a person's age. The marijuana retailer may not use any information obtained from this equipment for any other reason.

## **Enforcement:**

- The commission can impose up to a \$5,000 penalty for each violation
- The Oregon Liquor Control Commission regulatory special has peace officer authorities but may not:
  - Be sworn in as a federal law enforcement official and act in that capacity while performing peace officer duties
  - Carry a firearm
  - Conduct inspections and investigations of a primary residence

## **Marijuana Control and Regulation Fund:**

- Creates a new fund separate and distinct from the general fund. Moneys are continuously appropriate to the OLCC to administer and enforce Measure 91

## **Land Use:**

- The governing body of a city or county may adopt ordinances that impose reasonable regulations on the operation of businesses located at licensee premises except that they may not adopt an ordinance that prohibits retail licensees to be located more than 1,000 feet from each other
- Activities not allowed on land designated for exclusive farm use include:
  - A new dwelling used in conjunction with a marijuana crop
  - A farm stand
  - A commercial activity
- Prior to issuance of a license the OLCC shall request a land use compatibility statement from the city or county that authorizes the land use. The commission may not issue a license if the land use compatibility statement shows that the proposed use is prohibited in the applicable zone.
- The city or county must act on the request for a land use compatibility statement within 21 days of receipt of the request if the land use is allowable as an outright permitted use or the date of final local permit approval if the land use is allowable as a conditional use

# BUDGET NARRATIVE

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## **Local Option Tax:**

- The authority to impose a tax or fee is vested solely in the legislative assembly except the city or county may adopt an ordinance to be referred to the votes to impose a tax or fee on the sale marijuana products not to exceed 3%. This ability to impose a tax goes away permanently if the city or county opts out of granting licenses

## **Form and Style Amendments:**

- Section 70 which addresses taxation at the grower level was replaced by HB 2041 which taxes marijuana products at the retail level.

## **Testing:**

- As necessary to protect the public health and safety, the Oregon Health Authority, in consultation with the Oregon Liquor Control Commission and the State Department of Agriculture, shall adopt rules to:
  - Establish standards for testing marijuana items
  - Identify the appropriate tests
  - Test for at minimum:
    - Microbiological contaminants
    - Pesticides
    - Other contaminants
    - Solvents or residual solvents
    - THC and cannabinoid concentration
  - Determine batch and sampling sizes
  - Establish different minimum standards for different products
  - The authority and the commission may conduct random tests; may not require more than one test unless the tested product is transferred into a different type of product
  - Must be conducted by a laboratory licensed by the Commission
- Licensing labs – OHA provides lab accreditation; OLCC issues the license

## **Packaging, Labeling and Dosage –Operative January 1, 2016**

- OHA adopts rules establishing standards for labeling in consultation with OLCC and ODA

# BUDGET NARRATIVE

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- Health and safety warnings
- Activation time
- Results of testing
- Potency
- Serving sizes and number of servings
- Content
- The OLCC may require a licensee and the OHA may by rule require a registrant to submit a label intended for use on a marijuana item for preapproval by the Commission; the Commission may impose a fee
- OLCC shall adopt rules in consultation with OHA and DOA for packaging standards
  - Packaged in child-resistant safety packaged and not marketed in a manner that is untruthful or misleading, attractive to minors or creates a significant risk of harm to public health and safety
  - Can preapprove packaging

## **Research Certificate - Operative November 15, 2015**

- OLCC in consultation with OHA and DOA shall establish a program for identifying certifying private and public researchers of cannabis

## **Medical Marijuana Grow Site Opt-In – Operative January 1, 2016**

- A medical marijuana grower may apply for an opt-in license provided that all individuals registered with the OHA are listed on the application
- Need to meet criminal background check requirements
- Agrees to OLCC tracking; not subject to medical marijuana tracking requirements
- Provides proof of obtaining permission to apply for license from cardholders
- OLCC may waive rules
- Licensee may not possess more the amount or number of marijuana plants permitted
- May sell immature plants and usable marijuana in excess of amounts produced for cardholders to a person who holds an OLCC issued license

## **Task Force – Effective on Passage**

- Creates the Task Force on Cannabis Environmental Best Practices consisting of 13 members
  - 2 members of the Senate



# BUDGET NARRATIVE

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In the 2015-17 biennium, the division expects the following results:

- Full implementation of recreational marijuana as outlined in Measure 91 and amended by HB 3400
- Deployment of an online licensing system to accept and issue producer, processor, wholesaler, retailer, lab licenses and marijuana handler permits
- Deployment of a “seed to sale” tracking system that will account for marijuana products in the recreational system
- Adoption of temporary rules followed by permanent rules for all recreational marijuana activities.
- Integration of marijuana regulatory, licensing, finance and compliance programs with existing OLCC programs

## **D. REVENUE SOURCE**

Marijuana administration is funded from license fees and fines out of the Marijuana Control and Regulation Account created in HB 3400. Additional start-up costs will be funded from the Marijuana Tax Fund as mandated in SB 605 and HB 5047.

## **E. PROPOSED LEGISLATIVE CHANGES**

Measure 91 was amended during the 2015 Legislative Session by:

SB 460	Early Start
SB 844	Task Force on Researching Medical and Health Properties of Cannabis
HB 2041	Retail Tax
HB 3400	Measure 91 and Medical Marijuana
SB 364	Court Consideration of New Classification for Marijuana Offenses
SJM 12	Memorial to Congress

# BUDGET NARRATIVE

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## MARIJUANA LICENSING – SUBPROGRAM 46 OLCC 2015-17 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

The Marijuana Licensing program is responsible for developing the license application process and “seed to sale” tracking programs for the Marijuana Regulation Program. Activities also include development and administration of an on-line application process, development of application forms and requirements, implementation of rules developed for licensing, certification that licensees are trained and proficient in reporting information for the tracking system, and administration of the licensing process.

### B. BACKGROUND

Measure 91 with amendments by HB 3400 during the 2015 Legislative Session provide OLCC’s responsibilities for licensing, regulation and administration. Rulemaking is being done to refine process and procedures.

### C. EXPECTED RESULTS

In the 2015-17 biennium, the division expects the following results:

- Rules are developed and finalized for the license application process
- On-line licensing for marijuana applications is developed and in use
- Licenses for recreational marijuana are issued
- All marijuana product in the recreational system is being tracked from grow to retail

### D. REVENUE SOURCE

Marijuana administration is funded from license fees and fines out of the Marijuana Control and Regulation Account created in HB 3400. Additional start-up costs will be funded from the Marijuana Tax Fund as mandated in SB 605 and HB 5047

# BUDGET NARRATIVE

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## E. PROPOSED LEGISLATIVE CHANGES

Measure 91 was amended during the 2015 Legislative Session by :

SB 460	Early Start
SB 844	Task Force on Researching Medical and Health Properties of Cannabis
HB 2041	Retail Tax
HB 3400	Measure 91 and Medical Marijuana
SB 364	Court Consideration of New Classification for Marijuana Offenses
SJM 12	Memorial to Congress

# BUDGET NARRATIVE

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## MARIJUANA ENFORCEMENT – SUBPROGRAM 47

### OLCC 2015-17 Legislatively Adopted Budget

#### A. PURPOSE, ACTIVITIES & ISSUES

The Marijuana Enforcement program is responsible for enforcing the laws related to recreational marijuana license holders. The program will investigate license applications, inspect licensed premises for compliance, respond to complaints related to licensees and administer violations of Oregon's marijuana law.

#### B. BACKGROUND

Measure 91 with amendments by HB 3400 during the 2015 Legislative Session provide OLCC's responsibilities for licensing, regulation and administration. Rulemaking is being done to refine process and procedures.

#### C. EXPECTED RESULTS

The Marijuana Enforcement Program expects the following results during 2015-17 biennium:

- Develop rules related to enforcement and compliance of recreational marijuana
- Establish training curriculum and compliance manuals for enforcement of marijuana laws
- Perform multiple site visits each year to marijuana licensees
- Integrate marijuana enforcement activities with liquor enforcement activities.

#### D. REVENUE SOURCE

Marijuana administration is funded from license fees and fines out of the Marijuana Control and Regulation Account created in HB 3400. Additional start-up costs will be funded from the Marijuana Tax Fund as mandated in SB 605 and HB 5047

# BUDGET NARRATIVE

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## E. PROPOSED LEGISLATIVE CHANGES

Measure 91 was amended during the 2015 Legislative Session by:

SB 460	Early Start
SB 844	Task Force on Researching Medical and Health Properties of Cannabis
HB 2041	Retail Tax
HB 3400	Measure 91 and Medical Marijuana
SB 364	Court Consideration of New Classification for Marijuana Offenses
SJM 12	Memorial to Congress

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Marijuana Regulation  
 Cross Reference Number: 84500-004-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Personal Services</b>							
Reconciliation Adjustment	-	-	-	-	-	-	-
<b>Total Personal Services</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							-
<b>Total Positions</b>	-	-	-	-	-	-	-
<b>Total FTE</b>							
Total FTE							-
<b>Total FTE</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 501 - Measure 91 Implementation

Cross Reference Name: Marijuana Regulation  
Cross Reference Number: 84500-004-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Privilege Taxes	-	-	-	-	-	-	-
Business Lic and Fees	-	-	-	-	-	-	-
Transfer In - Intrafund	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers Out</b>							
Transfer to Cities	-	-	-	-	-	-	-
Transfer to Counties	-	-	-	-	-	-	-
Tsfr To Lands, Dept of State	-	-	-	-	-	-	-
Tsfr To Police, Dept of State	-	-	-	-	-	-	-
Tsfr To Oregon Health Authority	-	-	-	-	-	-	-
Tsfr To Agriculture, Dept of	-	-	-	-	-	-	-
<b>Total Transfers Out</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	-	-	-	-	-
Empl. Rel. Bd. Assessments	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	-	-	-	-	-
Social Security Taxes	-	-	-	-	-	-	-
Worker's Comp. Assess. (WCD)	-	-	-	-	-	-	-
Flexible Benefits	-	-	-	-	-	-	-
Reconciliation Adjustment	-	-	-	-	-	-	-
<b>Total Personal Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 501 - Measure 91 Implementation

Cross Reference Name: Marijuana Regulation  
 Cross Reference Number: 84500-004-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	-	-	-	-	-
Out of State Travel	-	-	-	-	-	-	-
Employee Training	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-
Publicity and Publications	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-
IT Professional Services	-	-	-	-	-	-	-
Employee Recruitment and Develop	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-
Facilities Rental and Taxes	-	-	-	-	-	-	-
Facilities Maintenance	-	-	-	-	-	-	-
Agency Program Related S and S	-	-	-	-	-	-	-
Other Services and Supplies	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 501 - Measure 91 Implementation

Cross Reference Name: Marijuana Regulation  
 Cross Reference Number: 84500-004-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Total Positions</b>							
Total Positions							-
<b>Total Positions</b>	-	-	-	-	-	-	-
<b>Total FTE</b>							
Total FTE							-
<b>Total FTE</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 850 - Substantive Bills

Cross Reference Name: Marijuana Regulation  
Cross Reference Number: 84500-004-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Business Lic and Fees	-	-	5,174,200	-	-	-	5,174,200
Transfer In - Intrafund	-	-	149,466	-	-	-	149,466
Tsfr From Revenue, Dept of	-	-	3,221,908	-	-	-	3,221,908
<b>Total Revenues</b>	-	-	<b>\$8,545,574</b>	-	-	-	<b>\$8,545,574</b>
<b>Transfers Out</b>							
Tsfr To Agriculture, Dept of	-	-	(212,641)	-	-	-	(212,641)
<b>Total Transfers Out</b>	-	-	<b>(\$212,641)</b>	-	-	-	<b>(\$212,641)</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	2,446,503	-	-	-	2,446,503
Empl. Rel. Bd. Assessments	-	-	1,102	-	-	-	1,102
Public Employees' Retire Cont	-	-	415,908	-	-	-	415,908
Social Security Taxes	-	-	187,159	-	-	-	187,159
Worker's Comp. Assess. (WCD)	-	-	1,711	-	-	-	1,711
Flexible Benefits	-	-	760,656	-	-	-	760,656
Reconciliation Adjustment	-	-	14,682	-	-	-	14,682
<b>Total Personal Services</b>	-	-	<b>\$3,827,721</b>	-	-	-	<b>\$3,827,721</b>
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	80,000	-	-	-	80,000
Out of State Travel	-	-	15,000	-	-	-	15,000
Employee Training	-	-	81,000	-	-	-	81,000
Office Expenses	-	-	161,000	-	-	-	161,000

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 850 - Substantive Bills

Cross Reference Name: Marijuana Regulation  
Cross Reference Number: 84500-004-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Telecommunications	-	-	73,000	-	-	-	73,000
State Gov. Service Charges	-	-	200,000	-	-	-	200,000
Publicity and Publications	-	-	3,000	-	-	-	3,000
Professional Services	-	-	352,202	-	-	-	352,202
IT Professional Services	-	-	1,799,849	-	-	-	1,799,849
Attorney General	-	-	480,000	-	-	-	480,000
Employee Recruitment and Develop	-	-	92,500	-	-	-	92,500
Dues and Subscriptions	-	-	3,000	-	-	-	3,000
Facilities Rental and Taxes	-	-	250,000	-	-	-	250,000
Facilities Maintenance	-	-	80,000	-	-	-	80,000
Agency Program Related S and S	-	-	146,000	-	-	-	146,000
Other Services and Supplies	-	-	608,661	-	-	-	608,661
Expendable Prop 250 - 5000	-	-	80,000	-	-	-	80,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$4,505,212</b>	-	-	-	<b>\$4,505,212</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	8,332,933	-	-	-	8,332,933
<b>Total Expenditures</b>	-	-	<b>\$8,332,933</b>	-	-	-	<b>\$8,332,933</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 850 - Substantive Bills

Cross Reference Name: Marijuana Regulation  
Cross Reference Number: 84500-004-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Total Positions</b>							
Total Positions							30
<b>Total Positions</b>	-	-	-	-	-	-	<b>30</b>
<b>Total FTE</b>							
Total FTE							24.91
<b>Total FTE</b>	-	-	-	-	-	-	<b>24.91</b>

# BUDGET NARRATIVE

## STORE OPERATION EXPENSES PROGRAM – 005 OLCC 2015-17 Legislatively Adopted Budget

### PROGRAM UNIT EXECUTIVE SUMMARY

- A. **PRIMARY OUTCOME AREA**                      Economy and Jobs
- B. **PROGRAM CONTACT**                         Merle Lindsey, OLCC Deputy Director, 503-872-5161
- C. **FUNDS BUDGET AND PERFORMANCE**



# BUDGET NARRATIVE

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The bars show the Store Operating Expenses (SOE) Program's expenditures. All are funded by Other Funds (liquor revenues). The line graph shows gross liquor revenue, the major output.

D. **PROGRAM OVERVIEW**

The OLCC appoints liquor agents – independent business people or businesses – to operate liquor stores for the state of Oregon. The Store Operating Expenses Program contains funds available to pay agents for their retailing services for the state, encouraging the development of all Oregon economy, per ORS 741.030, Purpose of the Liquor Control Act.

E. **PROGRAM FUNDING REQUEST**

The OLCC requested \$102,570,335 Other Funds limitation for the 2015-17 biennium. No FTE or positions are requested.

E. **PROGRAM DESCRIPTION**

OLCC expects to generate an estimated \$ 1.14 billion in liquor sales in 2015-17. The Store Operating Expenses Program funds more than 138 exclusive stand-alone liquor stores and 110 nonexclusive liquor stores combined with grocery stores, convenience stores and other retail outlets located throughout the state, making alcohol available in a regulated fashion for the people of Oregon and the state's visitors. The agents ensure the responsible sale of alcohol to the public, are responsible for following all liquor laws, and for providing stewardship for the state's \$24 million inventory investment in the stores.

F. **PROGRAM JUSTIFICATION AND LINK TO 10-YEAR OUTCOME**

The state's appropriately funding of Oregon liquor store operations supports economic development and the creation of jobs in Oregon. It supports retail sales agent entrepreneurs (liquor agents) and the jobs they create throughout the distilled spirits supply chain in Oregon. Selling alcohol is important to the success of Oregon's tourism and the broader hospitality industry, comprising entrepreneurs and their tens of thousands of employees. Restaurants and bars -- often locally owned businesses -- purchase approximately 24 percent of the spirits sold by the liquor stores. Additionally, the craft distillery industry has been growing in Oregon, and hopes to gain more national momentum and recognition. OLCC ensures that products from these local micro-businesses get an equal footing -- alongside national and international brands -- on the shelves of Oregon liquor stores.

# BUDGET NARRATIVE

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Funding Oregon liquor stores link to the following 10-Year Outcome strategies:

**Leading the agency in affirmatively and proactively encouraging Oregon's economy and communities (per ORS 471.030).**

OLCC's liquor agents are mostly local, small business owners, though larger, incorporated businesses are now eligible to become agents, as well. Their employing local people familiar with local needs and issues helps to maintain a vibrant, growing economy. Their retailing expertise helps bring business from distillers into the state's economy, and helps Oregon's own distilleries' to flourish and access external markets. OLCC's uniform statewide pricing of spirits safeguards availability no matter where businesses or citizens are located. OLCC's licensed liquor stores are part of an in-state supply chain, and help keep Oregon dollars in the state.

**Providing for statewide selection of distilled spirits.** The unique mix of exclusive and nonexclusive stores located throughout Oregon and the state funding of inventory, results in a wide variety of distilled spirits, including Oregon products and special orders that are available statewide at a consistent price.

**Supporting the growth of Oregon craft distillers and other beverages.** The program supports Oregon distilleries by putting their products on the store shelves competitively with large distilleries' products, without placement fees. Many of these spirits are produced with Oregon grains and other agricultural products, which create additional local jobs and are a key component of Oregon's economic sustainability. In addition, many stand-alone liquor stores are now stocking beer, wine and cider.

**Enhancing customer convenience.** Liquor store agents use their compensation to upgrade stores, extend hours open to the public, and move to better locations.

## H. PROGRAM PERFORMANCE

The chart shows the number of liquor stores supported by the program; cases sold in millions; spirits gross sales; net distribution as a percent of sales; the key performance measure (KPM) of distribution to the state General Fund and local governments per dollar of agency expenditure and the cost of store operating expenses as a percent of gross liquor sales. Actuals are through fiscal year 2013.

# BUDGET NARRATIVE

Fiscal Year	Number of Stores	Cases of Spirits Sold, millions	Distilled Spirits Gross Sales, Millions	Net Distribution as a Percent of Sales	OLCC KPM, Rate of Return (Distributed per Expenditure)	Cost of Store Operations Expenses as a percent of Sales
2001-03	237	3.70	\$529.84	41.35%	\$2.73	8.48%
2003-05	241	4.12	\$606.88	40.62%	\$2.70	8.88%
2005-07	241	4.73	\$730.07	39.10%	\$2.47	8.88%
2007-09	240	5.12	\$826.63	40.19%	\$2.72	8.82%
2009-11	247	5.25	\$869.71	40.80%	\$2.73	8.88%
2011-13	249	5.70	\$973.67	41.19%	\$2.90	8.88%
2013-15	251	6.14	\$1,071.60	41.72%	\$2.90	8.88%
2015-17	254	6.33	\$1,148.17	42.12%	\$2.73	8.93%
2017-19	257	6.60	\$1,214.30	42.12%	\$2.90	8.93%
2019-21	260	6.87	\$1,315.90	42.12%	\$2.90	8.93%
2021-23	263	7.16	\$1,447.57	41.04%	\$2.90	8.93%

**I. ENABLING LEGISLATION/PROGRAM AUTHORIZATION**

The OLCC administers Oregon’s Liquor Control Act. The OLCC’s authority is derived from Oregon Revised Statutes Chapters 471, Alcoholic Liquor Generally; 473, Wine Cider and Malt Beverage Privilege Tax; 474, Trade Practices Related to Malt Beverages; 459A.700 to 74, Beverages Containers; the Bottle Bill, and Administrative Rules Chapter 845.

**J. FUNDING STREAMS**

All OLCC programs are funded by OLCC-generated revenue. All revenue received by the OLCC is classified as “other funds.” Revenues come from liquor sales, license fees and fines, server education fees, taxes on malt beverages and wines (Privilege Tax) and miscellaneous income. ORS 471.805 directs the OLCC to distribute available moneys to the state General Fund, cities, counties, and Mental Health.

**K. SIGNIFICANT PROPOSED PROGRAM CHANGES FROM 2013-15**

The agency does not propose any significant program changes for the Store Operating Expenses Program for 2015-17.

# BUDGET NARRATIVE

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## STORE OPERATING EXPENSES PROGRAM – PROGRAM 005 OLCC 2015-17 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

The OLCC appoints liquor agents – independent business people or businesses – to operate liquor stores for the state of Oregon; the OLCC contracts with them to serve as retail sales agents. The agent stores range from stand-alone exclusive liquor stores to nonexclusive liquor stores, located in grocery stores, convenience stores and other retail establishments. Many of the rural stores are nonexclusive. The Store Operating Expenses Program contains funds available to pay agents for their retailing services for the state. The OLCC pays agents monthly for their services using a formula based on several factors, the most important of which is store sales. This payment is not only the agents' take-home pay, but also the dollars they use to operate and improve the liquor stores. For example, out of their compensation, agents must pay liquor store rent, insurance, telephone, electricity, heat, water, city and county business taxes, employee salaries, sick leave and vacation coverage. Agents also pay for infrastructure improvements -- such as in-store remodels, appearance improvements and fixtures -- and computer equipment from these funds. From the remainder, agents pay their own salaries, Social Security, state and federal taxes, medical insurance, and retirement plan.

Agents are compensated primarily on the sales volume the liquor stores produce. The Legislature mandates the average funding rate to be paid on forecasted sales; but it also has chosen to set a maximum limitation. If sales exceed forecasts during a biennium, OLCC must request a limitation increase from the Emergency Board to maintain paying agents the mandated average funding rate of compensation. On the other hand, if sales do not meet the biennium's forecast, OLCC does not distribute the entire fund to agents.

For 2015-17, the budget provides agents statewide a store expenses fund calculated as an average rate of 8.93 percent of statewide sales, a new, higher calculation basis than that used for the prior six biennia. Since 1997, the Legislature has increased the average rate four times to meet the continued business demands of the sales force. Prior to 1997, the approved average rate was 8.2 percent; in 1997 it moved to 8.54 percent. The 8.54 percent rate was unchanged until 2003, when the 2003 Legislature increased the rate from 8.54 percent to the 8.88 percent. The 2015 Legislature increased the average rate to 8.93% for the 2015-17 biennium. The agency will continue examining the rate structure and funding formula with the goals of covering expenses for the sale of goods and creating incentives for agents to improve service to the public, upgrade their facilities, invest in remodels or move to better locations.

The 2015-17 Agency Request budget did not include extending the OLCC's 50-cents per bottle surcharge on spirits through 2015-17. As of the preparation date of the Agency Request, the Commissioner's had not taken action on extending the surcharge. The liquor commissioners did take action at its August, 2014 meeting and approved extending the surcharge until June 30, 2017. The approved surcharge is expected to generate \$33.8 million in spirits revenue and be added to the liquor (spirits) revenue projection of \$1.114

# BUDGET NARRATIVE

billion for the biennium for a total gross revenue of \$1.148. The Legislatively Adopted Budget of \$102,570,335 million for the Store Operating Expense fund will increase the average compensation rate from 8.88 percent to 8.93% with the achievement of expected liquor (spirits) sales revenue in the amount of \$1.148 billion.

The OLCC has used one basic formula structure since 1987, and plans to use it for 2015-17, to calculate individual agents' monthly compensation amounts. The specific percentages used in the formula have changed over time as the Legislature approved increases in the average compensation rate. Please note the sales commission rates listed below vary during a biennium to maintain an average payout of compensation statewide as 8.93 percent of actual statewide sales.

Any individual agent receives compensation based on one of the following formulas:

**NON-EXCLUSIVE AGENT FORMULA** (A non-exclusive agent runs the liquor store in conjunction with another business.)

***Base Compensation***

14.25 percent of first \$10,000 of monthly sales

***PLUS***

***Sales Commission***

8.01 percent of all monthly consumer sales

6.25 percent of all monthly licensee sales

***PLUS***

Each non-exclusive agent is eligible for up to \$118 in additional monthly compensation, which is deposited into deferred compensation if the agent also deposits a like amount into the fund.

**EXCLUSIVE AGENT FORMULA** (An exclusive agent runs a store whose only business is the sale of distilled spirits and some distilled spirits-related items.)

***Base Compensation***

<u>Sales Class</u>	<u>Annual Sales</u>	<u>Compensation Base</u>
I	up to \$209,999	14.25 percent of first \$10,000 monthly sales
II	\$210,000 - \$449,999	\$1,660
III	\$450,000 - \$749,999	\$1,920
IV	\$750,000 - \$1,049,999	\$2,348

# BUDGET NARRATIVE

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V	\$1,050,000 - \$1,649,999	\$2,440
VI	\$1,650,000 and up	\$2,700

**PLUS**

*Sales Commission*

8.01 percent of all monthly consumer sales

6.25 percent of all monthly licensee sales

**PLUS**

Each exclusive agent is eligible for up to \$150 monthly in additional compensation, which is deposited into deferred compensation if the agent contributes a like amount into the fund.

**B. BACKGROUND**

Originally, the OLCC annually determined the compensation amount that agents would receive each month. Then in 1979, the OLCC started calculating compensation monthly as a percentage of actual monthly sales. As a result, since then an agent's monthly compensation for store operating expenses fluctuates as sales fluctuate. Until 1980, the OLCC made biennial adjustments to this basic formula. From 1980 to 1985, the basic formula did not change, but the Legislature added annual cost-of-living increases to the base formula. In a 1985-87 budget footnote, the Legislature directed OLCC to allocate agents compensation based on a redesigned compensation schedule.

The 2005 Legislature directed the OLCC to initiate a study to re-evaluate the payment schedule for liquor agents and to report the results of the study to the Legislature. The study was completed in June 2006 and was reported to House Business and Labor Committee on November 26, 2007. As a result of the study, the OLCC created a task force of agents, OLCC staff and other interested parties to develop recommendations regarding agents' compensation for presentation to the Legislature. The task force reported to the board of liquor commissioners in December 2007 with seven proposals to modify agents' compensation. OLCC requested packages for 2009-11 and 2011-13 requesting non-limited funding and an incentive plan in response to the task force proposals, but they were not adopted by the Legislature. The 2013-15 Agency Request Budget recommended non-limited funding again. The package, "Respond to Variable Store Business Costs," was not approved. The agency is choosing to not submit a funding package for additional agent compensation for the 2015-17 biennia. The agency plans to undergo a thorough examination of the funding formula with the goal to create incentives for agents to improve service to the public, upgrade their facilities, invest in remodels or move to better locations.

# BUDGET NARRATIVE

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## C. EXPECTED RESULTS

As of December 2014, OLCC expects to generate an estimated \$ 1.148 billion in liquor (spirits) sales in 2015-17. The Store Operating Expenses Program funds more than 248 stores (138 exclusive and 110 non-exclusive) located throughout the state, making alcohol available in a controlled, regulated fashion for the people of Oregon and the state's visitors. The agents ensure the responsible sale of alcohol to the public, are responsible for following all liquor laws, and for providing stewardship for the state's \$24.2 inventory investment in the stores.

## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

## E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Store Operating Expenses  
 Cross Reference Number: 84500-005-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Professional Services	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 031 - Standard Inflation

Cross Reference Name: Store Operating Expenses  
Cross Reference Number: 84500-005-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	2,854,740	-	-	-	2,854,740
<b>Total Revenues</b>	-	-	<b>\$2,854,740</b>	-	-	-	<b>\$2,854,740</b>
<b>Services &amp; Supplies</b>							
Professional Services	-	-	2,854,740	-	-	-	2,854,740
<b>Total Services &amp; Supplies</b>	-	-	<b>\$2,854,740</b>	-	-	-	<b>\$2,854,740</b>
<b>Capital Outlay</b>							
Land and Improvements	-	-	-	-	-	-	-
Building Structures	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	2,854,740	-	-	-	2,854,740
<b>Total Expenditures</b>	-	-	<b>\$2,854,740</b>	-	-	-	<b>\$2,854,740</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Store Operating Expenses  
Cross Reference Number: 84500-005-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	946,260	-	-	-	946,260
<b>Total Revenues</b>	-	-	<b>\$946,260</b>	-	-	-	<b>\$946,260</b>
<b>Services &amp; Supplies</b>							
Professional Services	-	-	946,260	-	-	-	946,260
<b>Total Services &amp; Supplies</b>	-	-	<b>\$946,260</b>	-	-	-	<b>\$946,260</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	946,260	-	-	-	946,260
<b>Total Expenditures</b>	-	-	<b>\$946,260</b>	-	-	-	<b>\$946,260</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Store Operating Expenses  
Cross Reference Number: 84500-005-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Professional Services	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 801 - LFO Analyst Adjustments

Cross Reference Name: Store Operating Expenses  
Cross Reference Number: 84500-005-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	-	-	-	-	-
Tsfr From Or Liquor Cntrl Comm	-	-	2,999,335	-	-	-	2,999,335
<b>Total Revenues</b>	-	-	<b>\$2,999,335</b>	-	-	-	<b>\$2,999,335</b>
<b>Services &amp; Supplies</b>							
Professional Services	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Special Payments</b>							
Spc Pmt to Or Liquor Cntrl Comm	-	-	2,999,335	-	-	-	2,999,335
<b>Total Special Payments</b>	-	-	<b>\$2,999,335</b>	-	-	-	<b>\$2,999,335</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	2,999,335	-	-	-	2,999,335
<b>Total Expenditures</b>	-	-	<b>\$2,999,335</b>	-	-	-	<b>\$2,999,335</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 803 - Non Exclusive Store Differential

Cross Reference Name: Store Operating Expenses  
 Cross Reference Number: 84500-005-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	-	-	-	-	-
Tsfr From Or Liquor Cntrl Comm	-	-	612,000	-	-	-	612,000
<b>Total Revenues</b>	-	-	<b>\$612,000</b>	-	-	-	<b>\$612,000</b>
<b>Services &amp; Supplies</b>							
Professional Services	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Special Payments</b>							
Spc Pmt to Or Liquor Cntrl Comm	-	-	612,000	-	-	-	612,000
<b>Total Special Payments</b>	-	-	<b>\$612,000</b>	-	-	-	<b>\$612,000</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	612,000	-	-	-	612,000
<b>Total Expenditures</b>	-	-	<b>\$612,000</b>	-	-	-	<b>\$612,000</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

# BUDGET NARRATIVE

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## CAPITAL IMPROVEMENTS PROGRAM – PROGRAM 088 OLCC 2015-17 Legislatively Adopted Budget

### A. PURPOSE, ACTIVITIES & ISSUES

Through its Capital Improvements Program, the OLCC provides effective stewardship of its building and grounds. The OLCC owns its main office and distribution center complex on McLoughlin Blvd., Milwaukie. OLCC's distribution center comprises the warehouse connected to the main office building and a second warehouse on Milport Road, acquired in 2005-07. The entire campus houses approximately 190 employees.

Preventive maintenance and regular repairs of the OLCC offices and distribution center are high priorities in order to avoid potentially more costly projects that might result from deferring maintenance. The OLCC Administrative Services Division creates and implements the agency's ten-year maintenance plan and is responsible for the timely planning, management, execution and completion of the capital improvement projects.

The OLCC has a perpetual ten-year maintenance plan. Each biennium the OLCC receives legislative limitation authority to accomplish its facility maintenance projects. The OLCC's capital improvement expenditures typically average less than two percent of the assessed market value of the facility. More extensive maintenance projects follow the policy option package budget process.

For 2013-15, major scheduled projects include

- Roof engineering evaluation of McLoughlin and Milport buildings
- Facilities condition assessment coordinated with DAS
- Upgrade security monitoring systems for the McLoughlin warehouse
- Energy conservation projects
- Carpeting for select office areas at Milwaukie office

### B. BACKGROUND

The Milwaukie complex is comprised of the central office and distribution center on McLoughlin Blvd and a second nearby warehouse on Milport Road. The original McLoughlin building was built in 1954. The warehouse was expanded in 1977 to its present 124,000 square feet and the central office was expanded in 1991 to 50,361 square feet for a total footprint of 174,361 square feet. The newest

## BUDGET NARRATIVE

portion of the McLoughlin warehouse is 37 years old and the newest portion of the central office is 23 years old. In 2007 the OLCC acquired the nearby Milport building, with 104,875 square feet of warehouse and 2,369 square feet of office space for a total footprint of 107,244 square feet. The Milport building was built in 1977 and is also 37 years old. Both buildings are in need of repair.

	Square Foot	Expansion/Update	Years since last update
<b>McLoughlin</b>	<b>174,361</b>		
*Warehouse	124,000	1977	37
*Central Office	50,361	1991	23
<b>Milport</b>	<b>107,244</b>		
*Warehouse	104,875	1977	37
*Office	2,369	1977	37

The OLCC provides warehouse security for both the state and vendor owned bottled distilled spirits inventory. The McLoughlin warehouse serves as the main warehouse for the distribution to more than 248 liquor stores in Oregon. The Milport facility serves as a delivery hub for inbound products from manufactures and fulfillment center to support distribution from the main warehouse. Combined these two facilities distribute in excess of 6 million cases of distilled liquor biennially. Facility maintenance, repair and the conditions of the building impact the OLCC's ability to generate revenue and protect the safety and security of the distilled liquor inventory. The wholesale value of the entire inventory in the in warehouses, both vendor and OLCC-owned, is approximately \$41 million at cost and a retail value of \$80 million. The inventory turns approximately 10 times per year, generating an expected \$1.114 billion in 2015-17 biennial gross sales and \$435 million in 2015-17 distributed revenue for state, counties and city.

The central office located in the McLoughlin building serves as the primary customer service hub for 17,000 licensees and 153,200 service permit holders as well as provides central services for the Commission, Retail Services, Enforcement, OLCC field offices, liquor store agents, and the public.

Each biennium, the OLCC completes regular maintenance and repairs per its ten-year plan, and does major projects as provided for by the Legislatively Adopted Budget. For example, in 2011-13 OLCC accomplished:

- Milport lighting and energy conservation projects
- Warehouse support beam upgrade project
- HVAC control system repairs and improvements
- Mechanical system upgrades
- Customer Service center phase one improvements

# BUDGET NARRATIVE

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## C. EXPECTED RESULTS

Keeping both the McLoughlin and Milport facilities properly maintained is critical to their continued role in generating revenue and protecting the vendor and OLCC-owned inventory. The OLCC Administrative Services Division's main objective for the capital improvement program is to maintain a safe and efficiently operated distribution facility that can continue to meet increasing consumer demand.

Both buildings have maintenance requirements identified in a recently completed facility conditions assessment administered through a DAS pilot program. DAS hired an engineering firm to inspect the McLoughlin and Milport facilities. The engineering firm identified the current building conditions and the projected remaining useful life of the structures and their components. The findings of this assessment have been prioritized and form the basis for the current service level projects and policy option packages listed below. The current service level budget will enable the OLCC to perform some basic regular maintenance; however, larger critical projects will require legislatively approved policy option packages. Not addressing these issues could present a threat to revenue if repairs lead to closure of the facilities. One day of lost sales is equivalent to approximately \$2 million in revenue.

The 2015-17 Agency Request Budget, including its policy option packages, anticipated enabling OLCC to continue to ensure the buildings are operational and efficient as well as structurally sound and code compliant. Please see the following packages, # 301 "Repair OLCC Facilities" and # 310 "Complete Customer Service Center". These packages have been presented to and approved by the Capital Projects Advisory Board (CPAB) in May 2014.

*Note that the Governor's Recommended Budget modified package 301 by excluding repairs to the HVAC system and denied package 310 for the completion of the Customer Service Center.*

As of spring 2014, OLCC's ten-year plan, beginning in 2015-17, contains the following elements. (The current service level budget will enable the OLCC to perform some basic regular maintenance; larger projects will require legislatively approved policy option packages.)

### 2015-17

- **Current Service Level**

- Repaint interior walls – McLoughlin
- Re-grout wall & floor ceramic tiles - McLoughlin
- Bark mulch/landscaping – McLoughlin and Milport
- Install fire collars for all penetrations - Milport

# BUDGET NARRATIVE

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- Repaint exterior – McLoughlin
- Patch and repair McLoughlin warehouse floors
- Repair and resurface Milport warehouse floor
- Replace Milport exterior caulking (expansion joints, windows and door openings)
- **Policy Option Package**
  - Roof repairs and replacements both buildings
  - Replace HVAC (phase 1)
  - Replace boilers & low pressure steam pipes
  - McLoughlin
    - Replace aluminum windows at McLoughlin warehouse (phase 2)
  - Milport
    - Replace Milport switchboard - 277/480volts, 600amp
    - Replace Milport fluorescent lighting, energy savings
    - Crack repair, seal coating and restriping Milport parking lot

## 2017-19

- **Current Service Level**
  - Repaint Milport interior walls
  - Replace caulking at slab expansion joints
  - Repaint safety zones in warehouses
  - Change out all interior egress door handles – ADA
  - Repaint Milport exterior
- **Policy Option Package**
  - Replace HVAC (phase 2)
  - Replace aluminum windows & doors in offices units -(phase 3)
  - Replace and enhance fire alarm system
  - Seismic repairs
  - Security system improvements
  - Replace McLoughlin overhead wood door(s)

# BUDGET NARRATIVE

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## 2019-21

- **Current Service Level**
  - Partial carpet replacement in office at McLoughlin
  - Concrete repairs to warehouse
  - Energy savings upgrades for lighting
- **Policy Option Package**
  - Replace HVAC units (phase 3 )
  - Replace concrete pavement
  - Replace wiring systems (incl. receptacles & switches)
  - Replace asbestos flooring
  - Crack repair, seal coating and restriping McLoughlin parking
  - Parking lot lighting upgrade, energy savings
  - Infrastructure for zero emission vehicles, electrical stations
  - Seismic repairs & upgrades

## 2021-23

- **Current Service Level**
  - Replace water heaters (phase 4) - McLoughlin
  - Repaint McLoughlin overhead doors
  - Repaint safety zones in warehouses
  - Replace Milport rolling overhead door(s), electric
  - Replace Milport carpet

## 2023-25

- **Current Service Level**
  - Replace window blinds for improved energy conservation
  - Replace McLoughlin vinyl flooring in cafeteria
  - Crack repair, seal coating and restriping in both parking lots
  - Facility condition assessments both locations
- **Policy Option Package**
  - Upgrade and remodel restrooms (fixtures)
  - Purchase and install charging stations for zero emission vehicles

# BUDGET NARRATIVE

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## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471 and 473.

## E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes.

# BUDGET NARRATIVE

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## REPAIR OLCC FACILITIES

OLCC 2015-17 Legislatively Adopted Budget

Policy Option Package No. 301 (as modified), Agency Priority No. 1

### A. PACKAGE PURPOSE

Through its Capital Improvements Program, the OLCC provides effective stewardship of its building and grounds. The OLCC owns its main office and distribution center complex on McLoughlin Blvd., Milwaukie. OLCC's Distribution Center comprises the warehouse connected to the main office building and a second warehouse on Milport Road, acquired in 2005-07. The entire campus houses approximately 190 employees.

Both the McLoughlin and the Milport facilities in Milwaukie now need extensive repairs and replacements, mainly to their roofs and heating and cooling (HVAC) systems. The well-being and safety of staff and visitors are at risk. Left unattended, building failures would significantly interfere with or halt OLCC functions, including its distilled spirits business.

The original OLCC Milwaukie complex was built in 1954. The main warehouse was expanded in 1977 to its present 124,000 square feet. The office was expanded in 1989-91 to its 50,361 square feet. In fiscal year 2007, OLCC acquired a second warehouse building, with 104,875 square feet of warehouse space and 2,369 square feet of office space. The OLCC provides warehouse security for both the state and vendor-owned bottled distilled spirits inventory. The overall wholesale value of the entire distilled spirits inventory in the warehouse, both vendor and OLCC-owned, is approximately \$41 million at cost and approximately \$80 million at retail.

In March 2014, OLCC hired professional roof consultants (PRC) to evaluate the roofs at the two Milwaukie facilities. Their findings:

- The roofs are near or have exceeded their life expectancies.
  - The McLoughlin facility has 18 different roof areas. Ten areas are failing and need to be replaced now. Seven more areas have 3-5 years left, and one area has 8-10 years remaining.
  - The Milport roof can no longer be repaired and needs to be replaced.

OLCC needs to replace the roof sections that are past their life expectancy in the 2015-17 biennium to avoid escalating damage to the structures including dry rot and mold. When it rains, the buildings – including sensitive areas such as the information technology server room and main electrical panels – experience active water incursion. Staff continually checks for incursion at the Milport warehouse to reduce damage to distilled spirits products stored there. Water incursion will continue to cause business interruptions and, in the worst case, roofs could fail and cause sections of the buildings to become unusable.

# BUDGET NARRATIVE

In April 2014, OLCC had a base facilities condition assessment conducted by Faith and Gould, an independent engineer firm – funded through a DAS pilot facilities condition assessment project. OLCC now requests funding to address urgent, top priority needs found or verified during the assessment. These include replacing the boilers that heats the facilities and are beyond life expectancy. The agency also needs to repair expanding mortar joints to prevent moisture from creating structural deficiencies, rendering the building uninhabitable, and putting the safety of staff and visitors at risk. Additionally, the McLoughlin facility needs to be brought up to code by replacing the fire alarm system. Other top priorities include repairs or maintenance for structural, electrical or energy conservation needs.

## B. HOW ACHIEVED

### Repair OLCC Facilities OLCC 2015-17 Agency Request Policy Option Package No. 301

	<u>One-time Costs</u>	<u>Ongoing Costs</u>	<u>Total 2015-17</u>
Capital Outlay			
Roof repairs to OLCC-owned buildings	\$ 2,631,000		\$ 2,631,000
HVAC and other deferred repairs	<u>1,541,000</u>		<u>1,541,000</u>
Total	<u>\$ 4,172,000</u>	<u>\$ 0.00</u>	<u>\$ 4,172,000</u>

*Note: The Governor's Budget does not recommend approval of the HVAC repairs. Accordingly, the policy option package amount has been reduced by \$1,541,000.*

## C. STAFFING IMPACT

This package does not request funding or FTE authority for any positions.

# BUDGET NARRATIVE

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**D. QUANTIFYING RESULTS**

The OLCC will be able to continue its business without interruptions from building or system failure.

**E. REVENUE SOURCE**

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this in accordance with ORS Chapters 471 and 473.

# BUDGET NARRATIVE

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**THIS PACKAGE WAS NOT APPROVED FOR THE GOVERNOR'S RECOMMENDED BUDGET  
THIS PACKAGE WAS NOT APPROVED FOR THE LEGISLATIVELY ADOPTED BUDGET**

## **COMPLETE THE CUSTOMER SERVICE CENTER**

**OLCC 2015-17 Agency Request Budget  
Policy Option Package No. 310, Agency Priority No. 10**

### **B. PACKAGE PURPOSE**

The OLCC has been improving its service to the public by reconfiguring its reception services at the main McLoughlin Blvd. facility. Until recent years, a receptionist would greet visitors and direct them on how to reach their destination in the building. The OLCC has many visitors to the McLoughlin building including: people picking up, submitting or paying for liquor license or server applications; people who need to meet and consult with liquor investigators or compliance inspectors; vendors, and various other personnel such as from local municipalities or law enforcement agencies. Alcoholic beverage industry representatives visit the building to meet with staff and introduce products. Retail Services staff, Financial Services staff and other divisions are housed in the facility and receive visitors. The OLCC holds regular meetings at the McLoughlin building; members of the general public might observe or testify at the meetings.

The McLoughlin Blvd. facility houses 190 staff and its warehouse portion stores \$41 million in distilled spirits inventory at cost and approximately \$80 million at retail. Staff safety and protection of the state's assets are paramount. In Phase I of the new customer service center, OLCC moved internal walls to accommodate two additional staff moved from other parts of the building to the reception area. To improve security, the OLCC installed internal doors that require permanent or temporary (visitor) electronic badges to access the building beyond the reception/customer service center. To provide even further protection, OLCC no longer allows visitors past the reception area without a staff escort. While this enhances security, it slows down processes and still creates exposure to risk by requiring staff to come to reception and escort their visitors to their work stations or meeting rooms for conferring on their issues or accepting or reviewing applications.

To improve efficiency for staff and provide better service to OLCC's customers while maximizing security, OLCC proposes to finish its reconfiguration of the main office reception area into a customer service center.

# BUDGET NARRATIVE

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## B. HOW ACHIEVED

The agency will finish remodeling the McLoughlin building's reception area to provide more services to customers upon their entrance to the building. OLCC will add 1,300 square feet to the reception area so staff can meet and interact with customers and visitors. This will add an adequate waiting area for visitors, a work area for visitors to review or fill out their paperwork; space for staff to consult with applicants on complete paperwork; a conference room to meet with several customers or staff members; and space to permanently locate several staff members next to where they will frequently meet with visitors.

Funding will cover professional services for statutorily-required architect and engineer services; construction costs for materials, labor, inflation and contingency, and project management expenses.

**Complete Customer Service Center**  
**OLCC 2015-17 Agency Request Policy Option Package No. 310**

	<b><u>One-time Costs</u></b>	<b><u>Ongoing Costs</u></b>	<b><u>Total 2015-17</u></b>
Capital Outlay:	\$ <u>636,000</u>	_____	\$ <u>636,000</u>
Total	\$ <u>636,000</u>	\$ _____	\$ <u>636,000</u>

## C. STAFFING IMPACT

This package does not request funding and FTE authority for any positions.

## D. QUANTIFYING RESULTS

The OLCC will enhance its security at the McLoughlin Blvd. facility while creating efficiencies for staff and convenience for visitors.

# BUDGET NARRATIVE

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## E. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this in accordance with ORS Chapters 471 and 473.

AGENCY: Oregon Liquor Control Commission  
 Agency #: 84500

Value of Buildings and Building Improvements			Facilities Operations and Maintenance (O&M) Budget			
Cost of Buildings <small>(as reported to Risk Management)</small>		6/30/14 Replacement Value <small>(Risk Management)</small>	Personal Services	Services & Supplies	Total	
\$13,995,971		\$32,515,095	\$388,245	\$766,175	\$1,154,420	
Total sq. ft. of Bldgs: 281,605 sq. ft.		2015-17 Maintenance Budget (no janitorial or utility)		Utilities Budget: \$416,697		
÷ square feet of building: <u>\$ 2.62 sq. ft.</u>						
Total Outstanding Deferred Maintenance			Deferred Maintenance Budget 2015-17			
	Categories 1-2	Categories 3-5	Total	Personal Services	Services & Supplies	Capital Outlay
As of 6/30/14	\$ 4,921,848	\$1,098,508				
Projected 6/30/15	\$1,831,865	\$1,495,167	\$9,347,388	\$ _____	\$ 6,144,127	\$ 3,203,261

Briefly describe the software (or manual process) used to identify routine (including preventative) facility maintenance needs.

*OLCC Administrative Services is now using iPlan© software to track building assets and components, maintenance schedules and forecasts of remaining useful life and to project costs. In addition, the maintenance staff and manager use Excel to manually track all scheduled maintenance.*

What data elements do you track with software (or manual process) described above?

*Building assets and components inventory, maintenance schedules, projected remaining useful life and costs is the data we collect and track.*

Briefly describe how the facilities maintenance budget is developed (note whether software (or manual process) described above is used in budget development).

*OLCC participated in the DAS Facilities Condition Assessment (FCA) project which included Faith & Gould engineers doing an assessment of both the McLoughlin and Milport buildings and all components. FCA reports identified projected costs for maintenance and/or replacement and were categorized by deferred, routine or capital. The FCA cost estimates were developed using industry standards, RSM means and geographical information. Facility history and maintenance staff knowledge were included in the budget development, in addition to the FCA.*

Briefly describe the system or process used to identify Deferred Maintenance (*e.g.: staff makes an annual estimate based on periodic assessments; evaluation of facilities using contract structural engineering firm, etc.*)

*In addition to the FAC, OLCC maintenance staff performs regular inspections of the buildings, components and the grounds, including parking lots. Needed repairs are identified and documented. If funding is unavailable, these repairs will become deferred maintenance.*

Briefly describe the process to provide funding for facilities maintenance. (e.g.; biennial appropriation; assessment to applicable programs to sustain a Capital Maintenance/ Improvement Fund authorized under ORS 276.285(2); etc.)

*Facility maintenance is included as a separate item in the agency request budget on a biennial basis. Per ORS 276.285(1), maintenance is essential to maintain and protect State of Oregon's investments.*

**Statutory references: ORS 276.229(2), ORS 276.227(5)**

Agency Request

Governor's Budget

Legislatively Adopted

Capital Outlay

Budget Page 14

# FACILITIES OPERATIONS AND MAINTENANCE REPORT

(Excluding facilities improvements and deferred maintenance)

AGENCY Name: Oregon Liquor Control Commission

Agency #: 84500

	2011-13 Actuals	FTE	Leg Approved 2013-15	FTE	2013-15 Estimates	FTE	2015-17 Budget	FTE
General Fund								
Personal Serv - Utilities & Janitorial	\$		\$		\$		\$	
Personal Services - Maintenance	\$		\$		\$		\$	
S&S - Utilities & Janitorial	\$		\$		\$		\$	
S&S - Maintenance	\$		\$		\$		\$	
<b>GF Subtotal</b>	<b>\$</b>		<b>\$</b>		<b>\$</b>		<b>\$</b>	
Lottery Funds								
Personal Serv - Utilities & Janitorial	\$		\$		\$		\$	
Personal Services - Maintenance	\$		\$		\$		\$	
S&S - Utilities & Janitorial	\$		\$		\$		\$	
S&S - Maintenance	\$		\$		\$		\$	
<b>LF Subtotal</b>	<b>\$</b>		<b>\$</b>		<b>\$</b>		<b>\$</b>	
Other Funds								
Personal Serv - Utilities & Janitorial	\$		\$		\$		\$	
Personal Services - Maintenance	\$ 497,103	3	\$ 455,406	3	\$ 455,406	3	\$ 388,245	3
S&S - Utilities & Janitorial	\$ 486,456		\$ 404,560		\$ 404,560		\$ 416,697	
S&S - Maintenance	\$ 419,103		\$ 337,093		\$ 337,093		\$ 349,478	
<b>OF Subtotal</b>	<b>\$ 1,403,528</b>	<b>3</b>	<b>\$ 1,197,059</b>	<b>3</b>	<b>\$ 1,197,059</b>	<b>3</b>	<b>\$ 1,154,420</b>	<b>3</b>
Federal Funds								
Personal Serv - Utilities & Janitorial	\$		\$		\$		\$	
Personal Services - Maintenance	\$		\$		\$		\$	
S&S - Utilities & Janitorial	\$		\$		\$		\$	
S&S - Maintenance	\$		\$		\$		\$	
<b>FF Subtotal</b>	<b>\$</b>		<b>\$</b>		<b>\$</b>		<b>\$</b>	
<b>Total All Funds</b>	<b>\$ 1,403,528</b>		<b>\$ 1,197,059</b>		<b>\$ 1,197,059</b>		<b>\$ 1,154,420</b>	

The Facilities Operations and Maintenance budget includes costs to operate and maintain facilities and keep them in repair including utilities, janitorial and maintenance costs. Maintenance costs are categorized as external building (roof, siding, windows, etc.); interior systems (electrical, mechanical, interior walls, doors, etc.); roads and ground (groundskeeper, parking lots, sidewalks, etc.) and centrally operated systems (electrical, mechanical, etc.). Agencies with significant facilities may include support staff if directly associated with facilities maintenance activities. Do not include other overhead costs such as accounting, central government charges, etc.

Agency Request

Governor's Budget

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# FACILITIES DEFERRED MAINTENANCE DETAIL REPORT

AGENCY: Oregon Liquor Control Commission  
 Agency #: 84500

Building Name or Identifier	Replacement Value (as of 6/30/13)	2015-17 Deferred Maintenance Budget for this Facility	Total O/S Deferred Maint. (projected) (as of 6/30/15)	Outstanding Deferred Maintenance (projected) by Category	
				1 - 2	3 - 5
<b>Facilities &gt; \$1 million</b> (attach additional sheets if necessary)					
Mc Loughlin Building	\$ 25,638,872	\$ 3,407,047	\$ 3,981,427	\$ 1,819,545	\$ 1,139,056
Milport Building	\$ 6,876,224	\$ 1,560,241	\$ 398,673	\$ 12,320	\$ 356,111
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
From attached Sheets					
From page _____	\$	\$	\$	\$	\$
From page _____	\$	\$	\$	\$	\$
<b>Total Facilities &gt; \$1 million</b> (total from detail above)	\$ 32,515,096	\$ 4,967,288	\$ 4,380,100	\$ 1,831,865	\$ 1,495,167
<b>Facilities &lt; \$1 million</b> (total for all facilities < \$1 million)	\$	\$	\$	\$	\$
<b>Total all Facilities</b>	\$ 32,515,096	\$ 4,967,288	\$ 4,380,100	\$ 1,831,865	\$ 1,495,167

Agency Request

Governor's Budget

Legislatively Adopted

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**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 031 - Standard Inflation

Cross Reference Name: Capital Improvements  
Cross Reference Number: 84500-088-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	6,402	-	-	-	6,402
<b>Total Revenues</b>	-	-	<b>\$6,402</b>	-	-	-	<b>\$6,402</b>
<b>Capital Outlay</b>							
Land and Improvements	-	-	150	-	-	-	150
Building Structures	-	-	6,252	-	-	-	6,252
<b>Total Capital Outlay</b>	-	-	<b>\$6,402</b>	-	-	-	<b>\$6,402</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	6,402	-	-	-	6,402
<b>Total Expenditures</b>	-	-	<b>\$6,402</b>	-	-	-	<b>\$6,402</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
Pkg: 301 - Repair OLCC Facilities

Cross Reference Name: Capital Improvements  
Cross Reference Number: 84500-088-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Liquor Sales	-	-	-	-	-	-	-
Transfer In - Intrafund	-	-	4,172,000	-	-	-	4,172,000
<b>Total Revenues</b>	-	-	<b>\$4,172,000</b>	-	-	-	<b>\$4,172,000</b>
<b>Transfers Out</b>							
Transfer to General Fund	-	-	-	-	-	-	-
Transfer to Cities	-	-	-	-	-	-	-
Transfer to Counties	-	-	-	-	-	-	-
Tsfr To Administrative Svcs	-	-	-	-	-	-	-
<b>Total Transfers Out</b>	-	-	-	-	-	-	-
<b>Capital Outlay</b>							
Building Structures	-	-	4,172,000	-	-	-	4,172,000
<b>Total Capital Outlay</b>	-	-	<b>\$4,172,000</b>	-	-	-	<b>\$4,172,000</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	4,172,000	-	-	-	4,172,000
<b>Total Expenditures</b>	-	-	<b>\$4,172,000</b>	-	-	-	<b>\$4,172,000</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Oregon Liquor Control Comm  
 Pkg: 310 - Complete Customer Service Center

Cross Reference Name: Capital Improvements  
 Cross Reference Number: 84500-088-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Capital Outlay</b>							
Building Structures	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

# BUDGET NARRATIVE

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# Oregon Liquor Control Commission

**Merle Lindsey, Interim OLCC Executive Director**  
**9079 SE McLoughlin Blvd**  
**Milwaukie, OR 97222**  
**Phone: 503-872-5062**



**Affirmative Action Plan**  
**July 1, 2013 – June 30, 2015**

January 23, 2013

Governor's Affirmative Action Office  
155 Cottage Street NE  
Salem, OR 97301

Dear Affirmative Action Office:

Attached is the Oregon Liquor Control Commission's draft Affirmative Action Plan for the 2013-15 biennium, which we are submitting for your review. I hope you will find our plan to be satisfactory. Please let me know if there is anything that needs to be changed or clarified. I also welcome any comments or suggestions. All of us at the Liquor Commission can be truly proud of our diverse work force and we will continually strive to enhance and honor this diversity, and will seek to address the remaining areas of underutilization.

Sincerely,

Merle Lindsey  
Interim Executive Director, Oregon Liquor Control Commission

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I. Description of Agency

The Oregon Liquor Control Commission (OLCC) is a small/medium size state agency and is headquartered in Milwaukie (Portland Metro area). OLCC is responsible for regulating the alcohol beverage industry and providing important revenue for the state through responsible sales of distilled spirits. As of June 30, 2012 OLCC had a total of 210 employees: 175 at the main office in Milwaukie and 35 at our field offices located throughout the state. (See Appendix C for Organizational Chart).

**Our Mission:** "To promote the public interest through the responsible sale and service of alcoholic beverages"

**Our Goals:**

Public Safety Principle

- OLCC’s policy will focus on public safety and community livability considerations when guiding alcohol beverage system growth.
- OLCC will meet potential customer demand for alcoholic beverages and outlets in a socially responsible manner.

Economic Development Principle

- OLCC will enable business people to be viable in their sale of alcohol, supporting economic viability for Oregonians.
- OLCC will intelligently manage the healthy growth of Distilled Spirits Program so desired distilled spirits products reach the customer timely and efficiently.

Stewardship Principle

- OLCC will continue to work collaboratively with local government and other partners to gain efficiencies in providing customer service.
- OLCC will continue to provide responsible stewardship of its assets, managing risks and protecting revenue flow.
- OLCC will sustain high-level customer service. It will continue to seek to improve its customer service levels by finding additional efficiencies, improving timeframes for delivering services, and by making information accessible to customers and the public.

**Interim Agency Director:** Merle Lindsey, 9079 SE McLoughlin Blvd, Milwaukie, OR 97222, Phone: 503-872-5062

**Governor's Policy Advisor:** Duke Shepard, Phone: 503-378-5540

**Affirmative Action Representative:** Katy Barnett, Phone: 503-872-5152

**Diversity and Inclusion Officer:** N/A

**Organizational Chart** (see Appendix C)

II. Affirmative Action Plan

**A. The Oregon Liquor Control Commission’s policy statement on Equal Employment Opportunity and Affirmative Action**

People are the Oregon Liquor Control Commission’s most important asset. Every one of us is different, and it is these differences that enrich our lives and our workplace. The productive combination of our individual differences gives our work vitality.

It is the Commission’s policy to provide Equal Employment Opportunity (EEO) at all levels and in all aspects of the agency’s operations. We also serve the public fairly, and as matters of policy try to make sure that our services are not discriminatory.

The Commission conducts its Human Resources management programs and personnel actions, including recruitment, hiring, training, promotion, transfer, demotion, layoff and termination without regard to race, religion, national origin, age, sex, sexual orientation, marital status, or physical or mental disability which does not prevent satisfactory work performance.

The Commission’s affirmative action goals, contained in our Affirmative Action Plan, help us develop and maintain a representative workforce and allow us to provide true equal employment opportunity. Managers at all levels are responsible for actively supporting recruitment, career development, and other affirmative action programs to help us achieve our goals. The Commission formally evaluates managers’ efforts and accomplishments in this area.

Each Commission employee is responsible for helping develop a work climate reflecting care and respect for all individuals, including co-workers, customers, other stake holders, and members of the public. We expect all employees to actively help create and promote a work environment that is free of harassment, especially in regard to race, religion, national origin, age, sex, sexual orientation, marital status, or disability. We will not tolerate harassing behavior. Commission managers will strive to eliminate and prevent harassment based on protected class status and other forms of unlawful discrimination.

The Commission has a complaint process employees and members of the public can use to bring Equal Employment Opportunity issues or concerns to the awareness of Commission leaders for resolution. A copy of the complaint procedure is in our Affirmative Action Plan.

The Commission developed its Affirmative Action Plan to ensure implementation of this policy. The Affirmative Action representative (Sr. Human Resource Analyst, Katy Barnett, Phone: 503-872-5152) is responsible for coordinating the Plan's implementation. The Affirmative Action Plan is kept in the Human Resources office and posted electronically on the agency Intranet and is available to all employees. Hard copies of the plan are available to anyone who requests one. In addition, hard copies of this policy statement are posted on agency bulletin boards. Our current Plan covers from the present through June 30, 2015 and implementation is continuous.

**B. OLCC Diversity and Inclusion Statement**

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The OLCC seeks to reflect the diversity of Oregon society. It seeks to attract and retain a workforce that is a representative slice of the greater culture in which we live. That culture includes people from diverse gender, age, race, religion, national origin, sexual orientation, and disability spectrums. Our OLCC society should include them as well.

OLCC wants to retain a diverse workforce, as well as attracting one. This requires identifying and breaking down even unconscious barriers to welcoming and supporting all employees. It means reaching out and successfully partnering with diverse external stakeholders, as well.

Having a diverse workforce requires OLCC management and staff actively welcoming all newcomers, ensuring they have a seat at the table, identifying and removing invisible barriers to advancement, and initiating open dialogue with each individual. By including all individuals in workplace functions, activities and outreach, the agency can help ensure each feels an included, respected, and supported member of the OLCC family.

### C. Training, Education and Development Plan

OLCC supports employee growth and enrichment through a proactive training program. All new employees attend a two and a half day orientation program (“Focus on Success”) that includes training on understanding and valuing diversity, sexual harassment, and interpersonal communication. New employees also attend Stephen Covey's “7 Habits of Highly Effective People”. Two twelve week classes on “Compassionate Communication” were attended by about two dozen employees. New Liquor Regulatory Specialists complete DPSST academy which includes courses in: Civil Liberty & Civil Rights Violations, Ethics & Professionalism, Mental Health and Disabilities, and Tactical Communication. There are numerous opportunities for permanent staff to attend similar training yearly.

#### 1. Employees

Employees have the opportunity to set up an individual development plan (IDP) with the agency’s Training and Development Manager or their own manager. Career goals are identified and a plan for achieving those goals is established. Tuition reimbursement, Work-Out-of-Class and Career Development job assignments are typically included in an employee’s plan. Fourteen staff are actively pursuing advancement goals.

- a. Individual Development Plans (IDPs) are available to all regular status employees
- b. Each plan is tailored to the individual employee as appropriate.
- c. For succession planning OLCC created a workforce and succession planning guide, “Our Workforce Matters”, and we are steadily accomplishing the goals in the guide. Research on the number of employees retiring in the next five years has spurred knowledge transfer activities for some employees. Additional training is taking place to help employees gain experience to advance in the agency. This currently include one Career Development assignments (up to two years in duration), one Developmental Assignment, and several long-term Work-Out-of-Class (WOC) assignments intended to provide employees with new skills and experience in higher level positions, with the ultimate goal of helping them promote within the agency.
- d. Our performance evaluation for represented and non-represented employees is called the “Individual Accomplishment Report” (IAR). See further discussion under section “D” below.

- e. All-staff meetings are held on a regular basis; typically 3 - 4 times per year. Field staff are able to participate via conference calls on a speaker phone (we also hope to add video-conferencing capability in the future, though current budgetary considerations may push back implementation).
- f. The Affirmative Action Representative periodically attends training offered by various organizations, e.g., NW/EEO Association. When the new Affirmative Action Representative started with the Commission in 2011, she attended NW/EEO's Employment Law Update seminar presented by Rick Liebman and Karen O'Connor of Barran-Liebman Associates and in 2012 attended a seminar titled The Business Case for Diversity and Inclusion presented by Eric Peterson, MSOD, the Manager of Diversity and Inclusion at the Society for Human Resource Management.

**2. Volunteers**

OLCC generally does not employ volunteers other than those who occasionally assist with "minor decoy" operations.

**3. Contractors/Vendors**

OLCC's Affirmative Action Policy Statement is posted on agency bulletin boards, and is available to contractors, vendors and members of the public upon request.

**D. Programs**

**1. Internship Programs**

OLCC believes in and supports internship programs and has periodically employed interns over the years. One student interned in 2012 and we continually try to accommodate such opportunities when they arise. Although our main focus for the next few years is to provide work-out-of-class and career development opportunities to current employees to help with retention and succession planning, we will also continue to look for opportunities to employ interns.

**2. Community Outreach Programs**

The Commission believes in community outreach but our efforts in this area have regrettably been very limited in recent years. This is due simply to lack of HR staff time available for such activities. We do at least advertise selected recruitments in minority publications. We also encourage managers to represent the agency at outreach events such as the Hispanic Chamber of Commerce fairs and the statewide diversity networking events.

**3. Diversity Initiative Programs**

OLCC's Diversity Committee has evolved into Bridge Builders – an employee committee who's purpose is to lead, develop, and organize strategies to promote an inclusive, respectful, diverse, and culturally competent workplace. The committee hosts monthly employee activities to encourage inter-divisional collaboration, relationship building, and inclusivity. The committee also maintains an excellent diversity bulletin board, "Honoring Diversity", which is updated each month with themes based on the Governor's Proclamations (e.g., Women's History Month, American's with Disabilities Awareness Month). HR also publishes the

Governor's Proclamations on the agency Intranet. OLCC also has a number of pieces of diversity themed artwork on permanent display throughout the facility. To provide a welcoming environment the agency also sponsors various events such as potluck lunches, wellness related events ("Wear Red Day" for heart health, etc.), and programs such as the annual Employee Recognition program (current program entitled "Winning Optimism at Work"), and Service Awards Ceremony.

**E. Update: Executive Order 08-18**

**1. Cultural Competency Assessment**

OLCC has not participated in this program, but we instead provide other cultural inclusivity training and programs for staff. (See Section C above for additional information)

**2. Statewide Exit Interview Survey**

In our goal to continue to make the "Oregon Liquor Control Commission" (OLCC) the "Employer of Choice", the survey will allow the employee to share their honest opinions regarding their work experience with the agency. As employees change agencies or depart from state employment, OLCC is interested in how employees view their tenure and what information and suggestions they can provide related to their experience. The survey covers issues such as: benefits; working conditions; opportunities for career advancement; the quality and quantity of the workload; and relationships with co-workers and supervisors.

OLCC will run periodic reports to review the results collected and perform a data analysis. The data analysis will provide an understanding of how much of the voluntary turnover is preventable and how much is non-preventable. This data represents an essential piece of information that is fundamental in the data analysis. If the analysis identifies a negative opinion regarding the agency's workplace environment, OLCC will use this information as an opportunity to make changes to improve the work environment for the current employees, and improve job satisfaction.

Data obtained from employees leaving the agency provides information critical to:

- a. Assess workplace deficiencies;
- b. Enhance the work place;
- c. Improve employee retention;
- d. Achieve a diverse workforce through workforce planning; and
- e. Improve any negative feedback from the survey.

The result of the data analysis will be reviewed with the agency Director/Administrator for any corrective action and approve program strategies to implement that will help retention of skilled and valued employees.

### 3. Performance Evaluations of All Management Personnel

OLCC is now in the second year of using a new performance review process, the “Individual Accomplishment Report” (IAR). Unlike traditional performance review methods the IAR has a more positive focus, based on the principles of “appreciative inquiry”. The IAR emphasizes employees’ accomplishments and strengths while also identifying opportunities for further growth. All employees and managers completed IAR training in 2011 and new employees receive IAR training at new employee orientation.

OLCC has incorporated affirmative action objectives as a key consideration for the manager’s or supervisor’s performance evaluation. Specific examples of the managers and supervisors affirmative action objectives and diversity successes and achievement are described below. Management personnel will receive an annual performance evaluation to assess whether they are meeting its affirmative action objectives. Any goals or work plans for future performance will be outlined in the evaluation.

Sample affirmative action duty descriptions:

- a. Understand Equal Employment Opportunity (EEO), Affirmative Action (AA), Diversity and Cultural Competency principles, and the agency’s AA Plan goals and objectives. Develop and implement strategies to meet goals and objectives; and report annual efforts, successes and/or accomplishments during the period.
- b. Review hiring, transfers, promotional, developmental/rotational or training practices and procedures to identify and remove barriers in the attainment of the agency’s affirmative action goals and objectives.
- c. Make hiring, transfer and promotional decisions in support of agency’s affirmative action goals and objectives. Engage in appropriate recruitment efforts designed to reach agency’s affirmative action goals and objectives.
- d. Promote and foster a positive work environment within the agency programs concerning EEO, AA, Diversity and Cultural Competencies by ensuring employees are aware and follow agency policies and procedures, and address work-related issues and/or concerns immediately and take appropriate action if necessary.
- e. Attend EEO, AA, and other diversity-related training to provide leadership to staff by being aware of diversity and cultural issues. This also includes supporting employees to attend such programs for further professional development.
- f. Ensure information regarding EEO, AA and Americans with Disabilities (ADA) information is properly displayed on the appropriate boards at the worksites(s).

**Ref: Oregon Revised Statute 659A.012** State agencies to carry out policy against discrimination in employment; evaluation of supervisors; affirmative action reports. (1) To achieve the public policy of the State of Oregon for persons in the state to attain employment and advancement without discrimination because of race, religion, color, sex, marital status, national origin, disability or age, every state agency shall be required to include in the

evaluation of all management personnel the manager's or supervisor's effectiveness in achieving affirmative action objectives as a key consideration of the manager's or supervisor's performance. (2) To achieve the public policy of the State of Oregon for persons in the state to attain employment and advancement without discrimination because of race, religion, color, sex, marital status, national origin, age or disability, every state agency shall be required to present the affirmative action objectives and performance of that agency of the current biennium and those for the following biennium to the Governor of the State of Oregon and to the Legislative Assembly. These plans shall be reviewed as part of the budget review process.

#### **F. Status of Contracts to Minority-owned Businesses (ORS 659A.015)**

During the period of 07/01/10 through 06/30/12, OLCC's General Services section solicited and awarded 23 contracts where the contract value was between \$5,000 and \$150,000. All solicitations were posted and public noticed on the Department of Administrative Services' ORPIN system. Total value of all contracts awarded was \$695,620. None of the awarded contractors were certified as minority, women or emerging small businesses. General Services staff attended a variety of outreach events for the purpose of encouraging WMESBs to bid for contracts, such as the Hispanic Chamber of Commerce procurement and employment fair. Staff also attend the Governor's Office of Economic and Business Equity best practice summits and the General Services Manager is a member of the Governor's WMESB procurement advisory team that meets every two months.

In addition, as of July 2012 OLCC's 250 contract retail liquor store agents included two African Americans, five Hispanics, 15 Asian-American/Pacific Islanders, and two Native Americans (store agents' ethnicity is tracked on a voluntary basis). 89 (36%) of the store agents are women.

### **III. Roles for Implementation of Affirmative Action Plan**

#### **A. Executive Director**

- Foster and promote to executives, managers, and employees the importance of a diverse workplace, free from discrimination and harassment.
- Review agency Affirmative Action Plan with Executive Committee.
- Consider agency deputy directors' efforts towards meeting Affirmative Action goals when developing performance evaluations.
- Meet periodically or as needed with the Agency Human Resource Director to review agency affirmative action goals and progress, EEO, and diversity issues.
- Support the Commission's diversity committee – Bridge Builders.
- Support and participate in inclusivity training
- Director's performance, including Affirmative Action accomplishments, subject to annual review by the Liquor Commissioners.

#### **B. Division Directors**

- Foster and promote to subordinate managers and employees the importance of a diverse workplace, free from discrimination and harassment.

- Consider subordinate managers' efforts towards meeting Affirmative Action goals when developing performance evaluations.
- Promote retention through training and development opportunities (e.g., "Career Development program", Work-Out-of-Class assignments) and internal promotions.

**C. Managers and Supervisors**

- Foster and promote to employees the importance of a diverse workplace, free from discrimination and harassment.
- Obtain information from Human Resources on status of meeting Affirmative Action goals
- Make good faith efforts towards meeting Affirmative Action hiring goals.
- Promote retention through training and development opportunities, and internal promotions.

**D. Human Resources Director and Affirmative Action Representative**

- Develop and publish the agency's Affirmative Action Plan.
- Keep managers apprised as to the agency's Affirmative Action goals and assist in meeting these goals.
- Place employment ads in minority publications for selected recruitments.
- Assist hiring managers in developing objective, non-discriminatory selection criteria and ensure that diversity is a key consideration when assembling interview panels.
- Monitor Agency's Affirmative Action status and prepare reports.
- Investigate discrimination complaints submitted under the bargaining agreement and make recommendations to Executive Director for final disposition.
- Promote retention through training and development opportunities, internal promotions, and use of information from exit interviews.

IV. July 1, 2010 - June 30, 2012

The tables below compare OLCC's AA underutilization figures for 6/30/10 and 6/30/12. Dashes [--] indicate areas of no underutilization. Data obtained from DAS AA/EEO Reports.

**OLCC's Underutilization (in FTE) - 6/30/10:**

EEO-4 Job Category [# of employees]	F	B	H	A	N	D
A) Official/Administrators [29]	0.1	0.5	0.9	0.1	--	1.5
B) Professionals [50]	1.2	0.6	1.1	1.6	0.1	2.0
C) <del>Technicians (Computer)</del> (no positions)	n/a	n/a	n/a	n/a	n/a	n/a
D) Protective Service Workers [55]	--	--	--	--	--	1.3
E) <del>Para-Professionals</del> (no positions at OLCC)	n/a	n/a	n/a	n/a	n/a	n/a
F) Administrative Support [47]	--	0.8	0.6	0.1	--	2.8
G) Skilled Craft Workers [3]	0.3	--	--	--	--	0.1

H) Service-Maintenance [43]	11.2*	--	--	--	--	2.5
<b>Total Underutilization by AA Group</b>	<b>12.8</b>	<b>1.9</b>	<b>2.6</b>	<b>1.8</b>	<b>0.1</b>	<b>10.4</b>

**OLCC's Underutilization (in FTE) - 6/30/12:**

EEO-4 Job Category [# of employees]	F	B	H	A	N	D
A) Official/Administrators [26]	2	0.3	0.8	0.5	--	1.5
B) Professionals [48]	2.2	0.5	0.9	1.7	0.1	1.8
C) <del>Technicians (Computer)</del> (no positions)	n/a	n/a	n/a	n/a	n/a	n/a
D) Protective Service Workers [49]	--	--	--	--	--	0.9
E) <del>Para-Professionals</del> (no positions at OLCC)	n/a	n/a	n/a	n/a	n/a	n/a
F) Administrative Support [43]	--	0.7	0.5	--	--	2.5
G) Skilled Craft Workers [3]	0.3	--	--	--	--	0.1
H) Service-Maintenance [41]	12.4	--	--	--	--	2.4
<b>Total Underutilization by AA Group</b>	<b>16.9</b>	<b>1.5</b>	<b>2.2</b>	<b>2.2</b>	<b>0.1</b>	<b>9.2</b>

Key: F = Women, B = African American, H = Hispanic, A = Asian & Pacific Islander, N = Native American, D = People with Disabilities

\* See note regarding underutilization in the Service-Maintenance Job Category on page 15.

**A. Accomplishments**

OLCC has consistently maintained a very diverse workforce going back many years. Our goal is to maintain our current level of diversity and look for opportunities to address remaining areas of affirmative action underutilization; as well as increasing our overall workforce diversity generally. As of 6/30/12 OLCC's total workforce of 210 employees included: 92 Women (43.8 %), 36 People of Color (17.14 %), and 3 People w/Disabilities (1.42 %). The 2013-15 biennium may present challenges as we anticipate that hiring activity will again be slow due to economic and state budget forecasts. Turnover rates may be modest due to current employees' reluctance to seek other employment; in addition employees who are eligible to retire are likely to work for several more years than they originally planned.

**B. Progress made or lost since previous biennium**

The above tables comparing June 2010 and June 2012 show there has been relatively little change in OLCC's underutilization figures. The good news is that the agency is at or near parity in most of the EEO-4 job categories. The main area of concern continues to be the category for People w/Disabilities (PWD). OLCC continues to have underutilization for PWD in six job categories. HR continues to create more awareness of this issue, especially by ensuring that hiring managers are kept apprised as to the underutilization status for PWD. We also must ensure that our recruitment and selection process continues to be accessible and responsive to People with Disabilities.

A second area of concern is the category for females. The underutilization for females has increased, and we remain underutilized in four of the six categories. Human resources will continue to ensure hiring managers are aware of underutilization of females and we continue offering training and career development opportunities that are accessible to women. During the past biennium, we promoted eight female employees.

The Affirmative Action Representative shares with managers and others information learned from attendance at various trainings and at AA Workgroup meetings. This information can help foster understanding of the perspective members of protected classes have, and helps create a climate of mutual respect and acceptance.

While the Commission does not yet have a formal retention strategy per se, we continuously endeavor to create a positive and supportive work environment; for example we have an active Wellness program that promotes a variety of healthy activities (e.g., wellness flex lunches, on-site weight watchers meetings, tai-chi classes, and chair massage opportunities, and onsite workout room).

The Commission has not had much success from attending job fairs in the past - usually because we had few or no open recruitments at the times they were scheduled. However, we will consider attending future job fairs, especially those that are targeted towards diverse applicants. This will depend on our recruitment status, and availability of staff to represent the agency, etc. There may be limited recruitment activity in the 2013-15 biennium due to the state's severe budget situation. In the meantime, job announcements for management positions, and other professional and/or hard to fill positions, will continue to be sent to the Governor's Affirmative Action office.

\* Note regarding *apparent* underutilization in the Service-Maintenance category:

According to the data contained in the DAS AA/EEO Report women appear to be significantly underutilized in the "Service-Maintenance" category (Note: of 41 positions in this category at OLCC 38 are warehouse positions). OLCC currently employs three women in the Service-Maintenance category and we remain underutilized by 12.4 FTE. OLCC has for years contended that the Service-Maintenance parity percentage for women (37.8%) is not applicable to highly physical warehouse jobs like the ones at OLCC. In our experience relatively few women apply for warehouse jobs, typically less than one out of 10 applicants is female. Because warehouse jobs are not typically found in the public sector these jobs do not readily fit into any of the current EEO-4 job categories. As a result the parity goals are highly skewed. OLCC continues to advocate for the creation of a new EEO-4 job category or sub-category with a more realistic parity percentage for women relevant to warehouse jobs.

V. July 1, 2013 - June 30, 2015

**A. Goals for Affirmative Action Plan**

1. Maintain our current level of workforce diversity and look for opportunities to eliminate remaining areas of underutilization for Women, People of Color, and People with Disabilities.
2. Look for opportunities to promote from within Women, People of Color, People with Disabilities, and other protected class members.

3. Provide diversity training for all staff.
4. Work with Bridge Builders to promote and celebrate diversity.
5. Ensure that managers' and supervisors' efforts towards achieving AA goals are included in their performance evaluations.
6. Affirmative Action representative to attend monthly Affirmative Action Workgroup meetings whenever possible.
7. Engage in outreach activities with institutions of higher education and local ethnic groups and diverse communities when possible.

**B. Strategies and Timelines for Implementation:**

1. Advertise selected recruitments in minority/diversity publications and web sites. Ongoing.
2. Ensure diversity is a key consideration when assembling interview panels. Ongoing.
3. The Training Manager and Executive Committee will work together to continue to provide diversity training for all OLCC managers and staff, and to actively encourage all employees to attend the workshops and participate in other diversity related programs. Dates TBD.
4. Keep hiring managers apprised regarding agency AA hiring goals. Ongoing.
5. Help increase the promotion of women, people of color, people with disabilities, and other protected class members to higher level positions through internal promotional recruitments, temporary job rotations (e.g., work-out-of-class and career development job assignments) which typically result in permanent reassignments, and support for education via tuition reimbursement for approved courses. Ongoing.
6. Maintain a supportive environment at the Commission so that employees, applicants, and clients from diverse backgrounds will feel welcome. Examples include a 2.5 day orientation program for new employees, and holding events such as employee recognition program, holiday potluck lunches, wellness programs ("Wear Red Day" for heart health, etc.). Ongoing.
7. Encourage mentoring relationships. While the Commission does not have a formal mentoring program, management actively promotes and supports the development of mentor/mentee relationships. For example, new inspectors are assigned a senior training partner who they work closely with during the "on-boarding" period and beyond; and newly promoted supervisors work closely with their division director and the HR director to learn skills and gain insights into effective management techniques. Ongoing.

VI. Appendix A

**A. Policy Documentation**

**DAS DEPARTMENT OF ADMINISTRATIVE SERVICES STATEWIDE POLICY**

**ADA and Reasonable Accommodation in Employment**

**NUMBER: 50.020.10**

**DIVISION: Human Resource Services Division**

**EFFECTIVE DATE: 6/7/10**

**APPROVED: Signature on file with Human Resource Services Division**

**POLICY STATEMENT:**

Oregon state government follows the clear mandate in state law and the Americans with Disabilities Act (ADA) of 1990, as amended by the ADA Amendments Act of 2008, to remove barriers that prevent qualified people with disabilities from enjoying the same employment opportunities that are available to people without disabilities.

Oregon state government provides equal access and equal opportunity in employment. Its agencies do not discriminate based on disability. Oregon state government uses only job-related standards, criteria, and methods of administration that are consistent with business necessity. These standards, criteria and methods do not discriminate or perpetuate discrimination based on disability.

According to OAR 105-040-0001 Equal Employment Opportunity and Affirmative Action, Oregon state government takes positive steps to recruit, hire, train, and provide reasonable accommodation to applicants and employees with disabilities.

**AUTHORITY:** ORS 240.145; 240.240; 240.250; ORS 659A.103 -145; 243.305; 243.315; The Americans with Disabilities Act (ADA) of 1990 as amended by the Americans with Disabilities Act Amendments Act (ADAAA) of 2008; Civil Rights Act of 1991; and 42 U.S.C. §12101 *et seq.*

**APPLICABILITY:** This policy applies to all state employees, including state temporary employees, according to provisions of federal and state law.

**ATTACHMENTS:** ADA Accommodation Tool Kit

**APPROVED:** Signature on file with Human Resource Services Division

**DEFINITIONS:** See State HR Policy 10.000.01 Definitions and OAR 105-010-0000

The following definitions apply to terms referenced in this policy and its attachments: Americans with Disabilities Act (ADA) –The ADA is a federal civil rights statute that removes barriers that prevent qualified people with disabilities from enjoying the same employment opportunities available to people without disabilities. References to ADA also refer to amendments to that Act.

“Essential Functions” – These include, but are not limited to, duties that are necessary because:

- The primary reason the position exists is to perform these duties.
- A limited number of employees are available who can perform these duties.
- The incumbent is hired or retained to perform highly specialized duties.

“Individual with a Disability” – This term means a person to whom one or more of the following apply:

- A person with a physical or mental impairment that substantially limits one or more of the major life activities of such a person without regard to medications or other assistive measures a person might use to eliminate or reduce the effect of impairment.
- A person with a record of such an impairment
- A person regarded as having such impairment.

“Major Life Activities” – This term means the basic activities the average person in the general population can perform with little or no difficulty. These including breathing; walking; hearing; thinking; concentrating; seeing; communicating; speaking; reading; learning; eating; self-care; performing manual tasks such as reaching, bending, standing and lifting; sleeping; or working (working in general, not the ability to perform a specific job). The term also includes but not limited to “major bodily functions,” such as functions of the immune system, normal cell growth, digestive, bowel, bladder, neurological, brain, respiratory, circulatory, endocrine, and reproductive functions.

"Physical or Mental Impairment" – This term refers to any of the following:

- Physiological disorder, condition, cosmetic disfigurement, or anatomical loss that affects one or more bodily systems, including neurological, musculoskeletal, special sense organs, respiratory, cardiovascular or reproductive
- Mental or psychological disorder including but not limited to mental retardation, organic brain syndrome, emotional or mental illness or specific learning disability
- Disease or condition including orthopedic, visual, speech and hearing impairment, cerebral palsy, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, HIV disease or alcoholism
- Any other physical or mental impairment listed under the ADA.

Qualified Person – This term means a person who has the personal and professional attributes, including skill, experience, education, physical and mental ability, medical, safety and other requirements to hold the position.

"Qualified person" does not include people who currently engage in illegal use of drugs. A person may qualify, however, if he or she is currently enrolled in or has completed a rehabilitation program, and continues to abstain from illegal use of drugs.

Reasonable Accommodation – This term means change or adjustment to a job or work environment that enables a qualified employee with a disability to perform the essential functions of a job, or enjoy the benefits and privileges of employment equal to those enjoyed by employees who have no disabilities.

"Reasonable accommodation" does not include modifications or adjustments that cause an undue hardship to the agency. "Reasonable accommodation" does not mean providing personal auxiliary aids or services, such as service dogs or hearing aids that person uses both on and off the job. A reasonable accommodation does not include lowering production standards, promoting or assigning an employee to a higher-paying job, creating a position or reassigning essential functions to another worker.

"Undue Hardship" – This term means significant difficulty or expense. Whether a particular accommodation imposes undue hardship is determined on a case-by-case basis, with consideration of such factors as the following:

- The nature and cost of the accommodation needed
- The agency's size, employee's official worksite, and financial resources
- The agency's operation, structure, functions, and geographic separateness
- The agency's administrative or fiscal relationship to its facility responding to the accommodation request and to the other state agencies
- The impact of the accommodation on the operation of the agency or its facility.

## POLICY

(1) Each state agency director or authorized designee (agency) administers State HR Policy 50.020.10 as the agency's policy. Compliance with the ADA is mandatory.

(a) Each agency identifies an ADA Coordinator for the agency to coordinate ADA accommodation requests and function as an agency resource on ADA matters.

(b) Each agency develops and follows its own procedures for receiving, processing and documenting accommodation requests under this policy. The attached tool kit will assist in this process.

(2) An employee may request an accommodation under this policy by following agency procedures.

(3) The agency must review and respond in a timely manner to each request for accommodation. The agency must engage in an interactive dialogue with the employee to determine whether the accommodation is necessary and will be effective.

(4) Each accommodation is unique to the person, the disability and the nature of the job. No specific form of accommodation can guarantee success for all people in any particular job. The agency must give primary consideration to the specific accommodation requested by the employee. Through the interactive process the agency may identify and provide an alternative accommodation.

(5) The duty to provide reasonable accommodation is ongoing. The agency and the employee must engage in the interactive process again if an accommodation proves ineffective.

(6) The agency may deny an accommodation if it is not effective, if it will cause undue hardship to the agency, or if the agency identifies imminent physical harm or risk. The undue hardship exception is available only after

Careful consideration. The agency must consider alternative accommodations, should a requested accommodation pose undue hardship.

(7) Federal and state law prohibit retaliation against an employee with respect to hiring or any other term or condition of employment because the employee asked about, requested, or was previously accommodated under the ADA.

**DAS DEPARTMENT OF ADMINISTRATIVE SERVICES STATEWIDE POLICY**

**Discrimination and Harassment Free Workplace**

**NUMBER: 50.010.01**

**DIVISION: Human Resource Services Division**

**EFFECTIVE DATE: 1/25/08**

**APPROVED: Signature on file with Human Resource Services Division**

**POLICY STATEMENT:**

**The State of Oregon is committed to a discrimination and harassment free work environment. This policy outlines types of prohibited conduct and procedures for reporting and investigating prohibited conduct.**

**AUTHORITY:** ORS 174.100, 240.086(1); 240.145(3); 240.250; 240.316(4); 240.321; 240.555; 240.560; 659A.029; 659A.030; Title VII; Civil Rights Act of 1964; Executive Order EO-93-05; Rehabilitation Act of 1973; Employment Act of 1967; Americans with Disabilities Act of 1990; and 29 CFR §37.

**APPLICABILITY:** All employees, state temporary employees and volunteers.

**ATTACHMENTS:** None

**DEFINITIONS:** See also HRSD State Policy 10.000.01, Definitions; and OAR 105-010-0000

**Collective Bargaining Agreement (CBA):** A written agreement between the State of Oregon, (Department of Administrative Services) and a labor union. References to CBAs contained in this policy are applicable only to employees covered by a CBA.

**Complainant:** A person or persons allegedly subjected to discrimination, workplace harassment or sexual harassment.

**Contractor:** For the purpose of this policy, a contractor is an individual or business with whom the State of Oregon has entered into an agreement or contract to provide goods or services. Qualified rehabilitation facilities who by contract provide temporary workers to state agencies are considered contractors. Contractors are not subject to ORS 240 but must comply with all federal and state laws.

**Discrimination:** Making employment decisions related to hiring, firing, transferring, promoting, demoting, benefits, compensation, and other terms and conditions of employment, based on or because of an employee's protected class status.

**Employee:** Any person employed by the state in one of the following capacities: management service, unclassified executive service, unclassified or classified unrepresented service, unclassified or classified represented service, or represented or unrepresented temporary service. For the purpose of this policy, this definition includes board and commission members, and individuals who volunteer their services on behalf of state government.

**Higher Standard:** Applies to managers and supervisors. Proactively taking an affirmative posture to create and maintain a discrimination and harassment free workplace.

**Manager/Supervisor:** Those who supervise or have authority or influence to effect employment decisions.

**Protected Class Under Federal Law:** Race; color; national origin; sex (includes pregnancy related conditions); religion; age (40 and older); disability; a person who uses leave covered by the Federal Family and Medical Leave Act; a person who uses Military Leave; a person who associates with a protected class; a person who opposes unlawful employment practices, files a complaint or testifies about violations or possible violations; and any other protected class as

defined by federal law.

**Protected Class Under Oregon State Law:** All Federally protected classes, plus: age (18 and older); physical or mental disability; injured worker; a person who uses leave covered by the Oregon Family Leave Act; marital status; family relationship; sexual orientation; whistleblower; expunged juvenile record; and any other protected class as defined by state law.

**Sexual Harassment:** Sexual harassment is unwelcome, unwanted, or offensive sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- 1) Submission to such conduct is made either explicitly or implicitly a term or condition of the individual's employment, or is used as a basis for any employment decision (granting leave requests, promotion, favorable performance appraisal, etc.); or
- 2) Such conduct is unwelcome, unwanted or offensive and has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Examples of sexual harassment include but are not limited to: unwelcome, unwanted, or offensive touching or physical contact of a sexual nature, such as, closeness, impeding or blocking movement, assaulting or pinching; gestures; innuendoes; teasing, jokes, and other sexual talk; intimate inquiries; persistent unwanted courting; sexist put-downs or insults; epithets; slurs; or derogatory comments.

**Sexual Orientation under Oregon State Law:** An individual's actual or perceived heterosexuality, homosexuality, bisexuality or gender identity, regardless of whether the individual's gender identity, appearance, expression or behavior differs from that traditionally associated with the individual's sex at birth.

**Workplace Harassment:** Unwelcome, unwanted or offensive conduct based on or because of an employee's protected class status.

Harassment may occur between a manager/supervisor and a subordinate, between employees, and among non-employees who have business contact with employees. A complainant does not have to be the person harassed, but could be a person affected by the offensive conduct.

Examples of harassing behavior include, but are not limited to, derogatory remarks, slurs and jokes about a person's protected class status.

**POLICY**

**(1) The State of Oregon is committed to a discrimination and harassment free work environment. This policy**

**outlines types of prohibited conduct and procedures for reporting and investigating prohibited conduct.**

**(a) Discrimination, Workplace Harassment and Sexual Harassment.** The State of Oregon provides a work environment free from unlawful discrimination or workplace harassment based on or because of an employee's protected class status. Additionally, the state of Oregon provides a work environment free from sexual harassment. Employees at every level of the organization, including state temporary employees and volunteers, must conduct themselves in a business-like and professional manner at all times and not engage in any form of discrimination, workplace harassment or sexual harassment.

**(b) Higher Standard.** Managers/supervisors are held to a higher standard and are expected to take a proactive stance to ensure the integrity of the work environment. Managers/supervisors must exercise reasonable care to prevent and promptly correct any discrimination, workplace harassment or sexual harassment they know about or should know about.

**(c) Reporting.** Anyone who is subject to or aware of what he or she believes to be discrimination, workplace harassment, or sexual harassment should report that behavior to the employee's immediate supervisor, another manager, or the agency, board, or commission Human Resource section, Executive Director, or chair, as applicable. A report of discrimination, workplace harassment or sexual harassment is considered a complaint. A supervisor or manager receiving a complaint should promptly notify the Human Resource section, Executive Director, or chair, as applicable.

(A) A complaint may be made orally or in writing.

(B) A complaint must be filed within one year of the occurrence.

(C) An oral or written complaint should contain the following:

(i) the name of the person filing the report;

(ii) the name of the complainant;

(iii) the names of all parties involved, including witnesses;

(iv) a specific and detailed description of the conduct or action that the employee believes is

discriminatory or harassing;

(v) the date or time period in which the alleged conduct occurred; and

(vi) a description of the remedy the employee desires.

**(d) Other Reporting Options.** Nothing in this policy prevents any person from filing a formal grievance in accordance with a CBA, or a formal complaint with the Bureau of Labor and Industries (BOLI) or the Equal Employment Opportunity Commission (EEOC) **or if applicable, the United States Department of Labor (USDOL) Civil Rights Center.** However, some CBAs require an employee to choose between the complaint procedure outlined in the CBA and filing a BOLI or EEOC complaint.

**(e) Filing a Report with the USDOL Civil Rights Center.** An employee whose position is funded by the Oregon Workforce Investment Act (WIA), such as employees of the Oregon Workforce One-stop System may file a complaint under the WIA, Methods of Administration (MOA) with the State of Oregon WIA, MOA Equal Opportunity Officer or directly through the USDOL, Civil Rights Center. The complaint must be written, signed and filed within 180 days of when the alleged discrimination or harassment occurred.

**(f) Investigation.** The agency, board, or commission Human Resource section, Executive Director, or chair, as applicable, will coordinate and conduct or delegate responsibility for coordinating and conducting an investigation.

(A) All complaints will be taken seriously and an investigation will be initiated as quickly as possible.

(B) The agency, board or commission may need to take steps to ensure employees are protected from further potential discrimination or harassment.

(C) Complaints will be dealt with in a discreet and confidential manner, to the extent possible.

(D) All parties are expected to cooperate with the investigation and keep information regarding the investigation confidential.

(E) The agency, board or commission will notify the accused and all witnesses that retaliating against a person for making a report of discrimination, workplace harassment or sexual harassment will not be tolerated.

(F) The agency, board or commission will notify the complainant and the accused when the investigation is concluded.

(G) Immediate and appropriate action will be taken if a complaint is substantiated.

(H) The agency, board or commission will inform the complainant if any part of a complaint is substantiated and that action has been taken. The complainant will not be given the specifics of the action.

(I) The complainant and the accused will be notified by the agency, board or commission if a complaint is not substantiated.

**(g) Penalties.** Conduct in violation of this policy will not be tolerated.

(A) Employees engaging in conduct in violation of this policy may be subject to disciplinary action up to and including dismissal.

(B) State temporary employees and volunteers who engage in conduct in violation of this policy may be subject to termination of their working or volunteer relationship with the agency, board or commission.

(C) An agency, board or commission may be liable for discrimination, workplace harassment or sexual harassment if it knows of or should know of conduct in violation of this policy and fails to take prompt, appropriate action.

(D) Managers and supervisors who know or should know of conduct in violation of this policy and who fail to report such behavior or fail to take prompt, appropriate action may be subject to disciplinary action up to and including dismissal.

(E) An employee who engages in harassment of other employees while away from the workplace and outside of working hours may be subject to the provisions of this policy if that conduct has a negative impact on the work environment and/or working relationships.

(F) If a complaint involves the conduct of a contracted employee or a contractor, the agency, board, or commission Human Resource section, Executive Director, chair, or designee must inform the contractor of the problem behavior and require prompt, appropriate action.

(G) If a complaint involves the conduct of a client, customer, or visitor, the agency, board or commission should follow its own internal procedures and take prompt, appropriate action.

**(h) Retaliation.** This policy prohibits retaliation against employees who file a complaint, participate in an investigation, or report observing discrimination, workplace harassment or sexual harassment.

(A) Employees who believe they have been retaliated against because they filed a complaint, participated in an investigation, or reported observing discrimination, workplace harassment or sexual harassment, should report this behavior to the employee's supervisor, another manager, the Human Resource section, the Executive Director, or the chair, as applicable. Complaints of retaliation will be investigated promptly.

(B) Employees who violate this policy by retaliating against others may be subject to disciplinary action, up to and including dismissal.

(C) State temporary employees and volunteers who retaliate against others may be subject to termination of their working or volunteer relationship with the agency, board or commission.

(i) **Policy Notification.** All employees including state temporary employees and volunteers shall:

(A) be given a copy or the location of Statewide Policy 50.010.01, Discrimination and Harassment Free Workplace;

(B) be given directions to read the policy;

(C) be provided an opportunity to ask questions and have their questions answered; and

(D) sign an acknowledgement indicating the employee read the policy and had the opportunity to ask questions.

(i) Signed acknowledgements are kept on file at the agency, board or commission.

(1) **Performance Measure:** Percent of employees informed of Policy 50.010.01, prohibited behavior and reporting procedures.

**Performance Standard:** 100%

(2) **Performance Measure:** Percent of complaints where prompt, appropriate action is taken following investigation of a substantiated complaint.

**Performance Standard:** 100%

## DAS DEPARTMENT OF ADMINISTRATIVE SERVICES STATEWIDE POLICY

### Maintaining a Professional Workplace

NUMBER: 50.010.03

DIVISION: Human Resource Services Division

EFFECTIVE DATE: 08/27/07

APPROVED: Signature on file with Human Resource Services Division

#### POLICY

#### STATEMENT:

It is the policy of the State of Oregon to create and maintain a work environment that is respectful, professional and free from inappropriate workplace behavior.

**AUTHORITY:** ORS 240.145 and ORS 240.250

#### **APPLICABILITY:**

All employees, including state temporary employees.

**ATTACHMENTS:** N/A

#### **DEFINITIONS:**

**See also HRSD State Policy 10.000.01, Definitions; and OAR 105-010-0000**

**Agency:** Refers to state agencies, boards and commissions

**Professional Workplace Behavior:** Supporting the values and mission of the State of Oregon and the agency, building positive relationships with others, communicating in a respectful manner, holding oneself accountable and pursuing change within the system.

**Inappropriate Workplace Behavior:** Unwelcome or unwanted conduct or behavior that causes a negative impact or disruption to the workplace or the business of the

state, or results in the erosion of employee morale and is not associated with an employee's protected class status.

Examples of inappropriate workplace behavior include but are not limited to, comments or behaviors of an individual or group that disparage, demean or show disrespect for another employee, a manager, a subordinate, a customer, a contractor or a visitor in the workplace.

Inappropriate workplace behavior does not include actions of performance management such as supervisor instructions, expectations or feedback, administering of disciplinary actions, or investigatory meetings.

Inappropriate workplace behavior does not include assigned, requested or unsolicited constructive peer feedback on projects or work.

**Protected Class Under Federal Law:** Race; color; national origin; sex (includes pregnancy-related conditions); religion; age (40 and older); disability; a person who uses leave covered by the Federal Family and Medical Leave Act; a person who uses Military Leave; a person who associates with a protected class; a person who opposes unlawful employment practices, files a complaint or testifies about violations or possible violations; and any other protected class as defined by federal law.

**Protected Class Under Oregon State Law:** All Federally protected classes, plus: age (18 and older); physical or mental disability; injured worker; a person who uses leave covered by the Oregon Family Leave Act; marital status; family relationship; sexual orientation; whistleblower; expunged juvenile record; and any other protected class as defined by state law.

## POLICY

(1) It is the policy of the State of Oregon to create and maintain a work environment that is respectful, professional and free from inappropriate workplace behavior.

(a) Conduct Employees at every level of the agency should foster an environment that encourages professionalism and discourages disrespectful behavior. All employees are expected to behave respectfully and professionally and refrain from engaging in inappropriate workplace behavior.

(b) Addressing Inappropriate Workplace Behavior

(A) Supervisors must address inappropriate behavior that they observe or experience and should do so as close to the time of the occurrence as possible and appropriate.

(B) If an employee observes or experiences inappropriate workplace behavior and the employee feels comfortable in doing so, they should:

- (i) redirect inappropriate conversations or behavior to workplace business; and/or
- (ii) tell an offending employee his/her behavior is offensive and ask him/her to stop.

(c) Reporting Inappropriate Workplace Behavior

(A) An employee should report inappropriate workplace behavior he/she experiences or observes to his/her immediate supervisor as soon as practicable. If the employee's immediate supervisor is the one engaging in the inappropriate behavior, the employee should report the behavior to upper management, the agency head or Human Resource section, as soon as practicable. The report may be made orally or in writing.

(B) If past practice exists in the agency, an employee who is represented by a labor union may have a union representative present during regular work hours, when reporting inappropriate workplace

behavior and through the process set forth in this policy. The union representative must not be a witness or party to the investigation.

(C) Reporting behavior or conduct directed toward an employee because of his/her protected class status is addressed in DAS Statewide Policy 50.010.01, Discrimination and Harassment Free Workplace.

(d) Responding to a Report of Inappropriate Workplace Behavior Inappropriate workplace behavior must be addressed and corrected before it becomes pervasive, causes further workplace disruption or lowers employee morale. Unless the agency decides otherwise, the supervisor of the employee allegedly engaging in the inappropriate workplace behavior must investigate the report as soon as possible.

(e) Consequences

(A) Any employee found to have engaged in inappropriate workplace behavior, will be counseled, or, depending on the severity of the behavior, may be subject to discipline, up to and including dismissal. (B) A supervisor who fails to address inappropriate behavior, will be counseled, or, depending on the severity of the behavior, may be subject to disciplinary action, up to and including dismissal.

(f) Retaliation Retaliating against someone for reporting or addressing inappropriate workplace behavior is prohibited. The agency will investigate reports of retaliation. Any employee found to have engaged in retaliation may be subject to discipline, up to and including dismissal.

## Oregon Liquor Control Commission

### Employee and Training Policy

**SUBJECT:** Training and Development  
**NUMBER:** PP 845-153-007

#### CITATION OF AUTHORITY

Department of Administration, Human Resource Management Division Policy 50.045.01: Employee Development and Implementation of Oregon Benchmarks for Workforce Development; ORS 240.145(3) (4); 240.250; Oregon Benchmarks

#### POLICY

The ongoing development of Oregon Liquor Control Commission (OLCC) employees is essential to achieving OLCC’s mission of promoting public interest through the responsible sale and service of alcoholic beverages and its governing principles of stewardship, public safety and economic development. The proactive development of OLCC employees enables their stepping into leadership positions or advancing in the agency; creates a deeper pool of job-related knowledge and skills; helps to maintain an optimal rate of turnover and fosters the success of high-performance employees to rise above the expectations of Oregonians.

#### **I. Workforce and Succession Planning**

OLCC takes seriously the stewardship of its human resources, recognizing that its employees are its most valuable asset. Workforce and succession planning helps OLCC determine its workforce needs for having the right number of people with the right skills, experiences, and competencies in the right jobs at the right time. By preparing employees to step into leadership positions or to advance in the

agency, OLCC can better accomplish its mission. A workforce plan provides a framework for making staffing decisions based on the organizations strategic mission, goals and objectives.

Workforce and succession planning program goals for employee training and development are to:

- provide continuity
- capture institutional knowledge
- identify competencies critical to future success
- strengthen our leadership pipeline
- provide opportunities for staff to increase their knowledge, skills and abilities
- ensure that the OLCC continues to provide Oregonians with outstanding service that is proactive, prepared, responsive and flexible

## II. Training and Education Criteria

Training decisions are based on the following criteria:

- budget availability and cost/value of training generally up to and including \$300
- consistency with division priorities and goals
- knowledge, skills and/or abilities
- new or existing requirements for a current or future position
- ability to meet operating requirements while employee attends training

## III. Budget

*Commission-wide Training Budget* - The OLCC training and development manager has the responsibility and authority to manage the commission-wide training budget. If the training subject matter is relevant to the agency in general, rather than relevant only to a division, then the commission-wide training budget can fund the training. Example: leadership, supervisory skills or diversity training benefits the agency regardless of where the employee works within the agency.

**Note that if an employee fails to attend a scheduled class and neglects to notify either the training and development manager or General Services to cancel, then the employee's division (not the commission-wide training budget) will pay for the class.**

*Division Training Budget* - If the training subject matter focuses on work done solely within the employee's division, the division will pay for the training. Example: Training on a computer program that is only relevant to the Financial Services Division is charged to the Financial Services Division budget.

*Both Commission-wide Training and Division Training Budgets* – Occasionally an employee will want or be asked to attend a class, conference, or training that costs over \$300. Both the training and development manager and the division director can agree to split the cost 50/50.

#### IV. New Employee Orientation

Orientation provides all new employees with consistent information about the OLCC and the OLCC's expectations for their success.

New Employee Orientation's goals are to:

- welcome new employees to the OLCC
- introduce the OLCC's mission and goals and selected policies
- give an overview of the agency and its work
- support the integration of the new employee into the agency culture

#### V. Conferences

The OLCC generally does not pay for conferences with commission-wide training funds unless the conferences are specifically training ones. However, any conference, workshop or presentation that increases the employee's knowledge, skills or abilities to improve his or her job performance becomes documented training in the employee's training file.

#### VI. College Tuition

When the OLCC requires employees to attend courses or seminars either during or after work hours, the OLCC will reimburse the employee for course registration, books and required instructional materials. All books and instructional materials become property of the Commission.

Employees may request a partial tuition and fee reimbursement for college courses they take voluntarily to improve their work in their current position or to advance their OLCC career if their division budget allows. Books and materials are the employee's responsibility.

To apply for reimbursement, an employee first completes an Individual Development Plan (IDP) listing his or her development goals (the IDP only needs to be completed once - unless the employee's development goals change). Then for each credited class, the employee also completes a Training Request Form.

The manager and division director will determine on a course-by-course basis -- in accordance with the agency training and education criteria and the division training budget dollars --, whether the division will reimburse the employee for up to 50 percent of course tuition and fees. There is a \$1,100 tuition reimbursement limit per employee per fiscal year. Reimbursement is based only on the out-of-pocket amount of tuition and fees the employee pays after any grants or scholarships are deducted. Reimbursement is awarded only on the employee's successful completion (grade C or better) of the course.

**VII. College Tuition - Career Development**

For an employee participating in the Career Development Program, who must take one or more college courses as a requirement of his or her career development contract, the division will reimburse the employee for up to 50 percent of course tuition and fees, with a \$1,100 limit per employee per fiscal year. Reimbursement is based only on the out-of-pocket amount of tuition and fees the employee pays after any grant or scholarship amounts are deducted. Any reimbursement is based on the employee's successful completion (grade C or better) of the course.

**VIII. Training for Temporary Employees**

Temporary employees are not typically included in training opportunities. Possible exceptions may include:

- training that is necessary for the temporary status employee to function fully as a member of the work team; and/or
- in-house group training with a set fee (rather than individual fees per participant) which enhances the temporary employee's ability to perform the job.

**PROCEDURES**

**I. Agency Training Plan**

<u>Responsibility</u>	<u>Action</u>
Training and Development Manager/Executive Committee	1. Collects information each biennium regarding the OLCC's plans and resulting needs. 2. Updates the training plan.

**II. Individual Training (A training request form is required)**

<u>Responsibility</u>	<u>Action</u>
Employee and/or Manager	1. Identifies relevant training opportunity.
Employee	2. Completes a training request form and gives it to his or her manager at least three (3) weeks prior to registration deadline.

<p>Manager</p>	<ol style="list-style-type: none"> <li>1. Determines whether the training request is appropriate and consistent with the OLCC's and employee's needs and confirms that it is at least three (3) weeks before the registration deadline.             <ol style="list-style-type: none"> <li>a. If the request is not appropriate or is untimely, denies the request and discusses the decision with the employee.</li> <li>b. If it is appropriate, proceeds to step 2.</li> </ol> </li> <li>2. Develops, jointly with the employee, appropriate learning objectives prior to the training.</li> <li>3. Signs the training request form.</li> <li>4. Indicates if the training will be charged to the division or the agency-wide training budget.             <ol style="list-style-type: none"> <li>a. Gives the request to division director if division will pay for training; <b>OR</b></li> <li>b. Gives request to training &amp; development manager if agency training funds will pay for training; <b>OR</b></li> <li>c. May ask both the training &amp; development manager and the division director to split the cost, generally 50/50.</li> </ol> </li> </ol>
<p>Division Director</p>	<ol style="list-style-type: none"> <li>1. Approves or denies training.             <ol style="list-style-type: none"> <li>a. Completes and signs requisition and forwards it with the signed training request form to training &amp; development manager.</li> <li>b. May agree to split the cost 50/50 with the training and development manager.</li> <li>c. Or, discusses with manager and employee why denied.</li> </ol> </li> </ol>

Training and Development Manager	<ol style="list-style-type: none"> <li>1. Verifies that the requested training is appropriate and within the three (3) week deadline. <ol style="list-style-type: none"> <li>a. Determines if commission-wide training dollars are available and if the cost/value of the training is the best use of commission-wide training budget.</li> <li>b. If not, discusses with manager.</li> </ol> </li> <li>2. If the training is relevant to the agency, signs the training request form and requisition for commission-wide training budget dollars; <b>OR</b></li> <li>3. If the division is paying for the training, completes and signs the training request form; <b>OR</b></li> <li>4. Completes the requisition and asks the division director to sign for ½ of the cost.</li> <li>5. Registers the employee for class unless payment is by credit card.</li> <li>6. Gives the training request form and requisition to General Services.</li> </ol>
General Services	<ol style="list-style-type: none"> <li>1. Verifies that the information, signatures and cost center(s) are correct on the requisition and training request form.</li> <li>2. If the signatures are missing on the training request form and/or requisition, returns the requisition to the division.</li> <li>3. Generates a purchase order (PO) or credit card payment for the training.</li> <li>4. Registers the employee for class if not pre-registered.</li> <li>5. Forwards the PO and training request form to the OLCC Financial Services Division.</li> </ol>
Financial Services Division	<ol style="list-style-type: none"> <li>1. Processes the PO for payment.</li> </ol>
Employee	<ol style="list-style-type: none"> <li>1. After training, completes and forwards evaluation to the training &amp; development manager.</li> </ol>

**III. New Employee Orientation** (No training request form is required)

<u>Responsibility</u>	<u>Action</u>
Training and Development Manager	<ol style="list-style-type: none"> <li>1. When a new employee is hired, contacts the employee's supervisor and arranges for the employee to attend orientation.</li> <li>2. Coordinates orientation content.</li> <li>3. Completes training record and collects evaluation forms.</li> </ol>

**IV. Staff Group Training** (No training request form is required)

<u>Responsibility</u>	<u>Action</u>
In-House Trainer, Manager, or Coordinator	1. Gives the training & development manager dates and times, title and instructors for the training. 2. After class forwards attendance record to training and development manager.
Training and Development Manager	1. Enters class attendees in training records.

**V. College Tuition Reimbursement** (Individual development plan (IDP) and training request form are required)

<u>Responsibility</u>	<u>Action</u>
Employee	1. Completes an Individual Development Plan (IDP) at the onset of attending credited college courses.
Manager and Employee	1. Meet to discuss IDP and gain approval. 2. Manager signs it if is approved.
Employee	1. Completes a training request form before registering for each class.
Manager and Division Director	1. Determine if funding is available on a course-by-course basis. 2. Approve and sign, or deny employee's training request based on employee's training goals. 3. Notifies employee of decision.
Employee	1. Forwards signed copies of IDP and signed training request/s to training and development manager. 2. After completing the course, completes a travel expense detail sheet. 3. Gives training & development manager completed travel expense detail sheet, IDP, and training request form/s.
Training & Development Manager	1. Initials travel expense detail sheet. 2. Gives the sheet, IDP and training request/s to payroll accountant in Financial Services Division.
Payroll Accountant	1. Records hours for employee and tracks amount spent on tuition. 2. Processes requests for reimbursement at 50% of tuition and fees up to \$1,100 per fiscal year. 3. Forwards check to employee.

## Veteran's Preference in Employment

Applicability: Recruitment and selection processes for all State of Oregon positions in agencies subject to ORS 240, State Personnel Relations Law, including but not limited to promotional opportunities.

**(1) Definitions: (See also HRSD Rule 105-010-0000 Definitions Applicable Generally to Personnel Rules and Policies.)**

**(a) Initial Application Screening: An agency's process of determining whether an applicant meets the minimum and special qualifications for a position. An Initial Application Screening may also include an evaluation of skills or grading of supplemental test questions if required on the recruiting announcement.**

**(b) Application Examination: The selection process utilized by an agency after Initial Application Screening. This selection process includes, but is not limited to, formal testing or other assessments resulting in a score as well as un-scored examinations such as interviews and reference checks.**

**(c) Veteran and Disabled Veteran: As defined by ORS 408.225 and 408.235.**

**(2) Application of preference points upon Initial Application Screening: Qualifying Veterans and Disabled Veterans receive preference points as follows;**

**(a) Five Veteran's Preference points are added upon Initial Application Screening when an applicant submits as verification of eligibility a copy of the Certificate of Release or Discharge from Active Duty (DD Form 214 or 215), or a letter from the US Department of Veteran's Affairs indicating the applicant receives a non-service connected pension with the State of Oregon Application; or**

**(b) Ten Disabled Veteran's points are added upon Initial Application Screening when an applicant submits as verification of eligibility a copy of the Certificate of Release or Discharge from Active Duty (DD Form 214 or 215) with the State of Oregon Application. Disabled Veterans must also submit a copy of their Veteran's disability preference letter from the US Department of Veteran Affairs, unless the information is included in the DD Form 214 or 215.**

**(c) Veteran's and Disabled Veteran's preference points are not added when a Veteran or Disabled Veteran fails to meet the minimum or the special qualifications for a position.**

**(3) Following an Initial Application Screening the agency generates a list of qualified applicants to consider for Appointment. An Appointing Authority or designee may then:**

**(a) Determine whether or not to interview all applicants who meet the minimum and special qualifications of the position (including all Veterans and Disabled Veterans); or**

**(b) Select a group of Veteran and Disabled Veteran applicants who most closely match the agency's purposes in filling the position. This group of applicants may be considered along with non-veteran applicants who closely match the purposes of the agency in filling the position as determined by:**

**(A) Scored Application Examinations (including scored interviews): If an agency utilizes, after an Initial Application Screening, a scored Application Examination to determine whom to consider further for Appointment, the agency will add (based on a 100-point scale) five points to a Veteran's score or 10 points to a Disabled Veteran's score or;**

**(B) Un-scored Application Examinations: Un-scored Application Examinations done by sorting into levels (such as "unsatisfactory," "satisfactory," "excellent") based on desired attributes or other criteria for further consideration will be accomplished by:**

**(i) Advancing the application of a Veteran one level;**

**(ii) Advancing an application of a Disabled Veteran two levels.**

**(4) Preference in un-scored interviews: A Veteran or Disabled Veteran who, in the judgment of the Appointing Authority or designee, meets all or substantially all of the agency's purposes in filling the position will continue to be considered for Appointment.**

**(5) If a Veteran or Disabled Veteran has been determined to be equal to the top applicant or applicants for a position by the Appointing Authority or designee then the Veteran or Disabled Veteran is ranked more highly than non-veteran applicants and, a Disabled Veteran is ranked more highly than non-veteran and Veteran applicants.**

**(6) Preference described in Sections 2 through 5 of this rule is not a requirement to appoint a Veteran or Disabled Veteran to a position. An agency may base a decision not to appoint the Veteran or Disabled Veteran solely on the Veteran's or Disabled Veteran's merits or qualifications.**

**(7) A Veteran or a Disabled Veteran applicant not appointed to a position may request an explanation from the agency. The request must be in writing and be sent within 30 calendar days of the date the**

Veteran or Disabled Veteran was notified that they were not selected. The agency will respond in writing with the reasons for not appointing the Veteran or Disabled Veteran.

[ED. NOTE: Forms referenced are available from the agency.]

Stat. Auth: ORS 240.145(3) & 240.250

Stats. Implemented: ORS 408.225, 408.230 & 408.235

Hist.: HRSD 3-2007(Temp), f. & cert ef. 9-5-07 thru 3-3-08; HRSD 1-2008, f. 2-27-08, cert. ef. 3-1-08; HRSD 3-2009, f. 12-30-09, cert. ef. 1-1-10

**OLCC complaint procedure** (as listed in the AFSCME Contract):

All complaints alleging any form of discrimination may be submitted in writing directly to the EEO/AA Coordinator. The EEO/AA Coordinator will investigate the complaint within ten (10) working days of the receipt of the complaint and will attempt to resolve the issue with the employee and/or the Union. Recommendations will be made to the Agency Administrator for final disposition. The Agency Administrator or designated representative shall advise the employee and the Union in writing, within fifteen (15) calendar days, of completion of the investigation of the Agency's position. If the complaint is not satisfactorily resolved, the employee may submit the complaint to the Bureau of Labor for resolution.

VII. Appendix B

**A. Age Discrimination**

The Age Discrimination in Employment Act of 1967 (ADEA) protects individuals who are 40 years of age or older from employment discrimination based on age. The ADEA's protections apply to both employees and job applicants. Under the ADEA, it is unlawful to discriminate against a person because of his/her age with respect to any term, condition, or privilege of employment, including hiring, firing, promotion, layoff, compensation, benefits, job assignments, and training. The ADEA permits employers to favor older workers based on age even when doing so adversely affects a younger worker who is 40 or older.

It is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on age or for filing an age discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under the ADEA.

The ADEA applies to employers with 20 or more employees, including state and local governments. It also applies to employment agencies and labor organizations, as well as to the federal government. ADEA protections include:

*Apprenticeship Programs*

It is generally unlawful for apprenticeship programs, including joint labor-management apprenticeship programs, to discriminate on the basis of an individual's age. Age limitations in apprenticeship programs are valid only if they fall within certain specific exceptions under the ADEA or if the EEOC grants a specific exemption.

*Job Notices and Advertisements*

The ADEA generally makes it unlawful to include age preferences, limitations, or specifications in job notices or advertisements. A job notice or advertisement may specify an age limit only in the rare circumstances where age is shown to be a "bona fide occupational qualification" (BFOQ) reasonably necessary to the normal operation of the business.

*Pre-Employment Inquiries*

The ADEA does not specifically prohibit an employer from asking an applicant's age or date of birth. However, because such inquiries may deter older workers from applying for employment or may otherwise indicate possible intent to discriminate based on age, requests for age information will be closely scrutinized to make sure that the inquiry was made for a lawful purpose, rather than for a purpose prohibited by the ADEA. If the information is needed for a lawful purpose, it can be obtained after the employee is hired.

*Benefits*

The Older Workers Benefit Protection Act of 1990 (OWBPA) amended the ADEA to specifically prohibit employers from denying benefits to older employees. Congress recognized that the cost of providing certain benefits to older workers is greater than the cost of providing those same benefits to younger workers, and that those greater costs might create a disincentive to hire older workers. Therefore, in limited circumstances, an employer may be permitted to reduce benefits based on age, as long as the cost of providing the reduced benefits to older workers is no less than the cost of providing benefits to younger workers.

Employers are permitted to coordinate retiree health benefit plans with eligibility for Medicare or a comparable state-sponsored health benefit.

*Waivers of ADEA Rights*

An employer may ask an employee to waive his/her rights or claims under the ADEA. Such waivers are common in settling ADEA discrimination claims or in connection with exit incentive or other employment termination programs. However, the ADEA, as amended by OWBPA, sets out specific minimum standards that must be met in order for a waiver to be considered knowing and voluntary and, therefore, valid. Among other requirements, a valid ADEA waiver must:

be in writing and be understandable;

- specifically refer to ADEA rights or claims;
- not waive rights or claims that may arise in the future;
- be in exchange for valuable consideration in addition to anything of value to which the individual already is entitled;
- advise the individual in writing to consult an attorney before signing the waiver; and
- provide the individual at least 21 days to consider the agreement and at least seven days to revoke the agreement after signing it.

If an employer requests an ADEA waiver in connection with an exit incentive or other employment termination program, the minimum requirements for a valid waiver are more extensive. See "Understanding Waivers of Discrimination Claims in Employee Severance Agreements" at [http://www.eeoc.gov/policy/docs/qanda\\_severance-agreements.html](http://www.eeoc.gov/policy/docs/qanda_severance-agreements.html)

### B. Title I of the Americans with Disabilities Act of 1990 (ADA)

Title I of the Americans with Disabilities Act of 1990 prohibits private employers, state and local governments, employment agencies and labor unions from discriminating against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training, and other terms, conditions, and privileges of employment. The ADA covers employers with 15 or more employees, including state and local governments. It also applies to employment agencies and to labor organizations. The ADA's nondiscrimination standards also apply to federal sector employees under section 501 of the Rehabilitation Act, as amended, and its implementing rules.

An individual with a disability is a person who:

- Has a physical or mental impairment that substantially limits one or more major life activities;
- Has a record of such an impairment; or
- Is regarded as having such an impairment.
- A qualified employee or applicant with a disability is an individual who, with or without reasonable accommodation, can perform the essential functions of the job in question. Reasonable accommodation may include, but is not limited to:
  - Making existing facilities used by employees readily accessible to and usable by persons with disabilities.
  - Job restructuring, modifying work schedules, reassignment to a vacant position;
  - Acquiring or modifying equipment or devices, adjusting or modifying examinations, training materials, or policies, and providing qualified readers or interpreters.

An employer is required to make a reasonable accommodation to the known disability of a qualified applicant or employee if it would not impose an "undue hardship" on the operation of the employer's business. Reasonable accommodations are adjustments or modifications provided by an employer to enable people with disabilities to enjoy equal employment opportunities. Accommodations vary depending upon the needs of the individual applicant or employee. Not all people with disabilities (or even all people with the same disability) will require the same accommodation. For example:

- A deaf applicant may need a sign language interpreter during the job interview.

- An employee with diabetes may need regularly scheduled breaks during the workday to eat properly and monitor blood sugar and insulin levels.
- A blind employee may need someone to read information posted on a bulletin board.
- An employee with cancer may need leave to have radiation or chemotherapy treatments.

An employer does not have to provide a reasonable accommodation if it imposes an “undue hardship.” Undue hardship is defined as an action requiring significant difficulty or expense when considered in light of factors such as an employer’s size, financial resources, and the nature and structure of its operation.

An employer is not required to lower quality or production standards to make an accommodation; nor is an employer obligated to provide personal use items such as glasses or hearing aids.

An employer generally does not have to provide a reasonable accommodation unless an individual with a disability has asked for one. If an employer believes that a medical condition is causing a performance or conduct problem, it may ask the employee how to solve the problem and if the employee needs a reasonable accommodation. Once a reasonable accommodation is requested, the employer and the individual should discuss the individual’s needs and identify the appropriate reasonable accommodation. Where more than one accommodation would work, the employer may choose the one that is less costly or that is easier to provide.

Title I of the ADA also covers:

- **Medical Examinations and Inquiries**  
Employers may not ask job applicants about the existence, nature, or severity of a disability. Applicants may be asked about their ability to perform specific job functions. A job offer may be conditioned on the results of a medical examination, but only if the examination is required for all entering employees in similar jobs. Medical examinations of employees must be job related and consistent with the employer’s business needs.

Medical records are confidential. The basic rule is that with limited exceptions, employers must keep confidential any medical information they learn about an applicant or employee. Information can be confidential even if it contains no medical diagnosis or treatment course and even if it is not generated by a health care professional. For example, an employee’s request for a reasonable accommodation would be considered medical information subject to the ADA’s confidentiality requirements.

- **Drug and Alcohol Abuse**  
Employees and applicants currently engaging in the illegal use of drugs are not covered by the ADA when an employer acts on the basis of such use. Tests for illegal drugs are not subject to the ADA’s restrictions on medical examinations. Employers may hold illegal drug users and alcoholics to the same performance standards as other employees.

It is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on disability or for filing a discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under the ADA.

### Federal Tax Incentives to Encourage the Employment of People with Disabilities and to Promote the Accessibility of Public Accommodations

The Internal Revenue Code includes several provisions aimed at making businesses more accessible to people with disabilities. The following provides general – non-legal – information about three of the most significant tax incentives. (Employers should check with their accountants or tax advisors to determine eligibility for these incentives or visit the Internal Revenue Service's website, [www.irs.gov](http://www.irs.gov), for more information. Similar state and local tax incentives may be available.)

- **Small Business Tax Credit (Internal Revenue Code Section 44: Disabled Access Credit)**  
Small businesses with either \$1,000,000 or less in revenue or 30 or fewer full-time employees may take a tax credit of up to \$5,000 annually for the cost of providing reasonable accommodations such as sign language interpreters, readers, materials in alternative format (such as Braille or large print), the purchase of adaptive equipment, the modification of existing equipment, or the removal of architectural barriers.
- **Work Opportunity Tax Credit (Internal Revenue Code Section 51)**  
Employers who hire certain targeted low-income groups, including individuals referred from vocational rehabilitation agencies and individuals receiving Supplemental Security Income (SSI) may be eligible for an annual tax credit of up to \$2,400 for each qualifying employee who works at least 400 hours during the tax year. Additionally, a maximum credit of \$1,200 may be available for each qualifying summer youth employee.
- **Architectural/Transportation Tax Deduction (Internal Revenue Code Section 190 Barrier Removal):**  
This annual deduction of up to \$15,000 is available to businesses of any size for the costs of removing barriers for people with disabilities, including the following: providing accessible parking spaces, ramps, and curb cuts; providing wheelchair-accessible telephones, water fountains, and restrooms; making walkways at least 48 inches wide; and making entrances accessible.

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## Disability Discrimination

Disability discrimination occurs when an employer or other entity covered by the Americans with Disabilities Act, as amended, or the Rehabilitation Act, as amended, treats a qualified individual with a disability who is an employee or applicant unfavorably because she has a disability.

Disability discrimination also occurs when a covered employer or other entity treats an applicant or employee less favorably because she has a history of a disability (such as

cancer that is controlled or in remission) or because she is believed to have a physical or mental impairment that is not transitory (lasting or expected to last six months or less) and minor (even if she does not have such an impairment).

The law requires an employer to provide reasonable accommodation to an employee or job applicant with a disability, unless doing so would cause significant difficulty or expense for the employer ("undue hardship").

The law also protects people from discrimination based on their relationship with a person with a disability (even if they do not themselves have a disability). For example, it is illegal to discriminate against an employee because her husband has a disability. Note: Federal employees and applicants are covered by the Rehabilitation Act of 1973, instead of the Americans with Disabilities Act. The protections are mostly the same.

#### Disability Discrimination & Work Situations

The law forbids discrimination when it comes to any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoff, training, fringe benefits, and any other term or condition of employment.

#### Disability Discrimination & Harassment

It is illegal to harass an applicant or employee because he has a disability, had a disability in the past, or is believed to have a physical or mental impairment that is not transitory (lasting or expected to last six months or less) and minor (even if he does not have such an impairment).

Harassment can include, for example, offensive remarks about a person's disability. Although the law doesn't prohibit simple teasing, offhand comments, or isolated incidents that aren't very serious, harassment is illegal when it is so frequent or severe that it creates a hostile or offensive work environment or when it results in an adverse employment decision (such as the victim being fired or demoted).

The harasser can be the victim's supervisor, a supervisor in another area, a co-worker, or someone who is not an employee of the employer, such as a client or customer.

#### Disability Discrimination & Reasonable Accommodation

The law requires an employer to provide reasonable accommodation to an employee or job applicant with a disability, unless doing so would cause significant difficulty or expense for the employer.

A reasonable accommodation is any change in the work environment (or in the way things are usually done) to help a person with a disability apply for a job, perform the duties of a job, or enjoy the benefits and privileges of employment.

Reasonable accommodation might include, for example, making the workplace accessible for wheelchair users or providing a reader or interpreter for someone who is blind or hearing impaired.

While the federal anti-discrimination laws don't require an employer to accommodate an employee who must care for a disabled family member, the Family and Medical Leave

Act (FMLA) may require an employer to take such steps. The Department of Labor enforces the FMLA. For more information, call: 1-866-487-9243.

#### Disability Discrimination & Reasonable Accommodation & Undue Hardship

An employer doesn't have to provide an accommodation if doing so would cause undue hardship to the employer.

Undue hardship means that the accommodation would be too difficult or too expensive to provide, in light of the employer's size, financial resources, and the needs of the business. An employer may not refuse to provide an accommodation just because it involves some cost. An employer does not have to provide the exact accommodation the employee or job applicant wants. If more than one accommodation works, the employer may choose which one to provide.

#### Definition Of Disability

Not everyone with a medical condition is protected by the law. In order to be protected, a person must be qualified for the job and have a disability as defined by the law.

A person can show that he or she has a disability in one of three ways:

- A person may be disabled if he or she has a physical or mental condition that substantially limits a major life activity (such as walking, talking, seeing, hearing, or learning).
- A person may be disabled if he or she has a history of a disability (such as cancer that is in remission).
- A person may be disabled if he is believed to have a physical or mental impairment that is not transitory (lasting or expected to last six months or less) and minor (even if he does not have such an impairment).

#### Disability & Medical Exams During Employment Application & Interview Stage

The law places strict limits on employers when it comes to asking job applicants to answer medical questions, take a medical exam, or identify a disability.

For example, an employer may not ask a job applicant to answer medical questions or take a medical exam before extending a job offer. An employer also may not ask job applicants if they have a disability (or about the nature of an obvious disability). An employer may ask job applicants whether they can perform the job and how they would perform the job, with or without a reasonable accommodation.

#### Disability & Medical Exams After A Job Offer For Employment

After a job is offered to an applicant, the law allows an employer to condition the job offer on the applicant answering certain medical questions or successfully passing a medical exam, but only if all new employees in the same type of job have to answer the questions or take the exam.

#### Disability & Medical Exams For Persons Who Have Started Working As Employees

Once a person is hired and has started work, an employer generally can only ask medical questions or require a medical exam if the employer needs medical documentation to support an employee's request for an accommodation or if the employer believes that an employee is not able to perform a job successfully or safely because of a medical condition.

The law also requires that employers keep all medical records and information confidential and in separate medical files.

#### Available Resources

In addition to a variety of formal guidance documents, EEOC has developed a wide range of fact sheets, question & answer documents, and other publications to help employees and employers understand the complex issues surrounding disability discrimination.

- Your Employment Rights as an Individual With a Disability
- Job Applicants and the ADA
- Understanding Your Employment Rights Under the ADA: A Guide for Veterans
- Questions and Answers: Promoting Employment of Individuals with Disabilities in the Federal Workforce
- The Family and Medical Leave Act, the ADA, and Title VII of the Civil Rights Act of 1964
- The ADA: A Primer for Small Business
- Your Responsibilities as an Employer
- Small Employers and Reasonable Accommodation
- Work At Home/Telework as a Reasonable Accommodation
- Applying Performance And Conduct Standards To Employees With Disabilities
- Obtaining and Using Employee Medical Information as Part of Emergency Evacuation Procedures
- Veterans and the ADA: A Guide for Employers
- Pandemic Preparedness in the Workplace and the Americans with Disabilities Act
- Employer Best Practices for Workers with Caregiving Responsibilities
- Reasonable Accommodations for Attorneys with Disabilities
- How to Comply with the Americans with Disabilities Act: A Guide for Restaurants and Other Food Service Employers
- Final Report on Best Practices For the Employment of People with Disabilities In State Government
- [ABCs](#) of Schedule A Documents

#### The ADA Amendments Act

- Final Regulations Implementing the ADAAA
- Questions and Answers on the Final Rule Implementing the ADA Amendments Act of 2008
- Questions and Answers for Small Businesses: The Final Rule Implementing the ADA Amendments Act of 2008
- Fact Sheet on the EEOC's Final Regulations Implementing the ADAAA

#### The Questions and Answers Series

- Health Care Workers and the Americans with Disabilities Act
- Deafness and Hearing Impairments in the Workplace and the Americans with Disabilities Act
- Blindness and Vision Impairments in the Workplace and the ADA
- The Americans with Disabilities Act's Association Provision
- Diabetes in the Workplace and the ADA

- Epilepsy in the Workplace and the ADA
- Persons with Intellectual Disabilities in the Workplace and the ADA
- Cancer in the Workplace and the ADA

#### Mediation and the ADA

- Questions and Answers for Mediation Providers: Mediation and the Americans with Disabilities Act (ADA)
- Questions and Answers for Parties to Mediation: Mediation and the Americans with Disabilities Act (ADA)

### **C. Equal Pay and Compensation Discrimination Equal Pay Act of 1963, and Title VII of the Civil Rights Act of 1964**

The right of employees to be free from discrimination in their compensation is protected under several federal laws, including the following enforced by the U.S. Equal Employment Opportunity Commission: the **Equal Pay Act of 1963, Title VII of the Civil Rights Act of 1964**, the Age Discrimination in Employment Act of 1967, and Title I of the Americans with Disabilities Act of 1990.

The law against compensation discrimination includes all payments made to or on behalf employees as remuneration for employment. All forms of compensation are covered, including salary, overtime pay, bonuses, stock options, profit sharing and bonus plans, life insurance, vacation and holiday pay, cleaning or gasoline allowances, hotel accommodations, reimbursement for travel expenses, and benefits.

#### Equal Pay Act

The Equal Pay Act requires that men and women be given equal pay for equal work in the same establishment. The jobs need not be identical, but they must be substantially equal. It is job content, not job titles, that determines whether jobs are substantially equal. Specifically, the EPA provides that employers may not pay unequal wages to men and women who perform jobs that require substantially equal skill, effort and responsibility, and that are performed under similar working conditions within the same establishment. Each of these factors is summarized below:

#### *Skill*

- Measured by factors such as the experience, ability, education, and training required to perform the job. The issue is what skills are required for the job, not what skills the individual employees may have. For example, two bookkeeping jobs could be considered equal under the EPA even if one of the job holders has a master's degree in physics, since that degree would not be required for the job.

#### *Effort*

- The amount of physical or mental exertion needed to perform the job. For example, suppose that men and women work side by side on a line assembling machine parts. The person at the end of the line must also lift the assembled product as he or she completes the work and place it on a board. That job requires more effort than the other assembly line jobs if the extra effort of lifting the assembled product off the line is substantial and is

a regular part of the job. As a result, it would not be a violation to pay that person more, regardless of whether the job is held by a man or a woman.

### *Responsibility*

- The degree of accountability required in performing the job. For example, a salesperson who is delegated the duty of determining whether to accept customers' personal checks has more responsibility than other salespeople. On the other hand, a minor difference in responsibility, such as turning out the lights at the end of the day, would not justify a pay differential.

### *Working Conditions*

- This encompasses two factors: (1) physical surroundings like temperature, fumes, and ventilation; and (2) hazards.

### *Establishment*

- The prohibition against compensation discrimination under the EPA applies only to jobs within an establishment. An establishment is a distinct physical place of business rather than an entire business or enterprise consisting of several places of business. In some circumstances, physically separate places of business may be treated as one establishment. For example, if a central administrative unit hires employees, sets their compensation, and assigns them to separate work locations, the separate work sites can be considered part of one establishment.

Pay differentials are permitted when they are based on seniority, merit, quantity or quality of production, or a factor other than sex. These are known as "affirmative defenses" and it is the employer's burden to prove that they apply.

In correcting a pay differential, no employee's pay may be reduced. Instead, the pay of the lower paid employee(s) must be increased.

### *Title VII, ADEA, and ADA*

Title VII, the ADEA, and the ADA prohibit compensation discrimination on the basis of race, color, religion, sex, national origin, age, or disability. Unlike the EPA, there is no requirement that the claimant's job be substantially equal to that of a higher paid person outside the claimant's protected class, nor do these statutes require the claimant to work in the same establishment as a comparator.

Compensation discrimination under Title VII, the ADEA, or the ADA can occur in a variety of forms. For example:

- An employer pays an employee with a disability less than similarly situated employees without disabilities and the employer's explanation (if any) does not satisfactorily account for the differential.
- An employer sets the compensation for jobs predominately held by, for example, women or African-Americans below that suggested by the employer's job evaluation study, while the pay for jobs predominately held by men or whites is consistent with the level suggested by the job evaluation study.
- An employer maintains a neutral compensation policy or practice that has an adverse impact on employees in a protected class and cannot be justified as job-related and

consistent with business necessity. For example, if an employer provides extra compensation to employees who are the "head of household," i.e., married with dependents and the primary financial contributor to the household, the practice may have an unlawful disparate impact on women.

It is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on compensation or for filing a discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under Title VII, ADEA, ADA or the Equal Pay Act.

#### **D. Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA)**

*Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA), which prohibits genetic information discrimination in employment, took effect on November 21, 2009.*

Under Title II of GINA, it is illegal to discriminate against employees or applicants because of genetic information. Title II of GINA prohibits the use of genetic information in making employment decisions, restricts employers and other entities covered by Title II (employment agencies, labor organizations and joint labor-management training and apprenticeship programs - referred to as "covered entities") from requesting, requiring or purchasing genetic information, and strictly limits the disclosure of genetic information.

The EEOC enforces Title II of GINA (dealing with genetic discrimination in employment). The Departments of Labor, Health and Human Services and the Treasury have responsibility for issuing regulations for Title I of GINA, which addresses the use of genetic information in health insurance.

##### Definition of "Genetic Information"

Genetic information includes information about an individual's genetic tests and the genetic tests of an individual's family members, as well as information about the manifestation of a disease or disorder in an individual's family members (i.e. family medical history). Family medical history is included in the definition of genetic information because it is often used to determine whether someone has an increased risk of getting a disease, disorder, or condition in the future. Genetic information also includes an individual's request for, or receipt of, genetic services, or the participation in clinical research that includes genetic services by the individual or a family member of the individual, and the genetic information of a fetus carried by an individual or by a pregnant woman who is a family member of the individual and the genetic information of any embryo legally held by the individual or family member using an assisted reproductive technology.

##### Discrimination Because of Genetic Information

The law forbids discrimination on the basis of genetic information when it comes to any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoffs, training, fringe benefits, or any other term or condition of employment. *An employer may never use genetic information to make an employment decision because genetic information is not relevant to an individual's current ability to work.*

##### Harassment Because of Genetic Information

Under GINA, it is also illegal to harass a person because of his or her genetic information. Harassment can include, for example, making offensive or derogatory remarks about an applicant or employee's genetic information, or about the genetic information of a relative of the applicant or employee. Although the law doesn't prohibit simple teasing, offhand comments, or isolated incidents that are not very serious, harassment is illegal when it is so severe or pervasive that it creates a hostile or offensive work environment or when it results in an adverse employment decision (such as the victim being fired or demoted). The harasser can be the victim's supervisor, a supervisor in another area of the workplace, a co-worker, or someone who is not an employee, such as a client or customer.

#### Retaliation

Under GINA, it is illegal to fire, demote, harass, or otherwise "retaliate" against an applicant or employee for filing a charge of discrimination, participating in a discrimination proceeding (such as a discrimination investigation or lawsuit), or otherwise opposing discrimination.

#### Rules Against Acquiring Genetic Information

- It will usually be unlawful for a covered entity to get genetic information. There are six narrow exceptions to this prohibition:
- Inadvertent acquisitions of genetic information do not violate GINA, such as in situations where a manager or supervisor overhears someone talking about a family member's illness.
- Genetic information (such as family medical history) may be obtained as part of health or genetic services, including wellness programs, offered by the employer on a voluntary basis, if certain specific requirements are met.
- Family medical history may be acquired as part of the certification process for FMLA leave (or leave under similar state or local laws or pursuant to an employer policy), where an employee is asking for leave to care for a family member with a serious health condition.
- Genetic information may be acquired through commercially and publicly available documents like newspapers, as long as the employer is not searching those sources with the intent of finding genetic information or accessing sources from which they are likely to acquire genetic information (such as websites and on-line discussion groups that focus on issues such as genetic testing of individuals and genetic discrimination).
- Genetic information may be acquired through a genetic monitoring program that monitors the biological effects of toxic substances in the workplace where the monitoring is required by law or, under carefully defined conditions, where the program is voluntary.
- Acquisition of genetic information of employees by employers who engage in DNA testing for law enforcement purposes as a forensic lab or for purposes of human remains identification is permitted, but the genetic information may only be used for analysis of DNA markers for quality control to detect sample contamination.

#### Confidentiality of Genetic Information

It is also unlawful for a covered entity to disclose genetic information about applicants, employees or members. Covered entities must keep genetic information confidential and in a

separate medical file. (Genetic information may be kept in the same file as other medical information in compliance with the Americans with Disabilities Act.) There are limited exceptions to this non-disclosure rule, such as exceptions that provide for the disclosure of relevant genetic information to government officials investigating compliance with Title II of GINA and for disclosures made pursuant to a court order.

### E. National Origin Discrimination

National origin discrimination involves treating people (applicants or employees) unfavorably because they are from a particular country or part of the world, because of ethnicity or accent, or because they appear to be of a certain ethnic background (even if they are not). National origin discrimination also can involve treating people unfavorably because they are married to (or associated with) a person of a certain national origin or because of their connection with an ethnic organization or group.

Discrimination can occur when the victim and the person who inflicted the discrimination are the same national origin.

#### National Origin Discrimination & Work Situations

The law forbids discrimination when it comes to any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoff, training, fringe benefits, and any other term or condition of employment.

#### National Origin & Harassment

It is unlawful to harass a person because of his or her national origin. Harassment can include, for example, offensive or derogatory remarks about a person's national origin, accent or ethnicity. Although the law doesn't prohibit simple teasing, offhand comments, or isolated incidents that are not very serious, harassment is illegal when it is so frequent or severe that it creates a hostile or offensive work environment or when it results in an adverse employment decision (such as the victim being fired or demoted).

The harasser can be the victim's supervisor, a supervisor in another area, a co-worker, or someone who is not an employee of the employer, such as a client or customer.

#### National Origin & Employment Policies/Practices

The law makes it illegal for an employer or other covered entity to use an employment policy or practice that applies to everyone, regardless of national origin, if it has a negative impact on people of a certain national origin and is not job-related or necessary to the operation of the business.

An employer can only require an employee to speak fluent English if fluency in English is necessary to perform the job effectively. An "English-only rule", which requires employees to speak only English on the job, is only allowed if it is needed to ensure the safe or efficient operation of the employer's business and is put in place for nondiscriminatory reasons. An employer may not base an employment decision on an employee's foreign accent, unless the accent seriously interferes with the employee's job performance.

#### Citizenship Discrimination & Workplace Laws

The Immigration Reform and Control Act of 1986 (IRCA) makes it illegal for an employer to discriminate with respect to hiring, firing, or recruitment or referral for a fee, based upon an individual's citizenship or immigration status. The law prohibits employers from hiring only U.S. citizens or lawful permanent residents unless required to do so by law, regulation or government contract. Employers may not refuse to accept lawful documentation that establishes the employment eligibility of an employee, or demand additional documentation beyond what is legally required, when verifying employment eligibility (i.e., completing the Department of Homeland Security (DHS) Form I-9), based on the employee's national origin or citizenship status. It is the employee's choice which of the acceptable Form I-9 documents to show to verify employment eligibility.

IRCA also prohibits retaliation against individuals for asserting their rights under the Act, or for filing a charge or assisting in an investigation or proceeding under IRCA.

IRCA's nondiscrimination requirements are enforced by the Department of Justice's Office of Special Counsel for Immigration-Related Unfair Employment Practices (OSC), Civil Rights Division. OSC may be reached at:

1-800-255-7688 (voice for employees/applicants),  
1-800-237-2515 (TTY for employees/applicants),  
1-800-255-8155 (voice for employers), or  
1-800-362-2735 (TTY for employers), or  
<http://www.usdoj.gov/crt/osc>.

#### **F. Pregnancy Discrimination**

##### Pregnancy Discrimination

Pregnancy discrimination involves treating a woman (an applicant or employee) unfavorably because of pregnancy, childbirth, or a medical condition related to pregnancy or childbirth.

##### Pregnancy Discrimination & Work Situations

The Pregnancy Discrimination Act (PDA) forbids discrimination based on pregnancy when it comes to any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoff, training, fringe benefits, such as leave and health insurance, and any other term or condition of employment.

##### Pregnancy Discrimination & Temporary Disability

If a woman is temporarily unable to perform her job due to a medical condition related to pregnancy or childbirth, the employer or other covered entity must treat her in the same way as it treats any other temporarily disabled employee. For example, the employer may have to provide light duty, alternative assignments, disability leave, or unpaid leave to pregnant employees if it does so for other temporarily disabled employees.

Additionally, impairments resulting from pregnancy (for example, gestational diabetes or preeclampsia, a condition characterized by pregnancy-induced hypertension and protein in the urine) may be disabilities under the Americans with Disabilities Act (ADA). An employer may have to provide a reasonable accommodation (such as leave or modifications that enable an employee to perform her job) for a disability related to pregnancy, absent undue

hardship (significant difficulty or expense). The ADA Amendments Act of 2008 makes it much easier to show that a medical condition is a covered disability. For more information about the ADA, see <http://www.eeoc.gov/laws/types/disability.cfm>. For information about the ADA Amendments Act, see [http://www.eeoc.gov/laws/types/disability\\_regulations.cfm](http://www.eeoc.gov/laws/types/disability_regulations.cfm).

#### Pregnancy Discrimination & Harassment

It is unlawful to harass a woman because of pregnancy, childbirth, or a medical condition related to pregnancy or childbirth. Harassment is illegal when it is so frequent or severe that it creates a hostile or offensive work environment or when it results in an adverse employment decision (such as the victim being fired or demoted). The harasser can be the victim's supervisor, a supervisor in another area, a co-worker, or someone who is not an employee of the employer, such as a client or customer.

#### Pregnancy, Maternity & Parental Leave

Under the PDA, an employer that allows temporarily disabled employees to take disability leave or leave without pay, must allow an employee who is temporarily disabled due to pregnancy to do the same.

An employer may not single out pregnancy-related conditions for special procedures to determine an employee's ability to work. However, if an employer requires its employees to submit a doctor's statement concerning their ability to work before granting leave or paying sick benefits, the employer may require employees affected by pregnancy-related conditions to submit such statements.

Further, under the Family and Medical Leave Act (FMLA) of 1993, a new parent (including foster and adoptive parents) may be eligible for 12 weeks of leave (unpaid or paid if the employee has earned or accrued it) that may be used for care of the new child. To be eligible, the employee must have worked for the employer for 12 months prior to taking the leave and the employer must have a specified number of employees. See <http://www.dol.gov/whd/regs/compliance/whdfs28.htm>.

#### Pregnancy & Workplace Laws

Pregnant employees may have additional rights under the Family and Medical Leave Act (FMLA), which is enforced by the U.S. Department of Labor. Nursing mothers may also have the right to express milk in the workplace under a provision of the Fair Labor Standards Act enforced by the U.S. Department of Labor's Wage and Hour Division.

See <http://www.dol.gov/whd/regs/compliance/whdfs73.htm>.

For more information about the Family Medical Leave Act or break time for nursing mothers, go to <http://www.dol.gov/whd>, or call 202-693-0051 or 1-866-487-9243 (voice), 202-693-7755 (TTY).

### **G. Race/Color Discrimination**

Race discrimination involves treating someone (an applicant or employee) unfavorably because he/she is of a certain race or because of personal characteristics associated with race (such as hair texture, skin color, or certain facial features). Color discrimination involves treating someone unfavorably because of skin color complexion.

Race/color discrimination also can involve treating someone unfavorably because the person is married to (or associated with) a person of a certain race or color or because of a person's

connection with a race-based organization or group, or an organization or group that is generally associated with people of a certain color.

Discrimination can occur when the victim and the person who inflicted the discrimination are the same race or color.

#### Race/Color Discrimination & Work Situations

The law forbids discrimination when it comes to any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoff, training, fringe benefits, and any other term or condition of employment.

#### Race/Color Discrimination & Harassment

It is unlawful to harass a person because of that person's race or color.

Harassment can include, for example, racial slurs, offensive or derogatory remarks about a person's race or color, or the display of racially-offensive symbols. Although the law doesn't prohibit simple teasing, offhand comments, or isolated incidents that are not very serious, harassment is illegal when it is so frequent or severe that it creates a hostile or offensive work environment or when it results in an adverse employment decision (such as the victim being fired or demoted).

The harasser can be the victim's supervisor, a supervisor in another area, a co-worker, or someone who is not an employee of the employer, such as a client or customer.

#### Race/Color Discrimination & Employment Policies/Practices

An employment policy or practice that applies to everyone, regardless of race or color, can be illegal if it has a negative impact on the employment of people of a particular race or color and is not job-related and necessary to the operation of the business. For example, a "no-beard" employment policy that applies to all workers without regard to race may still be unlawful if it is not job-related and has a negative impact on the employment of African-American men (who have a predisposition to a skin condition that causes severe shaving bumps).

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### **Facts About Race/Color Discrimination**

Title VII of the Civil Rights Act of 1964 protects individuals against employment discrimination on the basis of race and color as well as national origin, sex, or religion.

It is unlawful to discriminate against any employee or applicant for employment because of race or color in regard to hiring, termination, promotion, compensation, job training, or any other term, condition, or privilege of employment. Title VII also prohibits employment decisions based on stereotypes and assumptions about abilities, traits, or the performance of individuals of certain racial groups.

Title VII prohibits both intentional discrimination and neutral job policies that disproportionately exclude minorities and that are not job related.

Equal employment opportunity cannot be denied because of marriage to or association with an individual of a different race; membership in or association with ethnic based organizations or groups; attendance or participation in schools or places of worship generally

associated with certain minority groups; or other cultural practices or characteristics often linked to race or ethnicity, such as cultural dress or manner of speech, as long as the cultural practice or characteristic does not materially interfere with the ability to perform job duties.

#### Race-Related Characteristics and Conditions

Discrimination on the basis of an immutable characteristic associated with race, such as skin color, hair texture, or certain facial features violates Title VII, even though not all members of the race share the same characteristic.

Title VII also prohibits discrimination on the basis of a condition which predominantly affects one race unless the practice is job related and consistent with business necessity. For example, since sickle cell anemia predominantly occurs in African-Americans, a policy which excludes individuals with sickle cell anemia is discriminatory unless the policy is job related and consistent with business necessity. Similarly, a "no-beard" employment policy may discriminate against African-American men who have a predisposition to pseudofolliculitis barbae (severe shaving bumps) unless the policy is job-related and consistent with business necessity.

#### Color Discrimination

Even though race and color clearly overlap, they are not synonymous. Thus, color discrimination can occur between persons of different races or ethnicities, or between persons of the same race or ethnicity. Although Title VII does not define "color," the courts and the Commission read "color" to have its commonly understood meaning – pigmentation, complexion, or skin shade or tone. Thus, color discrimination occurs when a person is discriminated against based on the lightness, darkness, or other color characteristic of the person. Title VII prohibits race/color discrimination against all persons, including Caucasians.

Although a plaintiff may prove a claim of discrimination through direct or circumstantial evidence, some courts take the position that if a white person relies on circumstantial evidence to establish a reverse discrimination claim, he or she must meet a heightened standard of proof. The Commission, in contrast, applies the same standard of proof to all race discrimination claims, regardless of the victim's race or the type of evidence used. In either case, the ultimate burden of persuasion remains always on the plaintiff.

Employers should adopt "best practices" to reduce the likelihood of discrimination and to address impediments to equal employment opportunity.

Title VII's protections include:

- *Recruiting, Hiring, and Advancement*  
Job requirements must be uniformly and consistently applied to persons of all races and colors. Even if a job requirement is applied consistently, if it is not important for job performance or business needs, the requirement may be found unlawful if it excludes persons of a certain racial group or color significantly more than others. Examples of potentially unlawful practices include: (1) soliciting applications only from sources in which all or most potential workers are of the same race or color; (2) requiring applicants to have a certain educational background that is not important for job performance or business needs; (3) testing applicants for knowledge, skills or abilities that are not important for job performance or business needs.

Employers may legitimately need information about their employees or applicants race for affirmative action purposes and/or to track applicant flow. One way to obtain racial information and simultaneously guard against discriminatory selection is for employers to use separate forms or otherwise keep the information about an applicant's race separate from the application. In that way, the employer can capture the information it needs but ensure that it is not used in the selection decision.

Unless the information is for such a legitimate purpose, pre-employment questions about race can suggest that race will be used as a basis for making selection decisions. If the information is used in the selection decision and members of particular racial groups are excluded from employment, the inquiries can constitute evidence of discrimination.

- *Compensation and Other Employment Terms, Conditions, and Privileges*  
Title VII prohibits discrimination in compensation and other terms, conditions, and privileges of employment. Thus, race or color discrimination may not be the basis for differences in pay or benefits, work assignments, performance evaluations, training, discipline or discharge, or any other area of employment.
- *Harassment*  
Harassment on the basis of race and/or color violates Title VII. Ethnic slurs, racial "jokes," offensive or derogatory comments, or other verbal or physical conduct based on an individual's race/color constitutes unlawful harassment if the conduct creates an intimidating, hostile, or offensive working environment, or interferes with the individual's work performance.
- *Retaliation*  
Employees have a right to be free from retaliation for their opposition to discrimination or their participation in an EEOC proceeding by filing a charge, testifying, assisting, or otherwise participating in an agency proceeding.
- *Segregation and Classification of Employees*  
Title VII is violated where minority employees are segregated by physically isolating them from other employees or from customer contact. Title VII also prohibits assigning primarily minorities to predominantly minority establishments or geographic areas. It is also illegal to exclude minorities from certain positions or to group or categorize employees or jobs so that certain jobs are generally held by minorities. Title VII also does not permit racially motivated decisions driven by business concerns – for example, concerns about the effect on employee relations, or the negative reaction of clients or customers. Nor may race or color ever be a bona fide occupational qualification under Title VII.

Coding applications/resumes to designate an applicant's race, by either an employer or employment agency, constitutes evidence of discrimination where minorities are excluded from employment or from certain positions. Such discriminatory coding includes the use of facially benign code terms that implicate race, for example, by area codes where many racial minorities may or are presumed to live.

- *Pre-Employment Inquiries and Requirements*

Requesting pre-employment information which discloses or tends to disclose an applicant's race suggests that race will be unlawfully used as a basis for hiring. Solicitation of such pre-employment information is presumed to be used as a basis for making selection decisions. Therefore, if members of minority groups are excluded from employment, the request for such pre-employment information would likely constitute evidence of discrimination.

However, employers may legitimately need information about their employees' or applicants' race for affirmative action purposes and/or to track applicant flow. One way to obtain racial information and simultaneously guard against discriminatory selection is for employers to use "tear-off sheets" for the identification of an applicant's race. After the applicant completes the application and the tear-off portion, the employer separates the tear-off sheet from the application and does not use it in the selection process.

Other pre-employment information requests which disclose or tend to disclose an applicant's race are personal background checks, such as criminal history checks. Title VII does not categorically prohibit employers' use of criminal records as a basis for making employment decisions. Using criminal records as an employment screen may be lawful, legitimate, and even mandated in certain circumstances. However, employers that use criminal records to screen for employment must comply with Title VII's nondiscrimination requirements.

#### **H. Religious Discrimination**

Religious discrimination involves treating a person (an applicant or employee) unfavorably because of his or her religious beliefs. The law protects not only people who belong to traditional, organized religions, such as Buddhism, Christianity, Hinduism, Islam, and Judaism, but also others who have sincerely held religious, ethical or moral beliefs.

Religious discrimination can also involve treating someone differently because that person is married to (or associated with) an individual of a particular religion or because of his or her connection with a religious organization or group.

##### **Religious Discrimination & Work Situations**

The law forbids discrimination when it comes to any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoff, training, fringe benefits, and any other term or condition of employment.

##### **Religious Discrimination & Harassment**

It is illegal to harass a person because of his or her religion.

Harassment can include, for example, offensive remarks about a person's religious beliefs or practices. Although the law doesn't prohibit simple teasing, offhand comments, or isolated incidents that aren't very serious, harassment is illegal when it is so frequent or severe that it creates a hostile or offensive work environment or when it results in an adverse employment decision (such as the victim being fired or demoted).

The harasser can be the victim's supervisor, a supervisor in another area, a co-worker, or someone who is not an employee of the employer, such as a client or customer.

#### Religious Discrimination and Segregation

Title VII also prohibits workplace or job segregation based on religion (including religious garb and grooming practices), such as assigning an employee to a non-customer contact position because of actual or feared customer preference.

#### Religious Discrimination & Reasonable Accommodation

The law requires an employer or other covered entity to reasonably accommodate an employee's religious beliefs or practices, unless doing so would cause more than a minimal burden on the operations of the employer's business. This means an employer may be required to make reasonable adjustments to the work environment that will allow an employee to practice his or her religion.

Examples of some common religious accommodations include flexible scheduling, voluntary shift substitutions or swaps, job reassignments, and modifications to workplace policies or practices.

#### Religious Accommodation/Dress & Grooming Policies

Unless it would be an undue hardship on the employer's operation of its business, an employer must reasonably accommodate an employee's religious beliefs or practices. This applies not only to schedule changes or leave for religious observances, but also to such things as dress or grooming practices that an employee has for religious reasons. These might include, for example, wearing particular head coverings or other religious dress (such as a Jewish yarmulke or a Muslim headscarf), or wearing certain hairstyles or facial hair (such as Rastafarian dreadlocks or Sikh uncut hair and beard). It also includes an employee's observance of a religious prohibition against wearing certain garments (such as pants or miniskirts).

When an employee or applicant needs a dress or grooming accommodation for religious reasons, he should notify the employer that he needs such an accommodation for religious reasons. If the employer reasonably needs more information, the employer and the employee should engage in an interactive process to discuss the request. If it would not pose an undue hardship, the employer must grant the accommodation.

#### Religious Discrimination & Reasonable Accommodation & Undue Hardship

An employer does not have to accommodate an employee's religious beliefs or practices if doing so would cause undue hardship to the employer. An accommodation may cause undue hardship if it is costly, compromises workplace safety, decreases workplace efficiency, infringes on the rights of other employees, or requires other employees to do more than their share of potentially hazardous or burdensome work.

#### Religious Discrimination And Employment Policies/Practices

An employee cannot be forced to participate (or not participate) in a religious activity as a condition of employment.

## I. Retaliation

All of the laws we enforce make it illegal to fire, demote, harass, or otherwise “retaliate” against people (applicants or employees) because they filed a charge of discrimination, because they complained to their employer or other covered entity about discrimination on the job, or because they participated in an employment discrimination proceeding (such as an investigation or lawsuit).

For example, it is illegal for an employer to refuse to promote an employee because she filed a charge of discrimination with the EEOC, even if EEOC later determined no discrimination occurred.

### Retaliation & Work Situations

The law forbids retaliation when it comes to any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoff, training, fringe benefits, and any other term or condition of employment.

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## Facts About Retaliation

An employer may not fire, demote, harass or otherwise "retaliate" against an individual for filing a charge of discrimination, participating in a discrimination proceeding, or otherwise opposing discrimination. The same laws that prohibit discrimination based on race, color, sex, religion, national origin, age, and disability, as well as wage differences between men and women performing substantially equal work, also prohibit retaliation against individuals who oppose unlawful discrimination or participate in an employment discrimination proceeding.

In addition to the protections against retaliation that are included in all of the laws enforced by EEOC, the Americans with Disabilities Act (ADA) also protects individuals from coercion, intimidation, threat, harassment, or interference in their exercise of their own rights or their encouragement of someone else's exercise of rights granted by the ADA.

There are three main terms that are used to describe retaliation. Retaliation occurs when an employer, employment agency, or labor organization takes an *adverse action* against a *covered individual* because he or she engaged in a *protected activity*. These three terms are described below.

### *Adverse Action*

An adverse action is an action taken to try to keep someone from opposing a discriminatory practice, or from participating in an employment discrimination proceeding. Examples of adverse actions include:

- employment actions such as termination, refusal to hire, and denial of promotion,
- other actions affecting employment such as threats, unjustified negative evaluations, unjustified negative references, or increased surveillance, and
- any other action such as an assault or unfounded civil or criminal charges that are likely to deter reasonable people from pursuing their rights.

Adverse actions do not include petty slights and annoyances, such as stray negative comments in an otherwise positive or neutral evaluation, "snubbing" a colleague, or negative comments that are justified by an employee's poor work performance or history.

Even if the prior protected activity alleged wrongdoing by a different employer, retaliatory adverse actions are unlawful. For example, it is unlawful for a worker's current employer to retaliate against him for pursuing an EEO charge against a former employer.

Of course, employees are not excused from continuing to perform their jobs or follow their company's legitimate workplace rules just because they have filed a complaint with the EEOC or opposed discrimination. For more information about adverse actions, see EEOC's Compliance Manual Section 8, Chapter II, Part D.

#### *Covered Individuals*

Covered individuals are people who have opposed unlawful practices, participated in proceedings, or requested accommodations related to employment discrimination based on race, color, sex, religion, national origin, age, or disability. Individuals who have a close association with someone who has engaged in such protected activity also are covered individuals. For example, it is illegal to terminate an employee because his spouse participated in employment discrimination litigation.

Individuals who have brought attention to violations of law other than employment discrimination are NOT covered individuals for purposes of anti-discrimination retaliation laws. For example, "whistleblowers" who raise ethical, financial, or other concerns unrelated to employment discrimination are not protected by the EEOC enforced laws.

#### *Protected Activity*

Protected activity includes:

Opposition to a practice believed to be unlawful discrimination

Opposition is informing an employer that you believe that he/she is engaging in prohibited discrimination. Opposition is protected from retaliation as long as it is based on a reasonable, good-faith belief that the complained of practice violates anti-discrimination law; and the manner of the opposition is reasonable.

Examples of protected opposition include:

- Complaining to anyone about alleged discrimination against oneself or others;
- Threatening to file a charge of discrimination;
- Picketing in opposition to discrimination; or
- Refusing to obey an order reasonably believed to be discriminatory.

Examples of activities that are NOT protected opposition include:

- Actions that interfere with job performance so as to render the employee ineffective; or
- Unlawful activities such as acts or threats of violence.

Participation in an employment discrimination proceeding.

Participation means taking part in an employment discrimination proceeding. Participation is protected activity even if the proceeding involved claims that ultimately were found to be invalid.

Examples of participation include:

- Filing a charge of employment discrimination;
- Cooperating with an internal investigation of alleged discriminatory practices; or
- Serving as a witness in an EEO investigation or litigation.

A protected activity can also include requesting a reasonable accommodation based on religion or disability.

For more information about Protected Activities, see EEOC's Compliance Manual, Section 8, Chapter II, Part B - Opposition and Part C - Participation.

## J. Sex-Based Discrimination

Sex discrimination involves treating someone (an applicant or employee) unfavorably because of that person's sex.

Sex discrimination also can involve treating someone less favorably because of his or her connection with an organization or group that is generally associated with people of a certain sex.

### Sex Discrimination & Work Situations

The law forbids discrimination when it comes to any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoff, training, fringe benefits, and any other term or condition of employment.

### Sex Discrimination Harassment

It is unlawful to harass a person because of that person's sex. Harassment can include "sexual harassment" or unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature. Harassment does not have to be of a sexual nature, however, and can include offensive remarks about a person's sex. For example, it is illegal to harass a woman by making offensive comments about women in general.

Both victim and the harasser can be either a woman or a man, and the victim and harasser can be the same sex.

Although the law doesn't prohibit simple teasing, offhand comments, or isolated incidents that are not very serious, harassment is illegal when it is so frequent or severe that it creates a hostile or offensive work environment or when it results in an adverse employment decision (such as the victim being fired or demoted).

The harasser can be the victim's supervisor, a supervisor in another area, a co-worker, or someone who is not an employee of the employer, such as a client or customer.

### Sex Discrimination & Employment Policies/Practices

An employment policy or practice that applies to everyone, regardless of sex, can be illegal if it has a negative impact on the employment of people of a certain sex and is not job-related or necessary to the operation of the business.

### **K. Sexual Harassment**

It is unlawful to harass a person (an applicant or employee) because of that person's sex. Harassment can include "sexual harassment" or unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature.

Harassment does not have to be of a sexual nature, however, and can include offensive remarks about a person's sex. For example, it is illegal to harass a woman by making offensive comments about women in general.

Both victim and the harasser can be either a woman or a man, and the victim and harasser can be the same sex.

Although the law doesn't prohibit simple teasing, offhand comments, or isolated incidents that are not very serious, harassment is illegal when it is so frequent or severe that it creates a hostile or offensive work environment or when it results in an adverse employment decision (such as the victim being fired or demoted).

The harasser can be the victim's supervisor, a supervisor in another area, a co-worker, or someone who is not an employee of the employer, such as a client or customer.

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### **Facts About Sexual Harassment**

Sexual harassment is a form of sex discrimination that violates Title VII of the Civil Rights Act of 1964. Title VII applies to employers with 15 or more employees, including state and local governments. It also applies to employment agencies and to labor organizations, as well as to the federal government.

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when this conduct explicitly or implicitly affects an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment.

Sexual harassment can occur in a variety of circumstances, including but not limited to the following:

- The victim as well as the harasser may be a woman or a man. The victim does not have to be of the opposite sex.
- The harasser can be the victim's supervisor, an agent of the employer, a supervisor in another area, a co-worker, or a non-employee.
- The victim does not have to be the person harassed but could be anyone affected by the offensive conduct.
- Unlawful sexual harassment may occur without economic injury to or discharge of the victim.
- The harasser's conduct must be unwelcome.

It is helpful for the victim to inform the harasser directly that the conduct is unwelcome and must stop. The victim should use any employer complaint mechanism or grievance system available.

When investigating allegations of sexual harassment, **EEOC** looks at the whole record: the circumstances, such as the nature of the sexual advances, and the context in which the alleged incidents occurred. A determination on the allegations is made from the facts on a case-by-case basis.

Prevention is the best tool to eliminate sexual harassment in the workplace. Employers are encouraged to take steps necessary to prevent sexual harassment from occurring. They should clearly communicate to employees that sexual harassment will not be tolerated. They can do so by providing sexual harassment training to their employees and by establishing an effective complaint or grievance process and taking immediate and appropriate action when an employee complains.

It is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on sex or for filing a discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under Title VII.

VIII. Appendix C OLCC Organizational Charts (attachment)

# Secretary of State Audit Report

Kate Brown, Secretary of State  
Gary Blackmer, Director, Audits Division



## Oregon Liquor Control Commission: Revenue Cycle Financial Controls

### Summary

The objectives of our audit were to determine the effectiveness of Oregon Liquor Control Commission's (OLCC) financial controls related to its revenue cycle (collection and distribution), and determine its compliance with key legal requirements. We reviewed agency controls related to revenue collections, revenue distributions, and inventory. Based upon observation and test procedures performed, we concluded that controls over the collection and distribution of sales and tax revenue and over inventory were applied and effective. In addition, our legal compliance testing identified no instances of noncompliance.

### Agency Response

The agency response is attached at the end of the report.

# Audit Results

## Background

The OLCC was created in 1933 after national prohibition ended. The creation of the OLCC ensured that Oregon would be a *control state* with the exclusive right to sell packaged distilled spirits (liquor). The OLCC disburses distilled spirits from its distribution center to nearly 250 retail liquor stores operated by contracted agents. The distribution center and headquarters are located in the Portland area with regional offices located in Bend, Eugene, Medford, and Salem.

A governing board of five commissioners is responsible for setting policy. Commissioners are appointed by the governor to a four-year term, subject to senate confirmation. The board must represent the five congressional districts and include one individual from the food and beverage industry. For the 2011-2013 biennium the OLCC had an approved budget of \$133.7 million, which is funded through Other Funds revenue generated from activities such as the sale of liquor.

The OLCC's mission is to promote the public interest through responsible sales and service of alcoholic beverages. The OLCC uses three programs to achieve its mission: Public Safety Service Program, Distilled Spirits Program, and the Administration and Support Services Program. Through these programs the OLCC regulates all individuals and businesses that manufacture, sell, import, export, or serve alcoholic beverages. It also educates and trains liquor licensees, the public, and other groups; and investigates and takes action when necessary against those who violate Oregon's liquor laws.

## Financial Controls Review

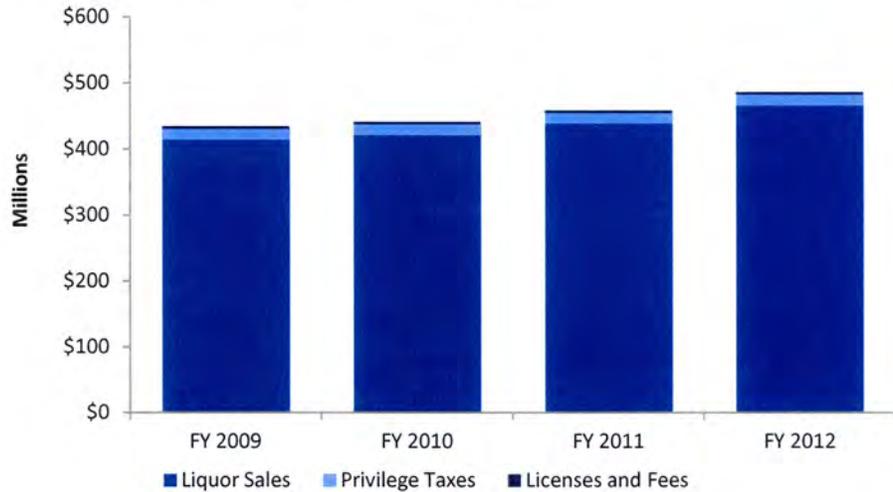
The primary objective of our audit was to determine whether the OLCC had implemented effective financial controls over its revenue cycle; specifically, the collection and distribution of liquor related revenue.

### **Revenue Collection**

The OLCC's revenue is derived from three main sources: distilled spirits (liquor) sales, alcoholic beverage (privilege) taxes, and licenses and fees. Our audit did not include a review of controls related to license and fee revenue.

Despite the economic downturn, total revenues increased 12% over the past four state fiscal years (2009-2012). During this period, liquor sales revenue grew from \$413.7 million to \$465.4 million. Privilege tax revenue also increased over this time span but at a more modest 3%. Preliminary sales figures indicate this upward trend will continue in fiscal year 2013. As of March 11, 2013, preliminary sales for state fiscal year 2013 totaled nearly \$364 million.

**Figure 1: Total Revenues by Fiscal Year, 2009 to 2012**



The majority of OLCC’s revenue comes from liquor sales made by independent contractors referred to as *liquor agents*. Liquor agents are appointed to operate liquor stores and are compensated based on monthly liquor sales.

Liquor agents are required to deposit proceeds daily and submit weekly sales reports to the OLCC. OLCC staff review the sales reports and supporting records, verify that expected deposits were made, and perform periodic audits to ensure liquor agents are properly safeguarding inventory.

During the audit we selected a random sample of 25 liquor agents for review. We verified that an audit had been completed within the last year and that identified inventory discrepancies were resolved. In addition, we selected five weeks between July 2012 and April 2013 and reviewed sales reports and supporting records for each of the 25 liquor agents in our sample. We verified the reports had been submitted, and agreed to supporting documentation and deposit records. Based upon observation and testing performed, we concluded that controls over the collection of liquor sales revenue were applied and effective.

OLCC also collects a privilege tax imposed on businesses that manufacture or import malt beverages (i.e., beer, cider) and wine. The revenue generated from this tax, 3% of OLCC's total revenues, is significantly less than that generated through liquor sales.

Manufacturers and importers, referred to as licensees, are required to submit privilege tax forms and payments monthly. Small breweries and wineries that produce fewer than 100,000 gallons of malt beverage or wine are exempt from the tax, but are still required to file an annual privilege tax report.

The total tax owed by a licensee is determined by the type and amount of alcohol that is produced or imported. Figure 2 provides the current tax rates.

**Figure 2: Privilege Tax Rates**

Type of Alcohol	Tax	Unit of Production
Malt Beverage	\$2.60	Per barrel (31 gallons)
Wine- containing less than 14% alcohol	\$0.67	Per gallon
Wine- containing more than 14% alcohol	\$0.77	Per gallon

OLCC staff reviews licensees' monthly tax reports for accuracy and uses supporting records to recalculate the tax due. Although not applicable to all licensees, periodic desk audits performed by OLCC staff also serve as a mechanism for ensuring privilege taxes are accurately calculated and paid.

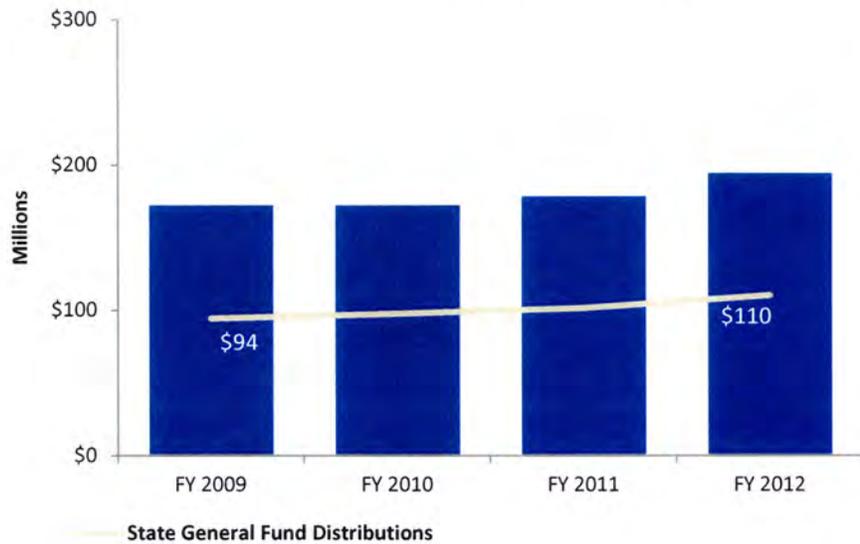
To evaluate OLCC's controls over the privilege tax, we selected a random sample of 60 licensees for review. We verified as applicable that monthly privilege tax reports were received, were adequately supported, and the tax due was calculated correctly. We also reviewed the most recently completed desk audit for licensees in our sample that were subject to audit. In general, we concluded that controls were applied and effective.

**Revenue Distribution**

Revenue generated through the sale and tax of alcoholic beverages is used to support state, county, and city general funds, the Oregon Wine Board, and alcohol and drug abuse prevention, intervention and treatment services. These distributions are mandated by Oregon law. Sales and tax revenue is also used to compensate liquor agents for retailing services and to pay OLCC's administrative expenses.

Figure 3 shows that annual distributions of sales and tax revenue have grown from about \$172 million in fiscal year 2009 to \$194.1 million in 2012. During this period, revenue distributions to the state's general fund increased 17% from \$93.9 million to \$110.2 million.

Figure 3: Total Annual Revenue Distributions by Fiscal Year, 2009 to 2012



OLCC distributes sales and tax revenue monthly. Prior to distribution, staff reconciles OLCC's subsidiary sales systems to its general ledger. Management reviews the reconciliations and certifies to the Department of Administrative Services the amount of revenue available for distribution. Distribution vouchers are subsequently prepared, authorized, and input into the state's accounting system.

To examine OLCC's controls over revenue distributions, we selected three months between July 2012 and March 2013 and verified that general ledger account balances reconciled to the respective subsidiary systems, were adequately supported, and were reviewed by management. We also determined that distribution vouchers were reviewed by management and correctly recorded in the state's accounting system.

During the budgeting process the OLCC creates a forecast of expected sales for the biennium. At the same time the Oregon Legislature establishes an *authorized average payout* rate, currently 8.88%, which is multiplied by the forecasted sales to determine the maximum amount of compensation that can be paid to liquor agents for retail services during the biennium. Actual compensation for an individual agent, however, is based on a commission approved compensation formula. The formula incorporates both a fixed base allowance plus a variable sales commission.

Using information from weekly sales reports, OLCC staff calculates each liquor agent's monthly compensation. Management reviews the calculations and authorizes the payment. During the audit, we found that monthly liquor agent compensation was accurately calculated. We also found that compensation was accurately entered into the state's accounting system.

In addition, we obtained liquor sales revenue from the state's accounting system for the past three state fiscal years (2010-2012). We multiplied the sales revenue by the authorized average payout rate to estimate the maximum compensation paid for each fiscal year. We compared our estimate to actual compensation paid to all liquor agents and found the amounts to be within an acceptable level of each other.

Based upon observation and test procedures performed, we concluded that controls over the distribution of sales and tax revenue were applied and effective.

**Inventory**

Inventory control is a key component of OLCC's operations and directly impacts the amount of revenue that is collected and distributed. Therefore, our gaining an understanding of the inventory process was determined to be important.

The OLCC uses an inventory bailment system. Under a bailment system the liquor manufacturer retains ownership of the inventory and is responsible for making sure that adequate inventory levels are maintained at the distribution center. Inventory is removed from bailment as needed to fill liquor agent orders, triggering the transfer of ownership to OLCC.

Although the OLCC does not own most of the inventory at the distribution center, it is responsible for its safeguarding once received at the warehouse. To facilitate this effort, OLCC employs a number of physical controls such as key card access to the warehouse and cameras stationed at strategic locations. OLCC management has also implemented a number of information technology systems (i.e., MBS, RIMS) that track daily shipments and receipts of inventory. Additional controls, such as liquor agent audits and a year-end inventory count, are used to ensure an accurate record of inventory is kept. These controls are also intended to ensure the inventory is properly recorded on OLCC's financial statements.

We conducted test procedures designed to verify that OLCC was accurately recording its inventory. These procedures included a review of the audits for 25 randomly selected liquor agents and verification that any noted discrepancies were resolved. We also reviewed a sample of monthly records OLCC uses to track inventory distributed to liquor agent stores. During our review we verified that information recorded was supported by daily and monthly inventory system reports. In addition, we observed the year-end inventory process. Based upon observation and testing performed, we concluded that controls over inventory were applied and effective.

## Legal Compliance Review

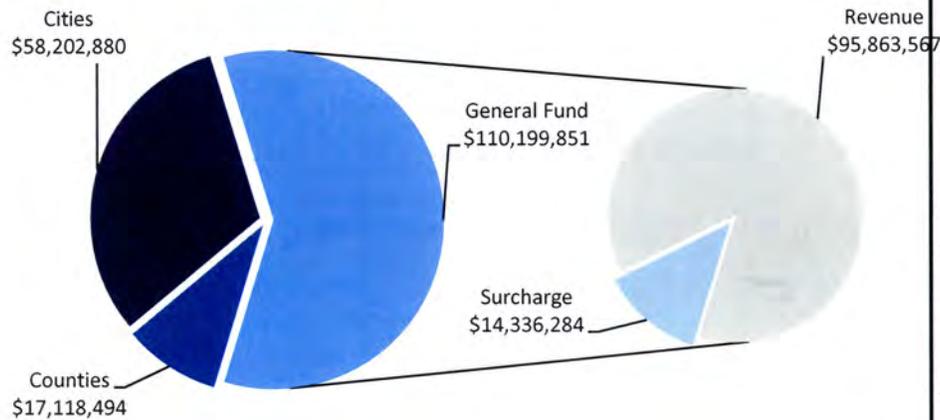
We reviewed laws and regulations to identify legal requirements that may be key within the context of our audit objectives. Legal requirements regarding the distribution of OLCC revenue, specifically privilege tax and excess revenues were determined to be key to the audit.

### Excess Revenue Distribution

After privilege taxes have been distributed, liquor agents compensated, and its administrative costs paid, the OLCC is required to distribute the remaining revenue to the state (56%), county (10%), and city (34%) General Funds.

We obtained transfer and distribution data from the state’s accounting system for each of the past three fiscal years (2010-2012) and identified the data specific to the state General Fund, county, and city transfers/distributions. We verified compliance by totaling the related transfers and calculating the percentage of each specific type of transfer. To illustrate, revenue distributions to the state, county and city general funds for 2012 totaled \$171.2 million<sup>1</sup>. As shown in figure 4, distributions to cities and counties equaled about \$58.2 million (34%) and \$17.1 million (10%), respectively. Similarly, transfers of nearly \$95.9 million (56%) were made to the state General Fund.

Figure 4: Excess Revenue Distribution, Fiscal Year 2012



<sup>1</sup> Total revenue distributions in fiscal year 2012 equal about \$185.5 million. However, that amount includes excess bottle surcharge revenue distributions of \$14.3 million that also get transferred to the state General Fund. Excess bottle surcharge revenue is not subject to the distribution requirements being tested and has therefore been excluded for testing purposes.

The results of the legal compliance tests described previously disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Privilege Tax Distribution**

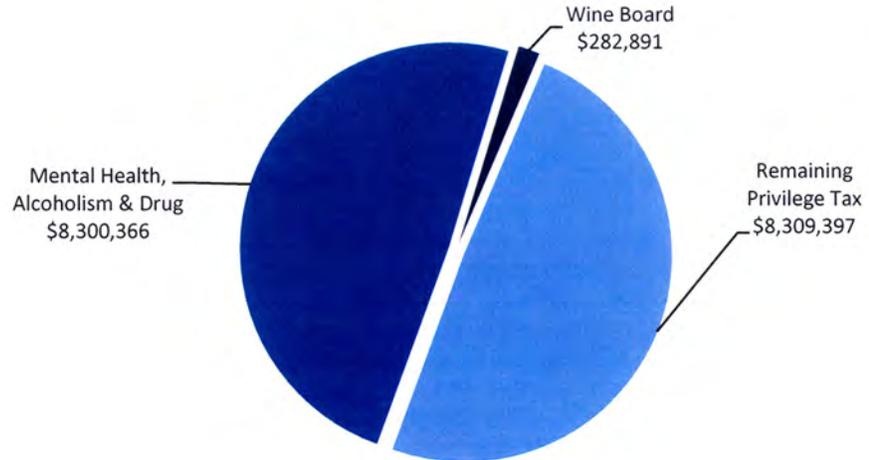
Oregon law requires that 50% of privilege tax revenues be allocated for mental health, alcohol and drug abuse prevention, intervention and treatment services. In addition, the Oregon Wine Advisory Board (Wine Board) receives two cents for every gallon of wine sold. The remaining privilege tax revenues can be used to pay contracted liquor agents and to finance OLCC operations.

We obtained malt beverage and wine production statistics from OLCC's website for the most recently completed four fiscal years (2009-2012). The statistics present the approximate number of barrels of malt beverages and the gallons of wine reported as taxable for each month for all privilege tax license types.

To determine whether 50% of the privilege tax revenue was distributed to mental health, alcohol and drug abuse prevention, intervention and treatment services, we developed an estimate of privilege tax revenue based on the number of barrels of malt beverage and the number of gallons of wine produced multiplied by the associated tax rate. We compared our estimate to recorded distributions and determined the two amounts were within a reasonable range of each other.

Privilege Tax revenue distributions for the most recently completed fiscal year are illustrated in figure 5.

**Figure 5: Privilege Tax Revenue Distributions, Fiscal Year 2012**



We examined OLCC's compliance with distributions to the Wine Board by multiplying the number of gallons of wine produced during the most recent five fiscal years by two cents. We compared our calculation to recorded distributions and determined the two amounts were within a reasonable range of each other.

We determined the results of the legal compliance tests described previously disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## Objectives, Scope and Methodology

The objectives of our audit were to 1) determine the effectiveness of OLCC's financial controls related to its revenue cycle (collection and distribution), and 2) determine its compliance with key legal requirements.

Our audit procedures focused on financial controls in place during fiscal year 2013. However, for background and financial analysis purposes we obtained financial data from the state's accounting system for state fiscal years 2009 through 2013 (as of March 11, 2013) and we determined the data used in our analysis was sufficiently reliable for our audit purposes.

To accomplish our audit objectives, we performed analytical procedures, made inquiries of department personnel, observed processes, and reviewed supporting documentation.

We selected random samples of OLCC's liquor agents and licensees that were active during fiscal year 2013 and reviewed their records submitted to the OLCC. We reviewed appropriate records for testing purposes, which included agent audit reports, weekly sales reports, deposit slips, accounting system input documents, vouchers, and monthly financial work paper files.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

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## About the Secretary of State Audits Division

The Oregon Constitution provides that the Secretary of State shall be, by virtue of her office, Auditor of Public Accounts. The Audits Division exists to carry out this duty. The division reports to the elected Secretary of State and is independent of the Executive, Legislative, and Judicial branches of Oregon government. The division audits all state officers, agencies, boards, and commissions and oversees audits and financial reporting for local governments.

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### Audit Team

Mary Wenger, CPA (Deputy Director)

V. Dale Bond, CPA, CISA, CFE (Audit Manager)

Alan Bell, MBA, CFE (Principal Auditor)

Christian Kelly, MBA (Staff Auditor)

Joseph Flager (Staff Auditor)

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internet: <http://www.sos.state.or.us/audits/index.html>

phone: 503-986-2255

mail: Oregon Audits Division  
255 Capitol Street NE, Suite 500  
Salem, OR 97310

The courtesies and cooperation extended by officials and employees of the Oregon Liquor Control Commission during the course of this audit were commendable and sincerely appreciated.



**Oregon**  
John A. Kitzhaber, MD, Governor

**Liquor Control Commission**  
9079 SE McLoughlin Blvd  
Portland, OR 97222-7300  
(503) 872-5000  
(800) 452-6500

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BUDGET

Special Reports NARRATIVE

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\_\_\_Governors Budget

Agency Request  
PAGE

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2015-17

June 19, 2013

Gary Blackmer, Director  
Oregon Audits Division  
Secretary of State  
Public Service Building, Ste 500  
Salem, Oregon 97301

Dear Director Blackmer:

This month your division's audit team, headed by Deputy Director Mary Wenger, completed its review of the Oregon Liquor Control Commission's (OLCC) revenue cycle's financial controls. The Commission has reviewed the audit letter and acknowledges that the audit found internal controls were "applied and effective". Additionally, we note that legal compliance testing found no instances on non-compliance.

Our agency values the independent role of the audit in ensuring stewardship of state assets. We appreciated the audit team's professionalism in conducting the evaluation. Your audit report reassures us that OLCC is indeed fulfilling its responsibilities in revenue cycle controls.

Sincerely,

Merle Lindsey  
Interim Executive Director  
OLCC

Agency: Oregon Liquor Control Commission 84500

INFORMATION TECHNOLOGY-RELATED PROJECTS / INITIATIVES

Project Name	Project Description	Estimated Start Date	Estimated End Date	Project cost to date	Estimated 15-17 Costs	All biennia total project cost	Base or POP	Project Phase: I=Initiation, P=Planning, E=Execution, C=Close-out	If continuing project - Has it been rebaselined for either cost, scope or schedule? Y/N - If Y, how many times?	Purpose: L=Lifecycle Replacement; U=Upgrade existing system; N= New system	What Program or line of business does the project support?
Provide Online and E-Commerce Licensing	OLCC plans to enhance its existing information technology system to provide better customer service to applicants and improve its own efficiency by providing online and e-commerce services to liquor license and service permit applicants, and by streamlining the agency's internal data collection processes accordingly.	7/1/2015	6/30/2017	0	\$345,000.00		POP	I		U	Public Safety
Upgrade OLCC's Desktop Infrastructure	The agency seeks to apply a desktop virtualization solution to its 250 internal workstations, providing appropriate access to OLCC's now virtualized datacenter. Virtualized workstations will make the agency more efficient; reduce the need to supply or upgrade operating software and applications individually on 250 different workstations; and greatly improve data security and staff productivity.	7/1/2015	6/30/2017	0	\$300,000.00		POP	I		U	Public Safety Distilled Spirits
Upgrade Phone System	OLCC proposes to upgrade its outdated phone system to VoIP	7/1/2015	6/30/2017	0	\$110,000.00		POP	I		U	Public Safety Distilled Spirits

**Oregon Liquor Control Comm**

**Summary Cross Reference Listing and Packages**

2015-17 Biennium

Agency Number: 84500

BAM Analyst: Ball, Dustin

Budget Coordinator: Richards, Harry - (503)872-5171

<i>Cross Reference Number</i>	<i>Cross Reference Description</i>	<i>Package Number</i>	<i>Priority</i>	<i>Package Description</i>	<i>Package Group</i>
001-00-00-00000	Distilled Spirits Program	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
001-00-00-00000	Distilled Spirits Program	021	0	Phase-in	Essential Packages
001-00-00-00000	Distilled Spirits Program	022	0	Phase-out Pgm & One-time Costs	Essential Packages
001-00-00-00000	Distilled Spirits Program	031	0	Standard Inflation	Essential Packages
001-00-00-00000	Distilled Spirits Program	032	0	Above Standard Inflation	Essential Packages
001-00-00-00000	Distilled Spirits Program	033	0	Exceptional Inflation	Essential Packages
001-00-00-00000	Distilled Spirits Program	081	0	September 2014 E-Board	Policy Packages
001-00-00-00000	Distilled Spirits Program	090	0	Analyst Adjustments	Policy Packages
001-00-00-00000	Distilled Spirits Program	501	0	Measure 91 Implementation	Policy Packages
001-00-00-00000	Distilled Spirits Program	801	0	LFO Analyst Adjustments	Policy Packages
001-00-00-00000	Distilled Spirits Program	802	0	Measure 91 Implementation	Policy Packages
001-00-00-00000	Distilled Spirits Program	803	0	Non Exclusive Store Differential	Policy Packages
001-00-00-00000	Distilled Spirits Program	811	0	Updated Base Debt Service Adjustment	Policy Packages
001-00-00-00000	Distilled Spirits Program	840	0	SB 5507 End of Session	Policy Packages
001-00-00-00000	Distilled Spirits Program	845	0	SB 501 Program Change	Policy Packages
001-00-00-00000	Distilled Spirits Program	850	0	Substantive Bills	Policy Packages
001-00-00-00000	Distilled Spirits Program	104	4	Increase OLCC Shipping Capacity - Upgrade Equipment	Policy Packages
001-00-00-00000	Distilled Spirits Program	105	5	Store Improvements Matching Funds	Policy Packages
001-00-00-00000	Distilled Spirits Program	106	6	Fund Bank Card Fees as Business Expense	Policy Packages
001-00-00-00000	Distilled Spirits Program	303	3	Provide Online and E-Commerce Licensing	Policy Packages
002-00-00-00000	Public Safety Services Program	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
002-00-00-00000	Public Safety Services Program	021	0	Phase-in	Essential Packages

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**Oregon Liquor Control Comm**

**Summary Cross Reference Listing and Packages  
2015-17 Biennium**

**Agency Number: 84500  
BAM Analyst: Ball, Dustin  
Budget Coordinator: Richards, Harry - (503)872-5171**

<b>Cross Reference Number</b>	<b>Cross Reference Description</b>	<b>Package Number</b>	<b>Priority</b>	<b>Package Description</b>	<b>Package Group</b>
002-00-00-00000	Public Safety Services Program	022	0	Phase-out Pgm & One-time Costs	Essential Packages
002-00-00-00000	Public Safety Services Program	031	0	Standard Inflation	Essential Packages
002-00-00-00000	Public Safety Services Program	032	0	Above Standard Inflation	Essential Packages
002-00-00-00000	Public Safety Services Program	033	0	Exceptional Inflation	Essential Packages
002-00-00-00000	Public Safety Services Program	081	0	September 2014 E-Board	Policy Packages
002-00-00-00000	Public Safety Services Program	090	0	Analyst Adjustments	Policy Packages
002-00-00-00000	Public Safety Services Program	501	0	Measure 91 Implementation	Policy Packages
002-00-00-00000	Public Safety Services Program	801	0	LFO Analyst Adjustments	Policy Packages
002-00-00-00000	Public Safety Services Program	802	0	Measure 91 Implementation	Policy Packages
002-00-00-00000	Public Safety Services Program	803	0	Non Exclusive Store Differential	Policy Packages
002-00-00-00000	Public Safety Services Program	811	0	Updated Base Debt Service Adjustment	Policy Packages
002-00-00-00000	Public Safety Services Program	840	0	SB 5507 End of Session	Policy Packages
002-00-00-00000	Public Safety Services Program	845	0	SB 501 Program Change	Policy Packages
002-00-00-00000	Public Safety Services Program	850	0	Substantive Bills	Policy Packages
002-00-00-00000	Public Safety Services Program	202	2	Meet Peace Officer Training Requirements	Policy Packages
002-00-00-00000	Public Safety Services Program	209	9	Support Alcohol and Drug Policy Commission	Policy Packages
003-00-00-00000	Administration and Support	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
003-00-00-00000	Administration and Support	021	0	Phase-in	Essential Packages
003-00-00-00000	Administration and Support	022	0	Phase-out Pgm & One-time Costs	Essential Packages
003-00-00-00000	Administration and Support	031	0	Standard Inflation	Essential Packages
003-00-00-00000	Administration and Support	032	0	Above Standard Inflation	Essential Packages
003-00-00-00000	Administration and Support	033	0	Exceptional Inflation	Essential Packages

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Page 2 of 6

Summary Cross Reference Listing and Packages  
BSU-003A

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**Oregon Liquor Control Comm**

**Summary Cross Reference Listing and Packages  
2015-17 Biennium**

**Agency Number: 84500  
BAM Analyst: Ball, Dustin  
Budget Coordinator: Richards, Harry - (503)872-5171**

<b>Cross Reference Number</b>	<b>Cross Reference Description</b>	<b>Package Number</b>	<b>Priority</b>	<b>Package Description</b>	<b>Package Group</b>
003-00-00-00000	Administration and Support	081	0	September 2014 E-Board	Policy Packages
003-00-00-00000	Administration and Support	090	0	Analyst Adjustments	Policy Packages
003-00-00-00000	Administration and Support	501	0	Measure 91 Implementation	Policy Packages
003-00-00-00000	Administration and Support	801	0	LFO Analyst Adjustments	Policy Packages
003-00-00-00000	Administration and Support	802	0	Measure 91 Implementation	Policy Packages
003-00-00-00000	Administration and Support	803	0	Non Exclusive Store Differential	Policy Packages
003-00-00-00000	Administration and Support	811	0	Updated Base Debt Service Adjustment	Policy Packages
003-00-00-00000	Administration and Support	840	0	SB 5507 End of Session	Policy Packages
003-00-00-00000	Administration and Support	845	0	SB 501 Program Change	Policy Packages
003-00-00-00000	Administration and Support	850	0	Substantive Bills	Policy Packages
003-00-00-00000	Administration and Support	303	3	Provide Online and E-Commerce Licensing	Policy Packages
003-00-00-00000	Administration and Support	307	7	Upgrade OLCC's Desktop Infrastructure	Policy Packages
003-00-00-00000	Administration and Support	308	8	Upgrade Phone System	Policy Packages
004-00-00-00000	Marijuana Regulation	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
004-00-00-00000	Marijuana Regulation	021	0	Phase-in	Essential Packages
004-00-00-00000	Marijuana Regulation	022	0	Phase-out Pgm & One-time Costs	Essential Packages
004-00-00-00000	Marijuana Regulation	031	0	Standard Inflation	Essential Packages
004-00-00-00000	Marijuana Regulation	032	0	Above Standard Inflation	Essential Packages
004-00-00-00000	Marijuana Regulation	033	0	Exceptional Inflation	Essential Packages
004-00-00-00000	Marijuana Regulation	081	0	September 2014 E-Board	Policy Packages
004-00-00-00000	Marijuana Regulation	090	0	Analyst Adjustments	Policy Packages
004-00-00-00000	Marijuana Regulation	501	0	Measure 91 Implementation	Policy Packages

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Agency Number: 84500

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004-00-00-00000	Marijuana Regulation	801	0	LFO Analyst Adjustments	Policy Packages
004-00-00-00000	Marijuana Regulation	802	0	Measure 91 Implementation	Policy Packages
004-00-00-00000	Marijuana Regulation	803	0	Non Exclusive Store Differential	Policy Packages
004-00-00-00000	Marijuana Regulation	811	0	Updated Base Debt Service Adjustment	Policy Packages
004-00-00-00000	Marijuana Regulation	840	0	SB 5507 End of Session	Policy Packages
004-00-00-00000	Marijuana Regulation	845	0	SB 501 Program Change	Policy Packages
004-00-00-00000	Marijuana Regulation	850	0	Substantive Bills	Policy Packages
004-00-00-00000	Marijuana Regulation	401	0	Measure 91 Implementation	Policy Packages
005-00-00-00000	Store Operating Expenses	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
005-00-00-00000	Store Operating Expenses	021	0	Phase-in	Essential Packages
005-00-00-00000	Store Operating Expenses	022	0	Phase-out Pgm & One-time Costs	Essential Packages
005-00-00-00000	Store Operating Expenses	031	0	Standard Inflation	Essential Packages
005-00-00-00000	Store Operating Expenses	032	0	Above Standard Inflation	Essential Packages
005-00-00-00000	Store Operating Expenses	033	0	Exceptional Inflation	Essential Packages
005-00-00-00000	Store Operating Expenses	081	0	September 2014 E-Board	Policy Packages
005-00-00-00000	Store Operating Expenses	090	0	Analyst Adjustments	Policy Packages
005-00-00-00000	Store Operating Expenses	501	0	Measure 91 Implementation	Policy Packages
005-00-00-00000	Store Operating Expenses	801	0	LFO Analyst Adjustments	Policy Packages
005-00-00-00000	Store Operating Expenses	802	0	Measure 91 Implementation	Policy Packages
005-00-00-00000	Store Operating Expenses	803	0	Non Exclusive Store Differential	Policy Packages
005-00-00-00000	Store Operating Expenses	811	0	Updated Base Debt Service Adjustment	Policy Packages
005-00-00-00000	Store Operating Expenses	840	0	SB 5507 End of Session	Policy Packages

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<i>Cross Reference Number</i>	<i>Cross Reference Description</i>	<i>Package Number</i>	<i>Priority</i>	<i>Package Description</i>	<i>Package Group</i>
005-00-00-00000	Store Operating Expenses	845	0	SB 501 Program Change	Policy Packages
005-00-00-00000	Store Operating Expenses	850	0	Substantive Bills	Policy Packages
088-00-00-00000	Capital Improvements	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
088-00-00-00000	Capital Improvements	021	0	Phase-in	Essential Packages
088-00-00-00000	Capital Improvements	022	0	Phase-out Pgm & One-time Costs	Essential Packages
088-00-00-00000	Capital Improvements	031	0	Standard Inflation	Essential Packages
088-00-00-00000	Capital Improvements	032	0	Above Standard Inflation	Essential Packages
088-00-00-00000	Capital Improvements	033	0	Exceptional Inflation	Essential Packages
088-00-00-00000	Capital Improvements	081	0	September 2014 E-Board	Policy Packages
088-00-00-00000	Capital Improvements	090	0	Analyst Adjustments	Policy Packages
088-00-00-00000	Capital Improvements	501	0	Measure 91 Implementation	Policy Packages
088-00-00-00000	Capital Improvements	801	0	LFO Analyst Adjustments	Policy Packages
088-00-00-00000	Capital Improvements	802	0	Measure 91 Implementation	Policy Packages
088-00-00-00000	Capital Improvements	803	0	Non Exclusive Store Differential	Policy Packages
088-00-00-00000	Capital Improvements	811	0	Updated Base Debt Service Adjustment	Policy Packages
088-00-00-00000	Capital Improvements	840	0	SB 5507 End of Session	Policy Packages
088-00-00-00000	Capital Improvements	845	0	SB 501 Program Change	Policy Packages
088-00-00-00000	Capital Improvements	850	0	Substantive Bills	Policy Packages
088-00-00-00000	Capital Improvements	301	1	Repair OLCC Facilities	Policy Packages
088-00-00-00000	Capital Improvements	310	10	Complete Customer Service Center	Policy Packages
990-00-00-00000	Agency-Wide Consolidation	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
990-00-00-00000	Agency-Wide Consolidation	021	0	Phase-in	Essential Packages

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<i>Cross Reference Number</i>	<i>Cross Reference Description</i>	<i>Package Number</i>	<i>Priority</i>	<i>Package Description</i>	<i>Package Group</i>
990-00-00-00000	Agency-Wide Consolidation	022	0	Phase-out Pgm & One-time Costs	Essential Packages
990-00-00-00000	Agency-Wide Consolidation	031	0	Standard Inflation	Essential Packages
990-00-00-00000	Agency-Wide Consolidation	032	0	Above Standard Inflation	Essential Packages
990-00-00-00000	Agency-Wide Consolidation	033	0	Exceptional Inflation	Essential Packages
990-00-00-00000	Agency-Wide Consolidation	081	0	September 2014 E-Board	Policy Packages
990-00-00-00000	Agency-Wide Consolidation	090	0	Analyst Adjustments	Policy Packages
990-00-00-00000	Agency-Wide Consolidation	501	0	Measure 91 Implementation	Policy Packages
990-00-00-00000	Agency-Wide Consolidation	801	0	LFO Analyst Adjustments	Policy Packages
990-00-00-00000	Agency-Wide Consolidation	802	0	Measure 91 Implementation	Policy Packages
990-00-00-00000	Agency-Wide Consolidation	803	0	Non Exclusive Store Differential	Policy Packages
990-00-00-00000	Agency-Wide Consolidation	811	0	Updated Base Debt Service Adjustment	Policy Packages
990-00-00-00000	Agency-Wide Consolidation	840	0	SB 5507 End of Session	Policy Packages
990-00-00-00000	Agency-Wide Consolidation	845	0	SB 501 Program Change	Policy Packages
990-00-00-00000	Agency-Wide Consolidation	850	0	Substantive Bills	Policy Packages

**Oregon Liquor Control Comm**

Policy Package List by Priority  
2015-17 Biennium

Agency Number: 84500

BAM Analyst: Ball, Dustin

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Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	081	September 2014 E-Board	001-00-00-00000	Distilled Spirits Program
			002-00-00-00000	Public Safety Services Program
			003-00-00-00000	Administration and Support
			004-00-00-00000	Marijuana Regulation
			005-00-00-00000	Store Operating Expenses
			088-00-00-00000	Capital Improvements
			990-00-00-00000	Agency-Wide Consolidation
	090	Analyst Adjustments	001-00-00-00000	Distilled Spirits Program
			002-00-00-00000	Public Safety Services Program
			003-00-00-00000	Administration and Support
			004-00-00-00000	Marijuana Regulation
			005-00-00-00000	Store Operating Expenses
			088-00-00-00000	Capital Improvements
			990-00-00-00000	Agency-Wide Consolidation
	401	Measure 91 Implementation	004-00-00-00000	Marijuana Regulation
			501	Measure 91 Implementation
	501	Measure 91 Implementation	001-00-00-00000	Distilled Spirits Program
			002-00-00-00000	Public Safety Services Program
			003-00-00-00000	Administration and Support
			004-00-00-00000	Marijuana Regulation
005-00-00-00000			Store Operating Expenses	
088-00-00-00000			Capital Improvements	
990-00-00-00000			Agency-Wide Consolidation	
801	LFO Analyst Adjustments	001-00-00-00000	Distilled Spirits Program	

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Policy Package List by Priority  
2015-17 Biennium

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Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	801	LFO Analyst Adjustments	002-00-00-00000	Public Safety Services Program
			003-00-00-00000	Administration and Support
			004-00-00-00000	Marijuana Regulation
			005-00-00-00000	Store Operating Expenses
			088-00-00-00000	Capital Improvements
			990-00-00-00000	Agency-Wide Consolidation
	802	Measure 91 Implementation	001-00-00-00000	Distilled Spirits Program
			002-00-00-00000	Public Safety Services Program
			003-00-00-00000	Administration and Support
			004-00-00-00000	Marijuana Regulation
			005-00-00-00000	Store Operating Expenses
			088-00-00-00000	Capital Improvements
	803	Non Exclusive Store Differential	990-00-00-00000	Agency-Wide Consolidation
			001-00-00-00000	Distilled Spirits Program
			002-00-00-00000	Public Safety Services Program
			003-00-00-00000	Administration and Support
			004-00-00-00000	Marijuana Regulation
			005-00-00-00000	Store Operating Expenses
811	Updated Base Debt Service Adjustment	088-00-00-00000	Capital Improvements	
		990-00-00-00000	Agency-Wide Consolidation	
		001-00-00-00000	Distilled Spirits Program	
		002-00-00-00000	Public Safety Services Program	
		003-00-00-00000	Administration and Support	

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Policy Package List by Priority  
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Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	811	Updated Base Debt Service Adjustment	004-00-00-00000	Marijuana Regulation
			005-00-00-00000	Store Operating Expenses
			088-00-00-00000	Capital Improvements
			990-00-00-00000	Agency-Wide Consolidation
			001-00-00-00000	Distilled Spirits Program
	840	SB 5507 End of Session	002-00-00-00000	Public Safety Services Program
			003-00-00-00000	Administration and Support
			004-00-00-00000	Marijuana Regulation
			005-00-00-00000	Store Operating Expenses
			088-00-00-00000	Capital Improvements
	845	SB 501 Program Change	990-00-00-00000	Agency-Wide Consolidation
			001-00-00-00000	Distilled Spirits Program
			002-00-00-00000	Public Safety Services Program
			003-00-00-00000	Administration and Support
			004-00-00-00000	Marijuana Regulation
	850	Substantive Bills	005-00-00-00000	Store Operating Expenses
			088-00-00-00000	Capital Improvements
			990-00-00-00000	Agency-Wide Consolidation
			001-00-00-00000	Distilled Spirits Program
			002-00-00-00000	Public Safety Services Program
			003-00-00-00000	Administration and Support
			004-00-00-00000	Marijuana Regulation
			005-00-00-00000	Store Operating Expenses

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Policy Package List by Priority  
2015-17 Biennium

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Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	850	Substantive Bills	088-00-00-00000 990-00-00-00000	Capital Improvements Agency-Wide Consolidation
1	301	Repair OLCC Facilities	088-00-00-00000	Capital Improvements
2	202	Meet Peace Officer Training Requirements	002-00-00-00000	Public Safety Services Program
3	303	Provide Online and E-Commerce Licensing	001-00-00-00000 003-00-00-00000	Distilled Spirits Program Administration and Support
4	104	Increase OLCC Shipping Capacity - Upgrade I	001-00-00-00000	Distilled Spirits Program
5	105	Store Improvements Matching Funds	001-00-00-00000	Distilled Spirits Program
6	106	Fund Bank Card Fees as Business Expense	001-00-00-00000	Distilled Spirits Program
7	307	Upgrade OLCC's Desktop Infrastructure	003-00-00-00000	Administration and Support
8	308	Upgrade Phone System	003-00-00-00000	Administration and Support
9	209	Support Alcohol and Drug Policy Commission	002-00-00-00000	Public Safety Services Program
10	310	Complete Customer Service Center	088-00-00-00000	Capital Improvements

**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 84500-000-00-00-00000**

**2015-17 Biennium**

**Oregon Liquor Control Comm**

<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Adopted Budget</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Agency Request Budget</i>	<i>2015-17 Governor's Budget</i>	<i>2015-17 Leg Adopted Budget</i>
<b>BEGINNING BALANCE</b>						
<b>0025 Beginning Balance</b>						
3400 Other Funds Ltd	1,500,000	1,500,000	1,500,000	1,499,999	1,499,999	1,499,999
<b>REVENUE CATEGORIES</b>						
<b>TAXES</b>						
<b>0185 Privilege Taxes</b>						
3400 Other Funds Ltd	25,579,680	26,303,120	26,303,120	26,543,960	42,579,790	26,543,960
8800 General Fund Revenue	7,700,682	9,980,880	9,980,880	10,078,040	10,078,040	10,078,040
All Funds	33,280,362	36,284,000	36,284,000	36,622,000	52,657,830	36,622,000
<b>LICENSES AND FEES</b>						
<b>0205 Business Lic and Fees</b>						
3400 Other Funds Ltd	7,474,197	3,183,880	3,183,880	3,504,480	4,072,170	8,678,680
8800 General Fund Revenue	2,250,083	6,245,120	6,245,120	6,799,520	6,981,380	6,799,520
All Funds	9,724,280	9,429,000	9,429,000	10,304,000	11,053,550	15,478,200
<b>CHARGES FOR SERVICES</b>						
<b>0410 Charges for Services</b>						
3400 Other Funds Ltd	182	6,000	6,000	6,000	6,000	6,000
<b>FINES, RENTS AND ROYALTIES</b>						
<b>0505 Fines and Forfeitures</b>						
3400 Other Funds Ltd	643,493	1,042,000	1,042,000	1,107,000	1,107,000	1,107,000
<b>SALES INCOME</b>						
<b>0705 Sales Income</b>						
3400 Other Funds Ltd	1,061,553	650,000	650,000	700,000	700,000	700,000

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**Oregon Liquor Control Comm**

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**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 84500-000-00-00-00000**

**2015-17 Biennium**

**Oregon Liquor Control Comm**

<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Adopted Budget</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Agency Request Budget</i>	<i>2015-17 Governor's Budget</i>	<i>2015-17 Leg Adopted Budget</i>
<b>0710 Liquor Sales</b>						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	5,027,810	4,391,810
3400 Other Funds Ltd	759,008,388	835,990,018	837,239,467	892,600,744	892,600,744	921,195,154
8800 General Fund Revenue	215,613,392	235,392,574	235,392,574	216,769,926	250,546,226	260,755,926
All Funds	974,830,186	1,071,596,000	1,072,845,449	1,114,398,480	1,148,174,780	1,186,342,890
<b>SALES INCOME</b>						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	5,027,810	4,391,810
3400 Other Funds Ltd	760,069,941	836,640,018	837,889,467	893,300,744	893,300,744	921,895,154
8800 General Fund Revenue	215,613,392	235,392,574	235,392,574	216,769,926	250,546,226	260,755,926
<b>TOTAL SALES INCOME</b>	<b>\$975,891,739</b>	<b>\$1,072,246,000</b>	<b>\$1,073,495,449</b>	<b>\$1,115,098,480</b>	<b>\$1,148,874,780</b>	<b>\$1,187,042,890</b>
<b>COST OF GOODS SOLD</b>						
<b>0755 Liquor Cost of Goods Sold</b>						
3400 Other Funds Ltd	(474,005,720)	(511,678,841)	(511,678,841)	(545,214,268)	(545,214,268)	(570,804,897)
<b>0760 Cost of Goods Sold</b>						
3400 Other Funds Ltd	(11,789,934)	(14,430,880)	(14,430,880)	(14,280,800)	(13,645,839)	(14,264,646)
<b>COST OF GOODS SOLD</b>						
3400 Other Funds Ltd	(485,795,654)	(526,109,721)	(526,109,721)	(559,495,068)	(558,860,107)	(585,069,543)
<b>TOTAL COST OF GOODS SOLD</b>	<b>(\$485,795,654)</b>	<b>(\$526,109,721)</b>	<b>(\$526,109,721)</b>	<b>(\$559,495,068)</b>	<b>(\$558,860,107)</b>	<b>(\$585,069,543)</b>
<b>OTHER</b>						
<b>0975 Other Revenues</b>						
3400 Other Funds Ltd	9,775	25,000	25,000	25,000	25,000	25,000
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						

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Oregon Liquor Control Comm

Agency Number: 84500

Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 84500-000-00-00-00000

2015-17 Biennium

Oregon Liquor Control Comm

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	2,850,810	4,391,810
3200 Other Funds Non-Ltd	-	-	-	10,733,731	11,048,357	-
3400 Other Funds Ltd	136,829,527	146,190,843	147,440,292	152,052,717	154,550,052	157,616,991
All Funds	137,037,933	146,404,251	147,653,700	167,814,258	168,449,219	162,008,801
<b>1150 Tsfr From Revenue, Dept of</b>						
3400 Other Funds Ltd	-	-	-	-	-	4,076,313
<b>1845 Tsfr From Or Liquor Cntrl Comm</b>						
3400 Other Funds Ltd	-	-	-	-	-	8,521,335
<b>TRANSFERS IN</b>						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	2,850,810	4,391,810
3200 Other Funds Non-Ltd	-	-	-	10,733,731	11,048,357	-
3400 Other Funds Ltd	136,829,527	146,190,843	147,440,292	152,052,717	154,550,052	170,214,639
<b>TOTAL TRANSFERS IN</b>	<b>\$137,037,933</b>	<b>\$146,404,251</b>	<b>\$147,653,700</b>	<b>\$167,814,258</b>	<b>\$168,449,219</b>	<b>\$174,606,449</b>
<b>REVENUE CATEGORIES</b>						
3010 Other Funds Cap Improvement	416,812	426,816	426,816	10,055,620	7,878,620	8,783,620
3200 Other Funds Non-Ltd	-	-	-	10,733,731	11,048,357	-
3400 Other Funds Ltd	444,811,141	487,281,140	489,780,038	517,044,833	536,780,649	543,400,890
8800 General Fund Revenue	225,564,157	251,618,574	251,618,574	233,647,486	267,605,646	277,633,486
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$670,792,110</b>	<b>\$739,326,530</b>	<b>\$741,825,428</b>	<b>\$771,481,670</b>	<b>\$823,313,272</b>	<b>\$829,817,996</b>
<b>TRANSFERS OUT</b>						
<b>2010 Transfer Out - Intrafund</b>						
3010 Other Funds Cap Improvement	(208,406)	(213,408)	(213,408)	(5,027,810)	(5,027,810)	(4,391,810)
3400 Other Funds Ltd	(136,829,527)	(146,190,843)	(147,440,292)	(162,786,448)	(163,421,409)	(157,616,991)

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Oregon Liquor Control Comm

Agency Number: 84500

Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 84500-000-00-00-00000

2015-17 Biennium

Oregon Liquor Control Comm

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
All Funds	(137,037,933)	(146,404,251)	(147,653,700)	(167,814,258)	(168,449,219)	(162,008,801)
<b>2050 Transfer to Other</b>						
3400 Other Funds Ltd	(564,984)	(638,000)	(638,000)	(629,000)	(629,000)	(629,000)
<b>2060 Transfer to General Fund</b>						
8800 General Fund Revenue	(225,564,157)	(251,618,574)	(251,618,574)	(233,647,486)	(267,605,646)	(277,633,486)
<b>2070 Transfer to Cities</b>						
3400 Other Funds Ltd	(70,107,375)	(78,280,206)	(78,280,206)	(83,445,531)	(84,421,376)	(89,705,749)
<b>2080 Transfer to Counties</b>						
3400 Other Funds Ltd	(35,053,688)	(39,140,105)	(39,140,105)	(41,722,765)	(42,666,135)	(61,442,971)
<b>2107 Tsfr To Administrative Svcs</b>						
3400 Other Funds Ltd	(49,075,163)	(54,796,144)	(54,796,144)	(58,411,871)	(58,457,336)	(41,475,244)
<b>2141 Tsfr To Lands, Dept of State</b>						
3400 Other Funds Ltd	-	-	-	-	(3,643,577)	-
<b>2257 Tsfr To Police, Dept of State</b>						
3400 Other Funds Ltd	-	-	-	-	(1,366,342)	-
<b>2443 Tsfr To Oregon Health Authority</b>						
3400 Other Funds Ltd	(16,350,877)	(17,823,000)	(17,823,000)	(17,996,500)	(20,273,736)	(17,996,500)
<b>2603 Tsfr To Agriculture, Dept of</b>						
3400 Other Funds Ltd	-	-	-	-	(212,641)	(212,641)
<b>TRANSFERS OUT</b>						
3010 Other Funds Cap Improvement	(208,406)	(213,408)	(213,408)	(5,027,810)	(5,027,810)	(4,391,810)
3400 Other Funds Ltd	(307,981,614)	(336,868,298)	(338,117,747)	(364,992,115)	(375,091,552)	(369,079,096)
8800 General Fund Revenue	(225,564,157)	(251,618,574)	(251,618,574)	(233,647,486)	(267,605,646)	(277,633,486)

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Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>TOTAL TRANSFERS OUT</b>	<b>(\$533,754,177)</b>	<b>(\$588,700,280)</b>	<b>(\$589,949,729)</b>	<b>(\$603,667,411)</b>	<b>(\$647,725,008)</b>	<b>(\$651,104,392)</b>
<b>AVAILABLE REVENUES</b>						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	2,850,810	4,391,810
3200 Other Funds Non-Ltd	-	-	-	10,733,731	11,048,357	-
3400 Other Funds Ltd	138,329,527	151,912,842	153,162,291	153,552,717	163,189,096	175,821,793
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$138,537,933</b>	<b>\$152,126,250</b>	<b>\$153,375,699</b>	<b>\$169,314,258</b>	<b>\$177,088,263</b>	<b>\$180,213,603</b>
<b>EXPENDITURES</b>						
<b>PERSONAL SERVICES</b>						
<b>SALARIES &amp; WAGES</b>						
<b>3110 Class/Unclass Sal. and Per Diem</b>						
3400 Other Funds Ltd	20,438,022	23,136,888	23,877,214	24,060,684	26,181,096	26,576,877
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	703,867	68,815	68,815	70,721	70,721	70,721
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd	222,172	327,821	327,821	345,302	335,675	345,302
<b>3180 Shift Differential</b>						
3400 Other Funds Ltd	51,938	61,774	61,774	63,254	63,254	63,253
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	274,515	74,031	57,524	58,903	58,903	58,904
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	21,690,514	23,669,329	24,393,148	24,598,864	26,709,649	27,115,057
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$21,690,514</b>	<b>\$23,669,329</b>	<b>\$24,393,148</b>	<b>\$24,598,864</b>	<b>\$26,709,649</b>	<b>\$27,115,057</b>
<b>OTHER PAYROLL EXPENSES</b>						

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<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Adopted Budget</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Agency Request Budget</i>	<i>2015-17 Governor's Budget</i>	<i>2015-17 Leg Adopted Budget</i>
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	8,308	9,200	9,077	10,021	10,890	11,123
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	3,421,286	3,842,968	3,947,272	4,165,708	4,524,537	4,593,461
<b>3221 Pension Obligation Bond</b>						
3400 Other Funds Ltd	1,303,204	1,472,127	1,487,792	1,516,590	1,516,590	1,516,590
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	1,632,278	1,805,791	1,861,162	1,878,757	2,040,234	2,071,245
<b>3240 Unemployment Assessments</b>						
3400 Other Funds Ltd	68,720	28,393	28,393	28,393	28,393	28,393
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	10,890	13,567	13,390	15,712	17,070	17,425
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	123,508	143,398	147,740	147,233	147,233	147,233
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	5,958,279	7,021,440	6,957,248	6,952,752	7,555,680	7,713,408
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	12,526,473	14,336,884	14,452,074	14,715,166	15,840,627	16,098,878
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$12,526,473</b>	<b>\$14,336,884</b>	<b>\$14,452,074</b>	<b>\$14,715,166</b>	<b>\$15,840,627</b>	<b>\$16,098,878</b>
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(120,785)	(120,785)	(381,859)	(381,859)	(381,859)
<b>3465 Reconciliation Adjustment</b>						

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Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
3400 Other Funds Ltd	-	1,127,218	1,127,218	-	248,447	24,701
<b>3470 Undistributed (P.S.)</b>						
3400 Other Funds Ltd	-	(436,058)	-	-	-	-
<b>3991 PERS Policy Adjustment</b>						
3400 Other Funds Ltd	-	(858,504)	(858,504)	-	-	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	(288,129)	147,929	(381,859)	(133,412)	(357,158)
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>(\$288,129)</b>	<b>\$147,929</b>	<b>(\$381,859)</b>	<b>(\$133,412)</b>	<b>(\$357,158)</b>
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	34,216,987	37,718,084	38,993,151	38,932,171	42,416,864	42,856,777
<b>TOTAL PERSONAL SERVICES</b>	<b>\$34,216,987</b>	<b>\$37,718,084</b>	<b>\$38,993,151</b>	<b>\$38,932,171</b>	<b>\$42,416,864</b>	<b>\$42,856,777</b>
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	261,372	258,564	258,564	266,323	361,323	346,323
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	20,622	42,694	42,694	43,974	58,974	58,974
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	52,860	87,261	87,261	343,926	359,450	424,926
<b>4175 Office Expenses</b>						
3200 Other Funds Non-Ltd	-	-	-	10,733,731	11,048,357	-
3400 Other Funds Ltd	8,891,977	10,993,760	10,993,760	749,362	786,062	11,967,419
All Funds	8,891,977	10,993,760	10,993,760	11,483,093	11,834,419	11,967,419
<b>4200 Telecommunications</b>						

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3400 Other Funds Ltd	494,973	423,992	423,992	436,712	509,712	509,712
<b>4225 State Gov. Service Charges</b>						
3400 Other Funds Ltd	2,061,537	1,712,702	1,712,702	2,305,466	2,126,045	2,177,935
<b>4250 Data Processing</b>						
3400 Other Funds Ltd	720,141	602,061	527,061	632,873	632,873	632,873
<b>4275 Publicity and Publications</b>						
3400 Other Funds Ltd	39,858	98,557	83,557	86,065	89,065	89,065
<b>4300 Professional Services</b>						
3010 Other Funds Cap Improvement	5,797	-	-	-	-	-
3400 Other Funds Ltd	86,813,398	95,678,023	95,623,023	99,604,369	102,545,906	99,806,571
All Funds	86,819,195	95,678,023	95,623,023	99,604,369	102,545,906	99,806,571
<b>4315 IT Professional Services</b>						
3400 Other Funds Ltd	48,645	236,477	236,477	543,961	1,082,114	2,281,963
<b>4325 Attorney General</b>						
3400 Other Funds Ltd	404,156	376,690	376,690	449,014	427,966	889,258
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	20,753	27,839	27,839	29,482	39,482	121,982
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	17,708	20,937	20,937	21,559	23,559	24,559
<b>4425 Facilities Rental and Taxes</b>						
3400 Other Funds Ltd	427,932	496,322	496,322	517,641	1,017,641	767,641
<b>4450 Fuels and Utilities</b>						
3400 Other Funds Ltd	573,352	563,651	563,651	578,202	578,202	578,202

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<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Adopted Budget</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Agency Request Budget</i>	<i>2015-17 Governor's Budget</i>	<i>2015-17 Leg Adopted Budget</i>
<b>4475 Facilities Maintenance</b>						
3010 Other Funds Cap Improvement	162,247	-	-	-	-	-
3400 Other Funds Ltd	390,718	247,408	247,408	258,011	654,963	338,011
All Funds	552,965	247,408	247,408	258,011	654,963	338,011
<b>4575 Agency Program Related S and S</b>						
3400 Other Funds Ltd	254,911	173,937	153,937	178,556	194,556	324,556
<b>4650 Other Services and Supplies</b>						
3400 Other Funds Ltd	336,446	186,544	186,544	192,141	1,617,863	800,802
<b>4675 Undistributed (S.S.)</b>						
3400 Other Funds Ltd	-	(196,954)	-	-	-	-
<b>4700 Expendable Prop 250 - 5000</b>						
3400 Other Funds Ltd	9,455	-	-	-	-	80,000
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	195,888	501,897	444,897	461,230	461,230	461,230
<b>SERVICES &amp; SUPPLIES</b>						
3010 Other Funds Cap Improvement	168,044	-	-	-	-	-
3200 Other Funds Non-Ltd	-	-	-	10,733,731	11,048,357	-
3400 Other Funds Ltd	102,036,702	112,532,362	112,507,316	107,698,867	113,566,986	122,682,002
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$102,204,746</b>	<b>\$112,532,362</b>	<b>\$112,507,316</b>	<b>\$118,432,598</b>	<b>\$124,615,343</b>	<b>\$122,682,002</b>
<b>CAPITAL OUTLAY</b>						
<b>5200 Technical Equipment</b>						
3400 Other Funds Ltd	30	16,308	14,328	109,817	109,817	111,797
<b>5350 Industrial and Heavy Equipment</b>						

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<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Adopted Budget</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Agency Request Budget</i>	<i>2015-17 Governor's Budget</i>	<i>2015-17 Leg Adopted Budget</i>
3400 Other Funds Ltd	7,100	22,227	21,818	67,473	67,473	22,473
<b>5400 Automotive and Aircraft</b>						
3400 Other Funds Ltd	-	110,983	110,983	114,253	114,253	112,273
<b>5550 Data Processing Software</b>						
3400 Other Funds Ltd	-	-	-	322,200	222,200	-
<b>5600 Data Processing Hardware</b>						
3400 Other Funds Ltd	85,612	14,695	14,695	321,836	171,836	15,136
<b>5650 Land and Improvements</b>						
3010 Other Funds Cap Improvement	-	5,001	5,001	5,151	5,151	5,151
<b>5700 Building Structures</b>						
3010 Other Funds Cap Improvement	40,362	208,407	208,407	5,022,659	2,845,659	4,386,659
3400 Other Funds Ltd	259,494	-	-	4,486,100	4,486,100	-
All Funds	299,856	208,407	208,407	9,508,759	7,331,759	4,386,659
<b>5900 Other Capital Outlay</b>						
3400 Other Funds Ltd	223,602	-	-	-	-	-
<b>5950 Undistributed (C.O.)</b>						
3400 Other Funds Ltd	-	(1,817)	-	-	-	-
<b>CAPITAL OUTLAY</b>						
3010 Other Funds Cap Improvement	40,362	213,408	213,408	5,027,810	2,850,810	4,391,810
3400 Other Funds Ltd	575,838	162,396	161,824	5,421,679	5,171,679	261,679
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$616,200</b>	<b>\$375,804</b>	<b>\$375,232</b>	<b>\$10,449,489</b>	<b>\$8,022,489</b>	<b>\$4,653,489</b>
<b>SPECIAL PAYMENTS</b>						
<b>6845 Spc Pmt to Or Liquor Cntrl Comm</b>						

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Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
3400 Other Funds Ltd	-	-	-	-	-	8,521,335
<b>EXPENDITURES</b>						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	2,850,810	4,391,810
3200 Other Funds Non-Ltd	-	-	-	10,733,731	11,048,357	-
3400 Other Funds Ltd	136,829,527	150,412,842	151,662,291	152,052,717	161,155,529	174,321,793
<b>TOTAL EXPENDITURES</b>	<b>\$137,037,933</b>	<b>\$150,626,250</b>	<b>\$151,875,699</b>	<b>\$167,814,258</b>	<b>\$175,054,696</b>	<b>\$178,713,603</b>
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	1,500,000	1,500,000	1,500,000	1,500,000	2,033,567	1,500,000
<b>TOTAL ENDING BALANCE</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$2,033,567</b>	<b>\$1,500,000</b>
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	236	233	230	231	255	258
8180 Position Reconciliation	-	-	-	-	3	3
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>236</b>	<b>233</b>	<b>230</b>	<b>231</b>	<b>258</b>	<b>261</b>
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	231.00	228.00	225.50	225.75	245.50	250.73
8280 FTE Reconciliation	-	(0.37)	(0.37)	-	0.50	0.43
<b>TOTAL AUTHORIZED FTE</b>	<b>231.00</b>	<b>227.63</b>	<b>225.13</b>	<b>225.75</b>	<b>246.00</b>	<b>251.16</b>

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**Distilled Spirits Program**

<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Adopted Budget</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Agency Request Budget</i>	<i>2015-17 Governor's Budget</i>	<i>2015-17 Leg Adopted Budget</i>
<b>REVENUE CATEGORIES</b>						
<b>SALES INCOME</b>						
<b>0710 Liquor Sales</b>						
3400 Other Funds Ltd	-	32,137,194	32,137,194	-	-	14,861,572
8800 General Fund Revenue	-	11,188,806	11,188,806	-	33,776,300	18,914,728
All Funds	-	43,326,000	43,326,000	-	33,776,300	33,776,300
<b>COST OF GOODS SOLD</b>						
<b>0755 Liquor Cost of Goods Sold</b>						
3400 Other Funds Ltd	-	(22,704,100)	(22,704,100)	-	-	-
<b>0760 Cost of Goods Sold</b>						
3400 Other Funds Ltd	-	(641,890)	(641,890)	-	-	-
<b>COST OF GOODS SOLD</b>						
3400 Other Funds Ltd	-	(23,345,990)	(23,345,990)	-	-	-
<b>TOTAL COST OF GOODS SOLD</b>	-	<b>(\$23,345,990)</b>	<b>(\$23,345,990)</b>	-	-	-
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
3200 Other Funds Non-Ltd	-	-	-	10,733,731	11,048,357	-
3400 Other Funds Ltd	18,073,544	20,869,470	21,216,750	15,724,421	15,674,421	21,812,778
All Funds	18,073,544	20,869,470	21,216,750	26,458,152	26,722,778	21,812,778
<b>1845 Tsfr From Or Liquor Cntrl Comm</b>						
3400 Other Funds Ltd	-	-	-	-	-	4,910,000
<b>TRANSFERS IN</b>						
3200 Other Funds Non-Ltd	-	-	-	10,733,731	11,048,357	-

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Distilled Spirits Program

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
3400 Other Funds Ltd	18,073,544	20,869,470	21,216,750	15,724,421	15,674,421	26,722,778
<b>TOTAL TRANSFERS IN</b>	<b>\$18,073,544</b>	<b>\$20,869,470</b>	<b>\$21,216,750</b>	<b>\$26,458,152</b>	<b>\$26,722,778</b>	<b>\$26,722,778</b>
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	-	-	-	10,733,731	11,048,357	-
3400 Other Funds Ltd	18,073,544	29,660,674	30,007,954	15,724,421	15,674,421	41,584,350
8800 General Fund Revenue	-	11,188,806	11,188,806	-	33,776,300	18,914,728
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$18,073,544</b>	<b>\$40,849,480</b>	<b>\$41,196,760</b>	<b>\$26,458,152</b>	<b>\$60,499,078</b>	<b>\$60,499,078</b>
<b>TRANSFERS OUT</b>						
<b>2060 Transfer to General Fund</b>						
8800 General Fund Revenue	-	(11,188,806)	(11,188,806)	-	(33,776,300)	(18,914,728)
<b>2070 Transfer to Cities</b>						
3400 Other Funds Ltd	-	(3,996,002)	(3,996,002)	-	-	(6,755,260)
<b>2080 Transfer to Counties</b>						
3400 Other Funds Ltd	-	(1,998,001)	(1,998,001)	-	-	(3,377,630)
<b>2107 Tsfr To Administrative Svcs</b>						
3400 Other Funds Ltd	-	(2,797,201)	(2,797,201)	-	-	(4,728,682)
<b>TRANSFERS OUT</b>						
3400 Other Funds Ltd	-	(8,791,204)	(8,791,204)	-	-	(14,861,572)
8800 General Fund Revenue	-	(11,188,806)	(11,188,806)	-	(33,776,300)	(18,914,728)
<b>TOTAL TRANSFERS OUT</b>	<b>-</b>	<b>(\$19,980,010)</b>	<b>(\$19,980,010)</b>	<b>-</b>	<b>(\$33,776,300)</b>	<b>(\$33,776,300)</b>
<b>AVAILABLE REVENUES</b>						
3200 Other Funds Non-Ltd	-	-	-	10,733,731	11,048,357	-
3400 Other Funds Ltd	18,073,544	20,869,470	21,216,750	15,724,421	15,674,421	26,722,778

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Distilled Spirits Program

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$18,073,544</b>	<b>\$20,869,470</b>	<b>\$21,216,750</b>	<b>\$26,458,152</b>	<b>\$26,722,778</b>	<b>\$26,722,778</b>
<b>EXPENDITURES</b>						
<b>PERSONAL SERVICES</b>						
<b>SALARIES &amp; WAGES</b>						
<b>3110 Class/Unclass Sal. and Per Diem</b>						
3400 Other Funds Ltd	4,647,918	5,525,592	5,732,140	5,582,892	5,565,624	5,565,624
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	412,706	24,561	24,561	25,242	25,242	25,242
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd	122,752	194,858	194,858	199,526	199,526	199,526
<b>3180 Shift Differential</b>						
3400 Other Funds Ltd	15,316	2,255	2,255	2,308	2,308	2,308
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	65,613	8,115	8,115	8,309	8,309	8,309
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	5,264,305	5,755,381	5,961,929	5,818,277	5,801,009	5,801,009
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$5,264,305</b>	<b>\$5,755,381</b>	<b>\$5,961,929</b>	<b>\$5,818,277</b>	<b>\$5,801,009</b>	<b>\$5,801,009</b>
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	2,364	2,720	2,679	2,926	2,904	2,904
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	707,704	934,123	963,887	984,819	981,883	981,883
<b>3221 Pension Obligation Bond</b>						

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Agency Number: 84500

Budget Support - Detail Revenues and Expenditures

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Distilled Spirits Program

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
3400 Other Funds Ltd	301,276	353,779	359,136	454,981	454,981	454,981
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	399,354	439,711	455,512	445,092	443,770	443,770
<b>3240 Unemployment Assessments</b>						
3400 Other Funds Ltd	39,464	6,111	6,111	6,111	6,111	6,111
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	3,399	4,009	3,950	4,586	4,554	4,554
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	30,940	34,507	35,746	34,719	34,719	34,719
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	1,659,466	2,075,904	2,065,738	2,030,112	2,014,848	2,014,848
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	3,143,967	3,850,864	3,892,759	3,963,346	3,943,770	3,943,770
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$3,143,967</b>	<b>\$3,850,864</b>	<b>\$3,892,759</b>	<b>\$3,963,346</b>	<b>\$3,943,770</b>	<b>\$3,943,770</b>
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(35,708)	(35,708)	(114,557)	(114,557)	(114,557)
<b>3465 Reconciliation Adjustment</b>						
3400 Other Funds Ltd	-	247,370	247,370	-	36,844	36,844
<b>3470 Undistributed (P.S.)</b>						
3400 Other Funds Ltd	-	(109,081)	-	-	-	-
<b>3991 PERS Policy Adjustment</b>						
3400 Other Funds Ltd	-	(205,462)	(205,462)	-	-	-

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Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	(102,881)	6,200	(114,557)	(77,713)	(77,713)
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>-</b>	<b>(\$102,881)</b>	<b>\$6,200</b>	<b>(\$114,557)</b>	<b>(\$77,713)</b>	<b>(\$77,713)</b>
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	8,408,272	9,503,364	9,860,888	9,667,066	9,667,066	9,667,066
<b>TOTAL PERSONAL SERVICES</b>	<b>\$8,408,272</b>	<b>\$9,503,364</b>	<b>\$9,860,888</b>	<b>\$9,667,066</b>	<b>\$9,667,066</b>	<b>\$9,667,066</b>
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	55,092	52,935	52,935	54,524	54,524	54,524
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	-	4,867	4,867	5,012	5,012	5,012
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	2,709	3,742	3,742	3,854	3,854	3,854
<b>4175 Office Expenses</b>						
3200 Other Funds Non-Ltd	-	-	-	10,733,731	11,048,357	-
3400 Other Funds Ltd	8,475,315	10,528,274	10,528,274	165,393	165,393	11,213,750
All Funds	8,475,315	10,528,274	10,528,274	10,899,124	11,213,750	11,213,750
<b>4200 Telecommunications</b>						
3400 Other Funds Ltd	38,372	57,053	57,053	58,764	58,764	58,764
<b>4225 State Gov. Service Charges</b>						
3400 Other Funds Ltd	226,289	116,954	116,954	91,643	84,511	91,643
<b>4250 Data Processing</b>						
3400 Other Funds Ltd	202,934	152,668	77,668	169,998	169,998	169,998

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Distilled Spirits Program

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>4275 Publicity and Publications</b>						
3400 Other Funds Ltd	1,994	31,412	16,412	16,905	16,905	16,905
<b>4300 Professional Services</b>						
3400 Other Funds Ltd	3,389	33,558	13,558	64,006	14,006	14,006
<b>4315 IT Professional Services</b>						
3400 Other Funds Ltd	6,000	13,433	13,433	13,876	13,876	13,876
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	10,833	8,588	8,588	8,846	8,846	8,846
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	3,812	2,127	2,127	2,184	2,184	2,184
<b>4425 Facilities Rental and Taxes</b>						
3400 Other Funds Ltd	20,030	58,723	58,723	61,134	61,134	61,134
<b>4450 Fuels and Utilities</b>						
3400 Other Funds Ltd	193,679	214,373	214,373	218,445	218,445	218,445
<b>4475 Facilities Maintenance</b>						
3400 Other Funds Ltd	39,331	27,697	27,697	28,528	28,528	28,528
<b>4575 Agency Program Related S and S</b>						
3400 Other Funds Ltd	175,987	122,745	102,745	125,828	125,828	125,828
<b>4650 Other Services and Supplies</b>						
3400 Other Funds Ltd	53,070	8,480	8,480	8,735	8,735	8,735
<b>4675 Undistributed (S.S.)</b>						
3400 Other Funds Ltd	-	(126,756)	-	-	-	-
<b>4700 Expendable Prop 250 - 5000</b>						

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Distilled Spirits Program

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
3400 Other Funds Ltd	8,094	-	-	-	-	-
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	27,481	18,719	11,719	12,071	12,071	12,071
<b>SERVICES &amp; SUPPLIES</b>						
3200 Other Funds Non-Ltd	-	-	-	10,733,731	11,048,357	-
3400 Other Funds Ltd	9,544,411	11,329,592	11,319,348	1,109,746	1,052,614	12,108,103
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$9,544,411</b>	<b>\$11,329,592</b>	<b>\$11,319,348</b>	<b>\$11,843,477</b>	<b>\$12,100,971</b>	<b>\$12,108,103</b>
<b>CAPITAL OUTLAY</b>						
<b>5200 Technical Equipment</b>						
3400 Other Funds Ltd	30	-	-	-	-	-
<b>5350 Industrial and Heavy Equipment</b>						
3400 Other Funds Ltd	7,100	22,227	21,818	67,473	67,473	22,473
<b>5550 Data Processing Software</b>						
3400 Other Funds Ltd	-	-	-	222,200	222,200	-
<b>5600 Data Processing Hardware</b>						
3400 Other Funds Ltd	-	14,695	14,695	171,836	171,836	15,136
<b>5700 Building Structures</b>						
3400 Other Funds Ltd	84,904	-	-	4,486,100	4,486,100	-
<b>5900 Other Capital Outlay</b>						
3400 Other Funds Ltd	28,827	-	-	-	-	-
<b>5950 Undistributed (C.O.)</b>						
3400 Other Funds Ltd	-	(409)	-	-	-	-

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**Budget Support - Detail Revenues and Expenditures  
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**Cross Reference Number: 84500-001-00-00-00000**

<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Adopted Budget</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Agency Request Budget</i>	<i>2015-17 Governor's Budget</i>	<i>2015-17 Leg Adopted Budget</i>
3400 Other Funds Ltd	120,861	36,513	36,513	4,947,609	4,947,609	37,609
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$120,861</b>	<b>\$36,513</b>	<b>\$36,513</b>	<b>\$4,947,609</b>	<b>\$4,947,609</b>	<b>\$37,609</b>
<b>SPECIAL PAYMENTS</b>						
<b>6845 Spc Pmt to Or Liquor Cntrl Comm</b>						
3400 Other Funds Ltd	-	-	-	-	-	4,910,000
<b>EXPENDITURES</b>						
3200 Other Funds Non-Ltd	-	-	-	10,733,731	11,048,357	-
3400 Other Funds Ltd	18,073,544	20,869,469	21,216,749	15,724,421	15,667,289	26,722,778
<b>TOTAL EXPENDITURES</b>	<b>\$18,073,544</b>	<b>\$20,869,469</b>	<b>\$21,216,749</b>	<b>\$26,458,152</b>	<b>\$26,715,646</b>	<b>\$26,722,778</b>
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	-	1	1	-	7,132	-
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>\$1</b>	<b>\$1</b>	<b>-</b>	<b>\$7,132</b>	<b>-</b>
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	70	71	70	69	66	66
8180 Position Reconciliation	-	-	-	-	3	3
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>70</b>	<b>71</b>	<b>70</b>	<b>69</b>	<b>69</b>	<b>69</b>
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	67.00	68.00	67.50	66.50	66.00	66.00
8280 FTE Reconciliation	-	-	-	-	0.50	0.50
<b>TOTAL AUTHORIZED FTE</b>	<b>67.00</b>	<b>68.00</b>	<b>67.50</b>	<b>66.50</b>	<b>66.50</b>	<b>66.50</b>

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>REVENUE CATEGORIES</b>						
<b>LICENSES AND FEES</b>						
<b>0205 Business Lic and Fees</b>						
3400 Other Funds Ltd	-	-	-	-	142,890	-
8800 General Fund Revenue	-	-	-	-	181,860	-
All Funds	-	-	-	-	324,750	-
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
3400 Other Funds Ltd	15,566,078	17,027,683	17,495,092	18,023,472	17,911,472	17,923,472
<b>REVENUE CATEGORIES</b>						
3400 Other Funds Ltd	15,566,078	17,027,683	17,495,092	18,023,472	18,054,362	17,923,472
8800 General Fund Revenue	-	-	-	-	181,860	-
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$15,566,078</b>	<b>\$17,027,683</b>	<b>\$17,495,092</b>	<b>\$18,023,472</b>	<b>\$18,236,222</b>	<b>\$17,923,472</b>

**TRANSFERS OUT**

**2060 Transfer to General Fund**

8800 General Fund Revenue - - - - (181,860) -

**2070 Transfer to Cities**

3400 Other Funds Ltd - - - - (64,950) -

**2080 Transfer to Counties**

3400 Other Funds Ltd - - - - (32,475) -

**2107 Tsfr To Administrative Svcs**

3400 Other Funds Ltd - - - - (45,465) -

**TRANSFERS OUT**

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Public Safety Services Program

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
3400 Other Funds Ltd	-	-	-	-	(142,890)	-
8800 General Fund Revenue	-	-	-	-	(181,860)	-
<b>TOTAL TRANSFERS OUT</b>	-	-	-	-	<b>(\$324,750)</b>	-
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	15,566,078	17,027,683	17,495,092	18,023,472	17,911,472	17,923,472
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$15,566,078</b>	<b>\$17,027,683</b>	<b>\$17,495,092</b>	<b>\$18,023,472</b>	<b>\$17,911,472</b>	<b>\$17,923,472</b>
<b>EXPENDITURES</b>						
<b>PERSONAL SERVICES</b>						
<b>SALARIES &amp; WAGES</b>						
<b>3110 Class/Unclash Sal. and Per Diem</b>						
3400 Other Funds Ltd	8,448,984	9,487,608	9,726,376	9,986,496	9,986,496	9,986,496
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	121,383	34,568	34,568	35,525	35,525	35,525
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd	85,125	87,465	87,465	99,188	89,561	99,188
<b>3180 Shift Differential</b>						
3400 Other Funds Ltd	36,450	56,624	56,624	57,981	57,981	57,981
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	111,088	38,148	38,148	39,062	39,062	39,062
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	8,803,030	9,704,413	9,943,181	10,218,252	10,208,625	10,218,252
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$8,803,030</b>	<b>\$9,704,413</b>	<b>\$9,943,181</b>	<b>\$10,218,252</b>	<b>\$10,208,625</b>	<b>\$10,218,252</b>
<b>OTHER PAYROLL EXPENSES</b>						

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Public Safety Services Program

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	3,570	3,760	3,719	4,092	4,092	4,092
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	1,576,109	1,576,178	1,610,585	1,731,068	1,729,431	1,731,068
<b>3221 Pension Obligation Bond</b>						
3400 Other Funds Ltd	537,874	610,367	614,277	613,218	613,218	613,218
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	664,685	741,823	760,089	781,697	780,961	781,697
<b>3240 Unemployment Assessments</b>						
3400 Other Funds Ltd	28,127	9,257	9,257	9,257	9,257	9,257
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	4,320	5,546	5,487	6,417	6,417	6,417
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	45,958	52,480	53,913	61,244	61,244	61,244
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	2,486,723	2,869,632	2,842,600	2,839,104	2,839,104	2,839,104
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	5,347,366	5,869,043	5,899,927	6,046,097	6,043,724	6,046,097
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$5,347,366</b>	<b>\$5,869,043</b>	<b>\$5,899,927</b>	<b>\$6,046,097</b>	<b>\$6,043,724</b>	<b>\$6,046,097</b>
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(49,257)	(49,257)	(154,405)	(154,405)	(154,405)
<b>3465 Reconciliation Adjustment</b>						

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Public Safety Services Program

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
3400 Other Funds Ltd	-	493,771	493,771	-	-	-
<b>3470 Undistributed (P.S.)</b>						
3400 Other Funds Ltd	-	(180,538)	-	-	-	-
<b>3991 PERS Policy Adjustment</b>						
3400 Other Funds Ltd	-	(348,817)	(348,817)	-	-	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	(84,841)	95,697	(154,405)	(154,405)	(154,405)
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>-</b>	<b>(\$84,841)</b>	<b>\$95,697</b>	<b>(\$154,405)</b>	<b>(\$154,405)</b>	<b>(\$154,405)</b>
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	14,150,396	15,488,615	15,938,805	16,109,944	16,097,944	16,109,944
<b>TOTAL PERSONAL SERVICES</b>	<b>\$14,150,396</b>	<b>\$15,488,615</b>	<b>\$15,938,805</b>	<b>\$16,109,944</b>	<b>\$16,097,944</b>	<b>\$16,109,944</b>
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	63,595	107,351	107,351	110,571	110,571	110,571
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	16,805	10,427	10,427	10,740	10,740	10,740
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	5,786	17,810	17,810	267,244	267,244	267,244
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd	230,284	240,969	240,969	248,198	248,198	248,198
<b>4200 Telecommunications</b>						
3400 Other Funds Ltd	221,162	255,251	255,251	262,909	262,909	262,909
<b>4225 State Gov. Service Charges</b>						

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**Budget Support - Detail Revenues and Expenditures**

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**Public Safety Services Program**

<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Adopted Budget</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Agency Request Budget</i>	<i>2015-17 Governor's Budget</i>	<i>2015-17 Leg Adopted Budget</i>
3400 Other Funds Ltd	293,712	150,548	150,548	110,517	101,916	110,517
<b>4250 Data Processing</b>						
3400 Other Funds Ltd	24,068	22,673	22,673	23,353	23,353	23,353
<b>4275 Publicity and Publications</b>						
3400 Other Funds Ltd	19,279	56,255	56,255	57,943	57,943	57,943
<b>4300 Professional Services</b>						
3400 Other Funds Ltd	6,239	78,592	78,592	181,186	81,186	81,186
<b>4315 IT Professional Services</b>						
3400 Other Funds Ltd	-	65,804	65,804	67,975	67,975	67,975
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	6,415	7,564	7,564	7,791	7,791	7,791
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	4,297	2,927	2,927	3,015	3,015	3,015
<b>4425 Facilities Rental and Taxes</b>						
3400 Other Funds Ltd	406,342	436,564	436,564	455,427	455,427	455,427
<b>4450 Fuels and Utilities</b>						
3400 Other Funds Ltd	14,015	20,909	20,909	21,537	21,537	21,537
<b>4475 Facilities Maintenance</b>						
3400 Other Funds Ltd	18,154	16,756	16,756	17,258	17,258	17,258
<b>4575 Agency Program Related S and S</b>						
3400 Other Funds Ltd	64,154	37,784	37,784	38,918	38,918	38,918
<b>4650 Other Services and Supplies</b>						
3400 Other Funds Ltd	4,867	9,806	9,806	10,100	10,100	10,100

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Budget Support - Detail Revenues and Expenditures

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Public Safety Services Program

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>4675 Undistributed (S.S.)</b>						
3400 Other Funds Ltd	-	(17,219)	-	-	-	-
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	16,508	18,297	18,297	18,846	18,846	18,846
<b>SERVICES &amp; SUPPLIES</b>						
3400 Other Funds Ltd	1,415,682	1,539,068	1,556,287	1,913,528	1,804,927	1,813,528
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$1,415,682</b>	<b>\$1,539,068</b>	<b>\$1,556,287</b>	<b>\$1,913,528</b>	<b>\$1,804,927</b>	<b>\$1,813,528</b>
<b>EXPENDITURES</b>						
3400 Other Funds Ltd	15,566,078	17,027,683	17,495,092	18,023,472	17,902,871	17,923,472
<b>TOTAL EXPENDITURES</b>	<b>\$15,566,078</b>	<b>\$17,027,683</b>	<b>\$17,495,092</b>	<b>\$18,023,472</b>	<b>\$17,902,871</b>	<b>\$17,923,472</b>
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	-	-	-	-	8,601	-
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$8,601</b>	<b>-</b>
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	98	94	93	93	93	93
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>98</b>	<b>94</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>93</b>
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	96.00	92.00	91.00	91.00	91.00	91.00
<b>TOTAL AUTHORIZED FTE</b>	<b>96.00</b>	<b>92.00</b>	<b>91.00</b>	<b>91.00</b>	<b>91.00</b>	<b>91.00</b>

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Administration and Support

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>REVENUE CATEGORIES</b>						
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
3400 Other Funds Ltd	16,805,885	17,357,690	17,792,450	19,345,824	19,005,824	18,772,275
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	16,805,885	17,357,690	17,792,450	19,345,824	19,005,824	18,772,275
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$16,805,885</b>	<b>\$17,357,690</b>	<b>\$17,792,450</b>	<b>\$19,345,824</b>	<b>\$19,005,824</b>	<b>\$18,772,275</b>
<b>EXPENDITURES</b>						
<b>PERSONAL SERVICES</b>						
<b>SALARIES &amp; WAGES</b>						
<b>3110 Class/Unclass Sal. and Per Diem</b>						
3400 Other Funds Ltd	7,341,120	8,123,688	8,418,698	8,491,296	8,483,016	8,578,254
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	169,778	9,686	9,686	9,954	9,954	9,954
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd	14,295	45,498	45,498	46,588	46,588	46,588
<b>3180 Shift Differential</b>						
3400 Other Funds Ltd	172	2,895	2,895	2,965	2,965	2,964
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	97,814	27,768	11,261	11,532	11,532	11,533
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	7,623,179	8,209,535	8,488,038	8,562,335	8,554,055	8,649,293
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$7,623,179</b>	<b>\$8,209,535</b>	<b>\$8,488,038</b>	<b>\$8,562,335</b>	<b>\$8,554,055</b>	<b>\$8,649,293</b>

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Administration and Support

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	2,374	2,720	2,679	3,003	2,992	3,025
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	1,137,473	1,332,667	1,372,800	1,449,821	1,448,412	1,464,602
<b>3221 Pension Obligation Bond</b>						
3400 Other Funds Ltd	464,054	507,981	514,379	448,391	448,391	448,391
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	568,239	624,257	645,561	651,968	651,335	658,619
<b>3240 Unemployment Assessments</b>						
3400 Other Funds Ltd	1,129	13,025	13,025	13,025	13,025	13,025
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	3,171	4,012	3,953	4,709	4,692	4,743
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	46,610	56,411	58,081	51,270	51,270	51,270
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	1,812,090	2,075,904	2,048,910	2,083,536	2,075,904	2,098,800
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	4,035,140	4,616,977	4,659,388	4,705,723	4,696,021	4,742,475
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$4,035,140</b>	<b>\$4,616,977</b>	<b>\$4,659,388</b>	<b>\$4,705,723</b>	<b>\$4,696,021</b>	<b>\$4,742,475</b>
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(35,820)	(35,820)	(112,897)	(112,897)	(112,897)

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Administration and Support

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>3465 Reconciliation Adjustment</b>						
3400 Other Funds Ltd	-	386,077	386,077	-	(10,171)	(26,825)
<b>3470 Undistributed (P.S.)</b>						
3400 Other Funds Ltd	-	(146,439)	-	-	-	-
<b>3991 PERS Policy Adjustment</b>						
3400 Other Funds Ltd	-	(304,225)	(304,225)	-	-	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	(100,407)	46,032	(112,897)	(123,068)	(139,722)
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>(\$100,407)</b>	<b>\$46,032</b>	<b>(\$112,897)</b>	<b>(\$123,068)</b>	<b>(\$139,722)</b>
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	11,658,319	12,726,105	13,193,458	13,155,161	13,127,008	13,252,046
<b>TOTAL PERSONAL SERVICES</b>	<b>\$11,658,319</b>	<b>\$12,726,105</b>	<b>\$13,193,458</b>	<b>\$13,155,161</b>	<b>\$13,127,008</b>	<b>\$13,252,046</b>
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	142,685	98,278	98,278	101,228	101,228	101,228
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	3,817	27,400	27,400	28,222	28,222	28,222
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	44,365	65,709	65,709	72,828	72,828	72,828
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd	186,378	224,517	224,517	335,771	335,771	344,471
<b>4200 Telecommunications</b>						
3400 Other Funds Ltd	235,439	111,688	111,688	115,039	115,039	115,039

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**Administration and Support**

<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Adopted Budget</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Agency Request Budget</i>	<i>2015-17 Governor's Budget</i>	<i>2015-17 Leg Adopted Budget</i>
<b>4225 State Gov. Service Charges</b>						
3400 Other Funds Ltd	1,541,536	1,445,200	1,445,200	2,103,306	1,939,618	1,775,775
<b>4250 Data Processing</b>						
3400 Other Funds Ltd	493,139	426,720	426,720	439,522	439,522	439,522
<b>4275 Publicity and Publications</b>						
3400 Other Funds Ltd	18,585	10,890	10,890	11,217	11,217	11,217
<b>4300 Professional Services</b>						
3400 Other Funds Ltd	419,750	407,873	372,873	400,177	400,177	400,177
<b>4315 IT Professional Services</b>						
3400 Other Funds Ltd	42,645	157,240	157,240	462,110	400,263	400,263
<b>4325 Attorney General</b>						
3400 Other Funds Ltd	404,156	376,690	376,690	449,014	427,966	409,258
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	3,505	11,687	11,687	12,845	12,845	12,845
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	9,599	15,883	15,883	16,360	16,360	16,360
<b>4425 Facilities Rental and Taxes</b>						
3400 Other Funds Ltd	1,560	1,035	1,035	1,080	1,080	1,080
<b>4450 Fuels and Utilities</b>						
3400 Other Funds Ltd	365,658	328,369	328,369	338,220	338,220	338,220
<b>4475 Facilities Maintenance</b>						
3400 Other Funds Ltd	333,233	202,955	202,955	212,225	212,225	212,225
<b>4575 Agency Program Related S and S</b>						

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<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Adopted Budget</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Agency Request Budget</i>	<i>2015-17 Governor's Budget</i>	<i>2015-17 Leg Adopted Budget</i>
3400 Other Funds Ltd	14,770	13,408	13,408	13,810	13,810	13,810
<b>4650 Other Services and Supplies</b>						
3400 Other Funds Ltd	278,509	168,258	168,258	173,306	173,306	173,306
<b>4675 Undistributed (S.S.)</b>						
3400 Other Funds Ltd	-	(52,979)	-	-	-	-
<b>4700 Expendable Prop 250 - 5000</b>						
3400 Other Funds Ltd	1,361	-	-	-	-	-
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	151,899	464,881	414,881	430,313	430,313	430,313
<b>SERVICES &amp; SUPPLIES</b>						
3400 Other Funds Ltd	4,692,589	4,505,702	4,473,681	5,716,593	5,470,010	5,296,159
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$4,692,589</b>	<b>\$4,505,702</b>	<b>\$4,473,681</b>	<b>\$5,716,593</b>	<b>\$5,470,010</b>	<b>\$5,296,159</b>
<b>CAPITAL OUTLAY</b>						
<b>5200 Technical Equipment</b>						
3400 Other Funds Ltd	-	16,308	14,328	109,817	109,817	111,797
<b>5400 Automotive and Aircraft</b>						
3400 Other Funds Ltd	-	110,983	110,983	114,253	114,253	112,273
<b>5550 Data Processing Software</b>						
3400 Other Funds Ltd	-	-	-	100,000	-	-
<b>5600 Data Processing Hardware</b>						
3400 Other Funds Ltd	85,612	-	-	150,000	-	-
<b>5700 Building Structures</b>						
3400 Other Funds Ltd	174,590	-	-	-	-	-

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Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>5900 Other Capital Outlay</b>						
3400 Other Funds Ltd	194,775	-	-	-	-	-
<b>5950 Undistributed (C.O.)</b>						
3400 Other Funds Ltd	-	(1,408)	-	-	-	-
<b>CAPITAL OUTLAY</b>						
3400 Other Funds Ltd	454,977	125,883	125,311	474,070	224,070	224,070
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$454,977</b>	<b>\$125,883</b>	<b>\$125,311</b>	<b>\$474,070</b>	<b>\$224,070</b>	<b>\$224,070</b>
<b>EXPENDITURES</b>						
3400 Other Funds Ltd	16,805,885	17,357,690	17,792,450	19,345,824	18,821,088	18,772,275
<b>TOTAL EXPENDITURES</b>	<b>\$16,805,885</b>	<b>\$17,357,690</b>	<b>\$17,792,450</b>	<b>\$19,345,824</b>	<b>\$18,821,088</b>	<b>\$18,772,275</b>
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	-	-	-	-	184,736	-
<b>TOTAL ENDING BALANCE</b>	-	-	-	-	<b>\$184,736</b>	-
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	68	68	67	69	68	69
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>68</b>	<b>68</b>	<b>67</b>	<b>69</b>	<b>68</b>	<b>69</b>
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	68.00	68.00	67.00	68.25	68.00	68.75
8280 FTE Reconciliation	-	(0.37)	(0.37)	-	-	-
<b>TOTAL AUTHORIZED FTE</b>	<b>68.00</b>	<b>67.63</b>	<b>66.63</b>	<b>68.25</b>	<b>68.00</b>	<b>68.75</b>

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 Marijuana Regulation

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Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>REVENUE CATEGORIES</b>						
<b>TAXES</b>						
<b>0185 Privilege Taxes</b>						
3400 Other Funds Ltd	-	-	-	-	16,035,830	-
<b>LICENSES AND FEES</b>						
<b>0205 Business Lic and Fees</b>						
3400 Other Funds Ltd	-	-	-	-	424,800	5,174,200
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
3400 Other Funds Ltd	-	-	-	-	-	149,466
<b>1150 Tsfr From Revenue, Dept of</b>						
3400 Other Funds Ltd	-	-	-	-	-	3,221,908
<b>TRANSFERS IN</b>						
3400 Other Funds Ltd	-	-	-	-	-	3,371,374
<b>TOTAL TRANSFERS IN</b>	-	-	-	-	-	<b>\$3,371,374</b>
<b>REVENUE CATEGORIES</b>						
3400 Other Funds Ltd	-	-	-	-	16,460,630	8,545,574
<b>TOTAL REVENUE CATEGORIES</b>	-	-	-	-	<b>\$16,460,630</b>	<b>\$8,545,574</b>
<b>TRANSFERS OUT</b>						
<b>2070 Transfer to Cities</b>						
3400 Other Funds Ltd	-	-	-	-	(910,895)	-
<b>2080 Transfer to Counties</b>						
3400 Other Funds Ltd	-	-	-	-	(910,895)	-

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Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>2141 Tsfr To Lands, Dept of State</b>						
3400 Other Funds Ltd	-	-	-	-	(3,643,577)	-
<b>2257 Tsfr To Police, Dept of State</b>						
3400 Other Funds Ltd	-	-	-	-	(1,366,342)	-
<b>2443 Tsfr To Oregon Health Authority</b>						
3400 Other Funds Ltd	-	-	-	-	(2,277,236)	-
<b>2603 Tsfr To Agriculture, Dept of</b>						
3400 Other Funds Ltd	-	-	-	-	(212,641)	(212,641)
<b>TRANSFERS OUT</b>						
3400 Other Funds Ltd	-	-	-	-	(9,321,586)	(212,641)
<b>TOTAL TRANSFERS OUT</b>	-	-	-	-	<b>(\$9,321,586)</b>	<b>(\$212,641)</b>
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	-	-	-	-	7,139,044	8,332,933
<b>TOTAL AVAILABLE REVENUES</b>	-	-	-	-	<b>\$7,139,044</b>	<b>\$8,332,933</b>
<b>EXPENDITURES</b>						
<b>PERSONAL SERVICES</b>						
<b>SALARIES &amp; WAGES</b>						
<b>3110 Class/Unclass Sal. and Per Diem</b>						
3400 Other Funds Ltd	-	-	-	-	2,145,960	2,446,503
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	-	-	-	-	902	1,102
<b>3220 Public Employees' Retire Cont</b>						

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Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
3400 Other Funds Ltd	-	-	-	-	364,811	415,908
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	-	-	-	-	164,168	187,159
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	-	-	-	-	1,407	1,711
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	-	-	-	-	625,824	760,656
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	-	-	-	-	1,157,112	1,366,536
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	-	-	-	<b>\$1,157,112</b>	<b>\$1,366,536</b>
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3465 Reconciliation Adjustment</b>						
3400 Other Funds Ltd	-	-	-	-	221,774	14,682
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	-	-	-	-	3,524,846	3,827,721
<b>TOTAL PERSONAL SERVICES</b>	-	-	-	-	<b>\$3,524,846</b>	<b>\$3,827,721</b>
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	-	-	-	-	95,000	80,000
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	-	-	-	-	15,000	15,000
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	-	-	-	-	15,524	81,000

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**Marijuana Regulation**

<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Adopted Budget</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Agency Request Budget</i>	<i>2015-17 Governor's Budget</i>	<i>2015-17 Leg Adopted Budget</i>
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd	-	-	-	-	36,700	161,000
<b>4200 Telecommunications</b>						
3400 Other Funds Ltd	-	-	-	-	73,000	73,000
<b>4225 State Gov. Service Charges</b>						
3400 Other Funds Ltd	-	-	-	-	-	200,000
<b>4275 Publicity and Publications</b>						
3400 Other Funds Ltd	-	-	-	-	3,000	3,000
<b>4300 Professional Services</b>						
3400 Other Funds Ltd	-	-	-	-	92,202	352,202
<b>4315 IT Professional Services</b>						
3400 Other Funds Ltd	-	-	-	-	600,000	1,799,849
<b>4325 Attorney General</b>						
3400 Other Funds Ltd	-	-	-	-	-	480,000
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	-	-	-	-	10,000	92,500
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	-	-	-	-	2,000	3,000
<b>4425 Facilities Rental and Taxes</b>						
3400 Other Funds Ltd	-	-	-	-	500,000	250,000
<b>4475 Facilities Maintenance</b>						
3400 Other Funds Ltd	-	-	-	-	396,952	80,000
<b>4575 Agency Program Related S and S</b>						

Oregon Liquor Control Comm

Agency Number: 84500

Budget Support - Detail Revenues and Expenditures  
 2015-17 Biennium  
 Marijuana Regulation

Cross Reference Number: 84500-004-00-00-00000

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
3400 Other Funds Ltd	-	-	-	-	16,000	146,000
<b>4650 Other Services and Supplies</b>						
3400 Other Funds Ltd	-	-	-	-	1,425,722	608,661
<b>4700 Expendable Prop 250 - 5000</b>						
3400 Other Funds Ltd	-	-	-	-	-	80,000
<b>SERVICES &amp; SUPPLIES</b>						
3400 Other Funds Ltd	-	-	-	-	3,281,100	4,505,212
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	-	-	-	<b>\$3,281,100</b>	<b>\$4,505,212</b>
<b>EXPENDITURES</b>						
3400 Other Funds Ltd	-	-	-	-	6,805,946	8,332,933
<b>TOTAL EXPENDITURES</b>	-	-	-	-	<b>\$6,805,946</b>	<b>\$8,332,933</b>
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	-	-	-	-	333,098	-
<b>TOTAL ENDING BALANCE</b>	-	-	-	-	<b>\$333,098</b>	-
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	-	-	-	-	28	30
<b>TOTAL AUTHORIZED POSITIONS</b>	-	-	-	-	<b>28</b>	<b>30</b>
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	-	-	-	-	20.50	24.98
8280 FTE Reconciliation	-	-	-	-	-	(0.07)
<b>TOTAL AUTHORIZED FTE</b>	-	-	-	-	<b>20.50</b>	<b>24.91</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 84500-005-00-00-00000**

**2015-17 Biennium**

**Store Operating Expenses**

<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Adopted Budget</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Agency Request Budget</i>	<i>2015-17 Governor's Budget</i>	<i>2015-17 Leg Adopted Budget</i>
<b>REVENUE CATEGORIES</b>						
<b>SALES INCOME</b>						
<b>0710 Liquor Sales</b>						
3400 Other Funds Ltd	-	4,222,000	4,222,000	-	-	-
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
3400 Other Funds Ltd	86,384,020	90,936,000	90,936,000	98,959,000	101,958,335	98,959,000
<b>1845 Tsfr From Or Liquor Cntrl Comm</b>						
3400 Other Funds Ltd	-	-	-	-	-	3,611,335
<b>TRANSFERS IN</b>						
3400 Other Funds Ltd	86,384,020	90,936,000	90,936,000	98,959,000	101,958,335	102,570,335
<b>TOTAL TRANSFERS IN</b>	<b>\$86,384,020</b>	<b>\$90,936,000</b>	<b>\$90,936,000</b>	<b>\$98,959,000</b>	<b>\$101,958,335</b>	<b>\$102,570,335</b>
<b>REVENUE CATEGORIES</b>						
3400 Other Funds Ltd	86,384,020	95,158,000	95,158,000	98,959,000	101,958,335	102,570,335
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$86,384,020</b>	<b>\$95,158,000</b>	<b>\$95,158,000</b>	<b>\$98,959,000</b>	<b>\$101,958,335</b>	<b>\$102,570,335</b>
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	86,384,020	95,158,000	95,158,000	98,959,000	101,958,335	102,570,335
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$86,384,020</b>	<b>\$95,158,000</b>	<b>\$95,158,000</b>	<b>\$98,959,000</b>	<b>\$101,958,335</b>	<b>\$102,570,335</b>
<b>EXPENDITURES</b>						
<b>SERVICES &amp; SUPPLIES</b>						
<b>4300 Professional Services</b>						
3400 Other Funds Ltd	86,384,020	95,158,000	95,158,000	98,959,000	101,958,335	98,959,000
<b>SPECIAL PAYMENTS</b>						

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 84500-005-00-00-00000**

**2015-17 Biennium**

**Store Operating Expenses**

<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Adopted Budget</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Agency Request Budget</i>	<i>2015-17 Governor's Budget</i>	<i>2015-17 Leg Adopted Budget</i>
<b>6845 Spc Pmt to Or Liquor Cntrl Comm</b>						
3400 Other Funds Ltd	-	-	-	-	-	3,611,335
<b>EXPENDITURES</b>						
3400 Other Funds Ltd	86,384,020	95,158,000	95,158,000	98,959,000	101,958,335	102,570,335
<b>TOTAL EXPENDITURES</b>	<b>\$86,384,020</b>	<b>\$95,158,000</b>	<b>\$95,158,000</b>	<b>\$98,959,000</b>	<b>\$101,958,335</b>	<b>\$102,570,335</b>

Oregon Liquor Control Comm

Agency Number: 84500

Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 84500-088-00-00-00000

2015-17 Biennium

Capital Improvements

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>REVENUE CATEGORIES</b>						
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	2,850,810	4,391,810
<b>AVAILABLE REVENUES</b>						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	2,850,810	4,391,810
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$208,406</b>	<b>\$213,408</b>	<b>\$213,408</b>	<b>\$5,027,810</b>	<b>\$2,850,810</b>	<b>\$4,391,810</b>
<b>EXPENDITURES</b>						
<b>SERVICES &amp; SUPPLIES</b>						
<b>4300 Professional Services</b>						
3010 Other Funds Cap Improvement	5,797	-	-	-	-	-
<b>4475 Facilities Maintenance</b>						
3010 Other Funds Cap Improvement	162,247	-	-	-	-	-
<b>SERVICES &amp; SUPPLIES</b>						
3010 Other Funds Cap Improvement	168,044	-	-	-	-	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$168,044</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPITAL OUTLAY</b>						
<b>5650 Land and Improvements</b>						
3010 Other Funds Cap Improvement	-	5,001	5,001	5,151	5,151	5,151
<b>5700 Building Structures</b>						
3010 Other Funds Cap Improvement	40,362	208,407	208,407	5,022,659	2,845,659	4,386,659
<b>CAPITAL OUTLAY</b>						
3010 Other Funds Cap Improvement	40,362	213,408	213,408	5,027,810	2,850,810	4,391,810

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**Agency Number: 84500**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 84500-088-00-00-00000**

**2015-17 Biennium**

**Capital Improvements**

<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Adopted Budget</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Agency Request Budget</i>	<i>2015-17 Governor's Budget</i>	<i>2015-17 Leg Adopted Budget</i>
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$40,362</b>	<b>\$213,408</b>	<b>\$213,408</b>	<b>\$5,027,810</b>	<b>\$2,850,810</b>	<b>\$4,391,810</b>
<b>EXPENDITURES</b>						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	2,850,810	4,391,810
<b>TOTAL EXPENDITURES</b>	<b>\$208,406</b>	<b>\$213,408</b>	<b>\$213,408</b>	<b>\$5,027,810</b>	<b>\$2,850,810</b>	<b>\$4,391,810</b>

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
3400 Other Funds Ltd	1,500,000	1,500,000	1,500,000	1,499,999	1,499,999	1,499,999
<b>REVENUE CATEGORIES</b>						
<b>TAXES</b>						
0185 Privilege Taxes						
3400 Other Funds Ltd	25,579,680	26,303,120	26,303,120	26,543,960	26,543,960	26,543,960
8800 General Fund Revenue	7,700,682	9,980,880	9,980,880	10,078,040	10,078,040	10,078,040
All Funds	33,280,362	36,284,000	36,284,000	36,622,000	36,622,000	36,622,000
<b>LICENSES AND FEES</b>						
0205 Business Lic and Fees						
3400 Other Funds Ltd	7,474,197	3,183,880	3,183,880	3,504,480	3,504,480	3,504,480
8800 General Fund Revenue	2,250,083	6,245,120	6,245,120	6,799,520	6,799,520	6,799,520
All Funds	9,724,280	9,429,000	9,429,000	10,304,000	10,304,000	10,304,000
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3400 Other Funds Ltd	182	6,000	6,000	6,000	6,000	6,000
<b>FINES, RENTS AND ROYALTIES</b>						
0505 Fines and Forfeitures						
3400 Other Funds Ltd	643,493	1,042,000	1,042,000	1,107,000	1,107,000	1,107,000
<b>SALES INCOME</b>						
0705 Sales Income						
3400 Other Funds Ltd	1,061,553	650,000	650,000	700,000	700,000	700,000

Oregon Liquor Control Comm

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Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 84500-990-00-00-00000

2015-17 Biennium

Agency-Wide Consolidation

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>0710 Liquor Sales</b>						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	5,027,810	4,391,810
3400 Other Funds Ltd	759,008,388	799,630,824	800,880,273	892,600,744	892,600,744	906,333,582
8800 General Fund Revenue	215,613,392	224,203,768	224,203,768	216,769,926	216,769,926	241,841,198
All Funds	974,830,186	1,024,048,000	1,025,297,449	1,114,398,480	1,114,398,480	1,152,566,590
<b>SALES INCOME</b>						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	5,027,810	4,391,810
3400 Other Funds Ltd	760,069,941	800,280,824	801,530,273	893,300,744	893,300,744	907,033,582
8800 General Fund Revenue	215,613,392	224,203,768	224,203,768	216,769,926	216,769,926	241,841,198
<b>TOTAL SALES INCOME</b>	<b>\$975,891,739</b>	<b>\$1,024,698,000</b>	<b>\$1,025,947,449</b>	<b>\$1,115,098,480</b>	<b>\$1,115,098,480</b>	<b>\$1,153,266,590</b>
<b>COST OF GOODS SOLD</b>						
<b>0755 Liquor Cost of Goods Sold</b>						
3400 Other Funds Ltd	(474,005,720)	(488,974,741)	(488,974,741)	(545,214,268)	(545,214,268)	(570,804,897)
<b>0760 Cost of Goods Sold</b>						
3400 Other Funds Ltd	(11,789,934)	(13,788,990)	(13,788,990)	(14,280,800)	(13,645,839)	(14,264,646)
<b>COST OF GOODS SOLD</b>						
3400 Other Funds Ltd	(485,795,654)	(502,763,731)	(502,763,731)	(559,495,068)	(558,860,107)	(585,069,543)
<b>TOTAL COST OF GOODS SOLD</b>	<b>(\$485,795,654)</b>	<b>(\$502,763,731)</b>	<b>(\$502,763,731)</b>	<b>(\$559,495,068)</b>	<b>(\$558,860,107)</b>	<b>(\$585,069,543)</b>
<b>OTHER</b>						
<b>0975 Other Revenues</b>						
3400 Other Funds Ltd	9,775	25,000	25,000	25,000	25,000	25,000
<b>TRANSFERS IN</b>						
<b>1150 Tsfr From Revenue, Dept of</b>						

Oregon Liquor Control Comm

Agency Number: 84500

Budget Support - Detail Revenues and Expenditures

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2015-17 Biennium

Agency-Wide Consolidation

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
3400 Other Funds Ltd	-	-	-	-	-	854,405
<b>REVENUE CATEGORIES</b>						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	5,027,810	4,391,810
3400 Other Funds Ltd	307,981,614	328,077,093	329,326,542	364,992,116	365,627,077	354,004,884
8800 General Fund Revenue	225,564,157	240,429,768	240,429,768	233,647,486	233,647,486	258,718,758
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$533,754,177</b>	<b>\$568,720,269</b>	<b>\$569,969,718</b>	<b>\$603,667,412</b>	<b>\$604,302,373</b>	<b>\$617,115,452</b>
<b>TRANSFERS OUT</b>						
<b>2010 Transfer Out - Intrafund</b>						
3010 Other Funds Cap Improvement	(208,406)	(213,408)	(213,408)	(5,027,810)	(5,027,810)	(4,391,810)
3400 Other Funds Ltd	(136,829,527)	(146,190,843)	(147,440,292)	(162,786,448)	(163,421,409)	(157,616,991)
All Funds	(137,037,933)	(146,404,251)	(147,653,700)	(167,814,258)	(168,449,219)	(162,008,801)
<b>2050 Transfer to Other</b>						
3400 Other Funds Ltd	(564,984)	(638,000)	(638,000)	(629,000)	(629,000)	(629,000)
<b>2060 Transfer to General Fund</b>						
8800 General Fund Revenue	(225,564,157)	(240,429,768)	(240,429,768)	(233,647,486)	(233,647,486)	(258,718,758)
<b>2070 Transfer to Cities</b>						
3400 Other Funds Ltd	(70,107,375)	(74,284,204)	(74,284,204)	(83,445,531)	(83,445,531)	(82,950,489)
<b>2080 Transfer to Counties</b>						
3400 Other Funds Ltd	(35,053,688)	(37,142,104)	(37,142,104)	(41,722,765)	(41,722,765)	(58,065,341)
<b>2107 Tsfr To Administrative Svcs</b>						
3400 Other Funds Ltd	(49,075,163)	(51,998,943)	(51,998,943)	(58,411,871)	(58,411,871)	(36,746,562)
<b>2443 Tsfr To Oregon Health Authority</b>						
3400 Other Funds Ltd	(16,350,877)	(17,823,000)	(17,823,000)	(17,996,500)	(17,996,500)	(17,996,500)

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Budget Support - Detail Revenues and Expenditures

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2015-17 Biennium

Agency-Wide Consolidation

Description	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
<b>TRANSFERS OUT</b>						
3010 Other Funds Cap Improvement	(208,406)	(213,408)	(213,408)	(5,027,810)	(5,027,810)	(4,391,810)
3400 Other Funds Ltd	(307,981,614)	(328,077,094)	(329,326,543)	(364,992,115)	(365,627,076)	(354,004,883)
8800 General Fund Revenue	(225,564,157)	(240,429,768)	(240,429,768)	(233,647,486)	(233,647,486)	(258,718,758)
<b>TOTAL TRANSFERS OUT</b>	<b>(\$533,754,177)</b>	<b>(\$568,720,270)</b>	<b>(\$569,969,719)</b>	<b>(\$603,667,411)</b>	<b>(\$604,302,372)</b>	<b>(\$617,115,451)</b>
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	1,500,000	1,499,999	1,499,999	1,500,000	1,500,000	1,500,000
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$1,500,000</b>	<b>\$1,499,999</b>	<b>\$1,499,999</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	1,500,000	1,499,999	1,499,999	1,500,000	1,500,000	1,500,000
<b>TOTAL ENDING BALANCE</b>	<b>\$1,500,000</b>	<b>\$1,499,999</b>	<b>\$1,499,999</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>SALES INCOME</b>				
<b>0710 Liquor Sales</b>				
3400 Other Funds Ltd	14,861,572	14,861,572	0	-
8800 General Fund Revenue	18,914,728	18,914,728	0	-
All Funds	33,776,300	33,776,300	0	-
<b>TRANSFERS IN</b>				
<b>1010 Transfer In - Intrafund</b>				
3400 Other Funds Ltd	21,000,099	21,000,099	0	-
<b>TOTAL REVENUES</b>				
3400 Other Funds Ltd	35,861,671	35,861,671	0	-
8800 General Fund Revenue	18,914,728	18,914,728	0	-
<b>TOTAL REVENUES</b>	<b>\$54,776,399</b>	<b>\$54,776,399</b>	<b>0</b>	<b>-</b>
<b>TRANSFERS OUT</b>				
<b>2060 Transfer to General Fund</b>				
8800 General Fund Revenue	(18,914,728)	(18,914,728)	0	-
<b>2070 Transfer to Cities</b>				
3400 Other Funds Ltd	(6,755,260)	(6,755,260)	0	-
<b>2080 Transfer to Counties</b>				
3400 Other Funds Ltd	(3,377,630)	(3,377,630)	0	-
<b>2107 Tsfr To Administrative Svcs</b>				
3400 Other Funds Ltd	(4,728,682)	(4,728,682)	0	-
<b>TOTAL TRANSFERS OUT</b>				
3400 Other Funds Ltd	(14,861,572)	(14,861,572)	0	-

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Agency Number: 84500

Version / Column Comparison Report - Detail

Cross Reference Number:84500-001-00-00-00000

2015-17 Biennium

Distilled Spirits Program

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
8800 General Fund Revenue	(18,914,728)	(18,914,728)	0	-
<b>TOTAL TRANSFERS OUT</b>	<b>(\$33,776,300)</b>	<b>(\$33,776,300)</b>	<b>0</b>	<b>-</b>
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	21,000,099	21,000,099	0	-
<b>EXPENDITURES</b>				
<b>PERSONAL SERVICES</b>				
<b>SALARIES &amp; WAGES</b>				
<b>3110 Class/Unclass Sal. and Per Diem</b>				
3400 Other Funds Ltd	5,565,624	5,565,624	0	-
<b>3160 Temporary Appointments</b>				
3400 Other Funds Ltd	24,561	24,561	0	-
<b>3170 Overtime Payments</b>				
3400 Other Funds Ltd	194,858	194,858	0	-
<b>3180 Shift Differential</b>				
3400 Other Funds Ltd	2,255	2,255	0	-
<b>3190 All Other Differential</b>				
3400 Other Funds Ltd	8,115	8,115	0	-
<b>TOTAL SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	5,795,413	5,795,413	0	-
<b>OTHER PAYROLL EXPENSES</b>				
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	2,904	2,904	0	-
<b>3220 Public Employees' Retire Cont</b>				
3400 Other Funds Ltd	981,048	981,048	0	-

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Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3221 Pension Obligation Bond</b>				
3400 Other Funds Ltd	359,136	359,136	0	-
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	443,342	443,342	0	-
<b>3240 Unemployment Assessments</b>				
3400 Other Funds Ltd	6,111	6,111	0	-
<b>3250 Worker's Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	4,554	4,554	0	-
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	35,746	35,746	0	-
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	2,014,848	2,014,848	0	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	3,847,689	3,847,689	0	-
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(35,708)	(35,708)	0	-
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	36,844	36,844	0	-
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	1,136	1,136	0	-
<b>TOTAL PERSONAL SERVICES</b>				
3400 Other Funds Ltd	9,644,238	9,644,238	0	-
<b>SERVICES &amp; SUPPLIES</b>				

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	52,935	52,935	0	-
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	4,867	4,867	0	-
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	3,742	3,742	0	-
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	10,528,274	10,528,274	0	-
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	57,053	57,053	0	-
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	116,954	116,954	0	-
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	77,668	77,668	0	-
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	16,412	16,412	0	-
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	13,558	13,558	0	-
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	13,433	13,433	0	-
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	8,588	8,588	0	-
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	2,127	2,127	0	-

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	58,723	58,723	0	-
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	214,373	214,373	0	-
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	27,697	27,697	0	-
<b>4575 Agency Program Related S and S</b>				
3400 Other Funds Ltd	102,745	102,745	0	-
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	8,480	8,480	0	-
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	11,719	11,719	0	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	11,319,348	11,319,348	0	-
<b>CAPITAL OUTLAY</b>				
<b>5350 Industrial and Heavy Equipment</b>				
3400 Other Funds Ltd	21,818	21,818	0	-
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	14,695	14,695	0	-
<b>TOTAL CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	36,513	36,513	0	-
<b>TOTAL EXPENDITURES</b>				
3400 Other Funds Ltd	21,000,099	21,000,099	0	-
<b>AUTHORIZED POSITIONS</b>				

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
8150 Class/Unclass Positions	66	66	0	-
8180 Position Reconciliation	3	3	0	-
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>69</b>	<b>69</b>	<b>0</b>	<b>-</b>
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	66.00	66.00	0	-
8280 FTE Reconciliation	0.50	0.50	0	-
<b>TOTAL AUTHORIZED FTE</b>	<b>66.50</b>	<b>66.50</b>	<b>0</b>	<b>-</b>

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
<b>1010 Transfer In - Intrafund</b>				
3400 Other Funds Ltd	17,746,634	17,746,634	0	-
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	17,746,634	17,746,634	0	-
<b>EXPENDITURES</b>				
<b>PERSONAL SERVICES</b>				
<b>SALARIES &amp; WAGES</b>				
<b>3110 Class/Unclass Sal. and Per Diem</b>				
3400 Other Funds Ltd	9,986,496	9,986,496	0	-
<b>3160 Temporary Appointments</b>				
3400 Other Funds Ltd	34,568	34,568	0	-
<b>3170 Overtime Payments</b>				
3400 Other Funds Ltd	87,465	87,465	0	-
<b>3180 Shift Differential</b>				
3400 Other Funds Ltd	56,624	56,624	0	-
<b>3190 All Other Differential</b>				
3400 Other Funds Ltd	38,148	38,148	0	-
<b>TOTAL SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	10,203,301	10,203,301	0	-
<b>OTHER PAYROLL EXPENSES</b>				
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	4,092	4,092	0	-

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3220 Public Employees' Retire Cont</b>				
3400 Other Funds Ltd	1,728,688	1,728,688	0	-
<b>3221 Pension Obligation Bond</b>				
3400 Other Funds Ltd	614,277	614,277	0	-
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	780,555	780,555	0	-
<b>3240 Unemployment Assessments</b>				
3400 Other Funds Ltd	9,257	9,257	0	-
<b>3250 Worker's Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	6,417	6,417	0	-
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	53,913	53,913	0	-
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	2,839,104	2,839,104	0	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	6,036,303	6,036,303	0	-
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(49,257)	(49,257)	0	-
<b>TOTAL PERSONAL SERVICES</b>				
3400 Other Funds Ltd	16,190,347	16,190,347	0	-
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	107,351	107,351	0	-

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	10,427	10,427	0	-
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	17,810	17,810	0	-
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	240,969	240,969	0	-
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	255,251	255,251	0	-
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	150,548	150,548	0	-
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	22,673	22,673	0	-
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	56,255	56,255	0	-
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	78,592	78,592	0	-
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	65,804	65,804	0	-
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	7,564	7,564	0	-
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	2,927	2,927	0	-
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	436,564	436,564	0	-

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	20,909	20,909	0	-
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	16,756	16,756	0	-
<b>4575 Agency Program Related S and S</b>				
3400 Other Funds Ltd	37,784	37,784	0	-
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	9,806	9,806	0	-
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	18,297	18,297	0	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	1,556,287	1,556,287	0	-
<b>TOTAL EXPENDITURES</b>				
3400 Other Funds Ltd	17,746,634	17,746,634	0	-
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	93	93	0	-
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	91.00	91.00	0	-

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
<b>1010 Transfer In - Intrafund</b>				
3400 Other Funds Ltd	17,873,805	17,873,805	0	-
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	17,873,805	17,873,805	0	-
<b>EXPENDITURES</b>				
<b>PERSONAL SERVICES</b>				
<b>SALARIES &amp; WAGES</b>				
<b>3110 Class/Unclass Sal. and Per Diem</b>				
3400 Other Funds Ltd	8,483,016	8,495,976	12,960	0.15%
<b>3160 Temporary Appointments</b>				
3400 Other Funds Ltd	9,686	9,686	0	-
<b>3170 Overtime Payments</b>				
3400 Other Funds Ltd	45,498	45,498	0	-
<b>3180 Shift Differential</b>				
3400 Other Funds Ltd	2,895	2,894	(1)	-0.03%
<b>3190 All Other Differential</b>				
3400 Other Funds Ltd	11,261	11,262	1	0.01%
<b>TOTAL SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	8,552,356	8,565,316	12,960	0.15%
<b>OTHER PAYROLL EXPENSES</b>				
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	2,992	2,992	0	-

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3220 Public Employees' Retire Cont</b>				
3400 Other Funds Ltd	1,448,169	1,450,372	2,203	0.15%
<b>3221 Pension Obligation Bond</b>				
3400 Other Funds Ltd	514,379	514,379	0	-
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	651,206	652,196	990	0.15%
<b>3240 Unemployment Assessments</b>				
3400 Other Funds Ltd	13,025	13,025	0	-
<b>3250 Worker's Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	4,692	4,692	0	-
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	58,081	58,081	0	-
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	2,075,904	2,075,904	0	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	4,768,448	4,771,641	3,193	0.07%
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(35,820)	(35,820)	0	-
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	(10,171)	(26,324)	(16,153)	-158.81%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	(45,991)	(62,144)	(16,153)	-35.12%
<b>TOTAL PERSONAL SERVICES</b>				

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	13,274,813	13,274,813	0	-
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	98,278	98,278	0	-
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	27,400	27,400	0	-
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	70,708	70,708	0	-
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	320,166	320,166	0	-
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	111,688	111,688	0	-
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	1,343,768	1,343,768	0	-
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	426,720	426,720	0	-
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	10,890	10,890	0	-
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	372,873	372,873	0	-
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	157,240	157,240	0	-
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	376,690	376,690	0	-

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	12,471	12,471	0	-
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	15,883	15,883	0	-
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	1,035	1,035	0	-
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	328,369	328,369	0	-
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	202,955	202,955	0	-
<b>4575 Agency Program Related S and S</b>				
3400 Other Funds Ltd	13,408	13,408	0	-
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	168,258	168,258	0	-
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	414,881	414,881	0	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	4,473,681	4,473,681	0	-
<b>CAPITAL OUTLAY</b>				
<b>5200 Technical Equipment</b>				
3400 Other Funds Ltd	14,328	16,308	1,980	13.82%
<b>5400 Automotive and Aircraft</b>				
3400 Other Funds Ltd	110,983	109,003	(1,980)	-1.78%
<b>TOTAL CAPITAL OUTLAY</b>				

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	125,311	125,311	0	-
<b>TOTAL EXPENDITURES</b>				
3400 Other Funds Ltd	17,873,805	17,873,805	0	-
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	68	68	0	-
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	68.00	68.00	0	-

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

REVENUE CATEGORIES

TRANSFERS IN

1010 Transfer In - Intrafund

3400 Other Funds Ltd

95,158,000

95,158,000

0

-

AVAILABLE REVENUES

3400 Other Funds Ltd

95,158,000

95,158,000

0

-

EXPENDITURES

SERVICES & SUPPLIES

4300 Professional Services

3400 Other Funds Ltd

95,158,000

95,158,000

0

-

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
<b>1010 Transfer In - Intrafund</b>				
3010 Other Funds Cap Improvement	213,408	213,408	0	-
<b>AVAILABLE REVENUES</b>				
3010 Other Funds Cap Improvement	213,408	213,408	0	-
<b>EXPENDITURES</b>				
<b>CAPITAL OUTLAY</b>				
<b>5650 Land and Improvements</b>				
3010 Other Funds Cap Improvement	5,001	5,001	0	-
<b>5700 Building Structures</b>				
3010 Other Funds Cap Improvement	208,407	208,407	0	-
<b>TOTAL CAPITAL OUTLAY</b>				
3010 Other Funds Cap Improvement	213,408	213,408	0	-

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>BEGINNING BALANCE</b>				
0025 Beginning Balance				
3400 Other Funds Ltd	1,499,999	1,499,999	0	-
<b>REVENUE CATEGORIES</b>				
<b>TAXES</b>				
0185 Privilege Taxes				
3400 Other Funds Ltd	26,543,960	26,543,960	0	-
8800 General Fund Revenue	10,078,040	10,078,040	0	-
All Funds	36,622,000	36,622,000	0	-
<b>LICENSES AND FEES</b>				
0205 Business Lic and Fees				
3400 Other Funds Ltd	3,504,480	3,504,480	0	-
8800 General Fund Revenue	6,799,520	6,799,520	0	-
All Funds	10,304,000	10,304,000	0	-
<b>CHARGES FOR SERVICES</b>				
0410 Charges for Services				
3400 Other Funds Ltd	6,000	6,000	0	-
<b>FINES, RENTS AND ROYALTIES</b>				
0505 Fines and Forfeitures				
3400 Other Funds Ltd	1,107,000	1,107,000	0	-
<b>SALES INCOME</b>				
0705 Sales Income				
3400 Other Funds Ltd	700,000	700,000	0	-
0710 Liquor Sales				

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3010 Other Funds Cap Improvement	5,027,810	4,391,810	(636,000)	-12.65%
3400 Other Funds Ltd	892,600,744	906,333,582	13,732,838	1.54%
8800 General Fund Revenue	216,769,926	241,841,198	25,071,272	11.57%
All Funds	1,114,398,480	1,152,566,590	38,168,110	3.42%
<b>TOTAL SALES INCOME</b>				
3010 Other Funds Cap Improvement	5,027,810	4,391,810	(636,000)	-12.65%
3400 Other Funds Ltd	893,300,744	907,033,582	13,732,838	1.54%
8800 General Fund Revenue	216,769,926	241,841,198	25,071,272	11.57%
<b>TOTAL SALES INCOME</b>	<b>\$1,115,098,480</b>	<b>\$1,153,266,590</b>	<b>\$38,168,110</b>	<b>3.42%</b>
<b>COST OF GOODS SOLD</b>				
<b>0755 Liquor Cost of Goods Sold</b>				
3400 Other Funds Ltd	(545,214,268)	(570,804,897)	(25,590,629)	-4.69%
<b>0760 Cost of Goods Sold</b>				
3400 Other Funds Ltd	(14,280,800)	(14,264,646)	16,154	0.11%
<b>TOTAL COST OF GOODS SOLD</b>				
3400 Other Funds Ltd	(559,495,068)	(585,069,543)	(25,574,475)	-4.57%
<b>OTHER</b>				
<b>0975 Other Revenues</b>				
3400 Other Funds Ltd	25,000	25,000	0	-
<b>TRANSFERS IN</b>				
<b>1150 Tsfr From Revenue, Dept of</b>				
3400 Other Funds Ltd	-	854,405	854,405	100.00%
<b>TOTAL REVENUES</b>				
3010 Other Funds Cap Improvement	5,027,810	4,391,810	(636,000)	-12.65%

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	364,992,116	354,004,884	(10,987,232)	-3.01%
8800 General Fund Revenue	233,647,486	258,718,758	25,071,272	10.73%
<b>TOTAL REVENUES</b>	<b>\$603,667,412</b>	<b>\$617,115,452</b>	<b>\$13,448,040</b>	<b>2.23%</b>
<b>TRANSFERS OUT</b>				
<b>2010 Transfer Out - Intrafund</b>				
3010 Other Funds Cap Improvement	(5,027,810)	(4,391,810)	636,000	12.65%
3400 Other Funds Ltd	(162,786,448)	(157,616,991)	5,169,457	3.18%
All Funds	(167,814,258)	(162,008,801)	5,805,457	3.46%
<b>2050 Transfer to Other</b>				
3400 Other Funds Ltd	(629,000)	(629,000)	0	-
<b>2060 Transfer to General Fund</b>				
8800 General Fund Revenue	(233,647,486)	(258,718,758)	(25,071,272)	-10.73%
<b>2070 Transfer to Cities</b>				
3400 Other Funds Ltd	(83,445,531)	(82,950,489)	495,042	0.59%
<b>2080 Transfer to Counties</b>				
3400 Other Funds Ltd	(41,722,765)	(58,065,341)	(16,342,576)	-39.17%
<b>2107 Tsfr To Administrative Svcs</b>				
3400 Other Funds Ltd	(58,411,871)	(36,746,562)	21,665,309	37.09%
<b>2443 Tsfr To Oregon Health Authority</b>				
3400 Other Funds Ltd	(17,996,500)	(17,996,500)	0	-
<b>TOTAL TRANSFERS OUT</b>				
3010 Other Funds Cap Improvement	(5,027,810)	(4,391,810)	636,000	12.65%
3400 Other Funds Ltd	(364,992,115)	(354,004,883)	10,987,232	3.01%
8800 General Fund Revenue	(233,647,486)	(258,718,758)	(25,071,272)	-10.73%

Description	Governor's Budget (Y-01) 2015-17 Base Budget	Leg. Adopted Budget (Z-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL TRANSFERS OUT</b>	<b>(\$603,667,411)</b>	<b>(\$617,115,451)</b>	<b>(\$13,448,040)</b>	<b>-2.23%</b>
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	1,500,000	1,500,000	0	-
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	1,500,000	1,500,000	0	-

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Non-PICS Psnl Svc / Vacancy Factor  
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	(217,380)	(217,380)	0	0.00%
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**TRANSFERS IN**

3400 Other Funds Ltd	(217,380)	(217,380)	0	0.00%
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<b>TOTAL TRANSFERS IN</b>	<b>(\$217,380)</b>	<b>(\$217,380)</b>	<b>\$0</b>	<b>0.00%</b>
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	(217,380)	(217,380)	0	0.00%
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<b>TOTAL REVENUE CATEGORIES</b>	<b>(\$217,380)</b>	<b>(\$217,380)</b>	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	(217,380)	(217,380)	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>(\$217,380)</b>	<b>(\$217,380)</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3160 Temporary Appointments**

3400 Other Funds Ltd	1,906	1,906	0	0.00%
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**3170 Overtime Payments**

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ANA101A - Package Comparison Report - Detail  
 ANA101A

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Non-PICS Psnl Svc / Vacancy Factor  
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	7,854	7,854	0	0.00%
<b>3180 Shift Differential</b>				
3400 Other Funds Ltd	1,480	1,480	0	0.00%
<b>3190 All Other Differential</b>				
3400 Other Funds Ltd	1,379	1,379	0	0.00%
<b>SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	12,619	12,619	0	0.00%
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$12,619</b>	<b>\$12,619</b>	<b>\$0</b>	<b>0.00%</b>
<b>OTHER PAYROLL EXPENSES</b>				
<b>3220 Public Employees Retire Cont</b>				
3400 Other Funds Ltd	1,821	1,821	0	0.00%
<b>3221 Pension Obligation Bond</b>				
3400 Other Funds Ltd	28,798	28,798	0	0.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	963	963	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	(507)	(507)	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	31,075	31,075	0	0.00%

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Non-PICS Psnl Svc / Vacancy Factor  
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$31,075</b>	<b>\$31,075</b>	<b>\$0</b>	<b>0.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(261,074)	(261,074)	0	0.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	(261,074)	(261,074)	0	0.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>(\$261,074)</b>	<b>(\$261,074)</b>	<b>\$0</b>	<b>0.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	(217,380)	(217,380)	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>(\$217,380)</b>	<b>(\$217,380)</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	(217,380)	(217,380)	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>(\$217,380)</b>	<b>(\$217,380)</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3010 Other Funds Cap Improvement	6,402	6,402	0	0.00%
3400 Other Funds Ltd	4,084,595	4,084,595	0	0.00%
All Funds	4,090,997	4,090,997	0	0.00%

**TRANSFERS IN**

3010 Other Funds Cap Improvement	6,402	6,402	0	0.00%
3400 Other Funds Ltd	4,084,595	4,084,595	0	0.00%

<b>TOTAL TRANSFERS IN</b>	<b>\$4,090,997</b>	<b>\$4,090,997</b>	<b>\$0</b>	<b>0.00%</b>
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**REVENUE CATEGORIES**

3010 Other Funds Cap Improvement	6,402	6,402	0	0.00%
3400 Other Funds Ltd	4,084,595	4,084,595	0	0.00%

<b>TOTAL REVENUE CATEGORIES</b>	<b>\$4,090,997</b>	<b>\$4,090,997</b>	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3010 Other Funds Cap Improvement	6,402	6,402	0	0.00%
3400 Other Funds Ltd	4,084,595	4,084,595	0	0.00%

<b>TOTAL AVAILABLE REVENUES</b>	<b>\$4,090,997</b>	<b>\$4,090,997</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000

Package: Standard Inflation

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**SERVICES & SUPPLIES**

**4100 Instate Travel**

3400 Other Funds Ltd 7,759 7,759 0 0.00%

**4125 Out of State Travel**

3400 Other Funds Ltd 1,280 1,280 0 0.00%

**4150 Employee Training**

3400 Other Funds Ltd 2,766 2,766 0 0.00%

**4175 Office Expenses**

3400 Other Funds Ltd 332,684 332,684 0 0.00%

**4200 Telecommunications**

3400 Other Funds Ltd 12,720 12,720 0 0.00%

**4225 State Gov. Service Charges**

3400 Other Funds Ltd 514,775 694,196 179,421 34.85%

**4250 Data Processing**

3400 Other Funds Ltd 15,812 15,812 0 0.00%

**4275 Publicity and Publications**

3400 Other Funds Ltd 2,508 2,508 0 0.00%

**4300 Professional Services**

3400 Other Funds Ltd 2,868,690 2,868,690 0 0.00%

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail

Cross Reference Number: 84500-000-00-00-00000

2015-17 Biennium

Package: Standard Inflation

Oregon Liquor Control Comm

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	7,095	7,095	0	0.00%
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	51,276	72,324	21,048	41.05%
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	859	859	0	0.00%
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	622	622	0	0.00%
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	14,888	14,888	0	0.00%
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	14,551	14,551	0	0.00%
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	7,422	7,422	0	0.00%
<b>4575 Agency Program Related S and S</b>				
3400 Other Funds Ltd	4,619	4,619	0	0.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	5,597	5,597	0	0.00%
<b>4715 IT Expendable Property</b>				

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail

Cross Reference Number: 84500-000-00-00-00000

2015-17 Biennium

Package: Standard Inflation

Oregon Liquor Control Comm

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	13,348	13,348	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	3,879,271	4,079,740	200,469	5.17%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$3,879,271</b>	<b>\$4,079,740</b>	<b>\$200,469</b>	<b>5.17%</b>
<b>CAPITAL OUTLAY</b>				
<b>5200 Technical Equipment</b>				
3400 Other Funds Ltd	489	489	0	0.00%
<b>5350 Industrial and Heavy Equipment</b>				
3400 Other Funds Ltd	655	655	0	0.00%
<b>5400 Automotive and Aircraft</b>				
3400 Other Funds Ltd	3,270	3,270	0	0.00%
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	441	441	0	0.00%
<b>5650 Land and Improvements</b>				
3010 Other Funds Cap Improvement	150	150	0	0.00%
<b>5700 Building Structures</b>				
3010 Other Funds Cap Improvement	6,252	6,252	0	0.00%
<b>CAPITAL OUTLAY</b>				
3010 Other Funds Cap Improvement	6,402	6,402	0	0.00%

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail

Cross Reference Number: 84500-000-00-00-00000

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Package: Standard Inflation

Oregon Liquor Control Comm

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	4,855	4,855	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$11,257</b>	<b>\$11,257</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3010 Other Funds Cap Improvement	6,402	6,402	0	0.00%
3400 Other Funds Ltd	3,884,126	4,084,595	200,469	5.16%
<b>TOTAL EXPENDITURES</b>	<b>\$3,890,528</b>	<b>\$4,090,997</b>	<b>\$200,469</b>	<b>5.15%</b>
<b>ENDING BALANCE</b>				
3010 Other Funds Cap Improvement	-	-	0	0.00%
3400 Other Funds Ltd	200,469	-	(200,469)	(100.00%)
<b>TOTAL ENDING BALANCE</b>	<b>\$200,469</b>	<b>-</b>	<b>(\$200,469)</b>	<b>(100.00%)</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Above Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	954,795	954,795	0	0.00%
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**TRANSFERS IN**

3400 Other Funds Ltd	954,795	954,795	0	0.00%
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<b>TOTAL TRANSFERS IN</b>	<b>\$954,795</b>	<b>\$954,795</b>	<b>\$0</b>	<b>0.00%</b>
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	954,795	954,795	0	0.00%
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<b>TOTAL REVENUE CATEGORIES</b>	<b>\$954,795</b>	<b>\$954,795</b>	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	954,795	954,795	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$954,795</b>	<b>\$954,795</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4300 Professional Services**

3400 Other Funds Ltd	947,656	947,656	0	0.00%
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**4315 IT Professional Services**

3400 Other Funds Ltd	708	708	0	0.00%
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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Above Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	6,431	6,431	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	954,795	954,795	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$954,795</b>	<b>\$954,795</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	954,795	954,795	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$954,795</b>	<b>\$954,795</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Analyst Adjustments  
 Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**LICENSES AND FEES**

**0205 Business Lic and Fees**

3400 Other Funds Ltd	142,890	-	(142,890)	(100.00%)
8800 General Fund Revenue	181,860	-	(181,860)	(100.00%)
All Funds	324,750	-	(324,750)	(100.00%)

**SALES INCOME**

**0710 Liquor Sales**

3400 Other Funds Ltd	(14,861,572)	-	14,861,572	100.00%
8800 General Fund Revenue	14,861,572	-	(14,861,572)	(100.00%)
All Funds	-	-	0	0.00%

**COST OF GOODS SOLD**

**0760 Cost of Goods Sold**

3400 Other Funds Ltd	634,961	-	(634,961)	(100.00%)
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**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3200 Other Funds Non-Ltd	314,626	-	(314,626)	(100.00%)
3400 Other Funds Ltd	2,999,335	-	(2,999,335)	(100.00%)
All Funds	3,313,961	-	(3,313,961)	(100.00%)

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail

Cross Reference Number: 84500-000-00-00-00000

2015-17 Biennium

Package: Analyst Adjustments

Oregon Liquor Control Comm

Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TRANSFERS IN</b>				
3200 Other Funds Non-Ltd	314,626	-	(314,626)	(100.00%)
3400 Other Funds Ltd	2,999,335	-	(2,999,335)	(100.00%)
<b>TOTAL TRANSFERS IN</b>	<b>\$3,313,961</b>	<b>-</b>	<b>(\$3,313,961)</b>	<b>(100.00%)</b>
<b>REVENUE CATEGORIES</b>				
3200 Other Funds Non-Ltd	314,626	-	(314,626)	(100.00%)
3400 Other Funds Ltd	(11,084,386)	-	11,084,386	100.00%
8800 General Fund Revenue	15,043,432	-	(15,043,432)	(100.00%)
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$4,273,672</b>	<b>-</b>	<b>(\$4,273,672)</b>	<b>(100.00%)</b>
<b>2000</b>				
<b>2010 Transfer Out - Intrafund</b>				
3400 Other Funds Ltd	(634,961)	-	634,961	100.00%
<b>2060 Transfer to General Fund</b>				
8800 General Fund Revenue	(15,043,432)	-	15,043,432	100.00%
<b>2070 Transfer to Cities</b>				
3400 Other Funds Ltd	6,690,310	-	(6,690,310)	(100.00%)
<b>2080 Transfer to Counties</b>				
3400 Other Funds Ltd	3,345,155	-	(3,345,155)	(100.00%)
<b>2107 Tsfr To Administrative Svcs</b>				

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ANA101A - Package Comparison Report - Detail

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
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 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Analyst Adjustments  
 Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	4,683,217	-	(4,683,217)	(100.00%)
<b>2000</b>				
3400 Other Funds Ltd	14,083,721	-	(14,083,721)	(100.00%)
8800 General Fund Revenue	(15,043,432)	-	15,043,432	100.00%
<b>TOTAL 2000</b>	<b>(\$959,711)</b>	<b>-</b>	<b>\$959,711</b>	<b>100.00%</b>
<b>AVAILABLE REVENUES</b>				
3200 Other Funds Non-Ltd	314,626	-	(314,626)	(100.00%)
3400 Other Funds Ltd	2,999,335	-	(2,999,335)	(100.00%)
8800 General Fund Revenue	-	-	0	0.00%
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$3,313,961</b>	<b>-</b>	<b>(\$3,313,961)</b>	<b>(100.00%)</b>
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
<b>4175 Office Expenses</b>				
3200 Other Funds Non-Ltd	314,626	-	(314,626)	(100.00%)
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	2,999,335	-	(2,999,335)	(100.00%)
<b>SERVICES &amp; SUPPLIES</b>				
3200 Other Funds Non-Ltd	314,626	-	(314,626)	(100.00%)
3400 Other Funds Ltd	2,999,335	-	(2,999,335)	(100.00%)

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Analyst Adjustments  
 Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$3,313,961</b>	<b>-</b>	<b>(\$3,313,961)</b>	<b>(100.00%)</b>
<b>EXPENDITURES</b>				
3200 Other Funds Non-Ltd	314,626	-	(314,626)	(100.00%)
3400 Other Funds Ltd	2,999,335	-	(2,999,335)	(100.00%)
<b>TOTAL EXPENDITURES</b>	<b>\$3,313,961</b>	<b>-</b>	<b>(\$3,313,961)</b>	<b>(100.00%)</b>
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	-	-	0	0.00%
3400 Other Funds Ltd	-	-	0	0.00%
8800 General Fund Revenue	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Increase OLCC Shipping Capacity - Upgrade Equipment  
 Pkg Group: POL Pkg Type: POL Pkg Number: 104

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	5,020,000	110,000	(4,910,000)	(97.81%)
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**1845 Tsfr From Or Liquor Cntrl Comm**

3400 Other Funds Ltd	-	4,910,000	4,910,000	100.00%
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**TRANSFERS IN**

3400 Other Funds Ltd	5,020,000	5,020,000	0	0.00%
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<b>TOTAL TRANSFERS IN</b>	<b>\$5,020,000</b>	<b>\$5,020,000</b>	<b>\$0</b>	<b>0.00%</b>
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	5,020,000	5,020,000	0	0.00%
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<b>TOTAL REVENUE CATEGORIES</b>	<b>\$5,020,000</b>	<b>\$5,020,000</b>	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	5,020,000	5,020,000	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$5,020,000</b>	<b>\$5,020,000</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4250 Data Processing**

3400 Other Funds Ltd	90,000	90,000	0	0.00%
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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Increase OLCC Shipping Capacity - Upgrade Equipment  
 Pkg Group: POL Pkg Type: POL Pkg Number: 104

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4575 Agency Program Related S and S</b>				
3400 Other Funds Ltd	20,000	20,000	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	110,000	110,000	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$110,000</b>	<b>\$110,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>CAPITAL OUTLAY</b>				
<b>5350 Industrial and Heavy Equipment</b>				
3400 Other Funds Ltd	45,000	-	(45,000)	(100.00%)
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	222,200	-	(222,200)	(100.00%)
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	156,700	-	(156,700)	(100.00%)
<b>5700 Building Structures</b>				
3400 Other Funds Ltd	4,486,100	-	(4,486,100)	(100.00%)
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	4,910,000	-	(4,910,000)	(100.00%)
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$4,910,000</b>	<b>-</b>	<b>(\$4,910,000)</b>	<b>(100.00%)</b>
<b>SPECIAL PAYMENTS</b>				
<b>6845 Spc Pmt to Or Liquor Cntrl Comm</b>				

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Increase OLCC Shipping Capacity - Upgrade Equipment  
 Pkg Group: POL Pkg Type: POL Pkg Number: 104

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	4,910,000	4,910,000	100.00%
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	5,020,000	5,020,000	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$5,020,000</b>	<b>\$5,020,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Fund Bank Card Fees as Business Expense  
 Pkg Group: POL Pkg Type: POL Pkg Number: 106

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3200 Other Funds Non-Ltd	10,733,731	-	(10,733,731)	(100.00%)
3400 Other Funds Ltd	(10,733,731)	-	10,733,731	100.00%
All Funds	-	-	0	0.00%

**TRANSFERS IN**

3200 Other Funds Non-Ltd	10,733,731	-	(10,733,731)	(100.00%)
3400 Other Funds Ltd	(10,733,731)	-	10,733,731	100.00%

<b>TOTAL TRANSFERS IN</b>	-	-	<b>\$0</b>	<b>0.00%</b>
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**REVENUE CATEGORIES**

3200 Other Funds Non-Ltd	10,733,731	-	(10,733,731)	(100.00%)
3400 Other Funds Ltd	(10,733,731)	-	10,733,731	100.00%

<b>TOTAL REVENUE CATEGORIES</b>	-	-	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3200 Other Funds Non-Ltd	10,733,731	-	(10,733,731)	(100.00%)
3400 Other Funds Ltd	(10,733,731)	-	10,733,731	100.00%

<b>TOTAL AVAILABLE REVENUES</b>	-	-	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

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Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
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 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Fund Bank Card Fees as Business Expense  
 Pkg Group: POL Pkg Type: POL Pkg Number: 106

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>SERVICES &amp; SUPPLIES</b>				
<b>4175 Office Expenses</b>				
3200 Other Funds Non-Ltd	10,733,731	-	(10,733,731)	(100.00%)
3400 Other Funds Ltd	(10,733,731)	-	10,733,731	100.00%
All Funds	-	-	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3200 Other Funds Non-Ltd	10,733,731	-	(10,733,731)	(100.00%)
3400 Other Funds Ltd	(10,733,731)	-	10,733,731	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	-	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3200 Other Funds Non-Ltd	10,733,731	-	(10,733,731)	(100.00%)
3400 Other Funds Ltd	(10,733,731)	-	10,733,731	100.00%
<b>TOTAL EXPENDITURES</b>	-	-	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	-	-	0	0.00%
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Meet Peace Officer Training Requirements  
 Pkg Group: POL Pkg Type: POL Pkg Number: 202

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	248,900	260,900	12,000	4.82%
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**TRANSFERS IN**

3400 Other Funds Ltd	248,900	260,900	12,000	4.82%
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<b>TOTAL TRANSFERS IN</b>	<b>\$248,900</b>	<b>\$260,900</b>	<b>\$12,000</b>	<b>4.82%</b>
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	248,900	260,900	12,000	4.82%
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<b>TOTAL REVENUE CATEGORIES</b>	<b>\$248,900</b>	<b>\$260,900</b>	<b>\$12,000</b>	<b>4.82%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	248,900	260,900	12,000	4.82%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$248,900</b>	<b>\$260,900</b>	<b>\$12,000</b>	<b>4.82%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3170 Overtime Payments**

3400 Other Funds Ltd	-	9,627	9,627	100.00%
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**SALARIES & WAGES**

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
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 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Meet Peace Officer Training Requirements  
 Pkg Group: POL Pkg Type: POL Pkg Number: 202

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	9,627	9,627	100.00%
<b>TOTAL SALARIES &amp; WAGES</b>	-	<b>\$9,627</b>	<b>\$9,627</b>	<b>100.00%</b>
<b>OTHER PAYROLL EXPENSES</b>				
<b>3220 Public Employees Retire Cont</b>				
3400 Other Funds Ltd	-	1,637	1,637	100.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	-	736	736	100.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	-	2,373	2,373	100.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>\$2,373</b>	<b>\$2,373</b>	<b>100.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	-	12,000	12,000	100.00%
<b>TOTAL PERSONAL SERVICES</b>	-	<b>\$12,000</b>	<b>\$12,000</b>	<b>100.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	248,900	248,900	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	248,900	248,900	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$248,900</b>	<b>\$248,900</b>	<b>\$0</b>	<b>0.00%</b>

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Meet Peace Officer Training Requirements  
 Pkg Group: POL Pkg Type: POL Pkg Number: 202

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	248,900	260,900	12,000	4.82%
<b>TOTAL EXPENDITURES</b>	<b>\$248,900</b>	<b>\$260,900</b>	<b>\$12,000</b>	<b>4.82%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Repair OLCC Facilities  
 Pkg Group: POL Pkg Type: POL Pkg Number: 301

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3010 Other Funds Cap Improvement 2,631,000 4,172,000 1,541,000 58.57%

**TRANSFERS IN**

3010 Other Funds Cap Improvement 2,631,000 4,172,000 1,541,000 58.57%

**TOTAL TRANSFERS IN \$2,631,000 \$4,172,000 \$1,541,000 58.57%**

**REVENUE CATEGORIES**

3010 Other Funds Cap Improvement 2,631,000 4,172,000 1,541,000 58.57%

**TOTAL REVENUE CATEGORIES \$2,631,000 \$4,172,000 \$1,541,000 58.57%**

**AVAILABLE REVENUES**

3010 Other Funds Cap Improvement 2,631,000 4,172,000 1,541,000 58.57%

**TOTAL AVAILABLE REVENUES \$2,631,000 \$4,172,000 \$1,541,000 58.57%**

**EXPENDITURES**

**CAPITAL OUTLAY**

**5700 Building Structures**

3010 Other Funds Cap Improvement 2,631,000 4,172,000 1,541,000 58.57%

**CAPITAL OUTLAY**

3010 Other Funds Cap Improvement 2,631,000 4,172,000 1,541,000 58.57%

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
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 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Repair OLCC Facilities  
 Pkg Group: POL Pkg Type: POL Pkg Number: 301

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$2,631,000</b>	<b>\$4,172,000</b>	<b>\$1,541,000</b>	<b>58.57%</b>
<b>EXPENDITURES</b>				
3010 Other Funds Cap Improvement	2,631,000	4,172,000	1,541,000	58.57%
<b>TOTAL EXPENDITURES</b>	<b>\$2,631,000</b>	<b>\$4,172,000</b>	<b>\$1,541,000</b>	<b>58.57%</b>
<b>ENDING BALANCE</b>				
3010 Other Funds Cap Improvement	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Provide Online and E-Commerce Licensing  
 Pkg Group: POL Pkg Type: POL Pkg Number: 303

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	305,000	305,000	0	0.00%
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**TRANSFERS IN**

3400 Other Funds Ltd	305,000	305,000	0	0.00%
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<b>TOTAL TRANSFERS IN</b>	<b>\$305,000</b>	<b>\$305,000</b>	<b>\$0</b>	<b>0.00%</b>
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	305,000	305,000	0	0.00%
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<b>TOTAL REVENUE CATEGORIES</b>	<b>\$305,000</b>	<b>\$305,000</b>	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	305,000	305,000	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$305,000</b>	<b>\$305,000</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4175 Office Expenses**

3400 Other Funds Ltd	61,000	61,000	0	0.00%
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**4315 IT Professional Services**

3400 Other Funds Ltd	237,834	237,834	0	0.00%
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Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
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 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Provide Online and E-Commerce Licensing  
 Pkg Group: POL Pkg Type: POL Pkg Number: 303

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	3,181	3,181	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	2,985	2,985	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	305,000	305,000	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$305,000</b>	<b>\$305,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	305,000	305,000	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$305,000</b>	<b>\$305,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Upgrade Phone System  
 Pkg Group: POL Pkg Type: POL Pkg Number: 308

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	110,000	110,000	0	0.00%
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**TRANSFERS IN**

3400 Other Funds Ltd	110,000	110,000	0	0.00%
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<b>TOTAL TRANSFERS IN</b>	<b>\$110,000</b>	<b>\$110,000</b>	<b>\$0</b>	<b>0.00%</b>
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	110,000	110,000	0	0.00%
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<b>TOTAL REVENUE CATEGORIES</b>	<b>\$110,000</b>	<b>\$110,000</b>	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	110,000	110,000	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$110,000</b>	<b>\$110,000</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4300 Professional Services**

3400 Other Funds Ltd	15,000	15,000	0	0.00%
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**SERVICES & SUPPLIES**

3400 Other Funds Ltd	15,000	15,000	0	0.00%
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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Upgrade Phone System  
 Pkg Group: POL Pkg Type: POL Pkg Number: 308

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>CAPITAL OUTLAY</b>				
<b>5200 Technical Equipment</b>				
3400 Other Funds Ltd	95,000	95,000	0	0.00%
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	95,000	95,000	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$95,000</b>	<b>\$95,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	110,000	110,000	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$110,000</b>	<b>\$110,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Measure 91 Implementation  
 Pkg Group: POL Pkg Type: GOV Pkg Number: 501

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TAXES</b>				
<b>0185 Privilege Taxes</b>				
3400 Other Funds Ltd	16,035,830	-	(16,035,830)	(100.00%)
<b>LICENSES AND FEES</b>				
<b>0205 Business Lic and Fees</b>				
3400 Other Funds Ltd	424,800	-	(424,800)	(100.00%)
<b>REVENUE CATEGORIES</b>				
3400 Other Funds Ltd	16,460,630	-	(16,460,630)	(100.00%)
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$16,460,630</b>	<b>-</b>	<b>(\$16,460,630)</b>	<b>(100.00%)</b>

**2000**

**2070 Transfer to Cities**

3400 Other Funds Ltd (910,895) - 910,895 100.00%

**2080 Transfer to Counties**

3400 Other Funds Ltd (910,895) - 910,895 100.00%

**2141 Tsfr To Lands, Dept of State**

3400 Other Funds Ltd (3,643,577) - 3,643,577 100.00%

**2257 Tsfr To Police, Dept of State**

3400 Other Funds Ltd (1,366,342) - 1,366,342 100.00%

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Measure 91 Implementation  
 Pkg Group: POL Pkg Type: GOV Pkg Number: 501

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>2443 Tsfr To Oregon Health Authority</b>				
3400 Other Funds Ltd	(2,277,236)	-	2,277,236	100.00%
<b>2603 Tsfr To Agriculture, Dept of</b>				
3400 Other Funds Ltd	(212,641)	-	212,641	100.00%
<b>2000</b>				
3400 Other Funds Ltd	(9,321,586)	-	9,321,586	100.00%
<b>TOTAL 2000</b>	<b>(\$9,321,586)</b>	<b>-</b>	<b>\$9,321,586</b>	<b>100.00%</b>
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	7,139,044	-	(7,139,044)	(100.00%)
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$7,139,044</b>	<b>-</b>	<b>(\$7,139,044)</b>	<b>(100.00%)</b>
<b>EXPENDITURES</b>				
<b>PERSONAL SERVICES</b>				
<b>SALARIES &amp; WAGES</b>				
<b>3110 Class/Unclass Sal. and Per Diem</b>				
3400 Other Funds Ltd	2,145,960	-	(2,145,960)	(100.00%)
<b>SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	2,145,960	-	(2,145,960)	(100.00%)
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$2,145,960</b>	<b>-</b>	<b>(\$2,145,960)</b>	<b>(100.00%)</b>
<b>OTHER PAYROLL EXPENSES</b>				

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Measure 91 Implementation  
 Pkg Group: POL Pkg Type: GOV Pkg Number: 501

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	902	-	(902)	(100.00%)
<b>3220 Public Employees Retire Cont</b>				
3400 Other Funds Ltd	364,811	-	(364,811)	(100.00%)
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	164,168	-	(164,168)	(100.00%)
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	1,407	-	(1,407)	(100.00%)
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	625,824	-	(625,824)	(100.00%)
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	1,157,112	-	(1,157,112)	(100.00%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$1,157,112</b>	<b>-</b>	<b>(\$1,157,112)</b>	<b>(100.00%)</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	221,774	-	(221,774)	(100.00%)
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	221,774	-	(221,774)	(100.00%)
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>\$221,774</b>	<b>-</b>	<b>(\$221,774)</b>	<b>(100.00%)</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Measure 91 Implementation  
 Pkg Group: POL Pkg Type: GOV Pkg Number: 501

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	3,524,846	-	(3,524,846)	(100.00%)
<b>TOTAL PERSONAL SERVICES</b>	<b>\$3,524,846</b>	<b>-</b>	<b>(\$3,524,846)</b>	<b>(100.00%)</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	95,000	-	(95,000)	(100.00%)
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	15,000	-	(15,000)	(100.00%)
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	15,524	-	(15,524)	(100.00%)
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	36,700	-	(36,700)	(100.00%)
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	73,000	-	(73,000)	(100.00%)
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	3,000	-	(3,000)	(100.00%)
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	92,202	-	(92,202)	(100.00%)
<b>4315 IT Professional Services</b>				

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
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 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Measure 91 Implementation  
 Pkg Group: POL Pkg Type: GOV Pkg Number: 501

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	600,000	-	(600,000)	(100.00%)
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	10,000	-	(10,000)	(100.00%)
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	2,000	-	(2,000)	(100.00%)
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	500,000	-	(500,000)	(100.00%)
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	396,952	-	(396,952)	(100.00%)
<b>4575 Agency Program Related S and S</b>				
3400 Other Funds Ltd	16,000	-	(16,000)	(100.00%)
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	1,425,722	-	(1,425,722)	(100.00%)
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	3,281,100	-	(3,281,100)	(100.00%)
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$3,281,100</b>	-	<b>(\$3,281,100)</b>	<b>(100.00%)</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	6,805,946	-	(6,805,946)	(100.00%)
<b>TOTAL EXPENDITURES</b>	<b>\$6,805,946</b>	-	<b>(\$6,805,946)</b>	<b>(100.00%)</b>

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
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 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Measure 91 Implementation  
 Pkg Group: POL Pkg Type: GOV Pkg Number: 501

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**ENDING BALANCE**

3400 Other Funds Ltd	333,098	-	(333,098)	(100.00%)
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<b>TOTAL ENDING BALANCE</b>	<b>\$333,098</b>	<b>-</b>	<b>(\$333,098)</b>	<b>(100.00%)</b>
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**AUTHORIZED POSITIONS**

8150 Class/Unclass Positions	28	-	(28)	(100.00%)
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**AUTHORIZED FTE**

8250 Class/Unclass FTE Positions	20.50	-	(20.50)	(100.00%)
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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: LFO Analyst Adjustments  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 801

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd - 314,626 314,626 100.00%

**1845 Tsr From Or Liquor Cntrl Comm**

3400 Other Funds Ltd - 2,999,335 2,999,335 100.00%

**TRANSFERS IN**

3400 Other Funds Ltd - 3,313,961 3,313,961 100.00%

**TOTAL TRANSFERS IN**

- **\$3,313,961** **\$3,313,961** **100.00%**

**REVENUE CATEGORIES**

3400 Other Funds Ltd - 3,313,961 3,313,961 100.00%

**TOTAL REVENUE CATEGORIES**

- **\$3,313,961** **\$3,313,961** **100.00%**

**AVAILABLE REVENUES**

3400 Other Funds Ltd - 3,313,961 3,313,961 100.00%

**TOTAL AVAILABLE REVENUES**

- **\$3,313,961** **\$3,313,961** **100.00%**

**EXPENDITURES**

**SERVICES & SUPPLIES**

**4175 Office Expenses**

3400 Other Funds Ltd - 314,626 314,626 100.00%

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
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 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: LFO Analyst Adjustments  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 801

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	314,626	314,626	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$314,626</b>	<b>\$314,626</b>	<b>100.00%</b>
<b>SPECIAL PAYMENTS</b>				
<b>6845 Spc Pmt to Or Liquor Cntrl Comm</b>				
3400 Other Funds Ltd	-	2,999,335	2,999,335	100.00%
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	3,313,961	3,313,961	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>\$3,313,961</b>	<b>\$3,313,961</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Non Exclusive Store Differential  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 803

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1845 Tsfr From Or Liquor Cntrl Comm**

3400 Other Funds Ltd	-	612,000	612,000	100.00%
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**TRANSFERS IN**

3400 Other Funds Ltd	-	612,000	612,000	100.00%
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<b>TOTAL TRANSFERS IN</b>	-	<b>\$612,000</b>	<b>\$612,000</b>	<b>100.00%</b>
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	-	612,000	612,000	100.00%
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<b>TOTAL REVENUE CATEGORIES</b>	-	<b>\$612,000</b>	<b>\$612,000</b>	<b>100.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	-	612,000	612,000	100.00%
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<b>TOTAL AVAILABLE REVENUES</b>	-	<b>\$612,000</b>	<b>\$612,000</b>	<b>100.00%</b>
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**EXPENDITURES**

**SPECIAL PAYMENTS**

**6845 Spc Pmt to Or Liquor Cntrl Comm**

3400 Other Funds Ltd	-	612,000	612,000	100.00%
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**EXPENDITURES**

3400 Other Funds Ltd	-	612,000	612,000	100.00%
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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
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 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Non Exclusive Store Differential  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 803

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL EXPENDITURES</b>	-	\$612,000	\$612,000	100.00%
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: SB 5507 End of Session  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 840

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	-	(367,287)	(367,287)	100.00%
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**TRANSFERS IN**

3400 Other Funds Ltd	-	(367,287)	(367,287)	100.00%
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<b>TOTAL TRANSFERS IN</b>	-	<b>(\$367,287)</b>	<b>(\$367,287)</b>	<b>100.00%</b>
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	-	(367,287)	(367,287)	100.00%
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<b>TOTAL REVENUE CATEGORIES</b>	-	<b>(\$367,287)</b>	<b>(\$367,287)</b>	<b>100.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	-	(367,287)	(367,287)	100.00%
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<b>TOTAL AVAILABLE REVENUES</b>	-	<b>(\$367,287)</b>	<b>(\$367,287)</b>	<b>100.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4225 State Gov. Service Charges**

3400 Other Funds Ltd	-	(327,531)	(327,531)	100.00%
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**4325 Attorney General**

3400 Other Funds Ltd	-	(39,756)	(39,756)	100.00%
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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
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 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: SB 5507 End of Session  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 840

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(367,287)	(367,287)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$367,287)</b>	<b>(\$367,287)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(367,287)	(367,287)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$367,287)</b>	<b>(\$367,287)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Substantive Bills  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**LICENSES AND FEES**

**0205 Business Lic and Fees**

3400 Other Funds Ltd - 5,174,200 5,174,200 100.00%

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd - 283,204 283,204 100.00%

**1150 Tsfr From Revenue, Dept of**

3400 Other Funds Ltd - 3,221,908 3,221,908 100.00%

**TRANSFERS IN**

3400 Other Funds Ltd - 3,505,112 3,505,112 100.00%

**TOTAL TRANSFERS IN - \$3,505,112 \$3,505,112 100.00%**

**REVENUE CATEGORIES**

3400 Other Funds Ltd - 8,679,312 8,679,312 100.00%

**TOTAL REVENUE CATEGORIES - \$8,679,312 \$8,679,312 100.00%**

**2000**

**2603 Tsfr To Agriculture, Dept of**

3400 Other Funds Ltd - (212,641) (212,641) 100.00%

**2000**

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Substantive Bills  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	(212,641)	(212,641)	100.00%
<b>TOTAL 2000</b>	-	<b>(\$212,641)</b>	<b>(\$212,641)</b>	<b>100.00%</b>
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	-	8,466,671	8,466,671	100.00%
<b>TOTAL AVAILABLE REVENUES</b>	-	<b>\$8,466,671</b>	<b>\$8,466,671</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
<b>PERSONAL SERVICES</b>				
<b>SALARIES &amp; WAGES</b>				
<b>3110 Class/Unclass Sal. and Per Diem</b>				
3400 Other Funds Ltd	-	2,528,781	2,528,781	100.00%
<b>SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	-	2,528,781	2,528,781	100.00%
<b>TOTAL SALARIES &amp; WAGES</b>	-	<b>\$2,528,781</b>	<b>\$2,528,781</b>	<b>100.00%</b>
<b>OTHER PAYROLL EXPENSES</b>				
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	-	1,135	1,135	100.00%
<b>3220 Public Employees Retire Cont</b>				
3400 Other Funds Ltd	-	429,895	429,895	100.00%
<b>3230 Social Security Taxes</b>				

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Substantive Bills  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	193,453	193,453	100.00%
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	-	1,762	1,762	100.00%
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	-	783,552	783,552	100.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	-	1,409,797	1,409,797	100.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>\$1,409,797</b>	<b>\$1,409,797</b>	<b>100.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	14,181	14,181	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	-	14,181	14,181	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>\$14,181</b>	<b>\$14,181</b>	<b>100.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	-	3,952,759	3,952,759	100.00%
<b>TOTAL PERSONAL SERVICES</b>	-	<b>\$3,952,759</b>	<b>\$3,952,759</b>	<b>100.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Substantive Bills  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	80,000	80,000	100.00%
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	-	15,000	15,000	100.00%
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	-	81,000	81,000	100.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	-	169,700	169,700	100.00%
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	-	73,000	73,000	100.00%
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	-	200,000	200,000	100.00%
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	-	3,000	3,000	100.00%
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	-	352,202	352,202	100.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	-	1,799,849	1,799,849	100.00%
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	-	480,000	480,000	100.00%

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Substantive Bills  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	-	92,500	92,500	100.00%
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	-	3,000	3,000	100.00%
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	-	250,000	250,000	100.00%
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	-	80,000	80,000	100.00%
<b>4575 Agency Program Related S and S</b>				
3400 Other Funds Ltd	-	146,000	146,000	100.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	-	608,661	608,661	100.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	-	80,000	80,000	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	4,513,912	4,513,912	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$4,513,912</b>	<b>\$4,513,912</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	8,466,671	8,466,671	100.00%

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Oregon Liquor Control Comm

Cross Reference Number: 84500-000-00-00-00000  
 Package: Substantive Bills  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL EXPENDITURES</b>	-	<b>\$8,466,671</b>	<b>\$8,466,671</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	-	31	31	100.00%
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	-	25.73	25.73	100.00%
8280 FTE Reconciliation	-	(0.07)	(0.07)	100.00%
<b>TOTAL AUTHORIZED FTE</b>	-	<b>25.66</b>	<b>25.66</b>	<b>100.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Non-PICS Psnl Svc / Vacancy Factor  
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	22,828	22,828	0	0.00%
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**TRANSFERS IN**

3400 Other Funds Ltd	22,828	22,828	0	0.00%
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<b>TOTAL TRANSFERS IN</b>	<b>\$22,828</b>	<b>\$22,828</b>	<b>\$0</b>	<b>0.00%</b>
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	22,828	22,828	0	0.00%
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<b>TOTAL REVENUE CATEGORIES</b>	<b>\$22,828</b>	<b>\$22,828</b>	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	22,828	22,828	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$22,828</b>	<b>\$22,828</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3160 Temporary Appointments**

3400 Other Funds Ltd	681	681	0	0.00%
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**3170 Overtime Payments**

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Package Comparison Report - Detail  
2015-17 Biennium  
Distilled Spirits Program**

**Cross Reference Number: 84500-001-00-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010**

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	4,668	4,668	0	0.00%
<b>3180 Shift Differential</b>				
3400 Other Funds Ltd	53	53	0	0.00%
<b>3190 All Other Differential</b>				
3400 Other Funds Ltd	194	194	0	0.00%
<b>SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	5,596	5,596	0	0.00%
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$5,596</b>	<b>\$5,596</b>	<b>\$0</b>	<b>0.00%</b>
<b>OTHER PAYROLL EXPENSES</b>				
<b>3220 Public Employees Retire Cont</b>				
3400 Other Funds Ltd	835	835	0	0.00%
<b>3221 Pension Obligation Bond</b>				
3400 Other Funds Ltd	95,845	95,845	0	0.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	428	428	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	(1,027)	(1,027)	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	96,081	96,081	0	0.00%

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
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 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Non-PICS Psnl Svc / Vacancy Factor  
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$96,081</b>	<b>\$96,081</b>	<b>\$0</b>	<b>0.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(78,849)	(78,849)	0	0.00%
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	22,828	22,828	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$22,828</b>	<b>\$22,828</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	22,828	22,828	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$22,828</b>	<b>\$22,828</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	309,494	309,494	0	0.00%
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**TRANSFERS IN**

3400 Other Funds Ltd	309,494	309,494	0	0.00%
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<b>TOTAL TRANSFERS IN</b>	<b>\$309,494</b>	<b>\$309,494</b>	<b>\$0</b>	<b>0.00%</b>
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	309,494	309,494	0	0.00%
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<b>TOTAL REVENUE CATEGORIES</b>	<b>\$309,494</b>	<b>\$309,494</b>	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	309,494	309,494	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$309,494</b>	<b>\$309,494</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4100 Instate Travel**

3400 Other Funds Ltd	1,589	1,589	0	0.00%
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**4125 Out of State Travel**

3400 Other Funds Ltd	145	145	0	0.00%
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**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Package Comparison Report - Detail  
2015-17 Biennium  
Distilled Spirits Program**

**Cross Reference Number: 84500-001-00-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031**

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	112	112	0	0.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	315,850	315,850	0	0.00%
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	1,711	1,711	0	0.00%
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	(32,443)	(25,311)	7,132	21.98%
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	2,330	2,330	0	0.00%
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	493	493	0	0.00%
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	407	407	0	0.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	403	403	0	0.00%
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	258	258	0	0.00%
<b>4400 Dues and Subscriptions</b>				

**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Package Comparison Report - Detail  
2015-17 Biennium  
Distilled Spirits Program**

**Cross Reference Number: 84500-001-00-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031**

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	57	57	0	0.00%
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	1,761	1,761	0	0.00%
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	4,072	4,072	0	0.00%
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	831	831	0	0.00%
<b>4575 Agency Program Related S and S</b>				
3400 Other Funds Ltd	3,083	3,083	0	0.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	255	255	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	352	352	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	301,266	308,398	7,132	2.37%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$301,266</b>	<b>\$308,398</b>	<b>\$7,132</b>	<b>2.37%</b>
<b>CAPITAL OUTLAY</b>				
<b>5350 Industrial and Heavy Equipment</b>				
3400 Other Funds Ltd	655	655	0	0.00%

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	441	441	0	0.00%
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	1,096	1,096	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$1,096</b>	<b>\$1,096</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	302,362	309,494	7,132	2.36%
<b>TOTAL EXPENDITURES</b>	<b>\$302,362</b>	<b>\$309,494</b>	<b>\$7,132</b>	<b>2.36%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	7,132	-	(7,132)	(100.00%)
<b>TOTAL ENDING BALANCE</b>	<b>\$7,132</b>	<b>-</b>	<b>(\$7,132)</b>	<b>(100.00%)</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Above Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	731	731	0	0.00%
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**TRANSFERS IN**

3400 Other Funds Ltd	731	731	0	0.00%
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<b>TOTAL TRANSFERS IN</b>	<b>\$731</b>	<b>\$731</b>	<b>\$0</b>	<b>0.00%</b>
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	731	731	0	0.00%
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<b>TOTAL REVENUE CATEGORIES</b>	<b>\$731</b>	<b>\$731</b>	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	731	731	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$731</b>	<b>\$731</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4300 Professional Services**

3400 Other Funds Ltd	41	41	0	0.00%
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**4315 IT Professional Services**

3400 Other Funds Ltd	40	40	0	0.00%
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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Above Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	650	650	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	731	731	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$731</b>	<b>\$731</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	731	731	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$731</b>	<b>\$731</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Analyst Adjustments  
 Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**SALES INCOME**

**0710 Liquor Sales**

3400 Other Funds Ltd	(14,861,572)	-	14,861,572	100.00%
8800 General Fund Revenue	14,861,572	-	(14,861,572)	(100.00%)
All Funds	-	-	0	0.00%

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3200 Other Funds Non-Ltd	314,626	-	(314,626)	(100.00%)
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**TRANSFERS IN**

3200 Other Funds Non-Ltd	314,626	-	(314,626)	(100.00%)
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<b>TOTAL TRANSFERS IN</b>	<b>\$314,626</b>	<b>-</b>	<b>(\$314,626)</b>	<b>(100.00%)</b>
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**REVENUE CATEGORIES**

3200 Other Funds Non-Ltd	314,626	-	(314,626)	(100.00%)
3400 Other Funds Ltd	(14,861,572)	-	14,861,572	100.00%
8800 General Fund Revenue	14,861,572	-	(14,861,572)	(100.00%)

<b>TOTAL REVENUE CATEGORIES</b>	<b>\$314,626</b>	<b>-</b>	<b>(\$314,626)</b>	<b>(100.00%)</b>
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**2000**

**2060 Transfer to General Fund**

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Package Comparison Report - Detail  
2015-17 Biennium  
Distilled Spirits Program**

**Cross Reference Number: 84500-001-00-00-00000  
Package: Analyst Adjustments  
Pkg Group: POL Pkg Type: 090 Pkg Number: 090**

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
8800 General Fund Revenue	(14,861,572)	-	14,861,572	100.00%
<b>2070 Transfer to Cities</b>				
3400 Other Funds Ltd	6,755,260	-	(6,755,260)	(100.00%)
<b>2080 Transfer to Counties</b>				
3400 Other Funds Ltd	3,377,630	-	(3,377,630)	(100.00%)
<b>2107 Tsfr To Administrative Svcs</b>				
3400 Other Funds Ltd	4,728,682	-	(4,728,682)	(100.00%)
<b>2000</b>				
3400 Other Funds Ltd	14,861,572	-	(14,861,572)	(100.00%)
8800 General Fund Revenue	(14,861,572)	-	14,861,572	100.00%
<b>TOTAL 2000</b>	-	-	<b>\$0</b>	<b>0.00%</b>
<b>AVAILABLE REVENUES</b>				
3200 Other Funds Non-Ltd	314,626	-	(314,626)	(100.00%)
3400 Other Funds Ltd	-	-	0	0.00%
8800 General Fund Revenue	-	-	0	0.00%
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$314,626</b>	-	<b>(\$314,626)</b>	<b>(100.00%)</b>

**EXPENDITURES**

**SERVICES & SUPPLIES**

**4175 Office Expenses**

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Agency Number: 84500

Package Comparison Report - Detail  
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 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Analyst Adjustments  
 Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3200 Other Funds Non-Ltd	314,626	-	(314,626)	(100.00%)
<b>SERVICES &amp; SUPPLIES</b>				
3200 Other Funds Non-Ltd	314,626	-	(314,626)	(100.00%)
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$314,626</b>	-	<b>(\$314,626)</b>	<b>(100.00%)</b>
<b>EXPENDITURES</b>				
3200 Other Funds Non-Ltd	314,626	-	(314,626)	(100.00%)
<b>TOTAL EXPENDITURES</b>	<b>\$314,626</b>	-	<b>(\$314,626)</b>	<b>(100.00%)</b>
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	-	-	0	0.00%
3400 Other Funds Ltd	-	-	0	0.00%
8800 General Fund Revenue	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Increase OLCC Shipping Capacity - Upgrade Equipment  
 Pkg Group: POL Pkg Type: POL Pkg Number: 104

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd 5,020,000 110,000 (4,910,000) (97.81%)

**1845 Tsfr From Or Liquor Cntrl Comm**

3400 Other Funds Ltd - 4,910,000 4,910,000 100.00%

**TRANSFERS IN**

3400 Other Funds Ltd 5,020,000 5,020,000 0 0.00%

**TOTAL TRANSFERS IN \$5,020,000 \$5,020,000 \$0 0.00%**

**REVENUE CATEGORIES**

3400 Other Funds Ltd 5,020,000 5,020,000 0 0.00%

**TOTAL REVENUE CATEGORIES \$5,020,000 \$5,020,000 \$0 0.00%**

**AVAILABLE REVENUES**

3400 Other Funds Ltd 5,020,000 5,020,000 0 0.00%

**TOTAL AVAILABLE REVENUES \$5,020,000 \$5,020,000 \$0 0.00%**

**EXPENDITURES**

**SERVICES & SUPPLIES**

**4250 Data Processing**

3400 Other Funds Ltd 90,000 90,000 0 0.00%

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Increase OLCC Shipping Capacity - Upgrade Equipment  
 Pkg Group: POL Pkg Type: POL Pkg Number: 104

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4575 Agency Program Related S and S</b>				
3400 Other Funds Ltd	20,000	20,000	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	110,000	110,000	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$110,000</b>	<b>\$110,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>CAPITAL OUTLAY</b>				
<b>5350 Industrial and Heavy Equipment</b>				
3400 Other Funds Ltd	45,000	-	(45,000)	(100.00%)
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	222,200	-	(222,200)	(100.00%)
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	156,700	-	(156,700)	(100.00%)
<b>5700 Building Structures</b>				
3400 Other Funds Ltd	4,486,100	-	(4,486,100)	(100.00%)
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	4,910,000	-	(4,910,000)	(100.00%)
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$4,910,000</b>	<b>-</b>	<b>(\$4,910,000)</b>	<b>(100.00%)</b>
<b>SPECIAL PAYMENTS</b>				
<b>6845 Spc Pmt to Or Liquor Cntrl Comm</b>				

Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Increase OLCC Shipping Capacity - Upgrade Equipment  
 Pkg Group: POL Pkg Type: POL Pkg Number: 104

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	4,910,000	4,910,000	100.00%
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	5,020,000	5,020,000	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$5,020,000</b>	<b>\$5,020,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Fund Bank Card Fees as Business Expense  
 Pkg Group: POL Pkg Type: POL Pkg Number: 106

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3200 Other Funds Non-Ltd	10,733,731	-	(10,733,731)	(100.00%)
3400 Other Funds Ltd	(10,733,731)	-	10,733,731	100.00%
All Funds	-	-	0	0.00%

**TRANSFERS IN**

3200 Other Funds Non-Ltd	10,733,731	-	(10,733,731)	(100.00%)
3400 Other Funds Ltd	(10,733,731)	-	10,733,731	100.00%

<b>TOTAL TRANSFERS IN</b>	-	-	<b>\$0</b>	<b>0.00%</b>
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**REVENUE CATEGORIES**

3200 Other Funds Non-Ltd	10,733,731	-	(10,733,731)	(100.00%)
3400 Other Funds Ltd	(10,733,731)	-	10,733,731	100.00%

<b>TOTAL REVENUE CATEGORIES</b>	-	-	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3200 Other Funds Non-Ltd	10,733,731	-	(10,733,731)	(100.00%)
3400 Other Funds Ltd	(10,733,731)	-	10,733,731	100.00%

<b>TOTAL AVAILABLE REVENUES</b>	-	-	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Fund Bank Card Fees as Business Expense  
 Pkg Group: POL Pkg Type: POL Pkg Number: 106

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>SERVICES &amp; SUPPLIES</b>				
<b>4175 Office Expenses</b>				
3200 Other Funds Non-Ltd	10,733,731	-	(10,733,731)	(100.00%)
3400 Other Funds Ltd	(10,733,731)	-	10,733,731	100.00%
All Funds	-	-	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3200 Other Funds Non-Ltd	10,733,731	-	(10,733,731)	(100.00%)
3400 Other Funds Ltd	(10,733,731)	-	10,733,731	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	-	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3200 Other Funds Non-Ltd	10,733,731	-	(10,733,731)	(100.00%)
3400 Other Funds Ltd	(10,733,731)	-	10,733,731	100.00%
<b>TOTAL EXPENDITURES</b>	-	-	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	-	-	0	0.00%
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Provide Online and E-Commerce Licensing  
 Pkg Group: POL Pkg Type: POL Pkg Number: 303

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd 55,000 55,000 0 0.00%

**TRANSFERS IN**

3400 Other Funds Ltd 55,000 55,000 0 0.00%

**TOTAL TRANSFERS IN \$55,000 \$55,000 \$0 0.00%**

**REVENUE CATEGORIES**

3400 Other Funds Ltd 55,000 55,000 0 0.00%

**TOTAL REVENUE CATEGORIES \$55,000 \$55,000 \$0 0.00%**

**AVAILABLE REVENUES**

3400 Other Funds Ltd 55,000 55,000 0 0.00%

**TOTAL AVAILABLE REVENUES \$55,000 \$55,000 \$0 0.00%**

**EXPENDITURES**

**SERVICES & SUPPLIES**

**4175 Office Expenses**

3400 Other Funds Ltd 55,000 55,000 0 0.00%

**SERVICES & SUPPLIES**

3400 Other Funds Ltd 55,000 55,000 0 0.00%

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: Provide Online and E-Commerce Licensing  
 Pkg Group: POL Pkg Type: POL Pkg Number: 303

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$55,000</b>	<b>\$55,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	55,000	55,000	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$55,000</b>	<b>\$55,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: LFO Analyst Adjustments  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 801

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	-	314,626	314,626	100.00%
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**TRANSFERS IN**

3400 Other Funds Ltd	-	314,626	314,626	100.00%
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<b>TOTAL TRANSFERS IN</b>	-	<b>\$314,626</b>	<b>\$314,626</b>	<b>100.00%</b>
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	-	314,626	314,626	100.00%
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<b>TOTAL REVENUE CATEGORIES</b>	-	<b>\$314,626</b>	<b>\$314,626</b>	<b>100.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	-	314,626	314,626	100.00%
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<b>TOTAL AVAILABLE REVENUES</b>	-	<b>\$314,626</b>	<b>\$314,626</b>	<b>100.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4175 Office Expenses**

3400 Other Funds Ltd	-	314,626	314,626	100.00%
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**SERVICES & SUPPLIES**

3400 Other Funds Ltd	-	314,626	314,626	100.00%
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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Distilled Spirits Program

Cross Reference Number: 84500-001-00-00-00000  
 Package: LFO Analyst Adjustments  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 801

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$314,626</b>	<b>\$314,626</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	314,626	314,626	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>\$314,626</b>	<b>\$314,626</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Public Safety Services Program

Cross Reference Number: 84500-002-00-00-00000  
 Package: Non-PICS Psnl Svc / Vacancy Factor  
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	(92,403)	(92,403)	0	0.00%
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	(92,403)	(92,403)	0	0.00%
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<b>TOTAL REVENUE CATEGORIES</b>	<b>(\$92,403)</b>	<b>(\$92,403)</b>	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	(92,403)	(92,403)	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>(\$92,403)</b>	<b>(\$92,403)</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3160 Temporary Appointments**

3400 Other Funds Ltd	957	957	0	0.00%
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**3170 Overtime Payments**

3400 Other Funds Ltd	2,096	2,096	0	0.00%
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**3180 Shift Differential**

3400 Other Funds Ltd	1,357	1,357	0	0.00%
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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Public Safety Services Program

Cross Reference Number: 84500-002-00-00-00000  
 Package: Non-PICS Psnl Svc / Vacancy Factor  
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3190 All Other Differential</b>				
3400 Other Funds Ltd	914	914	0	0.00%
<b>SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	5,324	5,324	0	0.00%
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$5,324</b>	<b>\$5,324</b>	<b>\$0</b>	<b>0.00%</b>
<b>OTHER PAYROLL EXPENSES</b>				
<b>3220 Public Employees Retire Cont</b>				
3400 Other Funds Ltd	743	743	0	0.00%
<b>3221 Pension Obligation Bond</b>				
3400 Other Funds Ltd	(1,059)	(1,059)	0	0.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	406	406	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	7,331	7,331	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	7,421	7,421	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$7,421</b>	<b>\$7,421</b>	<b>\$0</b>	<b>0.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Public Safety Services Program

Cross Reference Number: 84500-002-00-00-00000  
 Package: Non-PICS Psnl Svc / Vacancy Factor  
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(105,148)	(105,148)	0	0.00%
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	(92,403)	(92,403)	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>(\$92,403)</b>	<b>(\$92,403)</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	(92,403)	(92,403)	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>(\$92,403)</b>	<b>(\$92,403)</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Public Safety Services Program

Cross Reference Number: 84500-002-00-00-00000  
 Package: Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	2,141	2,141	0	0.00%
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	2,141	2,141	0	0.00%
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<b>TOTAL REVENUE CATEGORIES</b>	<b>\$2,141</b>	<b>\$2,141</b>	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	2,141	2,141	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$2,141</b>	<b>\$2,141</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4100 Instate Travel**

3400 Other Funds Ltd	3,220	3,220	0	0.00%
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**4125 Out of State Travel**

3400 Other Funds Ltd	313	313	0	0.00%
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**4150 Employee Training**

3400 Other Funds Ltd	534	534	0	0.00%
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**4175 Office Expenses**

**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Package Comparison Report - Detail  
2015-17 Biennium  
Public Safety Services Program**

**Cross Reference Number: 84500-002-00-00-00000**

**Package: Standard Inflation**

**Pkg Group: ESS Pkg Type: 030 Pkg Number: 031**

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	7,229	7,229	0	0.00%
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	7,658	7,658	0	0.00%
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	(48,632)	(40,031)	8,601	17.69%
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	680	680	0	0.00%
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	1,688	1,688	0	0.00%
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	2,358	2,358	0	0.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	1,974	1,974	0	0.00%
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	227	227	0	0.00%
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	88	88	0	0.00%
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	13,096	13,096	0	0.00%

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Public Safety Services Program

Cross Reference Number: 84500-002-00-00-00000  
 Package: Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	628	628	0	0.00%
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	502	502	0	0.00%
<b>4575 Agency Program Related S and S</b>				
3400 Other Funds Ltd	1,134	1,134	0	0.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	294	294	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	549	549	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	(6,460)	2,141	8,601	133.14%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>(\$6,460)</b>	<b>\$2,141</b>	<b>\$8,601</b>	<b>133.14%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	(6,460)	2,141	8,601	133.14%
<b>TOTAL EXPENDITURES</b>	<b>(\$6,460)</b>	<b>\$2,141</b>	<b>\$8,601</b>	<b>133.14%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	8,601	-	(8,601)	(100.00%)
<b>TOTAL ENDING BALANCE</b>	<b>\$8,601</b>	<b>-</b>	<b>(\$8,601)</b>	<b>(100.00%)</b>

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Public Safety Services Program

Cross Reference Number: 84500-002-00-00-00000  
 Package: Above Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	6,200	6,200	0	0.00%
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**REVENUE CATEGORIES**

3400 Other Funds Ltd	6,200	6,200	0	0.00%
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<b>TOTAL REVENUE CATEGORIES</b>	<b>\$6,200</b>	<b>\$6,200</b>	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	6,200	6,200	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$6,200</b>	<b>\$6,200</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4300 Professional Services**

3400 Other Funds Ltd	236	236	0	0.00%
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**4315 IT Professional Services**

3400 Other Funds Ltd	197	197	0	0.00%
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**4425 Facilities Rental and Taxes**

3400 Other Funds Ltd	5,767	5,767	0	0.00%
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**SERVICES & SUPPLIES**

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Public Safety Services Program

Cross Reference Number: 84500-002-00-00-00000  
 Package: Above Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	6,200	6,200	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$6,200</b>	<b>\$6,200</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	6,200	6,200	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$6,200</b>	<b>\$6,200</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Public Safety Services Program

Cross Reference Number: 84500-002-00-00-00000  
 Package: Analyst Adjustments  
 Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**LICENSES AND FEES**

**0205 Business Lic and Fees**

3400 Other Funds Ltd	142,890	-	(142,890)	(100.00%)
8800 General Fund Revenue	181,860	-	(181,860)	(100.00%)
All Funds	324,750	-	(324,750)	(100.00%)

**REVENUE CATEGORIES**

3400 Other Funds Ltd	142,890	-	(142,890)	(100.00%)
8800 General Fund Revenue	181,860	-	(181,860)	(100.00%)

<b>TOTAL REVENUE CATEGORIES</b>	<b>\$324,750</b>	<b>-</b>	<b>(\$324,750)</b>	<b>(100.00%)</b>
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**2000**

**2060 Transfer to General Fund**

8800 General Fund Revenue	(181,860)	-	181,860	100.00%
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**2070 Transfer to Cities**

3400 Other Funds Ltd	(64,950)	-	64,950	100.00%
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**2080 Transfer to Counties**

3400 Other Funds Ltd	(32,475)	-	32,475	100.00%
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**2107 Tsfr To Administrative Svcs**

3400 Other Funds Ltd	(45,465)	-	45,465	100.00%
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**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Package Comparison Report - Detail  
2015-17 Biennium  
Public Safety Services Program**

**Cross Reference Number: 84500-002-00-00-00000  
Package: Analyst Adjustments  
Pkg Group: POL Pkg Type: 090 Pkg Number: 090**

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>2000</b>				
3400 Other Funds Ltd	(142,890)	-	142,890	100.00%
8800 General Fund Revenue	(181,860)	-	181,860	100.00%
<b>TOTAL 2000</b>	<b>(\$324,750)</b>	<b>-</b>	<b>\$324,750</b>	<b>100.00%</b>
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	-	-	0	0.00%
8800 General Fund Revenue	-	-	0	0.00%
<b>TOTAL AVAILABLE REVENUES</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
8800 General Fund Revenue	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Public Safety Services Program

Cross Reference Number: 84500-002-00-00-00000  
 Package: Meet Peace Officer Training Requirements  
 Pkg Group: POL Pkg Type: POL Pkg Number: 202

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

REVENUE CATEGORIES

TRANSFERS IN

1010 Transfer In - Intrafund

3400 Other Funds Ltd	248,900	260,900	12,000	4.82%
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REVENUE CATEGORIES

3400 Other Funds Ltd	248,900	260,900	12,000	4.82%
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<b>TOTAL REVENUE CATEGORIES</b>	<b>\$248,900</b>	<b>\$260,900</b>	<b>\$12,000</b>	<b>4.82%</b>
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AVAILABLE REVENUES

3400 Other Funds Ltd	248,900	260,900	12,000	4.82%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$248,900</b>	<b>\$260,900</b>	<b>\$12,000</b>	<b>4.82%</b>
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EXPENDITURES

PERSONAL SERVICES

SALARIES & WAGES

3170 Overtime Payments

3400 Other Funds Ltd	-	9,627	9,627	100.00%
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SALARIES & WAGES

3400 Other Funds Ltd	-	9,627	9,627	100.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>-</b>	<b>\$9,627</b>	<b>\$9,627</b>	<b>100.00%</b>
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OTHER PAYROLL EXPENSES

Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Public Safety Services Program

Cross Reference Number: 84500-002-00-00-00000  
 Package: Meet Peace Officer Training Requirements  
 Pkg Group: POL Pkg Type: POL Pkg Number: 202

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3220 Public Employees Retire Cont</b>				
3400 Other Funds Ltd	-	1,637	1,637	100.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	-	736	736	100.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	-	2,373	2,373	100.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>\$2,373</b>	<b>\$2,373</b>	<b>100.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	-	12,000	12,000	100.00%
<b>TOTAL PERSONAL SERVICES</b>	-	<b>\$12,000</b>	<b>\$12,000</b>	<b>100.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	248,900	248,900	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	248,900	248,900	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$248,900</b>	<b>\$248,900</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	248,900	260,900	12,000	4.82%
<b>TOTAL EXPENDITURES</b>	<b>\$248,900</b>	<b>\$260,900</b>	<b>\$12,000</b>	<b>4.82%</b>

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Public Safety Services Program

Cross Reference Number: 84500-002-00-00-00000  
 Package: Meet Peace Officer Training Requirements  
 Pkg Group: POL Pkg Type: POL Pkg Number: 202

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Administration and Support

Cross Reference Number: 84500-003-00-00-00000  
 Package: Non-PICS Psnl Svc / Vacancy Factor  
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
<b>1010 Transfer In - Intrafund</b>				
3400 Other Funds Ltd	(147,805)	(147,805)	0	0.00%
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	(147,805)	(147,805)	0	0.00%
<b>TOTAL AVAILABLE REVENUES</b>	<b>(\$147,805)</b>	<b>(\$147,805)</b>	<b>\$0</b>	<b>0.00%</b>

**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3160 Temporary Appointments**

3400 Other Funds Ltd 268 268 0 0.00%

**3170 Overtime Payments**

3400 Other Funds Ltd 1,090 1,090 0 0.00%

**3180 Shift Differential**

3400 Other Funds Ltd 70 70 0 0.00%

**3190 All Other Differential**

3400 Other Funds Ltd 271 271 0 0.00%

**SALARIES & WAGES**

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Administration and Support

Cross Reference Number: 84500-003-00-00-00000  
 Package: Non-PICS Psnl Svc / Vacancy Factor  
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	1,699	1,699	0	0.00%
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$1,699</b>	<b>\$1,699</b>	<b>\$0</b>	<b>0.00%</b>
<b>OTHER PAYROLL EXPENSES</b>				
<b>3220 Public Employees Retire Cont</b>				
3400 Other Funds Ltd	243	243	0	0.00%
<b>3221 Pension Obligation Bond</b>				
3400 Other Funds Ltd	(65,988)	(65,988)	0	0.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	129	129	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	(6,811)	(6,811)	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	(72,427)	(72,427)	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>(\$72,427)</b>	<b>(\$72,427)</b>	<b>\$0</b>	<b>0.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(77,077)	(77,077)	0	0.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	(77,077)	(77,077)	0	0.00%

**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Package Comparison Report - Detail  
2015-17 Biennium  
Administration and Support**

**Cross Reference Number: 84500-003-00-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010**

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>(\$77,077)</b>	<b>(\$77,077)</b>	<b>\$0</b>	<b>0.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	(147,805)	(147,805)	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>(\$147,805)</b>	<b>(\$147,805)</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	(147,805)	(147,805)	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>(\$147,805)</b>	<b>(\$147,805)</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Package Comparison Report - Detail  
2015-17 Biennium  
Administration and Support**

**Cross Reference Number: 84500-003-00-00-00000**

**Package: Standard Inflation**

**Pkg Group: ESS Pkg Type: 030 Pkg Number: 031**

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	918,220	918,220	0	0.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	918,220	918,220	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$918,220</b>	<b>\$918,220</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4100 Instate Travel**

3400 Other Funds Ltd	2,950	2,950	0	0.00%
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**4125 Out of State Travel**

3400 Other Funds Ltd	822	822	0	0.00%
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**4150 Employee Training**

3400 Other Funds Ltd	2,120	2,120	0	0.00%
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**4175 Office Expenses**

3400 Other Funds Ltd	9,605	9,605	0	0.00%
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**4200 Telecommunications**

3400 Other Funds Ltd	3,351	3,351	0	0.00%
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Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Administration and Support

Cross Reference Number: 84500-003-00-00-00000  
 Package: Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	595,850	759,538	163,688	27.47%
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	12,802	12,802	0	0.00%
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	327	327	0	0.00%
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	11,185	11,185	0	0.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	4,718	4,718	0	0.00%
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	51,276	72,324	21,048	41.05%
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	374	374	0	0.00%
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	477	477	0	0.00%
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	31	31	0	0.00%
<b>4450 Fuels and Utilities</b>				

Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Administration and Support

Cross Reference Number: 84500-003-00-00-00000  
 Package: Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	9,851	9,851	0	0.00%
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	6,089	6,089	0	0.00%
<b>4575 Agency Program Related S and S</b>				
3400 Other Funds Ltd	402	402	0	0.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	5,048	5,048	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	12,447	12,447	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	729,725	914,461	184,736	25.32%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$729,725</b>	<b>\$914,461</b>	<b>\$184,736</b>	<b>25.32%</b>
<b>CAPITAL OUTLAY</b>				
<b>5200 Technical Equipment</b>				
3400 Other Funds Ltd	489	489	0	0.00%
<b>5400 Automotive and Aircraft</b>				
3400 Other Funds Ltd	3,270	3,270	0	0.00%
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	3,759	3,759	0	0.00%

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Administration and Support

Cross Reference Number: 84500-003-00-00-00000

Package: Standard Inflation

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$3,759</b>	<b>\$3,759</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	733,484	918,220	184,736	25.19%
<b>TOTAL EXPENDITURES</b>	<b>\$733,484</b>	<b>\$918,220</b>	<b>\$184,736</b>	<b>25.19%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	184,736	-	(184,736)	(100.00%)
<b>TOTAL ENDING BALANCE</b>	<b>\$184,736</b>	<b>-</b>	<b>(\$184,736)</b>	<b>(100.00%)</b>

Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Administration and Support

Cross Reference Number: 84500-003-00-00-00000  
 Package: Above Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

REVENUE CATEGORIES

TRANSFERS IN

1010 Transfer In - Intrafund

3400 Other Funds Ltd	1,604	1,604	0	0.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	1,604	1,604	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$1,604</b>	<b>\$1,604</b>	<b>\$0</b>	<b>0.00%</b>
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EXPENDITURES

SERVICES & SUPPLIES

4300 Professional Services

3400 Other Funds Ltd	1,119	1,119	0	0.00%
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4315 IT Professional Services

3400 Other Funds Ltd	471	471	0	0.00%
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4425 Facilities Rental and Taxes

3400 Other Funds Ltd	14	14	0	0.00%
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SERVICES & SUPPLIES

3400 Other Funds Ltd	1,604	1,604	0	0.00%
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<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$1,604</b>	<b>\$1,604</b>	<b>\$0</b>	<b>0.00%</b>
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EXPENDITURES

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Administration and Support

Cross Reference Number: 84500-003-00-00-00000  
 Package: Above Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	1,604	1,604	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$1,604</b>	<b>\$1,604</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Package Comparison Report - Detail  
2015-17 Biennium  
Administration and Support**

**Cross Reference Number: 84500-003-00-00-00000  
Package: Provide Online and E-Commerce Licensing  
Pkg Group: POL Pkg Type: POL Pkg Number: 303**

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	250,000	250,000	0	0.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	250,000	250,000	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4175 Office Expenses**

3400 Other Funds Ltd	6,000	6,000	0	0.00%
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**4315 IT Professional Services**

3400 Other Funds Ltd	237,834	237,834	0	0.00%
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**4475 Facilities Maintenance**

3400 Other Funds Ltd	3,181	3,181	0	0.00%
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**4715 IT Expendable Property**

3400 Other Funds Ltd	2,985	2,985	0	0.00%
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**SERVICES & SUPPLIES**

3400 Other Funds Ltd	250,000	250,000	0	0.00%
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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Administration and Support

Cross Reference Number: 84500-003-00-00-00000  
 Package: Provide Online and E-Commerce Licensing  
 Pkg Group: POL Pkg Type: POL Pkg Number: 303

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	250,000	250,000	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Administration and Support

Cross Reference Number: 84500-003-00-00-00000  
 Package: Upgrade Phone System  
 Pkg Group: POL Pkg Type: POL Pkg Number: 308

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	110,000	110,000	0	0.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	110,000	110,000	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$110,000</b>	<b>\$110,000</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4300 Professional Services**

3400 Other Funds Ltd	15,000	15,000	0	0.00%
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**SERVICES & SUPPLIES**

3400 Other Funds Ltd	15,000	15,000	0	0.00%
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<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$0</b>	<b>0.00%</b>
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**CAPITAL OUTLAY**

**5200 Technical Equipment**

3400 Other Funds Ltd	95,000	95,000	0	0.00%
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**CAPITAL OUTLAY**

3400 Other Funds Ltd	95,000	95,000	0	0.00%
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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
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 Administration and Support

Cross Reference Number: 84500-003-00-00-00000  
 Package: Upgrade Phone System  
 Pkg Group: POL Pkg Type: POL Pkg Number: 308

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$95,000</b>	<b>\$95,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	110,000	110,000	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$110,000</b>	<b>\$110,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Administration and Support

Cross Reference Number: 84500-003-00-00-00000  
 Package: SB 5507 End of Session  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 840

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	-	(367,287)	(367,287)	100.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	-	(367,287)	(367,287)	100.00%
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<b>TOTAL AVAILABLE REVENUES</b>	-	<b>(\$367,287)</b>	<b>(\$367,287)</b>	<b>100.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4225 State Gov. Service Charges**

3400 Other Funds Ltd	-	(327,531)	(327,531)	100.00%
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**4325 Attorney General**

3400 Other Funds Ltd	-	(39,756)	(39,756)	100.00%
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**SERVICES & SUPPLIES**

3400 Other Funds Ltd	-	(367,287)	(367,287)	100.00%
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<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$367,287)</b>	<b>(\$367,287)</b>	<b>100.00%</b>
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**EXPENDITURES**

3400 Other Funds Ltd	-	(367,287)	(367,287)	100.00%
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<b>TOTAL EXPENDITURES</b>	-	<b>(\$367,287)</b>	<b>(\$367,287)</b>	<b>100.00%</b>
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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
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 Administration and Support

Cross Reference Number: 84500-003-00-00-00000  
 Package: SB 5507 End of Session  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 840

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Administration and Support

Cross Reference Number: 84500-003-00-00-00000  
 Package: Substantive Bills  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	-	133,738	133,738	100.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	-	133,738	133,738	100.00%
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<b>TOTAL AVAILABLE REVENUES</b>	-	<b>\$133,738</b>	<b>\$133,738</b>	<b>100.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	-	82,278	82,278	100.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	-	82,278	82,278	100.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	-	<b>\$82,278</b>	<b>\$82,278</b>	<b>100.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	-	33	33	100.00%
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**3220 Public Employees Retire Cont**

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Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Administration and Support

Cross Reference Number: 84500-003-00-00-00000

Package: Substantive Bills

Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	13,987	13,987	100.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	-	6,294	6,294	100.00%
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	-	51	51	100.00%
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	-	22,896	22,896	100.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	-	43,261	43,261	100.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>\$43,261</b>	<b>\$43,261</b>	<b>100.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	(501)	(501)	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	-	(501)	(501)	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>(\$501)</b>	<b>(\$501)</b>	<b>100.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	-	125,038	125,038	100.00%
<b>TOTAL PERSONAL SERVICES</b>	-	<b>\$125,038</b>	<b>\$125,038</b>	<b>100.00%</b>

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Administration and Support

Cross Reference Number: 84500-003-00-00-00000  
 Package: Substantive Bills  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>SERVICES &amp; SUPPLIES</b>				
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	-	8,700	8,700	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	8,700	8,700	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$8,700</b>	<b>\$8,700</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	133,738	133,738	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>\$133,738</b>	<b>\$133,738</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	-	1	1	100.00%
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	-	0.75	0.75	100.00%

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Marijuana Regulation

Cross Reference Number: 84500-004-00-00-00000  
 Package: Measure 91 Implementation  
 Pkg Group: POL Pkg Type: GOV Pkg Number: 501

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TAXES</b>				
<b>0185 Privilege Taxes</b>				
3400 Other Funds Ltd	16,035,830	-	(16,035,830)	(100.00%)
<b>LICENSES AND FEES</b>				
<b>0205 Business Lic and Fees</b>				
3400 Other Funds Ltd	424,800	-	(424,800)	(100.00%)
<b>REVENUE CATEGORIES</b>				
3400 Other Funds Ltd	16,460,630	-	(16,460,630)	(100.00%)
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$16,460,630</b>	<b>-</b>	<b>(\$16,460,630)</b>	<b>(100.00%)</b>

**2000**

**2070 Transfer to Cities**

3400 Other Funds Ltd (910,895) - 910,895 100.00%

**2080 Transfer to Counties**

3400 Other Funds Ltd (910,895) - 910,895 100.00%

**2141 Tsfr To Lands, Dept of State**

3400 Other Funds Ltd (3,643,577) - 3,643,577 100.00%

**2257 Tsfr To Police, Dept of State**

3400 Other Funds Ltd (1,366,342) - 1,366,342 100.00%

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Marijuana Regulation

Cross Reference Number: 84500-004-00-00-00000  
 Package: Measure 91 Implementation  
 Pkg Group: POL Pkg Type: GOV Pkg Number: 501

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>2443 Tsfr To Oregon Health Authority</b>				
3400 Other Funds Ltd	(2,277,236)	-	2,277,236	100.00%
<b>2603 Tsfr To Agriculture, Dept of</b>				
3400 Other Funds Ltd	(212,641)	-	212,641	100.00%
<b>2000</b>				
3400 Other Funds Ltd	(9,321,586)	-	9,321,586	100.00%
<b>TOTAL 2000</b>	<b>(\$9,321,586)</b>	<b>-</b>	<b>\$9,321,586</b>	<b>100.00%</b>
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	7,139,044	-	(7,139,044)	(100.00%)
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$7,139,044</b>	<b>-</b>	<b>(\$7,139,044)</b>	<b>(100.00%)</b>
<b>EXPENDITURES</b>				
<b>PERSONAL SERVICES</b>				
<b>SALARIES &amp; WAGES</b>				
<b>3110 Class/Unclass Sal. and Per Diem</b>				
3400 Other Funds Ltd	2,145,960	-	(2,145,960)	(100.00%)
<b>OTHER PAYROLL EXPENSES</b>				
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	902	-	(902)	(100.00%)
<b>3220 Public Employees Retire Cont</b>				

Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Marijuana Regulation

Cross Reference Number: 84500-004-00-00-00000  
 Package: Measure 91 Implementation  
 Pkg Group: POL Pkg Type: GOV Pkg Number: 501

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	364,811	-	(364,811)	(100.00%)
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	164,168	-	(164,168)	(100.00%)
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	1,407	-	(1,407)	(100.00%)
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	625,824	-	(625,824)	(100.00%)
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	1,157,112	-	(1,157,112)	(100.00%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$1,157,112</b>	<b>-</b>	<b>(\$1,157,112)</b>	<b>(100.00%)</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	221,774	-	(221,774)	(100.00%)
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	3,524,846	-	(3,524,846)	(100.00%)
<b>TOTAL PERSONAL SERVICES</b>	<b>\$3,524,846</b>	<b>-</b>	<b>(\$3,524,846)</b>	<b>(100.00%)</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	95,000	-	(95,000)	(100.00%)

**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Package Comparison Report - Detail  
2015-17 Biennium  
Marijuana Regulation**

**Cross Reference Number: 84500-004-00-00-00000  
Package: Measure 91 Implementation  
Pkg Group: POL Pkg Type: GOV Pkg Number: 501**

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	15,000	-	(15,000)	(100.00%)
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	15,524	-	(15,524)	(100.00%)
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	36,700	-	(36,700)	(100.00%)
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	73,000	-	(73,000)	(100.00%)
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	3,000	-	(3,000)	(100.00%)
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	92,202	-	(92,202)	(100.00%)
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	600,000	-	(600,000)	(100.00%)
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	10,000	-	(10,000)	(100.00%)
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	2,000	-	(2,000)	(100.00%)
<b>4425 Facilities Rental and Taxes</b>				

Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Marijuana Regulation

Cross Reference Number: 84500-004-00-00-00000  
 Package: Measure 91 Implementation  
 Pkg Group: POL Pkg Type: GOV Pkg Number: 501

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	500,000	-	(500,000)	(100.00%)
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	396,952	-	(396,952)	(100.00%)
<b>4575 Agency Program Related S and S</b>				
3400 Other Funds Ltd	16,000	-	(16,000)	(100.00%)
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	1,425,722	-	(1,425,722)	(100.00%)
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	3,281,100	-	(3,281,100)	(100.00%)
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$3,281,100</b>	-	<b>(\$3,281,100)</b>	<b>(100.00%)</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	6,805,946	-	(6,805,946)	(100.00%)
<b>TOTAL EXPENDITURES</b>	<b>\$6,805,946</b>	-	<b>(\$6,805,946)</b>	<b>(100.00%)</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	333,098	-	(333,098)	(100.00%)
<b>TOTAL ENDING BALANCE</b>	<b>\$333,098</b>	-	<b>(\$333,098)</b>	<b>(100.00%)</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	28	-	(28)	(100.00%)
<b>AUTHORIZED FTE</b>				

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

**Package Comparison Report - Detail  
2015-17 Biennium  
Marijuana Regulation**

**Cross Reference Number: 84500-004-00-00-00000  
Package: Measure 91 Implementation  
Pkg Group: POL Pkg Type: GOV Pkg Number: 501**

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
8250 Class/Unclass FTE Positions	20.50	-	(20.50)	(100.00%)

Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Marijuana Regulation

Cross Reference Number: 84500-004-00-00-00000  
 Package: Substantive Bills  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

REVENUE CATEGORIES

LICENSES AND FEES

0205 Business Lic and Fees

3400 Other Funds Ltd - 5,174,200 5,174,200 100.00%

TRANSFERS IN

1010 Transfer In - Intrafund

3400 Other Funds Ltd - 149,466 149,466 100.00%

1150 Tsfr From Revenue, Dept of

3400 Other Funds Ltd - 3,221,908 3,221,908 100.00%

TRANSFERS IN

3400 Other Funds Ltd - 3,371,374 3,371,374 100.00%

TOTAL TRANSFERS IN

- \$3,371,374 \$3,371,374 100.00%

REVENUE CATEGORIES

3400 Other Funds Ltd - 8,545,574 8,545,574 100.00%

TOTAL REVENUE CATEGORIES

- \$8,545,574 \$8,545,574 100.00%

2000

2603 Tsfr To Agriculture, Dept of

3400 Other Funds Ltd - (212,641) (212,641) 100.00%

2000

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Marijuana Regulation

Cross Reference Number: 84500-004-00-00-00000  
 Package: Substantive Bills  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	(212,641)	(212,641)	100.00%
<b>TOTAL 2000</b>	-	<b>(\$212,641)</b>	<b>(\$212,641)</b>	<b>100.00%</b>
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	-	8,332,933	8,332,933	100.00%
<b>TOTAL AVAILABLE REVENUES</b>	-	<b>\$8,332,933</b>	<b>\$8,332,933</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
<b>PERSONAL SERVICES</b>				
<b>SALARIES &amp; WAGES</b>				
<b>3110 Class/Unclass Sal. and Per Diem</b>				
3400 Other Funds Ltd	-	2,446,503	2,446,503	100.00%
<b>OTHER PAYROLL EXPENSES</b>				
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	-	1,102	1,102	100.00%
<b>3220 Public Employees Retire Cont</b>				
3400 Other Funds Ltd	-	415,908	415,908	100.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	-	187,159	187,159	100.00%
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	-	1,711	1,711	100.00%

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**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Marijuana Regulation

Cross Reference Number: 84500-004-00-00-00000  
 Package: Substantive Bills  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	-	760,656	760,656	100.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	-	1,366,536	1,366,536	100.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>\$1,366,536</b>	<b>\$1,366,536</b>	<b>100.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	14,682	14,682	100.00%
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	-	3,827,721	3,827,721	100.00%
<b>TOTAL PERSONAL SERVICES</b>	-	<b>\$3,827,721</b>	<b>\$3,827,721</b>	<b>100.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	-	80,000	80,000	100.00%
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	-	15,000	15,000	100.00%
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	-	81,000	81,000	100.00%
<b>4175 Office Expenses</b>				

Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Marijuana Regulation

Cross Reference Number: 84500-004-00-00-00000

Package: Substantive Bills

Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	161,000	161,000	100.00%
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	-	73,000	73,000	100.00%
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	-	200,000	200,000	100.00%
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	-	3,000	3,000	100.00%
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	-	352,202	352,202	100.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	-	1,799,849	1,799,849	100.00%
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	-	480,000	480,000	100.00%
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	-	92,500	92,500	100.00%
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	-	3,000	3,000	100.00%
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	-	250,000	250,000	100.00%

Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Marijuana Regulation

Cross Reference Number: 84500-004-00-00-00000  
 Package: Substantive Bills  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	-	80,000	80,000	100.00%
<b>4575 Agency Program Related S and S</b>				
3400 Other Funds Ltd	-	146,000	146,000	100.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	-	608,661	608,661	100.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	-	80,000	80,000	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	4,505,212	4,505,212	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$4,505,212</b>	<b>\$4,505,212</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	8,332,933	8,332,933	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>\$8,332,933</b>	<b>\$8,332,933</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	-	30	30	100.00%

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**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Marijuana Regulation

Cross Reference Number: 84500-004-00-00-00000  
 Package: Substantive Bills  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 850

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	-	24.98	24.98	100.00%
8280 FTE Reconciliation	-	(0.07)	(0.07)	100.00%
<b>TOTAL AUTHORIZED FTE</b>	-	<b>24.91</b>	<b>24.91</b>	<b>100.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Store Operating Expenses

Cross Reference Number: 84500-005-00-00-00000  
 Package: Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
<b>1010 Transfer In - Intrafund</b>				
3400 Other Funds Ltd	2,854,740	2,854,740	0	0.00%
<b>TRANSFERS IN</b>				
3400 Other Funds Ltd	2,854,740	2,854,740	0	0.00%
<b>TOTAL TRANSFERS IN</b>	<b>\$2,854,740</b>	<b>\$2,854,740</b>	<b>\$0</b>	<b>0.00%</b>
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	2,854,740	2,854,740	0	0.00%
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$2,854,740</b>	<b>\$2,854,740</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	2,854,740	2,854,740	0	0.00%
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	2,854,740	2,854,740	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$2,854,740</b>	<b>\$2,854,740</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Store Operating Expenses

Cross Reference Number: 84500-005-00-00-00000

Package: Standard Inflation

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Store Operating Expenses

Cross Reference Number: 84500-005-00-00-00000  
 Package: Above Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	946,260	946,260	0	0.00%
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**TRANSFERS IN**

3400 Other Funds Ltd	946,260	946,260	0	0.00%
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<b>TOTAL TRANSFERS IN</b>	<b>\$946,260</b>	<b>\$946,260</b>	<b>\$0</b>	<b>0.00%</b>
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	946,260	946,260	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$946,260</b>	<b>\$946,260</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**SERVICES & SUPPLIES**

**4300 Professional Services**

3400 Other Funds Ltd	946,260	946,260	0	0.00%
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**EXPENDITURES**

3400 Other Funds Ltd	946,260	946,260	0	0.00%
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<b>TOTAL EXPENDITURES</b>	<b>\$946,260</b>	<b>\$946,260</b>	<b>\$0</b>	<b>0.00%</b>
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**ENDING BALANCE**

3400 Other Funds Ltd	-	-	0	0.00%
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Package Comparison Report - Detail

Cross Reference Number: 84500-005-00-00-00000

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Package: Above Standard Inflation

Store Operating Expenses

Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%

Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Store Operating Expenses

Cross Reference Number: 84500-005-00-00-00000  
 Package: Analyst Adjustments  
 Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
<b>1010 Transfer In - Intrafund</b>				
3400 Other Funds Ltd	2,999,335	-	(2,999,335)	(100.00%)
<b>TRANSFERS IN</b>				
3400 Other Funds Ltd	2,999,335	-	(2,999,335)	(100.00%)
<b>TOTAL TRANSFERS IN</b>	<b>\$2,999,335</b>	<b>-</b>	<b>(\$2,999,335)</b>	<b>(100.00%)</b>
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	2,999,335	-	(2,999,335)	(100.00%)
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$2,999,335</b>	<b>-</b>	<b>(\$2,999,335)</b>	<b>(100.00%)</b>
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	2,999,335	-	(2,999,335)	(100.00%)
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	2,999,335	-	(2,999,335)	(100.00%)
<b>TOTAL EXPENDITURES</b>	<b>\$2,999,335</b>	<b>-</b>	<b>(\$2,999,335)</b>	<b>(100.00%)</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%

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**Agency Number: 84500**

Package Comparison Report - Detail

Cross Reference Number: 84500-005-00-00-00000

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Package: Analyst Adjustments

Store Operating Expenses

Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%

Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Store Operating Expenses

Cross Reference Number: 84500-005-00-00-00000  
 Package: LFO Analyst Adjustments  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 801

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
<b>1845 Tsfr From Or Liquor Cntrl Comm</b>				
3400 Other Funds Ltd	-	2,999,335	2,999,335	100.00%
<b>TRANSFERS IN</b>				
3400 Other Funds Ltd	-	2,999,335	2,999,335	100.00%
<b>TOTAL TRANSFERS IN</b>	-	<b>\$2,999,335</b>	<b>\$2,999,335</b>	<b>100.00%</b>
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	-	2,999,335	2,999,335	100.00%
<b>TOTAL AVAILABLE REVENUES</b>	-	<b>\$2,999,335</b>	<b>\$2,999,335</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
<b>SPECIAL PAYMENTS</b>				
<b>6845 Spc Pmt to Or Liquor Cntrl Comm</b>				
3400 Other Funds Ltd	-	2,999,335	2,999,335	100.00%
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	2,999,335	2,999,335	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>\$2,999,335</b>	<b>\$2,999,335</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail

Cross Reference Number: 84500-005-00-00-00000

2015-17 Biennium

Package: LFO Analyst Adjustments

Store Operating Expenses

Pkg Group: POL Pkg Type: LFO Pkg Number: 801

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail  
 2015-17 Biennium  
 Store Operating Expenses

Cross Reference Number: 84500-005-00-00-00000  
 Package: Non Exclusive Store Differential  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 803

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1845 Tsfr From Or Liquor Cntrl Comm**

3400 Other Funds Ltd - 612,000 612,000 100.00%

**TRANSFERS IN**

3400 Other Funds Ltd - 612,000 612,000 100.00%

**TOTAL TRANSFERS IN - \$612,000 \$612,000 100.00%**

**AVAILABLE REVENUES**

3400 Other Funds Ltd - 612,000 612,000 100.00%

**TOTAL AVAILABLE REVENUES - \$612,000 \$612,000 100.00%**

**EXPENDITURES**

**SPECIAL PAYMENTS**

**6845 Spc Pmt to Or Liquor Cntrl Comm**

3400 Other Funds Ltd - 612,000 612,000 100.00%

**EXPENDITURES**

3400 Other Funds Ltd - 612,000 612,000 100.00%

**TOTAL EXPENDITURES - \$612,000 \$612,000 100.00%**

**ENDING BALANCE**

3400 Other Funds Ltd - - 0 0.00%

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**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail

Cross Reference Number: 84500-005-00-00-00000

2015-17 Biennium

Package: Non Exclusive Store Differential

Store Operating Expenses

Pkg Group: POL Pkg Type: LFO Pkg Number: 803

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%

Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail  
 2015-17 Biennium  
 Capital Improvements

Cross Reference Number: 84500-088-00-00-00000  
 Package: Standard Inflation  
 Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

REVENUE CATEGORIES

TRANSFERS IN

1010 Transfer In - Intrafund

3010 Other Funds Cap Improvement	6,402	6,402	0	0.00%
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AVAILABLE REVENUES

3010 Other Funds Cap Improvement	6,402	6,402	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$6,402</b>	<b>\$6,402</b>	<b>\$0</b>	<b>0.00%</b>
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EXPENDITURES

CAPITAL OUTLAY

5650 Land and Improvements

3010 Other Funds Cap Improvement	150	150	0	0.00%
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5700 Building Structures

3010 Other Funds Cap Improvement	6,252	6,252	0	0.00%
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CAPITAL OUTLAY

3010 Other Funds Cap Improvement	6,402	6,402	0	0.00%
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<b>TOTAL CAPITAL OUTLAY</b>	<b>\$6,402</b>	<b>\$6,402</b>	<b>\$0</b>	<b>0.00%</b>
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ENDING BALANCE

3010 Other Funds Cap Improvement	-	-	0	0.00%
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<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>
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Oregon Liquor Control Comm

Agency Number: 84500

Package Comparison Report - Detail

Cross Reference Number: 84500-088-00-00-00000

2015-17 Biennium

Package: Repair OLCC Facilities

Capital Improvements

Pkg Group: POL Pkg Type: POL Pkg Number: 301

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
<b>1010 Transfer In - Intrafund</b>				
3010 Other Funds Cap Improvement	2,631,000	4,172,000	1,541,000	58.57%
<b>AVAILABLE REVENUES</b>				
3010 Other Funds Cap Improvement	2,631,000	4,172,000	1,541,000	58.57%
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$2,631,000</b>	<b>\$4,172,000</b>	<b>\$1,541,000</b>	<b>58.57%</b>
<b>EXPENDITURES</b>				
<b>CAPITAL OUTLAY</b>				
<b>5700 Building Structures</b>				
3010 Other Funds Cap Improvement	2,631,000	4,172,000	1,541,000	58.57%
<b>CAPITAL OUTLAY</b>				
3010 Other Funds Cap Improvement	2,631,000	4,172,000	1,541,000	58.57%
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$2,631,000</b>	<b>\$4,172,000</b>	<b>\$1,541,000</b>	<b>58.57%</b>
<b>ENDING BALANCE</b>				
3010 Other Funds Cap Improvement	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

**Oregon Liquor Control Comm**

**Agency Number: 84500**

Package Comparison Report - Detail

Cross Reference Number: 84500-990-00-00-00000

2015-17 Biennium

Package: Analyst Adjustments

Agency-Wide Consolidation

Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>COST OF GOODS SOLD</b>				
<b>0760 Cost of Goods Sold</b>				
3400 Other Funds Ltd	634,961	-	(634,961)	(100.00%)
<b>2000</b>				
<b>2010 Transfer Out - Intrafund</b>				
3400 Other Funds Ltd	(634,961)	-	634,961	100.00%
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL AVAILABLE REVENUES</b>	-	-	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	PF SAL	LF SAL	AF SAL
000	AL	C0107	AA ADMINISTRATIVE SPECIALIST 1	4	4.00	96.00	3,304.50		317,232			317,232
000	AL	C0108	AA ADMINISTRATIVE SPECIALIST 2	1	1.00	24.00	3,973.00		95,352			95,352
000	AL	C0860	AA PROGRAM ANALYST 1	1	1.00	24.00	4,162.00		99,888			99,888
000	AL	C0861	AA PROGRAM ANALYST 2	5	5.00	120.00	5,314.60		637,752			637,752
000	AL	C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	5,802.00		139,248			139,248
000	AL	C4137	AA LIQUOR DISTRIBUTION WORKER 1	18	18.00	432.00	2,662.66		1,150,272			1,150,272
000	AL	C4138	AA LIQUOR DISTRIBUTION WORKER 2	15	15.00	360.00	3,258.33		1,173,000			1,173,000
000	AL	C4139	AA LIQUOR DISTRIBUTION EQUIP OPER	13	13.00	312.00	2,833.76		884,136			884,136
000	AL	C4409	AA GENERAL MAINTENANCE MECHANIC	2	2.00	48.00	3,383.00		162,384			162,384
000	MESNZ	7008	AA PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	8,087.00		194,088			194,088
000	MESNZ	7012	AA PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	10,306.00		247,344			247,344
000	MMN	X0108	AA ADMINISTRATIVE SPECIALIST 2	1	1.00	24.00	4,111.00		98,664			98,664
000	MMS	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	2	2.00	48.00	4,748.50		227,928			227,928
000	MMS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	5,764.00		138,336			138,336
000				66	66.00	1584.00	3,513.65		5,565,624			5,565,624
				66	66.00	1584.00	3,513.65		5,565,624			5,565,624

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	AL	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	2,408.00		57,792			57,792
000	AL	C0104	AA OFFICE SPECIALIST 2	10	8.00	192.00	3,007.80		571,920			571,920
000	AL	C0107	AA ADMINISTRATIVE SPECIALIST 1	8	8.00	192.00	3,185.62		611,640			611,640
000	AL	C0108	AA ADMINISTRATIVE SPECIALIST 2	3	3.00	72.00	3,606.66		259,680			259,680
000	AL	C5246	AA COMPLIANCE SPECIALIST 1	1	1.00	24.00	3,292.00		79,008			79,008
000	AL	C5247	AA COMPLIANCE SPECIALIST 2	1	1.00	24.00	5,277.00		126,648			126,648
000	AL	C5248	AA COMPLIANCE SPECIALIST 3	4	4.00	96.00	5,755.00		552,480			552,480
000	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	57	57.00	1368.00	4,668.57		6,386,616			6,386,616
000	MESNZ	7008	AA PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	5,764.00		138,336			138,336
000	MESNZ	7010	AA PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	8,917.00		214,008			214,008
000	MMS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D	6	6.00	144.00	6,863.66		988,368			988,368
000				93	91.00	2184.00	4,541.41		9,986,496			9,986,496
				93	91.00	2184.00	4,541.41		9,986,496			9,986,496

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	AL	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	2,936.00		70,464			70,464
000	AL	C0107	AA ADMINISTRATIVE SPECIALIST 1	3	3.00	72.00	3,451.00		248,472			248,472
000	AL	C0108	AA ADMINISTRATIVE SPECIALIST 2	3	3.00	72.00	3,421.33		246,336			246,336
000	AL	C0211	AA ACCOUNTING TECHNICIAN 2	4	4.00	96.00	3,112.00		298,752			298,752
000	AL	C0212	AA ACCOUNTING TECHNICIAN 3	2	2.00	48.00	3,451.00		165,648			165,648
000	AL	C0758	AA SUPPLY SPECIALIST 1	1	1.00	24.00	2,874.00		68,976			68,976
000	AL	C0759	AA SUPPLY SPECIALIST 2	1	1.00	24.00	4,162.00		99,888			99,888
000	AL	C0860	AA PROGRAM ANALYST 1	5	5.00	120.00	4,541.00		544,920			544,920
000	AL	C0864	AA PUBLIC AFFAIRS SPECIALIST 1	1	1.00	24.00	4,791.00		114,984			114,984
000	AL	C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	5,028.00		120,672			120,672
000	AL	C1215	AA ACCOUNTANT 1	3	3.00	72.00	4,035.33		290,544			290,544
000	AL	C1216	AA ACCOUNTANT 2	1	1.00	24.00	3,782.00		90,768			90,768
000	AL	C1217	AA ACCOUNTANT 3	3	3.00	72.00	5,711.33		411,216			411,216
000	AL	C1483	IA INFO SYSTEMS SPECIALIST 3	2	2.00	48.00	3,905.50		187,464			187,464
000	AL	C1484	IA INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	4,325.00		103,800			103,800
000	AL	C1485	IA INFO SYSTEMS SPECIALIST 5	2	2.00	48.00	6,079.00		291,792			291,792
000	AL	C1486	IA INFO SYSTEMS SPECIALIST 6	5	5.00	120.00	5,923.80		710,856			710,856
000	AL	C1487	IA INFO SYSTEMS SPECIALIST 7	2	2.00	48.00	7,194.00		345,312			345,312
000	AL	C1488	IA INFO SYSTEMS SPECIALIST 8	2	2.00	48.00	7,855.00		377,040			377,040
000	AL	C4033	AA FACILITY ENERGY TECHNICIAN 2	2	2.00	48.00	3,580.50		171,864			171,864
000	AL	C4110	AA GROUNDS MAINTENANCE WORKER 2	1	1.00	24.00	2,644.00		63,456			63,456
000	AL	C5248	AA COMPLIANCE SPECIALIST 3	5	5.00	120.00	5,672.00		680,640			680,640
000	B	Y7500	AE BOARD AND COMMISSION MEMBER		.00	.00	0.00		24,000			24,000
000	MEAHZ7014	HA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	12,109.00		290,616			290,616
000	MENNZ0830	AA	EXECUTIVE ASSISTANT	1	1.00	24.00	3,915.00		93,960			93,960

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	MENNZ7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	8,087.00		194,088			194,088
000	MESNZ7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	2	2.00	48.00	6,213.50		298,248			298,248
000	MESNZ7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	8,917.00		214,008			214,008
000	MMC X1319	AA	HUMAN RESOURCE ASSISTANT	1	1.00	24.00	3,915.00		93,960			93,960
000	MMN X0866	AA	PUBLIC AFFAIRS SPECIALIST 3	1	1.00	24.00	6,663.00		159,912			159,912
000	MMN X0872	AA	OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	5,231.00		125,544			125,544
000	MMN X1118	AA	RESEARCH ANALYST 4	1	1.00	24.00	5,231.00		125,544			125,544
000	MMN X1164	AA	ECONOMIST 4	1	1.00	24.00	7,343.00		176,232			176,232
000	MMN X1321	AA	HUMAN RESOURCE ANALYST 2	1	1.00	24.00	4,111.00		98,664			98,664
000	MMN X1322	AA	HUMAN RESOURCE ANALYST 3	1	1.00	24.00	6,351.00		152,424			152,424
000	MMS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	3	3.00	72.00	7,228.00		520,416			520,416
000	MMS X7008	IA	PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	9,354.00		224,496			224,496
000				68	68.00	1632.00	4,835.60		8,495,976			8,495,976

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
850	AL	C5248	AA COMPLIANCE SPECIALIST 3	1	.75	18.00	4,571.00		82,278			82,278
850				1	.75	18.00	4,571.00		82,278			82,278
				69	68.75	1650.00	4,832.02		8,578,254			8,578,254

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
501	AL	C1486	IA INFO SYSTEMS SPECIALIST 6		.00	.00	4,710.00					
501	AL	C5723	AA LIQUOR REGULATORY SPECIALIST		.00	.00	3,782.00					
501	MENNZ0119	AA	EXECUTIVE SUPPORT SPECIALIST 2		.00	.00	3,072.00					
501	MMS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D		.00	.00	5,231.00					
501					.00	.00	4,285.28					

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
850	AL	C0104	AA OFFICE SPECIALIST 2	1	.83	20.00	2,495.00		49,900			49,900
850	AL	C0107	AA ADMINISTRATIVE SPECIALIST 1	2	1.83	44.00	2,644.00		116,336			116,336
850	AL	C0108	AA ADMINISTRATIVE SPECIALIST 2	1	.88	21.00	2,874.00		60,354			60,354
850	AL	C0211	AA ACCOUNTING TECHNICIAN 2	1	.25	6.00	2,644.00		15,864			15,864
850	AL	C1215	AA ACCOUNTANT 1	1	.25	6.00	3,139.00		18,834			18,834
850	AL	C1216	AA ACCOUNTANT 2	2	1.17	28.00	3,451.00		96,628			96,628
850	AL	C1217	AA ACCOUNTANT 3	1	.96	23.00	4,162.00		95,726			95,726
850	AL	C1483	IA INFO SYSTEMS SPECIALIST 3	1	.92	22.00	3,638.00		80,036			80,036
850	AL	C1486	IA INFO SYSTEMS SPECIALIST 6		.00	.00	4,710.00					
850	AL	C5248	AA COMPLIANCE SPECIALIST 3	3	2.71	65.00	4,571.00		297,115			297,115
850	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	11	9.68	231.00	3,782.00		873,642			873,642
850	MENNZ0119	AA	EXECUTIVE SUPPORT SPECIALIST 2		.00	.00	3,072.00					
850	MESNZ7012	AA	PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	7,343.00		176,232			176,232
850	MMN	X0866	AA PUBLIC AFFAIRS SPECIALIST 3	1	1.00	24.00	5,492.00		131,808			131,808
850	MMN	X0872	AA OPERATIONS & POLICY ANALYST 3	2	2.00	48.00	5,231.00		251,088			251,088
850	MMN	X0873	AA OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	5,764.00		138,336			138,336
850	MMN	X1320	AA HUMAN RESOURCE ANALYST 1	1	.50	12.00	3,717.00		44,604			44,604
850	MMS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D		.00	.00	5,231.00					
850				30	24.98	598.00	4,033.29		2,446,503			2,446,503
				30	24.98	598.00	4,073.38		2,446,503			2,446,503
				258	250.73	6016.00	4,299.82		26,576,877			26,576,877

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
				258	250.73	6016.00	4,299.82		26,576,877			26,576,877

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	AL	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	2,408.00		57,792			57,792
850	AL	C0104	AA OFFICE SPECIALIST 2	12	9.83	236.00	2,959.08		692,284			692,284
850	AL	C0107	AA ADMINISTRATIVE SPECIALIST 1	17	16.83	404.00	3,196.70		1,293,680			1,293,680
850	AL	C0108	AA ADMINISTRATIVE SPECIALIST 2	8	7.88	189.00	3,491.37		661,722			661,722
850	AL	C0211	AA ACCOUNTING TECHNICIAN 2	5	4.25	102.00	3,018.40		314,616			314,616
000	AL	C0212	AA ACCOUNTING TECHNICIAN 3	2	2.00	48.00	3,451.00		165,648			165,648
000	AL	C0758	AA SUPPLY SPECIALIST 1	1	1.00	24.00	2,874.00		68,976			68,976
000	AL	C0759	AA SUPPLY SPECIALIST 2	1	1.00	24.00	4,162.00		99,888			99,888
000	AL	C0860	AA PROGRAM ANALYST 1	6	6.00	144.00	4,477.83		644,808			644,808
000	AL	C0861	AA PROGRAM ANALYST 2	5	5.00	120.00	5,314.60		637,752			637,752
000	AL	C0864	AA PUBLIC AFFAIRS SPECIALIST 1	1	1.00	24.00	4,791.00		114,984			114,984
000	AL	C0871	AA OPERATIONS & POLICY ANALYST 2	2	2.00	48.00	5,415.00		259,920			259,920
850	AL	C1215	AA ACCOUNTANT 1	4	3.25	78.00	3,811.25		309,378			309,378
850	AL	C1216	AA ACCOUNTANT 2	3	2.17	52.00	3,561.33		187,396			187,396
850	AL	C1217	AA ACCOUNTANT 3	4	3.96	95.00	5,324.00		506,942			506,942
850	AL	C1483	IA INFO SYSTEMS SPECIALIST 3	3	2.92	70.00	3,816.33		267,500			267,500
000	AL	C1484	IA INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	4,325.00		103,800			103,800
000	AL	C1485	IA INFO SYSTEMS SPECIALIST 5	2	2.00	48.00	6,079.00		291,792			291,792
850	AL	C1486	IA INFO SYSTEMS SPECIALIST 6	5	5.00	120.00	5,261.72		710,856			710,856
000	AL	C1487	IA INFO SYSTEMS SPECIALIST 7	2	2.00	48.00	7,194.00		345,312			345,312
000	AL	C1488	IA INFO SYSTEMS SPECIALIST 8	2	2.00	48.00	7,855.00		377,040			377,040
000	AL	C4033	AA FACILITY ENERGY TECHNICIAN 2	2	2.00	48.00	3,580.50		171,864			171,864
000	AL	C4110	AA GROUNDS MAINTENANCE WORKER 2	1	1.00	24.00	2,644.00		63,456			63,456
000	AL	C4137	AA LIQUOR DISTRIBUTION WORKER 1	18	18.00	432.00	2,662.66		1,150,272			1,150,272
000	AL	C4138	AA LIQUOR DISTRIBUTION WORKER 2	15	15.00	360.00	3,258.33		1,173,000			1,173,000

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	AL	C4139	AA LIQUOR DISTRIBUTION EQUIP OPER	13	13.00	312.00	2,833.76		884,136			884,136
000	AL	C4409	AA GENERAL MAINTENANCE MECHANIC	2	2.00	48.00	3,383.00		162,384			162,384
000	AL	C5246	AA COMPLIANCE SPECIALIST 1	1	1.00	24.00	3,292.00		79,008			79,008
000	AL	C5247	AA COMPLIANCE SPECIALIST 2	1	1.00	24.00	5,277.00		126,648			126,648
850	AL	C5248	AA COMPLIANCE SPECIALIST 3	13	12.46	299.00	5,358.76		1,612,513			1,612,513
850	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	68	66.68	1599.00	4,483.87		7,260,258			7,260,258
000	B	Y7500	AE BOARD AND COMMISSION MEMBER		.00	.00	0.00		24,000			24,000
000	MEAHZ	7014	HA PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	12,109.00		290,616			290,616
850	MENNZ	0119	AA EXECUTIVE SUPPORT SPECIALIST 2		.00	.00	3,072.00					
000	MENNZ	0830	AA EXECUTIVE ASSISTANT	1	1.00	24.00	3,915.00		93,960			93,960
000	MENNZ	7008	AA PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	8,087.00		194,088			194,088
000	MESNZ	7008	AA PRINCIPAL EXECUTIVE/MANAGER E	4	4.00	96.00	6,569.50		630,672			630,672
000	MESNZ	7010	AA PRINCIPAL EXECUTIVE/MANAGER F	2	2.00	48.00	8,917.00		428,016			428,016
850	MESNZ	7012	AA PRINCIPAL EXECUTIVE/MANAGER G	2	2.00	48.00	8,824.50		423,576			423,576
000	MMC	X1319	AA HUMAN RESOURCE ASSISTANT	1	1.00	24.00	3,915.00		93,960			93,960
000	MMN	X0108	AA ADMINISTRATIVE SPECIALIST 2	1	1.00	24.00	4,111.00		98,664			98,664
850	MMN	X0866	AA PUBLIC AFFAIRS SPECIALIST 3	2	2.00	48.00	6,077.50		291,720			291,720
850	MMN	X0872	AA OPERATIONS & POLICY ANALYST 3	3	3.00	72.00	5,231.00		376,632			376,632
850	MMN	X0873	AA OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	5,764.00		138,336			138,336
000	MMN	X1118	AA RESEARCH ANALYST 4	1	1.00	24.00	5,231.00		125,544			125,544
000	MMN	X1164	AA ECONOMIST 4	1	1.00	24.00	7,343.00		176,232			176,232
850	MMN	X1320	AA HUMAN RESOURCE ANALYST 1	1	.50	12.00	3,717.00		44,604			44,604
000	MMN	X1321	AA HUMAN RESOURCE ANALYST 2	1	1.00	24.00	4,111.00		98,664			98,664
000	MMN	X1322	AA HUMAN RESOURCE ANALYST 3	1	1.00	24.00	6,351.00		152,424			152,424
000	MMS	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	2	2.00	48.00	4,748.50		227,928			227,928

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
850	MMS	X7006 AA	PRINCIPAL EXECUTIVE/MANAGER D	10	10.00	240.00	6,591.00		1,647,120			1,647,120
000	MMS	X7008 IA	PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	9,354.00		224,496			224,496
				258	250.73	6016.00	4,299.82		26,576,877			26,576,877

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
				258	250.73	6016.00	4,299.82		26,576,877			26,576,877

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	RNG P	S T POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
5500604	001260290	003-55-00-00000	850 0 PF AL	C5248 AA	29 02	1	.75	4,571.00	18.00		82,278			
			EST DATE: 2016/01/01	EXP DATE: 9999/01/01										
			850			1	.75		18.00		82,278			
						1	.75		18.00		82,278			

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	S RNG P	T POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
8000403	001251840	004-80-00-00000	501 0 PF	MENNZ0119 AA	19	02	.00	3,072.00	.00					
EST DATE: 2015/07/01 EXP DATE: 9999/01/01														
8000411	001251910	004-80-00-00000	501 0 PF	MMS X7006 AA	31X	02	.00	5,231.00	.00					
EST DATE: 2015/07/01 EXP DATE: 9999/01/01														
8000421	001251850	004-85-00-00000	501 0 PF	AL C1486 IA	29	02	.00	4,710.00	.00					
EST DATE: 2015/07/01 EXP DATE: 9999/01/01														
8000422	001251860	004-85-00-00000	501 0 PF	AL C1486 IA	29	02	.00	4,710.00	.00					
EST DATE: 2015/07/01 EXP DATE: 9999/01/01														
8000423	001251870	004-85-00-00000	501 0 PF	AL C1486 IA	29	02	.00	4,710.00	.00					
EST DATE: 2015/07/01 EXP DATE: 9999/01/01														
8000475	001252050	004-87-00-00000	501 0 PF	AL C5723 AA	25	02	.00	3,782.00	.00					
EST DATE: 2016/07/01 EXP DATE: 9999/01/01														
8000476	001252060	004-87-00-00000	501 0 PF	AL C5723 AA	25	02	.00	3,782.00	.00					
EST DATE: 2016/07/01 EXP DATE: 9999/01/01														
501							.00		.00					

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 AGENCY: 84500 LIQUOR CONTROL COMMISSION  
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POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	S T RNG P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
8000401	001251790	004-80-00-00000	850 0 PF	MESNZ7012 AA	38X 02	1	1.00	7,343.00	24.00		176,232			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01														
8000403	001251840	004-80-00-00000	850 0 PF	MENNZ0119 AA	19 02		.00	3,072.00	.00					
EST DATE: 2015/07/01 EXP DATE: 9999/01/01														
8000405	001251800	004-80-00-00000	850 0 PF	MMN X0873 AA	32 02	1	1.00	5,764.00	24.00		138,336			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01														
8000406	001251810	004-80-00-00000	850 0 PF	MMN X0872 AA	30 02	1	1.00	5,231.00	24.00		125,544			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01														
8000407	001251820	004-80-00-00000	850 0 PF	AL C0108 AA	19 02	1	.88	2,874.00	21.00		60,354			
EST DATE: 2015/10/01 EXP DATE: 9999/01/01														
8000408	001251830	004-80-00-00000	850 0 PF	MMN X0866 AA	31 02	1	1.00	5,492.00	24.00		131,808			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01														
8000411	001251910	004-80-00-00000	850 0 PF	MMS X7006 AA	31X 02		.00	5,231.00	.00					
EST DATE: 2015/07/01 EXP DATE: 9999/01/01														
8000412	001251920	004-80-00-00000	850 0 PF	AL C1217 AA	27 02	1	.96	4,162.00	23.00		95,726			
EST DATE: 2015/08/01 EXP DATE: 9999/01/01														
8000413	001251930	004-80-00-00000	850 0 PF	AL C1216 AA	23 02	1	.92	3,451.00	22.00		75,922			
EST DATE: 2015/09/01 EXP DATE: 9999/01/01														
8000414	001251940	004-80-00-00000	850 0 PF	AL C1215 AA	21 02	1	.25	3,139.00	6.00		18,834			
EST DATE: 2017/01/01 EXP DATE: 9999/01/01														
8000415	001251950	004-80-00-00000	850 0 PF	AL C0211 AA	17 02	1	.25	2,644.00	6.00		15,864			
EST DATE: 2017/01/01 EXP DATE: 9999/01/01														
8000416	001255050	004-80-00-00000	850 0 PF	MMN X0872 AA	30 02	1	1.00	5,231.00	24.00		125,544			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01														
8000417	001255090	004-80-00-00000	850 0 PF	AL C0107 AA	17 02	1	1.00	2,644.00	24.00		63,456			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01														
8000418	001255120	004-80-00-00000	850 0 PF	AL C5248 AA	29 02	1	1.00	4,571.00	24.00		109,704			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01														
8000419	001255130	004-80-00-00000	850 0 LF	MMN X1320 AA	23 02	1	.50	3,717.00	12.00		44,604			
EST DATE: 2015/09/01 EXP DATE: 2016/08/31														
8000420	001255140	004-80-00-00000	850 0 PF	AL C1483 IA	24 02	1	.92	3,638.00	22.00		80,036			
EST DATE: 2015/09/01 EXP DATE: 9999/01/01														

POSITION NUMBER	AUTH NO	ORG STRUC	F POS	CLASS	COMP	RNG	S POS	PTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
8000421	001251850	004-85-00-00000	850 0 PF	AL	C1486 IA	29	02	.00	4,710.00	.00					
EST DATE: 2015/07/01 EXP DATE: 9999/01/01															
8000422	001251860	004-85-00-00000	850 0 PF	AL	C1486 IA	29	02	.00	4,710.00	.00					
EST DATE: 2015/07/01 EXP DATE: 9999/01/01															
8000423	001251870	004-85-00-00000	850 0 PF	AL	C1486 IA	29	02	.00	4,710.00	.00					
EST DATE: 2015/07/01 EXP DATE: 9999/01/01															
8000430	001255150	004-80-00-00000	850 0 PF	AL	C0107 AA	17	02	1	.83	2,644.00	20.00	52,880			
EST DATE: 2015/11/01 EXP DATE: 9999/01/01															
8000431	001255160	004-80-00-00000	850 0 PF	AL	C0104 AA	15C	02	1	.83	2,495.00	20.00	49,900			
EST DATE: 2015/11/01 EXP DATE: 9999/01/01															
8000432	001255170	004-80-00-00000	850 0 LF	AL	C5248 AA	29	02	1	.79	4,571.00	19.00	86,849			
EST DATE: 2015/12/01 EXP DATE: 2017/06/30															
8000433	001255180	004-80-00-00000	850 0 PF	AL	C1216 AA	23	02	1	.25	3,451.00	6.00	20,706			
EST DATE: 2017/01/01 EXP DATE: 9999/01/01															
8000451	001251880	004-85-00-00000	850 0 PF	AL	C5248 AA	29	02	1	.92	4,571.00	22.00	100,562			
EST DATE: 2015/09/01 EXP DATE: 9999/01/01															
8000452	001251890	004-85-00-00000	850 0 PF	AL	C5723 AA	25	02	1	.88	3,782.00	21.00	79,422			
EST DATE: 2015/10/01 EXP DATE: 9999/01/01															
8000453	001251900	004-85-00-00000	850 0 PF	AL	C5723 AA	25	02	1	.88	3,782.00	21.00	79,422			
EST DATE: 2015/10/01 EXP DATE: 9999/01/01															
8000454	001251960	004-85-00-00000	850 0 PF	AL	C5723 AA	25	02	1	.88	3,782.00	21.00	79,422			
EST DATE: 2015/10/01 EXP DATE: 9999/01/01															
8000455	001251970	004-85-00-00000	850 0 PF	AL	C5723 AA	25	02	1	.88	3,782.00	21.00	79,422			
EST DATE: 2015/10/01 EXP DATE: 9999/01/01															
8000456	001251980	004-85-00-00000	850 0 PF	AL	C5723 AA	25	02	1	.88	3,782.00	21.00	79,422			
EST DATE: 2015/10/01 EXP DATE: 9999/01/01															
8000457	001251990	004-85-00-00000	850 0 PF	AL	C5723 AA	25	02	1	.88	3,782.00	21.00	79,422			
EST DATE: 2015/10/01 EXP DATE: 9999/01/01															
8000458	001252000	004-85-00-00000	850 0 PF	AL	C5723 AA	25	02	1	.88	3,782.00	21.00	79,422			
EST DATE: 2015/10/01 EXP DATE: 9999/01/01															
8000471	001252010	004-87-00-00000	850 0 PF	AL	C5723 AA	25	02	1	.88	3,782.00	21.00	79,422			
EST DATE: 2015/10/01 EXP DATE: 9999/01/01															

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 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 84500 LIQUOR CONTROL COMMISSION  
 SUMMARY XREF: 004-00-00 850 Marijuana Regulation

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS	CLASS	COMP	RNG	P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
8000472	001252020	004-87-00-00000	850 0 PF	AL	C5723 AA	25	02	1	.88	3,782.00	21.00		79,422			
EST DATE: 2015/10/01 EXP DATE: 9999/01/01																
8000473	001252030	004-87-00-00000	850 0 PF	AL	C5723 AA	25	02	1	.88	3,782.00	21.00		79,422			
EST DATE: 2015/10/01 EXP DATE: 9999/01/01																
8000474	001252040	004-87-00-00000	850 0 PF	AL	C5723 AA	25	02	1	.88	3,782.00	21.00		79,422			
EST DATE: 2015/10/01 EXP DATE: 9999/01/01																
8000475	001252050	004-87-00-00000	850 0 PF	AL	C5723 AA	25	02		.00	3,782.00	.00					
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																
8000476	001252060	004-87-00-00000	850 0 PF	AL	C5723 AA	25	02		.00	3,782.00	.00					
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																
850									30	24.98	598.00		2,446,503			
									30	24.98	598.00		2,446,503			
									31	25.73	616.00		2,528,781			

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 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
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 PICS SYSTEM: BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	S T RNG P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
						31	25.73		616.00		2,528,781			

PACKAGE: 850 - Substantive Bills

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
8000432	AL	C5248	AA COMPLIANCE SPECIALIST 3	1	.79	19.00	02	4,571.00		86,849 45,665			86,849 45,665
8000433	AL	C1216	AA ACCOUNTANT 2	1	.25	6.00	02	3,451.00		20,706 12,764			20,706 12,764
8000451	AL	C5248	AA COMPLIANCE SPECIALIST 3	1	.92	22.00	02	4,571.00		100,562 52,876			100,562 52,876
8000452	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	1	.88	21.00	02	3,782.00		79,422 46,389			79,422 46,389
8000453	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	1	.88	21.00	02	3,782.00		79,422 46,389			79,422 46,389
8000454	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	1	.88	21.00	02	3,782.00		79,422 46,389			79,422 46,389
8000455	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	1	.88	21.00	02	3,782.00		79,422 46,389			79,422 46,389
8000456	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	1	.88	21.00	02	3,782.00		79,422 46,389			79,422 46,389
8000457	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	1	.88	21.00	02	3,782.00		79,422 46,389			79,422 46,389
8000458	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	1	.88	21.00	02	3,782.00		79,422 46,389			79,422 46,389
8000471	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	1	.88	21.00	02	3,782.00		79,422 46,389			79,422 46,389
8000472	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	1	.88	21.00	02	3,782.00		79,422 46,389			79,422 46,389
8000473	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	1	.88	21.00	02	3,782.00		79,422 46,389			79,422 46,389
8000474	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	1	.88	21.00	02	3,782.00		79,422 46,389			79,422 46,389
TOTAL PICS SALARY										2,446,503			2,446,503
TOTAL PICS OPE										1,366,536			1,366,536
TOTAL PICS PERSONAL SERVICES =				30	24.98	598.00				3,813,039			3,813,039

PACKAGE: 850 - Substantive Bills

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 PICS SYSTEM: BUDGET PREPARATION

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
8000401	MESNZ7012 AA	PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	02	7,343.00		176,232 74,082			176,232 74,082
8000405	MMN X0873 AA	OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	02	5,764.00		138,336 64,741			138,336 64,741
8000406	MMN X0872 AA	OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	02	5,231.00		125,544 61,587			125,544 61,587
8000407	AL C0108 AA	ADMINISTRATIVE SPECIALIST 2	1	.88	21.00	02	2,874.00		60,354 41,688			60,354 41,688
8000408	MMN X0866 AA	PUBLIC AFFAIRS SPECIALIST 3	1	1.00	24.00	02	5,492.00		131,808 63,131			131,808 63,131
8000412	AL C1217 AA	ACCOUNTANT 3	1	.96	23.00	02	4,162.00		95,726 52,960			95,726 52,960
8000413	AL C1216 AA	ACCOUNTANT 2	1	.92	22.00	02	3,451.00		75,922 46,802			75,922 46,802
8000414	AL C1215 AA	ACCOUNTANT 1	1	.25	6.00	02	3,139.00		18,834 12,303			18,834 12,303
8000415	AL C0211 AA	ACCOUNTING TECHNICIAN 2	1	.25	6.00	02	2,644.00		15,864 11,571			15,864 11,571
8000416	MMN X0872 AA	OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	02	5,231.00		125,544 61,587			125,544 61,587
8000417	AL C0107 AA	ADMINISTRATIVE SPECIALIST 1	1	1.00	24.00	02	2,644.00		63,456 46,283			63,456 46,283
8000418	AL C5248 AA	COMPLIANCE SPECIALIST 3	1	1.00	24.00	02	4,571.00		109,704 57,683			109,704 57,683
8000419	MMN X1320 AA	HUMAN RESOURCE ANALYST 1	1	.50	12.00	02	3,717.00		44,604 26,315			44,604 26,315
8000420	AL C1483 IA	INFO SYSTEMS SPECIALIST 3	1	.92	22.00	02	3,638.00		80,036 47,816			80,036 47,816
8000430	AL C0107 AA	ADMINISTRATIVE SPECIALIST 1	1	.83	20.00	02	2,644.00		52,880 38,569			52,880 38,569
8000431	AL C0104 AA	OFFICE SPECIALIST 2	1	.83	20.00	02	2,495.00		49,900 37,834			49,900 37,834

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 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:84500 LIQUOR CONTROL COMMISSION  
 SUMMARY XREF:003-00-00 Administration and Support

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POSITION NUMBER CLASS COMP CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
5500604 AL C5248 AA COMPLIANCE SPECIALIST 3	1	.75	18.00	02	4,571.00		82,278 43,261			82,278 43,261
TOTAL PICS SALARY							82,278			82,278
TOTAL PICS OPE							43,261			43,261
TOTAL PICS PERSONAL SERVICES =	1	.75	18.00				125,539			125,539