

Issue and Decision Matrix for Department of Liquor and Lottery Task Force

Pursuant to Act 83 (H.238), the Task Force is required to develop a plan and legislation to create the Department of Liquor and Lottery and the Board of Liquor and Lottery. Act 83 includes a number of areas of inquiry and decision points that the Task Force must address, which are summarized below.

Areas of Inquiry and Issues to Examine:

| Issue to examine | Potential Efficiencies or Savings Identified | Positive Impacts or Advantages | Concerns | Comments |
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| Identify and examine potential long-term efficiencies from merger of Department of Liquor Control and Lottery | <ul style="list-style-type: none"> • One board rather than two. • More resources available in terms of training, money, and time. • | <ul style="list-style-type: none"> • May create enough critical mass to support investment in a new combined facility that will support long-term growth. • More growth potential for employees, and opportunities for more variety in the work. • More backup for employees. • Opportunities for more technical platforms that employees can work with. • Improved representation through a Commissioner representing both entities in the cabinet and before the Legislature. • Increased long-term accountability and responsibility. • Could create a structure that could potentially manage other controlled substances. • Improved customer service. • Better cross-trained staff. • Improved communication to the combined Department and within the Department. • Combining two entities that operate as a business. | <ul style="list-style-type: none"> • Potential decrease in positions. • Multiple units in one workplace can reduce familiarity with fellow workers. • May be differences in organizational cultures. | <ul style="list-style-type: none"> • Administrative merger can begin sooner than facilities merger. • To fully merge, will need to commit to new facility that can house both entities. • This is a relatively simple merger compared to some of the others that the State has done in the past. |
| Identify and examine potential efficiencies from combination of administrative functions | <ul style="list-style-type: none"> • Potential for long-term vacancy savings with some positions. • Potential for one combined website. | <ul style="list-style-type: none"> • Can share duties across two locations. • A number of functions can be merged initially. | <ul style="list-style-type: none"> • Merger of some office functions may not be possible with current facilities. • Lottery’s walk-up window for cashing tickets would need to be centrally located and may need a separate entrance or location. | <ul style="list-style-type: none"> • Can do some initial merger of administrative functions but would ultimately need to bring them together in the long-term. • A number of administrative functions could likely be merged immediately. • Physical siting of warehouse and office together in the future would be advantageous. • Could utilize VCPM project teams to enhance efficiency in combining administrative functions. Can be a recommendation in report. |
| Identify and examine potential efficiencies from combination of licensing functions | <ul style="list-style-type: none"> • | <ul style="list-style-type: none"> • Having one place to acquire alcohol, | <ul style="list-style-type: none"> • Likely no efficiencies as a result of merger | <ul style="list-style-type: none"> • All 80 liquor agents are lottery agents as |

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| | | tobacco, and lottery licenses would be more business friendly. | because of differences in license terms. | well. <ul style="list-style-type: none"> • Most or all lottery agents have some form of a liquor/tobacco license. • Liquor Control processes 12,000+ license/permit applications per year. Is in the process of developing a new system to manage licensing functions and paring down the types of licenses. • Lottery licenses are processed once in most cases. |
| Identify and examine potential efficiencies from combination of regulatory functions | • | • | • | <ul style="list-style-type: none"> • Liquor Control Board and Lottery Commission use the same Assistant AG for rulemaking purposes. • Lottery enforcement is through the director pursuant to rules adopted by the Commission establishing specific grounds for the suspension or revocation of a license. |
| Identify and examine potential efficiencies from combination of educational functions | • | <ul style="list-style-type: none"> • Expanded understanding by combined Department of the sale of controlled products. | • | <ul style="list-style-type: none"> • Lottery reps do training when they are at the stores, but the primary source of training is through the stores themselves. • Salespeople for alcohol and tobacco must pass DLC trainings before they are legally permitted to sell the product. • DLC and Liquor Control Board are discussing a server's license that could be tied to training and avoiding violations of the law. • DLC is currently looking at additional ways to enhance quality of training. |
| Identify and examine potential efficiencies from combination of marketing functions | <ul style="list-style-type: none"> • Potential for one combined website and combined outreach. • May be some potential to use a single vendor to provide marketing materials. • Products may be complimentary. | <ul style="list-style-type: none"> • Potential efficiencies could be realized with existing facilities. | <ul style="list-style-type: none"> • Potential contractual issues that may limit marketing potential. • Marketing models for the two departments are different. • Lottery focuses on television, radio, and print advertising. • Lottery designs its tickets in-house and then uses a specialized printer to make tickets. • Liquor Control is focused on brand image with limited print advertising and a social media presence. Liquor Control also does some targeted email advertising related to special product raffles. Liquor Control does some advertising in media in adjoining markets like NY and QC. | <ul style="list-style-type: none"> • Chief marketing officer for the State could be a resource to enhance integrated marketing of the Liquor and Lottery brands. |
| Identify and examine potential efficiencies from | • | • | • | • |

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| combination of warehousing functions | | | | |
| Identify and examine potential efficiencies from combination of distribution functions | • | • | • | • |
| Identify and examine potential efficiencies from combination of sales functions | • | • | • Combination of POS systems presents challenges. | • |
| Identify and examine potential efficiencies from combination of control/enforcement functions | • | • Potential efficiencies could be realized with existing facilities. | • | • |
| Examine role, functions, and composition of Liquor Control Board | • | • | • | • Board is comprised of five members appointed by the Governor. • In addition to overseeing the Department of Liquor Control, the Board serves as a quasi-judicial body that enforces Vermont's liquor and tobacco laws. • Workload could potentially be reduced through the use of a hearing officer. |
| Examine role, functions, and composition of Lottery Commission | • | • | • | • Commission is comprised of five members • Commission establishes rules governing the Lottery. |
| How will role, functions, and composition of Liquor Control Board be affected by merger? | • | • | • | • |
| How will role, functions, and composition of Lottery Commission be affected by merger? | • | • | • | • |
| What are the limitations and barriers to combining the Liquor Control Board and the Lottery Commission? | • | • | • | • |
| Examine whether the Board of Liquor and Lottery should be a full-time professional board. | • | • | • | • |
| Identify and examine the potential positive impacts of creating the Department of Liquor and Lottery | • | • | • | • |
| Identify and examine the potential negative impacts of creating the Department of Liquor and Lottery | • | • | • | • |

Decision Points for Task Force:

The Task Force is responsible for developing draft legislation and a corresponding plan necessary to accomplish the creation of the Department of Liquor and Lottery. In doing so the Task Force must decide a number of items related to how to carry out the merger of Vermont’s Liquor and Lottery operations, as well as how to structure the Department of Liquor and Lottery and the Board of Liquor and Lottery. Details related to how to accomplish some items determined by the Task Force will be left up to management and staff if the legislation is enacted. Additional room is provided for decision points that are not listed in the legislative charge, but are identified by the Task Force during its deliberations.

| Decision Points | Do as Part of Merger/ Do After Merger/ Do Not Do | Concerns | Resources | Advantages/savings | Other |
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| Combine administrative functions? | | | | | |
| Combine licensing functions? | | | | | |
| Combine regulatory functions? | | | | | |
| Combine educational functions? | | | | | |
| Combine marketing functions? | | | | | |
| Combine warehousing functions? | | | | | |
| Combine distribution functions? | | | | | |
| Combine sales functions? | | | | | |
| Combine control/enforcement functions? | | | | | |
| Full-time, professional Board of Liquor and Lottery? | | | | | |
| Composition of Board? | | | | | |
| Provide training to assist with merger | Go | None | WD unit. | | |
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Possible three phases two merger: Merge, merge administrative/executive functions, merge into one physical space.

Additional Items Task Force Members Would Like to Address if Possible or Would Like to See Addressed in Future:

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