BUDGET NARRATIVE

RECREATIONAL MARIJUANA REGULATION PROGRAM – 004

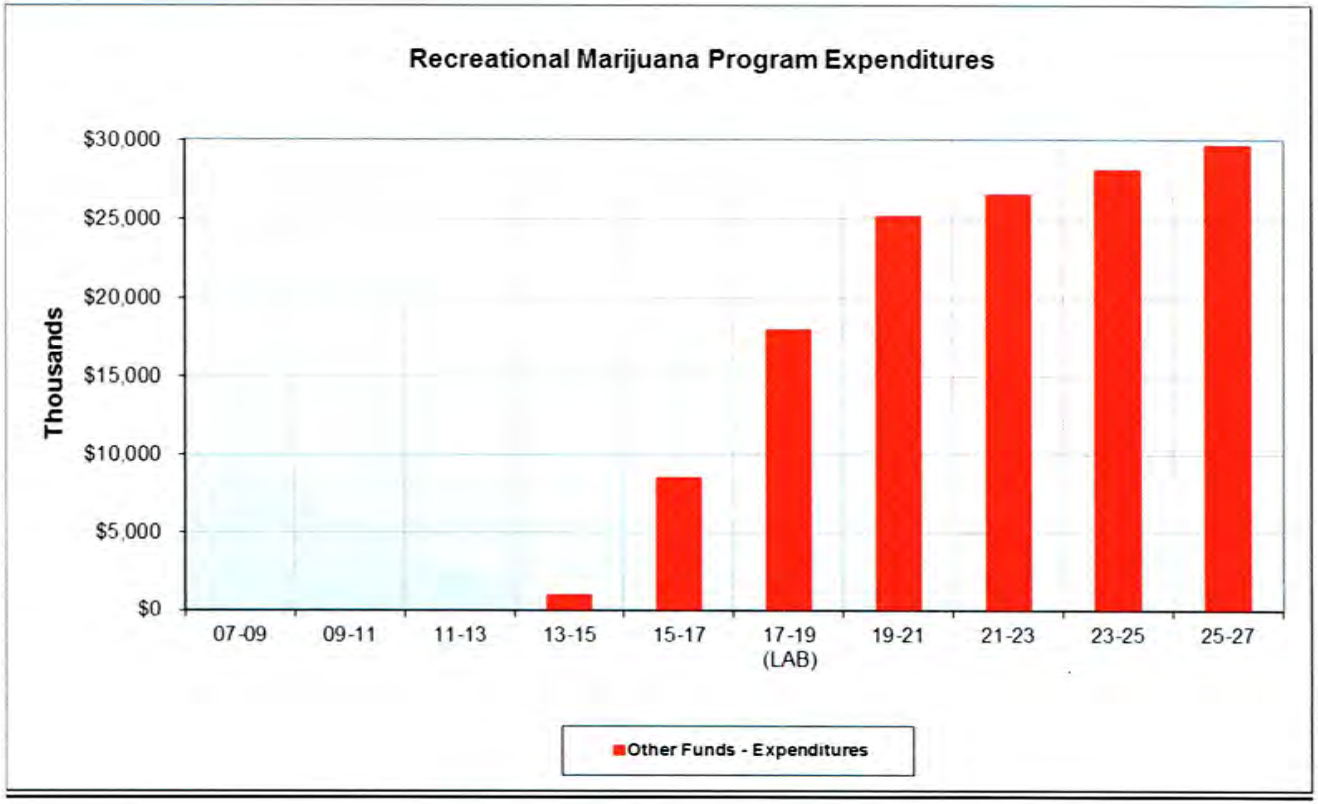
2019-21 OLCC AGENCY REQUEST BUDGET

PROGRAM UNIT EXECUTIVE SUMMARY

A. PRIMARY OUTCOME AREA Economy and Jobs

B. PROGRAM CONTACT Will Higlin, OLCC Deputy Director, 503-872-5224

C. FUNDS BUDGET AND PERFORMANCE



BUDGET NARRATIVE

D. PROGRAM OVERVIEW

OLCC's Marijuana Program regulates the production, manufacture, distribution and sale of recreational and medical grade marijuana products to ensure public safety and consumer protection while encouraging economic development. This Program funds agency responsibilities and strategies related to licensing, compliance and education. The Program's efforts have statewide reaches, and impact community livability and public safety throughout Oregon. Two primary missions of the Program's work are to prevent the sale of marijuana products to minors and to help ensure that marijuana is not being diverted outside of the regulated market. Additionally, stringent regulation supports revenue generation for the state from the sale of recreational marijuana.

In November 2014, Oregon voters approved Ballot Measure 91, which legalized the sale and use of recreational marijuana in Oregon. The measure tasked OLCC with regulating the new industry, including adoption of rules, licensing and compliance. Each following year has provided subsequent legislation which has further defined, expanded, and changed the scope of regulation. Past changes include: movement of taxation responsibilities to the Oregon Department of Revenue, the addition of more license types that could be issued, the addition of privileges for existing license types, and allowing medical products to be produced, processed, and sold through the OLCC system. More recently 2017 legislation widened the scope of the OLCC's regulatory authority to include a subset of the Oregon Medical Marijuana Program (OMMP) and the tracking of hemp products in OLCC's cannabis tracking system.

2015 Legislation

- SB 460 (allows early start of recreational sales in medical marijuana dispensaries; sunsets on December 31, 2016)
- SB 844 (creates task force on Researching the Medical and Public Health Properties of Cannabis. The task force is staffed by OHA, OLCC is a member)
- HB 2041 (replaces Measure 91 grower tax administered by OLCC with 17% retail tax administered by the Department of Revenue)
- HB 3400 (clarifies and adds requirements for implementation of Measure 91 as well as makes changes to the medical marijuana statutes)

2016 Legislation

- HB 4014 (marijuana base bill that includes concepts requested by the Commission as well as multiple other technical and minor policy fixes to HB 3400 passed by the legislature in the 2015 session)
- SB 1511 (expanded access bill which allows OLCC licensees to grow, process and sell medical product, to sell tax free to medical card holders, and creates a micro-canopy tier for small farmers)
- SB 1598 (removes land use compatibility statement requirements for certain small growers and requires all workers of recreational licensees to obtain a marijuana worker permit)
- HB 4094 (exempts financial institutions providing services to marijuana licensees from state criminal law and directs the OLCC to provide financial institutions with information related to licensees or registered businesses)

2017 Legislation

- HB 2198 - Medical Marijuana Governance
- SB 56 - Marijuana Systems Clean Up
- SB 302 - The Control and Regulation of Marijuana Act
- SB 319 - Siting of Marijuana Establishments near Schools
- SB 863 - Marijuana Consumer Privacy
- SB 1015 - Industrial Hemp Processing
- SB 1057 - Marijuana Tracking and Regulation
- SB 303 - Minors in Possession of Alcohol or Marijuana
- HB 2197 - Tribal Tax Rebates
- HB 3470 - Statutory Changes to support 2017-19 Legislative Adopted Budget (Marijuana Tax Distribution, Borrowing from Liquor Fund)
- HB 5006 - Emergency Board Allocation and 2017-19 Budget Adjustments
- HB 5019 - OLCC Budget 2017-19
- SB 5529 - Oregon Marijuana Account, Lottery, and Criminal Fine Allocations
- SB 5545 - Ratifies Marijuana Fees

2018 Legislation

- Recreational, Medical Marijuana, and Hemp Legislation
- HB 4089 Hemp Legislation
- SB 1544 Medical Marijuana, Hemp and Illegal Marijuana Market Enforcement Grant Program

- HB 4163 Moves Marijuana Civil Penalties collected to General Fund
- HB 5201 OLCC Budget Additions
- HB 5202 Hemp and Marijuana Fees

The legislation listed above and the program implementation discussed below highlight the dramatic changes of the marijuana program over the past three years. These legislative changes have continually compressed the timeframe for the agency's rulemaking processes as well as the timeframe in which the agency must develop policy and procedures, contract for IT services, communicate with constituents and hire, train, and deploy staff for implementation.

On January 4, 2016 the OLCC began accepting applications for marijuana producers, processors, wholesalers, laboratories and retailers. The first production licenses were granted in April of 2016, followed by processors, wholesalers, laboratories and retailers. By January 1, 2017, the end of the "Early Start" law, the OLCC had a functioning recreational marketplace. However, the establishment of a newly legalized market did not come without cost. The OLCC is tasked with bringing a historically illicit market into a regulated legal market. Because of this the OLCC has applicants, and now licensees, with varied skill sets, IT knowledge and business backgrounds. This made each license application time consuming to process and added a variety of factors to address in policy and procedure. Aside from OLCC licensing and compliance work there was, and continues to be, a focus on licensee education of new and existing statutes and rules, and other state laws and responsibilities required to be followed in order to be a successful business.

Currently the OLCC has 1,986 active marijuana licensees and an additional 2,436 applications; these numbers are much larger than anticipated by the OLCC and other market research estimates. For comparison, the original estimate of the recreational market was 830 licensees. Marijuana licenses are renewed on an annual basis to ensure all licensing and compliance factors are being addressed at regular intervals. Other than licensing businesses, the OLCC is also required by law to issue marijuana worker permits for the majority of employees within the recreational marketplace. At this time the OLCC has processed almost 31,000 worker permit applications. The need for licensing, compliance and analytical staff continues to be a necessity to create a well-regulated marketplace.

While working on implementation of licensing, compliance, IT systems, and general program policy and procedures it became clear the OLCC needed to integrate the marijuana program into the established liquor program when possible. An effort to best use resources and fund the integration of the marijuana program into the larger OLCC became a focus for administration. At this time the marijuana program is holistically integrated into already established OLCC workplace, allowing the OLCC to utilize its staff and resources to better serve its licensees and ensure that compliance is being achieved.

As a result of robust legislative changes the OLCC has been in constant rulemaking for the past three years. The implementation of new law takes staff time, education, interagency coordination and stakeholder engagement. With the modifications and additions to law and rules the OLCC must educate staff, licensees and the general public on the current regulations. In 2019-21 the OLCC anticipates marijuana law and rules to continue to be modified to best fit the needs of Oregonians. A current example are legislative mandates from the 2017 and 2018 sessions that go beyond the general scope of recreational marijuana, which brings new policy, licensing and compliance responsibilities to the OLCC.

On July 1, 2018 a subset of registered OMMP growers, processers and dispensaries are required by statute to utilize the same tracking system as the recreational market to track cannabis in Oregon. The OLCC has the authority to conduct investigations and refer findings to the OHA. To implement this the OLCC has completed initial rulemaking, is hiring compliance and support staff, coordinating with the Oregon Health Authority (OHA) and the vendor of the tracking system to ensure all requirements are met in a timely manner. By giving the OLCC limited authority in the medical marketplace the OLCC staff will need to learn OHA's medical rules and regulations and work closely with the OHA on compliance actions.

In the summer of 2018 the OLCC will open rulemaking to implement 2018 legislative changes to the industrial hemp law, related to hemp products entering the OLCC recreational marijuana market. Changes include, but are not limited to, tracking requirements, testing, packaging, and labeling and product flow in the recreational marijuana market. As OLCC finishes rulemaking the agency will be required to educate its licensees, ODA hemp handlers and growers, and the general public. Compliance within this program is critical because industrial hemp and marijuana products are virtually indistinguishable, but are regulated in a very different manner.

Much of the work in implementing the recreational marijuana program has focused around interagency coordination. Marijuana law in Oregon touches many agencies other than the OLCC. The OLCC works closely with the Oregon Health Authority, Department of Agriculture, Department of Revenue and the Oregon Water Resources Department. All agencies have their own areas of expertise and are able to share information to solve issues effecting the state as a whole. One large area of overlap in the marijuana system is laboratory licensees. The laboratories are accredited by the Oregon Environmental Laboratory Accreditation Program (ORELAP) which is housed within OHA. The laboratories follow OHA's administrative rules for product testing requirements, and the OLCC licenses the laboratories. While focusing on compliance the OLCC has realized the need for staff with specialized scientific knowledge to work with ORELAP and OHA to conduct audits and make sure the laboratories are held to the same standards of other licensees and the focus on consumer safety is met.

Outdoor producer applications are the most complicated and time consuming license type for agency staff to process, as this segment of the industry covers a vast cross section of Oregon's geography and requires unique solutions for technology, reporting, and recording systems necessary to track marijuana production. Applications for outdoor production are also higher in number than all other license types. The OLCC recognized that a one size fits all regulatory structure was inappropriate for all license types, and provided a waiver request process for those applicants with unique operations to proposed alternative means of accomplishing the agency's public safety goals. These waiver requests are heavily utilized by outdoor producers, and require extensive review, inspections and the development of knowledge about industry practices to process and make consistent decisions on them.

License renewals and compliance continues to challenge the agency as this new industry adapts to rapidly changing market forces. As the market evolves, licensees continue to make changes to their physical premises or business ownership and structures, requiring additional investigation, physical inspections and background checks. As of July 15, 2018, the agency temporarily stopped processing new license applications in order to focus on processing renewals and already submitted applications.

Since 2015-17, the focus in this Program has been on hiring and training staff, agency integration, interagency coordination (Oregon Health Authority, Department of Agriculture and Department of Revenue), creation of processes and procedures, licensee education and licensing. A major undertaking was the development and implementation of online programs including the Cannabis Tracking System, License Application System, Packaging & Label Approval System, and Marijuana Server Permit Education and Application System. The Program was also responsible for staffing the Cannabis Best Practices Environmental Task Force and producing a DUII report for the Oregon legislature. The agency is in process of developing a statutorily required marijuana supply and demand report for the 2019 legislature.

In 2019-21 the OLCC's Marijuana Program will transition from implementation of rules and initial licensure to an annual licensing and compliance focus. The program's focus will be on continued agency integration, compliance activities, licensing, rulemaking, licensee education, and the production and analysis of data from the Cannabis Tracking System to aid in enforcement and compliance activities. In addition, attention will be given to the auditing of tax related information for the Department of Revenue. Processes and procedures will be refined as statutes and rules change, and as the program gains experience. Adaptability, transparency, public engagement and industry engagement will be key to the development of this new industry, public safety, and community livability. While overall licensing and compliance activities are similar between alcohol and marijuana, the specific practices of the various recreational marijuana license types are very different. The OLCC will continue to develop new skills and knowledge to define activities that are allowed and those that are not, as well as the degree of severity of any violation of governing statutes and administrative rules. Agency staff will have to fine tune their ability to monitor licensee activity through the Cannabis Tracking System to trigger investigations, and learn what activities are within normal bounds of deviation and what are not.

Coordination with local law enforcement will be paramount for smooth operations of legal activity, for enforcing and investigating suspected criminal activities of licensees, and importantly, for supporting the legal market through enforcement against illegal operations and sales.

In the fall of 2018, marijuana regulatory officers will focus on outdoor harvests. A large amount of marijuana enters the system during the fall outdoor season. OLCC is enhancing its ability to inspect harvests to make sure diversion out of the legal system is addressed.

There is an expectation that OLCC will contribute to the development of public policies to support social and business issues that impact the legal operations of its licensees. The OLCC is working with the state Treasurer and industry to facilitate banking solutions that get the cash out of the system as great sums of cash are a source of criminality and violence. HB 4098 from 2016 gave the OLCC the ability to work with financial institutions and provide data from the Cannabis Tracking System as well as licensing and compliance information. At this time the OLCC has relationships with three credit unions and pursues conversations with others who are interested. The OLCC is working with the industry to ensure that efforts to provide for social consumption of marijuana are separate and apart from licensees that serve and sell liquor products. Lastly, the OLCC will follow legislative guidance and new laws addressing these issues and other new frontiers related to the marketing of tourism and private social events permitting that would require regulation changes.

Goals of the program include:

Administrative Goals:

- Provide the Marijuana Policy Team of the OLCC with consistent coordination for team members, division and program managers
- Ensure an ability to rapidly communicate on crisis enforcement matters
- Prepare agency leadership to represent the marijuana program
- Ensure marijuana fees support the cost of the program
- Maintain an accountability for transfers of marijuana funding that is utilized to support services and personnel in most divisions of the OLCC as both alcohol and marijuana responsibilities are fully integrated services of the agency
- Transfer funds to the Public Safety Program to support marijuana licensing and inspection
- Transfer funds to the Public Safety Program to train, equip, and provide for the safety of inspectors
- Establish coordination between program areas for the administration of violations in conjunction with the Public Safety Division

- Establish coordination for making licensing determinations in conjunction with the Public Safety Division
- Assist the Public Safety Division in the development of a comprehensive education program for the marijuana worker permittees, which meaningfully serve to prevent sales to minors, diversion of product and other public safety issues statewide.
- Facilitate revenue generation and accurate collection of taxes, and distribution to state and local governments by the Oregon Department of Revenue
- Coordinate with the Public Safety Division, OMMP Tracking Division
- Establish intergovernmental Agreement to coordinate with the Public Safety and OMMP Tracking Divisions to develop internal guidelines and processes to utilize the Cannabis Tracking System as a means of conducting meaningful compliance checks on marijuana licensees.
- Work with DPSST staff to refine OLCC's academy and internal training requirements for all sworn staff
- Establish and maintain intergovernmental agreements with the Oregon State Police, the Oregon Public Safety Standards and Training, the Oregon Department of Revenue, the Oregon Department of Agriculture and all other state agencies the OLCC provides or delivers services with or through.

Policy Goals:

- Facilitate coordinated development of the agency's administrative rules, policies and processes that further the goal of preventing diversion of product, preventing access to alcohol and marijuana by minors, reducing impaired driving incidents and protecting the overall public health and safety needs of the state.
- Provide policy analysis, coordinate policy development and prepare issues for necessary leadership decision making
- Develop strategies and plans for program development through the Marijuana Policy Team and agency leadership.
- Review and assess the effectiveness and fairness of fines, suspensions, and license revocations in deterring future violations and protection of overall public safety.
- Engage in regular coordination meetings with local law enforcement, local governments and other regulatory bodies to position the agency to be responsive to local communities' many interests in marijuana and its regulation.
- Maintain the agency's leadership position in establishing best practices for regulation through continued participation and engagement with states and nations that regulate cannabis.
- Ensure the agency is open and accessible to the marijuana industry as a whole and that marijuana licensees are supported in achieving compliance through readily available services and consistent regulatory communication by OLCC.

- Engage other state and local agencies involved in marijuana and alcohol control to further develop a statewide approach to alcohol and marijuana compliance.
- Coordinate with external youth outreach groups to address and reverse the reduced perception of harm in minor consumption of access to alcohol and marijuana and to support OHA and public health officials in their focus on this critical prevention issue.

In the 2019-21 biennium, the OLCC's Marijuana Program will continue to transition from the implementation phase to a focus on compliance. The Program in 2019-21 will focus on licensing, renewal and compliance activities described in and managed by the Public Safety Services Program -002. In addition IT systems and internal processes need significant revision to better match the changing statutory requirements and work flow as it exists today. A key initiative will be recrafting the online application system and processes to provide better functionality and to reduce manual processes for licensees and administrative staff.

The Marijuana Program is funded solely from marijuana application and license/permit fees and fines, paying for marijuana program expenses and personnel including its proportional share of agency-wide shared management, support staff, and expenses. The Department of Revenue collects and distributes marijuana taxes.

In 2019-21 the Marijuana Program is requesting the following packages to meet the challenges of an evolving marijuana regulatory landscape:

- Policy Option Package 205 "Public Safety Statewide Dispatch Services" requests funding to continue the cost of maintaining the Oregon State Police dispatch services for OLCC's inspector s in the field.

- Policy Option Package 209 "Regulatory Specialist Reclassification" requests differential funding for Regulatory Specialists to implement findings by DAS Classification and Compensation unit in a compensation study of the liquor and marijuana regulatory class positions.

- Policy Option Package "408" Marijuana Program Enhancement" requests funding for staff including 8 marijuana regulatory specialists to ensure regulatory compliance, 1 laboratory compliance specialist to focus on laboratory compliance, protocol and regulation, 3 office specialists 2s to utilize the information stored on video to enforce compliance and prevent or detect diversion, as well as funding for continuing strategic and tactical communications support related to marijuana, reclassification of positions to reflect actual duties, and increasing annual marijuana license fees by $100 to accommodate the increase in program expense if all the proposed policy option packages for recreational marijuana are approved.

E. PROGRAM FUNDING REQUEST

The Agency Request Budget is $20,433,662 Other Funds limitation for the 2019-21 biennium for this program, with 71.00 FTE and 71 positions.

F. PROGRAM DESCRIPTION

In 2019-21 the Program's focus will be on enhanced compliance activities and continued agency integration, interagency integration, rulemaking, licensee education, licensing, and the production and analysis of data from the Cannabis Tracking System to aid in licensee compliance and the auditing of tax collections in conjunction with the Department of Revenue. Processes and procedures will be refined as statutes and rules change and as the program gains experience. Adaptability, transparency and public and industry engagement will be key to the development of this new industry, public safety and community livability.

OLCC's duties for recreational marijuana regulation include the following:

- Adoption and enforcement of regulations relating to producers, wholesalers, processors, retailers, laboratories, marijuana worker permits and research certificates,
- Management of a product tracking system which must be used by licensees to track all marijuana and marijuana products from plant viability to final sale to the consumer,
- Implementation of a marijuana workers permitting program for all recreational marijuana businesses,
- Inspections, seizures, citation and arrest authority related to OLCC-licensed marijuana facilities,
- Regulation of all marijuana products sold in OLCC retail stores
- Label and package approval for both recreational and medical marijuana,
- Working with the Oregon Health Authority to allow the medical marijuana program to utilize tracking technology,
- Assisting in the development of testing requirements and standards for product testing, and
- Working with the Department of Revenue to reconcile product movement with taxes paid.

The OLCC works closely with its partner agencies to administer this program:

- Oregon Health Authority (Oregon Medical Marijuana Program regulation, testing standards, ORELAP certification, label requirements, THC concentration limits)
- Oregon Department of Revenue (taxation, audit)
- Oregon Department of Agriculture (certification of kitchen and weight scales, pesticide use)
- Oregon Department of Water Resources (regulatory authority of water use in Oregon)

G. PROGRAM JUSTIFICATION AND LINK TO LONG TERM OUTCOMES

The budget environment related to regulation of recreational marijuana continues to be best described as "uncertain." Resources budgeted are predicated on an estimated number of licensees, the *actual* number of which may vary widely from estimates. While the agency has some data for the number of active marijuana licenses and worker permits, applications for both continue to rise. At the same time the persistence of a pre-existing unregulated market, consumer demand, and initial volatility stemming from entrepreneurial enthusiasm, startups versus long-term successful marijuana-related businesses, and regulations both nationally and in neighboring states could all influence the number of licensees, and therefore the resources needed and available for effective regulation. It is anticipated that the budget will be adjusted pending actual experience as license applications and renewals are received and the work of approvals and inspections continue.

H. PROGRAM PERFORMANCE

OLCC is proposing two metrics for the 2019-21 biennium of operation for the Marijuana Program that will mirror similar metrics in the alcohol side.

The first proposed metric is compliance-based, the OLCC proposes to measure the rate of retail business that refuse to sell to minors during inspector directed minor decoy operations. Keeping marijuana out of the possession of minors is a major responsibility of OLCC oversight for its licensed retailers. This measure is calculated from the compiled results of minor decoy operations conducted during the fiscal year out 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.

The second proposed metric is to measure the total amount of time it takes to issue a marijuana license. The data supporting this measure is compiled by the OLCC marijuana unit and reported from NIC-USA online licensing system documentation, as well as

data compiled by license investigators statewide; processing time for individual applications varies widely based on how complete applications are, how ready for inspection an applicant is, and how quickly and thoroughly applicants respond to requests for additional information.

Key Activity Outcomes for Establishing the Marijuana Program include:

There are no current targets for sales to minors. Washington and Colorado are the only states that currently implement recreational marijuana laws and regulations. The target rate for alcohol sales to minors is 82% refusal to sell. Data will be gathered during the 2019-21 biennium and will be used to establish appropriate targets for the new recreational marijuana industry.

In these initial early days of retail operations and first time results from minor decoy missions, the agency was able to gain greater compliance than initial results by persistence of missions, public communications of sales rates for communities and regions and through the adoption of more severe fines.

The OLCC does not have a target proposal for marijuana licensing at this time but does have an ambition to see a faster licensing time. Several factors may impact the time to process a license, and many depend on the individual applicant. Internal factors are driven by unique conditions of limited duration, such as an extremely high volume of initial applications at the same time as OLCC business practices and software systems are being developed. External factors that affect time to issue licenses include local government response rates to statutorily required land use authorizations, complex ownership structures, and individual applicant responsiveness to OLCC license investigators. Regardless of current demand, this measure will be an important tool for future program evaluation and administration.

I. ENABLING LEGISLATION/PROGRAM AUTHORIZATION

The OLCC's authority to regulate marijuana is derived from ORS Chapter 475B.

J. FUNDING STREAMS

With the adoption of Policy Option Package 408 "Marijuana Program Enhancement" which includes a modest increase in annual licenses fees, OLCC's Marijuana Program expects to be fully funded by license and application fees during the 2019-21 biennium as mandated in HB 3400 from the 2015 session. New fees will be established through rulemaking that cover the agency request budget cost for administering the Program. The fees will be based on the total number of licenses and permits issued that are expected to renew during the 2019-21 biennium, plus the forecast revenue from new licenses.

Recreational Marijuana License Fees

Fee Type	Amount	Comment
Application Fee for Initial License or Certificate	$ 250	Non-Refundable fee due with the application for a marijuana license
Annual Marijuana Producers (growers) License Tier I	$ 3,750	Annual License fee for smaller producers of marijuana: Less than 5,000 sq. ft. indoor/ 20,000 sq. ft. outdoor
Annual Marijuana Producers (growers) License Tier 2	$ 5,750	Annual License fee for larger producers of marijuana: 5001 to 20,000 sq. ft. indoor/ 20,001 to 40,000 sq. ft. outdoor
Annual Marijuana Processor License	$ 4,750	Annual license fee for processors : process marijuana flower into extracts and edibles
Annual Marijuana Wholesaler License	$ 4,750	Annual license fee for wholesalers of marijuana products including transportation entities
Annual Marijuana Retailer License	$ 4,750	Annual license fee for retailers of marijuana products
Annual Marijuana Laboratory License	$ 4,750	Annual license fee for laboratories that test marijuana products
Research Certificate (three year term)	$ 4,750	Certificate to conduct research on marijuana but material and product must be tracked similar to other licenses
Marijuana Handler Permit (five year term)	$ 100	Five year fee to educate, perform background checks and license individuals who sell marijuana product at retail
Additional Criminal Background Check	$ 50	Fee for additional background checks if not part of an initial or new license application
Change of Ownership Review	$ 1,000	Fee to evaluate any change to a ownership structure of a existing licensee (e.g. change of owners)
Change of Business Structure Review	$ 1,000	Fee to evaluate any change to a business structure of a existing licensee (e.g. change from C Corporation to LLC)
Transfer of Location of Premises Review	$ 1,000	Fee to evaluate any change to a business location of a existing licensee (e.g. moving location of business)
Packaging Preapproval fee	$ 100	One time fee to approve a type of packing for sale of marijuana products
Labeling Preapproval Fee	$ 100	One time fee to approve a type and content of label for sale of marijuana products
Late Renewal Fee for license if received less than 20 days before expiration date	$ 150	Renewals are due by the 10th of the month
Late Renewal Fee for license if received after expiration date	$ 300	Licenses expire at the end of the month. If no renewal received within 30 days of expiration date license is cancelled.
Late Renewal Fee for handler permit if received less than 20 days before expiration	$ 50	Renewals are due by the 10th of the month
Late Renewal Fee for handler permit received after expiration date	$ 100	Licenses expire at the end of the month. If no renewal receive within 30 days of expiration license is cancelled.

Based on the current number of applications in the marijuana license system, OLCC anticipates 2,300 active marijuana licenses in 2019-21. If this estimate continues to hold, then current license fees in addition to the $100 increase in Policy Option Package 408 "Marijuana Program Enhancement" will cover 2019-21 Program expenses.

K. SIGNIFICANT PROPOSED PROGRAM CHANGES FROM 2015-17 and 2017-19

There are significant proposed Program changes from the 2015-17 and 2017-19 budgets. The changes reflect the move from "start-up" in 2015-17 to operations in 2019-21. Several costs in 2015-17 were one-time costs to develop Information Service systems, such as the on-line licensing system and Cannabis Tracking System. Other changes will be increases in personnel services costs that were phased in with hiring during 2015-17 and 2018 that will be 100% filled in 2019-21. New requirements have been added each legislative session, including establishment of additional tiers for small producer licenses, expansion of the marijuana worker permits to include most individuals employed in the industry (not just retail workers), the ability to move product from the medical markets into the recreational market, the ability to have industrial hemp enter the marijuana market, and OMMP registrant tracking and inspection. In addition, OLCC has been looking at its own structure to evaluate how best to license and regulate marijuana, including integration of marijuana support service and public safety functions into existing the alcohol programs.

Agency Integration Strategy

Marijuana Positions moved to the Administration and Support Services Program and Public Safety Services Programs

Key to the agency's continued success in marijuana implementation is common management for both alcohol and marijuana, and the integration of marijuana personnel throughout the agency's central services.

OLCC's strategy is to integrate responsibilities for the Marijuana Program into the Public Services Safety Program and Administration and Support Services Program currently servicing the alcohol side of the agency. The integration results in cost efficiencies to both programs and allows for OLCC's extensive experience in liquor licensing and regulation to transfer to the regulation of recreational marijuana. Integration of positions provided for Administration and Support Services were the first to be integrated, followed by integration of licensing and compliance staff. An allocation of funds are charged from the Public Safety Services and Administrative Support Services Programs to the Marijuana Program to pay for these added services and positions.

Fifty-seven new marijuana positions were added to the OLCC as a result of legislation in 2015, 2016, 2017, and 2018 which tasked the agency with oversight of recreational marijuana. These positions include 19 licensing staff, 25 enforcement staff, and 15 administrative staff that perform cannabis tracking system analysis, policy analysis, interagency coordination, rules and training coordination, and marijuana specific administration personnel. These positions are funded by marijuana license fee revenue and will continue to be the core of the Marijuana Program.

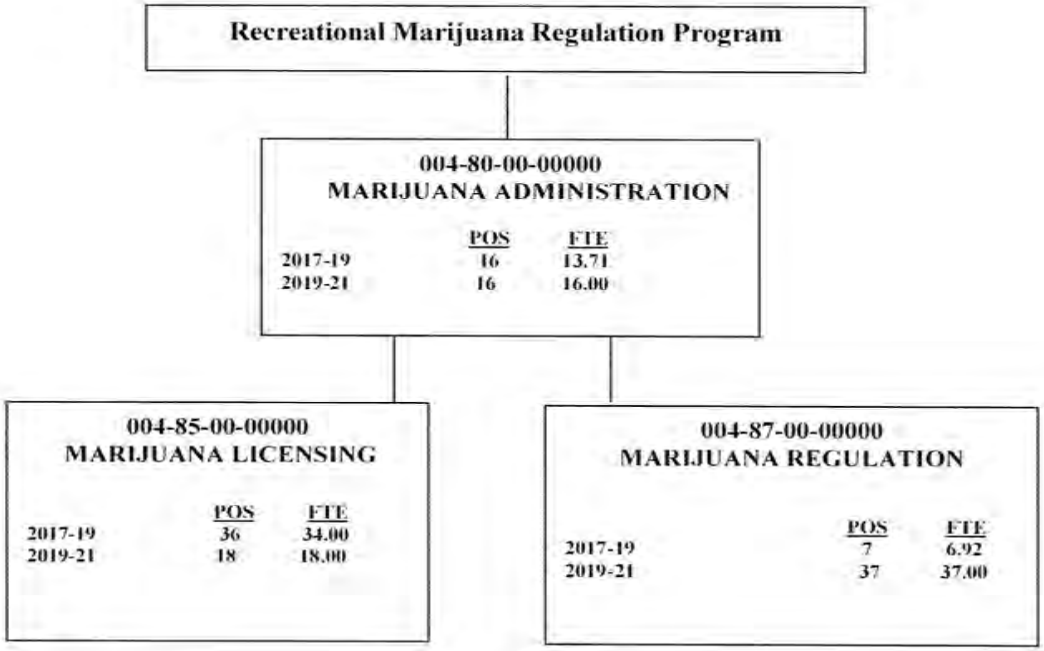
Administrative and Support Service Program (support for marijuana implementation)
The Administration and Support Services Program provides administrative, technical, accounting, purchasing, facilities, motor pool, and communications services for the Public Safety Services, Distilled Spirits, Store Operations and Capital Improvement programs for the OLCC through liquor funding. The addition of the Marijuana Program also requires Support Services but has a separate funding source (Marijuana Control and Regulation Fund). Six permanent and two limited duration positions provided to OLCC were support service oriented (Accountants, Information Technology, Human Resources, Administrative Policy and Process, Public Relations, and Procurement). A technical adjustment was made to move these positions into the appropriate divisions of the Support Services Program. Three accounting positions were moved into Financial Services, one procurement specialist position was moved into Administrative Support Services, one IT technician was moved into the Information Services Division, and one Public Affairs Specialist was moved into the Communications Division.

The Marijuana Program will pay for their portion of Support Services program costs through a position-based allocation. The Marijuana Program will be charged 23% of the Support Services program budget. This will total $3.4 million in the 2019-21 biennium and monies will be transferred to the Liquor Fund from the Marijuana Control and Regulation fund for this allocation.

Public Safety Services Program (support for marijuana implementation)
One management position was provided to OLCC for the implementation of recreational marijuana (PEM G). OLCC moved this position into the Public Safety Services Program as part of the agency strategy to integrate management of marijuana and alcohol regulation. This position oversees the Public Safety Services Program including regulation of licensing of both alcohol and marijuana. Public Safety Services management including licensing and field offices will manage the Marijuana Program positions that will directly perform licensing, regulation, education, label and packaging certification, policy development, rule making, and data analysis. The Marijuana Program will pay for 34% of the personal services costs of the Public Safety Services Programs' management and administrative cost to oversee the program. This will total $1.2 million in the 2019-21 biennium and monies will be transferred to the Liquor Fund from the Marijuana Control and Regulation fund for this allocation.

Funding
The total allocation to the Liquor Fund from the Marijuana Control and Regulation Fund for Administrative Support Services and Public Safety Services Management will be $4.7 million for the 2019-21 biennium. The $4.7 million will be funded through marijuana license fees.

RECREATIONAL MARIJUANA REGULATION PROGRAM (004)
2019-21 OLCC BUDGET
Organization Chart



Note: Regulatory Specialist Reclassifications (POP 209) include 18 positions reclassified from Licensing to Regulation sub-programs within the Recreational Marijuana Program.

BUDGET NARRATIVE

MARIJUANA ADMINISTRATION – SUBPROGRAM 80

2019-21 OLCC Budget

A. PURPOSE, ACTIVITIES & ISSUES

The Marijuana Administration Division will be the primary entity for implementing and administering recreational marijuana as outlined in ORS 475B (Cannabis Regulation) and Oregon Administrative Rules Chapter 845. This Division coordinates rulemaking for all aspects of the law, administers procurement and development of licensing and tracking systems, develops interagency agreements with the Oregon Department of Revenue, Oregon Health Authority, and Oregon Department of Agriculture, establishes standards and procedures for licensing and regulation, assists the Department of Revenue in collection and audit of marijuana taxes, develops worker permit and education programs for persons that sell marijuana at retail locations, and develops packaging and labeling standards for marijuana products.

As the Marijuana Program transitions from "start-up" phase into "administration" phase, the Division is looking to accomplish the following goals:

- Train prospective licensees and the general public on marijuana rules and license process,
- Coordinate government-to-government policy issues (local, state, federal, nation-to-nation),
- Develop special supports for medical operations transitioning to recreational operations,
- Develop accountability among emerging industry using Cannabis Tracking System,
- Deploy five business licenses types and one research certificate type to support emerging recreational marijuana industry while still federally illegal, and
- Establish data-sharing agreements with non-governmental organizations (e.g. research universities).

B. BACKGROUND

Measure 91 was passed in November of 2014. The Measure legalized recreational marijuana in Oregon and gave authority to the Oregon Liquor Control Commission for administration of the law and regulation of the market. Several pieces of legislation were passed during the 2015 Legislative Session that refined and clarified OLCC's mission, duties and responsibilities. During the 2016 session, House Bill 4014, Senate Bill 1511 and Senate Bill 1598 were passed which added additional authorities including expansion

of license types targeting small producers, expansion of the worker permit system to include all workers in the industry, and the ability to move medical marijuana product from the medical system to the recreational system.

C. EXPECTED RESULTS

In addition to the administrative functions list above, the Marijuana Administration Division also expects to accomplish the following:

- Increase the number of hours spent preparing for training and training stakeholders annually; touring facilities,
- Respond to 80%+ of requests for a speakers from OLCC Marijuana Program within 48 hours of receiving request,
- Monthly update of Business Readiness Guidebook,
- Publish marijuana fees and costs as percentage of sales annually (retail only), and
- Publish a market prices for marijuana product types annually.

D. REVENUE SOURCE

The Recreational Marijuana Program is funded from license fees and fines out of the Marijuana Control and Regulation Account created in HB 3400. The Oregon Liquor Control Commission is 100% Other Funded, and generates revenues from the sale of distilled spirits, alcohol and marijuana license fees, privilege tax paid on sales of beer and wine and other miscellaneous revenue sources. The OLCC collects this in accordance with ORS Chapters 471, 473 and 475B. Funding for the Marijuana Program comes exclusively from marijuana-related license and permit fees.

E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes for this Division in 2019-21.

BUDGET NARRATIVE

MARIJUANA LICENSING – SUBPROGRAM 85

2019-21 OLCC Budget

A. PURPOSE, ACTIVITIES & ISSUES

The Marijuana Licensing Division is responsible for the licensing of all recreational marijuana business in Oregon. The division is managed by License Services Division for alcohol. Aside from the day to day activities of licensing applicants, the division also intends the following outcomes in the 2019-21 biennium:

- Continue hiring as positions become vacant or new positions are added,
- Set workload standards for all licensing staff,
- Set performance measures (quality and quantity) for all licensing staff,
- Complete comprehensive training materials and training plan for all new staff,
- Complete comprehensive training materials and training plan for quarterly staff training,
- Complete comprehensive training materials for advanced staff training,
- Complete licensing process review: evaluate entire licensing process from start to finish. Identify duplications, inefficiencies,
- Document all aspects of licensing process: include any coordination with other divisions, step-by-step process, ancillary processes, etc.,
- Complete updates of all applicant forms,
- Complete comprehensive licensing manual,
- Establish protocols and process for updating, distribution to staff, training to staff on updates,
- Redevelopment of the online licensing system: to be up to date on current requirements and business processes for all new applications,
- Redevelopment of the renewal system: to function with the licensing system,
- Create document management protocols within the licensing system,
- Establish comprehensive tracking system: with multiple data points for purposes of tracking all licensing activities on an individual, regional and statewide level,
- Establish violation tracking system within licensing system.

BUDGET NARRATIVE

B. BACKGROUND

Measure 91 was passed in November of 2014. The Measure legalized recreational marijuana in Oregon and gave authority to the Oregon Liquor Control Commission for administration of the law and regulation of the market. Several pieces of legislation were passed during the 2015 Legislative Session that refined and clarified OLCC's mission, duties and responsibilities. During the 2016 session, House Bill 4014, Senate Bill 1511 and Senate Bill 1598 were passed which added additional authorities including expansion of license types targeting small producers, expansion of the worker permit system to include all workers in the industry, and the ability to move medical marijuana product from the medical system to the recreational system.

C. EXPECTED RESULTS

In the 2019-21 biennium, the Division expects the following results:

- Agency rules, policies and processes result in the reduction of incidents which negatively impact public safety as measured by local and state agency feedback and number of violations.
- Strong partnerships with law enforcement and other state and local agencies result in measurable statewide decreases in the number of public safety incidents related to marijuana and alcohol.
- Reduction in statewide sales to minors by both marijuana and alcohol licensees/permit holders as measured by minor decoy checks and issued citations compared with previous years.
- OLCC sworn staff have the appropriate training necessary to obtain and maintain DPSST certification, which is also in line with the agency's unique compliance philosophy and enforcement authority.

D. REVENUE SOURCE

The Recreational Marijuana Program is funded from license fees and fines out of the Marijuana Control and Regulation Account created in HB 3400. The Oregon Liquor Control Commission is 100% other funded, and generates revenues from the sale of distilled spirits, alcohol and marijuana license fees, privilege tax paid on sales of beer and wine and other miscellaneous revenue sources. The OLCC collects this in accordance with ORS Chapters 471, 473 and 475B. Funding for the Marijuana Program comes exclusively from marijuana-related license and permit fees.

E. PROPOSED LEGISLATIVE CHANGES

Agency Concept 84500-003 – Marijuana Fee Conditional Use of Authority

The OLCC's recreational marijuana program is funded solely by licensing and renewal fees however renewal fees are not realized until the application has been approved. In situations where an existing business applies for renewal shortly before the renewal date or has a particularly complicated renewal application due to changes in business structure or operations, the applicant, agency and local government need additional time after the renewal date to process the application. In these cases the agency issues a Conditional Letter of Authority to allow the business to continue to operate. The agency collects the license fee, however, it cannot expend those funds unless and until the license is approved, even though the licensee is operating and OLCC staff are doing the work. This has created a problem because some licensees are seemingly "gaming" the system, requesting a Conditional Letter of Authority, and then withdrawing their renewal application after harvest and profits are made. In addition, if an agency proposes to deny a license, the licensee can continue to operate without paying a fee. Under this proposal, if a licensee uses their license privileges under a Conditional Letter of Authority (i.e. into a new license year while a renewal is pending), and then later want to surrender their license, the license fee is not refundable.

BUDGET NARRATIVE

MARIJUANA REGULATION – SUBPROGRAM 87

2019-21 OLCC Budget

A. PURPOSE, ACTIVITIES & ISSUES

The Marijuana Regulation Division is responsible for enforcing the laws related to recreational marijuana license holders. The Program will investigate license applications, inspect licensed premises for compliance, respond to complaints related to licensees and administer violations of Oregon's marijuana law and regulations. 2019-21 will be the first biennium where licensed businesses will be subject to enforcement. The Division is managed by the Public Safety Program of the OLCC and shares similar activities and expected outcomes with the alcohol program. Along with ongoing enforcement activities, the Division also expects the following activities:

- Creating or recognizing opportunities for staff to participate in community events such as job fairs, school activities or industry presentations,
- Remain informed about current trends/topics in education in marijuana and incorporate knowledge into existing programs,
- Increase minor decoy visits to marijuana retail shops,
- Partner with moderation groups to conduct minor decoy operations, and
- Consistent information sharing with outside compliance agencies such as OHA, Department of Agriculture, Department of Revenue, Water Resources Department, State Police, as well as local government programs and law enforcement.
- Establish a team to conduct high risk investigations throughout the state.

Compliance:

- Conduct minor decoy operations
- Conduct inspections of retailers, producers, wholesalers, processors, researchers and labs
- Conduct in-field inspections during the outdoor harvest season
- Conduct complaint driven investigations
- Conduct data driven investigations at retailers, produces, wholesalers, processors, researchers and labs
- Analyze data from METRC and provide educational warnings along with directed enforcement when necessary.

BUDGET NARRATIVE

B. BACKGROUND

Measure 91 with amendments from legislation in 2015, 2016, 2017, and 2018 provide OLCC's responsibilities for licensing, regulation and administration. Rulemaking and adoption of processes and procedures is ongoing.

C. EXPECTED RESULTS

The Marijuana Enforcement Division expects the following results during 2019-21 biennium:

- Increased engagement of staff supporting the agency mission,
- Education and programs (server education, marijuana worker permit education, etc.) remain relevant to the industry,
- Increased awareness to licensees about sale of marijuana to minors,
- Show of partnership with the moderation groups and OLCC with licensees,
- Show of partnership with outside agencies,
- Reduce public health and high risk behaviors with over service, DUII, minors, drinking on duty, intoxicated on duty
- Increased enforcement activities.

D. REVENUE SOURCE

The Recreational Marijuana Program is funded from license fees and fines out of the Marijuana Control and Regulation Account created in HB 3400. The Oregon Liquor Control Commission is 100% Other Funded, and generates revenues from the sale of distilled spirits, alcohol and marijuana license fees, privilege tax paid on sales of beer and wine and other miscellaneous revenue sources. The OLCC collects this in accordance with ORS Chapters 471, 473, and 475B. Funding for the Marijuana Program comes exclusively from marijuana-related license and permit fees.

E. PROPOSED LEGISLATIVE CHANGES

Agency Concept 84500-05 – Electronic Verification of ID

Lack of banking access is a significant problem facing Oregon's legal marijuana industry. One of the primary concerns is ensuring that marijuana businesses are adhering to state law and federal policy. For example, guidance from the Federal Financial Crime Enforcement Network states that financial institutions that service MRBs must ensure that they are not selling to minors. In addition, Oregon law imposes daily purchase and possession limits on marijuana transactions. These limitations are easily circumvented by the practice of "smurfing" whereby a consumer makes multiple purchases from multiple retailers in the same day

or the practice of "looping" whereby a consumer makes multiple purchases from a single retailer in the same day. Electronic methods of preventing sales to minors by validating ID and the prevention of "smurfing" and "looping" are available; however, the use of electronic methods to provide this service may be prohibited under Oregon law. Oregon law provides that "A marijuana retailer may not transfer any information that may be used to identify a consumer to any other person." For banks, these types of electronic solutions represent a critical layer of assurance that MRBs are fulfilling their legal obligations and are participating in a process that makes legal marijuana businesses more attractive as potential customers. Amending Section 47B.220 (4) to clarify when and how electronic vendors can be used for age verification and to prevent "smurfing" and "looping" would provide clarity and direction to marijuana businesses in the use of electronic verification equipment and software, and potentially increase the ability of marijuana businesses to secure banking services.

BUDGET NARRATIVE

Public Safety Statewide Dispatch Services

OLCC 2019-21 Agency Request Budget

Policy Option Package No. 205, Agency Priority No 5

A. PACKAGE PURPOSE

During the current biennium OLCC entered into an intergovernmental agreement with the Oregon State Police to provide dispatch services and the Oregon Department of Transportation to provide radio maintenance services. In contracting with OSP, OLCC was able to establish a statewide radio and communication plan that allowed our inspectors in the field to communicate in times of need and increased the safety of field inspectors of bars, restaurants and marijuana growers and retailers. OLCC inspectors have limited law enforcement authority and it is an industry standard to have constant communication capabilities. By using OSP dispatch the OLCC knows the exact locations of inspectors and can communicate in times of need with not only OSP, but other local law enforcement partners on a statewide basis.

Historically OLCC had a rudimentary internal dispatch process for the Portland area out of the Portland Regional Office. The dispatch center was not staffed all the time and often inspectors were in the field with no ability to call for radio help. The system was not robust and often inspectors were texting dispatch to be able to notify them of their updated locations. In the other Regional Offices OLCC relied on other law enforcement agencies to agree to let OLCC use their local system in cases of emergency. It was not a standardized, systematic approach to communication across the state and coverage was spotty at best. In some locations there was no communication systems available.

B. HOW ACHIEVED

This request is funding the continued cost of maintaining the Oregon State Police Dispatch Services for OLCC's inspector s in the field. The cost of each inspector using the State Police Dispatch Services per month is $508 per month per the current agreement.

Public Safety Statewide Dispatch Services

OLCC 2019-21 Agency Request Budget Policy Option Package No 205

Division	Package Description	FTE	One-time	Ongoing	Total
	Public Safety Statewide Dispatch Services				
Public Safety	Oregon State Police Dispatch Services for Distilled Spirits OSP dispatch services for 46 liquor regulatory specialists, managers, and compliance specialists.			$584,916	$584,916
		0.00	$0	$584,916	$584,916
Recreational Marijuana	Oregon State Police Dispatch Services for Recreational Marijuana OSP dispatch services for 23 marijuana inspectors and 1 compliance specialist.			$292,608	$292,608
		0.00	$0	$292,608	$292,608
Medical Marijuana	Oregon State Police Dispatch Services for Recreational Marijuana OSP dispatch services for 16 liquor regulatory specialists, managers, and compliance specialists.			$195,072	$195,072
		0.00	$0	$195,072	$195,072
Subtotal - Statewide Dispatch Services - Package 205		***0.00***	***$0***	***$1,072,596***	***$1,072,596***

a. Benefits to stakeholders

OLCC inspectors for alcohol, recreational marijuana and medical marijuana will have constant communication to a statewide system that ensures employee safety in all areas of the state including licensed premises in large metropolitan regions and remote marijuana production operations in rural areas. Oregon State Police will receive funding assistance to provide dispatch services for law enforcement throughout the state. Local law enforcement can coordinate with OLCC inspectors.

b. Benefits to OLCC

OLCC inspectors are better protected and will have better coordination with other state law enforcement agencies.

C. STAFFING IMPACT

The package adds no new staff to OLCC.

D. QUANTIFYING RESULTS

OLCC expects to have 77 inspectors covering over 17,000 licensed alcohol, recreational marijuana and medical marijuana locations in the state.

E. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana, taxes paid on sales of beer and wine and other miscellaneous revenue sources. The OLCC collects this in accordance with ORS Chapter 471, 473, and 475B. Funding for Recreational Marijuana comes exclusively from marijuana related license fees collected under OAR 845-625-1060 as authorized under ORS 475B. Funding for OMMP Medical Marijuana Tracking comes from marijuana tax money as distributed to OLCC under ORS 475B.895 (7).

BUDGET NARRATIVE

Marijuana Program Enhancement

OLCC 2019-21 Agency Request Budget

Policy Option Package No. 408, Agency Priority No 8

A. PACKAGE PURPOSE

The recreational marijuana program in Oregon continues to grow and outpace initial estimates. During the beginning of the program agency's inspectors who normally do enforcement were tasked with assisting licensees come into the licensed program. During the last year the agency has slowly transitioned its inspectors back to compliance work. To date, most of the compliance work is driven by complaints received at OLCC; however, the Public Safety Program has implemented and carried out new inspection protocols for marijuana minor decoy missions and for retail inspections. All inspections for producers, processors, wholesalers and labs will have active inspections under protocols specific to the issues of compliance of the specific license type and all inspectors will have training to carry out each type of inspection or investigation. The OLCC is developing the internal process to utilize data from the Cannabis Tracking System (CTS - METRC) to create priorities for inspection, oversight, and the issuance of warnings and violations. The CTS is a powerful tool and manual and automated analysis of data within CTS can be utilized to detect potential problems or violations of specific marijuana licensees and license types. With the hiring of additional staff, the OLCC will be analyzing and programing reports to detect potential patterns of deceptive behavior and inaccurate reporting. This intelligence will be used to monitor licensee activities and task inspection missions and surveillance by inspectors.

The compliance work in the recreational marijuana program continues to evolve. OLCC is building a comprehensive compliance program, aligning internal processes for complaint driven investigations with data driven compliance efforts and developing schedules for periodic inspections of all license types to stop diversion, deter behavior and practices leading to diversion, and ensuring the integrity of tracking of product for quality control, tax collections, and consumer protection. This level of comprehensive oversight is an expectation of the state laws creating the program and is designed with the full recognition that marijuana remains a Schedule I regulated drug that is federally illegal.

Laboratory oversight and regulation is technical and mired in the necessary analysis of data and reports from hundreds, maybe thousands of test results and associated reporting. This specialized work requires detailed and specific knowledge and skills. The OLCC recognizes the need for specialized expertise to aid inspectors in the oversight of laboratory licensees and to assist the agency in developing future policies concerning laboratory regulation in conjunction with OHA, the ORLAP lab certification board, industry members, and public health officials. This area of regulation is important to ensuring a level playing field in the industry and to protect consumers. Some of the many

issues in this area include: ensuring that existing and future testing procedures are properly carried out; falsification of results and technical equipment malfunctions are detected; and record keeping is accurate.

The recreational marijuana program continues to create demand for information and education to be delivered to multiple stakeholder groups, and specifically, OLCC marijuana licensees. The comprehensive regulation and rules being put in place by OLCC and partner agencies is critical to communicate to licensees to ensure compliance. Frequently information is of interest and concern to the general public, and there is high demand for clarification on issues such as developments on social consumption, clarifications about the prohibition of use in many environments, or about the legal consequences of activities. The OLCC public affairs/communications team has been utilizing an external communications partner on a limited basis to support the recreational marijuana program with specialized communication expertise to assist the agency's efforts in creating effective messaging and public outreach materials when those projects are beyond the capacity of existing staff. These efforts include: stakeholder engagement, public education campaigns like the well-received "What's Legal" campaign, and graphic design support. For instance, for some time now the agency has wanted to create an education and reward campaign that focus on the dangers of unlicensed butane hash oil, or BHO extraction of THC happening in neighborhood home and apartments — this is a very real and deadly practice and partnering with public safety and public health partners on communications on this topic is an example of specialize communication projects. Given expanding regulatory authority for medical marijuana tracking and complicated hemp regulations the OLCC audiences for specialized communication support are growing and will continue to grow over several years.

B. HOW ACHIEVED

OLCC requests a re-class of an Administrative Specialist 2 to Operations Policy Analyst 1 (Position 8000.407). This position was originally established at an AS2 level, prior to having any knowledge of the MJ licensing rules, processes and computer systems, based loosely on the corresponding AS2 position in liquor. It became apparent after a few months that the duties were going to be nothing like the liquor AS2. This request is to fund the reclassification of the position to the appropriate level of an OPA1. As the current work of this position is significantly different than expected, the new duties have been assessed by HR staff and determined to be appropriately classed at an Operations Policy Analyst 1. The revised tasks fall under three general categories;

1) Systems improvement including assessing system operations and resolving system functional problem.
2) Operational evaluation and support including: monitoring application processing in the NIC-USA application system, researching impacts of statutory and administrative rule changes on the system and evaluating the benefits and consequences of policy option proposals.

3) Administrative Services and Support including tracking of application and design processes to maintain efficient flows of licensing work.

OLCC requests one Compliance Specialist 3 for Marijuana Laboratory Regulation to focus on laboratory compliance, protocol and regulation. The marijuana program has many areas where state agency collaboration is required. One large area of overlap is the complex regulatory environment for overseeing laboratory licensees testing of marijuana products for pesticides and other dangerous compounds that can taint the safety and quality of the product intended for human consumption by smoking, vaping, consuming in edibles, or used as topical treatments. The laboratories are accredited by the Oregon Environmental Laboratory Accreditation Program (ORELAP) which is housed within OHA. The laboratories follow OHA's administrative rules for product testing requirements and the OLCC is responsible for licensing laboratories. The OLCC is turning its focus to laboratory compliance now that the overall marijuana market is up and running. The OLCC is ready to engage with partner agencies in providing the level of necessary oversight of this complex and highly technical area of licensure and compliance. Specialized scientific knowledge and analytical skills are necessary to support OLCC's work with ORELAP and OHA to conduct audits, investigations, and make sure the laboratories are held to the same standards of other licensees and the focus on consumer safety is met. This area of regulation is important to ensuring a level playing field in the industry and to protect consumers. Some of the many issues focused in this area include: assuring that existing and future testing procedures are properly carried out; falsification of results and technical equipment malfunctions are detected; and record keeping is accurate.

Compliance staff can spend an exorbitant amount of time researching complaints against laboratories. Having a dedicated staff member to focus on laboratory compliance, protocol and regulation will assist the overall efficiency of OLCC's compliance program. Regulatory inspectors can get needed assistance in the field and OLCC will have the capacity to work with OHA and ORELAP on detailed investigations and audits (provided OHA and ORELAP are also provided resources). ORELAP will benefit having a contact person at the OLCC who understands laboratory protocol and the OLCC rules and regulations. OHA will benefit by having a staff member who works directly with labs and can track modifications of testing requirements and train and educate other inspectors on these change.

Even with its considerable imperfections, Oregon's aggressive testing standards are nation leading and important to marijuana regulation across the nation and internationally. Laboratory regulation is an important policy area for all states regulating both medical and recreational marijuana because it is important to human consumption of marijuana products. Protecting health and safety in this area, and the consistency of standards between jurisdictions for measuring product qualities, is important to harmonize. Today, testing methodology varies from laboratory to laboratory and state to state. Regulators and the industry are looking to improve and standardize testing to protect consumers through consistent regulation. Even though interstate commerce is not available today, brands that consumers are familiar with

are available through each state's regulatory systems and these products, with respect to testing are not equivalent for consumer use. This position will help the OLCC continue to manage to a best practices level of service.

OLCC requests a re-class of an Operations & Policy Analyst 3 to Principle Executive Manager D (800.407) to lead development by a team of analysts in the process of creating a system of violation prevention, deterrence and detection through automated and manual detection of data anomalies in the Cannabis Tracking System (CTS - Metrc). This is at the heart of a systematic system of flagging activities for warning and violation tickets and the missioning of inspectors in the field to inspect or survey license activities. Utilizing basic algorithms and programing the regular production of data reports will unleash the tremendous value of the data reported into the CTS system. This position will manage technicians that will analyze data, complete reports, and cause the issuance of warnings and violation notices that will be automatically be sent from the CTS system based on predetermined criteria. This technical unit will also review videos to enhance OLCC's ability to proactively assist the program's compliance efforts, this will provide an efficiency to field operations that will focus on conducting inspections. Technicians will be asked to review supplied video for evidence of infractions and frequency during a specific time period. The reports created by the unit will be sent directly to the OLCC's statewide regional managers using a commercial off-the-shelf program and will be used to establish compliance priorities for their regions. This manager would also be responsible for making non-protected data available to researchers and to those communicating data on behalf of the agency. Eight positions would report directly to this position including compliance data analyst and video watchers — also included in this policy option package — for both the Recreational and OMMP Medical Marijuana Tracking programs.

OLCC requests addition of eight Regulatory Specialists (Inspectors) for the Recreational Marijuana program to ensure regulatory compliance of license. The work of marijuana compliance is more detailed and intricate than in liquor and there are expectations in law and from the federal government about the need for comprehensive efforts to control marijuana production and sales. Inspections in rural Oregon involve significant travel times and inspections of retail establishments can take two inspectors up to four hours to complete. Likewise, organizing and carrying out minor decoy missions is a time consuming process and it is a vital expectation of law that the OLCC works aggressively to prevent marijuana from being sold to minors.

Currently OLCC has 1,909 active marijuana licensees with a forecast to grow to 2,300 licensees in the next biennium based on the current number of applications in the system. OLCC's current ratio of licensees to inspector is 100 to 1. By adding 8 inspectors the ratio of licensees to inspector would be reduced to 75 to 1. This is greater than established ratios used for alcohol inspections, but is directly responsive to the growing demand for services to the industry and is commensurate with the high degree of public safety concern

surrounding Oregon's nascent program of marijuana regulation. This is an important time in the establishment of expectations for professionalization of the industry and application of OLCC rules. In this early stage in the program, constant education, communication and presence is critical. OLCC is aware the importance of compliance is not equal amongst its licensees. While most OLCC licensees value their license and make significant investments to be a part of the system and meet OLCC stringent standards, other licensees are not exhibiting the same operational dedication to meeting those standards. A strong regulatory enforcement structure is needed to protect the industry and make sure that Oregon is doing its due diligence in stopping diversion to the illegal market and having an effective compliance program. This request is directed at satisfying the overall concern for public safety and control as the program develops.

OLCC requests addition of three Office Specialists 2's to enable the agency to utilize the information stored on video to enforce compliance and prevent or detect diversion of marijuana. These specialist will watch and report on surveillance videos obtained from field investigations. Providing this oversight is an important part of the agency evolution in that it ensures the capability to gain the benefit of requiring important public safety camera coverage rules. Camera coverage and the retention of back-up video is a major requirement of OLCC rules and simply failing to meet this requirement can result in the loss of a license. It is not just a key feature of the program's current enforcement model to require licensees to maintain and operate video surveillance equipment, video is important in determining violations and video examination has provided evidence and proof of violations for many OLCC administrative cases.

These requirements are in Oregon Administrative Rule under Chapter 825-025-1430 through 1460. Any licensee licensed prior to August 31, 2016 is required to maintain the prior 30 days of recordings and licensees licensed after August 31, 2016 are required to maintain 90 days of recordings. The extension of time of recordings was a direct result of public safety concerns expressed at rule making and the fact that it has been used to prove violations and sanction licensees is evidence itself of the importance of using this common technology to prove allegations of misconduct. As the OLCC moves from a more reactive, complaint driven enforcement approach to a more disciplined data driven approach, seizing and watching video for compliance issues will become a regular, frequently used method of ensuring oversight of licenses. Often inspectors have an idea of the date that a violation occurred, but looking for additional violations once an illegal practice has been identified is very time intensive. The requested positions will watch video for specific violations that were suspected through an inspector investigation or through data driven metrics that were obtained from the Cannabis Tracking System (CTS - Metrc). Once a video has been identified that needs to be reviewed, an inspector will respond to the licensed location and obtain copies of the video. The OS2s will then watch the videos and flag any suspicious activity found and send the video back to the inspector's for review and additional investigation. The addition of these positions will free up inspector's to continue to work in the field and not spend inordinate amounts of time reviewing video surveillance.

BUDGET NARRATIVE

OLCC requests funding ($200,000 biennial allocation) for continuing strategic and tactical support related to marijuana from an external communications partner to provide assistance as the agency takes on additional responsibilities. This support will be used as the agency continues to adapt to changes in laws and rules regulating recreational marijuana, medical marijuana, and hemp that must be communicated to large groups of licensees, registrants, and stakeholders. The support will build upon existing work and compliment a similar request for the agency's distilled spirits retail expansion, particularly communications and engagement with alcohol licensees and stakeholders. There is simply high value in having the capability to educate the public and license about the changing landscape of regulation in the dynamic areas of OLCC regulation. The OLCC has a statewide presence and statewide responsibilities and while considerable investments are made in licensing and enforcement staff, expenditures on communication that helps licensees comply with ever changing regulation and that educates the public are effective in helping OLCC achieve its public safety mission.

OLCC proposes to raise fees for annual marijuana licenses by $100 to accommodate increase in program expense if all the proposed policy option packages for recreational marijuana are approved. Fee increases are done by rule and would be implemented to accommodate increases in personal services and costs associated with inflation.

BUDGET NARRATIVE

Marijuana Program Enhancement

OLCC 2019-21 Agency Request Budget Policy Option Package No 408

Division	Package Description	FTE	One-time	Ongoing	Total
Marijuana - Administration	Reclassify Admin Specialist 2 to Operations & Policy Analyst			$15,586	$15,586
	Reclassify OPA3 to PEM-D to manage data operations for Marijuana			$10,704	$10,704
		0.00	$0	$26,290	$26,290
Marijuana - Regulation	Add 1 Compliance Specialist 3 for Marijuana Laboratory Regulation	1.00		$192,611	$192,611
	Services & Supplies, including office space @ $17,368 per employee		$2,767	$23,368	$26,135
	Work station furniture & chair		$7,695		$7,695
		1.00	$10,462	$215,979	$226,441
Marijuana - Regulation	Add 8 Regulatory Specialists for Marijuana	8.00		$1,428,336	$1,428,336
	Services & Supplies, including office space @ $17,368 per employee		$131,456	$186,944	$318,400
	Work station furniture & chair		$288,224		$288,224
		8.00	$419,680	$1,615,280	$2,034,960
Marijuana - Administration	Add 3 Office Specialist 2s to watch & investigate Marijuana video	3.00		$363,432	$363,432
	Services & Supplies, including office space @ $17,368 per employee		$8,301	$70,104	$78,405
	Work station furniture & chair		$23,085		$23,085
		3.00	$31,386	$433,536	$464,922
Marijuana - Administration	Funding for Contract Services related to Marijuana Outreach				
	Contract with PR firm to develop materials and public safety announcements		$200,000		$200,000
		0.00	$200,000	$0	$200,000
	Expenditures	***12.00***	***$661,528***	***$2,291,085***	***$2,952,613***
	Revenue				
Marijuana - Administration	Proposed Fee Increase of $100 per license x 4,600 licenses			$460,000	$460,000
		0.00	$0	$460,000	$460,000
Subtotal - Marijuana Program Enhancement - Package 408		***12.00***	***$661,528***	***$1,831,085***	***$2,492,613***

a. Benefits to stakeholders

Creation of a well-regulated marijuana industry will benefit all licensees in Oregon and reduce the risk of federal scrutiny.

b. Benefits to OLCC

A well-regulated industry poses less reputational risk to the agency.

C. STAFFING IMPACT

The package adds twelve positions to OLCC.

D. QUANTIFYING RESULTS

OLCC's marijuana program has two key performance measures; Time to License and Sales to Minors compliance rate.

E. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana, taxes paid on sales of beer and wine and other miscellaneous revenue sources. The OLCC collects this in accordance with ORS Chapter 471, 473, and 475B. Funding for Recreational Marijuana comes exclusively from marijuana related license fees collected under OAR 845-625-1060 as authorized under ORS 475B. Funding for Medical Marijuana Tracking comes from marijuana tax money as distributed to OLCC under ORS 475B.895 (7).

BUDGET NARRATIVE

Regulatory Specialist Reclassification

OLCC 2019-21 Agency Request Budget

Policy Option Package No. 209, Agency Priority No 9

A. PACKAGE PURPOSE

In 2017 the Classification and Compensation unit of the Department of Administrative Services completed a compensation study of the Liquor and Marijuana Regulatory class positions. The study concluded that Regulatory Specialists who were sworn inspectors should be raised from a salary level 25 to a salary level 27. It also concluded that unsworn Regulatory Specialists who are classified as license investigators would remain at the salary level 25. The study resulted in a splitting the of the Regulatory Specialist positions into two positions: Regulatory Specialist (Level 27) and Licensing Specialist (Level 25).

The change of the salary ranges was implemented with a least cost process meaning that for most employees their salary in the new range is the same salary as the old range. Those regulatory specialists who moved from Level 25 to Level 27 have the same salary but at a lower step in the new range with one exception: those employees who moved from a salary Level 25 to Level 27 who have already reached or will reach the top step of Level 27 during the 2019-21 biennium. This package adjusts the agency's budget to account for cost of reclassification.

B. HOW ACHIEVED

Provide funding for differential of Regulatory Specialist that moved from a Salary Level 25 to a Salary Level 27 who have reached or will reach the top step of the 27 level during the 2019-21 biennium.

Regulatory Specialist Reclassification
OLCC 2019-21 Agency Request Budget Policy Option Package No 209

Division	Package Description	FTE	One-time	Ongoing	Total
	Regulatory Specialist Position Study Reclassifications				
Public Safety	Personal Services cost for Reclassification of 38 Liquor Regulatory Specialists from salary level 25 to 27			$404,617	$404,617
Marijuana	Personal Services cost for Reclassification of 23 Liquor Regulatory Specialists from salary level 25 to 27			$252,157	$252,157
Subtotal - Regulatory Specialist Study Reclassifications - Package 209		**0.00**	***$0***	***$656,774***	***$656,774***

a. Benefits to stakeholders

Regulatory Specialists at the OLCC will receive the compensation that was granted to them as a result of the position study and reclassification.

b. Benefits to OLCC

OLCC's budget limitation will accommodate the required additional salary steps.

C. STAFFING IMPACT

The package adds no positions to the agency

D. QUANTIFYING RESULTS

OLCC's budget will accurately reflect the salary differentials.

E. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana, taxes paid on sales of beer and wine and other miscellaneous revenue sources. The OLCC collects this in accordance with ORS Chapter 471, 473, and 475B. The recreational marijuana program will pay its proportional share of costs for the salary adjustment. No salary adjustment is needed for the OMMP tracking program as those regulatory specialists were hired at Level 27.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Recreational Marijuana Program
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							
Pension Obligation Bond	-	-	110,050	-	-	-	110,050
Mass Transit Tax	-	-	18,371	-	-	-	18,371
Vacancy Savings	-	-	39,864	-	-	-	39,864
Total Personal Services	**-**	**-**	**$168,285**	**-**	**-**	**-**	**$168,285**
Total Expenditures							
Total Expenditures	-	-	168,285	-	-	-	168,285
Total Expenditures	**-**	**-**	**$168,285**	**-**	**-**	**-**	**$168,285**
Ending Balance							
Ending Balance	-	-	(168,285)	-	-	-	(168,285)
Total Ending Balance	**-**	**-**	**($168,285)**	**-**	**-**	**-**	**($168,285)**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm
Pkg: 021 - Phase - In

Cross Reference Name: Recreational Marijuana Program
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
Transfers Out							
Tsfr To Oregon Health Authority	-	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm
Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Recreational Marijuana Program
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	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers Out							
Tsfr To Administrative Svcs	-	-	-	-	-	-	-
Tsfr To Agriculture, Dept of	-	-	-	-	-	-	-
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Services & Supplies							
Employee Training	-	-	(19,000)	-	-	-	(19,000)
Office Expenses	-	-	(42,588)	-	-	-	(42,588)
Telecommunications	-	-	(5,917)	-	-	-	(5,917)
Professional Services	-	-	-	-	-	-	-
Employee Recruitment and Develop	-	-	(1,000)	-	-	-	(1,000)
Facilities Maintenance	-	-	(679,500)	-	-	-	(679,500)
Total Services & Supplies	**-**	**-**	**($748,005)**	**-**	**-**	**-**	**($748,005)**
Capital Outlay							
Automotive and Aircraft	-	-	(25,000)	-	-	-	(25,000)
Total Capital Outlay	**-**	**-**	**($25,000)**	**-**	**-**	**-**	**($25,000)**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm
Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Recreational Marijuana Program
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 Expenditures							
Total Expenditures	-	-	(773,005)	-	-	-	(773,005)
Total Expenditures	**-**	**-**	**($773,005)**	**-**	**-**	**-**	**($773,005)**
Ending Balance							
Ending Balance	-	-	773,005	-	-	-	773,005
Total Ending Balance	**-**	**-**	**$773,005**	**-**	**-**	**-**	**$773,005**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm
Pkg: 031 - Standard Inflation

Cross Reference Name: Recreational Marijuana Program
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	-	-	-	-	-	-	-
Services & Supplies							
Instate Travel	-	-	3,375	-	-	-	3,375
Out of State Travel	-	-	602	-	-	-	602
Employee Training	-	-	3,191	-	-	-	3,191
Office Expenses	-	-	7,124	-	-	-	7,124
Telecommunications	-	-	3,181	-	-	-	3,181
State Gov. Service Charges	-	-	85,268	-	-	-	85,268
Data Processing	-	-	3,800	-	-	-	3,800
Publicity and Publications	-	-	117	-	-	-	117
Professional Services	-	-	15,999	-	-	-	15,999
IT Professional Services	-	-	43,002	-	-	-	43,002
Attorney General	-	-	75,403	-	-	-	75,403
Employee Recruitment and Develop	-	-	3,645	-	-	-	3,645
Dues and Subscriptions	-	-	117	-	-	-	117
Facilities Rental and Taxes	-	-	11,144	-	-	-	11,144
Facilities Maintenance	-	-	34,296	-	-	-	34,296
Agency Program Related S and S	-	-	5,753	-	-	-	5,753
Other Services and Supplies	-	-	2,703	-	-	-	2,703
Expendable Prop 250 - 5000	-	-	3,040	-	-	-	3,040

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm
Pkg: 031 - Standard Inflation

Cross Reference Name: Recreational Marijuana Program
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							
IT Expendable Property	-	-	112	-	-	-	112
Total Services & Supplies	**-**	**-**	**$301,872**	**-**	**-**	**-**	**$301,872**
Special Payments							
Spc Pmt to Agriculture, Dept of	-	-	9,829	-	-	-	9,829
Total Special Payments	**-**	**-**	**$9,829**	**-**	**-**	**-**	**$9,829**
Total Expenditures							
Total Expenditures	-	-	311,701	-	-	-	311,701
Total Expenditures	**-**	**-**	**$311,701**	**-**	**-**	**-**	**$311,701**
Ending Balance							
Ending Balance	-	-	(311,701)	-	-	-	(311,701)
Total Ending Balance	**-**	**-**	**($311,701)**	**-**	**-**	**-**	**($311,701)**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Recreational Marijuana Program
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	-	-	-	-	-	-	-
Services & Supplies							
Professional Services	-	-	-	-	-	-	-
IT 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: 033 - Exceptional Inflation

Cross Reference Name: Recreational Marijuana Program
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	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Services & Supplies							
IT Professional Services	-	-	1,471,010	-	-	-	1,471,010
Total Services & Supplies	**-**	**-**	**$1,471,010**	**-**	**-**	**-**	**$1,471,010**
Total Expenditures							
Total Expenditures	-	-	1,471,010	-	-	-	1,471,010
Total Expenditures	**-**	**-**	**$1,471,010**	**-**	**-**	**-**	**$1,471,010**
Ending Balance							
Ending Balance	-	-	(1,471,010)	-	-	-	(1,471,010)
Total Ending Balance	**-**	**-**	**($1,471,010)**	**-**	**-**	**-**	**($1,471,010)**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm
Pkg: 060 - Technical Adjustments

Cross Reference Name: Recreational Marijuana Program
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	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers Out							
Tsfr To Agriculture, Dept of	-	-	(292,593)	-	-	-	(292,593)
Total Transfers Out	**-**	**-**	**($292,593)**	**-**	**-**	**-**	**($292,593)**
Special Payments							
Spc Pmt to Agriculture, Dept of	-	-	(268,493)	-	-	-	(268,493)
Total Special Payments	**-**	**-**	**($268,493)**	**-**	**-**	**-**	**($268,493)**
Total Expenditures							
Total Expenditures	-	-	(268,493)	-	-	-	(268,493)
Total Expenditures	**-**	**-**	**($268,493)**	**-**	**-**	**-**	**($268,493)**
Ending Balance							
Ending Balance	-	-	(24,100)	-	-	-	(24,100)
Total Ending Balance	**-**	**-**	**($24,100)**	**-**	**-**	**-**	**($24,100)**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm
Pkg: 205 - Statewide Dispatch Services

Cross Reference Name: Recreational Marijuana Program
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
Transfers Out							
Tsfr To Police, Dept of State	-	-	-	-	-	-	-
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Services & Supplies							
Telecommunications	-	-	292,608	-	-	-	292,608
Total Services & Supplies	**-**	**-**	**$292,608**	**-**	**-**	**-**	**$292,608**
Total Expenditures							
Total Expenditures	-	-	292,608	-	-	-	292,608
Total Expenditures	**-**	**-**	**$292,608**	**-**	**-**	**-**	**$292,608**
Ending Balance							
Ending Balance	-	-	(292,608)	-	-	-	(292,608)
Total Ending Balance	**-**	**-**	**($292,608)**	**-**	**-**	**-**	**($292,608)**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm
Pkg: 209 - Regulatory Specialist Reclass

Cross Reference Name: Recreational Marijuana Program
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
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	199,584	-	-	-	199,584
Empl. Rel. Bd. Assessments	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	36,107	-	-	-	36,107
Social Security Taxes	-	-	15,269	-	-	-	15,269
Worker's Comp. Assess. (WCD)	-	-	-	-	-	-	-
Mass Transit Tax	-	-	1,197	-	-	-	1,197
Flexible Benefits	-	-	-	-	-	-	-
Total Personal Services	**-**	**-**	**$252,157**	**-**	**-**	**-**	**$252,157**
Total Expenditures							
Total Expenditures	-	-	252,157	-	-	-	252,157
Total Expenditures	**-**	**-**	**$252,157**	**-**	**-**	**-**	**$252,157**
Ending Balance							
Ending Balance	-	-	(252,157)	-	-	-	(252,157)
Total Ending Balance	**-**	**-**	**($252,157)**	**-**	**-**	**-**	**($252,157)**
Total Positions							
Total Positions							-
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm
Pkg: 209 - Regulatory Specialist Reclass

Cross Reference Name: Recreational Marijuana Program
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 FTE							
Total FTE							-
Total FTE	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm
Pkg: 301 - Information Services Enhancement

Cross Reference Name: Recreational Marijuana Program
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							
IT 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: 408 - Marijuana Program Enhancement

Cross Reference Name: Recreational Marijuana Program
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							
Business Lic and Fees	-	-	460,000	-	-	-	460,000
Total Revenues	**-**	**-**	**$460,000**	**-**	**-**	**-**	**$460,000**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	1,256,160	-	-	-	1,256,160
Empl. Rel. Bd. Assessments	-	-	732	-	-	-	732
Public Employees' Retire Cont	-	-	227,242	-	-	-	227,242
Social Security Taxes	-	-	96,095	-	-	-	96,095
Worker's Comp. Assess. (WCD)	-	-	696	-	-	-	696
Mass Transit Tax	-	-	7,536	-	-	-	7,536
Flexible Benefits	-	-	422,208	-	-	-	422,208
Total Personal Services	**-**	**-**	**$2,010,669**	**-**	**-**	**-**	**$2,010,669**
Services & Supplies							
Instate Travel	-	-	24,000	-	-	-	24,000
Employee Training	-	-	53,336	-	-	-	53,336
Office Expenses	-	-	8,000	-	-	-	8,000
Telecommunications	-	-	58,480	-	-	-	58,480
Data Processing	-	-	14,000	-	-	-	14,000
Publicity and Publications	-	-	200,000	-	-	-	200,000
Facilities Rental and Taxes	-	-	208,416	-	-	-	208,416
Agency Program Related S and S	-	-	21,504	-	-	-	21,504
Other Services and Supplies	-	-	8,000	-	-	-	8,000

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm
Pkg: 408 - Marijuana Program Enhancement

Cross Reference Name: Recreational Marijuana Program
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							
IT Expendable Property	-	-	27,204	-	-	-	27,204
Total Services & Supplies	**-**	**-**	**$622,940**	**-**	**-**	**-**	**$622,940**
Capital Outlay							
Office Furniture and Fixtures	-	-	92,340	-	-	-	92,340
Automotive and Aircraft	-	-	226,664	-	-	-	226,664
Total Capital Outlay	**-**	**-**	**$319,004**	**-**	**-**	**-**	**$319,004**
Special Payments							
Dist to Cities	-	-	-	-	-	-	-
Total Special Payments	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditures							
Total Expenditures	-	-	2,952,613	-	-	-	2,952,613
Total Expenditures	**-**	**-**	**$2,952,613**	**-**	**-**	**-**	**$2,952,613**
Ending Balance							
Ending Balance	-	-	(2,492,613)	-	-	-	(2,492,613)
Total Ending Balance	**-**	**-**	**($2,492,613)**	**-**	**-**	**-**	**($2,492,613)**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Oregon Liquor Control Comm
Pkg: 408 - Marijuana Program Enhancement

Cross Reference Name: Recreational Marijuana Program
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							12
Total Positions	-	-	-	-	-	-	**12**
Total FTE							
Total FTE							12.00
Total FTE	-	-	-	-	-	-	**12.00**

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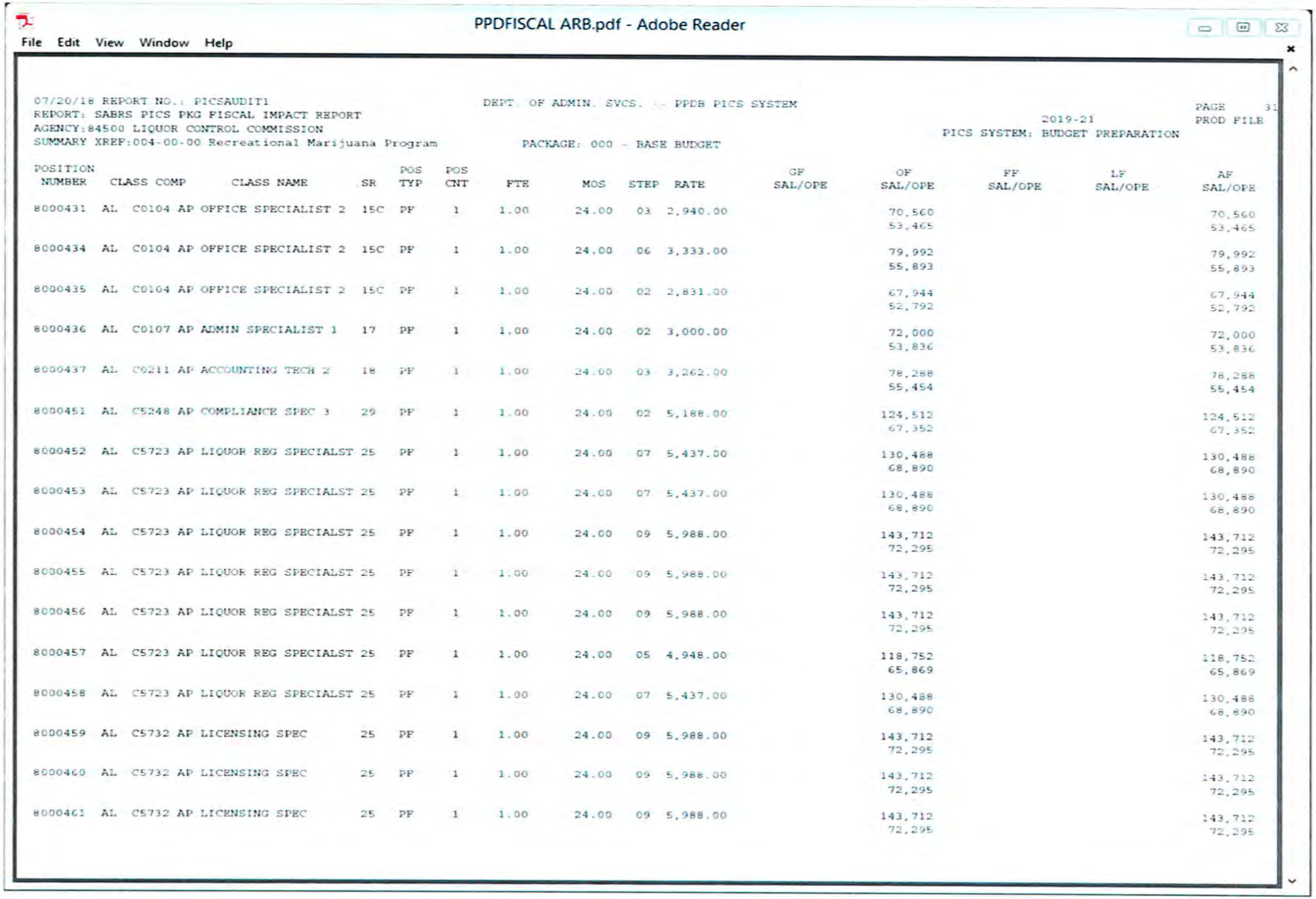
07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 30
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:004-00-00 Recreational Marijuana Program PACKAGE: 000 - BASE BUDGET

POSITION NUMBER	CLASS COMP	CLASS NAME	SR	POS TYP	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
8000050	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	04	4,724.00		113,376 64,486			113,376 64,486
8000090	AL C0107 AP	ADMIN SPECIALIST 1	17	PF	1	1.00	24.00	05	3,406.00		81,744 56,344			81,744 56,344
8000091	AL C0107 AP	ADMIN SPECIALIST 1	17	PF	1	1.00	24.00	07	3,737.00		89,688 58,388			89,688 58,388
8000092	AL C0107 AP	ADMIN SPECIALIST 1	17	PF	1	1.00	24.00	04	3,262.00		78,288 55,454			78,288 55,454
8000118	AL C5248 AP	COMPLIANCE SPEC 3	29	PF	1	1.00	24.00	02	5,188.00		124,512 67,352			124,512 67,352
8000119	AL C0108 AP	ADMIN SPECIALIST 2	20Q	PF	1	1.00	24.00	02	3,403.00		81,672 56,325			81,672 56,325
8000120	AL C5248 AP	COMPLIANCE SPEC 3	29	PF	1	1.00	24.00	02	5,188.00		124,512 67,352			124,512 67,352
8000121	AL C5246 AP	COMPLIANCE SPEC 1	21	PF	1	1.00	24.00	02	3,563.00		85,512 57,314			85,512 57,314
8000122	AL C0107 AP	ADMIN SPECIALIST 1	17	PF	1	1.00	24.00	02	3,000.00		72,000 53,836			72,000 53,836
8000405	MMN X0873 AP	OPS/POLICY ANALYST 4	32	PF	1	1.00	24.00	08	8,740.00		209,760 89,296			209,760 89,296
8000406	MMN X0872 AP	OPS/POLICY ANALYST 3	30	PF	1	1.00	24.00	07	7,561.00		181,464 82,012			181,464 82,012
8000407	AL C0108 AP	ADMIN SPECIALIST 2	20Q	PF	1	1.00	24.00	02	3,403.00		81,672 56,325			81,672 56,325
8000416	MMN X0872 AP	OPS/POLICY ANALYST 3	30	PF	1	1.00	24.00	06	7,208.00		172,992 79,831			172,992 79,831
8000417	AL C0870 AP	OPS/POLICY ANALYST 1	23	PF	1	1.00	24.00	04	4,292.00		103,008 61,817			103,008 61,817
8000418	AL C5248 AP	COMPLIANCE SPEC 3	29	PF	1	1.00	24.00	02	5,188.00		124,512 67,352			124,512 67,352
8000430	AL C0107 AP	ADMIN SPECIALIST 1	17	PF	1	1.00	24.00	05	3,406.00		81,744 56,344			81,744 56,344



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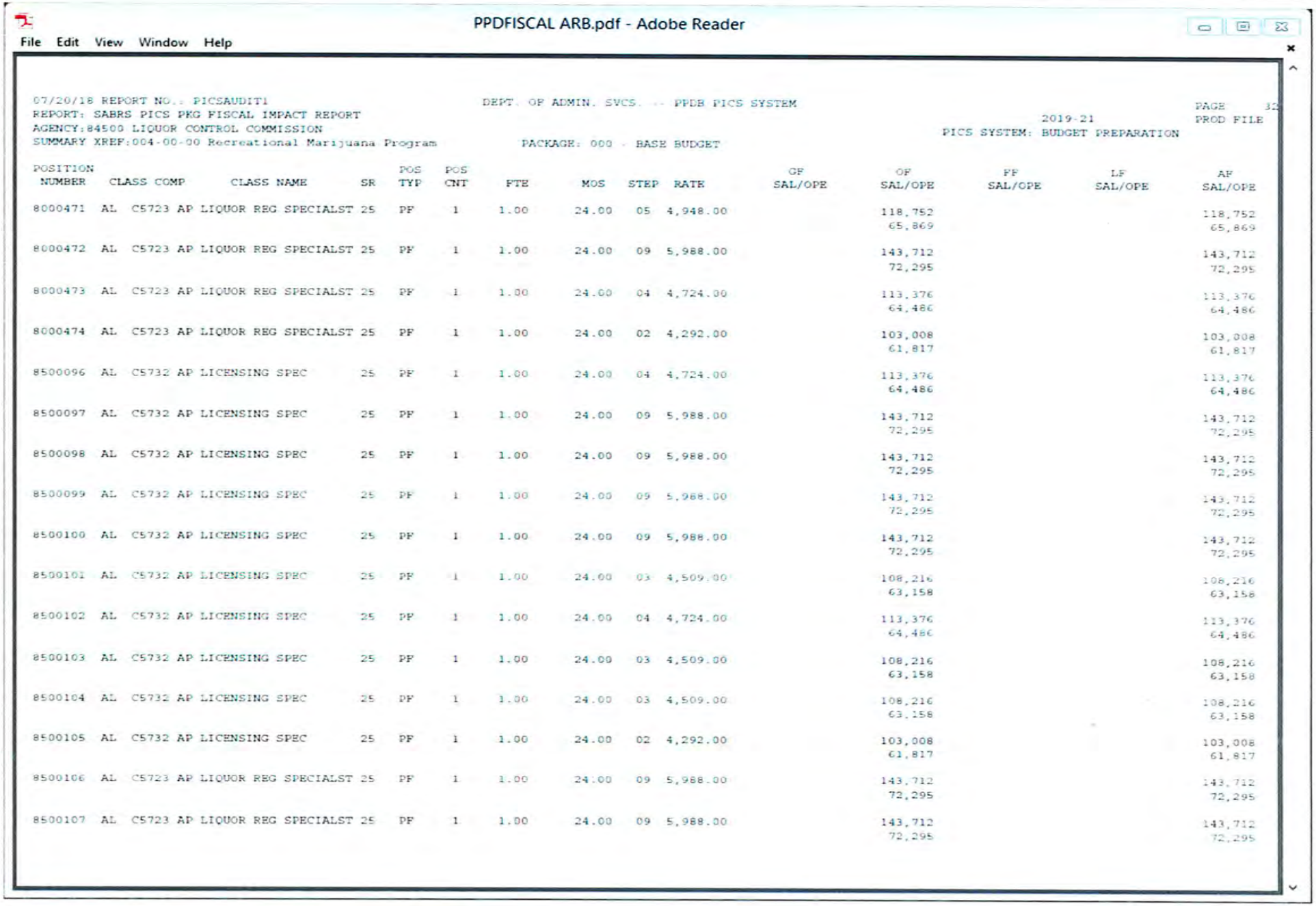
07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 31
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:004-00-00 Recreational Marijuana Program PACKAGE: 000 - BASE BUDGET

POSITION NUMBER	CLASS COMP	CLASS NAME	SR	POS TYP	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
8000431	AL C0104 AP	OFFICE SPECIALIST 2	15C	PF	1	1.00	24.00	03	2,940.00		70,560 53,465			70,560 53,465
8000434	AL C0104 AP	OFFICE SPECIALIST 2	15C	PF	1	1.00	24.00	06	3,333.00		79,992 55,893			79,992 55,893
8000435	AL C0104 AP	OFFICE SPECIALIST 2	15C	PF	1	1.00	24.00	02	2,831.00		67,944 52,792			67,944 52,792
8000436	AL C0107 AP	ADMIN SPECIALIST 1	17	PF	1	1.00	24.00	02	3,000.00		72,000 53,836			72,000 53,836
8000437	AL C0211 AP	ACCOUNTING TECH 2	18	PF	1	1.00	24.00	03	3,262.00		78,288 55,454			78,288 55,454
8000451	AL C5248 AP	COMPLIANCE SPEC 3	29	PF	1	1.00	24.00	02	5,188.00		124,512 67,352			124,512 67,352
8000452	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	07	5,437.00		130,488 68,890			130,488 68,890
8000453	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	07	5,437.00		130,488 68,890			130,488 68,890
8000454	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	09	5,988.00		143,712 72,295			143,712 72,295
8000455	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	09	5,988.00		143,712 72,295			143,712 72,295
8000456	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	09	5,988.00		143,712 72,295			143,712 72,295
8000457	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	05	4,948.00		118,752 65,869			118,752 65,869
8000458	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	07	5,437.00		130,488 68,890			130,488 68,890
8000459	AL C5732 AP	LICENSING SPEC	25	PF	1	1.00	24.00	09	5,988.00		143,712 72,295			143,712 72,295
8000460	AL C5732 AP	LICENSING SPEC	25	PF	1	1.00	24.00	09	5,988.00		143,712 72,295			143,712 72,295
8000461	AL C5732 AP	LICENSING SPEC	25	PF	1	1.00	24.00	09	5,988.00		143,712 72,295			143,712 72,295



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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 32
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:004-00-00 Recreational Marijuana Program PACKAGE: 000 - BASE BUDGET

POSITION NUMBER	CLASS	COMP	CLASS NAME	SR	POS TYP	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
8000471	AL	C5723	AP LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	05	4,948.00		118,752 65,869			118,752 65,869
8000472	AL	C5723	AP LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	09	5,988.00		143,712 72,295			143,712 72,295
8000473	AL	C5723	AP LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	04	4,724.00		113,376 64,486			113,376 64,486
8000474	AL	C5723	AP LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	02	4,292.00		103,008 61,817			103,008 61,817
8500096	AL	C5732	AP LICENSING SPEC	25	PF	1	1.00	24.00	04	4,724.00		113,376 64,486			113,376 64,486
8500097	AL	C5732	AP LICENSING SPEC	25	PF	1	1.00	24.00	09	5,988.00		143,712 72,295			143,712 72,295
8500098	AL	C5732	AP LICENSING SPEC	25	PF	1	1.00	24.00	09	5,988.00		143,712 72,295			143,712 72,295
8500099	AL	C5732	AP LICENSING SPEC	25	PF	1	1.00	24.00	09	5,988.00		143,712 72,295			143,712 72,295
8500100	AL	C5732	AP LICENSING SPEC	25	PF	1	1.00	24.00	09	5,988.00		143,712 72,295			143,712 72,295
8500101	AL	C5732	AP LICENSING SPEC	25	PF	1	1.00	24.00	03	4,509.00		108,216 63,158			108,216 63,158
8500102	AL	C5732	AP LICENSING SPEC	25	PF	1	1.00	24.00	04	4,724.00		113,376 64,486			113,376 64,486
8500103	AL	C5732	AP LICENSING SPEC	25	PF	1	1.00	24.00	03	4,509.00		108,216 63,158			108,216 63,158
8500104	AL	C5732	AP LICENSING SPEC	25	PF	1	1.00	24.00	03	4,509.00		108,216 63,158			108,216 63,158
8500105	AL	C5732	AP LICENSING SPEC	25	PF	1	1.00	24.00	02	4,292.00		103,008 61,817			103,008 61,817
8500106	AL	C5723	AP LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	09	5,988.00		143,712 72,295			143,712 72,295
8500107	AL	C5723	AP LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	09	5,988.00		143,712 72,295			143,712 72,295

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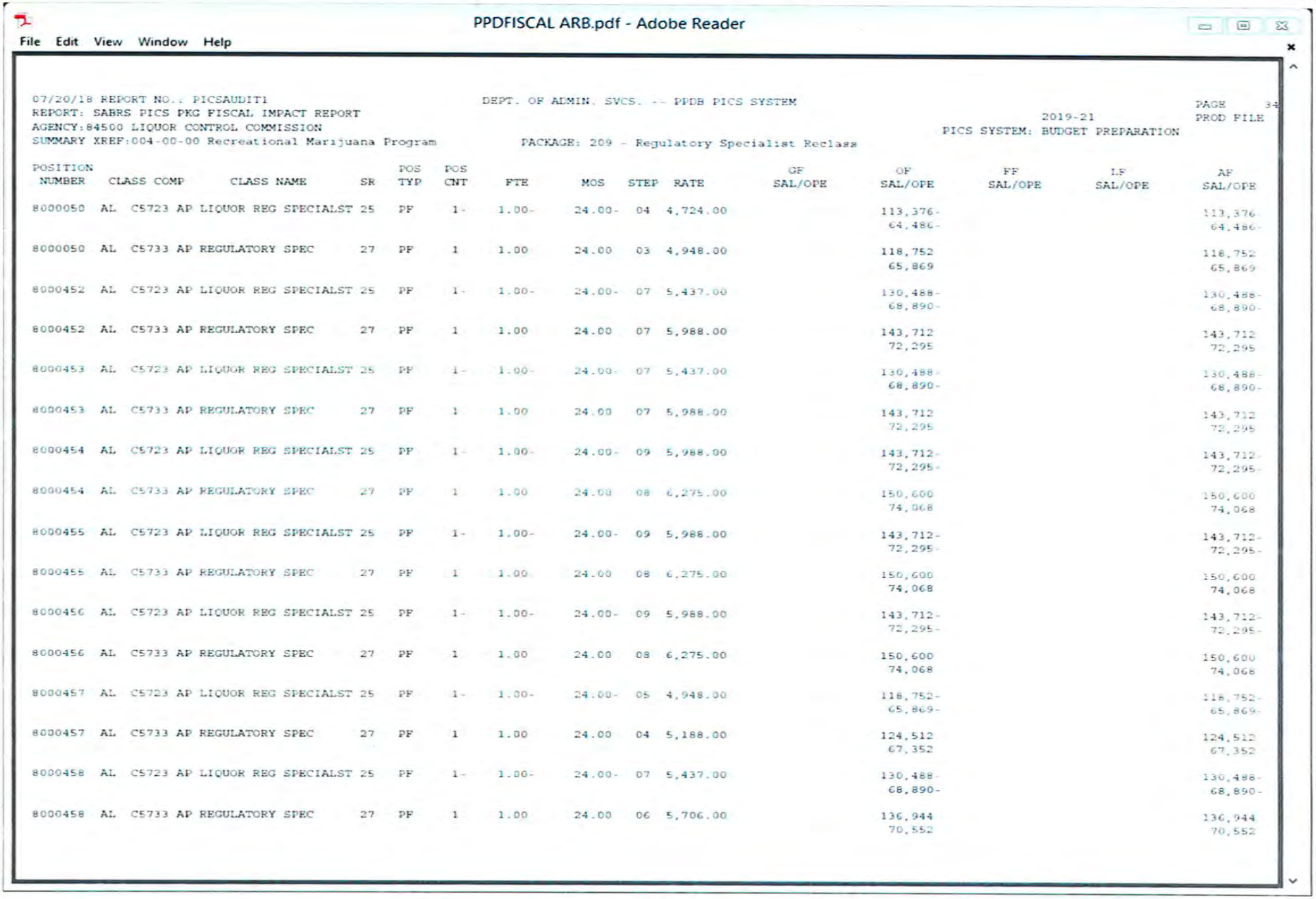
07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 33
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:004-00-00 Recreational Marijuana Program PACKAGE: 000 - BASE BUDGET

POSITION NUMBER	CLASS COMP	CLASS NAME	SR	POS TYP	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
8500108	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	09	5,988.00		143,712			143,712
											72,295			72,295
8500109	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	09	5,988.00		143,712			143,712
											72,295			72,295
8500110	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	06	5,188.00		124,512			124,512
											67,352			67,352
8500111	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	09	5,988.00		143,712			143,712
											72,295			72,295
8500112	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	09	5,988.00		143,712			143,712
											72,295			72,295
8500113	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	05	4,948.00		118,752			118,752
											65,869			65,869
8500114	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	02	4,292.00		103,008			103,008
											61,817			61,817
8500115	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	02	4,292.00		103,008			103,008
											61,817			61,817
8500116	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1	1.00	24.00	02	4,292.00		103,008			103,008
											61,817			61,817
8700094	AL C5246 AP	COMPLIANCE SPEC 1	21	PF	1	1.00	24.00	02	3,563.00		85,512			85,512
											57,314			57,314
8700095	AL C5246 AP	COMPLIANCE SPEC 1	21	PF	1	1.00	24.00	02	3,563.00		85,512			85,512
											57,314			57,314
		TOTAL PICS SALARY									6,965,928			6,965,928
		TOTAL PICS OPE									3,875,909			3,875,909
	TOTAL PICS PERSONAL SERVICES =				59	59.00	1416.00				10,841,837			10,841,837



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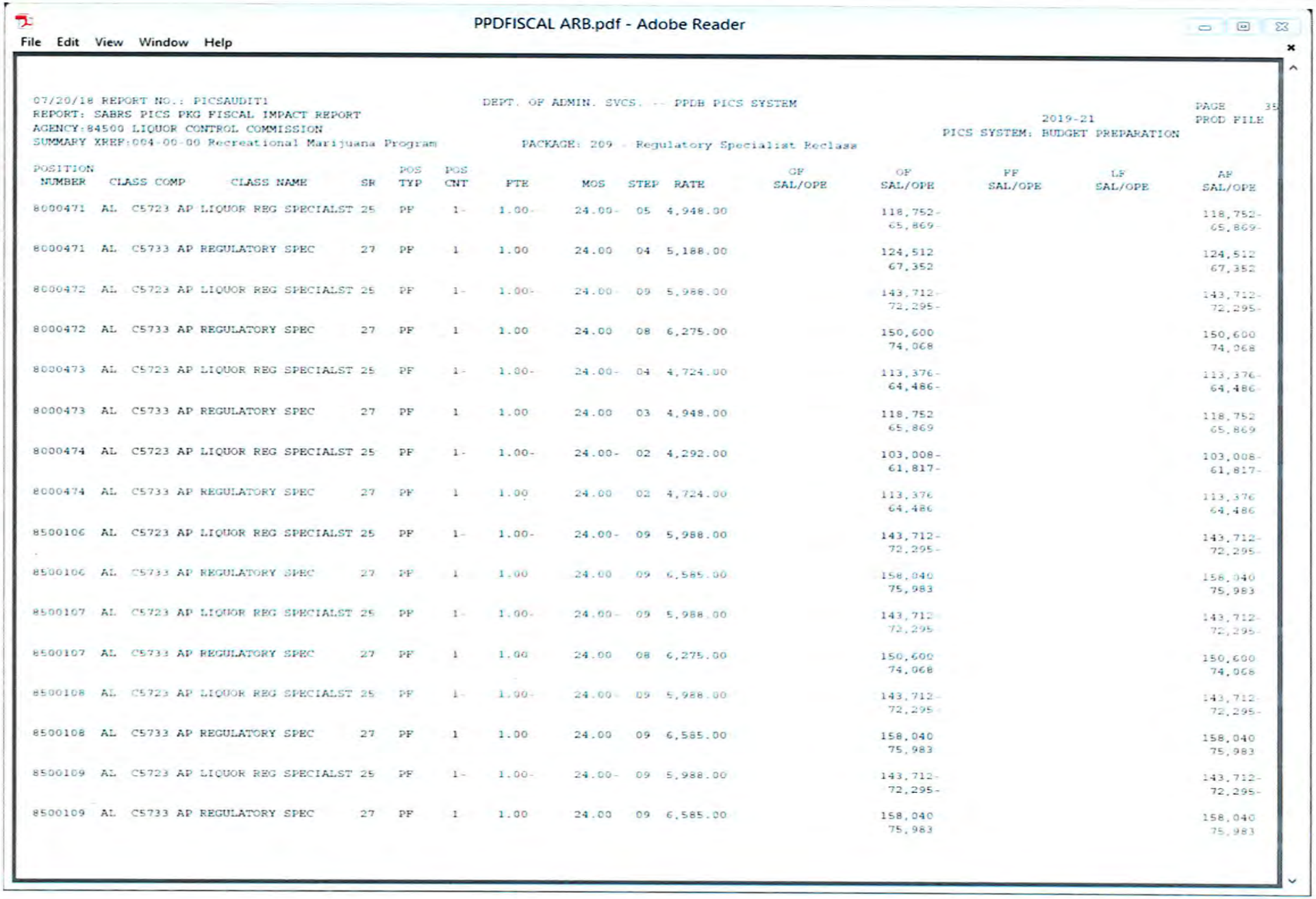
07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 34
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:004-00-00 Recreational Marijuana Program PACKAGE: 209 - Regulatory Specialist Reclass

POSITION NUMBER	CLASS COMP	CLASS NAME	SR	POS TYP	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
8000050	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	04	4,724.00		113,376- 64,486-			113,376- 64,486-
8000050	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	03	4,948.00		118,752 65,869			118,752 65,869
8000452	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	07	5,437.00		130,488- 68,890-			130,488- 68,890-
8000452	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	07	5,988.00		143,712 72,295			143,712 72,295
8000453	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	07	5,437.00		130,488- 68,890-			130,488- 68,890-
8000453	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	07	5,988.00		143,712 72,295			143,712 72,295
8000454	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	09	5,988.00		143,712- 72,295-			143,712- 72,295-
8000454	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	08	6,275.00		150,600 74,068			150,600 74,068
8000455	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	09	5,988.00		143,712- 72,295-			143,712- 72,295-
8000455	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	08	6,275.00		150,600 74,068			150,600 74,068
8000456	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	09	5,988.00		143,712- 72,295-			143,712- 72,295-
8000456	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	08	6,275.00		150,600 74,068			150,600 74,068
8000457	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	05	4,948.00		118,752- 65,869-			118,752- 65,869-
8000457	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	04	5,188.00		124,512 67,352			124,512 67,352
8000458	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	07	5,437.00		130,488- 68,890-			130,488- 68,890-
8000458	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	06	5,706.00		136,944 70,552			136,944 70,552



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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 35
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREP:004-00-00 Recreational Marijuana Program PACKAGE: 209 - Regulatory Specialist Reclass

POSITION NUMBER	CLASS COMP	CLASS NAME	SR	POS TYP	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
8000471	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	05	4,948.00		118,752- 65,869-			118,752- 65,869-
8000471	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	04	5,188.00		124,512 67,352			124,512 67,352
8000472	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	09	5,988.00		143,712- 72,295-			143,712- 72,295-
8000472	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	08	6,275.00		150,600 74,068			150,600 74,068
8000473	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	04	4,724.00		113,376- 64,486-			113,376- 64,486-
8000473	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	03	4,948.00		118,752 65,869			118,752 65,869
8000474	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	02	4,292.00		103,008- 61,817-			103,008- 61,817-
8000474	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	02	4,724.00		113,376 64,486			113,376 64,486
8500106	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	09	5,988.00		143,712- 72,295-			143,712- 72,295-
8500106	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	09	6,585.00		158,040 75,983			158,040 75,983
8500107	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	09	5,988.00		143,712- 72,295-			143,712- 72,295-
8500107	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	08	6,275.00		150,600 74,068			150,600 74,068
8500108	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	09	5,988.00		143,712- 72,295-			143,712- 72,295-
8500108	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	09	6,585.00		158,040 75,983			158,040 75,983
8500109	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	09	5,988.00		143,712- 72,295-			143,712- 72,295-
8500109	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	09	6,585.00		158,040 75,983			158,040 75,983

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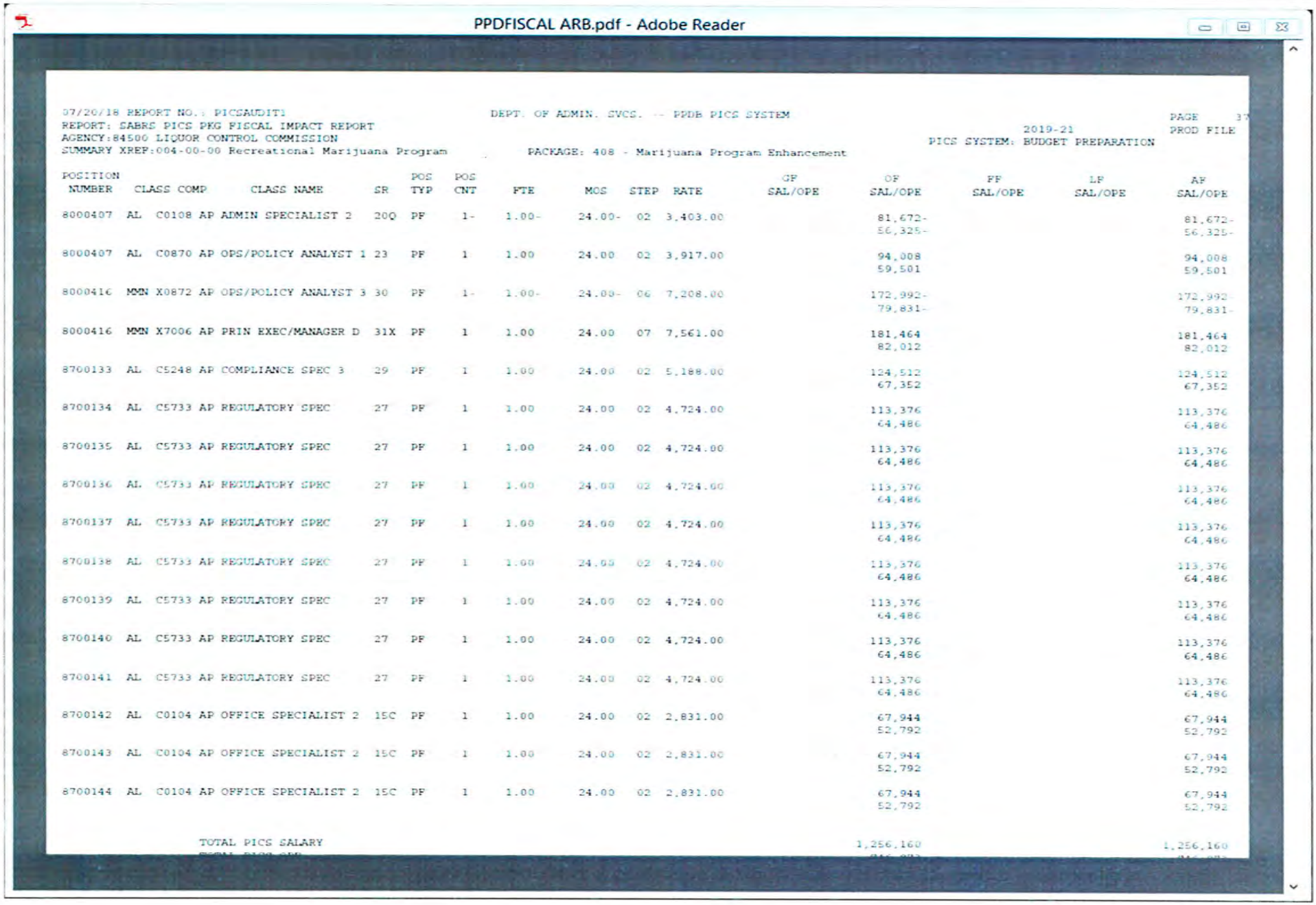
07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 30
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREP:004-00-00 Recreational Marijuana Program PACKAGE: 209 - Regulatory Specialist Reclass

POSITION NUMBER	CLASS COMP	CLASS NAME	SR	POS TYP	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
8500110	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	06	5,188.00		124,512- 67,352-			124,512- 67,352-
8500110	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	05	5,437.00		130,488 68,890			130,488 68,890
8500111	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	09	5,988.00		143,712- 72,295-			143,712- 72,295-
8500111	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	08	6,275.00		150,600 74,068			150,600 74,068
8500112	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	09	5,988.00		143,712- 72,295-			143,712- 72,295-
8500112	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	08	6,275.00		150,600 74,068			150,600 74,068
8500113	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	05	4,948.00		118,752- 65,869-			118,752- 65,869-
8500113	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	04	5,188.00		124,512 67,352			124,512 67,352
8500114	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	02	4,292.00		103,008- 61,817-			103,008- 61,817-
8500114	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	02	4,724.00		113,376 64,486			113,376 64,486
8500115	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	02	4,292.00		103,008- 61,817-			103,008- 61,817-
8500115	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	02	4,724.00		113,376 64,486			113,376 64,486
8500116	AL C5723 AP	LIQUOR REG SPECIALST	25	PF	1-	1.00-	24.00-	02	4,292.00		103,008- 61,817-			103,008- 61,817-
8500116	AL C5733 AP	REGULATORY SPEC	27	PF	1	1.00	24.00	02	4,724.00		113,376 64,486			113,376 64,486
		TOTAL PICS SALARY									199,584			199,584
		TOTAL PICS OPE									51,376			51,376
		TOTAL PICS PERSONAL SERVICES =				.00	.00				250,960			250,960

BUDGET NARRATIVE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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 37
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREP:004-00-00 Recreational Marijuana Program PACKAGE: 408 - Marijuana Program Enhancement

POSITION NUMBER	CLASS COMP	CLASS NAME	SR	POS TYP	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
8000407	AL C0108	AP ADMIN SPECIALIST 2	20Q	PF	1-	1.00-	24.00-	02	3,403.00		81,672- 56,325-			81,672- 56,325-
8000407	AL C0870	AP OPS/POLICY ANALYST 1	23	PF	1	1.00	24.00	02	3,917.00		94,008 59,501			94,008 59,501
8000416	MMN X0872	AP OPS/POLICY ANALYST 3	30	PF	1-	1.00-	24.00-	06	7,208.00		172,992- 79,831-			172,992- 79,831-
8000416	MMN X7006	AP PRIN EXEC/MANAGER D	31X	PF	1	1.00	24.00	07	7,561.00		181,464 82,012			181,464 82,012
8700133	AL C5248	AP COMPLIANCE SPEC 3	29	PF	1	1.00	24.00	02	5,188.00		124,512 67,352			124,512 67,352
8700134	AL C5733	AP REGULATORY SPEC	27	PF	1	1.00	24.00	02	4,724.00		113,376 64,486			113,376 64,486
8700135	AL C5733	AP REGULATORY SPEC	27	PF	1	1.00	24.00	02	4,724.00		113,376 64,486			113,376 64,486
8700136	AL C5733	AP REGULATORY SPEC	27	PF	1	1.00	24.00	02	4,724.00		113,376 64,486			113,376 64,486
8700137	AL C5733	AP REGULATORY SPEC	27	PF	1	1.00	24.00	02	4,724.00		113,376 64,486			113,376 64,486
8700138	AL C5733	AP REGULATORY SPEC	27	PF	1	1.00	24.00	02	4,724.00		113,376 64,486			113,376 64,486
8700139	AL C5733	AP REGULATORY SPEC	27	PF	1	1.00	24.00	02	4,724.00		113,376 64,486			113,376 64,486
8700140	AL C5733	AP REGULATORY SPEC	27	PF	1	1.00	24.00	02	4,724.00		113,376 64,486			113,376 64,486
8700141	AL C5733	AP REGULATORY SPEC	27	PF	1	1.00	24.00	02	4,724.00		113,376 64,486			113,376 64,486
8700142	AL C0104	AP OFFICE SPECIALIST 2	15C	PF	1	1.00	24.00	02	2,831.00		67,944 52,792			67,944 52,792
8700143	AL C0104	AP OFFICE SPECIALIST 2	15C	PF	1	1.00	24.00	02	2,831.00		67,944 52,792			67,944 52,792
8700144	AL C0104	AP OFFICE SPECIALIST 2	15C	PF	1	1.00	24.00	02	2,831.00		67,944 52,792			67,944 52,792
		TOTAL PICS SALARY									1,256,160			1,256,160

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

Oregon Liquor Control Comm
2019-21 Biennium

Agency Number: 84500
Cross Reference Number: 84500-004-00-00-00000

Source	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Audit	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Business Lic and Fees	7,925,905	19,300,000	19,300,000	28,637,770	-	-
Tsfr From Revenue, Dept of	5,492,950	-	-	-	-	-
Transfer Out - Indirect Cost	-	(3,926,427)	(3,926,427)	(4,671,785)	-	-
Tsfr To Administrative Svcs	-	-	(44,175)	-	-	-
Tsfr To Oregon Health Authority	-	-	(51,122)	(169,324)	-	-
Tsfr To Agriculture, Dept of	(212,641)	-	-	(292,593)	-	-
Total Other Funds	**$13,206,214**	**$15,373,573**	**$15,278,276**	**$23,504,068**	**-**	**-**

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