



Total Agency Operating and Transition Costs

Fiscal Year	Retail Then Wholesale	
	Option 3	Option 4
2012-13	\$490,290,547	\$486,080,157
2013-14	\$490,634,391	\$486,345,822
2014-15	\$268,548,433	\$264,180,091
2015-16	\$85,916,783	\$81,467,041
2016-17	\$96,744,526	\$92,211,716
Total:	\$1,432,134,679	\$1,410,284,827

Alternative Transition Estimates

As previously discussed, the order in which retail and wholesale operations are privatized influences the workforce movement, associated costs and ultimate timeline. While both sequences result in the same residual agency total, privatizing retail operations first slightly reduces the number of displaced employees. Transitioning retail upfront enables a larger portion of furloughed staff to seek State placement and fill positions more evenly over time.

Workforce Transition Comparison

Workforce Transitions	Retail Then Wholesale	Wholesale Then Retail
Current PLCB FTEs	4,482	4,482
Displaced FTEs	3,210	3,210
State Transfers	774	532
Remaining Unemployed	2,436	2,678
Residual PLCB	286	286

In addition, transitioning retail prior to wholesale reduces the costs incurred to the Commonwealth. Eliminating retail operations first reduces operating expenses more quickly. The majority of personnel expenses come from the Retail Bureau, and the bulk of the ERP system costs can be phased out after the PLCB retail stores close.

Transition Cost Comparison

Fiscal Year	Retail Then Wholesale		Wholesale Then Retail	
	Option 3	Option 4	Option 3	Option 4
2012-13	\$490,290,547	\$486,080,157	\$481,006,897	\$476,796,508
2013-14	\$490,634,391	\$486,345,822	\$463,046,619	\$458,758,050
2014-15	\$268,548,433	\$264,180,091	\$344,048,098	\$339,679,756
2015-16	\$85,916,783	\$81,467,041	\$100,079,882	\$95,630,139
2016-17	\$96,744,526	\$92,211,716	\$96,781,726	\$92,248,916
Total:	\$1,432,134,679	\$1,410,284,827	\$1,484,963,221	\$1,463,113,369