

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

5/1/15

2. Department

Department of Alcoholic Beverage Control

3. Organizational Placement (Division/Branch/Office Name)

Executive Office

4. CEA Position Title

Director of Legislation and Governmental Affairs

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The Department of Alcoholic Beverage Control's (ABC) primary mission is to administer the provisions of the Alcoholic Beverage Control Act in a manner that fosters and protects the health, safety, welfare and economic well being of the people of the State. The Director of Legislation and Governmental Affairs will have policy influencing authority and will function as the lead policy advisor to the Director and Chief Deputy Director on all proposed legislative and regulatory matters relating to the sale, manufacturing, and distribution of alcohol and the impact of such to the citizens of California and businesses.

6. Reports to: (Class Title/Level)

Director / Chief Deputy Director

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (Select one)

- 1st
- 2nd
- 3rd
- 4th
- 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The Director of Legislation and Governmental Affairs will advise, consult, and assist the Director and Chief Deputy Director in identifying and analyzing policy problems and presenting solutions relative to issues of legislation and regulatory change. This position must be knowledgeable in related public policies and legal actions that affect the regulations of the alcohol industry and licensees.

The Director of Legislation and Governmental Affairs will do the following: advise, assist, and formulate legislative proposals and projects; act as liaison between the Legislature and the Department; keep management informed on legislation of interest to the Department; and, will advocate the Department's position on legislation. The Director of Legislation and Governmental Affairs will also direct legislative affairs of the Department and be responsible for formal bill analysis with particular emphasis on determining a bill's genesis and purpose through consultation with Legislative staff and committees, as well as with alcoholic beverage industry members and organizations. This position will further arrange and coordinate input and written analysis of pending legislation from program and Legal Division subject matter experts, and will prepare sensitive/complex written reports to the Business Consumer Services and Housing Agency, Department of Finance, legislative offices, industry representatives, and other interested parties on a variety of legislative matters affecting the Department.

The Director of Legislation and Governmental Affairs will act as the Senior Regulatory Affairs Specialist and will perform the coordination and preparation of document packages for regulatory submissions from all areas of the Department. The Director of Legislation and Governmental Affairs will also: recommend changes for regulatory compliance; monitor and improve tracking/control systems and maintain regulatory files; and, will keep abreast of regulatory procedures and changes as well as interact with regulatory agencies on defined matters.

The Director of Legislation and Governmental Affairs will also interact with the public, industry members, and legislators by doing the following: initiating and responding to telephone calls and meetings with legislators, committee staff, and persons who support or oppose legislation; managing special projects with legislators and various representatives of government and industry; attending budget and legislative hearings; preparing bill status reports and upcoming hearing reports; representing the Department and testifying before various committees; and, by attending and participating in seminars and conferences organized by the Legislature, alcoholic beverage industry, consumer groups, and other related organizations and associations regarding current or proposed legislation.

Further, it will be the job of the Director of Legislation and Governmental Affairs to meet with and educate constituents about legislative changes. This will include meeting with and instructing cities, counties, school boards, the general public, and other entities to make sure they understand ABC related laws and policies.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The ABC is governed by the rules and regulations contained within the Alcoholic Beverage Control Act and the applicable sections of the Business and Professions (BP) Code, Penal Code, Health and Safety Code, and the California Code of Regulations. Each year the Legislature introduces upwards of thirty bills aimed at either creating new license types; making changes to existing license types; and/or changing existing provisions of the Tied house rules.

The alcohol industry is continuously seeking to establish new products or business models that exceed their current authority within the BP Code. The potential impact to the Department can be significant thereby necessitating a high level position to serve as a liaison to the industry in seeking possible solutions to meet their business needs.

This program is directly related to achieving the Department's mission by assuring that new legislation, regulations, and rules will promote the enforcement interests of the Department as well as the industry's interest in fair and safe business practices.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

The Department regulates a very diverse industry which is critical to the economic vitality of the State. There are over 87,000 ABC licensed businesses that comprise approximately 8% of all the State's businesses. These 87,000 ABC licensed businesses generate over \$500 million a year in sales and excise taxes. Along with this, the wine industry in California is world renown, and the restaurant industry is the State's number one employer providing 1.4 million jobs. ABC regulates a product that impacts the quality of life for many of California's citizens and businesses.

The alcoholic beverage industry is evolving at increasing speeds. With the popularity of social media and an ever-changing online world, California businesses are constantly seeking new ways to advance their goals. In order to allow an industry which provides thousands of jobs and numerous economic benefits to California, the Department must carefully reevaluate and restructure the ABC Act, rules, and internal policy. This position will a major role in ensuring that this is able to happen.

Areas which are constantly changing include:

- Tied-house laws. Tied-house laws separate the alcoholic beverage industry into three tiers, manufactures, wholesalers, and retailers. These tiers are prevented from interacting with each other in ways that would promote unfair business practices. These laws include forms of advertising and the regulation of social media, which is constantly changing and expanding. For these reasons, tied-house laws require perpetual update and change.

- License revision. Each year the Legislature introduces bills aimed at either creating new license types or making changes to existing license types. As business practices within California continue to change with demand, updates to license types are needed.

- Industry. The alcohol industry is continuously seeking to establish new products or business models that exceed their current authority within the BP Code. This has created a critical need for a high level position that possesses comprehensive technical experience of the Legislative process to determine potential impact to the Department and serve as a liaison to the industry in seeking possible solutions to meet their business needs.

Multi-million dollar businesses, which are politically active, can (and are) seeking legislative and or regulatory changes to meet their business needs. Many licensees have political connections and frequently use local officials, legislators, and/or members of the Administration to influence decisions of the Department. Ensuring the public safety and specifically the enforcement of the Alcoholic Beverage Control Act are critical to the Department's mission. The creation of this position will greatly advance the Department in accomplishing its goals.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Director of Legislation and Governmental Affairs will be the principle policy maker in several key areas. It will be the responsibility of the Director of Legislation and Governmental Affairs to ensure that all new legislation relating to the Department has been properly reviewed and analyzed, and that all new legislation aligns with the goals of the Department as well as the goals of promoting fair and safe business practices within the industry. This will include a wide variety of tasks ranging from serving as the principle communicator and negotiator with industry members to assisting and directing in the creation of new legislation.

Specific areas of legislation in which the Director of Legislation and Governmental Affairs will play a major role include the modification of Tied House laws and the creation or change of licenses types to reflect new business models in an ever-changing industry. These policy areas affect all the Department's licensees who in turn play a major role in the State's business environment and economy.

The Director of Legislation and Governmental Affairs will also be responsible for bringing forth Department priorities through the rulemaking process. Rulemaking, similar to legislation, plays a significant role in the daily business practices of the ABC's many licensees.

The Director of Legislation and Governmental Affairs will also be responsible for creating and maintaining a database of current and past legislation relating to the Department. This function is very important to the Department because it allows legislation to be tracked throughout the years, a tool which is very important when deciding new policy changes.

In order to stay on course and meet the Department's mission, the Director of Legislation and Governmental Affairs will evaluate and restructure different areas of the Department. These changes are often based on stakeholder feedback and are very vital to productive work within the Department as well as efficient customer service.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

This position will have broad and independent decision making authority. As the Department's legislative and regulatory officer, the position will participate in meetings, hearings or other events and will act as the primary decision maker on issues raised involving legislative or regulatory matters affecting the Department's programs or mission. This position will also work closely with the Department Director and Chief Deputy Director to achieve these goals.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The Director of Legislation and Governmental Affairs will have policy influencing authority and function as the lead policy advisor to the Director and Chief Deputy Director on all proposed and enacted legislation impacting the Department as well as any regulatory changes required via legislation or policy decisions from the Administration. This position will be responsible for the development of policies generated by legislative issues as well formation of new policies developed with other Department management and makes recommendations to executive staff for the purpose of adopting formal policy.