
MEMORANDUM

Legislative Fiscal Office
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To: Members of the Joint Ways and Means Subcommittee on
Transportation and Economic Development

From: Michelle Deister, Legislative Fiscal Office
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Date: June 14, 2013

Subject: Oregon Liquor Control Commission – HB 5023
Work Session Recommendations

Oregon Liquor Control Commission – Agency Totals

	2009-11 Actual	2011-13 Legislatively Approved	2013-15 Current Service Level	2013-15 LFO Recommended
Other Funds	128,101,562	140,096,446	148,355,879	150,855,824
Total Funds	\$128,101,562	\$140,096,446	\$148,355,879	\$150,855,824
Positions	237	239	234	233
FTE	230.17	231.72	228.63	227.63

Attached are the recommendations from the Legislative Fiscal Office for the Oregon Liquor Control Commission. It contains the following:

- Continuation of the \$0.50 per bottle surcharge, which is built into the agency's base budget. The surcharge generates an additional \$32.4 million in revenue. As in previous biennia, the Co-Chairs' budget plan has designated this revenue for distribution to the state General Fund;
- Ongoing savings resulting 2011-13 budget reconciliation actions;
- Additional gross sales totaling \$47.6 million for the 2013-15 biennium; and
- Standard packages to achieve administrative savings and savings in PERS contributions related to the passage of SB 822.

The Legislative Fiscal Office Recommendation results in \$442,066,455 in net revenue for distribution as follows:

- \$638,000 to the Oregon Wine Board
- \$17,823,000 for Mental Health/drug and alcohol treatment
- \$251,490,014 to the General Fund
- \$78,234,291 to cities;
- \$39,117,147 to counties; and
- \$54,764,004 to city revenue sharing.

The LFO recommendation maintains agent's compensation is maintained at an average rate of 8.88% of sales.

Adjustments to Current Service Level:

See attached "Work Session Presentation Report" dated June 14, 2013.

Accept LFO Recommendation

Move the LFO recommendation to HB 5023

Performance Measures

See attached "Legislatively Proposed 2013-15 Key Performance Measures" form.

Accept LFO Recommendation

Move the LFO recommendation on Key Performance Measures

Recommended Changes to Appropriation Bill:

The Legislative Fiscal Office recommends a budget of \$150,855 Other Funds and 233 positions (227.63 FTE) and that House Bill 5023 be amended accordingly.

Move to amend HB 5023 with the following changes:

Section 1

Line 10 – Delete [\$56,484,416] and insert \$55,484,416.

HB 5028 Final Subcommittee Action:

Final Motion:

If changed the bill requires changes

Move HB 5028 to the full committee with a "do pass" recommendation, as amended.

LFO102 - Work Session Presentation Report
2013-15 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 84500-000-00-00-00000
Oregon Liquor Control Comm

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	133,668,473	-	-	-	133,668,473	239	231.72
2011-13 Ebds, SS & Admin Act	-	-	6,427,973	-	-	-	6,427,973	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	140,096,446	-	-	-	140,096,446	239	231.72
2011-13 Leg Approved Budget (Base)	-	-	134,176,446	-	-	-	134,176,446	239	231.72
Summary of Base Adjustments	-	-	3,496,112	-	-	-	3,496,112	(5)	(3.09)
2013-15 Base Budget	-	-	137,672,558	-	-	-	137,672,558	234	228.63
010: Non-PICS Pers Svc/Vacancy Factor	-	-	99,092	-	-	-	99,092	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(2,566,450)	-	-	-	(2,566,450)	-	-
030: Inflation & Price List Adjustments	-	-	13,150,679	-	-	-	13,150,679	-	-
2013-15 Current Service Level	-	-	148,355,879	-	-	-	148,355,879	234	228.63
080: E-Boards	-	-	(228,722)	-	-	-	(228,722)	(1)	(1.00)
Adjusted 2013-15 Current Service Level	-	-	148,127,157	-	-	-	148,127,157	233	227.63
Total LFO Recommended Packages	-	-	2,728,667	-	-	-	2,728,667	-	-
2013-15 Legislative Actions	-	-	150,855,824	-	-	-	150,855,824	233	227.63
Net change from 2011-13 Leg Approved Budget	-	-	10,759,378	-	-	-	10,759,378	(6)	(4.09)
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	7.7%	0.0%	0.0%	0.0%	7.7%	(2.5%)	(1.8%)
Net change from 2013-15 Current Service Level	-	-	2,728,667	-	-	-	2,728,667	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	1.8%	0.0%	0.0%	0.0%	1.8%	0.0%	0.0%

LFO102 - Work Session Presentation Report
2013-15 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 84500-001-00-00-00000
Distilled Spirits Program

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	18,784,804	-	-	-	18,784,804	71	67.42
2011-13 Ebds, SS & Admin Act	-	-	600,000	-	-	-	600,000	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	19,384,804	-	-	-	19,384,804	71	67.42
2011-13 Leg Approved Budget (Base)	-	-	18,784,804	-	-	-	18,784,804	71	67.42
Summary of Base Adjustments	-	-	1,023,294	-	-	-	1,023,294	-	0.58
2013-15 Base Budget	-	-	19,808,098	-	-	-	19,808,098	71	68.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	14,397	-	-	-	14,397	-	-
030: Inflation & Price List Adjustments	-	-	1,488,682	-	-	-	1,488,682	-	-
2013-15 Current Service Level	-	-	21,311,177	-	-	-	21,311,177	71	68.00
Adjusted 2013-15 Current Service Level	-	-	21,311,177	-	-	-	21,311,177	71	68.00
Total LFO Recommended Packages	-	-	(441,708)	-	-	-	(441,708)	-	-
2013-15 Legislative Actions	-	-	20,869,469	-	-	-	20,869,469	71	68.00
Net change from 2011-13 Leg Approved Budget	-	-	1,484,665	-	-	-	1,484,665	-	0.58
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	7.7%	0.0%	0.0%	0.0%	7.7%	0.0%	0.9%
Net change from 2013-15 Current Service Level	-	-	(441,708)	-	-	-	(441,708)	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(2.1%)	0.0%	0.0%	0.0%	(2.1%)	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 090 Analyst Adjustments

Package Description This package assumes additional gross sales of \$47.6 million during the 2013-15 biennium, with a transfer of \$13.4 million to the General Fund.

LFO Recommendation Approve. The Legislative Fiscal Office recommends that the OLCC report quarterly to LFO on sales and expenditures compared to projections of gross sales and expenditure limitation by program; whether additional expenditure limitation is anticipated to be required to maintain an average compensation rate of 8.88% of sales, and whether additional expenditure limitation is anticipated to be required to enable the continued utilization of bank cards in liquor stores.

LFO Recommended - - - - -

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 091 Statewide Administrative Savings

Package Description This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Executive Branch had intended for these reductions to be specified in the Governor’s 2013-15 recommended budget. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

LFO Recommendation Approve.

LFO Recommended	-	-	(236,246)	-	-	-	(236,246)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 092 PERS Taxation Policy

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve.

LFO Recommended	-	-	(22,803)	-	-	-	(22,803)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 093 Other PERS Adjustments

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve.

LFO Recommended	-	-	(182,659)	-	-	-	(182,659)	-	-
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LFO102 - Work Session Presentation Report
2013-15 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 84500-002-00-00-00000
Public Safety Services Program

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	19,044,781	-	-	-	19,044,781	108	105.00
2011-13 Ebds, SS & Admin Act	-	-	(200,000)	-	-	-	(200,000)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	18,844,781	-	-	-	18,844,781	108	105.00
2011-13 Leg Approved Budget (Base)	-	-	18,844,781	-	-	-	18,844,781	108	105.00
Summary of Base Adjustments	-	-	(187,446)	-	-	-	(187,446)	(13)	(12.00)
2013-15 Base Budget	-	-	18,657,335	-	-	-	18,657,335	95	93.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(14,535)	-	-	-	(14,535)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(14,450)	-	-	-	(14,450)	-	-
030: Inflation & Price List Adjustments	-	-	(124,044)	-	-	-	(124,044)	-	-
060: Technical Adjustments	-	-	(701,327)	-	-	-	(701,327)	-	-
2013-15 Current Service Level	-	-	17,802,979	-	-	-	17,802,979	95	93.00
080: E-Boards	-	-	(228,722)	-	-	-	(228,722)	(1)	(1.00)
Adjusted 2013-15 Current Service Level	-	-	17,574,257	-	-	-	17,574,257	94	92.00
Total LFO Recommended Packages	-	-	(546,574)	-	-	-	(546,574)	-	-
2013-15 Legislative Actions	-	-	17,027,683	-	-	-	17,027,683	94	92.00
Net change from 2011-13 Leg Approved Budget	-	-	(1,817,098)	-	-	-	(1,817,098)	(14)	(13.00)
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	(9.6%)	0.0%	0.0%	0.0%	(9.6%)	(13.0%)	(12.4%)
Net change from 2013-15 Current Service Level	-	-	(546,574)	-	-	-	(546,574)	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(3.1%)	0.0%	0.0%	0.0%	(3.1%)	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 081 May 2012 E-Board

Package Description This package removes one position and associated salary and benefits as a result of the February 2012 Legislative Session's reduction of the agency's expenditure limitation, in Senate Bill 5701, as part of the statewide effort to restructure state government business operations and management of agency programs and services.

The analyst has modified this package to reflect a reduction in the budgeted PERS employer rate of 55-60 basis points by the PERS Board.

LFO Recommendation Approve.

LFO Recommended	-	-	(228,722)	-	-	-	(228,722)	(1)	(1.00)
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LFO102 - Work Session Presentation Report
2013-15 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 84500-002-00-00-00000
Public Safety Services Program

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 091 Statewide Administrative Savings

Package Description This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Executive Branch had intended for these reductions to be specified in the Governor’s 2013-15 recommended budget. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

LFO Recommendation Approve.

LFO Recommended	-	-	(197,757)	-	-	-	(197,757)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 092 PERS Taxation Policy

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve.

LFO Recommended	-	-	(38,713)	-	-	-	(38,713)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 093 Other PERS Adjustments

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve.

LFO Recommended	-	-	(310,104)	-	-	-	(310,104)	-	-
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LFO102 - Work Session Presentation Report
2013-15 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 84500-003-00-00-00000
Administration and Support

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	13,924,482	-	-	-	13,924,482	60	59.30
2011-13 Ebds, SS & Admin Act	-	-	707,973	-	-	-	707,973	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	14,632,455	-	-	-	14,632,455	60	59.30
2011-13 Leg Approved Budget (Base)	-	-	14,632,455	-	-	-	14,632,455	60	59.30
Summary of Base Adjustments	-	-	2,660,264	-	-	-	2,660,264	8	8.33
2013-15 Base Budget	-	-	17,292,719	-	-	-	17,292,719	68	67.63
010: Non-PICS Pers Svc/Vacancy Factor	-	-	99,230	-	-	-	99,230	-	-
030: Inflation & Price List Adjustments	-	-	(961)	-	-	-	(961)	-	-
060: Technical Adjustments	-	-	701,327	-	-	-	701,327	-	-
2013-15 Current Service Level	-	-	18,092,315	-	-	-	18,092,315	68	67.63
Adjusted 2013-15 Current Service Level	-	-	18,092,315	-	-	-	18,092,315	68	67.63
Total LFO Recommended Packages	-	-	(505,051)	-	-	-	(505,051)	-	-
2013-15 Legislative Actions	-	-	17,587,264	-	-	-	17,587,264	68	67.63
Net change from 2011-13 Leg Approved Budget	-	-	2,954,809	-	-	-	2,954,809	8	8.33
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	20.2%	0.0%	0.0%	0.0%	20.2%	13.3%	14.0%
Net change from 2013-15 Current Service Level	-	-	(505,051)	-	-	-	(505,051)	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(2.8%)	0.0%	0.0%	0.0%	(2.8%)	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 091 Statewide Administrative Savings

Package Description This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Executive Branch had intended for these reductions to be specified in the Governor’s 2013-15 recommended budget. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

LFO Recommendation Approve.

LFO Recommended	-	-	(200,826)	-	-	-	(200,826)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 092 PERS Taxation Policy

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve.

LFO Recommended	-	-	(33,764)	-	-	-	(33,764)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 093 Other PERS Adjustments

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve.

LFO Recommended	-	-	(270,461)	-	-	-	(270,461)	-	-
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LFO102 - Work Session Presentation Report
2013-15 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 84500-005-00-00-00000
Store Operating Expenses

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	81,706,000	-	-	-	81,706,000	-	-
2011-13 Ebds, SS & Admin Act	-	-	5,320,000	-	-	-	5,320,000	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	87,026,000	-	-	-	87,026,000	-	-
2011-13 Leg Approved Budget (Base)	-	-	81,706,000	-	-	-	81,706,000	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2013-15 Base Budget	-	-	81,706,000	-	-	-	81,706,000	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(2,552,000)	-	-	-	(2,552,000)	-	-
030: Inflation & Price List Adjustments	-	-	11,782,000	-	-	-	11,782,000	-	-
2013-15 Current Service Level	-	-	90,936,000	-	-	-	90,936,000	-	-
Adjusted 2013-15 Current Service Level	-	-	90,936,000	-	-	-	90,936,000	-	-
Total LFO Recommended Packages	-	-	4,222,000	-	-	-	4,222,000	-	-
2013-15 Legislative Actions	-	-	95,158,000	-	-	-	95,158,000	-	-
Net change from 2011-13 Leg Approved Budget	-	-	8,132,000	-	-	-	8,132,000	-	-
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	9.3%	0.0%	0.0%	0.0%	9.3%	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	4,222,000	-	-	-	4,222,000	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	4.6%	0.0%	0.0%	0.0%	4.6%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 090 Analyst Adjustments

Package Description This package represents the additional expenditure limitation necessary to maintain the 8.88% average rate of compensation to agents due to the additional expected sales.

LFO Recommendation Approve.

LFO Recommended	-	-	4,222,000	-	-	-	4,222,000	-	-
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LFO102 - Work Session Presentation Report
2013-15 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 84500-088-00-00-00000
Capital Improvements

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	208,406	-	-	-	208,406	-	-
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	208,406	-	-	-	208,406	-	-
2011-13 Leg Approved Budget (Base)	-	-	208,406	-	-	-	208,406	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2013-15 Base Budget	-	-	208,406	-	-	-	208,406	-	-
030: Inflation & Price List Adjustments	-	-	5,002	-	-	-	5,002	-	-
2013-15 Current Service Level	-	-	213,408	-	-	-	213,408	-	-
Adjusted 2013-15 Current Service Level	-	-	213,408	-	-	-	213,408	-	-
2013-15 Legislative Actions	-	-	213,408	-	-	-	213,408	-	-
Net change from 2011-13 Leg Approved Budget	-	-	5,002	-	-	-	5,002	-	-
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	2.4%	0.0%	0.0%	0.0%	2.4%	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Legislatively Proposed 2013-2015 Key Performance Measures

Agency: LIQUOR CONTROL COMMISSION, OREGON

Mission: To promote the public interest through the responsible sale and service of alcoholic beverages.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - Sales to Minors – Percentage of licensees who refuse to sell to minor decoys.		Approved KPM	81.00	82.00	82.00
2 - RATE OF SECOND VIOLATION – Percentage of licensees detected to have violated a liquor law in a second, separate, incident occurring within 2 years after the year of the first violation.		Approved KPM	11.70	12.00	12.00
3 - Licensing Time – Average days from application receipt to license issuance.		Approved KPM	67.00	75.00	75.00
4 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM	82.00	85.00	85.00
4 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM	75.00	85.00	85.00
4 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM	82.00	85.00	85.00
4 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM	82.00	85.00	85.00
4 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM	82.00	85.00	85.00

Agency: LIQUOR CONTROL COMMISSION, OREGON

Mission: To promote the public interest through the responsible sale and service of alcoholic beverages.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
4 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM	80.00	85.00	85.00
5 - OLCC Rate of Return – Net OLCC distribution divided by actual expenses.		Approved KPM	2.94	2.70	2.70
6 - Best Practices: Percent of total best practices met by the Board.		Approved KPM	98.00	100.00	100.00

LFO Recommendation:

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

Sub-Committee Action: