

DATE: February 23, 2021

TO: Ways and Means Subcommittee on Transportation and Economic Development

FROM: Steve Marks, Executive Director OLCC

RE: Subcommittee Questions

It was a pleasure to have the opportunity to present an overview of OLCC and the Governor's Budget for the 2021-23 biennium. We continue to grow as an agency and look forward to tackling the challenges ahead. Please know that our agency is ready to provide additional information or answer any other questions you might have

Question: Do you track the diversity of marijuana licenses?

The agency attempts to track diversity of its applicants and licensees; however, its efforts are hampered by the lack of electronic systems. The agency is seeking to replace manual licensing systems with electronic systems that will be able to collect and compile data that identifies the diversity of applicants and licensees. That system is part of ***POP #101 Warehouse and IT Capitol Bonding*** which includes funding for an electronic alcohol and marijuana licensing system.

Meanwhile, the agency worked with the Cannabis Equity Workgroup to conduct a demographic survey of marijuana licensees and worker permit holders beginning in December of 2020 and running through February 2021. ***The Cannabis Equity Workgroup Survey results are attached.***

The agency manually collects diversity data on a voluntary basis from marijuana license applicants during the initial application process. ***The results for October 2020, November 2020, December 2020, and January 2021 are attached.***

Background – Building a Diverse Licensee Base

The OLCC believes that developing partnerships with community groups creates reciprocal, sustaining relations that benefit the agency, the community groups, and the public. Historically, the agency posts notices and forwards emails about licensing opportunities to multiple diverse groups. Since OLCC has been tasked with the oversight of recreational marijuana, the agency has engaged with multiple agencies and associations to develop relationships to ensure we reach out to all of the communities we serve. The Minority Cannabis Business Association (MCBA) has been represented on the Technical Advisory Committee and led OLCC inspectors on a tour of an indoor/outdoor grow site to assist in rule development. OLCC staff members and Commissioners have attended MCBA events. The OLCC continues to work closely with the Governor's Office of Diversity and Inclusion and several other state agencies to reach out to local tribal communities, women-owned businesses and minority-owned businesses to streamline regulatory guidance to groups that have difficulty entering into the new market of marijuana.

The retail Expansion for Oregon's retail liquor store locations is a statewide initiative to improve the customer shopping experience, optimize revenue for the state, and to keep up with Oregon's growing population. In 2017, the OLCC launched Phases 3 and 4 of Retail Expansion, which included Central,

Northern and Southern Oregon, and Washington County. The open recruitment process consisted of extensive statewide outreach with emphasis on reaching a diverse audience. Outreach and recruitment efforts included town hall meetings, Q&A sessions, and more than 3,900 interested members of the public, 29 women and minority associations, 80 media outlets, and 47 City Council, County Commissioners and Chambers of Commerce. ***To date the agency has added 36 new stores of which 11 are minority owned or approximately 30%.***

Other activities include:

- Sponsorship of the Governor's market place which brings opportunities together industry professionals and leaders, public and private organizations, diversity and equity practitioners and small businesses for the purpose of connecting small businesses to tools and resources to start, sustain and thrive in business. The OLCC plans to participate in future events.
- Participation in and sponsorship of the Annual Oregon Association of Minority Entrepreneurs (OAME) Tradeshow and Luncheon. The tradeshow provides an opportunity for purchasers and buyers from public and private agencies to meet and network with minorities, women, emerging small businesses and veteran-owned businesses.
- Participation and planning for the annual statewide Diversity Conference.
- The OLCC serves a diverse population of Oregonians and continues to produce a multitude of signs, print and online materials in order to meet the needs of all Oregonians. The OLCC's website, a key source of information for license applicants and the public, can be translated into 17 different languages.
- Membership in the Oregon Association of Minority Entrepreneurs and Partners in Diversity program.
- Human Resource staff regularly attend the City of Portland Diversity Career Fair, State of Oregon Annual Diversity Employment Day (through Diversity Recruiters Network), PGE Diversity Summit, Mt. Hood Community College Diversity Career Fair, Incight Career Fair for People with Disabilities, and Say Hey! events.

Question: What is causing the drop in OLCC's satisfaction survey results?

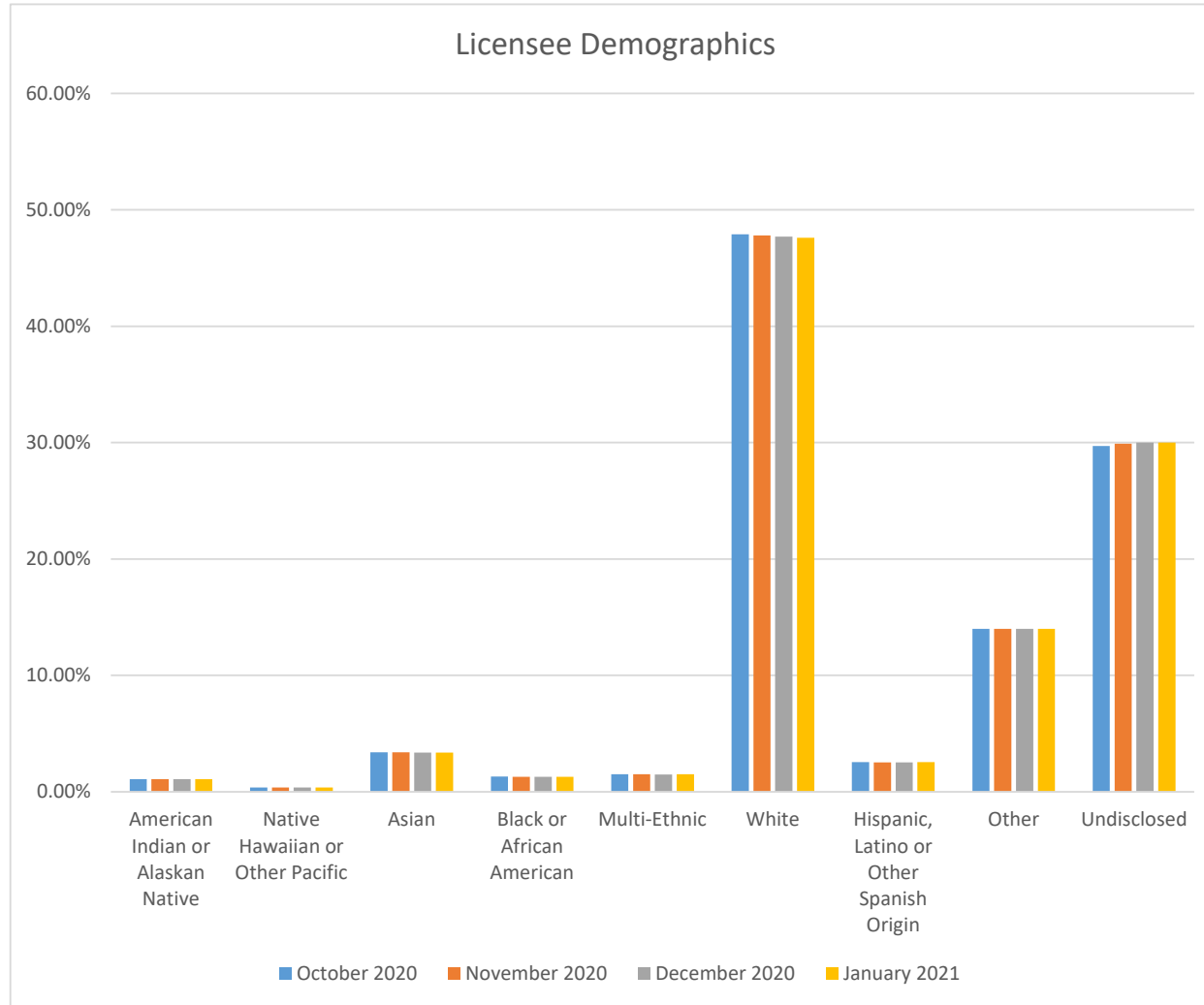
The downturn in the agency-wide satisfaction rate is largely driven by the change in marijuana related satisfaction. Both marijuana licensees and the public respondents who identified their interest as marijuana gave low marks to the agency, largely driven by the backlog of marijuana licensing approvals, the pause in processing new applications and the grower moratorium. See shaded area in the table below. The drop can also be attributed to survey responses from staff who daily faced significant frustration from applicants and licensees related to application backlogs (marijuana) and the impact of Covid-19 (alcohol) on their businesses.

The agency anticipates a higher level of satisfaction in the 2021 Agency Satisfaction Survey as the backlog in marijuana licensing has largely been eliminated; however, the negative impact due to Covid-19 on licensee and public satisfaction may still remain.

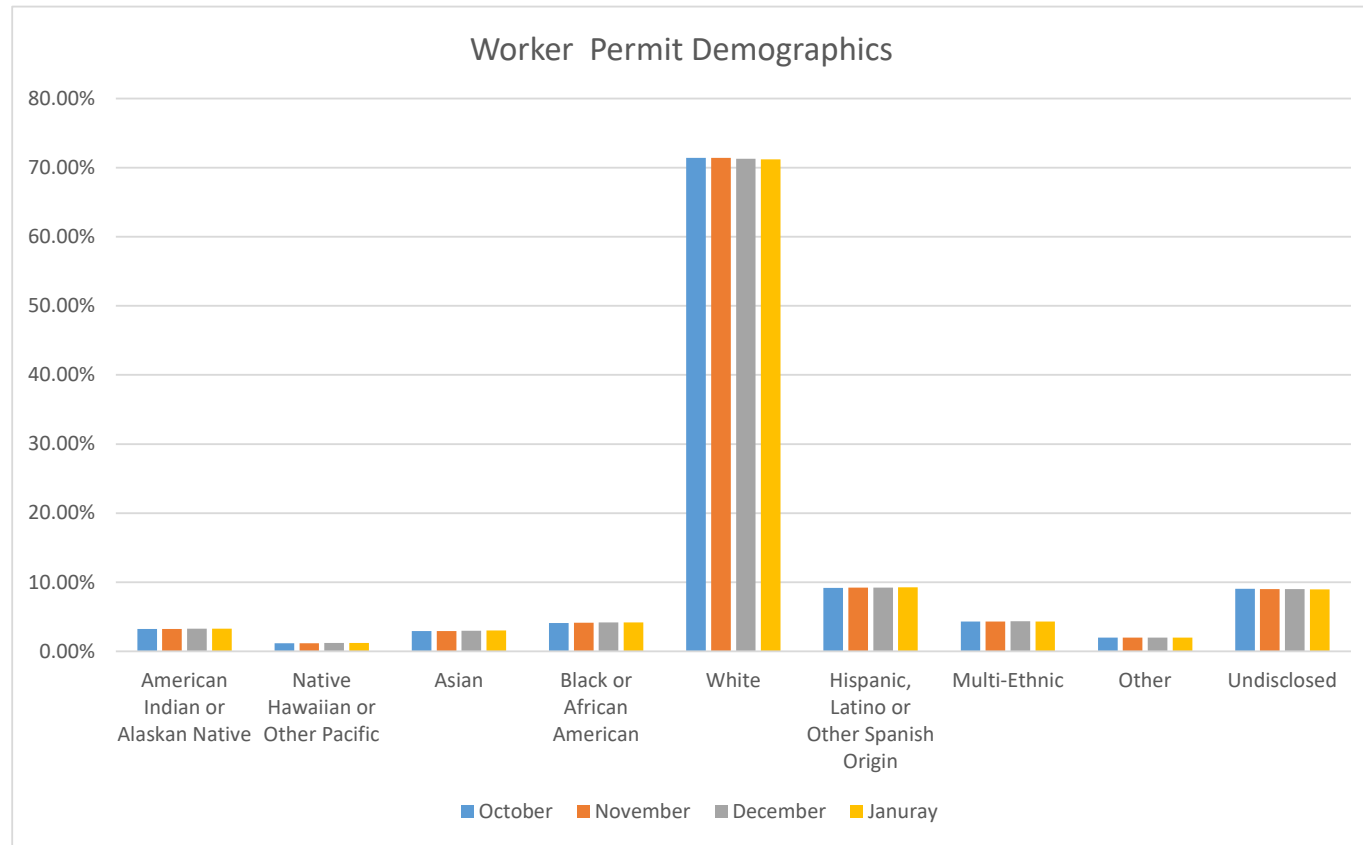
The breakdown of the survey results are below:

FY 2020 Agency Satisfaction Survey							
Stakeholder	How do you rate the helpfulness of the Oregon Liquor Control Commission employees?	How do you rate the knowledge and expertise of Oregon Liquor Control Commission employees?	How do you rate the availability of information from the Oregon Liquor Control Commission?	How do you rate the overall quality of the service provided by the Oregon Liquor Control Commission?	How do you rate the timeliness of the services provided by the Oregon Liquor Control Commission?	How do you rate the ability of the Oregon Liquor Control Commission to provide services correctly the first time?	Average
Agent	0.91	0.90	0.70	0.83	0.87	0.88	0.85
Alcohol	0.84	0.82	0.74	0.81	0.80	0.86	0.81
Cannabis	0.80	0.75	0.64	0.63	0.47	0.65	0.66
Public	0.71	0.77	0.53	0.50	0.56	0.63	0.62
Staff	0.88	0.85	0.60	0.77	0.64	0.82	0.76
Total	0.83	0.82	0.64	0.71	0.67	0.77	0.74

Marijuana Licensee Applicant Demographics - Voluntary Disclosure									
	American Indian or Alaskan Native	Native Hawaiian or Other Pacific	Asian	Black or African American	Multi-Ethnic	White	Hispanic, Latino or Other Spanish Origin	Other	Undisclosed
October 2020	1.09%	0.36%	3.40%	1.31%	1.52%	47.90%	2.54%	14.00%	29.70%
November 2020	1.08%	0.36%	3.39%	1.30%	1.51%	47.80%	2.53%	14.00%	29.90%
December 2020	1.08%	0.36%	3.38%	1.30%	1.49%	47.70%	2.53%	14.00%	30.00%
January 2021	1.09%	0.36%	3.37%	1.30%	1.50%	47.60%	2.54%	14.00%	30.01%



Worker Permit Applicant Demographics									
	American Indian or Alaskan Native	Native Hawaiian or Other Pacific	Asian	Black or African American	White	Hispanic, Latino or Other Spanish Origin	Multi-Ethnic	Other	Undisclosed
October	3.25%	1.19%	2.92%	4.10%	71.40%	9.16%	4.31%	2.01%	9.05%
November	3.25%	1.19%	2.93%	4.13%	71.40%	9.21%	4.33%	2.01%	9.02%
December	3.26%	1.20%	2.98%	4.17%	71.30%	9.23%	4.34%	2.01%	9.01%
Januray	3.26%	1.20%	3.01%	4.18%	71.20%	9.26%	4.33%	2.01%	8.97%



OLCC Licensee Demographic Survey

December 2020 – February 2021

At the request of the Cannabis Equity Workgroup the OLCC conducted demographic survey of licensees beginning in December of 2020 and running through February 2021.

100 licenses were randomly selected from a population of 2469 active licenses (4%). 5 emails bounced back and 68 responded, the OLCC sent out 8 email reminders to complete the survey. The survey was sent to one person associated with the license, identified in CTS as an owner, and asked them to respond for all owners of the license.

Each question was multiple select so it could be answered for all of the owners of the license.

The results of this survey are similar to the annual customer service survey, although the demographic categories are different.

The survey was designed with a confidence interval of 10%, and margin of error on central trends of $\pm 10\%$.

Q1: Do any owners of this business identify as a member of any of the following racial categories? Please choose all that apply.

Answered: 68 Skipped: 0

ANSWER CHOICES	RESPONSES	
None of the above	0.00%	0
American Indian or Alaska Native Indigenous	14.71%	10
Black or African American	4.41%	3
Native Hawaiian or Pacific Islander	1.47%	1
Asian	11.76%	8
Middle Eastern / North African	2.94%	2
Latino/Latina	14.71%	10
White	83.82%	57
Other (please specify)	4.41%	3
Total Respondents: 68		

Q2: Do any owners of this business identify as Hispanic?

Answered: 67 Skipped: 1

ANSWER CHOICES	RESPONSES	
Yes	11.94%	8
No	88.06%	59
TOTAL		67

Q3: Do any owners of this business identify as an immigrant?

Answered: 67 Skipped: 1

ANSWER CHOICES	RESPONSES	
Yes	7.46%	5
No	92.54%	62
TOTAL		67

Q4: Do any owners identify as a refugee?

Answered: 67 Skipped: 1

ANSWER CHOICES	RESPONSES	
Yes	1.49%	1
No	98.51%	66
TOTAL		67

Q5: Do any owners identify as a part of any of the following gender identity or sexual orientation minority? Select all that apply.

Answered: 67 Skipped: 1

ANSWER CHOICES	RESPONSES	
Lesbian	8.96%	6
Gay	7.46%	5
Transgender	2.99%	2
Queer	7.46%	5
Intersex	2.99%	2
Asexual	0.00%	0
None	83.58%	56
Other	5.97%	4
Total Respondents: 67		

Q6: Do any owners identify as a person with a disability?

Answered: 67 Skipped: 1

ANSWER CHOICES	RESPONSES	
Yes	19.40%	13
No	80.60%	54
TOTAL		67

Q7: Do any owners identify as a veteran?

Answered: 67 Skipped: 1

ANSWER CHOICES	RESPONSES	
Yes	11.94%	8
No	88.06%	59
TOTAL		67