

Compendium of Budget Information for the 2014 General Session

Business, Economic Development, and Labor Appropriations Subcommittee

Agency: Alcoholic Beverage Control

Line Item: DABC Operations

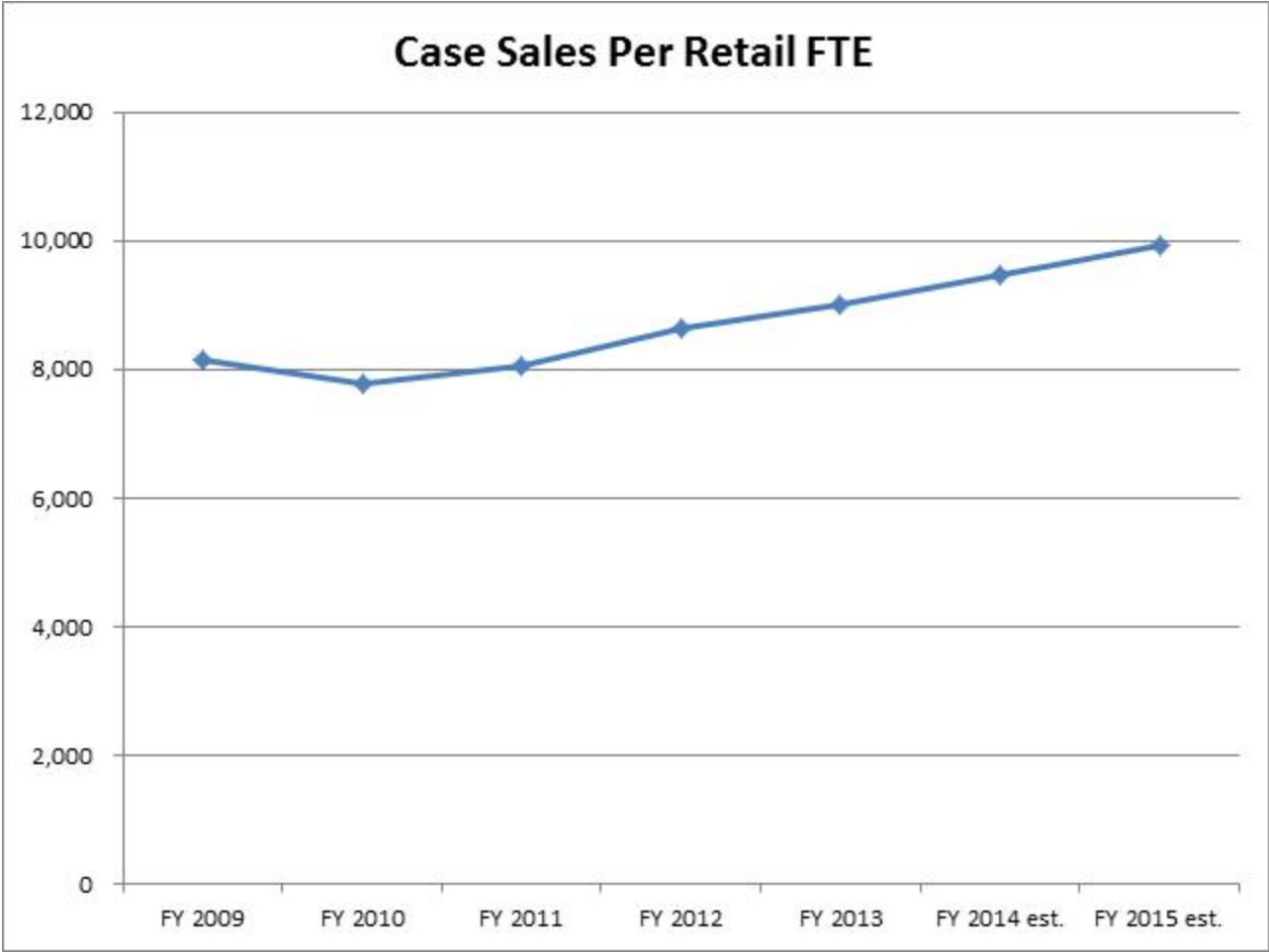
Function

The Department of Alcoholic Beverage Control was created by statute in 1935. The Department is charged with the responsibility of conducting, licensing and regulating the sale of alcoholic beverages in a manner and at prices which reasonably satisfy the public demand and protect the public interest.

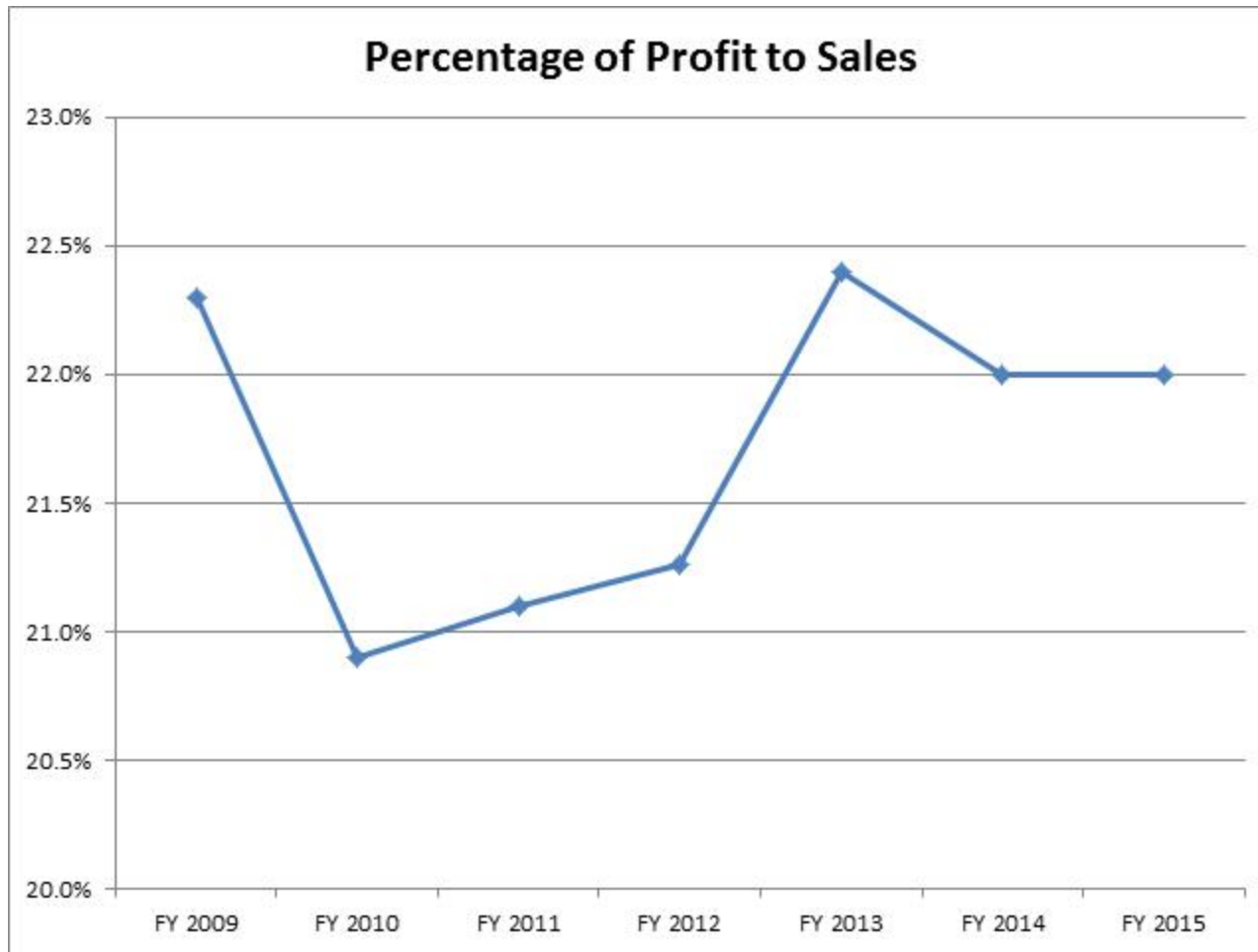
Liquor sales provide more than \$70 million annually to the State's General Fund. Net profits are deposited in the General Fund and used to support state government operations. State law also requires a transfer of 10% of gross sales to support the school lunch program and 1% to the Department of Public Safety to support alcohol-related law enforcement officers. A portion of the tax on beer goes to local governments to help cover their costs of liquor law enforcement.

Performance

The Department of Alcoholic Beverage Control measures case sales per FTE, warehouse inventory turnover, and percent of profits to sales as performance measures. Data is shown below.







Funding Detail

The main DABC line item, Alcoholic Beverage Control, contains the following programs: Executive Director, Administration, Operations, Warehouse & Distribution, and Stores & Agencies.

Sources of Finance	2013	2014	2014	2014	2015	2015

	Actual	Approp	Change	Revised	Change	Approp
Liquor Control Fund	\$35,595,600	\$30,512,600	\$0	\$30,512,600	\$8,457,000	\$38,969,600
Liquor Control Fund, One-time	\$0	\$0	\$43,900	\$43,900	\$1,544,000	\$1,587,900
Markup Holding Fund	\$0	\$7,505,200	\$0	\$7,505,200	(\$7,505,200)	\$0
Markup Holding Fund, One-time	\$0	\$1,500,000	\$0	\$1,500,000	(\$1,500,000)	\$0
Lapsing Balance	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$35,595,600	\$39,517,800	\$43,900	\$39,561,700	\$995,800	\$40,557,500

Programs	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Executive Director	\$1,882,700	\$2,280,100	(\$391,700)	\$1,888,400	\$56,300	\$1,944,700
Administration	\$831,800	\$761,300	\$73,500	\$834,800	\$23,000	\$857,800
Operations	\$1,802,100	\$2,089,600	(\$92,000)	\$1,997,600	\$55,800	\$2,053,400
Warehouse and Distribution	\$4,326,000	\$4,403,300	\$229,900	\$4,633,200	\$44,400	\$4,677,600
Stores and Agencies	\$26,753,000	\$29,983,500	\$224,200	\$30,207,700	\$816,300	\$31,024,000
Total	\$35,595,600	\$39,517,800	\$43,900	\$39,561,700	\$995,800	\$40,557,500

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$15,256,500	\$17,826,400	(\$2,099,100)	\$15,727,300	(\$84,100)	\$15,643,200
In-state Travel	\$24,900	\$26,900	(\$2,000)	\$24,900	\$0	\$24,900
Out-of-state Travel	\$2,200	\$500	\$1,700	\$2,200	\$0	\$2,200
Current Expense	\$12,851,600	\$13,730,300	\$1,839,400	\$15,569,700	\$1,003,600	\$16,573,300
DP Current Expense	\$1,591,000	\$1,989,700	(\$203,200)	\$1,786,500	\$76,300	\$1,862,800
DP Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$182,400	\$9,800	(\$9,800)	\$0	\$0	\$0
Other Charges/Pass Thru	\$0	\$3,700	(\$3,700)	\$0	\$0	\$0

Cost of Goods Sold	\$5,687,000	\$5,930,500	\$520,600	\$6,451,100	\$0	\$6,451,100
Total	\$35,595,600	\$39,517,800	\$43,900	\$39,561,700	\$995,800	\$40,557,500

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	353	383	2	385	(2)	383
Actual FTE	384	0	0	0	0	0
Vehicles	18	20	5	25	(5)	20

Program: Executive Director

Function

The Executive Director's Office sets department policies and procedures. The office provides information to the part-time Liquor Control Commission on where to locate liquor stores, issuance of licenses and permits, and other direction in keeping with state statute.

Within this budget is funding for licensing and liquor compliance specialists. Specialists train licensees to comply with Utah's liquor laws and make recommendations regarding license applications, suspensions, and revocations. The Department of Public Safety also has liquor enforcement officers who police the licensees. They are funded through the Executive Offices and Criminal Justice Appropriations Subcommittee.

Funding Detail

The Executive Director's Office draws the majority of its funding from the Liquor Control Fund.

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Liquor Control Fund	\$1,882,700	\$2,222,100	(\$397,400)	\$1,824,700	\$108,700	\$1,933,400
Liquor Control Fund, One-time	\$0	\$0	\$5,700	\$5,700	\$5,600	\$11,300
Markup Holding Fund	\$0	\$58,000	\$0	\$58,000	(\$58,000)	\$0
Lapsing Balance	\$0	\$0	\$0	\$0	\$0	\$0

Total	\$1,882,700	\$2,280,100	(\$391,700)	\$1,888,400	\$56,300	\$1,944,700
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Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$1,593,900	\$1,965,600	(\$366,000)	\$1,599,600	\$55,000	\$1,654,600
In-state Travel	\$8,600	\$8,100	\$500	\$8,600	\$0	\$8,600
Out-of-state Travel	\$2,200	\$500	\$1,700	\$2,200	\$0	\$2,200
Current Expense	\$266,200	\$286,100	(\$19,900)	\$266,200	\$1,300	\$267,500
DP Current Expense	\$11,800	\$16,100	(\$4,300)	\$11,800	\$0	\$11,800
Other Charges/Pass Thru	\$0	\$3,700	(\$3,700)	\$0	\$0	\$0
Total	\$1,882,700	\$2,280,100	(\$391,700)	\$1,888,400	\$56,300	\$1,944,700

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	18	16	2	18	(2)	16
Actual FTE	20	0	0	0	0	0

Program: Administration

Function

Administration provides centralized administrative services to other programs within the DABC. This includes budgeting, accounting, and auditing of stores and package agencies.

Funding Detail

Funding for the Administration of the Department of Alcoholic Beverage Control comes from the Liquor Control Fund and the Markup Holding Fund.

Sources of Finance	2013	2014	2014	2014	2015	2015
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	Actual	Approp	Change	Revised	Change	Approp
Liquor Control Fund	\$831,800	\$735,300	\$70,500	\$805,800	\$45,900	\$851,700
Liquor Control Fund, One-time	\$0	\$0	\$3,000	\$3,000	\$3,100	\$6,100
Markup Holding Fund	\$0	\$26,000	\$0	\$26,000	(\$26,000)	\$0
Total	\$831,800	\$761,300	\$73,500	\$834,800	\$23,000	\$857,800

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$613,300	\$419,000	\$197,300	\$616,300	\$22,000	\$638,300
In-state Travel	\$400	\$3,900	(\$3,500)	\$400	\$0	\$400
Out-of-state Travel	\$0	\$0	\$0	\$0	\$0	\$0
Current Expense	\$217,600	\$330,100	(\$112,500)	\$217,600	\$1,000	\$218,600
DP Current Expense	\$500	\$8,300	(\$7,800)	\$500	\$0	\$500
Total	\$831,800	\$761,300	\$73,500	\$834,800	\$23,000	\$857,800

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	8	7	0	7	0	7
Actual FTE	9	0	0	0	0	0

Program: Operations

Function

Operations provides data processing to the Department and manages the operation of the warehouse, delivery, stores and package agencies. All liquor is traced by computer from when it is delivered to the warehouse to when it is sold to the consumer. Liquor is sold through several channels in the state including: state stores, package agencies, clubs, restaurants, airport lounges, and on premise banquet businesses.

As mentioned previously, Utah is one of 17 liquor control states and one of only two that have totally state-run systems, Pennsylvania being the other state. Utah buys from the manufacturer, stores, distributes and sells the products and collects the taxes in state-run stores. The state sets the types of retail establishments by law, based on population.

Funding Detail

The funding for the Operations of the Department of Alcoholic Beverage Control comes mainly from the Liquor Control Fund.

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Liquor Control Fund	\$1,802,100	\$2,031,900	(\$92,000)	\$1,939,900	\$113,500	\$2,053,400
Markup Holding Fund	\$0	\$57,700	\$0	\$57,700	(\$57,700)	\$0
Total	\$1,802,100	\$2,089,600	(\$92,000)	\$1,997,600	\$55,800	\$2,053,400

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$0	\$0	\$0	\$0	\$0	\$0
Current Expense	\$630,500	\$554,600	\$75,900	\$630,500	(\$300)	\$630,200
DP Current Expense	\$1,171,600	\$1,535,000	(\$167,900)	\$1,367,100	\$56,100	\$1,423,200
DP Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$1,802,100	\$2,089,600	(\$92,000)	\$1,997,600	\$55,800	\$2,053,400

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	5	3	0	3	0	3
Actual FTE	0	0	0	0	0	0
Vehicles	1	2	0	2	0	2

Program: Warehouse and Distribution

Function

The Alcohol Beverage Control Warehouse is the storage center and general distribution facility for all alcoholic beverages sold in the state of Utah. The building consists primarily of storage and warehouse space. The rack-support system stands over 100 feet tall. The warehouse also features an automated retrieval system

Funding Detail

Funding for the Warehouse and Distribution at the Department of Alcoholic Beverage Control comes from the Liquor Control Fund and the Markup Holding Fund.

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Liquor Control Fund	\$4,326,000	\$653,200	\$225,400	\$878,600	\$3,789,900	\$4,668,500
Liquor Control Fund, One-time	\$0	\$0	\$4,500	\$4,500	\$4,600	\$9,100
Markup Holding Fund	\$0	\$3,750,100	\$0	\$3,750,100	(\$3,750,100)	\$0
Total	\$4,326,000	\$4,403,300	\$229,900	\$4,633,200	\$44,400	\$4,677,600

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$1,462,600	\$1,542,300	(\$75,200)	\$1,467,100	\$41,400	\$1,508,500
In-state Travel	\$0	\$0	\$0	\$0	\$0	\$0
Out-of-state Travel	\$0	\$0	\$0	\$0	\$0	\$0
Current Expense	\$575,500	\$405,900	\$169,600	\$575,500	(\$300)	\$575,200
DP Current Expense	\$47,400	\$58,100	(\$10,700)	\$47,400	\$3,300	\$50,700
DP Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$182,400	\$0	\$0	\$0	\$0	\$0
Cost of Goods Sold	\$2,058,100	\$2,397,000	\$146,200	\$2,543,200	\$0	\$2,543,200
Total	\$4,326,000	\$4,403,300	\$229,900	\$4,633,200	\$44,400	\$4,677,600

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	22	28	0	28	0	28
Actual FTE	30	0	0	0	0	0
Vehicles	5	0	5	5	(5)	0

Program: Stores and Agencies

Function

The State currently operates 44 liquor stores. These stores are located in large and medium-sized communities where the volume of business is high enough to support the costs of operating a store. The State owns 38 stores and leases the other six. Employees working in the stores are state employees.

Package agencies are liquor outlets operated by private individuals or corporate entities under contract with the state for the purpose of selling packaged liquor, wine and heavy beer to the general public for off premise consumption. Package agencies are located in communities too small to warrant the establishment of a state store, and in resorts and hotels where the outlets exist primarily for the benefit of their guests. Package agencies are also located in Utah some breweries, wineries, and distilleries.

Funding Detail

The funding for the Stores and Agencies of the Department of Alcoholic Beverage Control comes from the Liquor Control Fund and the Markup Holding Fund.

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Liquor Control Fund	\$26,753,000	\$24,870,100	\$193,500	\$25,063,600	\$4,399,000	\$29,462,600
Liquor Control Fund, One-time	\$0	\$0	\$30,700	\$30,700	\$1,530,700	\$1,561,400
Markup Holding Fund	\$0	\$3,613,400	\$0	\$3,613,400	(\$3,613,400)	\$0
Markup Holding Fund, One-time	\$0	\$1,500,000	\$0	\$1,500,000	(\$1,500,000)	\$0
Total	\$26,753,000	\$29,983,500	\$224,200	\$30,207,700	\$816,300	\$31,024,000

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$11,586,700	\$13,899,500	(\$1,855,200)	\$12,044,300	(\$202,500)	\$11,841,800
In-state Travel	\$15,900	\$14,900	\$1,000	\$15,900	\$0	\$15,900
Out-of-state Travel	\$0	\$0	\$0	\$0	\$0	\$0
Current Expense	\$11,161,800	\$12,153,600	\$1,726,300	\$13,879,900	\$1,001,900	\$14,881,800
DP Current Expense	\$359,700	\$372,200	(\$12,500)	\$359,700	\$16,900	\$376,600
DP Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$0	\$9,800	(\$9,800)	\$0	\$0	\$0
Cost of Goods Sold	\$3,628,900	\$3,533,500	\$374,400	\$3,907,900	\$0	\$3,907,900
Total	\$26,753,000	\$29,983,500	\$224,200	\$30,207,700	\$816,300	\$31,024,000

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	300	329	0	329	0	329
Actual FTE	326	0	0	0	0	0
Vehicles	12	18	0	18	0	18

COBI contains unaudited data as presented to the Legislature by state agencies at the time of publication. For audited financial data see the State of Utah's Comprehensive Annual Financial Reports.