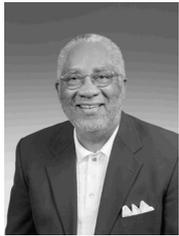


LCB BOARD MEMBERS

Board Members are appointed by the Governor to six-year terms. Board Members serve 60% time.



Merritt D. Long, Chair, has served as Director of the Washington State Lottery Commission; the State Human Rights Commission; and as Executive Director of the State Board for Vocational Education.

Merritt D. Long

Vera Ing, a former principal in the firm of Mulvanny/Ing Architects of Seattle, has served as president of civic and business organizations and has represented the state on several international trade missions.



Vera Ing



Roger Hoen has extensive experience in the Northwest hospitality industry, including facility design and planning specifications for entertainment, sports, and convention center projects.

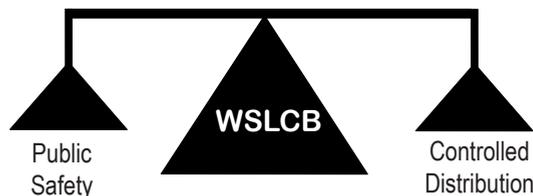
Roger Hoen

Pat Kohler, Administrative Director, is in charge of the day-to-day operations of the agency. She is a CPA, formerly with General Administration.



Pat Kohler

WSLCB's Balanced Mission



LCB DIVISIONS

ENFORCEMENT

Responsible for enforcing liquor and tobacco laws statewide.

- Community Oriented Liquor & Tobacco Enforcement (COLTE)
- Partner to prevent youth access to tobacco
- Party Patrol to reduce youth access to alcohol
- Untaxed cigarette interdiction
- Compliance Checks

LICENSING AND REGULATION

Reviews, investigates and issues all liquor licenses.

- On-line licensing renewal for 13,500 licensees
- Mandatory Alcohol Server Training (MAST)
- Enforces liquor laws for manufacturers and distributors
- Approves all beer and wine labels statewide

PRODUCT AND RETAIL SERVICES

Manages \$550 million annual business.

- Retail network of 311 state and contract liquor stores
- Supports more than 13,500 liquor licensees
- Processes 3,000 licensee requests annually.
- Manages inventories and pricing

DISTRIBUTION CENTER - SEATTLE

Receives, inventories and ships all wine and distilled spirits to state and contract stores and liquor licensees.

- Manages 43 million units annually
- Highly automated 160,000 square-foot facility
- Storage capacity of 585,000 cases
- Ships an average of 15,400 cases per day

FINANCE

Provides internal support to the operating divisions.

- Budgeting, accounting, auditing
- Revenue forecasting
- Risk management
- Printing, records management, mailroom, supplies

INFORMATION TECHNOLOGY

Manages the agency's technology needs and policies.

- Technology consultation and support
- Staff training
- Systems maintenance
- Networking

MARKS OF EXCELLENCE

The WSLCB is expected to raise an additional \$31 million in revenue for the state during the 2003-05 biennium. New retail strategies will produce \$17 million; a one-time surcharge on all spirits will produce \$14 million.

The WSLCB is authorized to open five new stores in the 2003-05 biennium, the first new state stores in 23 years. An additional 13 stores will be relocated to more visible sites.

The WSLCB created the Business Advisory Council in 2002 to promote improved understanding and involvement among key stakeholders.

The Distillers Representatives Association of Washington (DRAW) recently helped develop a new shelf-management plan for all state stores to improve product presentation and increase customer service and sales. Other upgrades to store checkout equipment will be made during 2003-05.

Modern Materials Handling Magazine has recognized the WSLCB's automated Seattle Distribution Center as the Warehouse of the Month.

A major tobacco tax investigation initiated by the WSLCB resulted in the largest seizure in ATF history worth \$679,250.

The WSLCB processes more than 5,000 license applications annually, a number that has been growing rapidly. There are 13,500 liquor licensees in Washington.

An on-line license renewal process begun in 2003 is speeding the process of license renewals, saving licensees and the state time and money.

WSLCB's Enforcement and Licensing Divisions are helping Washington cities establish Alcohol Impact Areas (AIAs) to reduce crime and social problems in high-risk neighborhoods. A Tacoma police officer recently received a national community service award for his work on the Tacoma AIA.

Fast Fact

Adults in control states consume an average 1.58 gallons of spirits annually. Those in non-control states consume 1.9. Control states return nearly twice as much revenue per drinking-age adult as do non-control states.



Washington State
Liquor Control Board

Education

Licensing

Enforcement

Sales

Benefits Of a Control System

State General Fund
\$121.6 million

Cities/Counties
\$45.4 million

Health Services
\$38.7 million

Education/Prevention
\$17.3 million

Research
\$1.2 million

AGENCY OVERVIEW

The Washington State Legislature formed the Washington State Liquor Control Board in 1933 by passing the Steele Act. This closely followed ratification of the 21st Amendment to the U.S. Constitution, which ended 12 years of prohibition.

The mission of the Liquor Control Board is to serve the public by preventing the misuse of alcohol and tobacco through controlled distribution, enforcement, and education; and provide excellent customer service by operating efficient, convenient retail stores.

During the last six decades, the WSLCB has contributed more than \$4 billion in revenue to state and local government. Revenues from the sale, licensing and taxation of alcohol and related products total more than \$224 million annually.

Washington is one of 18 states that control and regulate the sale of liquor at the wholesale level and one of 14 that also controls retail sales. Together, these states have 28 percent of the U.S. population.

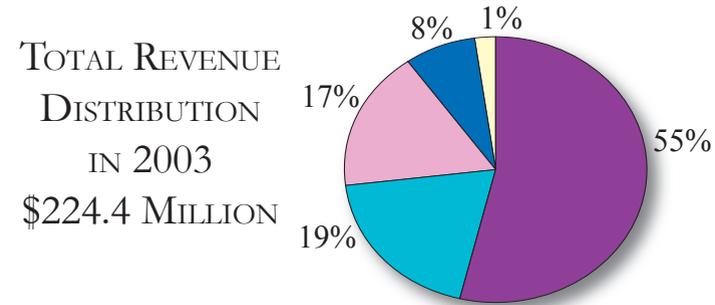
The agency has about 1,100 full- and part-time employees. More than 70 percent of WSLCB employees work in 157 state-run stores. The WSLCB provides oversight for an additional 154 Contract Liquor Stores. Sales of wine, beer and spirits total more than \$550 million annually.

The WSLCB earns revenues from a combination of markup, licensing fees and taxes. There are about 13,500 businesses licensed to sell alcohol in the state. More than 5,000 license applications are processed annually.

Stakeholder groups include public health officials, advocacy groups, educators, industry representatives, law enforcement personnel, elected officials and the general public.

STRATEGIC GOALS 2003-2008

- Promote Public Trust
- Maximize Revenue To State
- Protect the Public
- Develop High-Quality Workforce
- Strengthen Risk Management
- Improve Service Through Improved Technology



\$121.6 million State General Fund

- ♦ WSLCB initiatives are expected to raise \$31 million in **additional** revenue in 2003-2005.

\$45.4 million Cities/Counties/Border Areas

- ♦ Critical support for drug and alcohol enforcement programs statewide.
- ♦ One police car costs \$20,000; one police officer costs \$50,000 per year.

\$38.7 million Health Services

- ♦ Funds the equivalent of 20,105 Basic Health enrollees annually.
- ♦ Provides 7.5 percent of state's annual Health Services budget.

\$17.3 million Education/Prevention

- ♦ \$10.7 million for drug and alcohol treatment and violence reduction programs.
- ♦ \$6 million for DSHS alcohol and substance abuse programs.
- ♦ \$300,000 for youth tobacco prevention and juvenile alcohol and drug prevention.

\$1.2 million Research

- ♦ UW Alcohol and Drug Abuse Institute.
- ♦ WSU alcohol and drug abuse research.
- ♦ WSU Wine & Grape Research.
- ♦ Washington Wine Commission.

General Fund

More than half of the revenue earned by the WSLCB goes to the state's General Fund to provide support for education, healthcare, transportation and many other programs. About \$2 million annually is used for the Parent Child Assistance Program, which provides advocacy services to substance-abusing pregnant and parenting women and their children.

Cities/Counties/Border Areas

WSLCB revenues enable cities and counties to support law enforcement, education and public health initiatives at the local level throughout the state. For example, of the \$419,345 Thurston County received in 2003, nearly 75 percent went to fund the law and justice program. This is the equivalent of three police officers and three deputy prosecuting attorneys.

Health Services

The state's Basic Health Program serves 107,431 people annually. Nearly a fifth of these individuals – 20,105 – receive health care paid for by WSLCB revenues.

Education/Prevention

The WSLCB provides more than \$11 million annually for the state's Violence Reduction Drug Enforcement account to fight drug and alcohol addiction.

- 4,000 adults receive outpatient treatment
- 5,000 children receive treatment services
- 700 pregnant women receive assistance

Research

The WSLCB provides more than 50 percent of the annual funding for the Washington Wine Commission, which supports the state's growing wine industry. Washington State University receives funding for a wide variety of research programs on wine and grapes.

The Alcohol and Drug Institute at the University of Washington also receives funds from liquor license fees. The Institute conducts studies on the social impact of alcohol in the state and measures the effectiveness of various treatment programs.

