

DIVISION OF ALCOHOLIC BEVERAGE CONTROL

MISSION

The Division of Alcoholic Beverage Control operates under the direction of the State Liquor Authority, a three member board appointed by the Governor with the advice and consent of the Senate. The Division regulates and controls the manufacture, sale and distribution of alcoholic beverages within the State; issues licenses and permits to manufacturers, distributors, wholesalers and retailers; works with local law enforcement agencies and localities across the State to ensure compliance with the Alcoholic Beverage Control Law; and regulates trade and credit practices for the sale and distribution of alcoholic beverages.

ORGANIZATION AND STAFFING

The Division's organization includes three functional areas: Administration, Licensing and Compliance. Administration includes the Offices of the Chairman of the Authority, the Chief Operating Officer, Government Affairs, Communications and other traditional administrative functions. Licensing includes the Licensing Bureau which is responsible for processing new and renewal license applications, in addition to the Wholesale Bureau which administers price schedules and trade practices. Compliance includes the Office of Counsel, as well as the Enforcement and Hearing Bureaus.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$21.5 million** in funding for the Division. This is an increase of **\$3 million** in funds from the 2008-09 Budget, reflecting increased resources to support licensing services. These resources will support implementation of legislation authorizing the sale of wine in grocery stores, and will also be used to alleviate the current license application backlog. The Division is entirely self-funded by revenue generated from fees and fines it imposes.

The Executive Budget recommends a staffing level of **215 FTEs**, which is an increase of 50 from the 2008-09 Enacted Budget.

Resources from the 2008-09 Budget suballocated to the State Law Revision Commission will continue to be available to support the Commission's statutorily mandated study of the Alcoholic Beverage Control law. A final report of recommended changes to the law is due in June of 2009.

PROGRAM HIGHLIGHTS

Staff assigned to the Licensing Program will continue efforts to process permits and licenses in a timely manner and will work to reduce the current license application backlog. These steps, in addition to a more user-friendly information technology infrastructure, and sustained public outreach efforts, will ensure that the Division is viewed as responsive and transparent.

The Division will also continue to enhance its compliance activities during 2009-10. The Agency's Rapid Enforcement Unit was created in 2007 in an effort to quickly respond to problem bars. Working in partnership with local law enforcement agencies, including those in the Division of Criminal Justice Services' Operation IMPACT program, these efforts will continue to have a positive impact on the public's health and

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safety. The Division will also continue to investigate complaints and the Authority will conduct hearings to ensure that permit and license holders who violate the State liquor law receive appropriate penalties.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2008-09 | Appropriations Recommended 2009-10 | Change | Reappropriations Recommended 2009-10 |
|-------------------|----------------------|--|-----------|--|
| State Operations | 18,480,000 | 21,480,000 | 3,000,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 18,480,000 | 21,480,000 | 3,000,000 | 0 |

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

| Program | 2008-09 Estimated FTEs 03/31/09 | 2009-10 Estimated FTEs 03/31/10 | FTE Change |
|-----------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| Special Revenue Funds - Other | 17 | 28 | 11 |
| Compliance | | | |
| Special Revenue Funds - Other | 80 | 99 | 19 |
| Licensing and Wholesaler Services | | | |
| Special Revenue Funds - Other | 68 | 88 | 20 |
| Total | 165 | 215 | 50 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

| Fund Type | Available 2008-09 | Recommended 2009-10 | Change |
|-------------------------------|----------------------|------------------------|-----------|
| Special Revenue Funds - Other | 18,480,000 | 21,480,000 | 3,000,000 |
| Total | 18,480,000 | 21,480,000 | 3,000,000 |

| | |
|-------------------------------|------------|
| Adjustments: | |
| Transfer(s) From | |
| Special Pay Bill | |
| Special Revenue Funds - Other | (924,000) |
| Appropriated 2008-09 | 17,556,000 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

| Program | Available 2008-09 | Recommended 2009-10 | Change |
|-----------------------------------|----------------------|------------------------|-----------|
| Administration | | | |
| Special Revenue Funds - Other | 4,939,000 | 4,939,000 | 0 |
| Compliance | | | |
| Special Revenue Funds - Other | 8,048,000 | 8,048,000 | 0 |
| Licensing and Wholesaler Services | | | |
| Special Revenue Funds - Other | 5,493,000 | 8,493,000 | 3,000,000 |
| Total | 18,480,000 | 21,480,000 | 3,000,000 |

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**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service | |
|-----------------------------------|-------------------|------------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 4,939,000 | 0 | 1,389,000 | 0 |
| Compliance | 8,048,000 | 0 | 4,799,000 | 0 |
| Licensing and Wholesaler Services | 8,493,000 | 3,000,000 | 3,291,000 | 0 |
| Total | <u>21,480,000</u> | <u>3,000,000</u> | <u>9,479,000</u> | <u>0</u> |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-----------------------------------|----------------------------|---------------|----------------------------------|------------------|
| | Amount | Change | Amount | Change |
| Administration | 3,550,000 | 0 | 0 | 0 |
| Compliance | 3,249,000 | 0 | 0 | 0 |
| Licensing and Wholesaler Services | 2,202,000 | 0 | 3,000,000 | 3,000,000 |
| Total | <u>9,001,000</u> | <u>0</u> | <u>3,000,000</u> | <u>3,000,000</u> |