

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 consisting of a Chairperson, who acts as the agency administrator, and two Commissioners, 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 **\$16.9 million** in funding for the Division. This is a decrease of **\$5.5 million (-25 percent)** from the 2010-11 budget. However, the majority of this decrease is attributable to the inclusion in the 2010-11 total of \$3.6 million in special appropriations related to investments in improving the Division's licensing function. After adjusting for this non-recurring action, the Division's funding decreases \$1.9 million, or 10 percent. The Division is entirely self-funded by revenue generated from fees and fines it imposes.

The Executive Budget advances a proposal to change the compensation of the board members, other than the Chairperson, from annual salaried to per diem.

PROGRAM HIGHLIGHTS

The agency is participating in a number of statewide initiatives that will modernize and upgrade its technology and business processes. These upgrades will increase operational efficiency and cost effectiveness throughout the agency, including the processing of license applications. They will also provide a more user-friendly interface for licensees, while supporting the Division's efforts in enforcing the Alcoholic Beverage Control Law, Rules and Regulations. Interim investments in technology and changes made to the procedures used by agency staff when processing license applications have significantly reduced the licensing backlog. Additionally, the agency is currently engaged in a number of ongoing short-range technology projects that will continue to build upon the changes already made and bridge the gap until the final statewide solutions are implemented. The State Liquor Authority and Division of Alcoholic Beverage Control are also enhancing compliance activities through the Rapid

ALCOHOLIC BEVERAGE CONTROL

Enforcement Unit (REU) program while developing partnerships with community boards and local law enforcement agencies, particularly in the downstate area. The Division has also taken steps to increase the investigation of complaints as well as expedite hearings and license suspensions to protect public health, safety and welfare.

ALL FUNDS APPROPRIATIONS (dollars)				
Category	Available 2010-11	Appropriations Recommended 2011-12	Change	Reappropriations Recommended 2011-12
State Operations	22,335,000	16,860,000	(5,475,000)	2,400,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	22,335,000	16,860,000	(5,475,000)	2,400,000

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

Full-Time Equivalent Positions (FTE)			
Program	2010-11 Estimated FTEs 03/31/11	2011-12 Estimated FTEs 03/31/12	FTE Change
Administration			
Special Revenue Funds - Other	17	17	0
Compliance			
Special Revenue Funds - Other	64	64	0
Licensing and Wholesaler Services			
Special Revenue Funds - Other	59	59	0
Total	140	140	0

The above table does not reflect layoffs that may be necessary in the absence of negotiated workforce savings.

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

Fund Type	Available 2010-11	Recommended 2011-12	Change
Special Revenue Funds - Other	22,335,000	16,860,000	(5,475,000)
Total	22,335,000	16,860,000	(5,475,000)

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

Program	Available 2010-11	Recommended 2011-12	Change
Administration			
Special Revenue Funds - Other	4,911,000	4,420,000	(491,000)
Compliance			
Special Revenue Funds - Other	8,151,000	7,335,000	(816,000)
Licensing and Wholesaler Services			
Special Revenue Funds - Other	9,273,000	5,105,000	(4,168,000)
Total	22,335,000	16,860,000	(5,475,000)

ALCOHOLIC BEVERAGE CONTROL

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2011-12 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	4,420,000	(491,000)	1,210,000	(135,000)
Compliance	7,335,000	(816,000)	4,255,000	(473,000)
Licensing and Wholesaler Services	5,105,000	(4,168,000)	2,918,000	(325,000)
Total	<u>16,860,000</u>	<u>(5,475,000)</u>	<u>8,383,000</u>	<u>(933,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	3,210,000	(356,000)	0	0
Compliance	3,080,000	(343,000)	0	0
Licensing and Wholesaler Services	2,187,000	(243,000)	0	(3,600,000)
Total	<u>8,477,000</u>	<u>(942,000)</u>	<u>0</u>	<u>(3,600,000)</u>