BUDGET NARRATIVE

I hearby 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

SIGNATURE

Rob Patridge Commission Chairman

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.

OREGON LIQUOR CONTROL COMMISSION
2015-2017 GOVERNOR'S BALANCED BUDGET INDEX

CERTIFICATION

LEGISLATIVE ACTION	**TAB**	
BUDGET REPORT and MEASURE SUMMARY - - 77th Legislative Assembly	**HB 5021-Engrossed**	1
BUDGET REPORT and MEASURE SUMMARY - - 77th Legislative Assembly	**HB 5023-Enrolled**	3
BUDGET REPORT and MEASURE SUMMARY - - 77th Legislative Assembly	**HB 5008-Enrolled**	4
BUDGET REPORT and MEASURE SUMMARY - - 77th Legislative Assembly	**HB 2322-Enrolled**	6
BUDGET REPORT and MEASURE SUMMARY - - 77th Legislative Assembly	**HB 5023- A** Report and Measure Summary	8

AGENCY SUMMARY	**TAB**		
2015 - 2017 GOVERNOR'S BALANCED BUDGET SUMMARY		Agency Summary	1
AGENCY PLANS		Agency Summary	4
AGENCY WIDE	**Organization chart**	Agency Summary	31
Program Prioritization for 2015 - 2017	**107BF23**	Agency Summary	32
HB 3182 10% Reduction options	**107BF02**	Agency Summary	39
AGENCY WIDE	ORBITS SUMMARY **BPR104**	Agency Summary	52
AGENCY WIDE	ORBITS SUMMARY **BPR010**	Agency Summary	80
Performance Measures			81

REVENUES	**TAB**		
2015 - 2017 REVENUE NARRATIVE		Revenue Narrative	1
Detail of Other Funds and Federal Funds Revenue	**107BF02**	Revenue Narrative	13
Detail of Other Funds and Federal Funds Revenue	**BPR012**	Revenue Narrative	15
Essential & Policy Packages Fiscal Impact Summary	**BPR013**	Revenue Narrative	23
Detail of Fee, License, or Assessments Revenue Increase	**107BF08**	Revenue Narrative	25

OREGON LIQUOR CONTROL COMMISSION
2015-2017 GOVERNOR'S BALANCED BUDGET INDEX (Continued)

PROGRAM UNIT DISTILLED SPIRITS PROGRAM			TAB	
DISTILLED SPIRITS	**Executive Summary**		DISTILLED SPIRITS	1
DISTILLED SPIRITS	**Organization chart**		DISTILLED SPIRITS	5
DISTILLED SPIRITS	**NARRATIVE**		DISTILLED SPIRITS	6
DISTILLED SPIRITS	**Increase OLCC Shipping Capacity**	**PKG 104**	DISTILLED SPIRITS	27
DISTILLED SPIRITS	**Fund Bank Card Fees as Business Expense**	**PKG 106**	DISTILLED SPIRITS	35
DISTILLED SPIRITS	~~Store Improvements Matching Funds~~	~~PKG 105~~	**NOT IN THE GOVERNOR'S BUDGET**	38
DISTILLED SPIRITS	**Essential & Policy Packages**	**BPR013**	DISTILLED SPIRITS	41

PROGRAM UNIT PUBLIC SAFETY SERVICES			TAB	
PUBLIC SAFETY SERVICES	**Executive Summary**		PUBLIC SAFETY SERVICES	1
PUBLIC SAFETY SERVICES	**Organization Chart**		PUBLIC SAFETY SERVICES	7
PUBLIC SAFETY SERVICES	**NARRATIVE**		PUBLIC SAFETY SERVICES	8
PUBLIC SAFETY SERVICES	**Meet Peace Officer Training Requirements**	**PKG 202**	PUBLIC SAFETY SERVICES	32
PUBLIC SAFETY SERVICES	~~Support Alcohol and Drug Policy~~	~~PKG 209~~	**NOT IN THE GOVERNOR'S BUDGET**	35
PUBLIC SAFETY SERVICES	**Essential & Policy Packages**	**BPR013**	PUBLIC SAFETY SERVICES	3

PROGRAM UNIT SUPPORT SERVICES			TAB	
SUPPORT SERVICES	**Executive Summary**		Support Services.	1
SUPPORT SERVICES	**Organization Chart**		Support Services.	5
SUPPORT SERVICES	**NARRATIVE**		Support Services.	6
SUPPORT SERVICES	**Provide On-Line and E-Commerce Licensing**	**PKG 303**	Support Services.	37
SUPPORT SERVICES	~~Upgrade OLCC's Desktop Infrastructure~~	~~PKG 307~~	**NOT IN THE GOVERNOR'S BUDGET**	42
SUPPORT SERVICES	**Upgrade Phone System**	**PKG 308**	Support Services.	45
SUPPORT SERVICES	Essential & Policy Packages	**BPR013**	Support Services.	47

PROGRAM UNIT MARIJUANA PROGRAM			TAB	
MARIJUANA PROGRAM	**Executive Summary**		MARIJUANA PROGRAM	1
MARIJUANA PROGRAM	Essential & Policy Packages	**BPR013**	MARIJUANA PROGRAM	2

OREGON LIQUOR CONTROL COMMISSION
2015-2017 GOVERNOR'S BALANCED BUDGET INDEX (Continued)

PROGRAM UNIT STORE OPERATING EXPENSES	TAB		
STORE OPERATING EXPENSES	**Executive Summary**	Store Operating Expense...	1
STORE OPERATING EXPENSES	**NARRATIVE**	Store Operating Expense...	5
STORE OPERATING EXPENSES Essential & Policy Packages	**BPR013**	Store Operating Expense	9

CAPITAL BUDGETING	TAB		
CAPITAL IMPROVEMENTS	**NARRATIVE**	Capital Improvements.....	1
CAPITAL IMPROVEMENTS **Repair OLCC Facilities**	**PKG 301**	Capital Improvements.....	7
CAPITAL IMPROVEMENTS ~~Complete the Customer Service Center..PKG 310~~	**NOT IN THE GOVERNOR'S BUDGET**		10
CAPITAL IMPROVEMENTS	**Facilities Maintenance Summary Report**	Capital Improvements.....	13
CAPITAL IMPROVEMENTS Essential & Policy Packages	**BPR013**	Capital Improvements.....	17

SPECIAL REPORTS	TAB	
AFFIRMATIVE ACTION REPORT		1
SECRETARY OF STATE AUDIT REPORT		55
INFORMATION TECHNOLOGY-RELATED PROJECTS / INITIATIVES	(Information Technology Project Spreadsheet)	67
SUMMARY CROSS REFERENCE LISTING AND PACKAGES	BSU-003A	68
POLICY PACKAGE LIST BY PRIORITY	BSU-004A	72
AGENCY WORKSHEET – REVENUES & EXPENDITURES	BDV103A	74
VERSION COLUMN COMPARISON REPORT	ANA100A	117
PACKAGE COMPARISON REPORT	ANA101A	138
SUMMARY LIST BY PKG BY SUMMARY XREF	PPDLBUDCL	202
SUMMARY LIST BY PKG BY AGENCY	PPDBLAGYCL	208
DETAIL LISTING BY SUMMARY XREF AGENCY	PPDPLWSBUD	212

A-Engrossed
House Bill 5201

Ordered by the House March 6
Including House Amendments dated March 6

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Increases and decreases certain biennial appropriations made from General Fund to specified state agencies and Emergency Board. Makes certain biennial appropriations from General Fund to specified state agencies and Emergency Board.

Repeals certain appropriations to Emergency Board.

Limits biennial expenditures from fees, moneys or other revenues, including Miscellaneous Receipts *[and reimbursements from federal service agreements]*, but excluding lottery funds and *[certain]* federal funds, collected or received by *[Oregon Military Department]* **specified state agencies.**

[Modifies] **Increases and decreases** limitations on expenditures for certain biennial expenses for specified state agencies.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to state financial administration; creating new provisions; amending sections 1, 2 and 3, chapter 675, Oregon Laws 2013, and sections 67 and 77, chapter 723, Oregon Laws 2013; repealing section 5, chapter 561, Oregon Laws 2013, sections 2, 3, 20, 21, 44, 69, 74, 75 and 89, chapter 723, Oregon Laws 2013, and section 10, chapter 740, Oregon Laws 2013; appropriating money; limiting expenditures; and declaring an emergency.

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

SECTION 1. Notwithstanding any other law limiting expenditures, the amount of $385,000 is established for the biennium beginning July 1, 2013, 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 Oregon Military Department, for the capital improvement program.

SECTION 2. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (4), chapter 555, Oregon Laws 2013, for the biennium beginning July 1, 2013, 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 555, Oregon Laws 2013, collected or received by the Oregon Military Department for community support, is increased by $1,404,971.

SECTION 3. (1) Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 1 (1), chapter 629, Oregon Laws 2013, for the biennium beginning July 1, 2013, as the maximum limit for payment of expenses from fees, moneys or

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

LC 267

OLCC LEGISLATIVE ACTION
GOVERNOR'S BALANCED BUDGET
2015 - 2017
BUDGET PAGE 1

Other funds	Ch. 627 2(6)	+961,635
Other funds	Ch. 627 2(7)	+1,386,038
Other funds	Ch. 627 2(8)	+172,263
Other funds	Ch. 627 2(9)	+87,759
Employment Relations Board:		
General Fund	Ch. 498 1	+49,955
Other funds	Ch. 498 3	+90,971
Office of Governor:		
General Fund	Ch. 670 1	+262,943
Lottery funds	Ch. 670 3	+115,011
Other funds	Ch. 670 4	+100,921
Oregon Advocacy Commissions Office:		
General Fund	Ch. 456 1	+17,229
Department of Revenue:		
General Fund	Ch. 549 1(1)	+951,633
Other funds	Ch. 549 2(1)	+458,912
General Fund	Ch. 549 1(2)	+364,786
Other funds	Ch. 549 2(2)	+280,349
General Fund	Ch. 549 1(3)	+2,051,287
Other funds	Ch. 549 2(3)	+43,339
General Fund	Ch. 549 1(4)	+682,923
Other funds	Ch. 549 2(4)	+515,353
Secretary of State:		
General Fund	Ch. 671 1(1)	+34,129
General Fund	Ch. 671 1(2)	+109,185
Other funds	Ch. 671 2(1)	+480,758
Other funds	Ch. 671 2(3)	+631,241
Other funds	Ch. 671 2(4)	+118,095
Other funds	Ch. 671 2(5)	+140,651
Federal funds	Ch. 671 3(1)	+34,629
Oregon State Treasury:		
Other funds	Ch. 558 1(1)	+445,969
Other funds	Ch. 558 1(2)	+7,670
Oregon Government Ethics Commission:		
Other funds	Ch. 453 1(1)	+40,808
Public Employees Retirement System:		
Other funds	Ch. 548 1(1)	+2,409,941
State Library:		
General Fund	Ch. 500 1	+19,452
Other funds	Ch. 500 2	+367
Other funds	Ch. 500 3	+35,909
Federal funds	Ch. 500 4	+14,812
Oregon Liquor Control Commission:		
Other funds	Ch. 667 1(1)	+1,249,449
Oregon Racing Commission:		
Other funds	Ch. 397 1	+84,208

OLCC LEGISLATIVE ACTION
GOVERNOR'S BALANCED BUDGET
2015 - 2017
BUDGET PAGE 2

Enrolled
House Bill 5023

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of Oregon Department of Administrative Services)

CHAPTER .....

AN ACT

Relating to the financial administration of the Oregon Liquor Control Commission; limiting expenditures; and declaring an emergency.

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

SECTION 1. Notwithstanding any other law limiting expenditures, the following amounts are established for the biennium beginning July 1, 2013, as the maximum limits 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, for the following purposes:

(1) Administrative expenses..... $ 55,484,416
(2) Agents' compensation..... $ 95,158,000
(3) Capital improvements..... $ 213,408

SECTION 2. For the biennium beginning July 1, 2013, expenditures by the Oregon Liquor Control Commission for liquor purchases are not limited.

SECTION 3. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect on July 1, 2013.

OLCC LEGISLATIVE ACTION
GOVERNOR'S BALANCED BUDGET
2015 - 2017
BUDGET PAGE 3

Enrolled
House Bill 5008

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of Oregon Department of Administrative Services)

CHAPTER .....

AN ACT

Relating to state financial administration; creating new provisions; amending section 5, chapter ___, Oregon Laws 2013 (Enrolled House Bill 5030), and section 2, chapter 546, Oregon Laws 2013 (Enrolled Senate Bill 5520); repealing sections 2 and 5, chapter 583, Oregon Laws 2011, section 9, chapter 615, Oregon Laws 2011, section 1, chapter 556, Oregon Laws 2013 (Enrolled Senate Bill 5544), section 4, chapter ___, Oregon Laws 2013 (Enrolled House Bill 2202), section 5, chapter 540, Oregon Laws 2013 (Enrolled Senate Bill 5502), section 2, chapter ___, Oregon Laws 2013 (Enrolled House Bill 5011), and sections 6 and 7, chapter ___, Oregon Laws 2013 (Enrolled House Bill 5030); appropriating money; limiting expenditures; 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, 2013, 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, 2013, out of the General Fund, the amount of $86,500,000, to be allocated to state agencies for state employee compensation changes for the biennium beginning July 1, 2013.

(2) If any of the moneys appropriated by subsection (1) of this section are not allocated by the Emergency Board prior to December 1, 2014, the moneys remaining on that date become available for any purpose for which the Emergency Board lawfully may allocate funds.

SECTION 3. (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, 2013, out of the General Fund, the amount of $12,900,000, to be allocated to state agencies for compensation changes for home health care workers who are not state employees, for the biennium beginning July 1, 2013.

(2) If any of the moneys appropriated by subsection (1) of this section are not allocated by the Emergency Board prior to December 1, 2014, the moneys remaining on that date become available for any purpose for which the Emergency Board lawfully may allocate funds.

SECTION 4. (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, 2013, out of the General Fund, the amount of $1,702,192, to be allocated to the State Library for second fiscal year operations.

OLCC LEGISLATIVE ACTION
GOVERNOR'S BALANCED BUDGET
2015 - 2017
BUDGET PAGE 4

Administrative Expenses		
- State Treasury Operations		
Other funds	SB 5546 1(1)	-38,479
Administrative Expenses		
- Oregon 529 College Savings Network		
Other funds	SB 5546 1(2)	-4,931
Oregon Racing Commission:		
Operating Expenses		
Other funds	HB 5044 1	-14,893
Public Employees Retirement System:		
Administrative and Operating Expenses		
Other funds	SB 5537 1(1)	+120,021
Secretary of State:		
Administrative Services		
General Fund	SB 5539 1(1)	-32,492
Other funds	SB 5539 2(1)	+10,174
Elections Division		
General Fund	SB 5539 1(2)	-250,064
Other funds	SB 5539 2(2)	-20
Archives Division		
Other funds	SB 5539 2(4)	+8,678
Audits Division		
Other funds	SB 5539 2(3)	+37,667
Corporation Division		
Other funds	SB 5539 2(5)	+10,691
Federal Funds		
Federal funds	SB 5539 3	-4,637
Oregon Liquor Control Commission:		
Administrative Expenses		
Other funds	HB 5023 1(1)	-229,574
Department of Revenue:		
Administration		
General Fund	SB 5538 1(1)	-1,858,989
Other funds	SB 5538 2(1)	-72,256
Property Tax		
General Fund	SB 5538 1(2)	-422,992
Other funds	SB 5538 2(2)	-6,532
Personal Tax and Compliance		
General Fund	SB 5538 1(3)	-1,600,949
Business		
General Fund	SB 5538 1(4)	-585,881
Other funds	SB 5538 2(4)	-14,958
Elderly Rental Assistance and Nonprofit Housing		
General Fund	SB 5538 1(5)	-118,440
Employment Relations Board:		
Operating Expenses		

OLCC LEGISLATIVE ACTION
GOVERNOR'S BALANCED BUDGET
2015 - 2017
BUDGET PAGE 5

Enrolled
House Bill 2322

Sponsored by Representative BUCKLEY (Presession filed.)

CHAPTER .....

AN ACT

Relating to state financial administration; creating new provisions; amending ORS 1.002, 7.124, 7.240, 19.250, 19.365, 19.370, 21.345, 182.454, 184.486, 250.137, 250.139, 250.147, 250.149, 251.185, 285C.615, 285C.635, 285C.639, 286A.806, 291.272, 291.278, 292.311, 292.406, 292.411, 292.416, 292.426, 293.812, 316.502, 323.455, 323.625, 328.331, 328.346, 401.536, 443.733, 565.021 and 565.445 and sections 8b and 9e, chapter 877, Oregon Laws 2007, section 11, chapter 365, Oregon Laws 2011, sections 1, 7 and 8, chapter 604, Oregon Laws 2011, section 16, chapter ___, Oregon Laws 2013 (Enrolled Senate Bill 270), and section 2, chapter ___, Oregon Laws 2013 (Enrolled House Bill 3458); repealing ORS 250.137, 250.139, 250.141, 250.143, 250.146, 250.147, 250.149, 293.814, 293.815, 293.816, 293.817, 297.075, 396.350, 396.366, 396.370, 399.095, 461.558, 565.405, 565.410, 565.415, 565.420, 565.435, 565.440, 565.442, 565.443, 565.449 and 565.450 and sections 3 and 11, chapter 365, Oregon Laws 2011; and declaring an emergency.

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

DEPARTMENT OF REVENUE

SECTION 1. Notwithstanding section 7, chapter 710, Oregon Laws 2009, the amount of $5,478,292 is transferred from the Tax Amnesty Fund to the General Fund for general governmental purposes.

SECTION 2. ORS 323.455 is amended to read:

323.455. (1) All moneys received by the Department of Revenue from the tax imposed by ORS 323.030 (1) shall be paid over to the State Treasurer to be held in a suspense account established under ORS 293.445. The department may pay expenses for administration and enforcement of ORS 323.005 to 323.482 out of moneys received from the tax imposed under ORS 323.030 (1). Amounts necessary to pay administrative and enforcement expenses are continuously appropriated to the department from the suspense account. After the payment of administrative and enforcement expenses and refunds, 89.65 percent shall be credited to the General Fund, 3.45 percent is appropriated to the cities of this state, 3.45 percent is appropriated to the counties of this state and 3.45 percent is continuously appropriated to the Department of Transportation for the purpose of financing and improving transportation services for elderly individuals and individuals with disabilities as provided in ORS 391.800 to 391.830.

(2) The moneys so appropriated to cities and counties shall be paid on a monthly basis within 35 days after the end of the month for which a distribution is made. Each city shall receive such share of the money appropriated to all cities as its population, as determined under ORS 190.510 to 190.590 last preceding such apportionment, bears to the total population of the cities of the state,

OLCC LEGISLATIVE ACTION
GOVERNOR'S BALANCED BUDGET
2015 - 2017
BUDGET PAGE 6

(b) The Oregon Department of Administrative Services and the Department of Education shall be reimbursed for any costs described in paragraph (a) of this subsection from the amount retained as provided by paragraph (a) of this subsection.

(c) After the reimbursement described in paragraph (b) of this subsection, the Oregon Department of Administrative Services shall transfer the remaining proceeds from the sale of the real property to the Department of Education for the benefit of the Oregon School for the Deaf.

(7) Nothing in this section may be construed as authorizing the sale of the entire property or the closure of the Oregon School for the Deaf.

OREGON LIQUOR CONTROL COMMISSION

SECTION 29. For the biennium beginning July 1, 2013, notwithstanding ORS 471.810, 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 on June 6, 2013, shall be credited to the General Fund.

EMPLOYMENT DEPARTMENT

SECTION 30. Notwithstanding ORS 657.783, the amount of $10 million is transferred from the Supplemental Employment Department Administration Fund to the General Fund for general governmental purposes.

HOUSING AND COMMUNITY SERVICES

SECTION 31. Notwithstanding ORS 456.587 (1), the amount of $4.8 million is transferred from the Housing and Community Services Department Electricity Public Purpose Charge Fund to the Clean Energy Deployment Fund established in ORS 470.800 for coordination of home energy efficiency assessments, financing and contracting activities pursuant to the Governor's 10-year energy action plan.

OREGON HEALTH AUTHORITY PROGRAM

SECTION 32. If House Bill 3458 becomes law, section 2, chapter ___, Oregon Laws 2013 (Enrolled House Bill 3458), is amended to read:

Sec. 2. (1) As used in this section, section 1, chapter ___, Oregon Laws 2013 (Enrolled House Bill 3458), [*of this 2013 Act*] and ORS 735.610:

(a) "Health benefit plan" has the meaning given that term in ORS 743.730.

(b) "Insurer" means an insurer described in ORS 735.605 (4)(a), (b) and (d).

(c) "Program" means the Oregon Reinsurance Program established in section 1, chapter ___, Oregon Laws 2013 (Enrolled House Bill 3458), [*of this 2013 Act*].

(d) "Reinsurance eligible health benefit plan" means a health benefit plan providing individual coverage that:

(A) Is delivered or issued for delivery in this state;

(B) Is not a grandfathered health plan as defined in ORS 743.730; and

(C) Meets the criteria prescribed by the Oregon Medical Insurance Pool Board under subsection (2) of this section.

(e) "Reinsurance eligible individual" means an individual who is insured on or before April 1, 2014, under a reinsurance eligible health benefit plan and who[, *on December 31, 2013,*] was:

(A) On December 31, 2013, enrolled in the Oregon Medical Insurance Pool created in ORS 735.610;

OLCC LEGISLATIVE ACTION
GOVERNOR'S BALANCED BUDGET
2015 - 2017
BUDGET PAGE 7

77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: HB 5023-A

Carrier – House: Rep. Jenson
Carrier – Senate: Sen. Shields

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 26 – 0 – 0

House
Yeas: Barker, Buckley, Frederick, Freeman, Hanna, Huffman, Jenson, Komp, McLane, Nathanson, Read, Richardson, Smith, Tomei, Williamson
Nays:
Exc:

Senate
Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters
Nays:
Exc:

Prepared By: Dustin Ball, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

Meeting Date: July 2, 2013

Agency
Oregon Liquor Control Commission

Biennium
2013-15

OLCC LEGISLATIVE ACTION
GOVERNOR'S BALANCED BUDGET
2015 - 2017
BUDGET PAGE 8

Budget Summary*

	2011-13 Legislatively Approved Budget[1]	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				$$ Change	% Change
Other Funds	$139,888,040	$148,142,471	$150,642,416	$ 10,754,376	7.7%
Other Funds Capital Improvement	$ 208,406	$ 213,408	$ 213,408	$ 5,002	2.4%
Total	$ 140,096,446	$ 148,355,879	$ 150,855,824	$ 10,759,378	7.7%
Position Summary					
Authorized Positions	239	234	233	-6	
Full-time Equivalent (FTE) positions	231.72	228.63	227.63	-4.09	

[1] Includes adjustments through December 2012

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Liquor Control Commission (OLCC) is financed entirely with Other Funds revenues. After subtracting the cost of liquor, freight, current liabilities, encumbrances, and the agency's operating expenditures, surplus proceeds from sales, taxes, fees, and fines are allocated as follows:

- Privilege tax on beer and wine sales: $0.02 per gallon of wine tax is distributed to the Wine Advisory Board. The remaining balance is allocated 50 percent to the Department of Human Services Office for Alcohol and Drug Abuse Programs, the other 50 percent is distributed with the other revenues as described in the second bullet.

- Revenues from liquor sales, license fees, civil penalties and fines, miscellaneous revenues, and the balance of the privilege taxes are allocated 56 percent to the General Fund, 20 percent to cities, 10 percent to counties, and 14 percent to city revenue sharing.

The Subcommittee included $47.6 million of additional gross sales during the 2013-15 biennium associated with an improved economic outlook and population growth. After accounting for cost of goods sold and agents' compensation, this increase to sales results in roughly $20.0 million available for distribution.

The budget approved by the Subcommittee is projected to result in $442,066,455 in net revenue for distribution, with an estimated $251.5 million available for distribution to the General Fund. The budget also includes expenditure limitation associated with the continuation of a $0.50 per

bottle surcharge imposed by the Commission through the 2013-15 biennium, which is projected to generate $32.4 million in additional gross revenues, with roughly $2.9 million being distributed to liquor agents for sales commission. The estimated distribution to other entities is as follows: $638,000 to the Oregon Wine Board, $17.8 million for mental health /drug and alcohol treatment, $78.2 million for cities, $54.8 million for city revenue sharing, and $39.1 million for counties.

Summary of Transportation and Economic Development Subcommittee Action

OLCC works to effectively regulate the sale, distribution, and reasonable use of alcoholic beverages in order to protect Oregon's public health, safety, and community livability. Oregon is one of several states that sell hard liquor through state-controlled stores. Private agents contract with the Commission to operate more than 240 stores in the state. The Commission consists of five citizen commissioners, from the five Oregon congressional districts. Commissioners are appointed by the Governor to four-year terms, subject to Senate confirmation. The Subcommittee approved a budget of $150,855,824 and 233 positions (227.63 FTE) for the agency. This is a 7.7 percent increase from the 2011-13 Legislatively Approved Budget.

The Subcommittee approved the following packages related to statewide administrative savings and PERS that impact the entire agency:

- Package 091, Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

- Package 092, PERS Tax Policy. This package reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

- Package 093, Other PERS Adjustments. This package reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

Distilled Spirits Program

The Distilled Spirits Program regulates the sale of bottled distilled spirits while producing revenue in support of state and local governments. The program makes bottled distilled spirits available for purchase by Oregon's citizens, visitors, and the hospitality industry. Sales of distilled spirits generate revenue that OLCC distributes to the state General Fund and to local governments. The Subcommittee approved a budget of $20,869,469 Other Funds and 71 positions (68.00 FTE).

The Subcommittee approved the following policy option packages:

Package 090 – Analyst Adjustments: This package anticipates $47.6 million of additional gross sales during the 2013-15 biennium associated with an improved economic outlook and population growth. OLCC should report to the Legislative Fiscal Office quarterly on sales and expenditures compared to projections of gross sales and expenditure limitation by program; whether additional expenditure limitation is anticipated to be required to maintain an average compensation rate of 8.88 percent of sales; and whether additional expenditure limitation is anticipated to be required to enable the continued utilization of bank cards at liquor stores.

Package 091- Statewide Administrative Savings: The package results in the elimination of $236,246 Other Funds expenditure limitation.

Package 092 – PERS Taxation Policy: The package eliminates $22,803 Other Funds expenditure limitation.

Package 093 – Other PERS Adjustments: The package eliminates $182,659 Other Funds expenditure limitation.

Public Safety Services Program

The Public Safety Services Program regulates the manufacture, distribution, and sale of alcoholic beverages. The program has a direct relationship with the growth of alcohol availability, sales and revenue through licensing businesses and ensuring that licensed businesses are serving and selling alcohol responsibly. The Subcommittee approved a budget of $17,027,683 Other Funds and 94 positions (92.00 FTE).

The Subcommittee approved the following policy option packages:

Package 081 – May 2012 E-Board: The package removes one position (1.00 FTE) as part of the statewide effort to restructure state government business operations and management of agency programs and services, and eliminates $228,722 Other Funds expenditure limitation.

Package 091- Statewide Administrative Savings: The package eliminates $197,757 Other Funds expenditure limitation.

Package 092 – PERS Taxation Policy: The package eliminates $38,713 Other Funds expenditure limitation.

Package 093 – Other PERS Adjustments: The package eliminates $310,104 Other Funds expenditure limitation.

Administration and Support

The Administration and Support program provides support and administrative services for all agency staff. The program provides the infrastructure to fulfill the liquor commissioners' policy direction, and for OLCC programs to provide services to customers and stakeholders. The Subcommittee approved a budget of $17,587,264 Other Funds and 68 positions (67.63 FTE)

The Subcommittee approved the following policy option packages:

Package 091- Statewide Administrative Savings: The package results in the elimination of $200,826 Other Funds expenditure limitation.

Package 092 – PERS Taxation Policy: The package eliminates $33,764 Other Funds expenditure limitation.

Package 093 – Other PERS Adjustments: The package eliminates $270,461 Other Funds expenditure limitation.

Store Operating Expenses

The Store Operating Expense program contains the funds to pay agents for their retailing services. This payment serves as the agents' take-home pay and the dollars they use to operate the liquor store. The Subcommittee approved a budget of $95,158,000 Other Funds.

The Subcommittee recommends maintaining the 8.88 percent average rate of compensation to agents during the 2013-15 biennium and included an adjustment to add the additional expenditure limitation necessary to compensate agents due to the additional sales it expects OLCC to realize during the upcoming biennium.

The Subcommittee approved Package 090 – Analyst Adjustments, to provide expenditure limitation for payments to liquor agents at an average rate of 8.88 percent of sales, based on the assumed increase in sales for the 2013-15 biennium. The package totals $4,222,000 Other Funds.

Capital Improvements

The Capital Improvements program provides the preventative maintenance and repairs of the agency's building and grounds. The Subcommittee approved a budget of $213,408 Other Funds.

Summary of Performance Measure Action

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Liquor Control Commission
Dustin Ball -- 503-378-3119

HB 5023-A

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
2011-13 Legislatively Approved Budget at Dec 2012 *	$ 0	$ 0	$ 140,096,446	$ 0	$ 0	$ 0	$ 140,096,446	239	231.72
2013-15 ORBITS printed Current Service Level (CSL)*	$ 0	$ 0	$ 148,355,879	$ 0	$ 0	$ 0	$ 148,355,879	234	228.63
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 001 - Distilled Spirits Program									
Package 091: Statewide Administrative Savings									
Personal Services	$ 0	$ 0	$ (109,081)	$ 0	$ 0	$ 0	$ (109,081)	0	0.00
Services and Supplies	$ 0	$ 0	$ (126,756)	$ 0	$ 0	$ 0	$ (126,756)		
Capital Outlay	$ 0	$ 0	$ (409)	$ 0	$ 0	$ 0	$ (409)		
Package 092: PERS Taxation Policy									
Personal Services	$ 0	$ 0	$ (22,803)	$ 0	$ 0	$ 0	$ (22,803)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	$ 0	$ 0	$ (182,659)	$ 0	$ 0	$ 0	$ (182,659)	0	0.00
SCR 002 - Public Safety Services Program									
Package 081: May 2012 E-Board									
Personal Services	$ 0	$ 0	$ (228,722)	$ 0	$ 0	$ 0	$ (228,722)	-1	-1.00
Package 091: Statewide Administrative Savings									
Personal Services	$ 0	$ 0	$ (180,538)	$ 0	$ 0	$ 0	$ (180,538)	0	0.00
Services and Supplies	$ 0	$ 0	$ (17,219)	$ 0	$ 0	$ 0	$ (17,219)		
Package 092: PERS Taxation Policy									
Personal Services	$ 0	$ 0	$ (38,713)	$ 0	$ 0	$ 0	$ (38,713)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	$ 0	$ 0	$ (310,104)	$ 0	$ 0	$ 0	$ (310,104)	0	0.00
SCR 003 - Administration and Support									
Package 091: Statewide Administrative Savings									
Personal Services	$ 0	$ 0	$ (146,439)	$ 0	$ 0	$ 0	$ (146,439)	0	0.00
Services and Supplies	$ 0	$ 0	$ (52,979)	$ 0	$ 0	$ 0	$ (52,979)		
Capital Outlay	$ 0	$ 0	$ (1,408)	$ 0	$ 0	$ 0	$ (1,408)		
Package 092: PERS Taxation Policy									
Personal Services	$ 0	$ 0	$ (33,764)	$ 0	$ 0	$ 0	$ (33,764)	0	0.00

OLCC LEGISLATIVE ACTION
GOVERNOR'S BALANCED BUDGET
2015 - 2017
BUDGET PAGE 13

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 093: Other PERS Adjustments									
Personal Services	$ 0	$ 0	$ (270,461)	$ 0	$ 0	$ 0	$ (270,461)	0	0.00
SCR 005 - Store Operating Expenses									
Package 090: Analyst Adjustment									
Services and Supplies	$ 0	$ 0	$ 4,222,000	$ 0	$ 0	$ 0	$ 4,222,000	0	0.00
TOTAL ADJUSTMENTS	$ 0	$ 0	$ 2,499,945	$ 0	$ 0	$ 0	$ 2,499,945	-1	-1.00
SUBCOMMITTEE RECOMMENDATION *	$ 0	$ 0	$ 150,855,824	$ 0	$ 0	$ 0	$ 150,855,824	233	227.63
% Change from 2011-13 Leg Approved Budget	0.0%	0.0%	7.7%	0.0%	0.0%	0.0%	7.7%		
% Change from 2013-15 Current Service Level	0.0%	0.0%	1.7%	0.0%	0.0%	0.0%	1.7%		

OLCC LEGISLATIVE ACTION
GOVERNOR'S BALANCED BUDGET
2015 - 2017
BUDGET PAGE 14

Legislatively Approved 2013-2015 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 2014	Target 2015
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	11.70	12.00	12.00
3 - Licensing Time – Average days from application receipt to license issuance.					
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	67.00	75.00	75.00
		Approved KPM	82.00	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	75.00	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	82.00	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	82.00	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	82.00	85.00	85.00

Print Date: 6/27/2013

OLCC LEGISLATIVE ACTION
GOVERNOR'S BALANCED BUDGET
2015 - 2017
BUDGET PAGE 15

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 2014	Target 2015
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	80.00	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	98.00	100.00	100.00

LFO Recommendation:

The Legislative Fiscal Office recommends targets for key performance measures as proposed above. The Legislative Fiscal Office modified the targets proposed by the agency based on the most current performance reporting as follows: KPM 1 - Refusal to sell to minors: from 80% to 82%; KPM 2 - Rate of Second Violation: from 16% to 12%; KPM 3 - Licensing time: from 90 days to 75 days; and KPM 4 - Customer Service: from 80% to 85% (except in the case of "timeliness" which LFO tried to change to 82%, in acknowledgement that some issues affecting timeliness are beyond the agency's control; system constraints made this change impossible). The Legislative Fiscal Office notes that the current result for KPM 5 - "Rate of Return" is due to inclusion of the surcharge in the reporting; if the surcharge were to be removed, OLCC reports that its actual rate of return would be $2.70.

Sub-Committee Action:

The Joint Ways and Means Subcommittee on Transportation and Economic Development recommended approval of the performance measures as presented by the Legislative Fiscal Office.

Print Date: 6/27/2013

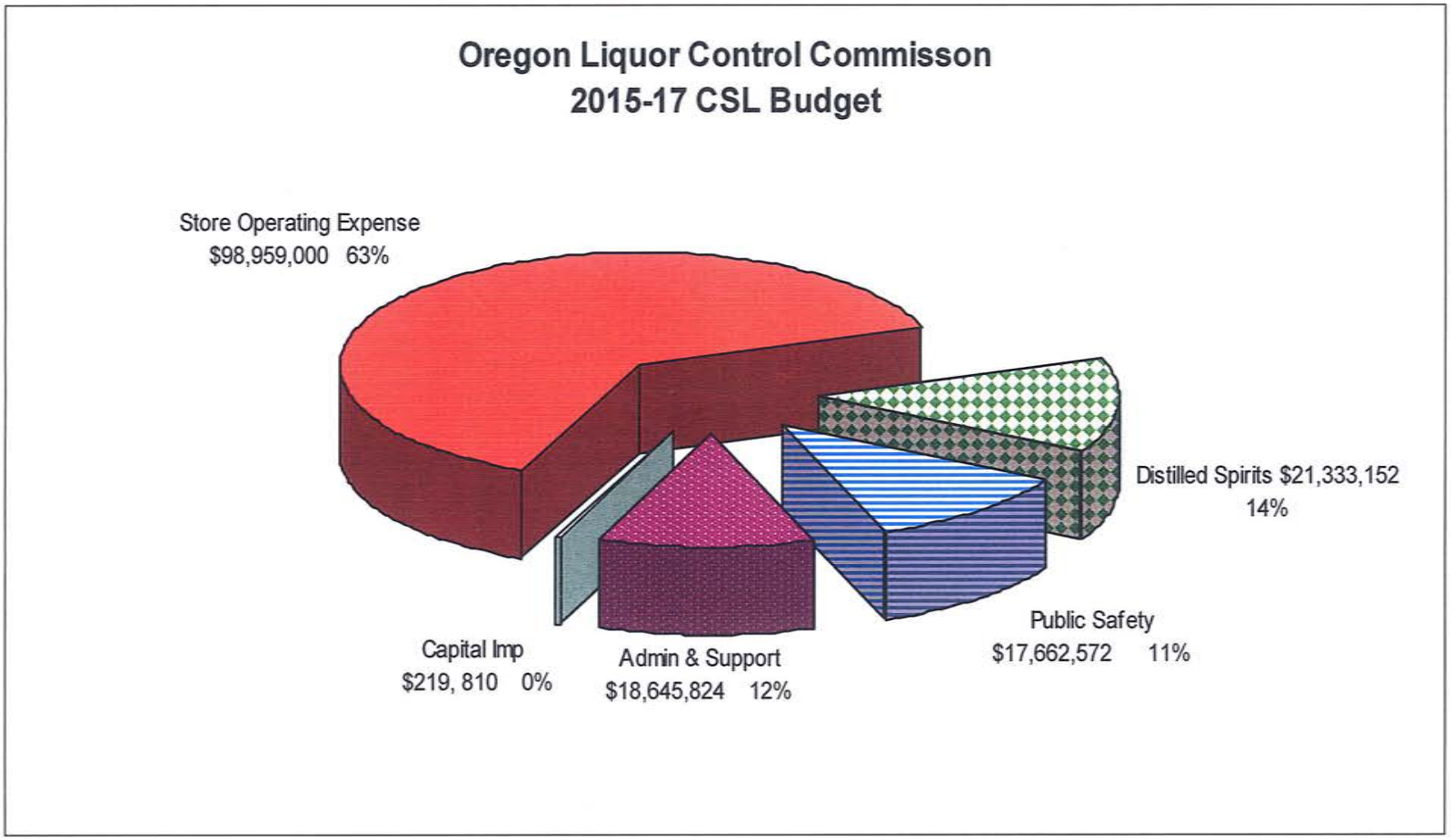
OLCC LEGISLATIVE ACTION
GOVERNOR'S BALANCED BUDGET
2015 - 2017
BUDGET PAGE 16

BUDGET NARRATIVE

Oregon Liquor Control Commission

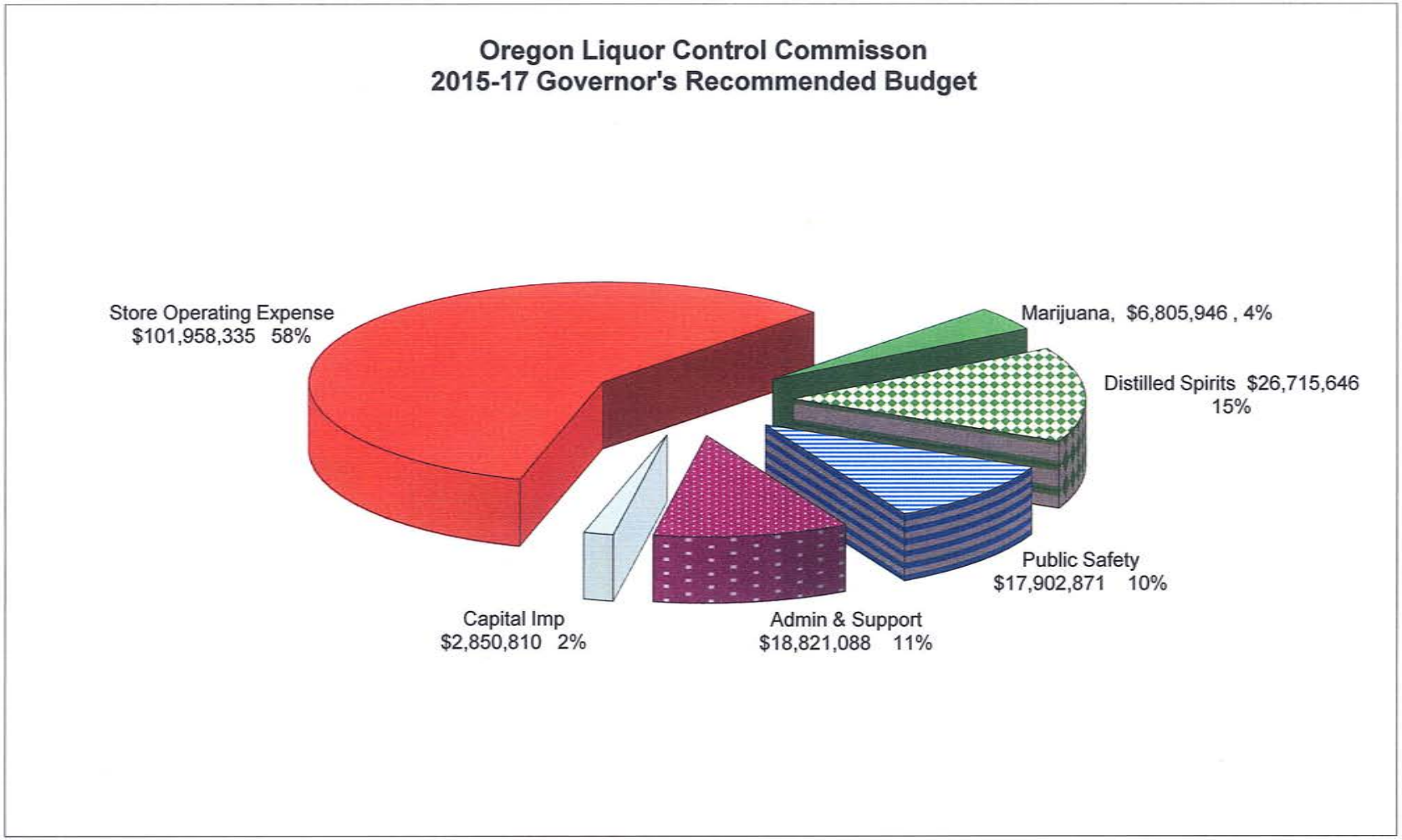
AGENCY SUMMARY
2015-17 Governor's Recommended Budget

A. BUDGET SUMMARY GRAPHICS



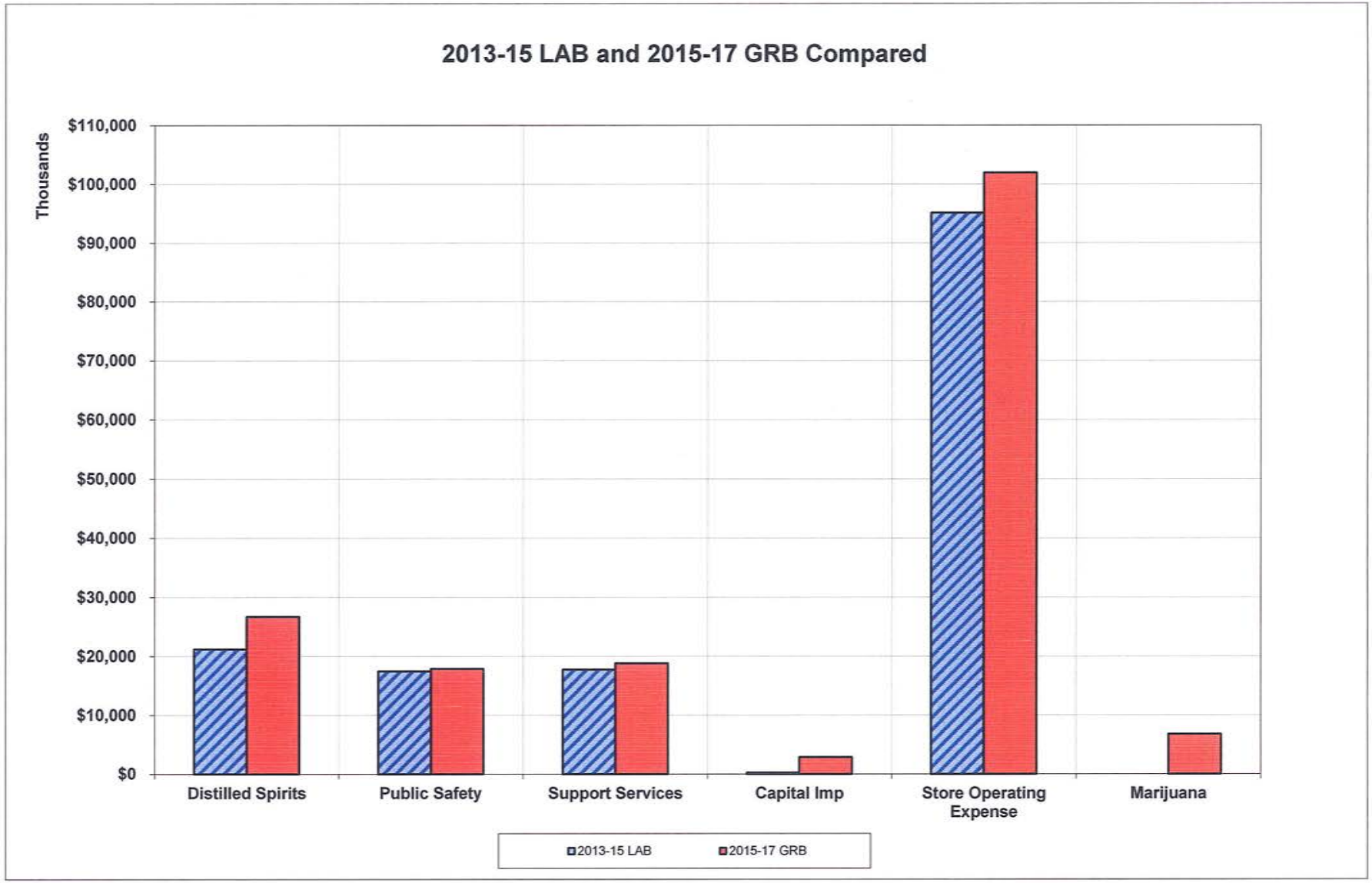
BUDGET NARRATIVE

BUDGET SUMMARY GRAPHICS Continued:



BUDGET NARRATIVE

BUDGET SUMMARY GRAPHICS Continued:



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.

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

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

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

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 permitee 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 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 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.

BUDGET NARRATIVE

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 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
- 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.

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 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

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.

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 it 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
- 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.

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.

The OLCC also seeks to help the contracted liquor agents improve the convenience and aesthetics of the liquor stores. An adopted policy option package, "Store Improvements Matching Funds," will enable the OLCC to match some of agents' investments in the stores, as well as help minorities and women be better represented in the diverse mix of liquor agents.

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.

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 Governor's Recommended 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.

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.

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, remodelling, 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.

BUDGET NARRATIVE

OLCC Program (excludes Analysts package for marijuana)	2015-17 Governor's Recommended Budget - Other Funds	2015-17 Governor's Recommended Budget FTE	2015-17 Governor's recommended Budget Positions	Caseload/Workload for 2015-17
Distilled Spirits	$ 26,715,646	66.50	69.00	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	$ 17,902,871	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	$ 18,821,088	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	$ 101,958,335	0.00	0.00	Distilled spirits dollar sales in liquor stores $1.114 billion per biennium.
Capital Improvements	$ 2,850,810	0.00	0.00	Milwaukie and Milport facilities – Office space - 53,000 sq. ft. Warehouse space - 229,000 sq. ft.
Marijuana Enforcement	$ 6,805,946	20.50	28.00	New program as of the result of Initiative 53, passed in November 2014.

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 Governor's 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, 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 Governor's Recommended Budget is projecting an annual growth rate of 2.70 percent.

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.

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 Governor's Recommended 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, $2,631,000**
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, $248,900**
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.

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. As an alternative, Option B would add 14 FTE in the distribution center at a cost of $1.84 million every two years not including biennial increases in personal service costs.

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 (as modified) **Package No. 106, 0 FTE, $11.0 million reduction to administrative fund**

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. Note that the Governor's Budget increased the revenue for the estimated surcharge amount of $33.8 million approved by the Commission. As a result Agent's compensation estimate was increased by $2.9 million to maintain the approved payout rate of 8.88%.

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.

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 the Governor's Budget has included $324,750 in estimated revenue for 2015-17.

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 21st century.

BUDGET NARRATIVE

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.

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

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

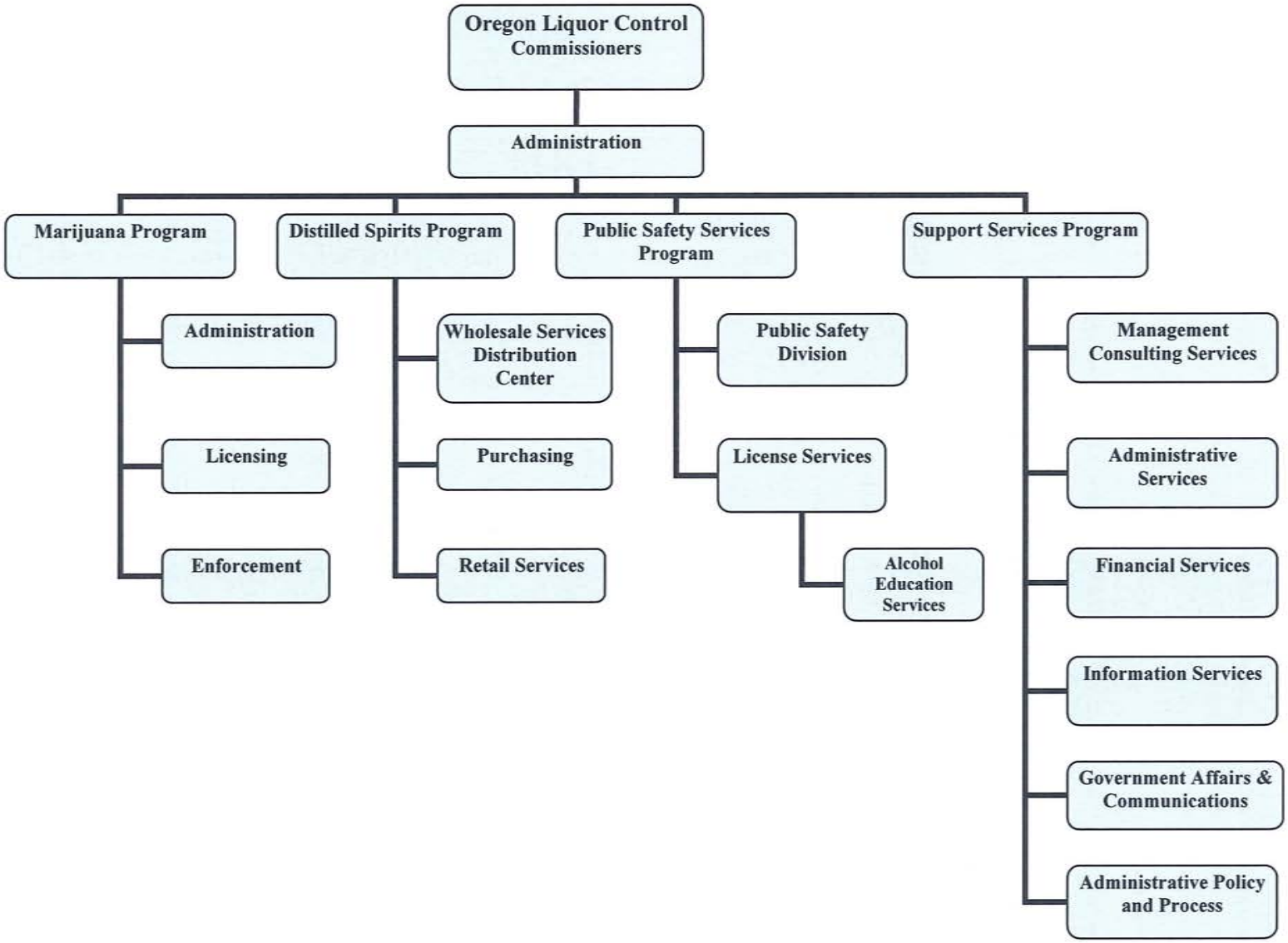
Performance measurement documents appear at the end of the agency summary.

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

Agency Name: Oregon Liquor Control Commission

2015-17 Biennium — Agency Number: 84500

SCR 001

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																				
				Distilled Spirits Program - 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.	84S-4 "Customer Service", 84S-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.	
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	11,055,489	-	-	$ 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 efficently 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 priniciple 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.

PROGRAM PRIORITIZATION FOR 2015-17

Agency Name: Oregon Liquor Control Commission

2015-17 Biennium — Agency Number: 84500

SCR 002 — Fund 001

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			**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 qualifies 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 delegated 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						

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

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

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.

PROGRAM PRIORITIZATION FOR 2015-17

Agency Name: Oregon Liquor Control Commission

2015-17 Biennium — Agency Number: 84500

SCR 003 — Fund 001

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			**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.	845-4 "Customer Service", 845-6 "Best Practices"	4														OLCC has been delegated the duty distribute, enforce and educate the activities related to the importation, manufacture, distribution and sale of alcohol.	
4	1		003-010	Administration					2,365,960				$ 2,365,960	7	7.00	N	Y	C			
5	2		003-025	Financial Services					4,986,248				$ 4,986,248	22	22.00	N	Y	C			
6	3		003-026	Information Services					5,496,273				$ 5,496,273	15	15.00	N	Y	C			POP 303 will enhance customer service of licensing by providing on-line and e-commerce capability. POP 308 will replace aging telephone equipment with VoIP technology.
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

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 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

2015-17 Biennium — **Agency Number:** 84500

SCR 005 | Fund 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
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

Agency Name: Oregon Liquor Control Commission

2015-17 Biennium — Agency Number: 84500

SCR 088 — Fund 003

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			**CAPITAL IMPROVEMENTS PROGRAM** - Provides the preventive maintenance and repairs to the OLCC's buildings and grounds.		4														OLCC has been delegated the duty distribute, enforce and educate the activities related to the importation, manufacture, distribution and sale of alcohol	
1	1		088-088	Capital Improvements					2,850,810				$ 2,850,810	0	0.00	N	Y	C			POP 301 will allow OLCC to perform deferred maintenance.
													$ -								
													$ -								
													$ -								
													$ -								
													$ -								
													$ -								
							-	-	2,850,810	-	-	-	$ 2,850,810	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:

Through the OLCC's Capital Improvements Program, the commission contributes to responsible stewardship of the state's resources. It provides maintenance and repairs for the OLCC-owned building and grounds. The OLCC prepares a ten-year capital maintenance plan and uses the resources in this program to ensure the continued viability of the physical infrastructure. The OLCC has made significant investment in the buildings and grounds which is protected by a responsible and consistent maintenance program. Appropriate maintenance ensures that the two operational programs of the OLCC are able to meet the principles of protecting the public's safety and enhancing economic development.

PROGRAM PRIORITIZATION FOR 2015-17

Agency Name: Oregon Liquor Control Commission

2015-17 Biennium — Agency Number: 84500

SCR 004 — Fund 004

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			**MARIJUANA ENFORCEMENT PROGRAM** - 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 qualifies people obtain and retain marijuana licenses.																OLCC has been delegated the duty distiribute, enforce and educate the activities related to the growing, manufacture, distribution and sale of marijuana.	
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.

PROGRAM PRIORITIZATION FOR 2015-17

Agency Name: Oregon Liquor Control Commission

2015-17 Biennium — **Agency Number:** 84500

Agency-Wide Priorities for 2015-17 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	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)	Comments on Proposed Changes to CSL Included in Agency Request
Agcy	Prgm/ Div																		
1	1		088-088	Capital Improvements		4			2,850,810				$ 2,850,810	0	0.00	N	Y	C	POP 301 will allow OLCC to perform deferred maintenance.
2	1		001-030	Wholesale Services	845-4, 845-5	6			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.
3	1		002-045	Licenses Services	845-1, 845-2, 845-3, 845-4	5			3,989,709				$ 3,989,709	22	22.00	N	Y	C	
4	1		003-010	Administration	845-4, 845-6	4			2,365,960				$ 2,365,960	7	7.00	N	Y	C	
5	2		003-025	Financial Services	845-4, 845-6	4			4,986,248				$ 4,986,248	22	22.00	N	Y	C	
6	3		003-026	Information Services	845-4, 845-6	4			5,496,273				$ 5,496,273	15	15.00	N	Y	C	POP 303 will enhance customer service of licensing by providing on-line and e-commerce capability. POP 308 will replace aging telephone equipment with VoIP technology.
7	4		003-011	Communications/Govt Affairs	845-4, 845-6	4			821,463				$ 821,463	4	4.00	N	Y	C	
8	5		003-015	Administrative Services	845-4, 845-6	4			2,117,169				$ 2,117,169	8	8.00	N	Y	C	
9	2		002-047	Public Safety	845-1, 845-2, 845-3, 845-4	5			13,312,090				$ 13,312,090	66	66.00	N	Y	C	POP 202 will provide resources to meet the statutorily mandated DPSST training for all Public Safety sworn officers.
10	6		002-055	Administrative Policy and Process	845-1, 845-2, 845-3, 845-4	5			2,058,887				$ 2,058,887	9	9.00	N	Y	C	
11	2		001-040	Retail Services	845-4, 845-5	6			1,817,214				$ 1,817,214	6	6.00	N	Y	C	
12	3		001-020	Purchasing	845-4, 845-5	6			718,501				$ 718,501	3	3.00	N	Y	C	
13	7		003-016	Management Consulting	845-4, 845-6	4			611,379				$ 611,379	3	3.00	N	Y	C	
14	3		002-046	AlcoholEducation	845-1, 845-2, 845-3, 845-4	5			601,072				$ 601,072	3	3.00	N	Y	C	
15	4		001-024	Bank Card Fees	845-4, 845-5	6				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	
17	8		003-075	Motor Pool		4			304,820				$ 304,820	0	0.00	N	Y	C	
18	9		003-060	Supply Center		4			58,889				$ 58,889	0	0.00	N	Y	C	
19	1		005-072	Store Operating Expenses	845-5	6			101,958,335				$ 101,958,335	0	0.00	N	Y	C	
20	1		004-080	Marijuana Administration					2,429,000				$ 2,429,000	11	9.00	Y	N	S	
21	2		004-085	Marijuana Licensing					2,510,524				$ 2,510,524	11	8.50	Y	N	S	
22	3		004-087	Marijuana Enforcement					1,866,422				$ 1,866,422	6	3.00	Y	N	S	
													$ -						
							-	-	163,999,207	11,055,489	-	-	$ 175,054,696	256	246.00				

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

Prioritize each program activity for the Agency as a whole

Document criteria used to prioritize activities:

OLCC's policies and operational decisions has two major elements, consistent with the Governor's priorities and budgeting principles. First, OLCC's policies will have public safety considerations guide growth. Second, OLCC's policies will support economic viability for Oregonians and the state's revenue base. The OLCC recognizes that responding to changing demographics and environments can take several years to develop and implement. In 2015-17, OLCC will focus on anticipating future needs and developing innovations to the current retailing model. This will help it to make long-term improvements and be responsive to the citizens of Oregon, its alcohol beverage-related industries, and the people who visit the state. To accomplish these goals for the long term health of the agency, the Commission is focused on maintaining the infrastructure of the agency that supports the activities of the Distilled Spirits and Public Safety operations.

____ Agency Request Budget __X__ Governor's Balanced Budget ____ Legislatively Approved Budget

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

			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.
3. Distilled Spirits Program – Retail Services Division	Eliminate 1 Program Analyst 2 FTE (District Manager) in Retail Services and related service & supplies expenditures in Liquor Sales Support.	(OF) $171,000	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 qffect 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

			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.
4. Distilled Spirits Program – Dsitribution Center	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.	(OF) $960,000	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. This reduction has the potential to negatively impact the development of the Oregon Craft Distilling industry. The

			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

			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.
Administrative Fund – First 5% Total		**(OF) $2,696,000**	
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

			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.
9. Public Safety Services Program – License Services Division	Eliminate 3 Support Staff FTE and 1 Liquor Regulatory Specialist FTE.	(OF) $501,000	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

			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.
10. Support Services Program – Administrative Policy and Process Division	Eliminate 1 Compliance Specialist 3 FTE.	(OF) $222,000	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.

			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.

12. Support Services Program – Financial Services	Eliminate 1 Liquor Auditor FTE and 1.0 PEM D FTE	(OF) $402,000	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.
13. Support Services Program – Information Services Division	Reduce 2.0 FTE Info System Specialist 3 FTE in IT and S and S for expendable property and computer replacement.	(OF) $400,000	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

			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.
Administrative Fund – Second 5% Reductions Total		**(OF) $2,867,000**	
Administrative Fund – 10% Reductions Total		**(OF) $5,563,000**	
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

			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.
Capital Improvements Fund – 10% Reductions Total		**(OF) $24,000**	
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

	distilled spirits sales to 8.46%.		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.
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.

			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.
Store Operating Expenses Fund – 10% Reductions Total		**(OF)** **$9,896,000**	

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Oregon Liquor Control Comm
2015-17 Biennium

Governor's 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	-	-	-
2013-15 Leg Approved Budget	**230**	**225.13**	**151,875,699**	**-**	**-**	**151,875,699**	**-**	**-**	**-**
2015-17 Base Budget Adjustments									
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			-	-	-	-	-	-	-
Subtotal 2015-17 Base Budget	**230**	**225.50**	**151,991,946**	**-**	**-**	**151,991,946**	**-**	**-**	**-**
Essential Packages									
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	-	-	-
Subtotal	**-**	**-**	**(217,380)**	**-**	**-**	**(217,380)**	**-**	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	4,330,548	-	-	4,330,548	-	-	-
State Gov"t & Services Charges Increase/(Decrease)			514,775	-	-	514,775	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE 52

Oregon Liquor Control Comm
Oregon Liquor Control Comm
2015-17 Biennium

Governor's 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
Subtotal	-	-	4,845,323	-	-	4,845,323	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2015-17 Current Service Level	**230**	**225.50**	**156,619,889**	**-**	**-**	**156,619,889**	**-**	**-**	**-**

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE ___53____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Oregon Liquor Control Comm
2015-17 Biennium

Governor's 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
Subtotal: 2015-17 Current Service Level	**230**	**225.50**	**156,619,889**	**-**	**-**	**156,619,889**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2015-17 Current Service Level	**230**	**225.50**	**156,619,889**	**-**	**-**	**156,619,889**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
081 - September 2014 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
090 - Analyst Adjustments	-	-	3,313,961	-	-	2,999,335	-	314,626	-
501 - Measure 91 Implementation	28	20.50	6,805,946	-	-	6,805,946	-	-	-
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	-	-	-	-	-	(10,733,731)	-	10,733,731	-
202 - Meet Peace Officer Training Requirements	-	-	248,900	-	-	248,900	-	-	-
209 - Support Alcohol and Drug Policy Commission	-	-	-	-	-	-	-	-	-
301 - Repair OLCC Facilities	-	-	2,631,000	-	-	2,631,000	-	-	-
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	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**28**	**20.50**	**18,434,807**	**-**	**-**	**7,386,450**	**-**	**11,048,357**	**-**

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE ___54____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Oregon Liquor Control Comm
2015-17 Biennium

Governor's 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
Total 2015-17 Governor's Budget	**258**	**246.00**	**175,054,696**	**-**	**-**	**164,006,339**	**-**	**11,048,357**	**-**
Percentage Change From 2013-15 Leg Approved Budget	12.17%	9.27%	15.26%	-	-	7.99%	-	-	-
Percentage Change From 2015-17 Current Service Level	12.17%	9.09%	11.77%	-	-	4.72%	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE ___55____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Distilled Spirits Program
2015-17 Biennium

Governor's 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	-	-	-
2013-15 Leg Approved Budget	**70**	**67.50**	**21,216,749**	**-**	**-**	**21,216,749**	**-**	**-**	**-**
2015-17 Base Budget Adjustments									
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			-	-	-	-	-	-	-
Subtotal 2015-17 Base Budget	**69**	**66.50**	**21,000,099**	**-**	**-**	**21,000,099**	**-**	**-**	**-**
Essential Packages									
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	-	-	-
Subtotal	**-**	**-**	**22,828**	**-**	**-**	**22,828**	**-**	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	335,536	-	-	335,536	-	-	-
State Gov"t & Services Charges Increase/(Decrease)			(32,443)	-	-	(32,443)	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE ___56____

Oregon Liquor Control Comm
Distilled Spirits Program
2015-17 Biennium

Governor's 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
Subtotal	-	-	303,093	-	-	303,093	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2015-17 Current Service Level	**69**	**66.50**	**21,326,020**	**-**	**-**	**21,326,020**	**-**	**-**	**-**

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE __57_____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Distilled Spirits Program
2015-17 Biennium

Governor's 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
Subtotal: 2015-17 Current Service Level	**69**	**66.50**	**21,326,020**	**-**	**-**	**21,326,020**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2015-17 Current Service Level	**69**	**66.50**	**21,326,020**	**-**	**-**	**21,326,020**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
081 - September 2014 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
090 - Analyst Adjustments	-	-	314,626	-	-	-	-	314,626	-
501 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	(10,733,731)	-	10,733,731	-
202 - Meet Peace Officer Training Requirements	-	-	-	-	-	-	-	-	-
209 - Support Alcohol and Drug Policy Commission	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**5,389,626**	**-**	**-**	**(5,658,731)**	**-**	**11,048,357**	**-**

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE __58_____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Distilled Spirits Program
2015-17 Biennium

Governor's 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
Total 2015-17 Governor's Budget	**69**	**66.50**	**26,715,646**	**-**	**-**	**15,667,289**	**-**	**11,048,357**	**-**
Percentage Change From 2013-15 Leg Approved Budget	-1.43%	-1.48%	25.92%	-	-	-26.16%	-	-	-
Percentage Change From 2015-17 Current Service Level	-	-	25.27%	-	-	-26.53%	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE __59_____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Public Safety Services Program
2015-17 Biennium

Governor's 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	-	-	-
2013-15 Leg Approved Budget	**93**	**91.00**	**17,495,092**	**-**	**-**	**17,495,092**	**-**	**-**	**-**
2015-17 Base Budget Adjustments									
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			-	-	-	-	-	-	-
Subtotal 2015-17 Base Budget	**93**	**91.00**	**17,746,634**	**-**	**-**	**17,746,634**	**-**	**-**	**-**
Essential Packages									
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	-	-	-
Subtotal	**-**	**-**	**(92,403)**	**-**	**-**	**(92,403)**	**-**	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	48,372	-	-	48,372	-	-	-
State Gov"t & Services Charges Increase/(Decrease)			(48,632)	-	-	(48,632)	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE __60_____

Oregon Liquor Control Comm
Public Safety Services Program
2015-17 Biennium

Governor's 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
Subtotal	-	-	(260)	-	-	(260)	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2015-17 Current Service Level	**93**	**91.00**	**17,653,971**	**-**	**-**	**17,653,971**	**-**	**-**	**-**

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE __61_____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Public Safety Services Program
2015-17 Biennium

Governor's 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
Subtotal: 2015-17 Current Service Level	**93**	**91.00**	**17,653,971**	**-**	**-**	**17,653,971**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2015-17 Current Service Level	**93**	**91.00**	**17,653,971**	**-**	**-**	**17,653,971**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
081 - September 2014 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
501 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
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	-	-	248,900	-	-	248,900	-	-	-
209 - Support Alcohol and Drug Policy Commission	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**248,900**	**-**	**-**	**248,900**	**-**	**-**	**-**

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE __62_____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Public Safety Services Program
2015-17 Biennium

Governor's 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
Total 2015-17 Governor's Budget	**93**	**91.00**	**17,902,871**	**-**	**-**	**17,902,871**	**-**	**-**	**-**
Percentage Change From 2013-15 Leg Approved Budget	-	-	2.33%	-	-	2.33%	-	-	-
Percentage Change From 2015-17 Current Service Level	-	-	1.41%	-	-	1.41%	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE __63_____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Administration and Support
2015-17 Biennium

Governor's Budget
Cross Reference Number: 84500-003-00-00-00000

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	68	67.63	17,357,690	-	-	17,357,690	-	-	-
2013-15 Emergency Boards	(1)	(1.00)	434,760	-	-	434,760	-	-	-
2013-15 Leg Approved Budget	**67**	**66.63**	**17,792,450**	**-**	**-**	**17,792,450**	**-**	**-**	**-**
2015-17 Base Budget Adjustments									
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			-	-	-	-	-	-	-
Subtotal 2015-17 Base Budget	**68**	**68.00**	**17,873,805**	**-**	**-**	**17,873,805**	**-**	**-**	**-**
Essential Packages									
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)	-	-	-
Subtotal	**-**	**-**	**(147,805)**	**-**	**-**	**(147,805)**	**-**	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	139,238	-	-	139,238	-	-	-
State Gov"t & Services Charges Increase/(Decrease)			595,850	-	-	595,850	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE __64_____

Oregon Liquor Control Comm
Administration and Support
2015-17 Biennium

Governor's Budget
Cross Reference Number: 84500-003-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal	-	-	735,088	-	-	735,088	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2015-17 Current Service Level	**68**	**68.00**	**18,461,088**	**-**	**-**	**18,461,088**	**-**	**-**	**-**

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE __65_____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Administration and Support
2015-17 Biennium

Governor's Budget
Cross Reference Number: 84500-003-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2015-17 Current Service Level	**68**	**68.00**	**18,461,088**	**-**	**-**	**18,461,088**	**-**	**-**	**-**
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2015-17 Current Service Level	**68**	**68.00**	**18,461,088**	**-**	**-**	**18,461,088**	**-**	**-**	**-**
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
081 - September 2014 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
501 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**-**	**-**	**360,000**	**-**	**-**	**360,000**	**-**	**-**	**-**

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE __66_____

Oregon Liquor Control Comm
Administration and Support
2015-17 Biennium

Governor's Budget
Cross Reference Number: 84500-003-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Total 2015-17 Governor's Budget	**68**	**68.00**	**18,821,088**	**-**	**-**	**18,821,088**	**-**	**-**	**-**
Percentage Change From 2013-15 Leg Approved Budget	1.49%	2.06%	5.78%	-	-	5.78%	-	-	-
Percentage Change From 2015-17 Current Service Level	-	-	1.95%	-	-	1.95%	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE __67_____

Oregon Liquor Control Comm
Marijuana Regulation
2015-17 Biennium

Governor's Budget
Cross Reference Number: 84500-004-00-00-00000

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	-	-	-	-	-	-	-	-	-
2013-15 Emergency Boards	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2015-17 Base Budget Adjustments									
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			-	-	-	-	-	-	-
Subtotal 2015-17 Base Budget	-	-	-	-	-	-	-	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE ___68____

Oregon Liquor Control Comm
Marijuana Regulation
2015-17 Biennium

Governor's Budget
Cross Reference Number: 84500-004-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE ___69____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Marijuana Regulation
2015-17 Biennium

Governor's Budget
Cross Reference Number: 84500-004-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
081 - September 2014 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
501 - Measure 91 Implementation	28	20.50	6,805,946	-	-	6,805,946	-	-	-
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	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	**28**	**20.50**	**6,805,946**	**-**	**-**	**6,805,946**	**-**	**-**	**-**

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE ___70____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Marijuana Regulation
2015-17 Biennium

Governor's Budget
Cross Reference Number: 84500-004-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Total 2015-17 Governor's Budget	**28**	**20.50**	**6,805,946**	**-**	**-**	**6,805,946**	**-**	**-**	**-**
Percentage Change From 2013-15 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE ___71____

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	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	**-**	**-**	**95,158,000**	**-**	**-**	**95,158,000**	**-**	**-**	**-**
2015-17 Base Budget Adjustments									
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			-	-	-	-	-	-	-
Subtotal 2015-17 Base Budget	**-**	**-**	**95,158,000**	**-**	**-**	**95,158,000**	**-**	**-**	**-**
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	3,801,000	-	-	3,801,000	-	-	-
Subtotal	**-**	**-**	**3,801,000**	**-**	**-**	**3,801,000**	**-**	**-**	**-**
040 - Mandated Caseload									

Oregon Liquor Control Comm
Store Operating Expenses
2015-17 Biennium

Governor's 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*
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2015-17 Current Service Level	**-**	**-**	**98,959,000**	**-**	**-**	**98,959,000**	**-**	**-**	**-**

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE ___73____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Store Operating Expenses
2015-17 Biennium

Governor's 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
Subtotal: 2015-17 Current Service Level	-	-	**98,959,000**	-	-	**98,959,000**	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2015-17 Current Service Level	-	-	**98,959,000**	-	-	**98,959,000**	-	-	-
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
081 - September 2014 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
090 - Analyst Adjustments	-	-	2,999,335	-	-	2,999,335	-	-	-
501 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	**2,999,335**	-	-	**2,999,335**	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE ___74____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Store Operating Expenses
2015-17 Biennium

Governor's 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
Total 2015-17 Governor's Budget	-	-	**101,958,335**	-	-	**101,958,335**	-	-	-
Percentage Change From 2013-15 Leg Approved Budget	-	-	7.15%	-	-	7.15%	-	-	-
Percentage Change From 2015-17 Current Service Level	-	-	3.03%	-	-	3.03%	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE ___75____

Oregon Liquor Control Comm
Capital Improvements
2015-17 Biennium

Governor's 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
2013-15 Leg Adopted Budget	-	-	213,408	-	-	213,408	-	-	-
2013-15 Emergency Boards	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	**-**	**-**	**213,408**	**-**	**-**	**213,408**	**-**	**-**	**-**
2015-17 Base Budget Adjustments									
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			-	-	-	-	-	-	-
Subtotal 2015-17 Base Budget	**-**	**-**	**213,408**	**-**	**-**	**213,408**	**-**	**-**	**-**
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	6,402	-	-	6,402	-	-	-
Subtotal	**-**	**-**	**6,402**	**-**	**-**	**6,402**	**-**	**-**	**-**
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE ___76____

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2015-17 Current Service Level	**-**	**-**	**219,810**	**-**	**-**	**219,810**	**-**	**-**	**-**

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Capital Improvements
2015-17 Biennium

Governor's 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
Subtotal: 2015-17 Current Service Level	-	-	**219,810**	-	-	**219,810**	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2015-17 Current Service Level	-	-	**219,810**	-	-	**219,810**	-	-	-
080 - E-Boards									
080 - May 2014 E-Board	-	-	-	-	-	-	-	-	-
081 - September 2014 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
501 - Measure 91 Implementation	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
301 - Repair OLCC Facilities	-	-	2,631,000	-	-	2,631,000	-	-	-
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	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	**2,631,000**	-	-	**2,631,000**	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE ___78____

Summary of 2015-17 Biennium Budget

Oregon Liquor Control Comm
Capital Improvements
2015-17 Biennium

Governor's 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
Total 2015-17 Governor's Budget	-	-	**2,850,810**	-	-	**2,850,810**	-	-	-
Percentage Change From 2013-15 Leg Approved Budget	-	-	1,235.85%	-	-	1,235.85%	-	-	-
Percentage Change From 2015-17 Current Service Level	-	-	1,196.94%	-	-	1,196.94%	-	-	-

OLCC GOVERNOR'S BALANCED BUDGET
AGENCY SUMMARY BUDGET PAGE ___79____

Summary Cross Reference Number	*Cross Reference 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*
001-00-00-00000	**Distilled Spirits Program**						
	Other Funds	18,073,544	20,869,469	21,216,749	26,458,152	26,715,646	-
002-00-00-00000	**Public Safety Services Program**						
	Other Funds	15,566,078	17,027,683	17,495,092	18,023,472	17,902,871	-
003-00-00-00000	**Administration and Support**						
	Other Funds	16,805,885	17,357,690	17,792,450	19,345,824	18,821,088	-
004-00-00-00000	**Marijuana Regulation**						
	Other Funds	-	-	-	-	6,805,946	-
005-00-00-00000	**Store Operating Expenses**						
	Other Funds	86,384,020	95,158,000	95,158,000	98,959,000	101,958,335	-
088-00-00-00000	**Capital Improvements**						
	Other Funds	208,406	213,408	213,408	5,027,810	2,850,810	-
TOTAL AGENCY							
	Other Funds	137,037,933	150,626,250	151,875,699	167,814,258	175,054,696	-

LIQUOR CONTROL COMMISSION, OREGON

Annual Performance Progress Report (APPR) for Fiscal Year (2013-2014)

Original Submission Date: 2014

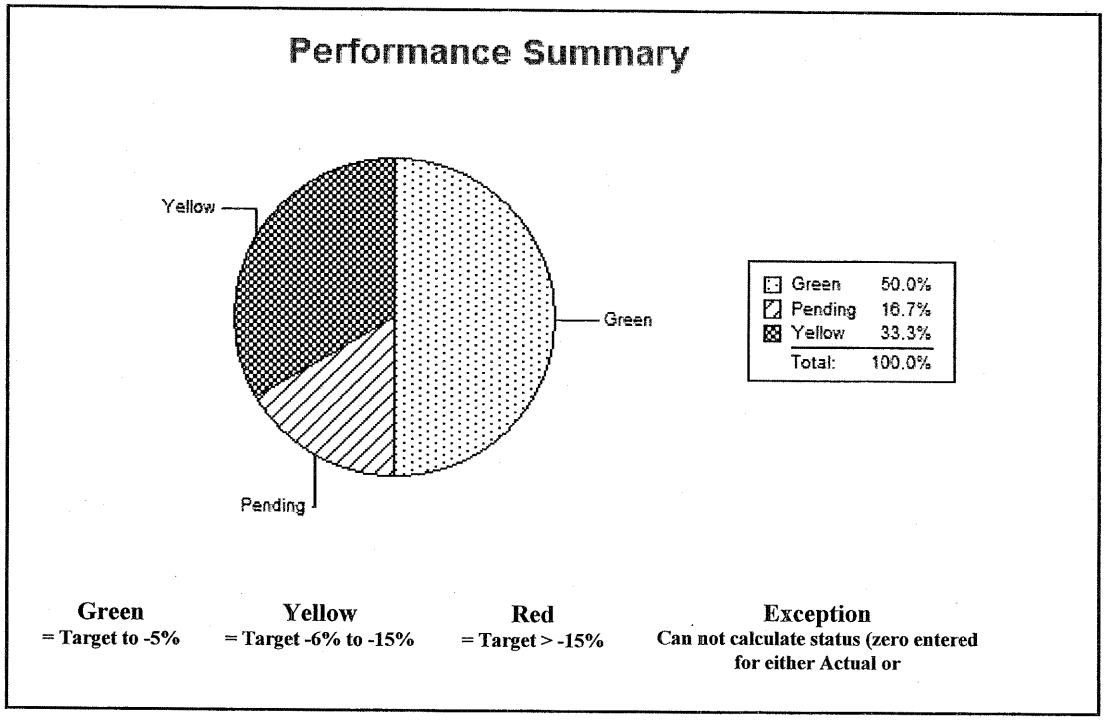
Finalize Date: 9/26/2014

2013-2014 KPM #	2013-2014 Approved Key Performance Measures (KPMs)
1	Sales to Minors – Percentage of licensees who refuse to sell to minor decoys.
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.
3	Licensing Time – Average days from application receipt to license issuance.
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.
5	OLCC Rate of Return – Net OLCC distribution divided by actual expenses.
6	Best Practices: Percent of total best practices met by the Board.

New Delete	Proposed Key Performance Measures (KPM's) for Biennium 2015-2017
	Title: **Rationale:**

LIQUOR CONTROL COMMISSION, OREGON	I. EXECUTIVE SUMMARY
Agency Mission: To promote the public interest through the responsible sale and service of alcoholic beverages.	

Contact: Peter Noordijk, Data Analyst	**Contact Phone:** 503-872-5148
Alternate: Michael O'Connor, Director of Financial Services	**Alternate Phone:** 503-872-5163



1. SCOPE OF REPORT

Agency programs/services addressed by key performance measures: This report contains key performance measures addressing the three program areas of the agency Public Safety Services Program, Distilled Spirits Program, Support Services Program.

2. THE OREGON CONTEXT

The OLCC envisions itself as a public safety agency that serves as a model for state alcohol regulation programs whose guiding principles are

Public Safety, Economic Development, and Stewardship. The OLCC identifies itself as an integral part of a greater alcohol beverage system. Using a systems approach, the OLCC sees itself as meeting the publics need for a livable community and a sustainable, healthy, and responsible marketplace. The alcoholic beverage system in Oregon is managed by the OLCC with two processes. First, the OLCC's Public Safety Services Program seeks to license safe and responsible businesses quickly. Businesses that the OLCC licenses include: bars and restaurants that serve beer, wine, and spirits by the glass; grocery and convenience stores that sell packaged beer and wine; manufacturers (breweries, brew pubs, wineries, distilleries); and importers/distributors that supply beer and wine to licensees. Once in operation, the OLCC monitors liquor law compliance of these businesses, and pursues activities and policies that promote compliance. By focusing on strategies that promote liquor law compliance, the OLCC works to address livability concerns of communities, while facilitating responsible, safe, and sustainable Hospitality, Tourism, and Grocery Industries in Oregon, among others. Second, the OLCC's Distilled Spirits Program seeks to meet current and emerging customer expectations for distilled spirits product selection and availability, price, and retail outlet convenience. Through the work of the Distilled Spirits Program, the OLCC makes a wide selection of distilled spirits products regularly and reliably available at its 248 contract liquor retailer locations, at prices that are the same regardless of where they are purchased in the state. The OLCC contracts with private independent business operators to sell packaged distilled spirits directly to individuals, and to local licensees who then are allowed to sell distilled spirits by the drink at their place of business. Through the processes of both the Public Safety Services Program and the Distilled Spirits Program, the OLCC balances the sometimes competing demands of the agency's stakeholders and customers. By optimizing the alcohol beverage system in Oregon, the OLCC creates a sustainable marketplace, where the concerns and interests of a wide group of individuals and businesses can be accounted for. To insure that the OLCC continues to optimize Oregon's alcohol beverages system, these key measures have been created to monitor the agency's performance.

3. PERFORMANCE SUMMARY

For 2014, the OLCC reports 4 of 6 KPMs met or are near their respective targets. Most notably, the Commissioners' evaluation of best practices improved dramatically and met the 100% target for 2014.

KPM#1, Sales to Minors. Licensees tested recorded a pass rate of 81% for the state during 2014 which is just below the new target of 82%. This was an increase of 3% from the previous fiscal year. The 2013 Legislature raised the target from 80% to 82%.

KPM#2, Rate of Second Violation. OLCC recorded a rate of 13% of licensees committing a second violation within two years of committing a first violation for the 2014 analysis. This is similar to 2013 which reported a rate of 12%. The 2013 Legislature established a target of 12% which is one percent below the FY 2014 result.

KPM #3, Licensing Time. Licensing time averaged 76 days during 2014, just above the new statewide target of 75 days. The 2013 legislature reduced the target for KPM #3 from 90 days to 75 days, but local governments still have up to 90 days to respond to applications.

KPM#4, Customer Service. The overall agency rating was 77 percent (rated as good or excellent) compared to 75 percent in 2013. The OLCC missed the 85 percent target in all five areas when weighted averages were taken over all survey groups. Overall, the OLCC exceeded targets in 12 out 30 possible response categories across the five respondent groups.

KPM#5, OLCC Rate of Return. The OLCC achieved a rate of $2.94 in revenue distributed for public use for every $1 spent by the agency during 2013. This significantly exceeded the target of $2.70. The 2014 rate was influenced by a continued recovery in liquor sales and also helped by the $0.50 per bottle surcharge.

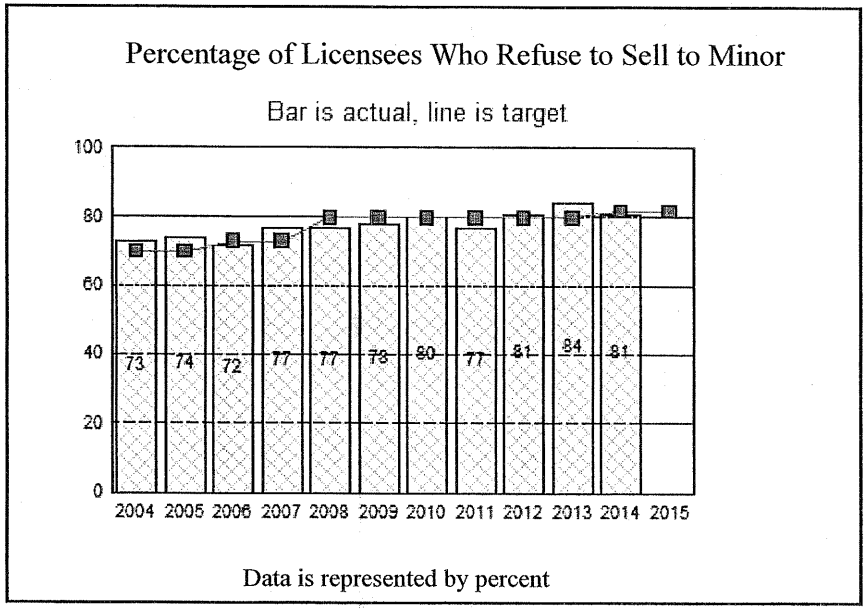
KPM#6, Best Practices. The OLCC achieved a rate of 100 percent of the best practices met by the Board according to a self-assessment survey of the commission. This higher score likely resulted from reduced turnover of Commissioners and Commission leadership during the year.

4. CHALLENGES

The major challenges to the effective operation of the OLCC, as reflected by these Key Performance Measures, result from a lack of resource flexibility needed to adjust to changing public safety, statutory, and market conditions. Being adaptive is paramount for the agency to successfully respond to growth in Oregon's population and economy, and the subsequent public safety and public demand needs. Upgrading the agency's information technology systems are critical to shortening the licensing process, tracking enforcement data for second violation measurement and making information available to OLCC customers in a timely manner. Factors affecting the results of the following measures are generally related to the needs of the agency to have flexibility to adapt to its changing environment.

5. RESOURCES AND EFFICIENCY

KPM #1	Sales to Minors – Percentage of licensees who refuse to sell to minor decoys.	2002
Goal	PUBLIC SAFETY - Meet potential customer demand for alcoholic beverages and outlets in a socially responsible manner.	
Oregon Context	Benchmark #50a - 8th Grade Alcohol Abuse (Formerly BM #49 - Teen Substance Abuse) and Governors Guiding Principle of Public Safety.	
Data Source	OLCC enforcement records, minor decoy database.	
Owner	OLCC Public Safety Division, John Eckhart Director 503.872.5017	



1. OUR STRATEGY

The OLCC has three principal strategies for achieving the goal of public safety relating to this measure. The first strategy is to ensure the OLCC has adequate resources dedicated to public safety initiatives. The second is to develop and execute policies that ensure outlets

comply with state liquor laws. The third strategy is to strengthen partnerships with other stakeholders that share the agency's public safety objectives

2. ABOUT THE TARGETS

The targets for this measure are based on historical averages of licensees refusing to sell alcoholic beverages to minor decoys. This target is viewed as a threshold; a level of compliance the OLCC strives to exceed. The OLCC, in the past, has regularly exceeded the target level for this measure. Given this fact, the OLCC proactively increased the target level from 70 percent to 73 percent for the 2006 reporting period. The state Legislature raised the target during the 2007 session to 80 percent and then to 82 percent during the 2013 session.

3. HOW WE ARE DOING

The FY 2014 result shows an 81.1 percent compliance rate of "no sales" to minors and exceeds the legislative target. The compliance rate decreased by 3 percent from FY 2013 and equaled FY 2012 which also had an 81 percent compliance rate. The result seems driven by a drop in compliance in the Portland and Salem metropolitan areas, which experienced a 6 and 9 percent drop in compliance from last fiscal year. Despite the performance plateau three of five regions experienced improved compliance and there is still a trend of improvement in historical compliance rates.

4. HOW WE COMPARE

Other liquor law enforcement agencies around the United States also conduct minor decoy operations. However, many of these states (e.g., California) will often publicize the decoy operations ahead of time, which may temporarily and artificially inflate those respective compliance rates. In these cases, comparisons to the Oregon compliance rate are misleading. Some states (e.g., Maine and Louisiana) claim to track sales to minor statistics, but either combine that information with other compliance check activities prior to publishing, or do not readily publish the information. The OLCC statistics only reflect the minor decoy operations executed by agency inspectors or minor decoy operations where OLCC participates with local law enforcement. In both cases, the results of these operations are compiled for this KPM.

5. FACTORS AFFECTING RESULTS

A key factor driving these results is frequency of operations. The "perception of detection" is a significant motivator to comply with liquor laws for licensees and their staff. When the number of operations decreases, a licensee may not perceive the risk of detection as likely and choose to make decisions that do not comply with the public safety laws, such as selling alcoholic beverages to minors.

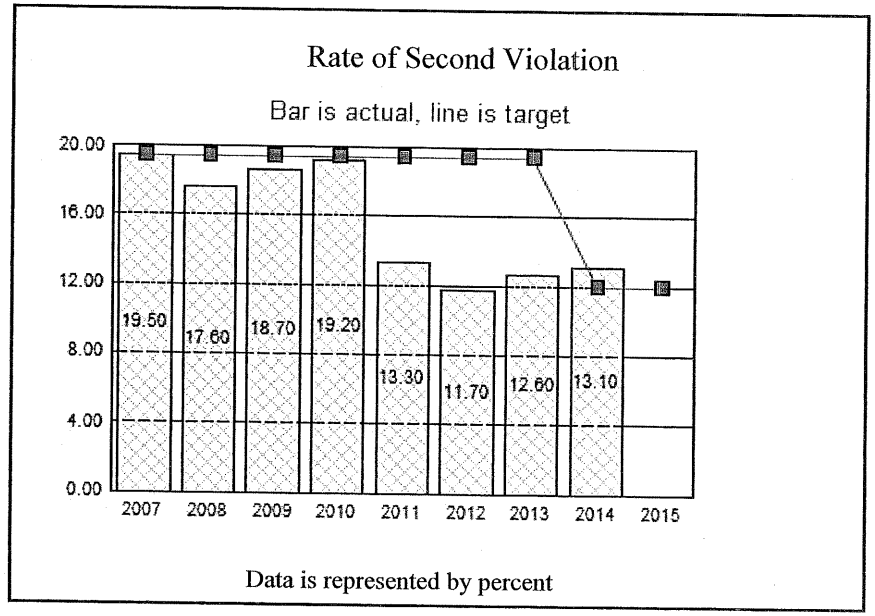
6. WHAT NEEDS TO BE DONE

The OLCC has leveraged its experience in conducting minor decoy operations by consulting with and training local law enforcement agencies to effectively conduct their own operations. The creation of these synergistic partnerships bring together the OLCC's knowledge base with the personnel resources of other law enforcement agencies so more operations can be conducted around the state. It should also be noted that an "inspection gap" continues to form as the number of licensed businesses is growing with respect to the number of OLCC inspection/public safety personnel. This gap results in a general decrease in the number of minor decoy operations conducted only by the OLCC and the need for local law enforcement partnerships.

7. ABOUT THE DATA

This measure is calculated from the compiled results of minor decoy operations conducted during the fiscal year out of each of the five OLCC regional offices; Bend, Eugene, Salem, Medford and Portland Metro. The measure is calculated by dividing the total number of instances when a licensee refused to sell to a minor by the total number of attempted minor decoy purchases. OLCC inspectors conducted 1,804 operations in FY 2014 which constituted about 15 percent of all licensed retail premises during the year.

KPM #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.	2008
Goal	PUBLIC SAFETY - Meet potential customer demand for alcoholic beverages and outlets in a socially responsible manner.	
Oregon Context	Governor's Guiding Principle of Public Safety. OLCC Mission Statement.	
Data Source	OLCC Enforcement and Administrative Process and Procedure Records.	
Owner	OLCC Public Safety Services Program, Public Safety Division, John Eckhart, Director 503.872.5017	



1. OUR STRATEGY

Innovations and Enhancements to Education, License Processing, Enforcement, and Adjudication Functions.

2. ABOUT THE TARGETS

During the 2013 session, the Legislature set a target of 12 percent for this measure.

3. HOW WE ARE DOING

The FY 2014 second violation rate is 13.1 percent which is a slight rise from the previous year. The FY 2013 second violation rate was 12.2 percent. The second violation rate for the last three fiscal years has stayed steady between 12 and 13 percent. The historical rates back to FY 2004 averages a second violation rate of 16 percent.

4. HOW WE COMPARE

We have found no other agencies or states with a similar measure.

5. FACTORS AFFECTING RESULTS

During FY 2014, 48.5 percent of the violations issued by inspectors were for sales to minors (Failure to Verify Age). As the compliance rate for sales to minor increases the rate of second violation will likely decrease.

6. WHAT NEEDS TO BE DONE

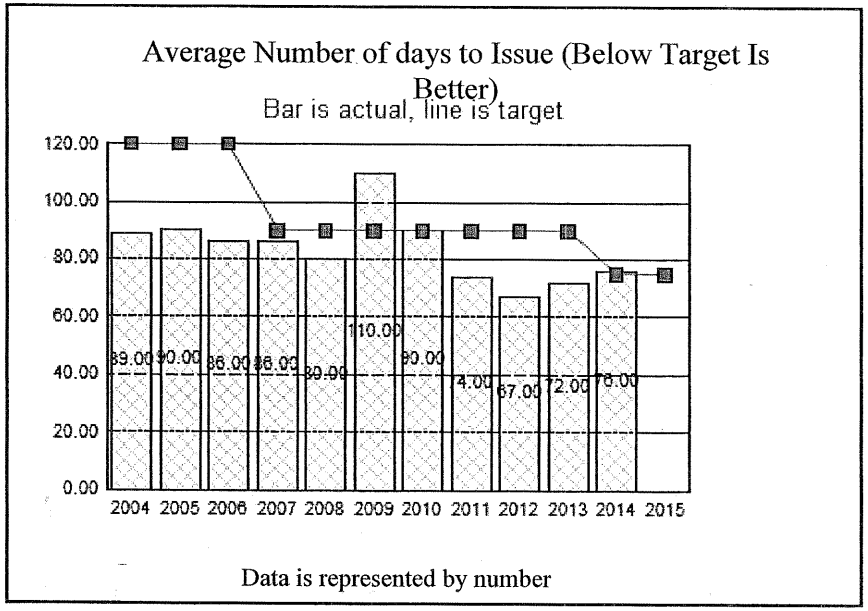
OLCC will continue to look at this measure and how the information is generated to determine if significant changes are needed for future years. OLCC continues to implement new strategies of regulating and educating licensees. This includes implementation of the First Call Program, public service announcements and a poster campaign warning of the dangers of furnishing alcohol to minors. These proactive education efforts combined with targeted enforcement operations such as minor decoy compliance checks will improve licensees' compliance with liquor laws.

7. ABOUT THE DATA

Key Performance Measure #2; Rate of Second Violation was crafted in 2007 as a new public safety measure for OLCC. The measure is calculated dividing the number of premises that have committed their first serious liquor law violation (category 1, 2, or 3) in a given year, by the number of those premises that go on to commit another separate serious liquor law violation within the two years following the year of their first. Historically this calculation has been done manually looking for premises matches across thousands of violation records. Recently, OLCC has been able to employ both statistical and database tools to

refine the data and allow for electronic matches of licensed premises that violate liquor laws across multiple years. This has resulted in a much more consistent calculation of this measure and objective. The measure results for all years have been recalculated using this new methodology and are presented

KPM #3	Licensing Time – Average days from application receipt to license issuance.	2005
Goal	ECONOMIC DEVELOPMENT To enable Oregon businesses to begin and continue to operate safely and responsibly as soon as possible, supporting Oregon's Hospitality and Tourism Industries.	
Oregon Context	Oregon Benchmark #1(Employment in Rural Oregon), #2 (Trade Outside Oregon), #3 (New Employers), #4 (Net Job Growth) Oregon benchmarks relating to Growth of Oregon's Economy and Job Growth. Governors Guiding Principles of Business and Job Growth.	
Data Source	OLCC license applications processing records. Internally developed system report: License Process Period Analysis-Number of Days to Issue a License.	
Owner	OLCC Public Safety Services Program –Will Higlin – License Services Director 503.872.5224.	



1. OUR STRATEGY

The OLCC's strategy for meeting this goal is to streamline, simplify, and automate the liquor licensing process. In pursuing this strategy, the OLCC hopes to achieve many positive outcomes, including the reduction in the number of days to issue a license.

2. ABOUT THE TARGETS

Targets are based on historical averages and expected workloads. Previous reports have indicated the target for this measure as a range; this is due to a number of external factors that influence the time to issue a license (e.g. local government review or receipt of license fees). The 2007 Legislature asked the agency to change the target to a fixed level, and to set that level to 90-days beginning in FY 2008. The 2013 Legislature has reduced the target again to 75 days beginning in 2014. The agency strives to issue liquor licenses to responsible and safe businesses faster than the measures target, i.e. it is desirable to report actual levels that are below the target.

3. HOW WE ARE DOING

4. HOW WE COMPARE

It is difficult to make direct comparisons due to the investigative and legal review aspects of the Oregon licensing process that do not translate to other licensing bodies.

5. FACTORS AFFECTING RESULTS

There are many factors affecting the number of days it takes to issue a liquor license; some internal and some external. Internal factors continue to be identified and streamlined through process improvements and technological solutions (automations). External factors are difficult to control. The primary external factor affecting how quickly a liquor license can be issued is the license application review by the local governing body (city or county). Statute gives local government up to 90 days (45 days plus and additional 45 day extension – if requested) to review a license application within their jurisdiction and provide a recommendation (positive, negative, or neutral). The OLCC cannot complete the processing of an application until the local government review is completed. Lengthy application review by local governments usually occurs in the larger metropolitan areas, such as Portland. These areas also have higher numbers of license applications, in absolute terms, which influence the overall statewide average

licensing times. Additionally, the timeliness of the applicant in providing materials necessary to the application investigation can impact overall processing time. Applicants not prepared for or committed to the process may have longer processing times. A good illustration of how factors outside of agency control may impact the total time to issue a license can be found in looking at the licensing work of the Portland field office. For licenses issued by the Portland office (a subset of the KPM) between January 1, 2011 and June 30, 2011, the average time to issue a license was approximately 90.7 days. However, during the same period staff processing time totaled to an average of only 32.9 days; only 36% of the total time to issue a license. The remaining 64% of the time is driven be external factors described above, and are outside the control of the agency.

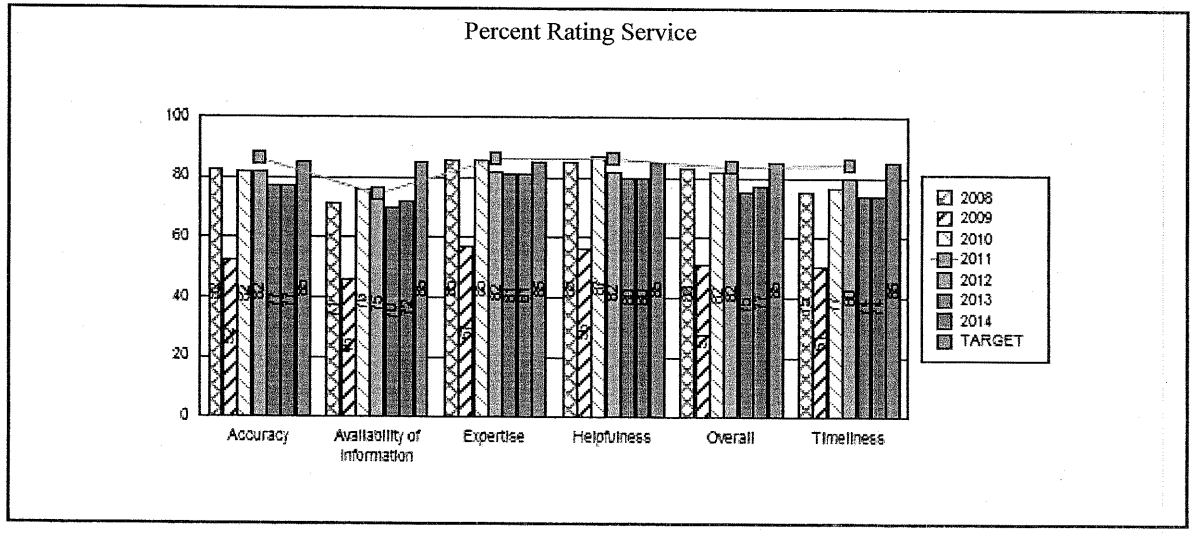
6. WHAT NEEDS TO BE DONE

The OLCC is pursuing long-term solutions to its business needs that include regulatory innovations, such as risk-based decision making methodologies, the implementation of streamlining measures, and the development of a custom enterprise licensing system that will automate many manual processes as well as growing the agency's online service capacity. The OLCC has proposed an incentive system to share licensing fees with local governments that process applications within a narrow time frame.With these enhancements and innovations the OLCC can continue to meet the targets of this measure.

7. ABOUT THE DATA

The data supporting this measure is compiled by the OLCC licensing unit and reported through the agency's master file system.

KPM #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.	2006
Goal	STEWARDSHIP The OLCC will sustain high-level customer service. It will continue to improve its customer service levels by finding more efficiencies, improving time frames for delivering services, and by making information accessible to customers and the public.	
Oregon Context	Governors Guiding Principle of facilitating the growth of business and jobs by strategically investing in human capital and infrastructure.	
Data Source	Annual OLCC Customer Service Survey conducted via Surveymonkey.com. and paper survey cards for visitors to the OLCC main office. Links to online survey were sent to 4 stakeholder groups by email including employees, stakeholders, liquor store agents, and Server Education providers. In addition, a link for licensees to take the survey was posted in the license section of the OLCC website and an invitation for public to take the survey was posted on the OLCC social media sites. Paper surveys were made available at the reception desk for licensees and the public that came into the agency in person during a 1 month period from August 1, 2013 to August 31, 2013. Results are available by stakeholder group, but are consolidated here.	
Owner	OLCC Management and Consulting Services Division, Bill Schuette Research Analyst, 503.872.5023	



1. OUR STRATEGY

There are two principle strategies directing the OLCC's activities toward this goal. First, the OLCC has a strategy of strengthening partnerships with stakeholders (public safety, community, business, government, general public). The second strategy is to provide responsible stewardship to the states assets. Feedback from stakeholders through a customer service survey is an essential tool for the OLCC to evaluate its performance in following these strategies.

2. ABOUT THE TARGETS

The 2007 Legislature asked the agency to set the target to 80% for each category beginning in 2008. The 2013 Legislature asked the agency to raise the target to 85% beginning in FY 2014

3. HOW WE ARE DOING

The OLCC missed the 85 percent target in all five areas when weighted averages were taken over all survey groups. However, the OLCC met or exceeded the 85 percent average target for surveys from Liquor Agents and Server Education. Overall, the OLCC exceeded targets in 12 out 30 possible response categories. The lower average scores were driven by much larger and less favorable responses from the general public compared to prior years. The agency continues to make efforts to increase information availability through Gov Alerts and posting updates on the agency website.

4. HOW WE COMPARE

The Commission is unaware of any other state entities that regulate alcohol licensing and sales that conduct similar surveys.

5. FACTORS AFFECTING RESULTS

There were an average of 348 respondents from the five survey groups that answered every question. There was not a significant difference in overall results between weighted and non-weighted averages, survey responses from a larger pool of public respondents trended lower than other groups. Significant media coverage of agency issues through the year due to a proposed ballet measure may have affected results from stakeholders and the general public.

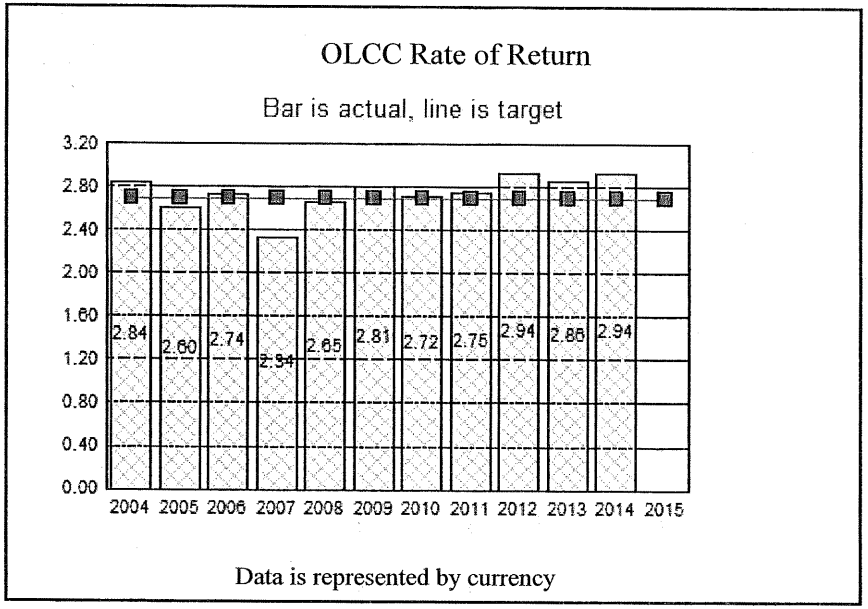
6. WHAT NEEDS TO BE DONE

The agency strives to provide the highest levels of customer service, balancing the needs of all its stakeholders. We will continue to seek policy and process enhancements that will result in the agency meeting, and exceeding, its customer service goals such as improving our average licensing time and increasing customer convenience by implementing the pilot programs for selling beer and wine in liquor stores.

7. ABOUT THE DATA

After the close of the Oregon fiscal year, surveys were collected from identified stakeholders that have had dealings with the OLCC during the previous 12 months. The agency maintains email lists for key stakeholders (e.g. distilleries, neighborhood associations, law enforcement and manufacturers), liquor store agents, and server education providers. These groups were emailed during the survey period with a link to Surveymonkey.com where they could provide a response. Licensees could fill out the surveys at the OLCC office or were given a web link where they could take the survey online. This year we also added a QR Code option that would allow potential survey participants visiting the office to scan a card with their smart phones and take the survey online. Public responses were gathered by posting an invitation on OLCC's social media sites (Facebook and Twitter) with a link to take the survey. The OLCC continues to explore cost effective ways of reaching out to all stakeholder groups for feedback.

KPM #5	OLCC Rate of Return – Net OLCC distribution divided by actual expenses.	2007
Goal	STEWARDSHIP The OLCC follows a socially responsible business model, and provide responsible stewardship of its assets, managing risks and protecting revenue flows.	
Oregon Context	Governors Principle of Government Efficiency and Accountability.	
Data Source	OLCC Consolidated Annual Financial Statements (Oregon FY)	
Owner	OLCC Support Services Program Financial Services Division, Michael O'Connor Director, 503.872.5163	



1. OUR STRATEGY

Provide a stable rate of return that reflects effective, responsible, and balanced operations.

2. ABOUT THE TARGETS

The 2007 Legislature asked the agency to set the target for this new measure at $2.70. The target reflects the agency's mission of balancing public safety objectives with those of making distilled spirits safely available to consumers and licensees. The OLCC seeks to hit this target as closely as possible; given posting rates of return significantly over or under the target may indicate a system out of balance.

3. HOW WE ARE DOING

The OLCC rate of return in FY 2014 was $2.94 for every dollar spent. It went up slightly from $2.86 in FY 2013 and matches the $2.94 during FY 2012. During FY 2014 the surcharge generated $15.2 million in additional revenue. Without the surcharge the ratio would have fallen from $2.94 to $2.73 indicating that the target would have still been met without the surcharge, but that income to state and local governments would be reduced.

4. HOW WE COMPARE

Direct comparisons to other Oregon state agencies are difficult to find as the nature of the OLCC's mission is unique. There are very few profit generating agencies in state government, and none that exactly share the OLCC's objective of balancing public safety with revenue generation. Comparisons with private enterprises are also difficult; being most businesses are concerned with strict profit maximization, without performing any self-regulating functions that temper profit.

5. FACTORS AFFECTING RESULTS

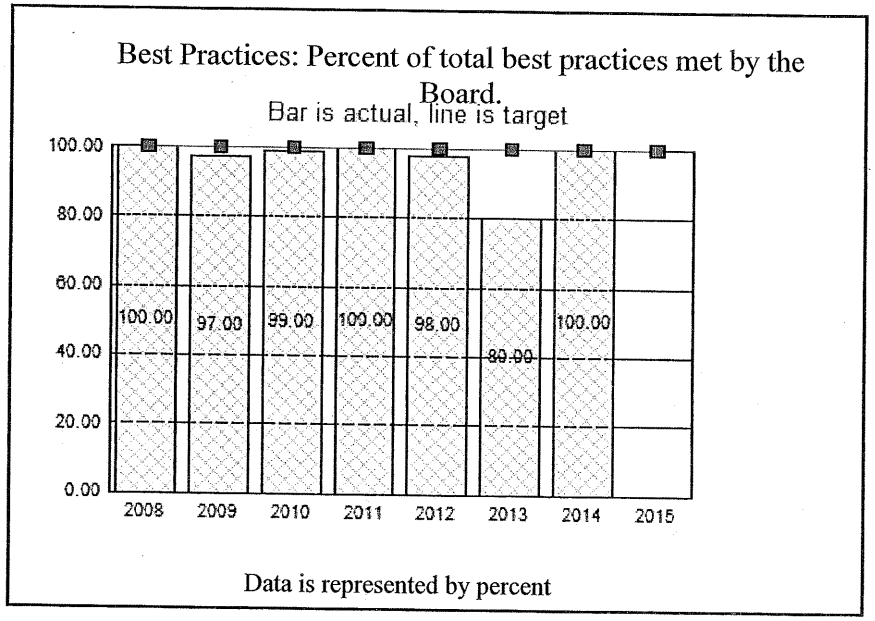
There are many factors that affect the agency's rate of return. Gross revenue from liquor sales increased 4.2 percent during FY 2014 compared to FY 2013. Costs rose more slowly than sales relative to previous years, meaning that the OLCC distribution climbed 1.3 percent more than sales. However, other factors affecting the result are: changes in consumer preferences, resource capacity of the agency's Distilled Spirits Program, moderating agency policies, budget limitations, etc.

6. WHAT NEEDS TO BE DONE

The agency continues to review the underlying factors driving the rate of return, and implement adaptive strategies to optimally manage Oregon's control systems. OLCC continues to anticipate investment s needed to maintain the system and will propose changes to the budget to meet the demands of the consumer.

7. ABOUT THE DATA

KPM #6	Best Practices: Percent of total best practices met by the Board.	2007
Goal	STEWARDSHIP The OLCC will provide responsible stewardship of its assets, managing risks and protecting revenue flows. The OLCC will sustain high-level customer service. It will continue to seek to improve its customer service levels by finding more efficiency, improving time frames for delivering services, and by making information accessible to customers and the public.	
Oregon Context	The 2007 Legislature asked the agency to set the target for this measure to 100%. It is the expectation of the Legislature that the commissioners who head this agency operate with the highest levels of governance, as described by DAS best practices standards.	
Data Source	The 15 question commission governance self-assessment survey was distributed to the 5 OLCC Commissioners via an online survey (surveymonkey.com). The commissioners were asked to respond to the yes/no questions, and had an opportunity to provide comment or explanation for each response. The 5 self-assessment results were downloaded and compiled using MS Excel.	
Owner	OLCC Management Consulting Services Division, Peter Noordijk, Data Analyst, 503.872.5148.	



1. OUR STRATEGY

Perform the annual self-assessment and evaluate the OLCC's performance against the defined best practices for Boards and Commissions. Seek and maintain internal policies and procedures that promote the highest standards at the OLCC.

2. ABOUT THE TARGETS

The 2007 Legislature asked the agency to set the target for this measure to 100%. It is the expectation of the Legislature that the Commissioners who head this agency operate with the highest levels of governance, as described by DAS best practices standards.

3. HOW WE ARE DOING

This is the seventh year the self-assessment has been taken by the agency's Commissioners. Four Commissioners responded to the FY 2014 request to complete this self-assessment and all four Commissioners answered every question. Unlike last years . There was 100 percent agreement among the responding Commissioners that OLCC best practices were being met. The assessment indicated that the Commission's governance practices are hitting the target of 100 percent.

4. HOW WE COMPARE

Direct comparisons to other Oregon state agencies are difficult to find as the nature of the OLCC's mission is unique.

5. FACTORS AFFECTING RESULTS

Response rates will impact the average. In the case of FY 2014 four out of five Commissioners responded to the survey. With a new permanent executive director and a full commission, it appears that the Commissioners felt prepared to respond. We did have one Commissioner who failed to respond.

6. WHAT NEEDS TO BE DONE

The agency expects to bring itself into alignment with the specifically stated standards. The agency will also work to effectively demonstrate to the new and

continuing Commissioners the examples of how these standards are being met or exceeded. Agency management also works to educate new Commissioners on governance and processes so that they are current on their responsibilities and agency goals.

7. ABOUT THE DATA

Data was collected from Commissioners by providing them the self-assessment form online. Fifteen questions were asked that target toward the following five best practice areas; executive leadership, strategic management, policy activities and development, financial and audit information and management practices. Answers were categorized by yes (agreement) or no (disagreement). This data was compiled by the research analyst, and reported here for FY 2013.

LIQUOR CONTROL COMMISSION, OREGON	III. USING PERFORMANCE DATA
Agency Mission: To promote the public interest through the responsible sale and service of alcoholic beverages.	

Contact: Peter Noordijk, Data Analyst	**Contact Phone:** 503-872-5148
Alternate: Michael O'Connor, Director of Financial Services	**Alternate Phone:**503-872-5163

The following questions indicate how performance measures and data are used for management and accountability purposes.	
1. INCLUSIVITY	*** Staff :** Executive and technical staff are involved in the creation of performance measures. Technical staff is responsible for collecting and reporting performance measure data. *** Elected Officials:** The Oregon Legislature directed the agency to set various targets for the above measures. *** Stakeholders:** The OLCC strives to maintain strong relationships with its stakeholders; implicitly and explicitly incorporates stakeholder concerns into agency business. *** Citizens:** The OLCC strives to maintain strong relationships with its stakeholders; implicitly and explicitly incorporates stakeholder concerns into agency business. The OLCC publishes its KPMs on the agency website for public access.
2 MANAGING FOR RESULTS	The OLCC continues to improve the definition, collection, and retention methods of performance data at all levels within the agency. High-level performance measures, and specific management measures, are used as feedback tools helping the agency evaluate its heading and speed as it works towards its strategic objectives. The agency's strategic plan was developed and organized by delineating work unit level goals, activities, and outputs that roll up to higher, more general, agency strategic outcomes. Within this structure, the agency's systemic nature is made evident, and each interrelated unit within our system can see where it fits, and how it contributes to moving the OLCC towards its strategic objectives. The OLCC has initiated streamlining and automation projects that will improve organizational awareness and provide tools to improve performance and customer service, allowing the agency to be much more flexible and adaptive to the demands of Oregonians.
3 STAFF TRAINING	OLCC's Performance Measure Coordinator participates in the roundtable meetings and regional government accountability/measurement conferences. OLCC technical staff has defined and incorporated the notion of high level performance measurements into the agency's strategic planning as an effective feedback mechanism.
4 COMMUNICATING RESULTS	*** Staff :** The OLCC communicates KPM results through the posting of the APPR on the agency's website.

	*** Elected Officials:** The OLCC communicates KPM results through the posting of the APPR on the agency's website and by including the annual report in the agency's budget documents, which are reviewed by LFO and the Legislative Ways and Means Committee. *** Stakeholders:** The OLCC communicates KPM results through the posting of the APPR on the agency's website. *** Citizens:** The OLCC communicates KPM results through the posting of the APPR on the agency's website.

BUDGET NARRATIVE

REVENUE
OLCC 2015-17 Governor's Recommended 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 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.

HB 2322 directs the OLCC to do the following:

SECTION 29. For the biennium beginning July 1, 2013, notwithstanding ORS 471.810, 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 on June 6, 2013, shall be credited to the General Fund.

For the 2013-15 biennium, the OLCC continues a 50-cents per spirits bottle surcharge. The surcharge is expected to raise an additional $32.4 million of revenue for distribution to the state General Fund. The OLCC expects the liquor commissioners will

continue the surcharge scheduled to sunset on June 30, 2015 for the 2015-17 biennia at its August 2014 meeting. However, the OLCC has not included any surcharge revenue in the gross liquor (distilled spirits) estimate for the 2015-17 Agency Request Budget, as the commissioners have not yet taken action. If the liquor commissioners do vote to continue the surcharge, OLCC expects that the Legislature will once again direct all surcharge proceeds to be distributed to the General Fund in 2015-17 biennia – an estimated $33.8 million.

The OLCC Liquor Commissioners took action subsequent to the completion of the Agency Request Budget to extend the per bottle surcharge through June 30, 2017. As a result of that action, the Governor's Recommended Budget revenue was increased by $33,776,300 for the 2015-17 biennium. The Governor's budget assumes that the full amount of the surcharge will be dedicated to the General Fund and has adjusted the anticipated distribution accordingly.

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 Governor's Recommended Budget is projecting an annual growth rate of 2.70%.

Based on the expected trends in the retail marketplace the OLCC Governor's Recommended Budget forecasts 2015-17 liquor (distilled spirits) sales gross revenue at $1,148,174,780. This forecast total includes an estimated $33,776,300 million that will be generated by the per bottle 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 Governor's Recommended Budget assumes that the budget process will provide the necessary resources for the OLCC to meet expected demand for spirits in the next biennium; however, without the necessary investment in the Distilled Spirits Program for the

2015-17 biennia, the OLCC estimates that as much as $59.7 million dollars of the projected gross revenues could be at risk should OLCC not be able to meet demand due to constraints of the existing distribution center configurations. In the Distilled Spirits Program the OLCC is proposing policy option package #102 – "Increase OLCC Shipping Capacity." to address the potential risk to revenue:

- Package no. 102 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.

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.

The Governor's Recommended Budget has included an additional $16,035,830 of privilege tax revenue for the estimated receipts from the sale of marijuana due to the passage of measure 53.

Other Business License and Fees ORBITS 0205

The OLCC continues to see an increased demand for liquor licenses as the hospitality industry continues to grow and the economy recovers. The OLCC Agency Request Budget forecasts revenues to be $10,304,000 from license fees and permits in the 2015-17 biennium. The Governor's Recommended Budget increased this amount by $324,750 for the expected receipts from the approval of the Legislative Concept 84500/002 that would implement a non-refundable $150.00 application fee for OLCC liquor licenses. Total liquor license revenue for the Governor's Budget is projected to be $10,628,750.

For the Governor's Recommended Budget, the license fee revenue was increased by $424,800 for the estimated revenues to be received for marijuana licensing.

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.

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.

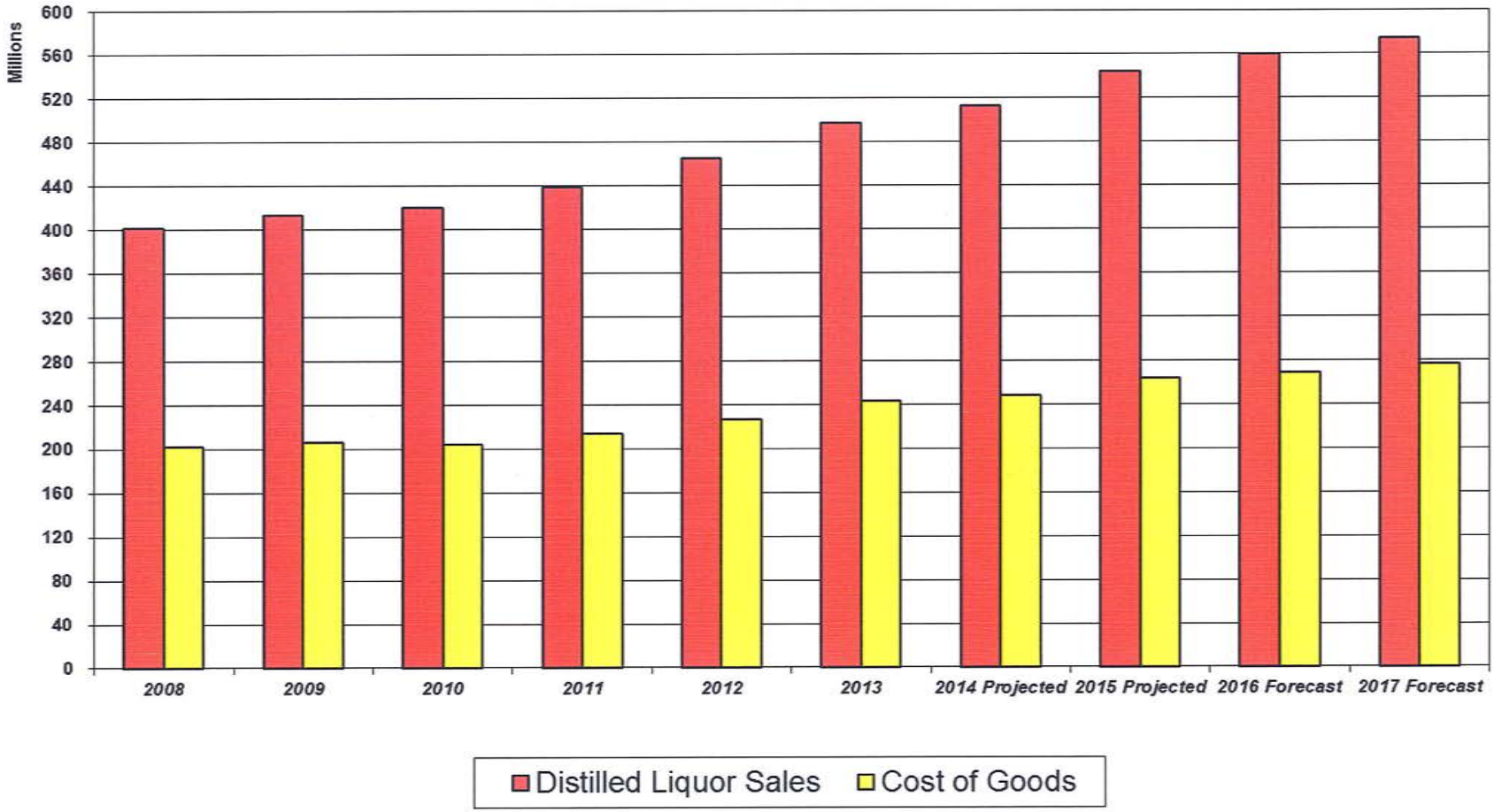
Charges for Services, **ORBITS 0410**, is fees for replacing lost liquor licenses, copier fees, and other similar charges. The OLCC forecasts $6,000 in 2015-17.

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.

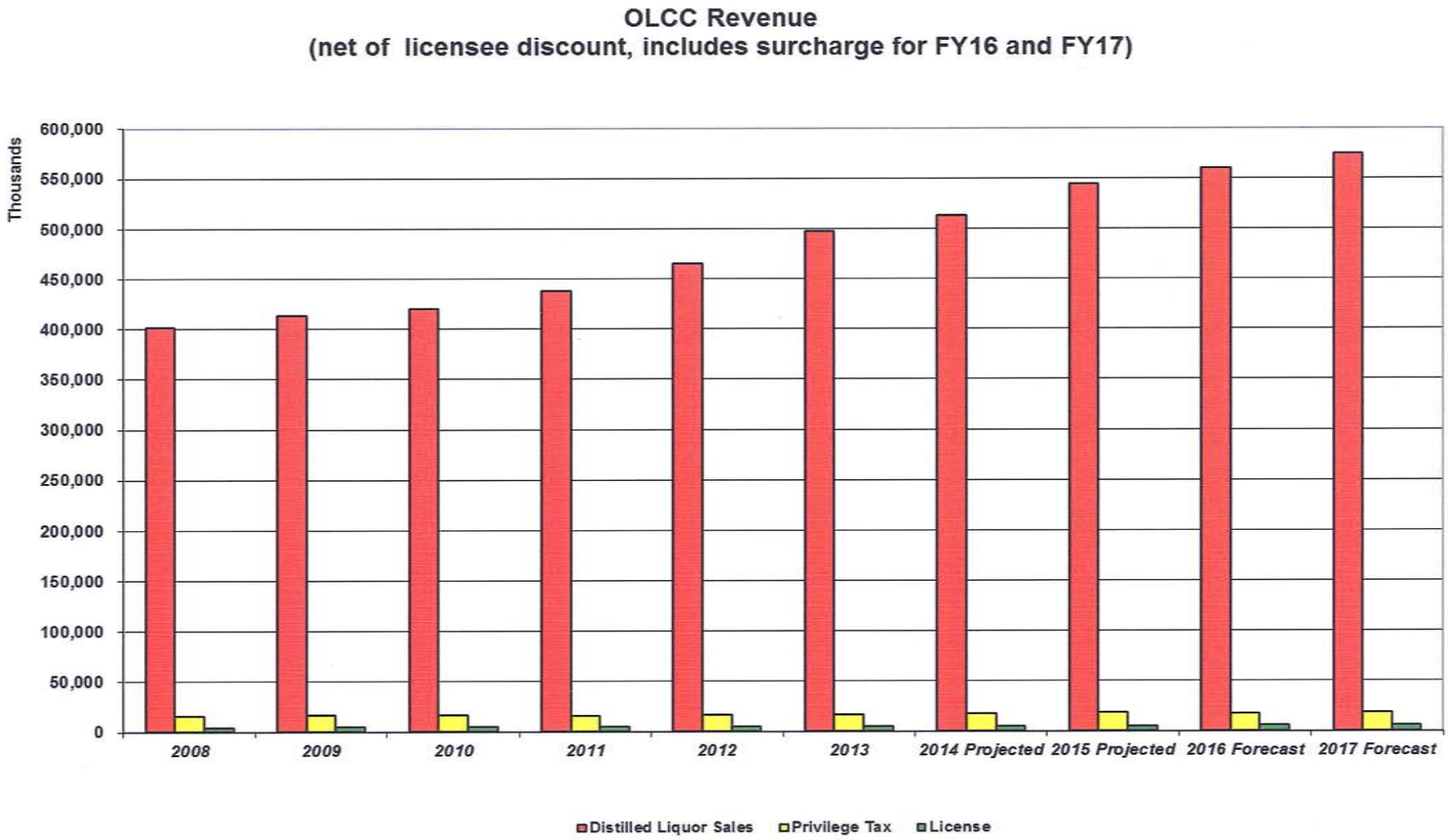
GRAPH A

Distilled Liquor Sales/Cost of Sales
(net of licensee discount, includes surcharge for FY16 and FY17)



Historically the cost of goods sold remains at approximately 49-50% of total revenue from distilled liquor sales.

GRAPH B



In 2013, 96% of the revenue came from distilled liquor sales, 3% from privilege tax, and 1% from licensing fees.

SCHEDULE 1

Distilled Spirits Case Sales
For the 10 years ended June 30, 2013
and estimated through June 30, 2023

Fiscal Year Ended June 30	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 *Revised*	2,969,701	58,601	2.01%
2015 *Revised*	3,030,771	61,070	2.06%
2015-17 Governor's Recommended Budget and forward			
2016 *Forecast*	3,113,860	83,089	2.74%
2017 *Forecast*	3,216,070	102,210	3.28%
2018 *Forecast*	3,309,430	93,360	2.90%
2019 *Forecast*	3,385,030	75,600	2.28%
2020 *Forecast*	3,439,702	54,672	1.62%
2021 *Forecast*	3,541,008	101,306	2.95%
2022 *Forecast*	3,643,370	102,362	2.89%
2023 *Forecast*	3,747,054	103,684	2.85%

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 Amount	% to Total	Liquor Sales to Individuals Amount	% to Total	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 *Projected*	122,953,560	23.98%	389,859,600	76.02%	512,813,160
2015 *Projected*	130,514,560	23.98%	413,837,400	76.02%	544,351,960
2015-17 Governor's Recommended Budget and forward					
2016 *Forecast*	147,046,612	26.28%	412,432,838	73.72%	559,479,450
2017 *Forecast*	151,048,507	26.28%	423,366,023	73.72%	574,414,530
2018 *Forecast*	156,261,804	26.28%	438,279,389	73.72%	594,541,193
2019 *Forecast*	162,888,590	26.28%	456,866,041	73.72%	619,754,631
2020 *Forecast*	168,750,891	26.28%	473,308,483	73.72%	642,059,374
2021 *Forecast*	177,103,694	26.28%	496,736,225	73.72%	673,839,919
2022 *Forecast*	185,750,867	26.28%	520,989,610	73.72%	706,740,477
2023 *Forecast*	194,710,425	26.28%	546,119,165	73.72%	740,829,590

SCHEDULE 3

Governor's Recommended Distilled Spirits Sales Forecast 2015-2017 by Month and Year
Net of Licensee Discount

Fiscal Year 2016	**Sales**	**Cost of Sales**	**Cases**
July	$ 49,849,650	$ 23,969,390	277,440
August	49,905,510	23,996,320	277,760
September	46,268,990	22,247,670	257,520
October	48,283,080	23,216,160	268,730
November	45,989,230	22,113,200	255,960
December	62,773,600	30,183,630	349,370
January	39,834,940	19,153,960	221,710
February	39,387,320	18,938,800	219,210
March	43,751,320	21,037,080	243,500
April	42,352,610	20,364,550	235,720
May	45,485,650	21,871,010	253,160
June	45,597,550	21,924,880	253,780
Totals	**$559,479,450**	**$269,016,650**	**3,113,860**
Fiscal Year 2017			
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
Totals	**$574,414,530**	**$276,197,620**	**3,216,070**
Biennial Totals	**$1,133,893,980**	**$545,214,270**	**6,329,930**

SCHEDULE 4

GROSS REVENUES
For the 10 years ended June 30, 2013
and estimated through June 30, 2023

Through June 30	Liquor (distilled spirits) Revenues	Privilege Tax	License Fees	Total Revenue
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 *Projected*	512,813,160	17,868,000	5,235,500	535,916,660
2015 *Projected*	544,351,960	18,416,000	5,235,500	568,003,460
2015-17 Biennium Estimate – Governor's Recommended Budget and forward				
2016 *Forecast*	559,479,450	18,090,000	5,705,500	583,274,950
2017 *Forecast*	574,414,530	18,532,000	5,705,500	598,652,030
2018 *Forecast*	594,541,193	18,950,663	6,038,946	619,530,802
2019 *Forecast*	619,754,631	19,316,179	6,265,766	645,336,576
2020 *Forecast*	642,059,374	19,633,681	6,495,419	668,188,474
2021 *Forecast*	673,839,919	20,081,172	6,730,922	700,652,014
2022 *Forecast*	706,740,477	20,533,708	6,969,377	734,243,562
2023 *Forecast*	740,829,590	20,991,384	7,209,987	769,030,961

SCHEDULE 5

PER CAPITA SALES OF LIQUOR (distilled spirits) AND VERMOUTH BY OREGON LIQUOR CONTROL COMMISSION

Fiscal Year Ended June 30	Liquor (distilled spirits) and Vermouth Sales	Estimated Population	Per Capita Sales
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 *Projected*	512,813,160	3,932,942	130.39
2015 *Projected*	544,351,960	3,982,773	136.68
2015-17 Governor's Recommended Budget and forward			
2016 *Forecast*	559,479,450	4,033,235	138.72
2017 *Forecast*	574,414,530	4,084,336	140.64
2018 *Forecast*	594,541,193	4,136,085	143.74
2019 *Forecast*	619,754,631	4,188,489	147.97
2020 *Forecast*	642,059,374	4,241,557	151.37
2021 *Forecast*	673,839,919	4,295,298	156.88
2022 *Forecast*	706,740,477	4,349,720	162.48
2023 *Forecast*	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	2015-17 Governor's Recommended	2015-17 Legislatively Adopted
Privilege Taxes	3400	0185	32,957,892	26,303,120	26,303,120	26,543,960	42,579,790	
				9,980,880	9,980,880	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	
	8800			6,245,120	6,245,120	6,799,520	6,981,380	
Charges for Services	3400	0410	5,720	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	
Sales Income	3400	0705	699,144	650,000	650,000	700,000	700,000	
Liquor Sales	3010	0710	215,816	213,408	213,408	5,027,810	5,027,810	
	3400		670,482,731	799,630,824	799,630,824	892,600,744	892,600,744	
	8800		198,570,000	224,203,768	224,203,768	216,769,926	250,546,226	
Liquor Cost of Goods Sold	3400	0755	(423,055,087)	(488,474,741)	(488,474,741)	(545,214,268)	(545,214,268)	
Cost of Goods Sold	3400	0760	(10,843,921)	(13,788,990)	(13,788,990)	(14,280,800)	(13,645,839)	
Other Revenues	3400	0975	26,602	25,000	25,000	25,000	25,000	

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	2015-17 Governor's Recommended	2015-17 Legislatively Adopted
Transfer Out – Intrafund	3010	2010	215,816	(213,408)	(213,408)	(5,027,810)	(2,850,810)	
	3200					(10,733,731)	(11,048,357)	
	3400		127,885,746	(146,190,843)	(146,190,843)	(196,542,758)	(186,906,379)	
Transfer Out - Other	3400	2050	(570,000)	(638,000)	(638,000)	(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)	
Transfer Out – Cities	3400	2070	(61,279,463)	(74,284,204)	(74,284,204)	(83,445,531)	(84,421,376)	
Transfer Out – Counties	3400	2080	(30,656,807)	(37,142,104)	(37,142,104)	(41,722,765)	(42,666,135)	
Tsfr Out – Human Svcs	3400	2100	(16,256,455)	- 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)	
Tsfr Out State Police	3400	2257					(1,366,342)	
Tsfr Out -OHA	3400	2443	0 -	(17,823,000)	(17,823,000)	(17,966,500)	(20,273,736)	
Trsfe out to Agriculture	3400	2603	- - 0 -	- 0 -	- 0 -	- 0 -	(212,641)	

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Liquor Control Comm — **Agency Number: 84500**

2015-17 Biennium — **Cross Reference Number: 84500-000-00-00-00000**

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
Other Funds						
Privilege Taxes	33,280,362	36,284,000	36,284,000	36,622,000	52,657,830	-
Business Lic and Fees	9,724,280	9,429,000	9,429,000	10,304,000	11,053,550	-
Charges for Services	182	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	-
Sales Income	1,061,553	650,000	650,000	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	-
Liquor Cost of Goods Sold	(474,005,720)	(511,678,841)	(511,678,841)	(545,214,268)	(545,214,268)	-
Cost of Goods Sold	(11,789,934)	(14,430,880)	(14,430,880)	(14,280,800)	(13,645,839)	-
Other Revenues	9,775	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	-
Transfer Out - Intrafund	(137,037,933)	(146,404,251)	(147,653,700)	(167,814,258)	(168,449,219)	-
Transfer to Other	(564,984)	(638,000)	(638,000)	(629,000)	(629,000)	-
Transfer to General Fund	(225,564,157)	(251,618,574)	(251,618,574)	(233,647,486)	(267,605,646)	-
Transfer to Cities	(70,107,375)	(78,280,206)	(78,280,206)	(83,445,531)	(84,421,376)	-
Transfer to Counties	(35,053,688)	(39,140,105)	(39,140,105)	(41,722,765)	(42,666,135)	-
Tsfr To Administrative Svcs	(49,075,163)	(54,796,144)	(54,796,144)	(58,411,871)	(58,457,336)	-
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)	-
Tsfr To Agriculture, Dept of	-	-	-	-	(212,641)	-
Total Other Funds	**$137,037,933**	**$150,626,250**	**$151,875,699**	**$157,080,528**	**$164,539,907**	**-**
Nonlimited Other Funds						
Transfer In - Intrafund	-	-	-	10,733,731	11,048,357	-
Total Nonlimited Other Funds	**-**	**-**	**-**	**$10,733,731**	**$11,048,357**	**-**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Liquor Control Comm **Agency Number: 84500**

2015-17 Biennium **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
Other Funds						
Liquor Sales	-	43,326,000	43,326,000	-	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	-
Transfer to General Fund	-	(11,188,806)	(11,188,806)	-	(33,776,300)	-
Transfer to Cities	-	(3,996,002)	(3,996,002)	-	-	-
Transfer to Counties	-	(1,998,001)	(1,998,001)	-	-	-
Tsfr To Administrative Svcs	-	(2,797,201)	(2,797,201)	-	-	-
Total Other Funds	**$18,073,544**	**$20,869,470**	**$21,216,750**	**$15,724,421**	**$15,674,421**	**-**
Nonlimited Other Funds						
Transfer In - Intrafund	-	-	-	10,733,731	11,048,357	-
Total Nonlimited Other Funds	**-**	**-**	**-**	**$10,733,731**	**$11,048,357**	**-**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Liquor Control Comm **Agency Number: 84500**

2015-17 Biennium **Cross Reference Number: 84500-002-00-00-00000**

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
Other Funds						
Business Lic and Fees	-	-	-	-	324,750	-
Transfer In - Intrafund	15,566,078	17,027,683	17,495,092	18,023,472	17,911,472	-
Transfer to General Fund	-	-	-	-	(181,860)	-
Transfer to Cities	-	-	-	-	(64,950)	-
Transfer to Counties	-	-	-	-	(32,475)	-
Tsfr To Administrative Svcs	-	-	-	-	(45,465)	-
Total Other Funds	**$15,566,078**	**$17,027,683**	**$17,495,092**	**$18,023,472**	**$17,911,472**	**-**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Liquor Control Comm **Agency Number: 84500**

2015-17 Biennium **Cross Reference Number: 84500-003-00-00-00000**

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
Other Funds						
Transfer In - Intrafund	16,805,885	17,357,690	17,792,450	19,345,824	19,005,824	-
Total Other Funds	**$16,805,885**	**$17,357,690**	**$17,792,450**	**$19,345,824**	**$19,005,824**	**-**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Liquor Control Comm — **Agency Number: 84500**

2015-17 Biennium — **Cross Reference Number: 84500-004-00-00-00000**

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
Other Funds						
Privilege Taxes	-	-	-	-	16,035,830	-
Business Lic and Fees	-	-	-	-	424,800	-
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)	-
Total Other Funds	**-**	**-**	**-**	**-**	**$7,139,044**	**-**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Liquor Control Comm — **Agency Number: 84500**

2015-17 Biennium — **Cross Reference Number: 84500-005-00-00-00000**

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
Other Funds						
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	-
Total Other Funds	**$86,384,020**	**$95,158,000**	**$95,158,000**	**$98,959,000**	**$101,958,335**	**-**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Liquor Control Comm **Agency Number: 84500**

2015-17 Biennium **Cross Reference Number: 84500-088-00-00-00000**

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
Other Funds						
Transfer In - Intrafund	208,406	213,408	213,408	5,027,810	2,850,810	-
Total Other Funds	**$208,406**	**$213,408**	**$213,408**	**$5,027,810**	**$2,850,810**	**-**

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Liquor Control Comm — **Agency Number: 84500**
2015-17 Biennium — **Cross Reference Number: 84500-990-00-00-00000**

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
Other Funds						
Privilege Taxes	33,280,362	36,284,000	36,284,000	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	-
Charges for Services	182	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	-
Sales Income	1,061,553	650,000	650,000	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	-
Liquor Cost of Goods Sold	(474,005,720)	(488,974,741)	(488,974,741)	(545,214,268)	(545,214,268)	-
Cost of Goods Sold	(11,789,934)	(13,788,990)	(13,788,990)	(14,280,800)	(13,645,839)	-
Other Revenues	9,775	25,000	25,000	25,000	25,000	-
Transfer Out - Intrafund	(137,037,933)	(146,404,251)	(147,653,700)	(167,814,258)	(168,449,219)	-
Transfer to Other	(564,984)	(638,000)	(638,000)	(629,000)	(629,000)	-
Transfer to General Fund	(225,564,157)	(240,429,768)	(240,429,768)	(233,647,486)	(233,647,486)	-
Transfer to Cities	(70,107,375)	(74,284,204)	(74,284,204)	(83,445,531)	(83,445,531)	-
Transfer to Counties	(35,053,688)	(37,142,104)	(37,142,104)	(41,722,765)	(41,722,765)	-
Tsfr To Administrative Svcs	(49,075,163)	(51,998,943)	(51,998,943)	(58,411,871)	(58,411,871)	-
Tsfr To Oregon Health Authority	(16,350,877)	(17,823,000)	(17,823,000)	(17,996,500)	(17,996,500)	-
Total Other Funds	**-**	**($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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Cost of Goods Sold	-	-	-	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Cost of Goods Sold	-	-	634,961	-	-	-	634,961
Transfer In - Intrafund	-	-	-	-	-	-	-
Total Revenues	**-**	**-**	**$634,961**	**-**	**-**	**-**	**$634,961**
Transfers Out							
Transfer Out - Intrafund	-	-	(634,961)	-	-	-	(634,961)
Total Transfers Out	**-**	**-**	**($634,961)**	**-**	**-**	**-**	**($634,961)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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	$ -	OLCC has submitted LC 84502 that would establish a $150 application fee.

_____Agency Request _X_ Governor's Budget _____Legislatively Adopted Budget Page __25___

THIS PAGE INTENTIONALY LEFT BLANK

BUDGET NARRATIVE

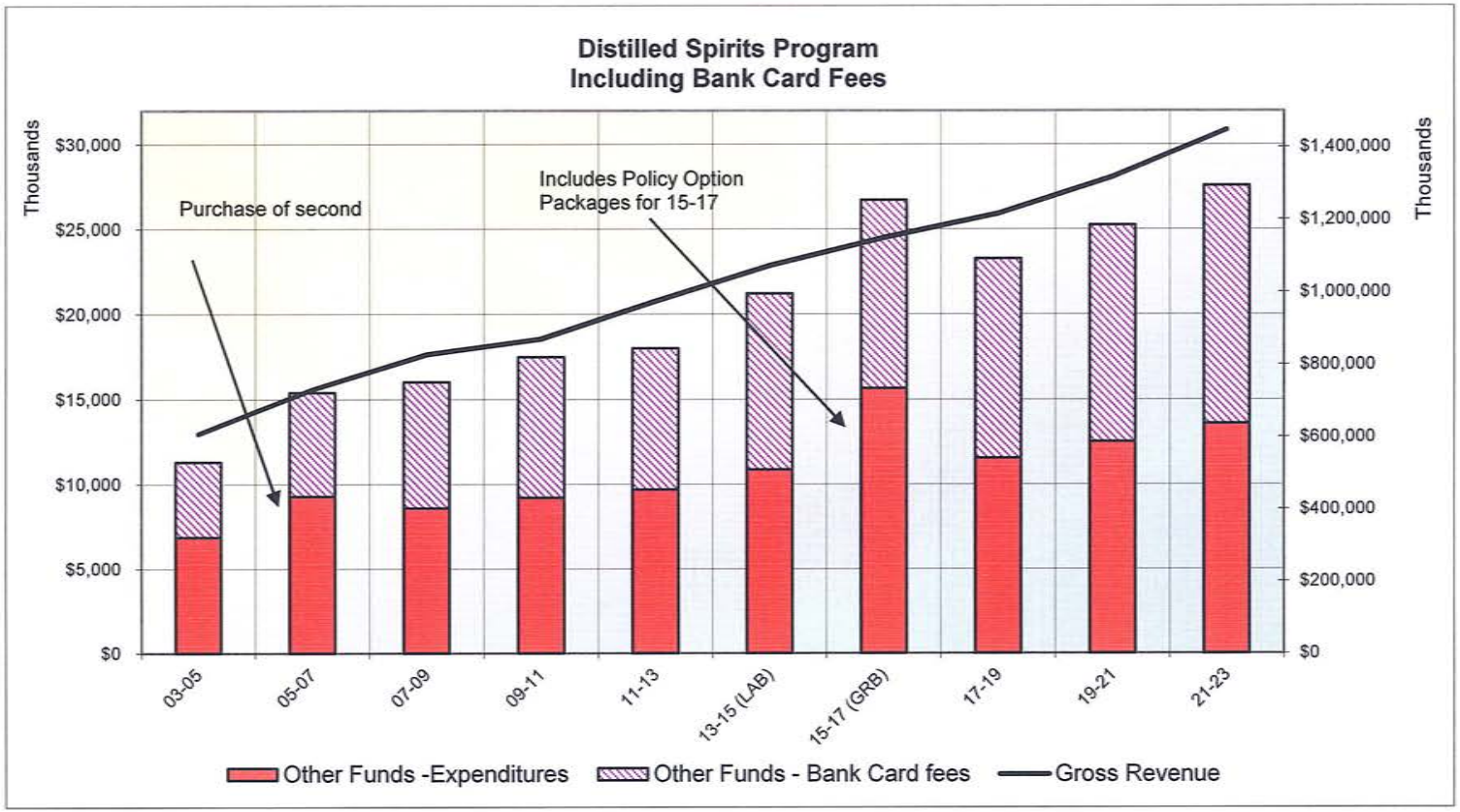
DISTILLED SPIRITS PROGRAM – 001
OLCC 2015-17 Governor's Recommended Budget

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 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 REQUEST

The OLCC requests $26,715,646 Other Funds limitation for the 2015-17 biennium for this program, with 66.50 FTE and 69 positions.

F. PROGRAM DESCRIPTON

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 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 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

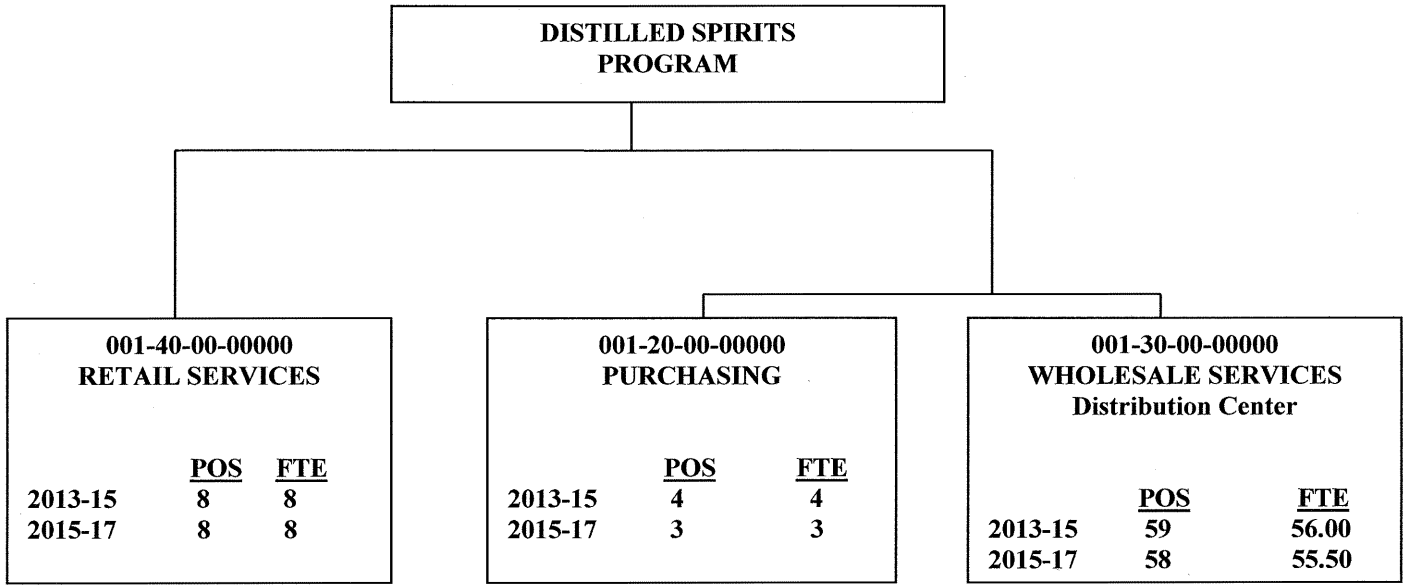
The program proposes three packages to meet projected demand for distilled spirits and consumer expectations:

- 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 Governor's Recommended 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.*
- 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.*

BUDGET NARRATIVE

DISTILLED SPIRITS PROGRAM – 001
OLCC 2015-17 Governor's Recommended Budget

ORGANIZATION CHART



BUDGET NARRATIVE

DISTILLED SPIRITS PROGRAM SUMMARY – PROGRAM 001
OLCC 2015-17 Governor's Recommended 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

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.

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 Governor's Recommended Budget forecasts $1.14 billion in total gross sales for 2015-17 and a total of 6.3 million cases handled. Legislative approval of the Governor's Recommended 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. Please see the package that follows.

- Package no. 106, "Fund Bank Card Fees as Business Expense

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.*

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.

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 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.

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

PURCHASING – SUBPROGRAM 20
OLCC 2015-17 Governor's recommended 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 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.

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.

C. EXPECTED RESULTS

The efforts of the Purchasing Program result in liquor store orders filled in a timely manner as requested and customers who consistently find a wide variety of distilled spirits including Oregon products when shopping at the stores throughout Oregon. The goals of the division include:

- **Provide for statewide selection of distilled spirits**. The program will assure that a wide variety of distilled products, including Oregon products and special orders, are available statewide and in a timely manner at a consistent price.
- **Support Oregon economic growth.** The program supports the development and success of multiple small businesses including manufacturers of Oregon craft beverage products
- **Provide superior, high quality customer service**. The program will continuously respond to the evolving needs of stakeholders – consumers, agents, licensees, suppliers, and government.

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

BANK CARDS – SUBPROGRAM 24
OLCC 2015-17 Governor's Recommended 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".

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 2005the 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.

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

WHOLESALE SERVICES – SUBPROGRAM 30
(DISTRIBUTION CENTER)
OLCC 2015-17 Governor's Recommended 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 Governor's Recommended 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

This division is responsible for the outcomes of: receiving and storing distilled spirits, inventory control, scheduling warehouse order fulfillment, and shipping distilled spirits via common carrier.

B. BACKGROUND

The OLCC maintains and operates a centralized distribution center in Milwaukie. The distribution center has two warehouses– the first, a 124,000 square-foot main warehouse/shipping center and the second, a 106,000 square-foot "Milport" storage warehouse. The first warehouse was filling beyond capacity because of the growing business. OLCC bought the second Milport warehouse in 2007.OLCC then moved most of its manufacturer-owned bulk case storage to the second warehouse. Moving manufacturer-owned product to the second warehouse created room in the main warehouse for another full-case conveyor line and a longer split-case (repack) conveyor, which improved shipping efficiencies. OLCC staff move product as needed between the buildings.

Both warehouses have floors arranged in a grid system similar to blocks and streets in a town. This grid system is used to assign each space a unique storage address, a location identification number. Three of the main warehouse's four conveyors, as well as the storage system, are laid out according to product demand. Warehouse management system (WMS) software keeps track of all products and their assigned locations, using secure radio frequency (RF) technology across both warehouses. The liquor industry nationally, and the OLCC distribution center, relies more and more on electronic systems for product movement. SCC/UPC (shipping container code/universal product code) bar coding is the language of the industry for ordering, shipping, and receiving, eventually replacing the proprietary packaging labels the OLCC still relies on to identify cases of liquor.

In 2002-03, staff modified the existing computerized merchandising business system (MBS), improving operating parameters. The MBS system lets OLCC electronically receive goods into either warehouse and identify storage locations while staff are moving product off the floor. They can identify storage locations and process orders without using paper-based process. The conveyor system and the warehouse management system create efficient product movement. Picking, assembling, verifying, and delivering complex orders to waiting trucks happens at an average rate of approximately 1,000 cases per hour. This rate rises during peak sales periods because larger orders create more efficiency. With the existing system, workers must pick orders in sequence, one at a time. Each of the four conveyors must follow the same picking sequence to allow the four segments to merge into one order for loading into the common carrier trucks. The outbound volume during December 2011 averaged 12,500 cases per 12-hour shipping day. But, the current shipping configuration in main warehouse allows the use of only one shipping door at a time.

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.
- **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

RETAIL SERVICES DIVISION – SUBPROGRAM 40
OLCC 2015-17 Governor's Recommended 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.

B. BACKGROUND

In 1933, the Knox Act created the control system in Oregon. Oregon law gives the Oregon Liquor Control Commission the sole authority to sell distilled spirits by the bottle. The system promotes responsible sales and consumption of alcoholic beverages, benefiting the citizens of Oregon while providing revenues for the state's General Fund, cities and counties.

The division and program continue to look for ways to modernize its operations. In 2001-03, OLCC completed a new retail interface, called *OLAS (Oregon Liquor Agent Services)*, to allow two-way electronic data communication between OLCC and liquor stores. In 2005-07, OLCC staff designed and developed a software system to receive and report out daily sales and inventory data from liquor agencies as well as send liquor product orders and inventory reports back to OLCC. In 2007-09, Retail Services Division and OLCC information technology staff implemented this new system and OLCC staff continues to expand the report capabilities of this new technology. To date, 100 percent of the liquor agents use the new web-based OLAS system to directly communicate with OLCC for varying data needs. The program has significantly improved service to customers by letting the public search – through the OLCC website OregonLiquorSearch.com– to see which products are in stock and at which stores, statewide.

In 2009, OLCC and stakeholders saw the need for system and process improvements. Several forums have been implemented to address those needs. Forums such as The Retail Partners Council (agents and OLCC staff) and the Retail Enterprise Review Committee (liquor agents, grocery industry representatives, distilled spirits industry members, public safety officials, legislators and OLCC staff) were formed to continually evaluate new policy ideas and ways of enhancing the current business model. These stakeholder groups have addressed creative solutions to the changing business dynamics with ideas such as allowing stores the flexibility to sell more types of products, including beer and wine; allowing corporations (including grocery stores) to compete with individuals for appointment as liquor agents, and overall general program flexibility in relation to seasonal/satellite stores. In subsequent biennia, liquor commissioners instituted many of the ideas through administrative rule changes. The 2013-14 Retail Innovations Group continued the review of the system and exploration of adopting different policies and models.

C. EXPECTED RESULTS

The efforts of the Retail Services Division, 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 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

LIQUOR SALES SUPPORT – SUBPROGRAM 42
OLCC 2015-17 Governor's Recommended Budget

A. PURPOSE, ACTIVITIES & ISSUES

The Distilled Spirits Program has an ORBITS organization structure that captures OLCC expenses specifically associated with operating the liquor retail business. This structure, called "Liquor Sales Support," reflects many expenses incurred to support the retail stores operated by contracted agents.

In 2013-15, the OLCC is providing agents with the following, which the OLCC pays from the liquor sales support subprogram/cost center:

- Bank deposit slips
- Order guides, inventory sheets, etc.
- Movement of store fixtures and safes during store relocations

B. BACKGROUND

Beginning with the 1987-89 Legislatively Adopted budget, the OLCC, with the support of legislative staff, began to break out certain program operating expenditures – such as postage and supplies that directly support liquor agencies – into a separate cost center. The types of expenditures included in subprogram 42, Liquor Sales Support, fit into the category of expenses normally incurred by private retail businesses.

In 2011-13 the OLCC migrated to electronic versions of the following publications, instead of using this cost center to pay for their printing:

- Product Price Lists
- OLCC Retail Services Newsletter
- Top 100 Items List
- New Items List

- Retail Operation Manual

OLCC staff will continue to refine this list as a resource to contracted agents. The Agency Request budget includes policy option package no. 105, Store Improvements Matching Funds, which would add $50,000 to this cost center:

- Package no. 105, Store Improvements Matching Funds. *This package was not approved for the Governor's Budget.*

C. EXPECTED RESULTS

The Distilled Spirits Program expects to continue to provide agents with the supplies they need. (Please see Distilled Spirits Program summary and the Store Operating Expenses Program narratives for the expected results of agent-operated liquor 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 accord with ORS Chapters 471 and 473.

E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes.

BUDGET NARRATIVE

Increase OLCC Shipping Capacity

OLCC 2015-17 Governor's Recommended 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

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.

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 delivery hours will require staff to receive orders, adding additional expenditure requirements to exclusive and nonexclusive liquor store agents.

The OLCC recommends Option A, and was approved by the Governor's Budget, 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 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.

OLCC requests 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.

Without adding this equipment, OLCC will need to add 14 FTE to keep up with demand (Option B). Paying for increased staff year after year is 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. The warehouse configuration under this option would continue to be constrained.
The 10 year cost for this solution is expected to be $9.2 million plus increased staffing costs ($1.84 million plus increased staffing costs every two years).

Option A is a one-time expenditure of $4.9 million. Option B costs $1.84 million (plus increased staffing costs) each biennium.

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

	One-time Costs	Ongoing Costs	Total 2015-17
Option A, Upgrade Equipment			
Personal Services	$ 0	$ 0	$ 0
Services & Supplies			
Maintain and repair equipment (Supplies and parts such as motors, rollers, belts)		20,000	20,000
Licensing and maintenance of RIMS software expansion		90,000	90,000
Total Services and Supplies		110,000	$110,000
Capital Outlay			
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	156,700		156,700
Total Capital Outlay	4,910,000	0	4,910,000
Total Option A Upgrade Equipment	$ 4,910,000	$ 110,000	$ 5,020,000

BUDGET NARRATIVE

Increase OLCC Shipping Capacity Option B – Add Staff
2015-17 Governor's recommended Policy Option Package No. 104

Option B, Add staff for additional crews and shifts instead of installing sortation equipment:

		One-time Costs	Ongoing Costs	Total 2015-17
Personal Services				
Liquor Equipment Operators	3 FTE		$ 319,806	$ 319,806
Liquor Distribution Worker 1	9 FTE		936,756	936,756
Liquor Distribution Worker 2	2 FTE		219,478	219,478
Total Personal Services	14 FTE	0	1,476,040	1,476,040
Services & Supplies				
Associated with additional staff			84,000	84,000
Maintenance and system upgrades for their scanners			5,000	5,000
Total Services and Supplies		0	89,000	89,000
Capital Outlay				
Forklifts		90,000		90,000
Yard goat to move trailers between warehouses		130,000		130,000
Inventory transport carts		16,000		16,000
Handheld scanners		37,000		37,000
Rapid battery charger		4,960		4,960
Total Capital Outlay		277,960	0	277,960
Total Option B, Add Staff		$ 277,960	$ 1,565,040	$ 1,843,000

C. STAFFING IMPACT

Option A does not request any staffing. Option B requests 14 positions and 14 FTE. These are permanent positions.

(3 FTE) Liquor Equipment Operator (position numbers – 3000410, 3000411, 3000412)
(9 FTE) Liquor Distribution Worker 1 (position numbers – 3000413 thru 3000421)
(2 FTE) Liquor Distribution Worker 2 (position numbers – 3000422, 3000423)

D. QUANTIFYING RESULTS

With the implementation of Policy Option Package104 A, the OLCC will make a one-time expenditure that enhances utilization of existing staff to increase throughput in the distribution center to meet the expected demand on its services over the next ten years.

With the implementation of Policy Option Package 104 B, the OLCC will hire additional staff to increase throughput. Those costs would be ongoing.

Policy Option Package 104 A better aligns with the agency goal:

- **Apply distribution industry best business practices.** The program will utilize modern distribution technology to deliver products in a way that effectively manages costs.

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 accord with ORS Chapters 471 and 473.

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 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

BUDGET NARRATIVE

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

THIS PACKAGE WAS NOT APPROVED FOR THE GOVERNOR'S RECOMMENDED BUDGET.

Store Improvements Matching Funds

OLCC 2013-15Agency 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 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

	One-time Costs	Ongoing Costs	Total 2015-17
Services & Supplies	$	$ 50,000	$ 50,000
Total	$	$ 50,000	$ 50,000

C. STAFFING IMPACT

This package does not request any changes to FTE or positions.

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	22,828	-	-	-	22,828
Total Revenues	**-**	**-**	**$22,828**	**-**	**-**	**-**	**$22,828**
Personal Services							
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)
Total Personal Services	**-**	**-**	**$22,828**	**-**	**-**	**-**	**$22,828**
Total Expenditures							
Total Expenditures	-	-	22,828	-	-	-	22,828
Total Expenditures	**-**	**-**	**$22,828**	**-**	**-**	**-**	**$22,828**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	309,494	-	-	-	309,494
Total Revenues	**-**	**-**	**$309,494**	**-**	**-**	**-**	**$309,494**
Services & Supplies							
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	-	-	(32,443)	-	-	-	(32,443)
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
Total Services & Supplies	**-**	**-**	**$301,266**	**-**	**-**	**-**	**$301,266**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Industrial and Heavy Equipment	-	-	655	-	-	-	655
Data Processing Hardware	-	-	441	-	-	-	441
Total Capital Outlay	**-**	**-**	**$1,096**	**-**	**-**	**-**	**$1,096**
Total Expenditures							
Total Expenditures	-	-	302,362	-	-	-	302,362
Total Expenditures	**-**	**-**	**$302,362**	**-**	**-**	**-**	**$302,362**
Ending Balance							
Ending Balance	-	-	7,132	-	-	-	7,132
Total Ending Balance	**-**	**-**	**$7,132**	**-**	**-**	**-**	**$7,132**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	731	-	-	-	731
Total Revenues	**-**	**-**	**$731**	**-**	**-**	**-**	**$731**
Services & Supplies							
Professional Services	-	-	41	-	-	-	41
IT Professional Services	-	-	40	-	-	-	40
Facilities Rental and Taxes	-	-	650	-	-	-	650
Total Services & Supplies	**-**	**-**	**$731**	**-**	**-**	**-**	**$731**
Total Expenditures							
Total Expenditures	-	-	731	-	-	-	731
Total Expenditures	**-**	**-**	**$731**	**-**	**-**	**-**	**$731**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Liquor Sales	-	-	-	-	-	-	-
Transfer In - Intrafund	-	-	-	-	314,626	-	314,626
Total Revenues	**-**	**-**	**-**	**-**	**$314,626**	**-**	**$314,626**
Transfers Out							
Transfer to General Fund	-	-	(14,861,572)	-	-	-	(14,861,572)
Transfer to Cities	-	-	6,755,260	-	-	-	6,755,260
Transfer to Counties	-	-	3,377,630	-	-	-	3,377,630
Tsfr To Administrative Svcs	-	-	4,728,682	-	-	-	4,728,682
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Services & Supplies							
Office Expenses	-	-	-	-	314,626	-	314,626
Total Services & Supplies	**-**	**-**	**-**	**-**	**$314,626**	**-**	**$314,626**
Total Expenditures							
Total Expenditures	-	-	-	-	314,626	-	314,626
Total Expenditures	**-**	**-**	**-**	**-**	**$314,626**	**-**	**$314,626**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	5,020,000	-	-	-	5,020,000
Total Revenues	**-**	**-**	**$5,020,000**	**-**	**-**	**-**	**$5,020,000**
Services & Supplies							
Data Processing	-	-	90,000	-	-	-	90,000
Agency Program Related S and S	-	-	20,000	-	-	-	20,000
Total Services & Supplies	**-**	**-**	**$110,000**	**-**	**-**	**-**	**$110,000**
Capital Outlay							
Industrial and Heavy Equipment	-	-	45,000	-	-	-	45,000
Data Processing Software	-	-	222,200	-	-	-	222,200
Data Processing Hardware	-	-	156,700	-	-	-	156,700
Building Structures	-	-	4,486,100	-	-	-	4,486,100
Total Capital Outlay	**-**	**-**	**$4,910,000**	**-**	**-**	**-**	**$4,910,000**
Total Expenditures							
Total Expenditures	-	-	5,020,000	-	-	-	5,020,000
Total Expenditures	**-**	**-**	**$5,020,000**	**-**	**-**	**-**	**$5,020,000**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Services & Supplies							
Professional Services	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	(10,733,731)	-	10,733,731	-	-
Total Revenues	**-**	**-**	**($10,733,731)**	**-**	**$10,733,731**	**-**	**-**
Services & Supplies							
Office Expenses	-	-	(10,733,731)	-	10,733,731	-	-
Total Services & Supplies	**-**	**-**	**($10,733,731)**	**-**	**$10,733,731**	**-**	**-**
Total Expenditures							
Total Expenditures	-	-	(10,733,731)	-	10,733,731	-	-
Total Expenditures	**-**	**-**	**($10,733,731)**	**-**	**$10,733,731**	**-**	**-**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Liquor Sales	-	-	-	-	-	-	-
Transfer In - Intrafund	-	-	55,000	-	-	-	55,000
Total Revenues	**-**	**-**	**$55,000**	**-**	**-**	**-**	**$55,000**
Transfers Out							
Transfer to General Fund	-	-	-	-	-	-	-
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Services & Supplies							
Office Expenses	-	-	55,000	-	-	-	55,000
Total Services & Supplies	**-**	**-**	**$55,000**	**-**	**-**	**-**	**$55,000**
Total Expenditures							
Total Expenditures	-	-	55,000	-	-	-	55,000
Total Expenditures	**-**	**-**	**$55,000**	**-**	**-**	**-**	**$55,000**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

THIS PAGE INTENTIONALY LEFT BLANK

BUDGET NARRATIVE

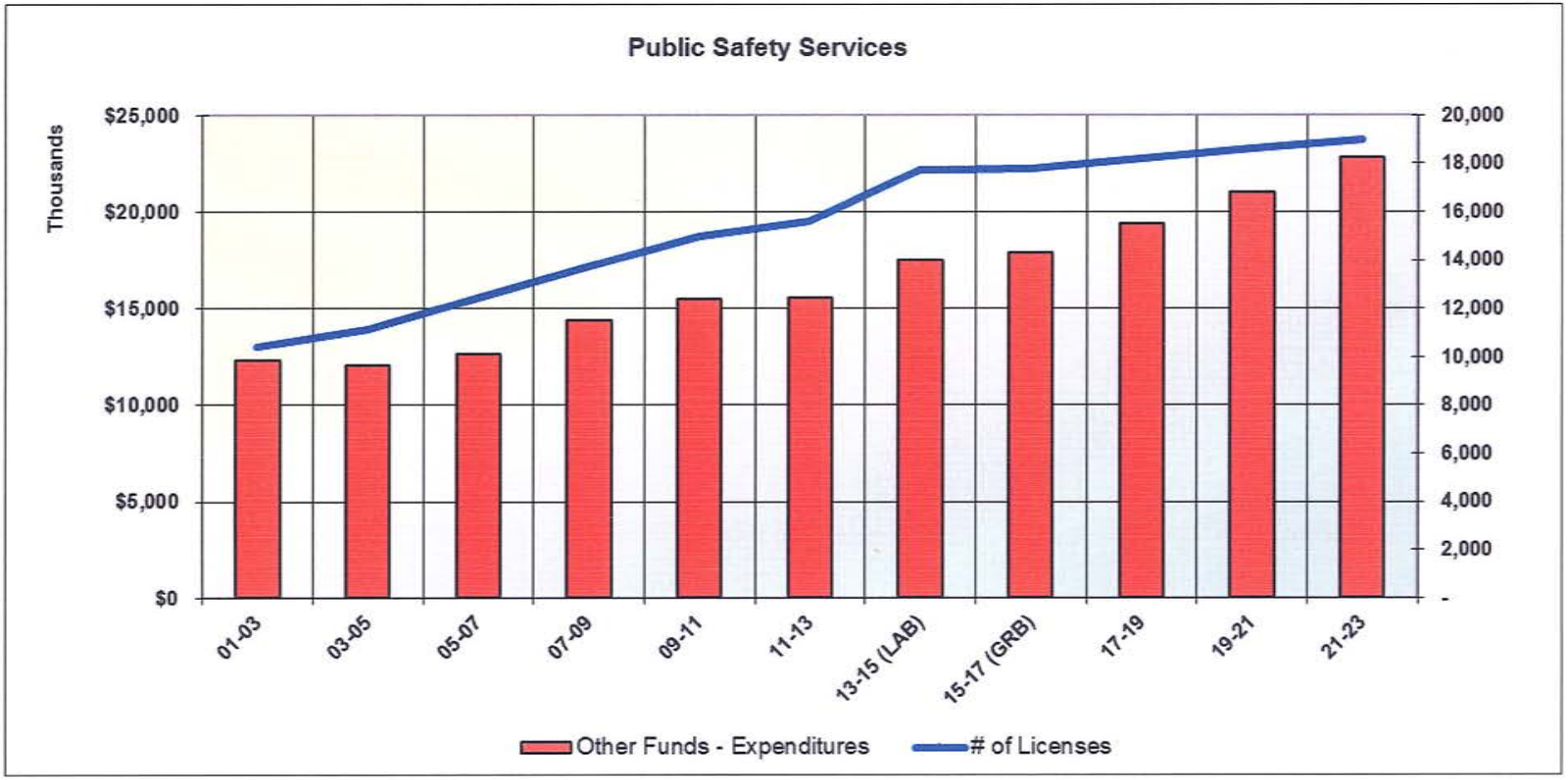
PUBLIC SAFETY SERVICES PROGRAM – 002
OLCC 2015-17 Governor's recommended Budget

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 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 REQUEST

The OLCC requests $17,902,871 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, citizens, local government and law enforcement to license, educate, and enforce Oregon liquor law and to achieve prevention, compliance, and to ultimately compel changes through charges and sanctions.

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. Inherit 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.

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.

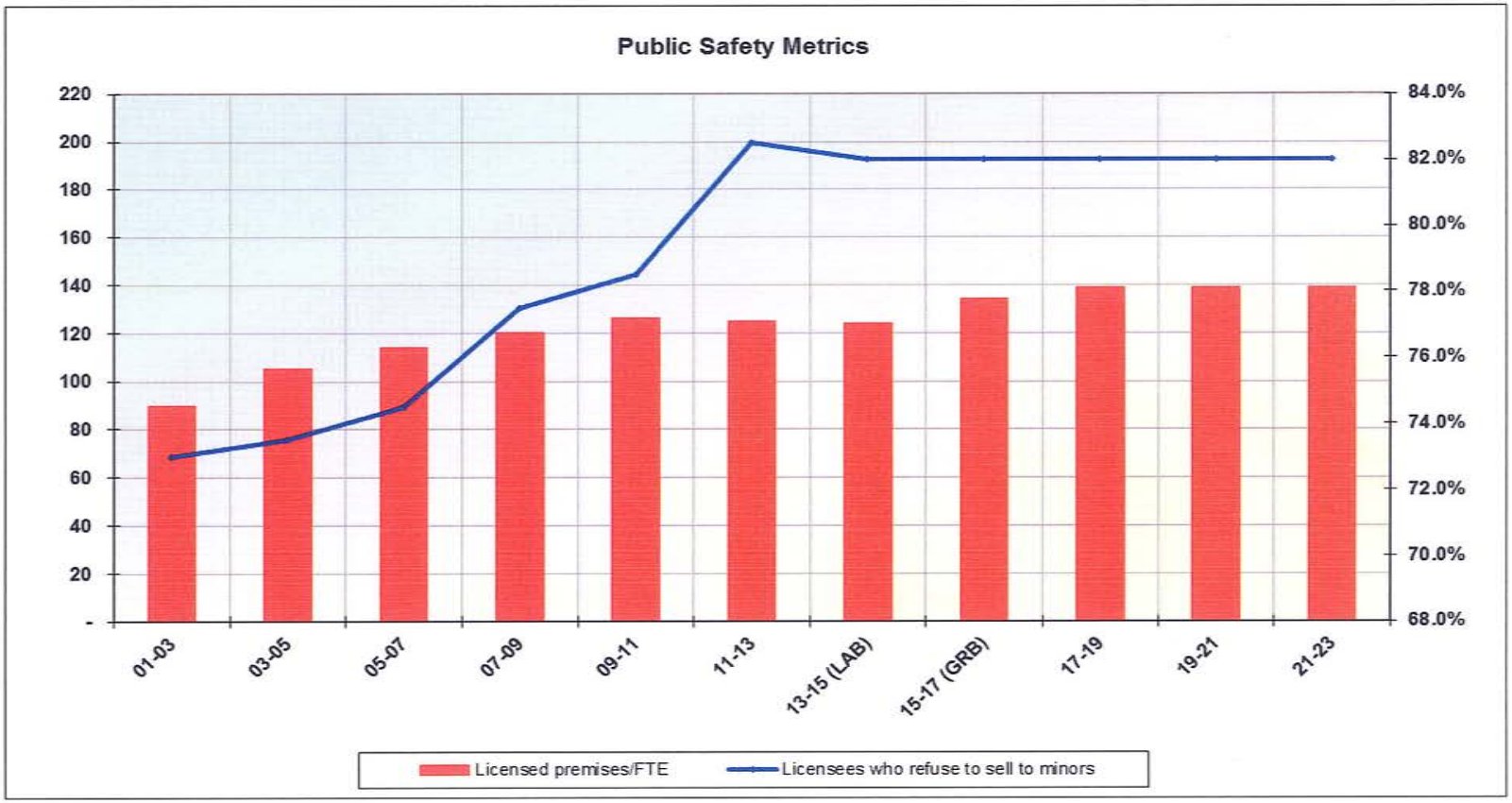
The OLCC will use the community level data to monitor trends in alcohol abuse and, if necessary, adjust its practices in order to continually contribute to improving the overall safety and health of Oregonians. In regard to these issues, the overall and full societal cost of liquor consumption by Oregonians 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

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

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

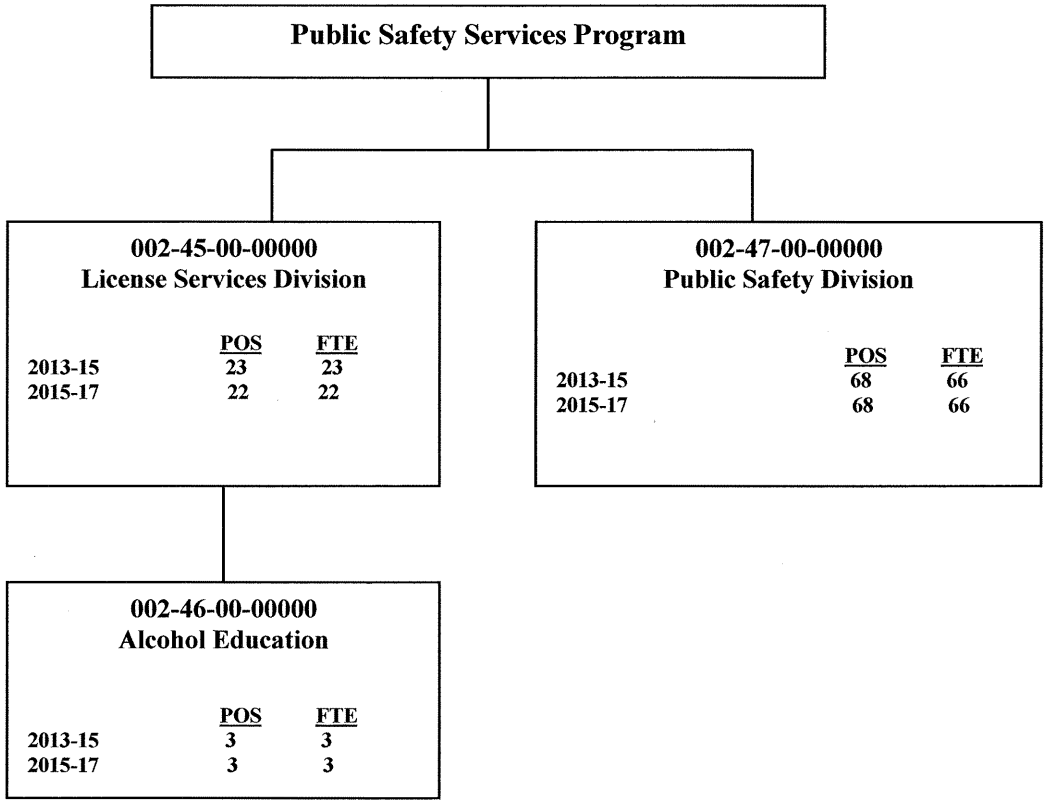
The program proposes to maintain its 2013-15 activity level through a request for a current service level budget in 2015-17. It also presents two packages to support legislative training mandates and support of the Governor's Alcohol and Drug Policy Commission:

- 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 Governor's 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.*

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 Governor's Budget.*

PUBLIC SAFETY SERVICES PROGRAM – 002
OLCC 2015-17 Governor's Recommended Budget
ORGANIZATION CHART



BUDGET NARRATIVE

PUBLIC SAFETY SERVICES PROGRAM SUMMARY – PROGRAM 002
OLCC 2015-17 Governor's Recommended 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 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 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.

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.*

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 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

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.

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 Governor's Recommended 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.

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 a 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.

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.

BUDGET NARRATIVE

LICENSE SERVICES DIVISION – SUBPROGRAM 45
OLCC 2015-17 Governor's Recommended 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 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

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 Governor's Recommended 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

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

BUDGET NARRATIVE

ALCOHOL EDUCATION DIVISION – SUBPROGRAM 46
OLCC 2015-17 Governor's Recommended 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.

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."

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

dollars, it is environmentally friendly, and allows for a quicker and more efficient way for students and employers to access their test scores and alcohol service permit status.

Issues

Effective April 11, 2013, with HB 2443A, off-premises retail licensees can now have growler privileges. "Growlers" are refillable, securely covered containers, two gallons or less -- used to transport beer, wine or cider and sold to a customer. With this privilege came a new requirement for the off-premises licensees' staff to complete alcohol education and obtain a service permit. This is an expansion of the education and permit requirements; previously they didn't apply to any off-premises licensees' staff. OLCC staff will continue to monitor this expansion to determine if mandatory alcohol education should be extended to all off-premises licensees.

This division is responsible for: monitoring and enforcing the standards of the statewide Alcohol Servicer Education (ASE) Program, certifying private online and classroom providers and instructors, maintaining a master training calendar, providing curriculum and training tools, and investigating complaints of substandard performance, as well as providing clerk training courses, voluntary seller courses and maintaining the Responsible Vendor Program.

B. BACKGROUND

The Alcohol Education Program regulates the providers and instructors who teach the alcohol education course mandated by statute (ORS 471.542) for all licensees and servers of on-premises liquor licenses. The division also monitors the clerk-training course (ORS 471.341), which is mandatory for clerks who have sold alcohol to a minor, and it oversees the Responsible Vendor Program (ORS 471.344), which provides incentives to licensees who adopt best practices and require ongoing training for employees. The staff also works with the OLCC license investigators and inspectors and their support staff to maintain and update their training and policy and procedures manuals as necessary.

C. EXPECTED RESULTS

The Alcohol Education Division's goal is to maintain an excellent level of service. Staff ensures quality and consistency in both development and delivery of the educational program. Staff expects to evaluate 100 percent of the 40 server education instructors each year and provide meaningful feedback to them and the 24 certified course providers. Staff expects to continue approving more online courses and continue to monitor already approved courses. Staff enforces existing rules and standards and takes compliance

action when necessary. Staff will continue to explore ways to encourage more participation by retail licensees in the free and voluntary 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

PUBLIC SAFETY DIVISION– SUBPROGRAM 47

(*Formerly* Enforcement and Compliance Services Division)
OLCC 2015-17 Governor's Recommended Budget

A. PURPOSE, ACTIVITIES & ISSUES

To promote the public safety, the Public Safety Division (formerly the Enforcement and Compliance Services Division) ensures liquor-licensed businesses statewide comply with liquor laws. The division does this by providing education and training on liquor laws to licensees, conducting in-depth investigations, and enforcing liquor law through sanctions. Division staff in field offices outside of the Portland-metro area also conducts liquor license investigations and issue licenses to qualified applicants. The division builds partnerships with local governing bodies, citizen groups, neighborhood associations, local law enforcement, schools and universities, and moderation groups. The division's proactive relationship with the alcohol beverage industry helps to ensure industry's understanding and compliance with liquor laws. The division collaborates with communities statewide to maintain neighborhood livability and safeguard the marketplace and economy.

Public Safety Division field operational staff implements regulatory operations, processes and procedures and OLCC policies. The division's compliance inspectors investigate complaints of liquor law violations; referrals by police agencies, reports or complaints from the public; industry members and other agencies; and violations encountered during OLCC staff's observations. Inspectors' help licensees identify compliance problems and offer education. If these efforts fail and violations continue, staff may initiate administrative sanctions and/or issue criminal citations. If the public safety is at risk, the agency can order an immediate license suspension.

License investigators investigate applications for one-year liquor licenses and ensure that OLCC issues licenses only to qualified applicants. Investigators act on requests for changes in business locations, license privileges, type of operation and ownership. These staff also investigates license renewal applications. Most division staff in field offices outside of the Portland-Metro area can perform both license investigator and compliance inspector functions; they are "dual-role."

The division has five regional work units reporting to the Public Safety Division director. These units include the Metro Enforcement Unit headquartered in the Milwaukie office and four other units located elsewhere in the state. During the 2013-15 biennium, the Public Safety Division lost a regional manager through legislative administrative budget reductions. The division then consolidated two Metro Enforcement units into one unit to efficiently manage resources and coordinate the enforcement activities for the largest proportion of licensees. The Metro Enforcement unit now consists of a manager and compliance inspectors.

Compliance inspectors 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 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 8th graders and 31 percent of 11th 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.

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.

- 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.

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

MEET PEACE OFFICER TRAINING REQUIREMENTS

OLCC 2015-17 Governor's Recommended 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

	One-time Costs	Ongoing Costs	Total 2015-17
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	8,500	8,500	17,000
Total	$ 23,500	$ 237,400	$ 260,900

Note: The Governor's Budget has reduced the package amount by $12,000 for the requested overtime amounts.

BUDGET NARRATIVE

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

THIS PACKAGE WAS NOT APPROVED FOR THE GOVERNOR'S RECOMMENDED 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.

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

	One-time Costs	Ongoing Costs	Total 2015-17
Personal Services			
Supplies and Services	$ 0	$ 100,000	$ 100,000
Total	$ 0.00	$ 100,000	$ 100,000

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 is 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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	(92,403)	-	-	-	(92,403)
Total Revenues	**-**	**-**	**($92,403)**	**-**	**-**	**-**	**($92,403)**
Personal Services							
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)
Total Personal Services	**-**	**-**	**($92,403)**	**-**	**-**	**-**	**($92,403)**
Total Expenditures							
Total Expenditures	-	-	(92,403)	-	-	-	(92,403)
Total Expenditures	**-**	**-**	**($92,403)**	**-**	**-**	**-**	**($92,403)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	2,141	-	-	-	2,141
Total Revenues	**-**	**-**	**$2,141**	**-**	**-**	**-**	**$2,141**
Services & Supplies							
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	-	-	(48,632)	-	-	-	(48,632)
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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
IT Expendable Property	-	-	549	-	-	-	549
Total Services & Supplies	**-**	**-**	**($6,460)**	**-**	**-**	**-**	**($6,460)**
Total Expenditures							
Total Expenditures	-	-	(6,460)	-	-	-	(6,460)
Total Expenditures	**-**	**-**	**($6,460)**	**-**	**-**	**-**	**($6,460)**
Ending Balance							
Ending Balance	-	-	8,601	-	-	-	8,601
Total Ending Balance	**-**	**-**	**$8,601**	**-**	**-**	**-**	**$8,601**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	6,200	-	-	-	6,200
Total Revenues	**-**	**-**	**$6,200**	**-**	**-**	**-**	**$6,200**
Services & Supplies							
Professional Services	-	-	236	-	-	-	236
IT Professional Services	-	-	197	-	-	-	197
Facilities Rental and Taxes	-	-	5,767	-	-	-	5,767
Total Services & Supplies	**-**	**-**	**$6,200**	**-**	**-**	**-**	**$6,200**
Total Expenditures							
Total Expenditures	-	-	6,200	-	-	-	6,200
Total Expenditures	**-**	**-**	**$6,200**	**-**	**-**	**-**	**$6,200**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Business Lic and Fees	-	-	324,750	-	-	-	324,750
Total Revenues	**-**	**-**	**$324,750**	**-**	**-**	**-**	**$324,750**
Transfers Out							
Transfer to General Fund	-	-	(181,860)	-	-	-	(181,860)
Transfer to Cities	-	-	(64,950)	-	-	-	(64,950)
Transfer to Counties	-	-	(32,475)	-	-	-	(32,475)
Tsfr To Administrative Svcs	-	-	(45,465)	-	-	-	(45,465)
Total Transfers Out	**-**	**-**	**($324,750)**	**-**	**-**	**-**	**($324,750)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	248,900	-	-	-	248,900
Total Revenues	**-**	**-**	**$248,900**	**-**	**-**	**-**	**$248,900**
Personal Services							
Overtime Payments	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	-	-	-	-	-
Social Security Taxes	-	-	-	-	-	-	-
Total Personal Services	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Services & Supplies							
Employee Training	-	-	248,900	-	-	-	248,900
Total Services & Supplies	**-**	**-**	**$248,900**	**-**	**-**	**-**	**$248,900**
Total Expenditures							
Total Expenditures	-	-	248,900	-	-	-	248,900
Total Expenditures	**-**	**-**	**$248,900**	**-**	**-**	**-**	**$248,900**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Services & Supplies							
Professional Services	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Business Lic and Fees	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Transfers Out							
Transfer to General Fund	-	-	-	-	-	-	-
Transfer to Cities	-	-	-	-	-	-	-
Transfer to Counties	-	-	-	-	-	-	-
Tsfr To Administrative Svcs	-	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

BUDGET NARRATIVE

ADMINISTRATION AND SUPPORT SERVICES PROGRAM – 003
OLCC 2015-17 Governor's Recommended 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.

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 REQUEST

The OLCC requests $18,821,088 Other Funds limitation for the 2015-17 biennium for this program, with 68 FTE and 68 positions.

F. PROGRAM DESCRIPTON

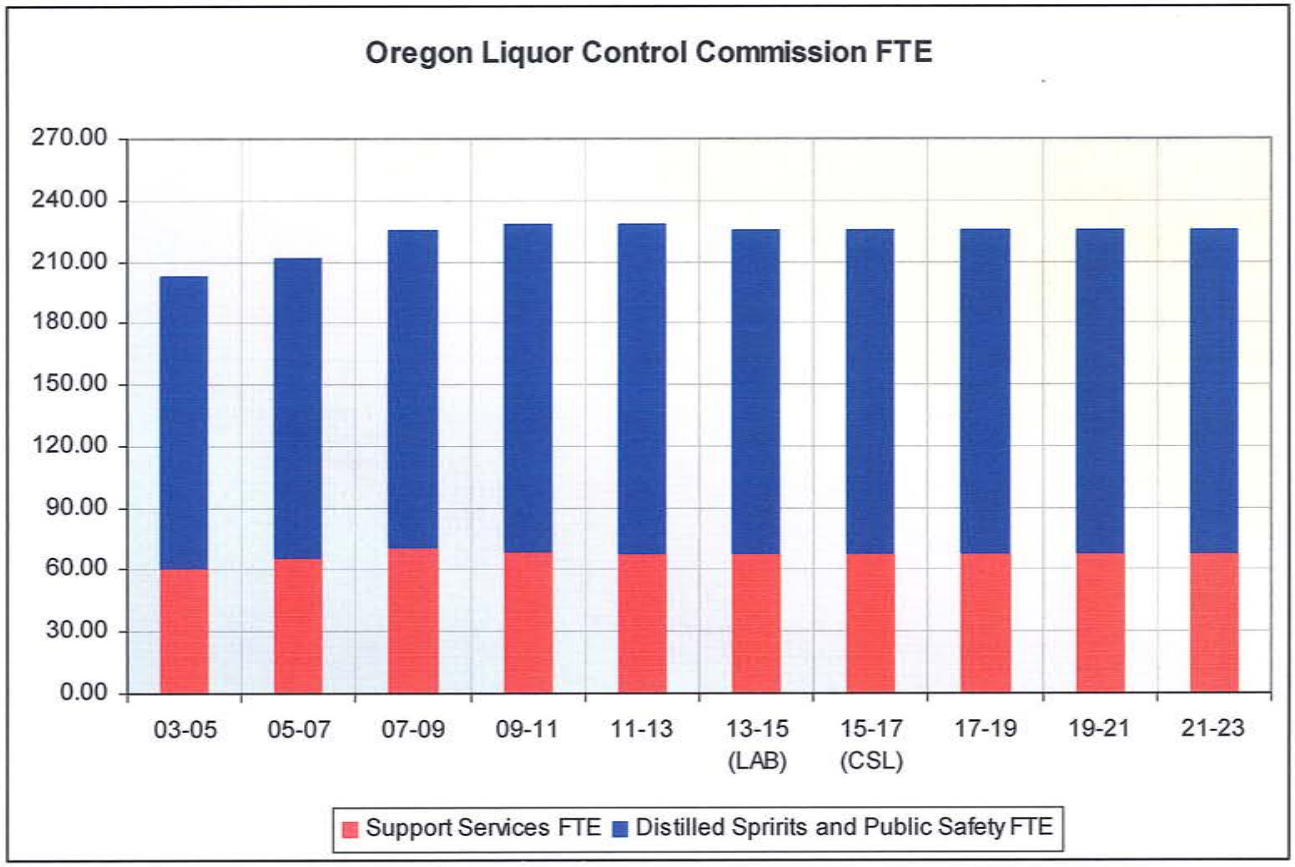
Functions include setting and implementing policy; providing public information; communicating with internal and external stakeholders; building relationships with partners; providing fiscal accountability and recordkeeping; administering privilege tax collection; adjudicating enforcement activities; 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.

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

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.

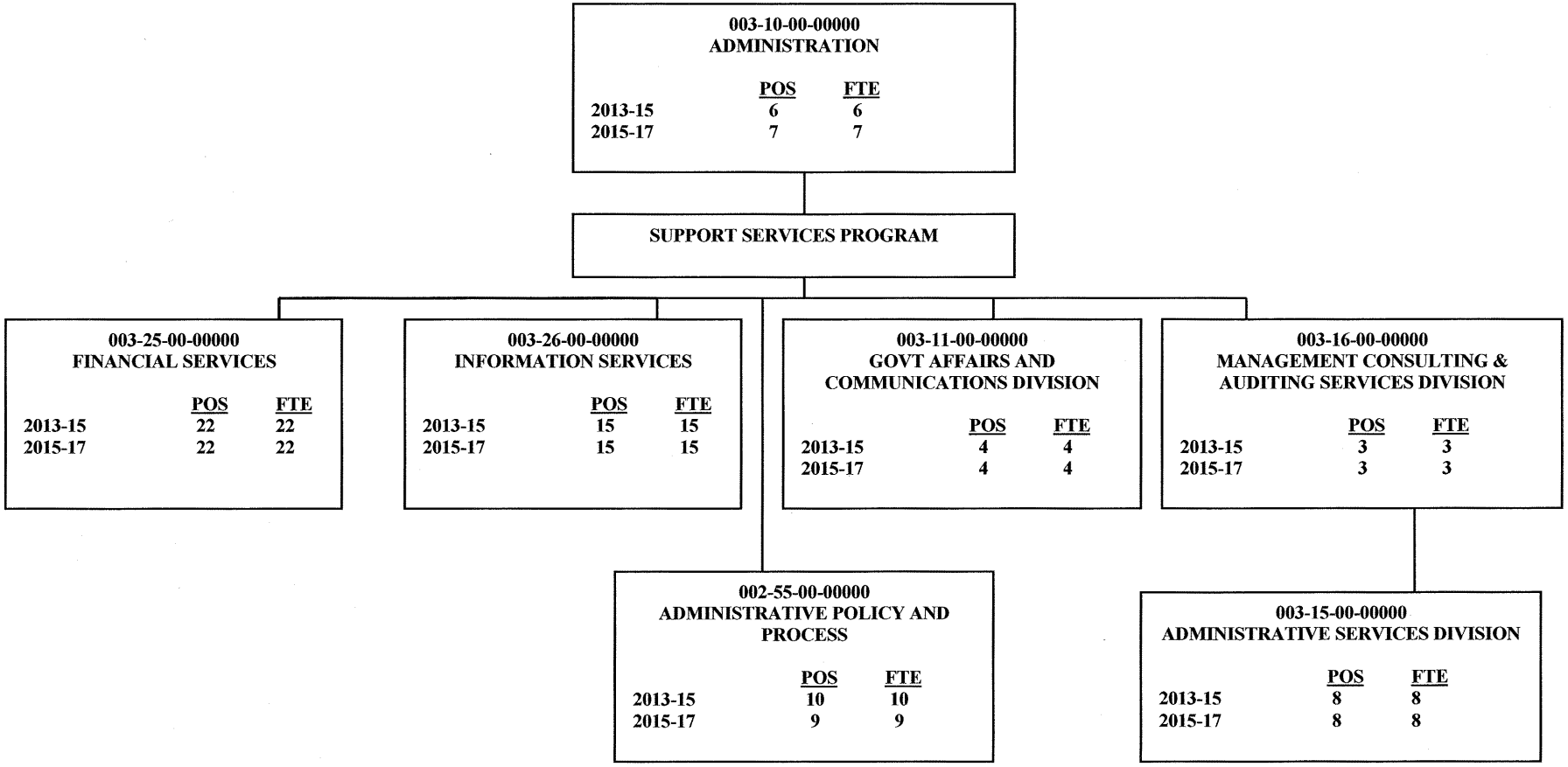
K. SIGNIFICANT PROPOSED PROGRAM CHANGES FROM 2013-15

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.

ADMINISTRATION AND SUPPORT SERVICES PROGRAM – 003
OLCC 2015-17 Governor's Recommended Budget

ORGANIZATION CHART



BUDGET NARRATIVE

ADMINISTRATION and SUPPORT SERVICES PROGRAM SUMMARY – PROGRAM 003
OLCC 2015-17 Governor's Recommended 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 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.

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,

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

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 it 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

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

ADMINISTRATION DIVISION – SUBPROGRAM 10
Including Human Resources
OLCC 2015-17 Governor's Recommended 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

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

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

GOVERNMENT AFFAIRS AND COMMUNICATIONS DIVISION – SUBPROGRAM 11
OLCC 2013-15 Governor's Recommended 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.

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.

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.

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

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 Governor's Recommended 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, 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 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.

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

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

FINANCIAL SERVICES DIVISION – SUBPROGRAM 25
OLCC 2015-17 Governor's Recommended 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.

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.

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.

E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes.

BUDGET NARRATIVE

INFORMATION SERVICES DIVISION – SUBPROGRAM 26
OLCC 2015-17 Governor's Recommended 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.

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.

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.

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

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.

.

ADMINISTRATIVE POLICY AND PROCESS SERVICES DIVISION – SUBPROGRAM 55
OLCC 2015-17 Governor's Recommended 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.

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, empanelling 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.

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 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

PROVIDE ONLINE AND E-COMMERCE LICENSING

OLCC 2015-17 Governor's Recommended 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 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.

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. 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

  - 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

	One-time Costs	Ongoing Costs	Total 2015-17
Personal Services			
ISS 1 Help Desk*		$ 28,238	$ 28,238
Supplies and Services			
S&S to support the help desk position		6,000	6,000
Equipment for new help desk position	$ 5,762		5,762
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)		55,000	55,000
Total package	$255,762	$ 89,238	$ 345,000

Note: the Governor's Budget was reduced by $40,000, eliminating the ISS 1 and related S and S.

BUDGET NARRATIVE

C. STAFFING IMPACT

* This package requests funding and FTE authority for a permanent ISS 1 Help Desk position, phased in for 2015-17 as 0.25 FTE. The position will be 1.0 FTE ongoing in future biennia. Position number is 2600827. This position was eliminated in the Governor's process.

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

THIS PACKAGE WAS NOT APPROVED FOR THE GOVERNOR'S RECOMMENDED 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 externals 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.

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

	One-time Costs	Ongoing Costs	Total 2015-17
Supplies and Services			
Professional services	$ 50,000		$ 50,000
Capital Outlay			
Thin-client hardware	150,000		150,000
Virtualization software	100,000		100,000
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

UPGRADE PHONE SYSTEM
OLCC 2015-17 Governor's Recommended 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 VO1P 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.

Upgrade Phone System
OLCC 2015-17 Agency Request Policy Option Package No. 308

	One-time Costs	Ongoing Costs	Total 2015-17
Supplies and Services	$ 15,000		$ 15,000
Capital Outlay	95,000		95,000
Total	$ 110,000	$ 0	$ 110,000

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	(147,805)	-	-	-	(147,805)
Total Revenues	**-**	**-**	**($147,805)**	**-**	**-**	**-**	**($147,805)**
Personal Services							
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)
Total Personal Services	**-**	**-**	**($147,805)**	**-**	**-**	**-**	**($147,805)**
Services & Supplies							
Instate Travel	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-
Agency Program Related S and S	-	-	-	-	-	-	-
Other Services and Supplies	-	-	-	-	-	-	-
Total Services & Supplies	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Automotive and Aircraft	-	-	-	-	-	-	-
Total Capital Outlay	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditures							
Total Expenditures	-	-	(147,805)	-	-	-	(147,805)
Total Expenditures	**-**	**-**	**($147,805)**	**-**	**-**	**-**	**($147,805)**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	918,220	-	-	-	918,220
Total Revenues	**-**	**-**	**$918,220**	**-**	**-**	**-**	**$918,220**
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	-	-	595,850	-	-	-	595,850
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	-	-	51,276	-	-	-	51,276
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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
IT Expendable Property	-	-	12,447	-	-	-	12,447
Total Services & Supplies	**-**	**-**	**$729,725**	**-**	**-**	**-**	**$729,725**
Capital Outlay							
Technical Equipment	-	-	489	-	-	-	489
Automotive and Aircraft	-	-	3,270	-	-	-	3,270
Total Capital Outlay	**-**	**-**	**$3,759**	**-**	**-**	**-**	**$3,759**
Total Expenditures							
Total Expenditures	-	-	733,484	-	-	-	733,484
Total Expenditures	**-**	**-**	**$733,484**	**-**	**-**	**-**	**$733,484**
Ending Balance							
Ending Balance	-	-	184,736	-	-	-	184,736
Total Ending Balance	**-**	**-**	**$184,736**	**-**	**-**	**-**	**$184,736**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	1,604	-	-	-	1,604
Total Revenues	**-**	**-**	**$1,604**	**-**	**-**	**-**	**$1,604**
Services & Supplies							
Professional Services	-	-	1,119	-	-	-	1,119
IT Professional Services	-	-	471	-	-	-	471
Facilities Rental and Taxes	-	-	14	-	-	-	14
Total Services & Supplies	**-**	**-**	**$1,604**	**-**	**-**	**-**	**$1,604**
Total Expenditures							
Total Expenditures	-	-	1,604	-	-	-	1,604
Total Expenditures	**-**	**-**	**$1,604**	**-**	**-**	**-**	**$1,604**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Liquor Sales	-	-	-	-	-	-	-
Transfer In - Intrafund	-	-	250,000	-	-	-	250,000
Total Revenues	**-**	**-**	**$250,000**	**-**	**-**	**-**	**$250,000**
Transfers Out							
Transfer to General Fund	-	-	-	-	-	-	-
Transfer to Cities	-	-	-	-	-	-	-
Transfer to Counties	-	-	-	-	-	-	-
Tsfr To Administrative Svcs	-	-	-	-	-	-	-
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	-	-	-	-	-
Empl. Rel. Bd. Assessments	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	-	-	-	-	-
Social Security Taxes	-	-	-	-	-	-	-
Worker's Comp. Assess. (WCD)	-	-	-	-	-	-	-
Flexible Benefits	-	-	-	-	-	-	-
Total Personal Services	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Services & Supplies							
Office Expenses	-	-	6,000	-	-	-	6,000
IT Professional Services	-	-	237,834	-	-	-	237,834
Facilities Maintenance	-	-	3,181	-	-	-	3,181

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
IT Expendable Property	-	-	2,985	-	-	-	2,985
Total Services & Supplies	**-**	**-**	**$250,000**	**-**	**-**	**-**	**$250,000**
Total Expenditures							
Total Expenditures	-	-	250,000	-	-	-	250,000
Total Expenditures	**-**	**-**	**$250,000**	**-**	**-**	**-**	**$250,000**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							-
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total FTE							
Total FTE							-
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Services & Supplies							
IT Professional Services	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Capital Outlay							
Data Processing Software	-	-	-	-	-	-	-
Data Processing Hardware	-	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	110,000	-	-	-	110,000
Total Revenues	**-**	**-**	**$110,000**	**-**	**-**	**-**	**$110,000**
Services & Supplies							
Professional Services	-	-	15,000	-	-	-	15,000
Total Services & Supplies	**-**	**-**	**$15,000**	**-**	**-**	**-**	**$15,000**
Capital Outlay							
Technical Equipment	-	-	95,000	-	-	-	95,000
Total Capital Outlay	**-**	**-**	**$95,000**	**-**	**-**	**-**	**$95,000**
Total Expenditures							
Total Expenditures	-	-	110,000	-	-	-	110,000
Total Expenditures	**-**	**-**	**$110,000**	**-**	**-**	**-**	**$110,000**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

THIS PAGE INTENTIONALY LEFT BLANK

Due to the passage of measure 91, the Governor's balanced budget includes funding and positions for the new Marijuana program. The initial planning and associated narrative are still in process and will be added as an addendum to the budget during budget hearings.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm | **Cross Reference Name: Marijuana Regulation**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 84500-004-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Personal Services							
Reconciliation Adjustment	-	-	-	-	-	-	-
Total Personal Services	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							-
Total Positions	-	-	-	-	-	-	-
Total FTE							
Total FTE							-
Total FTE	-	-	-	-	-	-	-

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Privilege Taxes	-	-	16,035,830	-	-	-	16,035,830
Business Lic and Fees	-	-	424,800	-	-	-	424,800
Transfer In - Intrafund	-	-	-	-	-	-	-
Total Revenues	**-**	**-**	**$16,460,630**	**-**	**-**	**-**	**$16,460,630**
Transfers Out							
Transfer to Cities	-	-	(910,895)	-	-	-	(910,895)
Transfer to Counties	-	-	(910,895)	-	-	-	(910,895)
Tsfr To Lands, Dept of State	-	-	(3,643,577)	-	-	-	(3,643,577)
Tsfr To Police, Dept of State	-	-	(1,366,342)	-	-	-	(1,366,342)
Tsfr To Oregon Health Authority	-	-	(2,277,236)	-	-	-	(2,277,236)
Tsfr To Agriculture, Dept of	-	-	(212,641)	-	-	-	(212,641)
Total Transfers Out	**-**	**-**	**($9,321,586)**	**-**	**-**	**-**	**($9,321,586)**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	2,145,960	-	-	-	2,145,960
Empl. Rel. Bd. Assessments	-	-	902	-	-	-	902
Public Employees' Retire Cont	-	-	364,811	-	-	-	364,811
Social Security Taxes	-	-	164,168	-	-	-	164,168
Worker's Comp. Assess. (WCD)	-	-	1,407	-	-	-	1,407
Flexible Benefits	-	-	625,824	-	-	-	625,824
Reconciliation Adjustment	-	-	221,774	-	-	-	221,774
Total Personal Services	**-**	**-**	**$3,524,846**	**-**	**-**	**-**	**$3,524,846**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	95,000	-	-	-	95,000
Out of State Travel	-	-	15,000	-	-	-	15,000
Employee Training	-	-	15,524	-	-	-	15,524
Office Expenses	-	-	36,700	-	-	-	36,700
Telecommunications	-	-	73,000	-	-	-	73,000
Publicity and Publications	-	-	3,000	-	-	-	3,000
Professional Services	-	-	92,202	-	-	-	92,202
IT Professional Services	-	-	600,000	-	-	-	600,000
Employee Recruitment and Develop	-	-	10,000	-	-	-	10,000
Dues and Subscriptions	-	-	2,000	-	-	-	2,000
Facilities Rental and Taxes	-	-	500,000	-	-	-	500,000
Facilities Maintenance	-	-	396,952	-	-	-	396,952
Agency Program Related S and S	-	-	16,000	-	-	-	16,000
Other Services and Supplies	-	-	1,425,722	-	-	-	1,425,722
Total Services & Supplies	**-**	**-**	**$3,281,100**	**-**	**-**	**-**	**$3,281,100**
Total Expenditures							
Total Expenditures	-	-	6,805,946	-	-	-	6,805,946
Total Expenditures	**-**	**-**	**$6,805,946**	**-**	**-**	**-**	**$6,805,946**
Ending Balance							
Ending Balance	-	-	333,098	-	-	-	333,098
Total Ending Balance	**-**	**-**	**$333,098**	**-**	**-**	**-**	**$333,098**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Positions							
Total Positions							28
Total Positions	-	-	-	-	-	-	**28**
Total FTE							
Total FTE							20.50
Total FTE	-	-	-	-	-	-	**20.50**

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
8000403	MENNZ0119 AA	EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	02	3,072.00		73,728 48,815			73,728 48,815
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	.50	12.00	02	2,874.00		34,488 23,821			34,488 23,821
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
8000411	MMS X7006 AA	PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	02	5,231.00		125,544 61,587			125,544 61,587
8000412	AL C1217 AA	ACCOUNTANT 3	1	1.00	24.00	02	4,162.00		99,888 55,263			99,888 55,263
8000413	AL C1216 AA	ACCOUNTANT 2	1	.50	12.00	02	3,451.00		41,412 25,528			41,412 25,528
8000414	AL C1215 AA	ACCOUNTANT 1	1	.50	12.00	02	3,139.00		37,668 24,606			37,668 24,606
8000415	AL C0211 AA	ACCOUNTING TECHNICIAN 2	1	.50	12.00	02	2,644.00		31,728 23,141			31,728 23,141
8000421	AL C1486 IA	INFO SYSTEMS SPECIALIST 6	1	1.00	24.00	02	4,710.00		113,040 58,506			113,040 58,506
8000422	AL C1486 IA	INFO SYSTEMS SPECIALIST 6	1	1.00	24.00	02	4,710.00		113,040 58,506			113,040 58,506
8000423	AL C1486 IA	INFO SYSTEMS SPECIALIST 6	1	1.00	24.00	02	4,710.00		113,040 58,506			113,040 58,506
8000451	AL C5248 AA	COMPLIANCE SPECIALIST 3	1	1.00	24.00	02	4,571.00		109,704 57,683			109,704 57,683
8000452	AL C5723 AA	LIQUOR REGULATORY SPECIALIST	1	1.00	24.00	02	3,782.00		90,768 53,016			90,768 53,016

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
8000453 AL	C5723 AA	LIQUOR REGULATORY SPECIALIST	1	1.00	24.00	02	3,782.00		90,768			90,768
									53,016			53,016
8000454 AL	C5723 AA	LIQUOR REGULATORY SPECIALIST	1	.50	12.00	02	3,782.00		45,384			45,384
									26,507			26,507
8000455 AL	C5723 AA	LIQUOR REGULATORY SPECIALIST	1	.50	12.00	02	3,782.00		45,384			45,384
									26,507			26,507
8000456 AL	C5723 AA	LIQUOR REGULATORY SPECIALIST	1	.50	12.00	02	3,782.00		45,384			45,384
									26,507			26,507
8000457 AL	C5723 AA	LIQUOR REGULATORY SPECIALIST	1	.50	12.00	02	3,782.00		45,384			45,384
									26,507			26,507
8000458 AL	C5723 AA	LIQUOR REGULATORY SPECIALIST	1	.50	12.00	02	3,782.00		45,384			45,384
									26,507			26,507
8000471 AL	C5723 AA	LIQUOR REGULATORY SPECIALIST	1	.50	12.00	02	3,782.00		45,384			45,384
									26,507			26,507
8000472 AL	C5723 AA	LIQUOR REGULATORY SPECIALIST	1	.50	12.00	02	3,782.00		45,384			45,384
									26,507			26,507
8000473 AL	C5723 AA	LIQUOR REGULATORY SPECIALIST	1	.50	12.00	02	3,782.00		45,384			45,384
									26,507			26,507
8000474 AL	C5723 AA	LIQUOR REGULATORY SPECIALIST	1	.50	12.00	02	3,782.00		45,384			45,384
									26,507			26,507
8000475 AL	C5723 AA	LIQUOR REGULATORY SPECIALIST	1	.50	12.00	02	3,782.00		45,384			45,384
									26,507			26,507
8000476 AL	C5723 AA	LIQUOR REGULATORY SPECIALIST	1	.50	12.00	02	3,782.00		45,384			45,384
									26,507			26,507
		TOTAL PICS SALARY							2,145,960			2,145,960
		TOTAL PICS OPE							1,157,112			1,157,112
		TOTAL PICS PERSONAL SERVICES =	28	20.50	492.00				3,303,072			3,303,072

THIS PAGE INTENTIONALY LEFT BLANK

BUDGET NARRATIVE

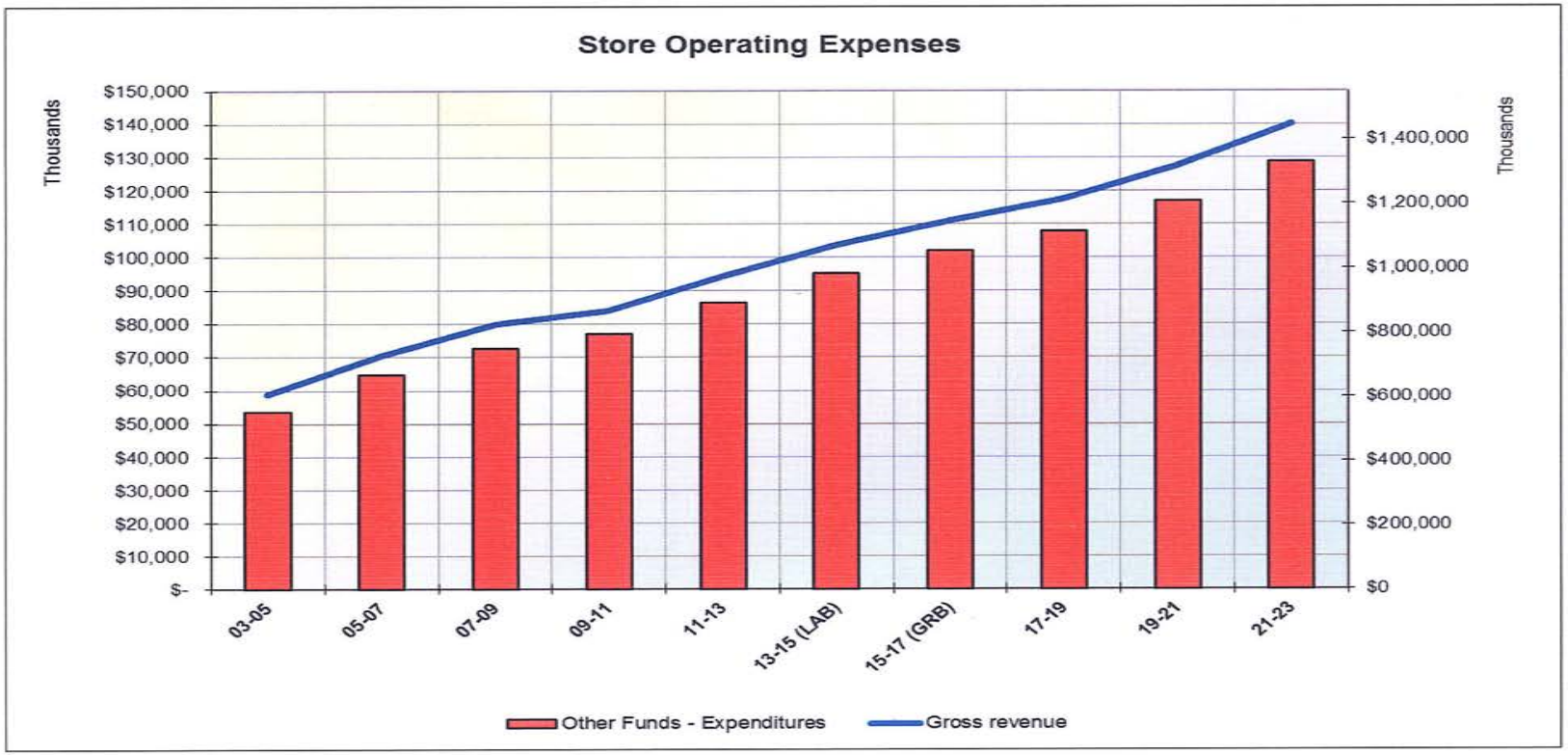
STORE OPERATION EXPENSES PROGRAM – 005
OLCC 2015-17 Governor's Recommended Budget

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 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 requests $101,958,335 Other Funds limitation for the 2015-17 biennium. No FTE or positions are requested.

E. PROGRAM DESCRIPTON

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.

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.

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	8.88%
2017-19	257	6.60	$1,214.30	42.12%	$2.90	8.88%
2019-21	260	6.87	$1,315.90	42.12%	$2.90	8.88%
2021-23	263	7.16	$1,447.57	41.04%	$2.90	8.88%

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.

STORE OPERATING EXPENSES PROGRAM – PROGRAM 005
OLCC 2015-17 Governor's Recommended 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 8.88 percent of statewide sales, the same calculation basis used for the prior six biennia. Since 1997, the Legislature has increased the average rate three 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 agency will be examining the existing 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 billion for the biennium for a total gross revenue of $1.148. The Governor's Recommended limitation of $101,958,335 million for the Store Operating Expense fund will maintain an average compensation rate of 8.88 percent 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 8.88 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
8.00 percent of all monthly consumer sales
6.24 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

Sales Class	Annual Sales	Compensation Base
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

V	$1,050,000 - $1,649,999	$2,440
VI	$1,650,000 and up	$2,700

PLUS

Sales Commission

8.00 percent of all monthly consumer sales

6.24 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.

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Professional Services	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	2,854,740	-	-	-	2,854,740
Total Revenues	**-**	**-**	**$2,854,740**	**-**	**-**	**-**	**$2,854,740**
Services & Supplies							
Professional Services	-	-	2,854,740	-	-	-	2,854,740
Total Services & Supplies	**-**	**-**	**$2,854,740**	**-**	**-**	**-**	**$2,854,740**
Capital Outlay							
Land and Improvements	-	-	-	-	-	-	-
Building Structures	-	-	-	-	-	-	-
Total Capital Outlay	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditures							
Total Expenditures	-	-	2,854,740	-	-	-	2,854,740
Total Expenditures	**-**	**-**	**$2,854,740**	**-**	**-**	**-**	**$2,854,740**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	946,260	-	-	-	946,260
Total Revenues	**-**	**-**	**$946,260**	**-**	**-**	**-**	**$946,260**
Services & Supplies							
Professional Services	-	-	946,260	-	-	-	946,260
Total Services & Supplies	**-**	**-**	**$946,260**	**-**	**-**	**-**	**$946,260**
Total Expenditures							
Total Expenditures	-	-	946,260	-	-	-	946,260
Total Expenditures	**-**	**-**	**$946,260**	**-**	**-**	**-**	**$946,260**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	2,999,335	-	-	-	2,999,335
Total Revenues	**-**	**-**	**$2,999,335**	**-**	**-**	**-**	**$2,999,335**
Services & Supplies							
Professional Services	-	-	2,999,335	-	-	-	2,999,335
Total Services & Supplies	**-**	**-**	**$2,999,335**	**-**	**-**	**-**	**$2,999,335**
Total Expenditures							
Total Expenditures	-	-	2,999,335	-	-	-	2,999,335
Total Expenditures	**-**	**-**	**$2,999,335**	**-**	**-**	**-**	**$2,999,335**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

BUDGET NARRATIVE

CAPITAL IMPROVEMENTS PROGRAM – PROGRAM 088
OLCC 2015-17 Governor's Recommended 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 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
McLoughlin	**174,361**		
*Warehouse	124,000	1977	37
*Central Office	50,361	1991	23
Milport	**107,244**		
*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

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

- 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)

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

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

REPAIR OLCC FACILITIES

OLCC 2015-17 Governor's Recommended 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.

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

	One-time Costs	Ongoing Costs	Total 2015-17
Capital Outlay			
Roof repairs to OLCC-owned buildings	$ 2,631,000		$ 2,631,000
HVAC and other deferred repairs	1,541,000		1,541,000
Total	$ 4,172,000	$ 0.00	$ 4,172,000

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

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

THIS PACKAGE WAS NOT APPROVED FOR THE GOVERNOR'S RECOMMENDED 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.

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

	One-time Costs	Ongoing Costs	Total 2015-17
Capital Outlay:	$ 636,000		$ 636,000
Total	$ 636,000	$	$ 636,000

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.

E. REVENUE SOURCE

BUDGET NARRATIVE

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.

FACILITIES MAINTENANCE SUMMARY REPORT

AGENCY: Oregon Liquor Control Commission
Agency #: 84500

Value of Buildings and Building Improvements		Facilities Operations and Maintenance (O&M) Budget		
Cost of Buildings (as reported to Risk Management)	6/30/14 Replacement Value (Risk Management)	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: $ 2.62 sq. ft.

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, RSMeans and geographical information. Facility history and maintenance staff knowledge were included in the budget development, in addition to the FCA.

FACILITIES MAINTENANCE SUMMARY REPORT

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)

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	$		$		$		$	
GF Subtotal	$		$		$		$	
Lottery Funds								
Personal Serv - Utilities & Janitorial	$		$		$		$	
Personal Services - Maintenance	$		$		$		$	
S&S - Utilities & Janitorial	$		$		$		$	
S&S - Maintenance	$		$		$		$	
LF Subtotal	$		$		$		$	
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	
OF Subtotal	$ 1,403,528	3	$ 1,197,059	3	$ 1,197,059	3	$ 1,154,420	3
Federal Funds								
Personal Serv - Utilities & Janitorial	$		$		$		$	
Personal Services - Maintenance	$		$		$		$	
S&S - Utilities & Janitorial	$		$		$		$	
S&S - Maintenance	$		$		$		$	
FF Subtotal	$		$		$		$	
Total All Funds	$ 1,403,528		$ 1,197,059		$ 1,197,059		$ 1,154,420	

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 __X__ Governor's Budget _____ Legislatively Adopted Budget Page 15

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
Facilities > $1 million (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 _____	$	$	$	$	$
Total Facilities > $1 million (total from detail above)	$ 32,515,096	$ 4,967,288	$ 4,380,100	$ 1,831,865	$ 1,495,167
Facilities < $1 million (total for all facilities < $1 million)	$	$	$	$	$
Total all Facilities	$ 32,515,096	$ 4,967,288	$ 4,380,100	$ 1,831,865	$ 1,495,167

Agency Request __X__ Governor's Budget _____ Legislatively Adopted Budget Page 16

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	6,402	-	-	-	6,402
Total Revenues	**-**	**-**	**$6,402**	**-**	**-**	**-**	**$6,402**
Capital Outlay							
Land and Improvements	-	-	150	-	-	-	150
Building Structures	-	-	6,252	-	-	-	6,252
Total Capital Outlay	**-**	**-**	**$6,402**	**-**	**-**	**-**	**$6,402**
Total Expenditures							
Total Expenditures	-	-	6,402	-	-	-	6,402
Total Expenditures	**-**	**-**	**$6,402**	**-**	**-**	**-**	**$6,402**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Liquor Sales	-	-	-	-	-	-	-
Transfer In - Intrafund	-	-	2,631,000	-	-	-	2,631,000
Total Revenues	**-**	**-**	**$2,631,000**	**-**	**-**	**-**	**$2,631,000**
Transfers Out							
Transfer to General Fund	-	-	-	-	-	-	-
Transfer to Cities	-	-	-	-	-	-	-
Transfer to Counties	-	-	-	-	-	-	-
Tsfr To Administrative Svcs	-	-	-	-	-	-	-
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Outlay							
Building Structures	-	-	2,631,000	-	-	-	2,631,000
Total Capital Outlay	**-**	**-**	**$2,631,000**	**-**	**-**	**-**	**$2,631,000**
Total Expenditures							
Total Expenditures	-	-	2,631,000	-	-	-	2,631,000
Total Expenditures	**-**	**-**	**$2,631,000**	**-**	**-**	**-**	**$2,631,000**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Capital Outlay							
Building Structures	-	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

THIS PAGE INTENTIONALY LEFT BLANK

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

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS SECTION BUDGET PAGE 1

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

Oregon Liquor Control Commission
2011-2013 Affirmative Action Plan
Table of Contents

I. Description of Agency 4
II. Affirmative Action Plan 5
A. The Oregon Liquor Control Commission's policy statement on Equal Employment Opportunity and Affirmative Action 5
B. OLCC Diversity and Inclusion Statement 5
C. Training, Education and Development Plan 6
1. Employees 6
2. Volunteers 7
3. Contractors/Vendors 7
D. Programs 7
1. Internship Programs 7
2. Community Outreach Programs 7
3. Diversity Initiative Programs 7
E. Update: Executive Order 08-18 8
1. Cultural Competency Assessment 8
2. Statewide Exit Interview Survey 8
3. Performance Evaluations of All Management Personnel 9
F. Status of Contracts to Minority-owned Businesses (ORS 659A.015) 10
III. Roles for Implementation of Affirmative Action Plan 10
A. Executive Director 10
B. Division Directors 10
C. Managers and Supervisors 11
D. Human Resources Director and Affirmative Action Representative 11
IV. July 1, 2010 - June 30, 2012 11
A. Accomplishments 12
B. Progress made or lost since previous biennium 12
V. July 1, 2013 - June 30, 2015 13
A. Goals for Affirmative Action Plan 13
B. Strategies and Timelines for Implementation: 14
VI. Appendix A 14
A. Policy Documentation 14
ADA and Reasonable Accommodation in Employment 14
Discrimination and Harassment Free Workplace 17
Maintaining a Professional Workplace 20
Employee and Training Policy 22
Veteran's Preference in Employment 29
OLCC complaint procedure 30
VII. Appendix B 31
A. Age Discrimination 31
B. Title I of the Americans with Disabilities Act of 1990 (ADA) 32
C. Equal Pay and Compensation Discrimination Equal Pay Act of 1963, and Title VII of the Civil Rights Act of 1964 38
D. Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA) 40
E. National Origin Discrimination 42
F. Pregnancy Discrimination 43
G. Race/Color Discrimination 44
H. Religious Discrimination 48
I. Retaliation 50
J. Sex-Based Discrimination 52
K. Sexual Harassment 53
VIII. Appendix C OLCC Organizational Charts (attachment) 54

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

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 asses 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 Administrate 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) ~~Technicians (Computer)~~ (no positions)	n/a	n/a	n/a	n/a	n/a	n/a
D) Protective Service Workers [55]	--	--	--	--	--	1.3
E) ~~Para-Professionals~~ (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
Total Underutilization by AA Group	12.8	1.9	2.6	1.8	0.1	10.4

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) ~~Technicians (Computer)~~ (no positions)	n/a	n/a	n/a	n/a	n/a	n/a
D) Protective Service Workers [49]	--	--	--	--	--	0.9
E) ~~Para-Professionals~~ (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
Total Underutilization by AA Group	16.9	1.5	2.2	2.2	0.1	9.2

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 if 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.

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS SECTION BUDGET PAGE

"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

Responsibility	Action
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)

Responsibility	Action
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.

Manager	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. a. If the request is not appropriate or is untimely, denies the request and discusses the decision with the employee. b. If it is appropriate, proceeds to step 2. 2. Develops, jointly with the employee, appropriate learning objectives prior to the training. 3. Signs the training request form. 4. Indicates if the training will be charged to the division or the agency-wide training budget. a. Gives the request to division director if division will pay for training; **OR** b. Gives request to training & development manager if agency training funds will pay for training; **OR** c. May ask both the training & development manager and the division director to split the cost, generally 50/50.
Division Director	1. Approves or denies training. a. Completes and signs requisition and forwards it with the signed training request form to training & development manager. b. May agree to split the cost 50/50 with the training and development manager. c. Or, discusses with manager and employee why denied.

Training and Development Manager	1. Verifies that the requested training is appropriate and within the three (3) week deadline. 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. b. If not, discusses with manager. 2. If the training is relevant to the agency, signs the training request form and requisition for commission-wide training budget dollars; **OR** 3. If the division is paying for the training, completes and signs the training request form; **OR** 4. Completes the requisition and asks the division director to sign for ½ of the cost. 5. Registers the employee for class unless payment is by credit card. 6. Gives the training request form and requisition to General Services.
General Services	1. Verifies that the information, signatures and cost center(s) are correct on the requisition and training request form. 2. If the signatures are missing on the training request form and/or requisition, returns the requisition to the division. 3. Generates a purchase order (PO) or credit card payment for the training. 4. Registers the employee for class if not pre-registered. 5. Forwards the PO and training request form to the OLCC Financial Services Division.
Financial Services Division	1. Processes the PO for payment.
Employee	1. After training, completes and forwards evaluation to the training & development manager.

III. New Employee Orientation (No training request form is required)

Responsibility	**Action**
Training and Development Manager	1. When a new employee is hired, contacts the employee's supervisor and arranges for the employee to attend orientation. 2. Coordinates orientation content. 3. Completes training record and collects evaluation forms.

IV. Staff Group Training (No training request form is required)

Responsibility	Action
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)

Responsibility	Action
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.

105-040-0015

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*

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, 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.

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.

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).

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.

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.

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.

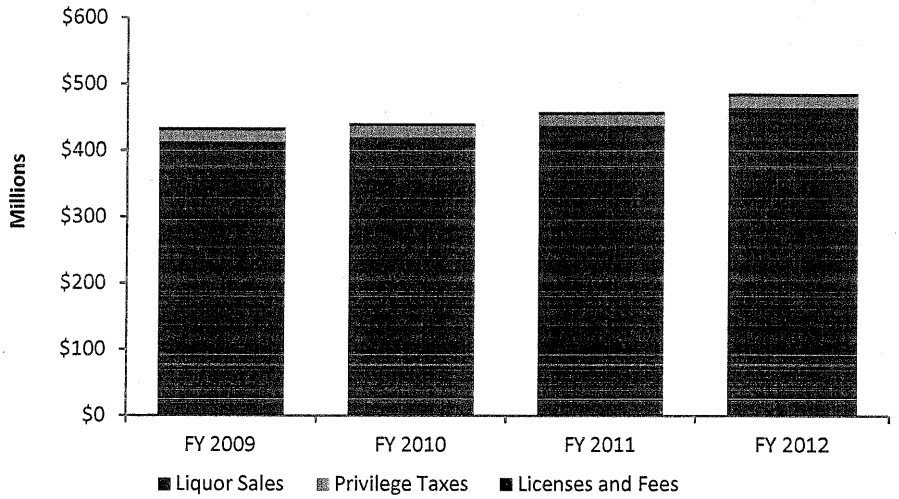
Revenue Collection

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.

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS SECTION BUDGET PAGE 56

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 GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS SECTION BUDGET PAGE 57

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.

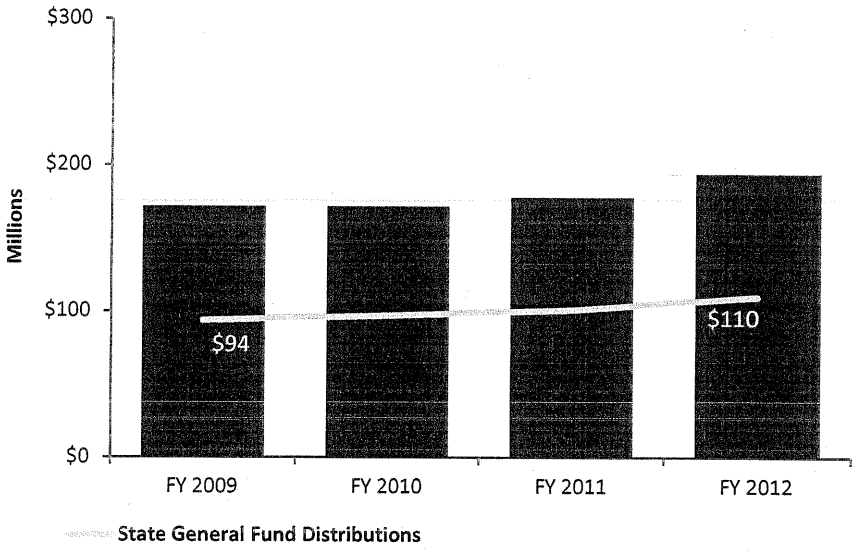
To evaluate OLCC's controls over the privilege tax, we selected a random sample of 60 licensees for review. We verified as applicable that monthly privilege tax reports were received, were adequately supported, and the tax due was calculated correctly. We also reviewed the most recently completed desk 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.

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS SECTION BUDGET PAGE 59

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.

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS SECTION BUDGET PAGE 60

Legal Compliance Review

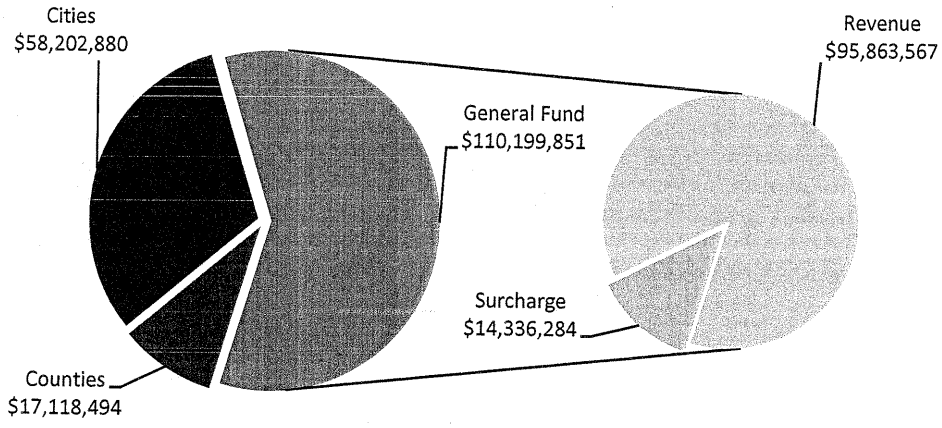
We reviewed laws and regulations to identify legal requirements that may be key within the context of our audit objectives. Legal requirements regarding the distribution of OLCC revenue, specifically privilege tax and excess revenues were determined to be key to the audit.

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[1]. 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



[1] 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.

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS SECTION BUDGET PAGE 61

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.

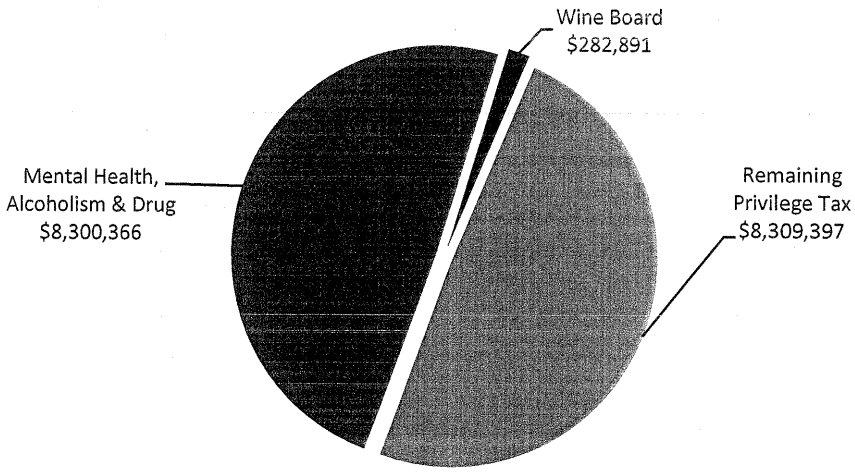
We obtained malt beverage and wine production statistics from OLCC's website for the most recently completed four fiscal years (2009-2012). The statistics present the approximate number of barrels of malt beverages and the gallons of wine reported as taxable for each month for all privilege tax license 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.

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS SECTION BUDGET PAGE 62

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.

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS SECTION BUDGET PAGE 63

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.

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS SECTION BUDGET PAGE 64

Oregon
John A. Kitzhaber, MD, Governor

Liquor Control Commission
9079 SE McLoughlin Blvd
Portland, OR 97222-7355
(503) 872-5000
(800) 452-6522

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

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.

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)

This report, a public record, is intended to promote the best possible management of public resources. Copies may be obtained from:

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.

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=Lifecycel 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

Cross Reference Number	*Cross Reference Description*	*Package Number*	Priority	*Package Description*	*Package Group*
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	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
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

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___68____

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
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
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	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

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
004-00-00-00000	Marijuana Regulation	501	0	Measure 91 Implementation	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
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	301	1	Repair OLCC Facilities	Policy Packages
088-00-00-00000	Capital Improvements	310	10	Complete Customer Service Center	Policy Packages

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

Cross Reference Number	*Cross Reference Description*	*Package Number*	Priority	*Package Description*	*Package Group*
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
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

Oregon Liquor Control Comm

Policy Package List by Priority
2015-17 Biennium

Agency Number: 84500
BAM Analyst: Ball, Dustin
Budget Coordinator: Richards, Harry - (503)872-5171

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	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
1	301	Repair OLCC Facilities	088-00-00-00000	Capital Improvements

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___72____

Priority	*Policy Pkg Number*	*Policy Pkg Description*	*Summary Cross Reference Number*	*Cross Reference Description*
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	Distilled Spirits Program
			003-00-00-00000	Administration and Support
4	104	Increase OLCC Shipping Capacity - Upgrade E	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

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
BEGINNING BALANCE						
0025 Beginning Balance						
3400 Other Funds Ltd	1,500,000	1,500,000	1,500,000	1,499,999	1,499,999	-
REVENUE CATEGORIES						
TAXES						
0185 Privilege Taxes						
3400 Other Funds Ltd	25,579,680	26,303,120	26,303,120	26,543,960	42,579,790	-
8800 General Fund Revenue	7,700,682	9,980,880	9,980,880	10,078,040	10,078,040	-
All Funds	33,280,362	36,284,000	36,284,000	36,622,000	52,657,830	-
LICENSES AND FEES						
0205 Business Lic and Fees						
3400 Other Funds Ltd	7,474,197	3,183,880	3,183,880	3,504,480	4,072,170	-
8800 General Fund Revenue	2,250,083	6,245,120	6,245,120	6,799,520	6,981,380	-
All Funds	9,724,280	9,429,000	9,429,000	10,304,000	11,053,550	-
CHARGES FOR SERVICES						
0410 Charges for Services						
3400 Other Funds Ltd	182	6,000	6,000	6,000	6,000	-
FINES, RENTS AND ROYALTIES						
0505 Fines and Forfeitures						
3400 Other Funds Ltd	643,493	1,042,000	1,042,000	1,107,000	1,107,000	-
SALES INCOME						
0705 Sales Income						
3400 Other Funds Ltd	1,061,553	650,000	650,000	700,000	700,000	-

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___74____

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*	
0710 Liquor Sales							
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	5,027,810		-
3400 Other Funds Ltd	759,008,388	835,990,018	837,239,467	892,600,744	892,600,744		-
8800 General Fund Revenue	215,613,392	235,392,574	235,392,574	216,769,926	250,546,226		-
All Funds	974,830,186	1,071,596,000	1,072,845,449	1,114,398,480	1,148,174,780		-
SALES INCOME							
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	5,027,810		-
3400 Other Funds Ltd	760,069,941	836,640,018	837,889,467	893,300,744	893,300,744		-
8800 General Fund Revenue	215,613,392	235,392,574	235,392,574	216,769,926	250,546,226		-
TOTAL SALES INCOME	**$975,891,739**	**$1,072,246,000**	**$1,073,495,449**	**$1,115,098,480**	**$1,148,874,780**		**-**
COST OF GOODS SOLD							
0755 Liquor Cost of Goods Sold							
3400 Other Funds Ltd	(474,005,720)	(511,678,841)	(511,678,841)	(545,214,268)	(545,214,268)		-
0760 Cost of Goods Sold							
3400 Other Funds Ltd	(11,789,934)	(14,430,880)	(14,430,880)	(14,280,800)	(13,645,839)		-
COST OF GOODS SOLD							
3400 Other Funds Ltd	(485,795,654)	(526,109,721)	(526,109,721)	(559,495,068)	(558,860,107)		-
TOTAL COST OF GOODS SOLD	**($485,795,654)**	**($526,109,721)**	**($526,109,721)**	**($559,495,068)**	**($558,860,107)**		**-**
OTHER							
0975 Other Revenues							
3400 Other Funds Ltd	9,775	25,000	25,000	25,000	25,000		-
TRANSFERS IN							
1010 Transfer In - Intrafund							

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	-	
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	-	
All Funds	137,037,933	146,404,251	147,653,700	167,814,258	168,449,219	-	
REVENUE CATEGORIES							
3010 Other Funds Cap Improvement	416,812	426,816	426,816	10,055,620	7,878,620	-	
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	-	
8800 General Fund Revenue	225,564,157	251,618,574	251,618,574	233,647,486	267,605,646	-	
TOTAL REVENUE CATEGORIES	**$670,792,110**	**$739,326,530**	**$741,825,428**	**$771,481,670**	**$823,313,272**	**-**	
TRANSFERS OUT							
2010 Transfer Out - Intrafund							
3010 Other Funds Cap Improvement	(208,406)	(213,408)	(213,408)	(5,027,810)	(5,027,810)	-	
3400 Other Funds Ltd	(136,829,527)	(146,190,843)	(147,440,292)	(162,786,448)	(163,421,409)	-	
All Funds	(137,037,933)	(146,404,251)	(147,653,700)	(167,814,258)	(168,449,219)	-	
2050 Transfer to Other							
3400 Other Funds Ltd	(564,984)	(638,000)	(638,000)	(629,000)	(629,000)	-	
2060 Transfer to General Fund							
8800 General Fund Revenue	(225,564,157)	(251,618,574)	(251,618,574)	(233,647,486)	(267,605,646)	-	
2070 Transfer to Cities							
3400 Other Funds Ltd	(70,107,375)	(78,280,206)	(78,280,206)	(83,445,531)	(84,421,376)	-	
2080 Transfer to Counties							
3400 Other Funds Ltd	(35,053,688)	(39,140,105)	(39,140,105)	(41,722,765)	(42,666,135)	-	

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___76____

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	
2107 Tsfr To Administrative Svcs							
3400 Other Funds Ltd	(49,075,163)	(54,796,144)	(54,796,144)	(58,411,871)	(58,457,336)		-
2141 Tsfr To Lands, Dept of State							
3400 Other Funds Ltd	-	-	-	-	(3,643,577)		-
2257 Tsfr To Police, Dept of State							
3400 Other Funds Ltd	-	-	-	-	(1,366,342)		-
2443 Tsfr To Oregon Health Authority							
3400 Other Funds Ltd	(16,350,877)	(17,823,000)	(17,823,000)	(17,996,500)	(20,273,736)		-
2603 Tsfr To Agriculture, Dept of							
3400 Other Funds Ltd	-	-	-	-	(212,641)		-
TRANSFERS OUT							
3010 Other Funds Cap Improvement	(208,406)	(213,408)	(213,408)	(5,027,810)	(5,027,810)		-
3400 Other Funds Ltd	(307,981,614)	(336,868,298)	(338,117,747)	(364,992,115)	(375,091,552)		-
8800 General Fund Revenue	(225,564,157)	(251,618,574)	(251,618,574)	(233,647,486)	(267,605,646)		-
TOTAL TRANSFERS OUT	**($533,754,177)**	**($588,700,280)**	**($589,949,729)**	**($603,667,411)**	**($647,725,008)**		**-**
AVAILABLE REVENUES							
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	2,850,810		-
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		-
TOTAL AVAILABLE REVENUES	**$138,537,933**	**$152,126,250**	**$153,375,699**	**$169,314,258**	**$177,088,263**		**-**
EXPENDITURES							
PERSONAL SERVICES							
SALARIES & WAGES							

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___77____

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	
3110 Class/Unclass Sal. and Per Diem							
3400 Other Funds Ltd	20,438,022	23,136,888	23,877,214	24,060,684	26,181,096		-
3160 Temporary Appointments							
3400 Other Funds Ltd	703,867	68,815	68,815	70,721	70,721		-
3170 Overtime Payments							
3400 Other Funds Ltd	222,172	327,821	327,821	345,302	335,675		-
3180 Shift Differential							
3400 Other Funds Ltd	51,938	61,774	61,774	63,254	63,254		-
3190 All Other Differential							
3400 Other Funds Ltd	274,515	74,031	57,524	58,903	58,903		-
SALARIES & WAGES							
3400 Other Funds Ltd	21,690,514	23,669,329	24,393,148	24,598,864	26,709,649		-
TOTAL SALARIES & WAGES	**$21,690,514**	**$23,669,329**	**$24,393,148**	**$24,598,864**	**$26,709,649**		**-**
OTHER PAYROLL EXPENSES							
3210 Empl. Rel. Bd. Assessments							
3400 Other Funds Ltd	8,308	9,200	9,077	10,021	10,890		-
3220 Public Employees' Retire Cont							
3400 Other Funds Ltd	3,421,286	3,842,968	3,947,272	4,165,708	4,524,537		-
3221 Pension Obligation Bond							
3400 Other Funds Ltd	1,303,204	1,472,127	1,487,792	1,516,590	1,516,590		-
3230 Social Security Taxes							
3400 Other Funds Ltd	1,632,278	1,805,791	1,861,162	1,878,757	2,040,234		-
3240 Unemployment Assessments							

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	68,720	28,393	28,393	28,393	28,393	-
3250 Worker's Comp. Assess. (WCD)						
3400 Other Funds Ltd	10,890	13,567	13,390	15,712	17,070	-
3260 Mass Transit Tax						
3400 Other Funds Ltd	123,508	143,398	147,740	147,233	147,233	-
3270 Flexible Benefits						
3400 Other Funds Ltd	5,958,279	7,021,440	6,957,248	6,952,752	7,555,680	-
OTHER PAYROLL EXPENSES						
3400 Other Funds Ltd	12,526,473	14,336,884	14,452,074	14,715,166	15,840,627	-
TOTAL OTHER PAYROLL EXPENSES	**$12,526,473**	**$14,336,884**	**$14,452,074**	**$14,715,166**	**$15,840,627**	**-**
P.S. BUDGET ADJUSTMENTS						
3455 Vacancy Savings						
3400 Other Funds Ltd	-	(120,785)	(120,785)	(381,859)	(381,859)	-
3465 Reconciliation Adjustment						
3400 Other Funds Ltd	-	1,127,218	1,127,218	-	248,447	-
3470 Undistributed (P.S.)						
3400 Other Funds Ltd	-	(436,058)	-	-	-	-
3991 PERS Policy Adjustment						
3400 Other Funds Ltd	-	(858,504)	(858,504)	-	-	-
P.S. BUDGET ADJUSTMENTS						
3400 Other Funds Ltd	-	(288,129)	147,929	(381,859)	(133,412)	-
TOTAL P.S. BUDGET ADJUSTMENTS	**-**	**($288,129)**	**$147,929**	**($381,859)**	**($133,412)**	**-**
PERSONAL SERVICES						

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___79____

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	34,216,987	37,718,084	38,993,151	38,932,171	42,416,864	-
TOTAL PERSONAL SERVICES	**$34,216,987**	**$37,718,084**	**$38,993,151**	**$38,932,171**	**$42,416,864**	-
SERVICES & SUPPLIES						
4100 Instate Travel						
3400 Other Funds Ltd	261,372	258,564	258,564	266,323	361,323	-
4125 Out of State Travel						
3400 Other Funds Ltd	20,622	42,694	42,694	43,974	58,974	-
4150 Employee Training						
3400 Other Funds Ltd	52,860	87,261	87,261	343,926	359,450	-
4175 Office Expenses						
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	-
All Funds	8,891,977	10,993,760	10,993,760	11,483,093	11,834,419	-
4200 Telecommunications						
3400 Other Funds Ltd	494,973	423,992	423,992	436,712	509,712	-
4225 State Gov. Service Charges						
3400 Other Funds Ltd	2,061,537	1,712,702	1,712,702	2,305,466	2,126,045	-
4250 Data Processing						
3400 Other Funds Ltd	720,141	602,061	527,061	632,873	632,873	-
4275 Publicity and Publications						
3400 Other Funds Ltd	39,858	98,557	83,557	86,065	89,065	-
4300 Professional Services						
3010 Other Funds Cap Improvement	5,797	-	-	-	-	-

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	86,813,398	95,678,023	95,623,023	99,604,369	102,545,906	-
All Funds	86,819,195	95,678,023	95,623,023	99,604,369	102,545,906	-
4315 IT Professional Services						
3400 Other Funds Ltd	48,645	236,477	236,477	543,961	1,082,114	-
4325 Attorney General						
3400 Other Funds Ltd	404,156	376,690	376,690	449,014	427,966	-
4375 Employee Recruitment and Develop						
3400 Other Funds Ltd	20,753	27,839	27,839	29,482	39,482	-
4400 Dues and Subscriptions						
3400 Other Funds Ltd	17,708	20,937	20,937	21,559	23,559	-
4425 Facilities Rental and Taxes						
3400 Other Funds Ltd	427,932	496,322	496,322	517,641	1,017,641	-
4450 Fuels and Utilities						
3400 Other Funds Ltd	573,352	563,651	563,651	578,202	578,202	-
4475 Facilities Maintenance						
3010 Other Funds Cap Improvement	162,247	-	-	-	-	-
3400 Other Funds Ltd	390,718	247,408	247,408	258,011	654,963	-
All Funds	552,965	247,408	247,408	258,011	654,963	-
4575 Agency Program Related S and S						
3400 Other Funds Ltd	254,911	173,937	153,937	178,556	194,556	-
4650 Other Services and Supplies						
3400 Other Funds Ltd	336,446	186,544	186,544	192,141	1,617,863	-
4675 Undistributed (S.S.)						

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___81____

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	-	(196,954)	-	-	-	-
4700 Expendable Prop 250 - 5000						
3400 Other Funds Ltd	9,455	-	-	-	-	-
4715 IT Expendable Property						
3400 Other Funds Ltd	195,888	501,897	444,897	461,230	461,230	-
SERVICES & SUPPLIES						
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	-
TOTAL SERVICES & SUPPLIES	**$102,204,746**	**$112,532,362**	**$112,507,316**	**$118,432,598**	**$124,615,343**	**-**
CAPITAL OUTLAY						
5200 Technical Equipment						
3400 Other Funds Ltd	30	16,308	14,328	109,817	109,817	-
5350 Industrial and Heavy Equipment						
3400 Other Funds Ltd	7,100	22,227	21,818	67,473	67,473	-
5400 Automotive and Aircraft						
3400 Other Funds Ltd	-	110,983	110,983	114,253	114,253	-
5550 Data Processing Software						
3400 Other Funds Ltd	-	-	-	322,200	222,200	-
5600 Data Processing Hardware						
3400 Other Funds Ltd	85,612	14,695	14,695	321,836	171,836	-
5650 Land and Improvements						
3010 Other Funds Cap Improvement	-	5,001	5,001	5,151	5,151	-

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
5700 Building Structures						
3010 Other Funds Cap Improvement	40,362	208,407	208,407	5,022,659	2,845,659	-
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	-
5900 Other Capital Outlay						
3400 Other Funds Ltd	223,602	-	-	-	-	-
5950 Undistributed (C.O.)						
3400 Other Funds Ltd	-	(1,817)	-	-	-	-
CAPITAL OUTLAY						
3010 Other Funds Cap Improvement	40,362	213,408	213,408	5,027,810	2,850,810	-
3400 Other Funds Ltd	575,838	162,396	161,824	5,421,679	5,171,679	-
TOTAL CAPITAL OUTLAY	**$616,200**	**$375,804**	**$375,232**	**$10,449,489**	**$8,022,489**	-
EXPENDITURES						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	2,850,810	-
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	-
TOTAL EXPENDITURES	**$137,037,933**	**$150,626,250**	**$151,875,699**	**$167,814,258**	**$175,054,696**	-
ENDING BALANCE						
3400 Other Funds Ltd	1,500,000	1,500,000	1,500,000	1,500,000	2,033,567	-
TOTAL ENDING BALANCE	**$1,500,000**	**$1,500,000**	**$1,500,000**	**$1,500,000**	**$2,033,567**	-
AUTHORIZED POSITIONS						
8150 Class/Unclass Positions	236	233	230	231	255	-
8180 Position Reconciliation	-	-	-	-	3	-

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*
TOTAL AUTHORIZED POSITIONS	**236**	**233**	**230**	**231**	**258**	**-**
AUTHORIZED FTE						
8250 Class/Unclass FTE Positions	231.00	228.00	225.50	225.75	245.50	-
8280 FTE Reconciliation	-	(0.37)	(0.37)	-	0.50	-
TOTAL AUTHORIZED FTE	**231.00**	**227.63**	**225.13**	**225.75**	**246.00**	**-**

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___84____

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
REVENUE CATEGORIES						
SALES INCOME						
0710 Liquor Sales						
3400 Other Funds Ltd	-	32,137,194	32,137,194	-	-	-
8800 General Fund Revenue	-	11,188,806	11,188,806	-	33,776,300	-
All Funds	-	43,326,000	43,326,000	-	33,776,300	-
COST OF GOODS SOLD						
0755 Liquor Cost of Goods Sold						
3400 Other Funds Ltd	-	(22,704,100)	(22,704,100)	-	-	-
0760 Cost of Goods Sold						
3400 Other Funds Ltd	-	(641,890)	(641,890)	-	-	-
COST OF GOODS SOLD						
3400 Other Funds Ltd	-	(23,345,990)	(23,345,990)	-	-	-
TOTAL COST OF GOODS SOLD	**-**	**($23,345,990)**	**($23,345,990)**	**-**	**-**	**-**
TRANSFERS IN						
1010 Transfer In - Intrafund						
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	-
All Funds	18,073,544	20,869,470	21,216,750	26,458,152	26,722,778	-
REVENUE CATEGORIES						
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	-
8800 General Fund Revenue	-	11,188,806	11,188,806	-	33,776,300	-

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___85____

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*
TOTAL REVENUE CATEGORIES	**$18,073,544**	**$40,849,480**	**$41,196,760**	**$26,458,152**	**$60,499,078**	**-**
TRANSFERS OUT						
2060 Transfer to General Fund						
8800 General Fund Revenue	-	(11,188,806)	(11,188,806)	-	(33,776,300)	-
2070 Transfer to Cities						
3400 Other Funds Ltd	-	(3,996,002)	(3,996,002)	-	-	-
2080 Transfer to Counties						
3400 Other Funds Ltd	-	(1,998,001)	(1,998,001)	-	-	-
2107 Tsfr To Administrative Svcs						
3400 Other Funds Ltd	-	(2,797,201)	(2,797,201)	-	-	-
TRANSFERS OUT						
3400 Other Funds Ltd	-	(8,791,204)	(8,791,204)	-	-	-
8800 General Fund Revenue	-	(11,188,806)	(11,188,806)	-	(33,776,300)	-
TOTAL TRANSFERS OUT	**-**	**($19,980,010)**	**($19,980,010)**	**-**	**($33,776,300)**	**-**
AVAILABLE REVENUES						
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	-
TOTAL AVAILABLE REVENUES	**$18,073,544**	**$20,869,470**	**$21,216,750**	**$26,458,152**	**$26,722,778**	**-**
EXPENDITURES						
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
3400 Other Funds Ltd	4,647,918	5,525,592	5,732,140	5,582,892	5,565,624	-

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
3160 Temporary Appointments						
3400 Other Funds Ltd	412,706	24,561	24,561	25,242	25,242	-
3170 Overtime Payments						
3400 Other Funds Ltd	122,752	194,858	194,858	199,526	199,526	-
3180 Shift Differential						
3400 Other Funds Ltd	15,316	2,255	2,255	2,308	2,308	-
3190 All Other Differential						
3400 Other Funds Ltd	65,613	8,115	8,115	8,309	8,309	-
SALARIES & WAGES						
3400 Other Funds Ltd	5,264,305	5,755,381	5,961,929	5,818,277	5,801,009	-
TOTAL SALARIES & WAGES	**$5,264,305**	**$5,755,381**	**$5,961,929**	**$5,818,277**	**$5,801,009**	**-**
OTHER PAYROLL EXPENSES						
3210 Empl. Rel. Bd. Assessments						
3400 Other Funds Ltd	2,364	2,720	2,679	2,926	2,904	-
3220 Public Employees' Retire Cont						
3400 Other Funds Ltd	707,704	934,123	963,887	984,819	981,883	-
3221 Pension Obligation Bond						
3400 Other Funds Ltd	301,276	353,779	359,136	454,981	454,981	-
3230 Social Security Taxes						
3400 Other Funds Ltd	399,354	439,711	455,512	445,092	443,770	-
3240 Unemployment Assessments						
3400 Other Funds Ltd	39,464	6,111	6,111	6,111	6,111	-
3250 Worker's Comp. Assess. (WCD)						

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	3,399	4,009	3,950	4,586	4,554	-
3260 Mass Transit Tax						
3400 Other Funds Ltd	30,940	34,507	35,746	34,719	34,719	-
3270 Flexible Benefits						
3400 Other Funds Ltd	1,659,466	2,075,904	2,065,738	2,030,112	2,014,848	-
OTHER PAYROLL EXPENSES						
3400 Other Funds Ltd	3,143,967	3,850,864	3,892,759	3,963,346	3,943,770	-
TOTAL OTHER PAYROLL EXPENSES	**$3,143,967**	**$3,850,864**	**$3,892,759**	**$3,963,346**	**$3,943,770**	**-**
P.S. BUDGET ADJUSTMENTS						
3455 Vacancy Savings						
3400 Other Funds Ltd	-	(35,708)	(35,708)	(114,557)	(114,557)	-
3465 Reconciliation Adjustment						
3400 Other Funds Ltd	-	247,370	247,370	-	36,844	-
3470 Undistributed (P.S.)						
3400 Other Funds Ltd	-	(109,081)	-	-	-	-
3991 PERS Policy Adjustment						
3400 Other Funds Ltd	-	(205,462)	(205,462)	-	-	-
P.S. BUDGET ADJUSTMENTS						
3400 Other Funds Ltd	-	(102,881)	6,200	(114,557)	(77,713)	-
TOTAL P.S. BUDGET ADJUSTMENTS	**-**	**($102,881)**	**$6,200**	**($114,557)**	**($77,713)**	**-**
PERSONAL SERVICES						
3400 Other Funds Ltd	8,408,272	9,503,364	9,860,888	9,667,066	9,667,066	-
TOTAL PERSONAL SERVICES	**$8,408,272**	**$9,503,364**	**$9,860,888**	**$9,667,066**	**$9,667,066**	**-**

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*
SERVICES & SUPPLIES						
4100 Instate Travel						
3400 Other Funds Ltd	55,092	52,935	52,935	54,524	54,524	-
4125 Out of State Travel						
3400 Other Funds Ltd	-	4,867	4,867	5,012	5,012	-
4150 Employee Training						
3400 Other Funds Ltd	2,709	3,742	3,742	3,854	3,854	-
4175 Office Expenses						
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	-
All Funds	8,475,315	10,528,274	10,528,274	10,899,124	11,213,750	-
4200 Telecommunications						
3400 Other Funds Ltd	38,372	57,053	57,053	58,764	58,764	-
4225 State Gov. Service Charges						
3400 Other Funds Ltd	226,289	116,954	116,954	91,643	84,511	-
4250 Data Processing						
3400 Other Funds Ltd	202,934	152,668	77,668	169,998	169,998	-
4275 Publicity and Publications						
3400 Other Funds Ltd	1,994	31,412	16,412	16,905	16,905	-
4300 Professional Services						
3400 Other Funds Ltd	3,389	33,558	13,558	64,006	14,006	-
4315 IT Professional Services						
3400 Other Funds Ltd	6,000	13,433	13,433	13,876	13,876	-

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
4375 Employee Recruitment and Develop						
3400 Other Funds Ltd	10,833	8,588	8,588	8,846	8,846	-
4400 Dues and Subscriptions						
3400 Other Funds Ltd	3,812	2,127	2,127	2,184	2,184	-
4425 Facilities Rental and Taxes						
3400 Other Funds Ltd	20,030	58,723	58,723	61,134	61,134	-
4450 Fuels and Utilities						
3400 Other Funds Ltd	193,679	214,373	214,373	218,445	218,445	-
4475 Facilities Maintenance						
3400 Other Funds Ltd	39,331	27,697	27,697	28,528	28,528	-
4575 Agency Program Related S and S						
3400 Other Funds Ltd	175,987	122,745	102,745	125,828	125,828	-
4650 Other Services and Supplies						
3400 Other Funds Ltd	53,070	8,480	8,480	8,735	8,735	-
4675 Undistributed (S.S.)						
3400 Other Funds Ltd	-	(126,756)	-	-	-	-
4700 Expendable Prop 250 - 5000						
3400 Other Funds Ltd	8,094	-	-	-	-	-
4715 IT Expendable Property						
3400 Other Funds Ltd	27,481	18,719	11,719	12,071	12,071	-
SERVICES & SUPPLIES						
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	-

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*
TOTAL SERVICES & SUPPLIES	**$9,544,411**	**$11,329,592**	**$11,319,348**	**$11,843,477**	**$12,100,971**	-
CAPITAL OUTLAY						
5200 Technical Equipment						
3400 Other Funds Ltd	30	-	-	-	-	-
5350 Industrial and Heavy Equipment						
3400 Other Funds Ltd	7,100	22,227	21,818	67,473	67,473	-
5550 Data Processing Software						
3400 Other Funds Ltd	-	-	-	222,200	222,200	-
5600 Data Processing Hardware						
3400 Other Funds Ltd	-	14,695	14,695	171,836	171,836	-
5700 Building Structures						
3400 Other Funds Ltd	84,904	-	-	4,486,100	4,486,100	-
5900 Other Capital Outlay						
3400 Other Funds Ltd	28,827	-	-	-	-	-
5950 Undistributed (C.O.)						
3400 Other Funds Ltd	-	(409)	-	-	-	-
CAPITAL OUTLAY						
3400 Other Funds Ltd	120,861	36,513	36,513	4,947,609	4,947,609	-
TOTAL CAPITAL OUTLAY	**$120,861**	**$36,513**	**$36,513**	**$4,947,609**	**$4,947,609**	-
EXPENDITURES						
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	-
TOTAL EXPENDITURES	**$18,073,544**	**$20,869,469**	**$21,216,749**	**$26,458,152**	**$26,715,646**	-

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*
ENDING BALANCE						
3400 Other Funds Ltd	-	1	1	-	7,132	-
TOTAL ENDING BALANCE	**-**	**$1**	**$1**	**-**	**$7,132**	**-**
AUTHORIZED POSITIONS						
8150 Class/Unclass Positions	70	71	70	69	66	-
8180 Position Reconciliation	-	-	-	-	3	-
TOTAL AUTHORIZED POSITIONS	**70**	**71**	**70**	**69**	**69**	**-**
AUTHORIZED FTE						
8250 Class/Unclass FTE Positions	67.00	68.00	67.50	66.50	66.00	-
8280 FTE Reconciliation	-	-	-	-	0.50	-
TOTAL AUTHORIZED FTE	**67.00**	**68.00**	**67.50**	**66.50**	**66.50**	**-**

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
REVENUE CATEGORIES						
LICENSES AND FEES						
0205 Business Lic and Fees						
3400 Other Funds Ltd	-	-	-	-	142,890	-
8800 General Fund Revenue	-	-	-	-	181,860	-
All Funds	-	-	-	-	324,750	-
TRANSFERS IN						
1010 Transfer In - Intrafund						
3400 Other Funds Ltd	15,566,078	17,027,683	17,495,092	18,023,472	17,911,472	-
REVENUE CATEGORIES						
3400 Other Funds Ltd	15,566,078	17,027,683	17,495,092	18,023,472	18,054,362	-
8800 General Fund Revenue	-	-	-	-	181,860	-
TOTAL REVENUE CATEGORIES	**$15,566,078**	**$17,027,683**	**$17,495,092**	**$18,023,472**	**$18,236,222**	**-**
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						

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __93_____

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)	-
TOTAL TRANSFERS OUT	-	-	-	-	**($324,750)**	-
AVAILABLE REVENUES						
3400 Other Funds Ltd	15,566,078	17,027,683	17,495,092	18,023,472	17,911,472	-
TOTAL AVAILABLE REVENUES	**$15,566,078**	**$17,027,683**	**$17,495,092**	**$18,023,472**	**$17,911,472**	-
EXPENDITURES						
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
3400 Other Funds Ltd	8,448,984	9,487,608	9,726,376	9,986,496	9,986,496	-
3160 Temporary Appointments						
3400 Other Funds Ltd	121,383	34,568	34,568	35,525	35,525	-
3170 Overtime Payments						
3400 Other Funds Ltd	85,125	87,465	87,465	99,188	89,561	-
3180 Shift Differential						
3400 Other Funds Ltd	36,450	56,624	56,624	57,981	57,981	-
3190 All Other Differential						
3400 Other Funds Ltd	111,088	38,148	38,148	39,062	39,062	-
SALARIES & WAGES						
3400 Other Funds Ltd	8,803,030	9,704,413	9,943,181	10,218,252	10,208,625	-
TOTAL SALARIES & WAGES	**$8,803,030**	**$9,704,413**	**$9,943,181**	**$10,218,252**	**$10,208,625**	-
OTHER PAYROLL EXPENSES						

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __94_____

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	
3210 Empl. Rel. Bd. Assessments							
3400 Other Funds Ltd	3,570	3,760	3,719	4,092	4,092		-
3220 Public Employees' Retire Cont							
3400 Other Funds Ltd	1,576,109	1,576,178	1,610,585	1,731,068	1,729,431		-
3221 Pension Obligation Bond							
3400 Other Funds Ltd	537,874	610,367	614,277	613,218	613,218		-
3230 Social Security Taxes							
3400 Other Funds Ltd	664,685	741,823	760,089	781,697	780,961		-
3240 Unemployment Assessments							
3400 Other Funds Ltd	28,127	9,257	9,257	9,257	9,257		-
3250 Worker's Comp. Assess. (WCD)							
3400 Other Funds Ltd	4,320	5,546	5,487	6,417	6,417		-
3260 Mass Transit Tax							
3400 Other Funds Ltd	45,958	52,480	53,913	61,244	61,244		-
3270 Flexible Benefits							
3400 Other Funds Ltd	2,486,723	2,869,632	2,842,600	2,839,104	2,839,104		-
OTHER PAYROLL EXPENSES							
3400 Other Funds Ltd	5,347,366	5,869,043	5,899,927	6,046,097	6,043,724		-
TOTAL OTHER PAYROLL EXPENSES	**$5,347,366**	**$5,869,043**	**$5,899,927**	**$6,046,097**	**$6,043,724**		**-**
P.S. BUDGET ADJUSTMENTS							
3455 Vacancy Savings							
3400 Other Funds Ltd	-	(49,257)	(49,257)	(154,405)	(154,405)		-
3465 Reconciliation Adjustment							

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE 95

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	-	-	-
3470 Undistributed (P.S.)						
3400 Other Funds Ltd	-	(180,538)	-	-	-	-
3991 PERS Policy Adjustment						
3400 Other Funds Ltd	-	(348,817)	(348,817)	-	-	-
P.S. BUDGET ADJUSTMENTS						
3400 Other Funds Ltd	-	(84,841)	95,697	(154,405)	(154,405)	-
TOTAL P.S. BUDGET ADJUSTMENTS	**-**	**($84,841)**	**$95,697**	**($154,405)**	**($154,405)**	**-**
PERSONAL SERVICES						
3400 Other Funds Ltd	14,150,396	15,488,615	15,938,805	16,109,944	16,097,944	-
TOTAL PERSONAL SERVICES	**$14,150,396**	**$15,488,615**	**$15,938,805**	**$16,109,944**	**$16,097,944**	**-**
SERVICES & SUPPLIES						
4100 Instate Travel						
3400 Other Funds Ltd	63,595	107,351	107,351	110,571	110,571	-
4125 Out of State Travel						
3400 Other Funds Ltd	16,805	10,427	10,427	10,740	10,740	-
4150 Employee Training						
3400 Other Funds Ltd	5,786	17,810	17,810	267,244	267,244	-
4175 Office Expenses						
3400 Other Funds Ltd	230,284	240,969	240,969	248,198	248,198	-
4200 Telecommunications						
3400 Other Funds Ltd	221,162	255,251	255,251	262,909	262,909	-
4225 State Gov. Service Charges						

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	293,712	150,548	150,548	110,517	101,916	-
4250 Data Processing						
3400 Other Funds Ltd	24,068	22,673	22,673	23,353	23,353	-
4275 Publicity and Publications						
3400 Other Funds Ltd	19,279	56,255	56,255	57,943	57,943	-
4300 Professional Services						
3400 Other Funds Ltd	6,239	78,592	78,592	181,186	81,186	-
4315 IT Professional Services						
3400 Other Funds Ltd	-	65,804	65,804	67,975	67,975	-
4375 Employee Recruitment and Develop						
3400 Other Funds Ltd	6,415	7,564	7,564	7,791	7,791	-
4400 Dues and Subscriptions						
3400 Other Funds Ltd	4,297	2,927	2,927	3,015	3,015	-
4425 Facilities Rental and Taxes						
3400 Other Funds Ltd	406,342	436,564	436,564	455,427	455,427	-
4450 Fuels and Utilities						
3400 Other Funds Ltd	14,015	20,909	20,909	21,537	21,537	-
4475 Facilities Maintenance						
3400 Other Funds Ltd	18,154	16,756	16,756	17,258	17,258	-
4575 Agency Program Related S and S						
3400 Other Funds Ltd	64,154	37,784	37,784	38,918	38,918	-
4650 Other Services and Supplies						
3400 Other Funds Ltd	4,867	9,806	9,806	10,100	10,100	-

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___97____

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
4675 Undistributed (S.S.)						
3400 Other Funds Ltd	-	(17,219)	-	-	-	-
4715 IT Expendable Property						
3400 Other Funds Ltd	16,508	18,297	18,297	18,846	18,846	-
SERVICES & SUPPLIES						
3400 Other Funds Ltd	1,415,682	1,539,068	1,556,287	1,913,528	1,804,927	-
TOTAL SERVICES & SUPPLIES	**$1,415,682**	**$1,539,068**	**$1,556,287**	**$1,913,528**	**$1,804,927**	**-**
EXPENDITURES						
3400 Other Funds Ltd	15,566,078	17,027,683	17,495,092	18,023,472	17,902,871	-
TOTAL EXPENDITURES	**$15,566,078**	**$17,027,683**	**$17,495,092**	**$18,023,472**	**$17,902,871**	**-**
ENDING BALANCE						
3400 Other Funds Ltd	-	-	-	-	8,601	-
TOTAL ENDING BALANCE	**-**	**-**	**-**	**-**	**$8,601**	**-**
AUTHORIZED POSITIONS						
8150 Class/Unclass Positions	98	94	93	93	93	-
TOTAL AUTHORIZED POSITIONS	**98**	**94**	**93**	**93**	**93**	**-**
AUTHORIZED FTE						
8250 Class/Unclass FTE Positions	96.00	92.00	91.00	91.00	91.00	-
TOTAL AUTHORIZED FTE	**96.00**	**92.00**	**91.00**	**91.00**	**91.00**	**-**

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*
REVENUE CATEGORIES						
TRANSFERS IN						
1010 Transfer In - Intrafund						
3400 Other Funds Ltd	16,805,885	17,357,690	17,792,450	19,345,824	19,005,824	-
AVAILABLE REVENUES						
3400 Other Funds Ltd	16,805,885	17,357,690	17,792,450	19,345,824	19,005,824	-
TOTAL AVAILABLE REVENUES	**$16,805,885**	**$17,357,690**	**$17,792,450**	**$19,345,824**	**$19,005,824**	-
EXPENDITURES						
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
3400 Other Funds Ltd	7,341,120	8,123,688	8,418,698	8,491,296	8,483,016	-
3160 Temporary Appointments						
3400 Other Funds Ltd	169,778	9,686	9,686	9,954	9,954	-
3170 Overtime Payments						
3400 Other Funds Ltd	14,295	45,498	45,498	46,588	46,588	-
3180 Shift Differential						
3400 Other Funds Ltd	172	2,895	2,895	2,965	2,965	-
3190 All Other Differential						
3400 Other Funds Ltd	97,814	27,768	11,261	11,532	11,532	-
SALARIES & WAGES						
3400 Other Funds Ltd	7,623,179	8,209,535	8,488,038	8,562,335	8,554,055	-
TOTAL SALARIES & WAGES	**$7,623,179**	**$8,209,535**	**$8,488,038**	**$8,562,335**	**$8,554,055**	-

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___99____

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*
OTHER PAYROLL EXPENSES						
3210 Empl. Rel. Bd. Assessments						
3400 Other Funds Ltd	2,374	2,720	2,679	3,003	2,992	-
3220 Public Employees' Retire Cont						
3400 Other Funds Ltd	1,137,473	1,332,667	1,372,800	1,449,821	1,448,412	-
3221 Pension Obligation Bond						
3400 Other Funds Ltd	464,054	507,981	514,379	448,391	448,391	-
3230 Social Security Taxes						
3400 Other Funds Ltd	568,239	624,257	645,561	651,968	651,335	-
3240 Unemployment Assessments						
3400 Other Funds Ltd	1,129	13,025	13,025	13,025	13,025	-
3250 Worker's Comp. Assess. (WCD)						
3400 Other Funds Ltd	3,171	4,012	3,953	4,709	4,692	-
3260 Mass Transit Tax						
3400 Other Funds Ltd	46,610	56,411	58,081	51,270	51,270	-
3270 Flexible Benefits						
3400 Other Funds Ltd	1,812,090	2,075,904	2,048,910	2,083,536	2,075,904	-
OTHER PAYROLL EXPENSES						
3400 Other Funds Ltd	4,035,140	4,616,977	4,659,388	4,705,723	4,696,021	-
TOTAL OTHER PAYROLL EXPENSES	**$4,035,140**	**$4,616,977**	**$4,659,388**	**$4,705,723**	**$4,696,021**	**-**
P.S. BUDGET ADJUSTMENTS						
3455 Vacancy Savings						
3400 Other Funds Ltd	-	(35,820)	(35,820)	(112,897)	(112,897)	-

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___100____

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*
3465 Reconciliation Adjustment						
3400 Other Funds Ltd	-	386,077	386,077	-	(10,171)	-
3470 Undistributed (P.S.)						
3400 Other Funds Ltd	-	(146,439)	-	-	-	-
3991 PERS Policy Adjustment						
3400 Other Funds Ltd	-	(304,225)	(304,225)	-	-	-
P.S. BUDGET ADJUSTMENTS						
3400 Other Funds Ltd	-	(100,407)	46,032	(112,897)	(123,068)	-
TOTAL P.S. BUDGET ADJUSTMENTS	**-**	**($100,407)**	**$46,032**	**($112,897)**	**($123,068)**	**-**
PERSONAL SERVICES						
3400 Other Funds Ltd	11,658,319	12,726,105	13,193,458	13,155,161	13,127,008	-
TOTAL PERSONAL SERVICES	**$11,658,319**	**$12,726,105**	**$13,193,458**	**$13,155,161**	**$13,127,008**	**-**
SERVICES & SUPPLIES						
4100 Instate Travel						
3400 Other Funds Ltd	142,685	98,278	98,278	101,228	101,228	-
4125 Out of State Travel						
3400 Other Funds Ltd	3,817	27,400	27,400	28,222	28,222	-
4150 Employee Training						
3400 Other Funds Ltd	44,365	65,709	65,709	72,828	72,828	-
4175 Office Expenses						
3400 Other Funds Ltd	186,378	224,517	224,517	335,771	335,771	-
4200 Telecommunications						
3400 Other Funds Ltd	235,439	111,688	111,688	115,039	115,039	-

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	
4225 State Gov. Service Charges							
3400 Other Funds Ltd	1,541,536	1,445,200	1,445,200	2,103,306	1,939,618		-
4250 Data Processing							
3400 Other Funds Ltd	493,139	426,720	426,720	439,522	439,522		-
4275 Publicity and Publications							
3400 Other Funds Ltd	18,585	10,890	10,890	11,217	11,217		-
4300 Professional Services							
3400 Other Funds Ltd	419,750	407,873	372,873	400,177	400,177		-
4315 IT Professional Services							
3400 Other Funds Ltd	42,645	157,240	157,240	462,110	400,263		-
4325 Attorney General							
3400 Other Funds Ltd	404,156	376,690	376,690	449,014	427,966		-
4375 Employee Recruitment and Develop							
3400 Other Funds Ltd	3,505	11,687	11,687	12,845	12,845		-
4400 Dues and Subscriptions							
3400 Other Funds Ltd	9,599	15,883	15,883	16,360	16,360		-
4425 Facilities Rental and Taxes							
3400 Other Funds Ltd	1,560	1,035	1,035	1,080	1,080		-
4450 Fuels and Utilities							
3400 Other Funds Ltd	365,658	328,369	328,369	338,220	338,220		-
4475 Facilities Maintenance							
3400 Other Funds Ltd	333,233	202,955	202,955	212,225	212,225		-
4575 Agency Program Related S and S							

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	14,770	13,408	13,408	13,810	13,810	-
4650 Other Services and Supplies						
3400 Other Funds Ltd	278,509	168,258	168,258	173,306	173,306	-
4675 Undistributed (S.S.)						
3400 Other Funds Ltd	-	(52,979)	-	-	-	-
4700 Expendable Prop 250 - 5000						
3400 Other Funds Ltd	1,361	-	-	-	-	-
4715 IT Expendable Property						
3400 Other Funds Ltd	151,899	464,881	414,881	430,313	430,313	-
SERVICES & SUPPLIES						
3400 Other Funds Ltd	4,692,589	4,505,702	4,473,681	5,716,593	5,470,010	-
TOTAL SERVICES & SUPPLIES	**$4,692,589**	**$4,505,702**	**$4,473,681**	**$5,716,593**	**$5,470,010**	**-**
CAPITAL OUTLAY						
5200 Technical Equipment						
3400 Other Funds Ltd	-	16,308	14,328	109,817	109,817	-
5400 Automotive and Aircraft						
3400 Other Funds Ltd	-	110,983	110,983	114,253	114,253	-
5550 Data Processing Software						
3400 Other Funds Ltd	-	-	-	100,000	-	-
5600 Data Processing Hardware						
3400 Other Funds Ltd	85,612	-	-	150,000	-	-
5700 Building Structures						
3400 Other Funds Ltd	174,590	-	-	-	-	-

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*	
5900 Other Capital Outlay							
3400 Other Funds Ltd	194,775	-	-	-	-	-	
5950 Undistributed (C.O.)							
3400 Other Funds Ltd	-	(1,408)	-	-	-	-	
CAPITAL OUTLAY							
3400 Other Funds Ltd	454,977	125,883	125,311	474,070	224,070	-	
TOTAL CAPITAL OUTLAY	**$454,977**	**$125,883**	**$125,311**	**$474,070**	**$224,070**	-	
EXPENDITURES							
3400 Other Funds Ltd	16,805,885	17,357,690	17,792,450	19,345,824	18,821,088	-	
TOTAL EXPENDITURES	**$16,805,885**	**$17,357,690**	**$17,792,450**	**$19,345,824**	**$18,821,088**	-	
ENDING BALANCE							
3400 Other Funds Ltd	-	-	-	-	184,736	-	
TOTAL ENDING BALANCE	-	-	-	-	**$184,736**	-	
AUTHORIZED POSITIONS							
8150 Class/Unclass Positions	68	68	67	69	68	-	
TOTAL AUTHORIZED POSITIONS	**68**	**68**	**67**	**69**	**68**	-	
AUTHORIZED FTE							
8250 Class/Unclass FTE Positions	68.00	68.00	67.00	68.25	68.00	-	
8280 FTE Reconciliation	-	(0.37)	(0.37)	-	-	-	
TOTAL AUTHORIZED FTE	**68.00**	**67.63**	**66.63**	**68.25**	**68.00**	-	

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*
REVENUE CATEGORIES						
TAXES						
0185 Privilege Taxes						
3400 Other Funds Ltd	-	-	-	-	16,035,830	-
LICENSES AND FEES						
0205 Business Lic and Fees						
3400 Other Funds Ltd	-	-	-	-	424,800	-
REVENUE CATEGORIES						
3400 Other Funds Ltd	-	-	-	-	16,460,630	-
TOTAL REVENUE CATEGORIES	-	-	-	-	**$16,460,630**	-
TRANSFERS OUT						
2070 Transfer to Cities						
3400 Other Funds Ltd	-	-	-	-	(910,895)	-
2080 Transfer to Counties						
3400 Other Funds Ltd	-	-	-	-	(910,895)	-
2141 Tsfr To Lands, Dept of State						
3400 Other Funds Ltd	-	-	-	-	(3,643,577)	-
2257 Tsfr To Police, Dept of State						
3400 Other Funds Ltd	-	-	-	-	(1,366,342)	-
2443 Tsfr To Oregon Health Authority						
3400 Other Funds Ltd	-	-	-	-	(2,277,236)	-
2603 Tsfr To Agriculture, Dept of						
3400 Other Funds Ltd	-	-	-	-	(212,641)	-

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*
TRANSFERS OUT						
3400 Other Funds Ltd	-	-	-	-	(9,321,586)	-
TOTAL TRANSFERS OUT	**-**	**-**	**-**	**-**	**($9,321,586)**	**-**
AVAILABLE REVENUES						
3400 Other Funds Ltd	-	-	-	-	7,139,044	-
TOTAL AVAILABLE REVENUES	**-**	**-**	**-**	**-**	**$7,139,044**	**-**
EXPENDITURES						
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
3400 Other Funds Ltd	-	-	-	-	2,145,960	-
OTHER PAYROLL EXPENSES						
3210 Empl. Rel. Bd. Assessments						
3400 Other Funds Ltd	-	-	-	-	902	-
3220 Public Employees' Retire Cont						
3400 Other Funds Ltd	-	-	-	-	364,811	-
3230 Social Security Taxes						
3400 Other Funds Ltd	-	-	-	-	164,168	-
3250 Worker's Comp. Assess. (WCD)						
3400 Other Funds Ltd	-	-	-	-	1,407	-
3270 Flexible Benefits						
3400 Other Funds Ltd	-	-	-	-	625,824	-
OTHER PAYROLL EXPENSES						

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	-	-	-	-	1,157,112	-
TOTAL OTHER PAYROLL EXPENSES	-	-	-	-	**$1,157,112**	-
P.S. BUDGET ADJUSTMENTS						
3465 Reconciliation Adjustment						
3400 Other Funds Ltd	-	-	-	-	221,774	-
PERSONAL SERVICES						
3400 Other Funds Ltd	-	-	-	-	3,524,846	-
TOTAL PERSONAL SERVICES	-	-	-	-	**$3,524,846**	-
SERVICES & SUPPLIES						
4100 Instate Travel						
3400 Other Funds Ltd	-	-	-	-	95,000	-
4125 Out of State Travel						
3400 Other Funds Ltd	-	-	-	-	15,000	-
4150 Employee Training						
3400 Other Funds Ltd	-	-	-	-	15,524	-
4175 Office Expenses						
3400 Other Funds Ltd	-	-	-	-	36,700	-
4200 Telecommunications						
3400 Other Funds Ltd	-	-	-	-	73,000	-
4275 Publicity and Publications						
3400 Other Funds Ltd	-	-	-	-	3,000	-
4300 Professional Services						
3400 Other Funds Ltd	-	-	-	-	92,202	-

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
4315 IT Professional Services						
3400 Other Funds Ltd	-	-	-	-	600,000	-
4375 Employee Recruitment and Develop						
3400 Other Funds Ltd	-	-	-	-	10,000	-
4400 Dues and Subscriptions						
3400 Other Funds Ltd	-	-	-	-	2,000	-
4425 Facilities Rental and Taxes						
3400 Other Funds Ltd	-	-	-	-	500,000	-
4475 Facilities Maintenance						
3400 Other Funds Ltd	-	-	-	-	396,952	-
4575 Agency Program Related S and S						
3400 Other Funds Ltd	-	-	-	-	16,000	-
4650 Other Services and Supplies						
3400 Other Funds Ltd	-	-	-	-	1,425,722	-
SERVICES & SUPPLIES						
3400 Other Funds Ltd	-	-	-	-	3,281,100	-
TOTAL SERVICES & SUPPLIES	-	-	-	-	**$3,281,100**	-
EXPENDITURES						
3400 Other Funds Ltd	-	-	-	-	6,805,946	-
TOTAL EXPENDITURES	-	-	-	-	**$6,805,946**	-
ENDING BALANCE						
3400 Other Funds Ltd	-	-	-	-	333,098	-
TOTAL ENDING BALANCE	-	-	-	-	**$333,098**	-

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*
AUTHORIZED POSITIONS						
8150 Class/Unclass Positions	-	-	-	-	28	-
TOTAL AUTHORIZED POSITIONS	-	-	-	-	**28**	-
AUTHORIZED FTE						
8250 Class/Unclass FTE Positions	-	-	-	-	20.50	-
TOTAL AUTHORIZED FTE	-	-	-	-	**20.50**	-

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*
REVENUE CATEGORIES						
SALES INCOME						
0710 Liquor Sales						
3400 Other Funds Ltd	-	4,222,000	4,222,000	-	-	-
TRANSFERS IN						
1010 Transfer In - Intrafund						
3400 Other Funds Ltd	86,384,020	90,936,000	90,936,000	98,959,000	101,958,335	-
REVENUE CATEGORIES						
3400 Other Funds Ltd	86,384,020	95,158,000	95,158,000	98,959,000	101,958,335	-
TOTAL REVENUE CATEGORIES	**$86,384,020**	**$95,158,000**	**$95,158,000**	**$98,959,000**	**$101,958,335**	-
AVAILABLE REVENUES						
3400 Other Funds Ltd	86,384,020	95,158,000	95,158,000	98,959,000	101,958,335	-
TOTAL AVAILABLE REVENUES	**$86,384,020**	**$95,158,000**	**$95,158,000**	**$98,959,000**	**$101,958,335**	-
EXPENDITURES						
SERVICES & SUPPLIES						
4300 Professional Services						
3400 Other Funds Ltd	86,384,020	95,158,000	95,158,000	98,959,000	101,958,335	-

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*
REVENUE CATEGORIES						
TRANSFERS IN						
1010 Transfer In - Intrafund						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	2,850,810	-
AVAILABLE REVENUES						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	2,850,810	-
TOTAL AVAILABLE REVENUES	**$208,406**	**$213,408**	**$213,408**	**$5,027,810**	**$2,850,810**	-
EXPENDITURES						
SERVICES & SUPPLIES						
4300 Professional Services						
3010 Other Funds Cap Improvement	5,797	-	-	-	-	-
4475 Facilities Maintenance						
3010 Other Funds Cap Improvement	162,247	-	-	-	-	-
SERVICES & SUPPLIES						
3010 Other Funds Cap Improvement	168,044	-	-	-	-	-
TOTAL SERVICES & SUPPLIES	**$168,044**	-	-	-	-	-
CAPITAL OUTLAY						
5650 Land and Improvements						
3010 Other Funds Cap Improvement	-	5,001	5,001	5,151	5,151	-
5700 Building Structures						
3010 Other Funds Cap Improvement	40,362	208,407	208,407	5,022,659	2,845,659	-
CAPITAL OUTLAY						
3010 Other Funds Cap Improvement	40,362	213,408	213,408	5,027,810	2,850,810	-

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*
TOTAL CAPITAL OUTLAY	**$40,362**	**$213,408**	**$213,408**	**$5,027,810**	**$2,850,810**	-
EXPENDITURES						
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	2,850,810	-
TOTAL EXPENDITURES	**$208,406**	**$213,408**	**$213,408**	**$5,027,810**	**$2,850,810**	-

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	
BEGINNING BALANCE							
0025 Beginning Balance							
3400 Other Funds Ltd	1,500,000	1,500,000	1,500,000	1,499,999	1,499,999		-
REVENUE CATEGORIES							
TAXES							
0185 Privilege Taxes							
3400 Other Funds Ltd	25,579,680	26,303,120	26,303,120	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		-
All Funds	33,280,362	36,284,000	36,284,000	36,622,000	36,622,000		-
LICENSES AND FEES							
0205 Business Lic and Fees							
3400 Other Funds Ltd	7,474,197	3,183,880	3,183,880	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		-
All Funds	9,724,280	9,429,000	9,429,000	10,304,000	10,304,000		-
CHARGES FOR SERVICES							
0410 Charges for Services							
3400 Other Funds Ltd	182	6,000	6,000	6,000	6,000		-
FINES, RENTS AND ROYALTIES							
0505 Fines and Forfeitures							
3400 Other Funds Ltd	643,493	1,042,000	1,042,000	1,107,000	1,107,000		-
SALES INCOME							
0705 Sales Income							
3400 Other Funds Ltd	1,061,553	650,000	650,000	700,000	700,000		-

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	
0710 Liquor Sales							
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	5,027,810		-
3400 Other Funds Ltd	759,008,388	799,630,824	800,880,273	892,600,744	892,600,744		-
8800 General Fund Revenue	215,613,392	224,203,768	224,203,768	216,769,926	216,769,926		-
All Funds	974,830,186	1,024,048,000	1,025,297,449	1,114,398,480	1,114,398,480		-
SALES INCOME							
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	5,027,810		-
3400 Other Funds Ltd	760,069,941	800,280,824	801,530,273	893,300,744	893,300,744		-
8800 General Fund Revenue	215,613,392	224,203,768	224,203,768	216,769,926	216,769,926		-
TOTAL SALES INCOME	**$975,891,739**	**$1,024,698,000**	**$1,025,947,449**	**$1,115,098,480**	**$1,115,098,480**		**-**
COST OF GOODS SOLD							
0755 Liquor Cost of Goods Sold							
3400 Other Funds Ltd	(474,005,720)	(488,974,741)	(488,974,741)	(545,214,268)	(545,214,268)		-
0760 Cost of Goods Sold							
3400 Other Funds Ltd	(11,789,934)	(13,788,990)	(13,788,990)	(14,280,800)	(13,645,839)		-
COST OF GOODS SOLD							
3400 Other Funds Ltd	(485,795,654)	(502,763,731)	(502,763,731)	(559,495,068)	(558,860,107)		-
TOTAL COST OF GOODS SOLD	**($485,795,654)**	**($502,763,731)**	**($502,763,731)**	**($559,495,068)**	**($558,860,107)**		**-**
OTHER							
0975 Other Revenues							
3400 Other Funds Ltd	9,775	25,000	25,000	25,000	25,000		-
REVENUE CATEGORIES							
3010 Other Funds Cap Improvement	208,406	213,408	213,408	5,027,810	5,027,810		-

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	307,981,614	328,077,093	329,326,542	364,992,116	365,627,077	-
8800 General Fund Revenue	225,564,157	240,429,768	240,429,768	233,647,486	233,647,486	-
TOTAL REVENUE CATEGORIES	**$533,754,177**	**$568,720,269**	**$569,969,718**	**$603,667,412**	**$604,302,373**	-
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
3010 Other Funds Cap Improvement	(208,406)	(213,408)	(213,408)	(5,027,810)	(5,027,810)	-
3400 Other Funds Ltd	(136,829,527)	(146,190,843)	(147,440,292)	(162,786,448)	(163,421,409)	-
All Funds	(137,037,933)	(146,404,251)	(147,653,700)	(167,814,258)	(168,449,219)	-
2050 Transfer to Other						
3400 Other Funds Ltd	(564,984)	(638,000)	(638,000)	(629,000)	(629,000)	-
2060 Transfer to General Fund						
8800 General Fund Revenue	(225,564,157)	(240,429,768)	(240,429,768)	(233,647,486)	(233,647,486)	-
2070 Transfer to Cities						
3400 Other Funds Ltd	(70,107,375)	(74,284,204)	(74,284,204)	(83,445,531)	(83,445,531)	-
2080 Transfer to Counties						
3400 Other Funds Ltd	(35,053,688)	(37,142,104)	(37,142,104)	(41,722,765)	(41,722,765)	-
2107 Tsfr To Administrative Svcs						
3400 Other Funds Ltd	(49,075,163)	(51,998,943)	(51,998,943)	(58,411,871)	(58,411,871)	-
2443 Tsfr To Oregon Health Authority						
3400 Other Funds Ltd	(16,350,877)	(17,823,000)	(17,823,000)	(17,996,500)	(17,996,500)	-
TRANSFERS OUT						
3010 Other Funds Cap Improvement	(208,406)	(213,408)	(213,408)	(5,027,810)	(5,027,810)	-
3400 Other Funds Ltd	(307,981,614)	(328,077,094)	(329,326,543)	(364,992,115)	(365,627,076)	-

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE 115

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*
8800 General Fund Revenue	(225,564,157)	(240,429,768)	(240,429,768)	(233,647,486)	(233,647,486)	-
TOTAL TRANSFERS OUT	**($533,754,177)**	**($568,720,270)**	**($569,969,719)**	**($603,667,411)**	**($604,302,372)**	-
AVAILABLE REVENUES						
3400 Other Funds Ltd	1,500,000	1,499,999	1,499,999	1,500,000	1,500,000	-
TOTAL AVAILABLE REVENUES	**$1,500,000**	**$1,499,999**	**$1,499,999**	**$1,500,000**	**$1,500,000**	-
ENDING BALANCE						
3400 Other Funds Ltd	1,500,000	1,499,999	1,499,999	1,500,000	1,500,000	-
TOTAL ENDING BALANCE	**$1,500,000**	**$1,499,999**	**$1,499,999**	**$1,500,000**	**$1,500,000**	-

Version / Column Comparison Report - Detail
2015-17 Biennium
Distilled Spirits Program

Cross Reference Number:84500-001-00-00-00000

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-01) 2015-17 Base Budget	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	-	18,914,728	18,914,728	100.00%
All Funds	-	33,776,300	33,776,300	100.00%
TRANSFERS IN				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	21,000,099	21,000,099	0	-
TOTAL REVENUES				
3400 Other Funds Ltd	21,000,099	35,861,671	14,861,572	70.77%
8800 General Fund Revenue	-	18,914,728	18,914,728	100.00%
TOTAL REVENUES	**$21,000,099**	**$54,776,399**	**$33,776,300**	**160.84%**
TRANSFERS OUT				
2060 Transfer to General Fund				
8800 General Fund Revenue	-	(18,914,728)	(18,914,728)	100.00%
2070 Transfer to Cities				
3400 Other Funds Ltd	-	(6,755,260)	(6,755,260)	100.00%
2080 Transfer to Counties				
3400 Other Funds Ltd	-	(3,377,630)	(3,377,630)	100.00%
2107 Tsfr To Administrative Svcs				
3400 Other Funds Ltd	-	(4,728,682)	(4,728,682)	100.00%
TOTAL TRANSFERS OUT				
3400 Other Funds Ltd	-	(14,861,572)	(14,861,572)	100.00%

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __117_____

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-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)	100.00%
TOTAL TRANSFERS OUT	**-**	**($33,776,300)**	**($33,776,300)**	**100.00%**
AVAILABLE REVENUES				
3400 Other Funds Ltd	21,000,099	21,000,099	0	-
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	5,582,892	5,565,624	(17,268)	-0.31%
3160 Temporary Appointments				
3400 Other Funds Ltd	24,561	24,561	0	-
3170 Overtime Payments				
3400 Other Funds Ltd	194,858	194,858	0	-
3180 Shift Differential				
3400 Other Funds Ltd	2,255	2,255	0	-
3190 All Other Differential				
3400 Other Funds Ltd	8,115	8,115	0	-
TOTAL SALARIES & WAGES				
3400 Other Funds Ltd	5,812,681	5,795,413	(17,268)	-0.30%
OTHER PAYROLL EXPENSES				
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	2,926	2,904	(22)	-0.75%
3220 Public Employees' Retire Cont				
3400 Other Funds Ltd	983,984	981,048	(2,936)	-0.30%

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3221 Pension Obligation Bond				
3400 Other Funds Ltd	359,136	359,136	0	-
3230 Social Security Taxes				
3400 Other Funds Ltd	444,664	443,342	(1,322)	-0.30%
3240 Unemployment Assessments				
3400 Other Funds Ltd	6,111	6,111	0	-
3250 Worker's Comp. Assess. (WCD)				
3400 Other Funds Ltd	4,586	4,554	(32)	-0.70%
3260 Mass Transit Tax				
3400 Other Funds Ltd	35,746	35,746	0	-
3270 Flexible Benefits				
3400 Other Funds Ltd	2,030,112	2,014,848	(15,264)	-0.75%
TOTAL OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	3,867,265	3,847,689	(19,576)	-0.51%
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				
3400 Other Funds Ltd	(35,708)	(35,708)	0	-
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	-	36,844	36,844	100.00%
TOTAL P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	(35,708)	1,136	36,844	103.18%
TOTAL PERSONAL SERVICES				
3400 Other Funds Ltd	9,644,238	9,644,238	0	-
SERVICES & SUPPLIES				

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4100 Instate Travel				
3400 Other Funds Ltd	52,935	52,935	0	-
4125 Out of State Travel				
3400 Other Funds Ltd	4,867	4,867	0	-
4150 Employee Training				
3400 Other Funds Ltd	3,742	3,742	0	-
4175 Office Expenses				
3400 Other Funds Ltd	10,528,274	10,528,274	0	-
4200 Telecommunications				
3400 Other Funds Ltd	57,053	57,053	0	-
4225 State Gov. Service Charges				
3400 Other Funds Ltd	116,954	116,954	0	-
4250 Data Processing				
3400 Other Funds Ltd	77,668	77,668	0	-
4275 Publicity and Publications				
3400 Other Funds Ltd	16,412	16,412	0	-
4300 Professional Services				
3400 Other Funds Ltd	13,558	13,558	0	-
4315 IT Professional Services				
3400 Other Funds Ltd	13,433	13,433	0	-
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	8,588	8,588	0	-
4400 Dues and Subscriptions				
3400 Other Funds Ltd	2,127	2,127	0	-

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	58,723	58,723	0	-
4450 Fuels and Utilities				
3400 Other Funds Ltd	214,373	214,373	0	-
4475 Facilities Maintenance				
3400 Other Funds Ltd	27,697	27,697	0	-
4575 Agency Program Related S and S				
3400 Other Funds Ltd	102,745	102,745	0	-
4650 Other Services and Supplies				
3400 Other Funds Ltd	8,480	8,480	0	-
4715 IT Expendable Property				
3400 Other Funds Ltd	11,719	11,719	0	-
TOTAL SERVICES & SUPPLIES				
3400 Other Funds Ltd	11,319,348	11,319,348	0	-
CAPITAL OUTLAY				
5350 Industrial and Heavy Equipment				
3400 Other Funds Ltd	21,818	21,818	0	-
5600 Data Processing Hardware				
3400 Other Funds Ltd	14,695	14,695	0	-
TOTAL CAPITAL OUTLAY				
3400 Other Funds Ltd	36,513	36,513	0	-
TOTAL EXPENDITURES				
3400 Other Funds Ltd	21,000,099	21,000,099	0	-
AUTHORIZED POSITIONS				

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-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	69	66	(3)	-4.35%
8180 Position Reconciliation	-	3	3	100.00%
TOTAL AUTHORIZED POSITIONS	**69**	**69**	**0**	**-**
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	66.50	66.00	(0.50)	-0.75%
8280 FTE Reconciliation	-	0.50	0.50	100.00%
TOTAL AUTHORIZED FTE	**66.50**	**66.50**	**0**	**-**

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-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	17,746,634	17,746,634	0	-
AVAILABLE REVENUES				
3400 Other Funds Ltd	17,746,634	17,746,634	0	-
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	9,986,496	9,986,496	0	-
3160 Temporary Appointments				
3400 Other Funds Ltd	34,568	34,568	0	-
3170 Overtime Payments				
3400 Other Funds Ltd	87,465	87,465	0	-
3180 Shift Differential				
3400 Other Funds Ltd	56,624	56,624	0	-
3190 All Other Differential				
3400 Other Funds Ltd	38,148	38,148	0	-
TOTAL SALARIES & WAGES				
3400 Other Funds Ltd	10,203,301	10,203,301	0	-
OTHER PAYROLL EXPENSES				
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	4,092	4,092	0	-

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3220 Public Employees' Retire Cont				
3400 Other Funds Ltd	1,728,688	1,728,688	0	-
3221 Pension Obligation Bond				
3400 Other Funds Ltd	614,277	614,277	0	-
3230 Social Security Taxes				
3400 Other Funds Ltd	780,555	780,555	0	-
3240 Unemployment Assessments				
3400 Other Funds Ltd	9,257	9,257	0	-
3250 Worker's Comp. Assess. (WCD)				
3400 Other Funds Ltd	6,417	6,417	0	-
3260 Mass Transit Tax				
3400 Other Funds Ltd	53,913	53,913	0	-
3270 Flexible Benefits				
3400 Other Funds Ltd	2,839,104	2,839,104	0	-
TOTAL OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	6,036,303	6,036,303	0	-
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				
3400 Other Funds Ltd	(49,257)	(49,257)	0	-
TOTAL PERSONAL SERVICES				
3400 Other Funds Ltd	16,190,347	16,190,347	0	-
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	107,351	107,351	0	-

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __124_____

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4125 Out of State Travel				
3400 Other Funds Ltd	10,427	10,427	0	-
4150 Employee Training				
3400 Other Funds Ltd	17,810	17,810	0	-
4175 Office Expenses				
3400 Other Funds Ltd	240,969	240,969	0	-
4200 Telecommunications				
3400 Other Funds Ltd	255,251	255,251	0	-
4225 State Gov. Service Charges				
3400 Other Funds Ltd	150,548	150,548	0	-
4250 Data Processing				
3400 Other Funds Ltd	22,673	22,673	0	-
4275 Publicity and Publications				
3400 Other Funds Ltd	56,255	56,255	0	-
4300 Professional Services				
3400 Other Funds Ltd	78,592	78,592	0	-
4315 IT Professional Services				
3400 Other Funds Ltd	65,804	65,804	0	-
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	7,564	7,564	0	-
4400 Dues and Subscriptions				
3400 Other Funds Ltd	2,927	2,927	0	-
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	436,564	436,564	0	-

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4450 Fuels and Utilities				
3400 Other Funds Ltd	20,909	20,909	0	-
4475 Facilities Maintenance				
3400 Other Funds Ltd	16,756	16,756	0	-
4575 Agency Program Related S and S				
3400 Other Funds Ltd	37,784	37,784	0	-
4650 Other Services and Supplies				
3400 Other Funds Ltd	9,806	9,806	0	-
4715 IT Expendable Property				
3400 Other Funds Ltd	18,297	18,297	0	-
TOTAL SERVICES & SUPPLIES				
3400 Other Funds Ltd	1,556,287	1,556,287	0	-
TOTAL EXPENDITURES				
3400 Other Funds Ltd	17,746,634	17,746,634	0	-
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	93	93	0	-
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	91.00	91.00	0	-

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-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	17,873,805	17,873,805	0	-
AVAILABLE REVENUES				
3400 Other Funds Ltd	17,873,805	17,873,805	0	-
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	8,474,856	8,483,016	8,160	0.10%
3160 Temporary Appointments				
3400 Other Funds Ltd	9,686	9,686	0	-
3170 Overtime Payments				
3400 Other Funds Ltd	45,498	45,498	0	-
3180 Shift Differential				
3400 Other Funds Ltd	2,895	2,895	0	-
3190 All Other Differential				
3400 Other Funds Ltd	11,261	11,261	0	-
TOTAL SALARIES & WAGES				
3400 Other Funds Ltd	8,544,196	8,552,356	8,160	0.10%
OTHER PAYROLL EXPENSES				
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	2,992	2,992	0	-

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3220 Public Employees' Retire Cont				
3400 Other Funds Ltd	1,446,783	1,448,169	1,386	0.10%
3221 Pension Obligation Bond				
3400 Other Funds Ltd	514,379	514,379	0	-
3230 Social Security Taxes				
3400 Other Funds Ltd	650,581	651,206	625	0.10%
3240 Unemployment Assessments				
3400 Other Funds Ltd	13,025	13,025	0	-
3250 Worker's Comp. Assess. (WCD)				
3400 Other Funds Ltd	4,692	4,692	0	-
3260 Mass Transit Tax				
3400 Other Funds Ltd	58,081	58,081	0	-
3270 Flexible Benefits				
3400 Other Funds Ltd	2,075,904	2,075,904	0	-
TOTAL OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	4,766,437	4,768,448	2,011	0.04%
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				
3400 Other Funds Ltd	(35,820)	(35,820)	0	-
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	-	(10,171)	(10,171)	100.00%
TOTAL P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	(35,820)	(45,991)	(10,171)	-28.39%
TOTAL PERSONAL SERVICES				

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-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	-
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	98,278	98,278	0	-
4125 Out of State Travel				
3400 Other Funds Ltd	27,400	27,400	0	-
4150 Employee Training				
3400 Other Funds Ltd	70,708	70,708	0	-
4175 Office Expenses				
3400 Other Funds Ltd	320,166	320,166	0	-
4200 Telecommunications				
3400 Other Funds Ltd	111,688	111,688	0	-
4225 State Gov. Service Charges				
3400 Other Funds Ltd	1,343,768	1,343,768	0	-
4250 Data Processing				
3400 Other Funds Ltd	426,720	426,720	0	-
4275 Publicity and Publications				
3400 Other Funds Ltd	10,890	10,890	0	-
4300 Professional Services				
3400 Other Funds Ltd	372,873	372,873	0	-
4315 IT Professional Services				
3400 Other Funds Ltd	157,240	157,240	0	-
4325 Attorney General				
3400 Other Funds Ltd	376,690	376,690	0	-

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	12,471	12,471	0	-
4400 Dues and Subscriptions				
3400 Other Funds Ltd	15,883	15,883	0	-
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	1,035	1,035	0	-
4450 Fuels and Utilities				
3400 Other Funds Ltd	328,369	328,369	0	-
4475 Facilities Maintenance				
3400 Other Funds Ltd	202,955	202,955	0	-
4575 Agency Program Related S and S				
3400 Other Funds Ltd	13,408	13,408	0	-
4650 Other Services and Supplies				
3400 Other Funds Ltd	168,258	168,258	0	-
4715 IT Expendable Property				
3400 Other Funds Ltd	414,881	414,881	0	-
TOTAL SERVICES & SUPPLIES				
3400 Other Funds Ltd	4,473,681	4,473,681	0	-
CAPITAL OUTLAY				
5200 Technical Equipment				
3400 Other Funds Ltd	14,328	14,328	0	-
5400 Automotive and Aircraft				
3400 Other Funds Ltd	110,983	110,983	0	-
TOTAL CAPITAL OUTLAY				

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-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	-
TOTAL EXPENDITURES				
3400 Other Funds Ltd	17,873,805	17,873,805	0	-
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	68	68	0	-
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	68.00	68.00	0	-

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-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	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-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				
3010 Other Funds Cap Improvement	213,408	213,408	0	-
AVAILABLE REVENUES				
3010 Other Funds Cap Improvement	213,408	213,408	0	-
EXPENDITURES				
CAPITAL OUTLAY				
5650 Land and Improvements				
3010 Other Funds Cap Improvement	5,001	5,001	0	-
5700 Building Structures				
3010 Other Funds Cap Improvement	208,407	208,407	0	-
TOTAL CAPITAL OUTLAY				
3010 Other Funds Cap Improvement	213,408	213,408	0	-

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
BEGINNING BALANCE				
0025 Beginning Balance				
3400 Other Funds Ltd	1,499,999	1,499,999	0	-
REVENUE CATEGORIES				
TAXES				
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	-
LICENSES AND FEES				
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	-
CHARGES FOR SERVICES				
0410 Charges for Services				
3400 Other Funds Ltd	6,000	6,000	0	-
FINES, RENTS AND ROYALTIES				
0505 Fines and Forfeitures				
3400 Other Funds Ltd	1,107,000	1,107,000	0	-
SALES INCOME				
0705 Sales Income				
3400 Other Funds Ltd	700,000	700,000	0	-
0710 Liquor Sales				

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-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	5,027,810	0	-
3400 Other Funds Ltd	892,600,744	892,600,744	0	-
8800 General Fund Revenue	216,769,926	216,769,926	0	-
All Funds	1,114,398,480	1,114,398,480	0	-
TOTAL SALES INCOME				
3010 Other Funds Cap Improvement	5,027,810	5,027,810	0	-
3400 Other Funds Ltd	893,300,744	893,300,744	0	-
8800 General Fund Revenue	216,769,926	216,769,926	0	-
TOTAL SALES INCOME	**$1,115,098,480**	**$1,115,098,480**	**0**	-
COST OF GOODS SOLD				
0755 Liquor Cost of Goods Sold				
3400 Other Funds Ltd	(545,214,268)	(545,214,268)	0	-
0760 Cost of Goods Sold				
3400 Other Funds Ltd	(14,280,800)	(14,280,800)	0	-
TOTAL COST OF GOODS SOLD				
3400 Other Funds Ltd	(559,495,068)	(559,495,068)	0	-
OTHER				
0975 Other Revenues				
3400 Other Funds Ltd	25,000	25,000	0	-
TOTAL REVENUES				
3010 Other Funds Cap Improvement	5,027,810	5,027,810	0	-
3400 Other Funds Ltd	364,992,116	364,992,116	0	-
8800 General Fund Revenue	233,647,486	233,647,486	0	-
TOTAL REVENUES	**$603,667,412**	**$603,667,412**	**0**	-

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TRANSFERS OUT				
2010 Transfer Out - Intrafund				
3010 Other Funds Cap Improvement	(5,027,810)	(5,027,810)	0	-
3400 Other Funds Ltd	(162,786,448)	(162,786,448)	0	-
All Funds	(167,814,258)	(167,814,258)	0	-
2050 Transfer to Other				
3400 Other Funds Ltd	(629,000)	(629,000)	0	-
2060 Transfer to General Fund				
8800 General Fund Revenue	(233,647,486)	(233,647,486)	0	-
2070 Transfer to Cities				
3400 Other Funds Ltd	(83,445,531)	(83,445,531)	0	-
2080 Transfer to Counties				
3400 Other Funds Ltd	(41,722,765)	(41,722,765)	0	-
2107 Tsfr To Administrative Svcs				
3400 Other Funds Ltd	(58,411,871)	(58,411,871)	0	-
2443 Tsfr To Oregon Health Authority				
3400 Other Funds Ltd	(17,996,500)	(17,996,500)	0	-
TOTAL TRANSFERS OUT				
3010 Other Funds Cap Improvement	(5,027,810)	(5,027,810)	0	-
3400 Other Funds Ltd	(364,992,115)	(364,992,115)	0	-
8800 General Fund Revenue	(233,647,486)	(233,647,486)	0	-
TOTAL TRANSFERS OUT	**($603,667,411)**	**($603,667,411)**	**0**	-
AVAILABLE REVENUES				
3400 Other Funds Ltd	1,500,000	1,500,000	0	-

Description	Agency Request Budget (V-01) 2015-17 Base Budget	Governor's Budget (Y-01) 2015-17 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
ENDING BALANCE				
3400 Other Funds Ltd	1,500,000	1,500,000	0	-

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
REVENUE CATEGORIES				
3400 Other Funds Ltd	22,828	22,828	0	0.00%
TOTAL REVENUE CATEGORIES	**$22,828**	**$22,828**	**$0**	**0.00%**
AVAILABLE REVENUES				
3400 Other Funds Ltd	22,828	22,828	0	0.00%
TOTAL AVAILABLE REVENUES	**$22,828**	**$22,828**	**$0**	**0.00%**
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3160 Temporary Appointments				
3400 Other Funds Ltd	681	681	0	0.00%
3170 Overtime Payments				
3400 Other Funds Ltd	4,668	4,668	0	0.00%
3180 Shift Differential				
3400 Other Funds Ltd	53	53	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3190 All Other Differential				
3400 Other Funds Ltd	194	194	0	0.00%
SALARIES & WAGES				
3400 Other Funds Ltd	5,596	5,596	0	0.00%
TOTAL SALARIES & WAGES	**$5,596**	**$5,596**	**$0**	**0.00%**
OTHER PAYROLL EXPENSES				
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	835	835	0	0.00%
3221 Pension Obligation Bond				
3400 Other Funds Ltd	95,845	95,845	0	0.00%
3230 Social Security Taxes				
3400 Other Funds Ltd	428	428	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	(1,027)	(1,027)	0	0.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	96,081	96,081	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	**$96,081**	**$96,081**	**$0**	**0.00%**
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(78,849)	(78,849)	0	0.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	22,828	22,828	0	0.00%
TOTAL PERSONAL SERVICES	**$22,828**	**$22,828**	**$0**	**0.00%**
EXPENDITURES				
3400 Other Funds Ltd	22,828	22,828	0	0.00%
TOTAL EXPENDITURES	**$22,828**	**$22,828**	**$0**	**0.00%**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
REVENUE CATEGORIES				
3400 Other Funds Ltd	309,494	309,494	0	0.00%
TOTAL REVENUE CATEGORIES	**$309,494**	**$309,494**	**$0**	**0.00%**
AVAILABLE REVENUES				
3400 Other Funds Ltd	309,494	309,494	0	0.00%
TOTAL AVAILABLE REVENUES	**$309,494**	**$309,494**	**$0**	**0.00%**
EXPENDITURES				
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	1,589	1,589	0	0.00%
4125 Out of State Travel				
3400 Other Funds Ltd	145	145	0	0.00%
4150 Employee Training				
3400 Other Funds Ltd	112	112	0	0.00%
4175 Office Expenses				

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	315,850	315,850	0	0.00%
4200 Telecommunications				
3400 Other Funds Ltd	1,711	1,711	0	0.00%
4225 State Gov. Service Charges				
3400 Other Funds Ltd	(25,311)	(32,443)	(7,132)	(28.18%)
4250 Data Processing				
3400 Other Funds Ltd	2,330	2,330	0	0.00%
4275 Publicity and Publications				
3400 Other Funds Ltd	493	493	0	0.00%
4300 Professional Services				
3400 Other Funds Ltd	407	407	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	403	403	0	0.00%
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	258	258	0	0.00%
4400 Dues and Subscriptions				
3400 Other Funds Ltd	57	57	0	0.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	1,761	1,761	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4450 Fuels and Utilities				
3400 Other Funds Ltd	4,072	4,072	0	0.00%
4475 Facilities Maintenance				
3400 Other Funds Ltd	831	831	0	0.00%
4575 Agency Program Related S and S				
3400 Other Funds Ltd	3,083	3,083	0	0.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	255	255	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	352	352	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	308,398	301,266	(7,132)	(2.31%)
TOTAL SERVICES & SUPPLIES	**$308,398**	**$301,266**	**($7,132)**	**(2.31%)**
CAPITAL OUTLAY				
5350 Industrial and Heavy Equipment				
3400 Other Funds Ltd	655	655	0	0.00%
5600 Data Processing Hardware				
3400 Other Funds Ltd	441	441	0	0.00%
CAPITAL OUTLAY				

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __143____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	1,096	1,096	0	0.00%
TOTAL CAPITAL OUTLAY	**$1,096**	**$1,096**	**$0**	**0.00%**
EXPENDITURES				
3400 Other Funds Ltd	309,494	302,362	(7,132)	(2.30%)
TOTAL EXPENDITURES	**$309,494**	**$302,362**	**($7,132)**	**(2.30%)**
ENDING BALANCE				
3400 Other Funds Ltd	-	7,132	7,132	100.00%
TOTAL ENDING BALANCE	**-**	**$7,132**	**$7,132**	**100.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
REVENUE CATEGORIES				
3400 Other Funds Ltd	731	731	0	0.00%
TOTAL REVENUE CATEGORIES	**$731**	**$731**	**$0**	**0.00%**
AVAILABLE REVENUES				
3400 Other Funds Ltd	731	731	0	0.00%
TOTAL AVAILABLE REVENUES	**$731**	**$731**	**$0**	**0.00%**
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3400 Other Funds Ltd	41	41	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	40	40	0	0.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	650	650	0	0.00%
SERVICES & SUPPLIES				

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___145____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	731	731	0	0.00%
TOTAL SERVICES & SUPPLIES	**$731**	**$731**	**$0**	**0.00%**
EXPENDITURES				
3400 Other Funds Ltd	731	731	0	0.00%
TOTAL EXPENDITURES	**$731**	**$731**	**$0**	**0.00%**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
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%
TOTAL REVENUE CATEGORIES	**-**	**$314,626**	**$314,626**	**100.00%**
2000				
2060 Transfer to General Fund				
8800 General Fund Revenue	-	(14,861,572)	(14,861,572)	100.00%
2070 Transfer to Cities				
3400 Other Funds Ltd	-	6,755,260	6,755,260	100.00%

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___147_____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
2080 Transfer to Counties				
3400 Other Funds Ltd	-	3,377,630	3,377,630	100.00%
2107 Tsfr To Administrative Svcs				
3400 Other Funds Ltd	-	4,728,682	4,728,682	100.00%
2000				
3400 Other Funds Ltd	-	14,861,572	14,861,572	100.00%
8800 General Fund Revenue	-	(14,861,572)	(14,861,572)	100.00%
TOTAL 2000	-	-	**$0**	**0.00%**
AVAILABLE REVENUES				
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%
TOTAL AVAILABLE REVENUES	-	**$314,626**	**$314,626**	**100.00%**
EXPENDITURES				
SERVICES & SUPPLIES				
4175 Office Expenses				
3200 Other Funds Non-Ltd	-	314,626	314,626	100.00%
SERVICES & SUPPLIES				
3200 Other Funds Non-Ltd	-	314,626	314,626	100.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL SERVICES & SUPPLIES	**-**	**$314,626**	**$314,626**	**100.00%**
EXPENDITURES				
3200 Other Funds Non-Ltd	-	314,626	314,626	100.00%
TOTAL EXPENDITURES	**-**	**$314,626**	**$314,626**	**100.00%**
ENDING BALANCE				
3200 Other Funds Non-Ltd	-	-	0	0.00%
3400 Other Funds Ltd	-	-	0	0.00%
8800 General Fund Revenue	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	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%
4575 Agency Program Related S and S				
3400 Other Funds Ltd	20,000	20,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	110,000	110,000	0	0.00%
TOTAL SERVICES & SUPPLIES	**$110,000**	**$110,000**	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
CAPITAL OUTLAY				
5350 Industrial and Heavy Equipment				
3400 Other Funds Ltd	45,000	45,000	0	0.00%
5550 Data Processing Software				
3400 Other Funds Ltd	222,200	222,200	0	0.00%
5600 Data Processing Hardware				
3400 Other Funds Ltd	156,700	156,700	0	0.00%
5700 Building Structures				
3400 Other Funds Ltd	4,486,100	4,486,100	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	4,910,000	4,910,000	0	0.00%
TOTAL CAPITAL OUTLAY	**$4,910,000**	**$4,910,000**	**$0**	**0.00%**
EXPENDITURES				
3400 Other Funds Ltd	5,020,000	5,020,000	0	0.00%
TOTAL EXPENDITURES	**$5,020,000**	**$5,020,000**	**$0**	**0.00%**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	50,000	-	(50,000)	(100.00%)
REVENUE CATEGORIES				
3400 Other Funds Ltd	50,000	-	(50,000)	(100.00%)
TOTAL REVENUE CATEGORIES	**$50,000**	**-**	**($50,000)**	**(100.00%)**
AVAILABLE REVENUES				
3400 Other Funds Ltd	50,000	-	(50,000)	(100.00%)
TOTAL AVAILABLE REVENUES	**$50,000**	**-**	**($50,000)**	**(100.00%)**
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3400 Other Funds Ltd	50,000	-	(50,000)	(100.00%)
SERVICES & SUPPLIES				
3400 Other Funds Ltd	50,000	-	(50,000)	(100.00%)
TOTAL SERVICES & SUPPLIES	**$50,000**	**-**	**($50,000)**	**(100.00%)**
EXPENDITURES				
3400 Other Funds Ltd	50,000	-	(50,000)	(100.00%)

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __152_____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL EXPENDITURES	**$50,000**	**-**	**($50,000)**	**(100.00%)**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	0	0.00%
3400 Other Funds Ltd	(10,733,731)	(10,733,731)	0	0.00%
All Funds	-	-	0	0.00%
REVENUE CATEGORIES				
3200 Other Funds Non-Ltd	10,733,731	10,733,731	0	0.00%
3400 Other Funds Ltd	(10,733,731)	(10,733,731)	0	0.00%
TOTAL REVENUE CATEGORIES	-	-	**$0**	**0.00%**
AVAILABLE REVENUES				
3200 Other Funds Non-Ltd	10,733,731	10,733,731	0	0.00%
3400 Other Funds Ltd	(10,733,731)	(10,733,731)	0	0.00%
TOTAL AVAILABLE REVENUES	-	-	**$0**	**0.00%**
EXPENDITURES				
SERVICES & SUPPLIES				
4175 Office Expenses				
3200 Other Funds Non-Ltd	10,733,731	10,733,731	0	0.00%
3400 Other Funds Ltd	(10,733,731)	(10,733,731)	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
All Funds	-	-	0	0.00%
SERVICES & SUPPLIES				
3200 Other Funds Non-Ltd	10,733,731	10,733,731	0	0.00%
3400 Other Funds Ltd	(10,733,731)	(10,733,731)	0	0.00%
TOTAL SERVICES & SUPPLIES	-	-	**$0**	**0.00%**
EXPENDITURES				
3200 Other Funds Non-Ltd	10,733,731	10,733,731	0	0.00%
3400 Other Funds Ltd	(10,733,731)	(10,733,731)	0	0.00%
TOTAL EXPENDITURES	-	-	**$0**	**0.00%**
ENDING BALANCE				
3200 Other Funds Non-Ltd	-	-	0	0.00%
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
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%
TOTAL SERVICES & SUPPLIES	**$55,000**	**$55,000**	**$0**	**0.00%**
EXPENDITURES				
3400 Other Funds Ltd	55,000	55,000	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL EXPENDITURES	**$55,000**	**$55,000**	**$0**	**0.00%**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __157____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
REVENUE CATEGORIES				
3400 Other Funds Ltd	(92,403)	(92,403)	0	0.00%
TOTAL REVENUE CATEGORIES	**($92,403)**	**($92,403)**	**$0**	**0.00%**
AVAILABLE REVENUES				
3400 Other Funds Ltd	(92,403)	(92,403)	0	0.00%
TOTAL AVAILABLE REVENUES	**($92,403)**	**($92,403)**	**$0**	**0.00%**
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3160 Temporary Appointments				
3400 Other Funds Ltd	957	957	0	0.00%
3170 Overtime Payments				
3400 Other Funds Ltd	2,096	2,096	0	0.00%
3180 Shift Differential				
3400 Other Funds Ltd	1,357	1,357	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3190 All Other Differential				
3400 Other Funds Ltd	914	914	0	0.00%
SALARIES & WAGES				
3400 Other Funds Ltd	5,324	5,324	0	0.00%
TOTAL SALARIES & WAGES	**$5,324**	**$5,324**	**$0**	**0.00%**
OTHER PAYROLL EXPENSES				
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	743	743	0	0.00%
3221 Pension Obligation Bond				
3400 Other Funds Ltd	(1,059)	(1,059)	0	0.00%
3230 Social Security Taxes				
3400 Other Funds Ltd	406	406	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	7,331	7,331	0	0.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	7,421	7,421	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	**$7,421**	**$7,421**	**$0**	**0.00%**
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
PERSONAL SERVICES				
3400 Other Funds Ltd	(92,403)	(92,403)	0	0.00%
TOTAL PERSONAL SERVICES	**($92,403)**	**($92,403)**	**$0**	**0.00%**
EXPENDITURES				
3400 Other Funds Ltd	(92,403)	(92,403)	0	0.00%
TOTAL EXPENDITURES	**($92,403)**	**($92,403)**	**$0**	**0.00%**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
REVENUE CATEGORIES				
3400 Other Funds Ltd	2,141	2,141	0	0.00%
TOTAL REVENUE CATEGORIES	**$2,141**	**$2,141**	**$0**	**0.00%**
AVAILABLE REVENUES				
3400 Other Funds Ltd	2,141	2,141	0	0.00%
TOTAL AVAILABLE REVENUES	**$2,141**	**$2,141**	**$0**	**0.00%**
EXPENDITURES				
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	3,220	3,220	0	0.00%
4125 Out of State Travel				
3400 Other Funds Ltd	313	313	0	0.00%
4150 Employee Training				
3400 Other Funds Ltd	534	534	0	0.00%
4175 Office Expenses				

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
4200 Telecommunications				
3400 Other Funds Ltd	7,658	7,658	0	0.00%
4225 State Gov. Service Charges				
3400 Other Funds Ltd	(40,031)	(48,632)	(8,601)	(21.49%)
4250 Data Processing				
3400 Other Funds Ltd	680	680	0	0.00%
4275 Publicity and Publications				
3400 Other Funds Ltd	1,688	1,688	0	0.00%
4300 Professional Services				
3400 Other Funds Ltd	2,358	2,358	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	1,974	1,974	0	0.00%
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	227	227	0	0.00%
4400 Dues and Subscriptions				
3400 Other Funds Ltd	88	88	0	0.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	13,096	13,096	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4450 Fuels and Utilities				
3400 Other Funds Ltd	628	628	0	0.00%
4475 Facilities Maintenance				
3400 Other Funds Ltd	502	502	0	0.00%
4575 Agency Program Related S and S				
3400 Other Funds Ltd	1,134	1,134	0	0.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	294	294	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	549	549	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	2,141	(6,460)	(8,601)	(401.73%)
TOTAL SERVICES & SUPPLIES	**$2,141**	**($6,460)**	**($8,601)**	**(401.73%)**
EXPENDITURES				
3400 Other Funds Ltd	2,141	(6,460)	(8,601)	(401.73%)
TOTAL EXPENDITURES	**$2,141**	**($6,460)**	**($8,601)**	**(401.73%)**
ENDING BALANCE				
3400 Other Funds Ltd	-	8,601	8,601	100.00%
TOTAL ENDING BALANCE	**-**	**$8,601**	**$8,601**	**100.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
REVENUE CATEGORIES				
3400 Other Funds Ltd	6,200	6,200	0	0.00%
TOTAL REVENUE CATEGORIES	**$6,200**	**$6,200**	**$0**	**0.00%**
AVAILABLE REVENUES				
3400 Other Funds Ltd	6,200	6,200	0	0.00%
TOTAL AVAILABLE REVENUES	**$6,200**	**$6,200**	**$0**	**0.00%**
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3400 Other Funds Ltd	236	236	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	197	197	0	0.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	5,767	5,767	0	0.00%
SERVICES & SUPPLIES				

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
TOTAL SERVICES & SUPPLIES	**$6,200**	**$6,200**	**$0**	**0.00%**
EXPENDITURES				
3400 Other Funds Ltd	6,200	6,200	0	0.00%
TOTAL EXPENDITURES	**$6,200**	**$6,200**	**$0**	**0.00%**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
TOTAL REVENUE CATEGORIES	-	**$324,750**	**$324,750**	**100.00%**
2000				
2060 Transfer to General Fund				
8800 General Fund Revenue	-	(181,860)	(181,860)	100.00%
2070 Transfer to Cities				
3400 Other Funds Ltd	-	(64,950)	(64,950)	100.00%
2080 Transfer to Counties				
3400 Other Funds Ltd	-	(32,475)	(32,475)	100.00%
2107 Tsfr To Administrative Svcs				
3400 Other Funds Ltd	-	(45,465)	(45,465)	100.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
2000				
3400 Other Funds Ltd	-	(142,890)	(142,890)	100.00%
8800 General Fund Revenue	-	(181,860)	(181,860)	100.00%
TOTAL 2000	**-**	**($324,750)**	**($324,750)**	**100.00%**
AVAILABLE REVENUES				
3400 Other Funds Ltd	-	-	0	0.00%
8800 General Fund Revenue	-	-	0	0.00%
TOTAL AVAILABLE REVENUES	**-**	**-**	**$0**	**0.00%**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
8800 General Fund Revenue	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	260,900	248,900	(12,000)	(4.60%)
REVENUE CATEGORIES				
3400 Other Funds Ltd	260,900	248,900	(12,000)	(4.60%)
TOTAL REVENUE CATEGORIES	**$260,900**	**$248,900**	**($12,000)**	**(4.60%)**
AVAILABLE REVENUES				
3400 Other Funds Ltd	260,900	248,900	(12,000)	(4.60%)
TOTAL AVAILABLE REVENUES	**$260,900**	**$248,900**	**($12,000)**	**(4.60%)**
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3170 Overtime Payments				
3400 Other Funds Ltd	9,627	-	(9,627)	(100.00%)
SALARIES & WAGES				
3400 Other Funds Ltd	9,627	-	(9,627)	(100.00%)
TOTAL SALARIES & WAGES	**$9,627**	**-**	**($9,627)**	**(100.00%)**
OTHER PAYROLL EXPENSES				

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___168____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	1,637	-	(1,637)	(100.00%)
3230 Social Security Taxes				
3400 Other Funds Ltd	736	-	(736)	(100.00%)
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	2,373	-	(2,373)	(100.00%)
TOTAL OTHER PAYROLL EXPENSES	**$2,373**	**-**	**($2,373)**	**(100.00%)**
PERSONAL SERVICES				
3400 Other Funds Ltd	12,000	-	(12,000)	(100.00%)
TOTAL PERSONAL SERVICES	**$12,000**	**-**	**($12,000)**	**(100.00%)**
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	248,900	248,900	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	248,900	248,900	0	0.00%
TOTAL SERVICES & SUPPLIES	**$248,900**	**$248,900**	**$0**	**0.00%**
EXPENDITURES				
3400 Other Funds Ltd	260,900	248,900	(12,000)	(4.60%)
TOTAL EXPENDITURES	**$260,900**	**$248,900**	**($12,000)**	**(4.60%)**

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___169____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___170____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	100,000	-	(100,000)	(100.00%)
REVENUE CATEGORIES				
3400 Other Funds Ltd	100,000	-	(100,000)	(100.00%)
TOTAL REVENUE CATEGORIES	**$100,000**	**-**	**($100,000)**	**(100.00%)**
AVAILABLE REVENUES				
3400 Other Funds Ltd	100,000	-	(100,000)	(100.00%)
TOTAL AVAILABLE REVENUES	**$100,000**	**-**	**($100,000)**	**(100.00%)**
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3400 Other Funds Ltd	100,000	-	(100,000)	(100.00%)
SERVICES & SUPPLIES				
3400 Other Funds Ltd	100,000	-	(100,000)	(100.00%)
TOTAL SERVICES & SUPPLIES	**$100,000**	**-**	**($100,000)**	**(100.00%)**
EXPENDITURES				
3400 Other Funds Ltd	100,000	-	(100,000)	(100.00%)

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL EXPENDITURES	**$100,000**	**-**	**($100,000)**	**(100.00%)**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	(147,805)	(147,805)	0	0.00%
AVAILABLE REVENUES				
3400 Other Funds Ltd	(147,805)	(147,805)	0	0.00%
TOTAL AVAILABLE REVENUES	**($147,805)**	**($147,805)**	**$0**	**0.00%**
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				

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
TOTAL SALARIES & WAGES	**$1,699**	**$1,699**	**$0**	**0.00%**
OTHER PAYROLL EXPENSES				
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	243	243	0	0.00%
3221 Pension Obligation Bond				
3400 Other Funds Ltd	(65,988)	(65,988)	0	0.00%
3230 Social Security Taxes				
3400 Other Funds Ltd	129	129	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	(6,811)	(6,811)	0	0.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	(72,427)	(72,427)	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	**($72,427)**	**($72,427)**	**$0**	**0.00%**
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				
3400 Other Funds Ltd	(77,077)	(77,077)	0	0.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	(147,805)	(147,805)	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL PERSONAL SERVICES	**($147,805)**	**($147,805)**	**$0**	**0.00%**
EXPENDITURES				
3400 Other Funds Ltd	(147,805)	(147,805)	0	0.00%
TOTAL EXPENDITURES	**($147,805)**	**($147,805)**	**$0**	**0.00%**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
AVAILABLE REVENUES				
3400 Other Funds Ltd	918,220	918,220	0	0.00%
TOTAL AVAILABLE REVENUES	**$918,220**	**$918,220**	**$0**	**0.00%**
EXPENDITURES				
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	2,950	2,950	0	0.00%
4125 Out of State Travel				
3400 Other Funds Ltd	822	822	0	0.00%
4150 Employee Training				
3400 Other Funds Ltd	2,120	2,120	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	9,605	9,605	0	0.00%
4200 Telecommunications				
3400 Other Funds Ltd	3,351	3,351	0	0.00%

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __176____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4225 State Gov. Service Charges				
3400 Other Funds Ltd	759,538	595,850	(163,688)	(21.55%)
4250 Data Processing				
3400 Other Funds Ltd	12,802	12,802	0	0.00%
4275 Publicity and Publications				
3400 Other Funds Ltd	327	327	0	0.00%
4300 Professional Services				
3400 Other Funds Ltd	11,185	11,185	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	4,718	4,718	0	0.00%
4325 Attorney General				
3400 Other Funds Ltd	72,324	51,276	(21,048)	(29.10%)
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	374	374	0	0.00%
4400 Dues and Subscriptions				
3400 Other Funds Ltd	477	477	0	0.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	31	31	0	0.00%
4450 Fuels and Utilities				

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __177_____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
4475 Facilities Maintenance				
3400 Other Funds Ltd	6,089	6,089	0	0.00%
4575 Agency Program Related S and S				
3400 Other Funds Ltd	402	402	0	0.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	5,048	5,048	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	12,447	12,447	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	914,461	729,725	(184,736)	(20.20%)
TOTAL SERVICES & SUPPLIES	**$914,461**	**$729,725**	**($184,736)**	**(20.20%)**
CAPITAL OUTLAY				
5200 Technical Equipment				
3400 Other Funds Ltd	489	489	0	0.00%
5400 Automotive and Aircraft				
3400 Other Funds Ltd	3,270	3,270	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	3,759	3,759	0	0.00%

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __178_____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL CAPITAL OUTLAY	**$3,759**	**$3,759**	**$0**	**0.00%**
EXPENDITURES				
3400 Other Funds Ltd	918,220	733,484	(184,736)	(20.12%)
TOTAL EXPENDITURES	**$918,220**	**$733,484**	**($184,736)**	**(20.12%)**
ENDING BALANCE				
3400 Other Funds Ltd	-	184,736	184,736	100.00%
TOTAL ENDING BALANCE	**-**	**$184,736**	**$184,736**	**100.00%**

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __179_____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
AVAILABLE REVENUES				
3400 Other Funds Ltd	1,604	1,604	0	0.00%
TOTAL AVAILABLE REVENUES	**$1,604**	**$1,604**	**$0**	**0.00%**
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3400 Other Funds Ltd	1,119	1,119	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	471	471	0	0.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	14	14	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	1,604	1,604	0	0.00%
TOTAL SERVICES & SUPPLIES	**$1,604**	**$1,604**	**$0**	**0.00%**
EXPENDITURES				

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __180_____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
TOTAL EXPENDITURES	**$1,604**	**$1,604**	**$0**	**0.00%**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __181_____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	290,000	250,000	(40,000)	(13.79%)
AVAILABLE REVENUES				
3400 Other Funds Ltd	290,000	250,000	(40,000)	(13.79%)
TOTAL AVAILABLE REVENUES	**$290,000**	**$250,000**	**($40,000)**	**(13.79%)**
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	16,440	-	(16,440)	(100.00%)
SALARIES & WAGES				
3400 Other Funds Ltd	16,440	-	(16,440)	(100.00%)
TOTAL SALARIES & WAGES	**$16,440**	**-**	**($16,440)**	**(100.00%)**
OTHER PAYROLL EXPENSES				
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	11	-	(11)	(100.00%)
3220 Public Employees Retire Cont				

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __182_____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	2,795	-	(2,795)	(100.00%)
3230 Social Security Taxes				
3400 Other Funds Ltd	1,258	-	(1,258)	(100.00%)
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	17	-	(17)	(100.00%)
3270 Flexible Benefits				
3400 Other Funds Ltd	7,632	-	(7,632)	(100.00%)
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	11,713	-	(11,713)	(100.00%)
TOTAL OTHER PAYROLL EXPENSES	**$11,713**	**-**	**($11,713)**	**(100.00%)**
PERSONAL SERVICES				
3400 Other Funds Ltd	28,153	-	(28,153)	(100.00%)
TOTAL PERSONAL SERVICES	**$28,153**	**-**	**($28,153)**	**(100.00%)**
SERVICES & SUPPLIES				
4175 Office Expenses				
3400 Other Funds Ltd	6,000	6,000	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	249,681	237,834	(11,847)	(4.74%)
4475 Facilities Maintenance				

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	3,181	3,181	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	2,985	2,985	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	261,847	250,000	(11,847)	(4.52%)
TOTAL SERVICES & SUPPLIES	**$261,847**	**$250,000**	**($11,847)**	**(4.52%)**
EXPENDITURES				
3400 Other Funds Ltd	290,000	250,000	(40,000)	(13.79%)
TOTAL EXPENDITURES	**$290,000**	**$250,000**	**($40,000)**	**(13.79%)**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	1	-	(1)	(100.00%)
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	0.25	-	(0.25)	(100.00%)

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	300,000	-	(300,000)	(100.00%)
AVAILABLE REVENUES				
3400 Other Funds Ltd	300,000	-	(300,000)	(100.00%)
TOTAL AVAILABLE REVENUES	**$300,000**	**-**	**($300,000)**	**(100.00%)**
EXPENDITURES				
SERVICES & SUPPLIES				
4315 IT Professional Services				
3400 Other Funds Ltd	50,000	-	(50,000)	(100.00%)
SERVICES & SUPPLIES				
3400 Other Funds Ltd	50,000	-	(50,000)	(100.00%)
TOTAL SERVICES & SUPPLIES	**$50,000**	**-**	**($50,000)**	**(100.00%)**
CAPITAL OUTLAY				
5550 Data Processing Software				
3400 Other Funds Ltd	100,000	-	(100,000)	(100.00%)
5600 Data Processing Hardware				
3400 Other Funds Ltd	150,000	-	(150,000)	(100.00%)

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE 185

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
CAPITAL OUTLAY				
3400 Other Funds Ltd	250,000	-	(250,000)	(100.00%)
TOTAL CAPITAL OUTLAY	**$250,000**	**-**	**($250,000)**	**(100.00%)**
EXPENDITURES				
3400 Other Funds Ltd	300,000	-	(300,000)	(100.00%)
TOTAL EXPENDITURES	**$300,000**	**-**	**($300,000)**	**(100.00%)**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE __186____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
AVAILABLE REVENUES				
3400 Other Funds Ltd	110,000	110,000	0	0.00%
TOTAL AVAILABLE REVENUES	**$110,000**	**$110,000**	**$0**	**0.00%**
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3400 Other Funds Ltd	15,000	15,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	15,000	15,000	0	0.00%
TOTAL SERVICES & SUPPLIES	**$15,000**	**$15,000**	**$0**	**0.00%**
CAPITAL OUTLAY				
5200 Technical Equipment				
3400 Other Funds Ltd	95,000	95,000	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	95,000	95,000	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL CAPITAL OUTLAY	**$95,000**	**$95,000**	**$0**	**0.00%**
EXPENDITURES				
3400 Other Funds Ltd	110,000	110,000	0	0.00%
TOTAL EXPENDITURES	**$110,000**	**$110,000**	**$0**	**0.00%**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
REVENUE CATEGORIES				
TAXES				
0185 Privilege Taxes				
3400 Other Funds Ltd	-	16,035,830	16,035,830	100.00%
LICENSES AND FEES				
0205 Business Lic and Fees				
3400 Other Funds Ltd	-	424,800	424,800	100.00%
REVENUE CATEGORIES				
3400 Other Funds Ltd	-	16,460,630	16,460,630	100.00%
TOTAL REVENUE CATEGORIES	**-**	**$16,460,630**	**$16,460,630**	**100.00%**
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%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
2443 Tsfr To Oregon Health Authority				
3400 Other Funds Ltd	-	(2,277,236)	(2,277,236)	100.00%
2603 Tsfr To Agriculture, Dept of				
3400 Other Funds Ltd	-	(212,641)	(212,641)	100.00%
2000				
3400 Other Funds Ltd	-	(9,321,586)	(9,321,586)	100.00%
TOTAL 2000	**-**	**($9,321,586)**	**($9,321,586)**	**100.00%**
AVAILABLE REVENUES				
3400 Other Funds Ltd	-	7,139,044	7,139,044	100.00%
TOTAL AVAILABLE REVENUES	**-**	**$7,139,044**	**$7,139,044**	**100.00%**
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	-	2,145,960	2,145,960	100.00%
OTHER PAYROLL EXPENSES				
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	-	902	902	100.00%
3220 Public Employees Retire Cont				

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___190____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
3230 Social Security Taxes				
3400 Other Funds Ltd	-	164,168	164,168	100.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	-	1,407	1,407	100.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	-	625,824	625,824	100.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	-	1,157,112	1,157,112	100.00%
TOTAL OTHER PAYROLL EXPENSES	**-**	**$1,157,112**	**$1,157,112**	**100.00%**
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	-	221,774	221,774	100.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	-	3,524,846	3,524,846	100.00%
TOTAL PERSONAL SERVICES	**-**	**$3,524,846**	**$3,524,846**	**100.00%**
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	-	95,000	95,000	100.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4125 Out of State Travel				
3400 Other Funds Ltd	-	15,000	15,000	100.00%
4150 Employee Training				
3400 Other Funds Ltd	-	15,524	15,524	100.00%
4175 Office Expenses				
3400 Other Funds Ltd	-	36,700	36,700	100.00%
4200 Telecommunications				
3400 Other Funds Ltd	-	73,000	73,000	100.00%
4275 Publicity and Publications				
3400 Other Funds Ltd	-	3,000	3,000	100.00%
4300 Professional Services				
3400 Other Funds Ltd	-	92,202	92,202	100.00%
4315 IT Professional Services				
3400 Other Funds Ltd	-	600,000	600,000	100.00%
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	-	10,000	10,000	100.00%
4400 Dues and Subscriptions				
3400 Other Funds Ltd	-	2,000	2,000	100.00%
4425 Facilities Rental and Taxes				

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
4475 Facilities Maintenance				
3400 Other Funds Ltd	-	396,952	396,952	100.00%
4575 Agency Program Related S and S				
3400 Other Funds Ltd	-	16,000	16,000	100.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	-	1,425,722	1,425,722	100.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	-	3,281,100	3,281,100	100.00%
TOTAL SERVICES & SUPPLIES	-	**$3,281,100**	**$3,281,100**	**100.00%**
EXPENDITURES				
3400 Other Funds Ltd	-	6,805,946	6,805,946	100.00%
TOTAL EXPENDITURES	-	**$6,805,946**	**$6,805,946**	**100.00%**
ENDING BALANCE				
3400 Other Funds Ltd	-	333,098	333,098	100.00%
TOTAL ENDING BALANCE	-	**$333,098**	**$333,098**	**100.00%**
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	-	28	28	100.00%
AUTHORIZED FTE				

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	2,854,740	2,854,740	0	0.00%
AVAILABLE REVENUES				
3400 Other Funds Ltd	2,854,740	2,854,740	0	0.00%
TOTAL AVAILABLE REVENUES	**$2,854,740**	**$2,854,740**	**$0**	**0.00%**
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3400 Other Funds Ltd	2,854,740	2,854,740	0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
AVAILABLE REVENUES				
3400 Other Funds Ltd	946,260	946,260	0	0.00%
TOTAL AVAILABLE REVENUES	**$946,260**	**$946,260**	**$0**	**0.00%**
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3400 Other Funds Ltd	946,260	946,260	0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	-	2,999,335	2,999,335	100.00%
AVAILABLE REVENUES				
3400 Other Funds Ltd	-	2,999,335	2,999,335	100.00%
TOTAL AVAILABLE REVENUES	-	**$2,999,335**	**$2,999,335**	**100.00%**
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3400 Other Funds Ltd	-	2,999,335	2,999,335	100.00%
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	**$0**	**0.00%**

OLCC GOVERNOR'S BALANCED BUDGET
SPECIAL REPORTS BUDGET PAGE ___197____

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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%
AVAILABLE REVENUES				
3010 Other Funds Cap Improvement	6,402	6,402	0	0.00%
TOTAL AVAILABLE REVENUES	**$6,402**	**$6,402**	**$0**	**0.00%**
EXPENDITURES				
CAPITAL OUTLAY				
5650 Land and Improvements				
3010 Other Funds Cap Improvement	150	150	0	0.00%
5700 Building Structures				
3010 Other Funds Cap Improvement	6,252	6,252	0	0.00%
CAPITAL OUTLAY				
3010 Other Funds Cap Improvement	6,402	6,402	0	0.00%
TOTAL CAPITAL OUTLAY	**$6,402**	**$6,402**	**$0**	**0.00%**
ENDING BALANCE				
3010 Other Funds Cap Improvement	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	4,172,000	2,631,000	(1,541,000)	(36.94%)
AVAILABLE REVENUES				
3010 Other Funds Cap Improvement	4,172,000	2,631,000	(1,541,000)	(36.94%)
TOTAL AVAILABLE REVENUES	**$4,172,000**	**$2,631,000**	**($1,541,000)**	**(36.94%)**
EXPENDITURES				
CAPITAL OUTLAY				
5700 Building Structures				
3010 Other Funds Cap Improvement	4,172,000	2,631,000	(1,541,000)	(36.94%)
CAPITAL OUTLAY				
3010 Other Funds Cap Improvement	4,172,000	2,631,000	(1,541,000)	(36.94%)
TOTAL CAPITAL OUTLAY	**$4,172,000**	**$2,631,000**	**($1,541,000)**	**(36.94%)**
ENDING BALANCE				
3010 Other Funds Cap Improvement	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	636,000	-	(636,000)	(100.00%)
AVAILABLE REVENUES				
3010 Other Funds Cap Improvement	636,000	-	(636,000)	(100.00%)
TOTAL AVAILABLE REVENUES	**$636,000**	**-**	**($636,000)**	**(100.00%)**
EXPENDITURES				
CAPITAL OUTLAY				
5700 Building Structures				
3010 Other Funds Cap Improvement	636,000	-	(636,000)	(100.00%)
CAPITAL OUTLAY				
3010 Other Funds Cap Improvement	636,000	-	(636,000)	(100.00%)
TOTAL CAPITAL OUTLAY	**$636,000**	**-**	**($636,000)**	**(100.00%)**
ENDING BALANCE				
3010 Other Funds Cap Improvement	-	-	0	0.00%
TOTAL ENDING BALANCE	**-**	**-**	**$0**	**0.00%**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
REVENUE CATEGORIES				
COST OF GOODS SOLD				
0760 Cost of Goods Sold				
3400 Other Funds Ltd	-	634,961	634,961	100.00%
2000				
2010 Transfer Out - Intrafund				
3400 Other Funds Ltd	-	(634,961)	(634,961)	100.00%
AVAILABLE REVENUES				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL AVAILABLE REVENUES	-	-	**$0**	**0.00%**
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	**$0**	**0.00%**

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF 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	C0861 AA	PROGRAM ANALYST 2	6	6.00	144.00	5,122.50		737,640			737,640
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

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	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	5	5.00	120.00	3,179.80		381,576			381,576
000	AL	C0212 AA	ACCOUNTING TECHNICIAN 3	1	1.00	24.00	3,451.00		82,824			82,824
000	AL	C0323 AA	PUBLIC SERVICE REP 3	1	1.00	24.00	2,874.00		68,976			68,976
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	C0864 AA	PUBLIC AFFAIRS SPECIALIST 1	1	1.00	24.00	4,791.00		114,984			114,984
000	AL	C0865 AA	PUBLIC AFFAIRS SPECIALIST 2	1	1.00	24.00	6,381.00		153,144			153,144
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	AL	C5641 AA	FISCAL AUDITOR 1	5	5.00	120.00	4,541.00		544,920			544,920
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

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
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	2	2.00	48.00	6,213.50		298,248			298,248
000	MESNZ	7010	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	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	X1320	AA HUMAN RESOURCE ANALYST 1	1	1.00	24.00	3,915.00		93,960			93,960
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	4,828.20		8,483,016			8,483,016

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
303	AL	C1481	IA INFO SYSTEMS SPECIALIST 1		.00	.00	2,740.00					
303					.00	.00	2,740.00					
				68	68.00	1632.00	4,799.98		8,483,016			8,483,016

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
501	AL	C0108	AA ADMINISTRATIVE SPECIALIST 2	1	.50	12.00	2,874.00		34,488			34,488
501	AL	C0211	AA ACCOUNTING TECHNICIAN 2	1	.50	12.00	2,644.00		31,728			31,728
501	AL	C1215	AA ACCOUNTANT 1	1	.50	12.00	3,139.00		37,668			37,668
501	AL	C1216	AA ACCOUNTANT 2	1	.50	12.00	3,451.00		41,412			41,412
501	AL	C1217	AA ACCOUNTANT 3	1	1.00	24.00	4,162.00		99,888			99,888
501	AL	C1486	IA INFO SYSTEMS SPECIALIST 6	3	3.00	72.00	4,710.00		339,120			339,120
501	AL	C5248	AA COMPLIANCE SPECIALIST 3	1	1.00	24.00	4,571.00		109,704			109,704
501	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	13	7.50	180.00	3,782.00		680,760			680,760
501	MENNZ	0119	AA EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	3,072.00		73,728			73,728
501	MESNZ	7012	AA PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	7,343.00		176,232			176,232
501	MMN	X0866	AA PUBLIC AFFAIRS SPECIALIST 3	1	1.00	24.00	5,492.00		131,808			131,808
501	MMN	X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	5,231.00		125,544			125,544
501	MMN	X0873	AA OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	5,764.00		138,336			138,336
501	MMS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	5,231.00		125,544			125,544
501				28	20.50	492.00	4,152.50		2,145,960			2,145,960
				28	20.50	492.00	4,152.50		2,145,960			2,145,960
				255	245.50	5892.00	4,313.11		26,181,096			26,181,096

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	15	15.00	360.00	3,270.40		1,177,344			1,177,344
501	AL	C0108	AA ADMINISTRATIVE SPECIALIST 2	8	7.50	180.00	3,491.37		635,856			635,856
501	AL	C0211	AA ACCOUNTING TECHNICIAN 2	6	5.50	132.00	3,090.50		413,304			413,304
000	AL	C0212	AA ACCOUNTING TECHNICIAN 3	1	1.00	24.00	3,451.00		82,824			82,824
000	AL	C0323	AA PUBLIC SERVICE REP 3	1	1.00	24.00	2,874.00		68,976			68,976
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	C0861	AA PROGRAM ANALYST 2	6	6.00	144.00	5,122.50		737,640			737,640
000	AL	C0864	AA PUBLIC AFFAIRS SPECIALIST 1	1	1.00	24.00	4,791.00		114,984			114,984
000	AL	C0865	AA PUBLIC AFFAIRS SPECIALIST 2	1	1.00	24.00	6,381.00		153,144			153,144
000	AL	C0871	AA OPERATIONS & POLICY ANALYST 2	2	2.00	48.00	5,415.00		259,920			259,920
501	AL	C1215	AA ACCOUNTANT 1	4	3.50	84.00	3,811.25		328,212			328,212
501	AL	C1216	AA ACCOUNTANT 2	2	1.50	36.00	3,616.50		132,180			132,180
501	AL	C1217	AA ACCOUNTANT 3	4	4.00	96.00	5,324.00		511,104			511,104
303	AL	C1481	IA INFO SYSTEMS SPECIALIST 1		.00	.00	2,740.00					
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
501	AL	C1486	IA INFO SYSTEMS SPECIALIST 6	8	8.00	192.00	5,468.62		1,049,976			1,049,976
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

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
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	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
501	AL	C5248	AA COMPLIANCE SPECIALIST 3	10	10.00	240.00	5,595.10		1,342,824			1,342,824
000	AL	C5641	AA FISCAL AUDITOR 1	5	5.00	120.00	4,541.00		544,920			544,920
501	AL	C5723	AA LIQUOR REGULATORY SPECIALIST	70	64.50	1548.00	4,503.92		7,067,376			7,067,376
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
501	MENNZ	0119	AA EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	3,072.00		73,728			73,728
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
501	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
501	MMN	X0866	AA PUBLIC AFFAIRS SPECIALIST 3	1	1.00	24.00	5,492.00		131,808			131,808
501	MMN	X0872	AA OPERATIONS & POLICY ANALYST 3	2	2.00	48.00	5,231.00		251,088			251,088
501	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
000	MMN	X1320	AA HUMAN RESOURCE ANALYST 1	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	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
501	MMS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D	11	11.00	264.00	6,714.63		1,772,664			1,772,664
000	MMS	X7008	IA PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	9,354.00		224,496			224,496
				255	245.50	5892.00	4,313.11		26,181,096			26,181,096

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
				255	245.50	5892.00	4,313.11		26,181,096			26,181,096

POSITION NUMBER	AUTH NO	ORG STRUC	PKG	F Y	POS TYP	CLASS	COMP	RNG	S T P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
2600827	001234460	003-26-00-00000	303	0	PF	AL	C1481	IA	17	02		.00	2,740.00	.00					
EST DATE: 2017/01/01 EXP DATE: 9999/01/01																			
			303									.00		.00					
												.00		.00					

POSITION NUMBER	AUTH NO	ORG STRUC	F PKG	POS Y TYP	CLASS	COMP	RNG	S T P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
8000401	001251790	004-80-00-00000	501	0 PF	MESNZ	7012 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	501	0 PF	MENNZ	0119 AA	19	02	1	1.00	3,072.00	24.00		73,728			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01																	
8000405	001251800	004-80-00-00000	501	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	501	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	501	0 PF	AL	C0108 AA	19	02	1	.50	2,874.00	12.00		34,488			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																	
8000408	001251830	004-80-00-00000	501	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	501	0 PF	MMS	X7006 AA	31X	02	1	1.00	5,231.00	24.00		125,544			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01																	
8000412	001251920	004-80-00-00000	501	0 PF	AL	C1217 AA	27	02	1	1.00	4,162.00	24.00		99,888			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01																	
8000413	001251930	004-80-00-00000	501	0 PF	AL	C1216 AA	23	02	1	.50	3,451.00	12.00		41,412			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																	
8000414	001251940	004-80-00-00000	501	0 PF	AL	C1215 AA	21	02	1	.50	3,139.00	12.00		37,668			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																	
8000415	001251950	004-80-00-00000	501	0 PF	AL	C0211 AA	17	02	1	.50	2,644.00	12.00		31,728			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																	
8000421	001251850	004-85-00-00000	501	0 PF	AL	C1486 IA	29	02	1	1.00	4,710.00	24.00		113,040			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01																	
8000422	001251860	004-85-00-00000	501	0 PF	AL	C1486 IA	29	02	1	1.00	4,710.00	24.00		113,040			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01																	
8000423	001251870	004-85-00-00000	501	0 PF	AL	C1486 IA	29	02	1	1.00	4,710.00	24.00		113,040			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01																	
8000451	001251880	004-85-00-00000	501	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																	
8000452	001251890	004-85-00-00000	501	0 PF	AL	C5723 AA	25	02	1	1.00	3,782.00	24.00		90,768			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01																	

POSITION NUMBER	AUTH NO	ORG STRUC	PKG	F	POS TYP	CLASS	COMP	RNG	STP	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	TRK
8000453	001251900	004-85-00-00000	501	0	PF	AL	C5723 AA	25	02	1	1.00	3,782.00	24.00		90,768			
EST DATE: 2015/07/01 EXP DATE: 9999/01/01																		
8000454	001251960	004-85-00-00000	501	0	PF	AL	C5723 AA	25	02	1	.50	3,782.00	12.00		45,384			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																		
8000455	001251970	004-85-00-00000	501	0	PF	AL	C5723 AA	25	02	1	.50	3,782.00	12.00		45,384			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																		
8000456	001251980	004-85-00-00000	501	0	PF	AL	C5723 AA	25	02	1	.50	3,782.00	12.00		45,384			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																		
8000457	001251990	004-85-00-00000	501	0	PF	AL	C5723 AA	25	02	1	.50	3,782.00	12.00		45,384			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																		
8000458	001252000	004-85-00-00000	501	0	PF	AL	C5723 AA	25	02	1	.50	3,782.00	12.00		45,384			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																		
8000471	001252010	004-87-00-00000	501	0	PF	AL	C5723 AA	25	02	1	.50	3,782.00	12.00		45,384			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																		
8000472	001252020	004-87-00-00000	501	0	PF	AL	C5723 AA	25	02	1	.50	3,782.00	12.00		45,384			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																		
8000473	001252030	004-87-00-00000	501	0	PF	AL	C5723 AA	25	02	1	.50	3,782.00	12.00		45,384			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																		
8000474	001252040	004-87-00-00000	501	0	PF	AL	C5723 AA	25	02	1	.50	3,782.00	12.00		45,384			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																		
8000475	001252050	004-87-00-00000	501	0	PF	AL	C5723 AA	25	02	1	.50	3,782.00	12.00		45,384			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																		
8000476	001252060	004-87-00-00000	501	0	PF	AL	C5723 AA	25	02	1	.50	3,782.00	12.00		45,384			
EST DATE: 2016/07/01 EXP DATE: 9999/01/01																		
			501							28	20.50		492.00		2,145,960			
										28	20.50		492.00		2,145,960			
										28	20.50		492.00		2,145,960			

POSITION NUMBER	AUTH NO	ORG STRUC	F PKG	POS Y TYP	CLASS COMP	RNG	STP	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	TRK
								28	20.50		492.00		2,145,960			

THIS PAGE INTENTIONALY LEFT BLANK