

Agency Summary And Certification

SEP 01 2016

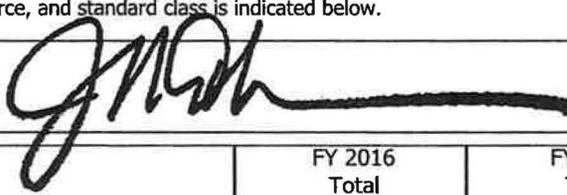
185 -- Liquor Division, State

Original Submission or Rev No. ____

FY2018 Request

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In accordance with 67-3503, Idaho Code, I certify the attached forms properly state the receipts and expenditures of the department (agency, office, or institution) for the fiscal years indicated. The summary of expenditures by major program, fund source, and standard class is indicated below.

Signature of Department Director :  Date: 9/1/16

Function/Activity	FY 2016 Total Appropriation	FY 2016 Total Expenditures	FY 2017 Original Appropriation	FY 2017 Estimated Expenditures	FY 2018 Total Request
Liquor Division	18,593,200	18,327,300	19,670,900	19,670,900	20,884,100
Total	18,593,200	18,327,300	19,670,900	19,670,900	20,884,100
By Fund Source	Total Appropriation	Actual Expenditures	Original Appropriation	Estimated Expenditures	Total Request
D 0418-00 Liquor Control	18,593,200	18,327,300	19,670,900	19,670,900	20,884,100
Total	18,593,200	18,327,300	19,670,900	19,670,900	20,884,100
By Object	Total Appropriation	Actual Expenditures	Original Appropriation	Estimated Expenditures	Total Request
Personnel Costs	11,890,500	11,577,700	12,975,900	12,975,900	13,549,100
Operating Expenditures	5,908,700	5,960,000	5,820,400	5,820,400	6,405,500
Capital Outlay	794,000	789,600	874,600	874,600	929,500
Trustee And Benefit Payments	0	0	0	0	0
Lump Sum	0	0	0	0	0
Total	18,593,200	18,327,300	19,670,900	19,670,900	20,884,100
FTP Total	212.00	212.00	222.00	222.00	229.00

NOV 14 2016

September 1, 2016

Total FTP = 222
Vacant FTP = 14

State Liquor Division Organizational Chart

Governor
C.L. "Butch" Otter

Director
Jeffrey R. Anderson

Howard Wasserstein
Deputy Director
Procurement, Distribution,
& Retail Operations

Jon Spence
Deputy Director
IT & Security

Tony Faraca
Chief Deputy,
Deputy Director
Finance & HR, CFO

(3) District
Managers
Robert Melline
Gwynna Jensen
Cheryl Hurley-Peterson
01579 - N

(1) Product
Manager - M
Kay Bennett

(1) Business
Analyst
05520 - M

(65) State
Store Mgrs
01582 - J

(2) Tech Rec
Spec. 1
01104 - H

(1) Financial
Support Tech.
04250 - G

(110) Store
Clerks
01586 - F

(1) Program
Info
Coordinator
01106 - J

(2) Prgmr
Analyst, Sr.
01618 - L

(1) Sr.
Financial
Specialist
04246 - L

(140) Part-time
Stock Clerks*
20148

(1) Supply Ops
Supervisor
01540 - K
Scott Hatch

(1) Info.Syst.
Tech., Sr.
01106 - J

(1) Financial
Tech.
04248 - H

(105) Special
Distributors**

(4)
Storekeeper
01546 - H

(1) IT Network
Analyst
01636 - L

(1) Financial
Support Tech.
04250 - G

(15) Material
Handlers
01550 - G

(2) IT Support
Technician
01665 - I

(1) Cust. Serv.
Rep.
01121 - G

(1) Web
Design
Specialist
01700 - K

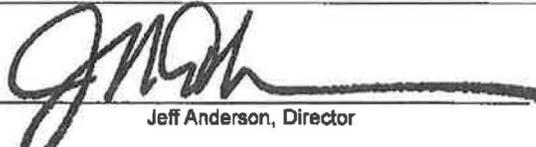
(1) Human
Res. Assoc.
05158 - I

(1) Maint
Craftsman Sr.
06632 - H

(1) Training
Specialist
05122 - L

* The Liquor Division employs 140 Part-time temp stock clerks (non-classified).

** District Managers oversee 105 Special Distributors


Jeff Anderson, Director

9-1-16

Date

FY 2018 Agency Budget - Request

Line Item Report

Agency: 185 Liquor Division, State

Decision Unit	Priority	Agency Request		
		FTP	General	Total
Liquor Division				
12.01 Relocate/Remodel 7 Liquor Stores & Add 2 New	1	4.00	0	1,153,800
12.02 2 Additional Material Handlers in ISLD Warehouse	2	2.00	0	88,900
12.03 Enhanced Hours of Operation	3	0.00	0	42,000
12.04 Restore Deputy Director Position	4	1.00	0	129,000
12.05 Excel at Retail Initiative	5	0.00	0	31,400
12.06 Furnishings for Remodeled Office Space	6	0.00	0	27,500
12.07 Consultant to develop RFP to Identify ERP	7	0.00	0	75,000
		7.00	0	1,547,600

FORM B11: REVENUE

Agency/Department: Office of the Governor
 Program (If applicable) State Liquor Division

Request for Fiscal Year: 2018
 Agency Number: 185
 Budget Unit (If Applicable): GVGA/GVGB
 Function/Activity Number (If Applicable):

Original Request Date: 9/1/16
 Revision Request Date:

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Fund No.	Fund Detail No.	Fund Name	Significant Assumption Number	Summary Object Code	Revenue Source Description -Summary Level	FY 2014 Actual Revenue	FY 2015 Actual Revenue	FY 2016 Actual Revenue	FY 2017 Estimated Revenue	FY 2018 Estimated Revenue
0418	00	Liquor Control	1	1725	Liquor	169,265,200	179,821,400	190,564,700	198,485,000	206,823,000
				1035	Permits	3,600	4,600	100	500	1,000
				2515	Interest	37,900	(27,700)	71,200	72,500	75,000
				3601	Misc	117,400	410,100	128,300	130,000	135,000
				1935	Sale of Equipment	1,200	0	0	0	0
0418	00	Liquor Control		FUND TOTAL		\$169,425,300	\$180,208,400	\$190,764,300	\$198,688,000	\$207,034,000
GRAND TOTAL						\$169,425,300	\$180,208,400	\$190,764,300	\$198,688,000	\$207,034,000

SIGNIFICANT ASSUMPTIONS

Fund No.	Fund Detail No.	Fund Name	Significant Assumption Number	Provide Details for any Significant Assumptions Listed	FY 2018 Estimated Impact
0418	00	Idaho State Liquor	1	Idaho will maintain its retail price advantage vs. the State of Washington	\$6,900,000

FORM B12: ANALYSIS OF FUND BALANCES

Request for Fiscal Year : 2018

Agency/Department: State Liquor Division

Agency Number: 185

Original Request Date: September 1, 2016 or Revision Request Date:

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Sources and Uses:

FUND NAME:	Liquor Control	FUND CODE:	0418-00	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
1. Beginning Free Fund Balance				12,894,500	7,728,600	10,487,700	13,685,800	13,494,300
2. Encumbrances as of July 1				48,100	71,100	185,900	282,800	250,000
2a. Reappropriation (Legislative Carryover)				NA	0	0	0	0
3. Beginning Cash Balance				12,942,600	7,799,700	10,673,600	13,968,600	13,744,300
4. Revenues (from Form B-11)				169,425,300	180,208,400	190,764,300	198,688,000	207,034,000
5. Non-Revenue Receipts and Other Adjustments				0	0	0	0	
6. Statutory Transfers in:		Fund or Reference:		0	0	0	0	0
7. Operating Transfers in:		Fund or Reference:		0	0	0	0	0
8. Total Available for Year				182,367,900	188,008,100	201,437,900	212,656,600	220,778,300
9. Statutory Transfers Out:		Fund or Reference:	IC 23-404	29,260,000	31,130,000	31,500,000	34,530,000	35,910,200
10. Operating Transfers Out:		Fund or Reference:	IC 23-217	3,216,700	3,390,700	3,616,600	3,760,600	3,910,200
11. Non-Expenditure Disbursements and Other Adjustments			Lottery	(10,400)	5,000	(46,500)	10,000	0
12. Cash Expenditures for Prior Year Encumbrances				25,100	71,100	185,900	282,800	250,000
13. Original Appropriation				16,928,700	17,680,700	18,593,200	19,670,900	20,874,100
Continual Appropriations (COGS, Distributions, etc.)				125,572,000	126,134,400	134,168,800	140,908,000	146,826,900
14. Prior Year Reappropriations, Supplementals, Rescissions				0	0	0	0	0
15. Non-cogs, Receipts to Appropriation, etc				0	0	0	0	0
16. Reversions				(352,800)	(891,500)	(265,900)	0	0
17. Current Year Reappropriation				0	0	0	0	0
18. Reserve for Current Year Encumbrances				(71,100)	(185,900)	(282,800)	(250,000)	0
19. Current Year Cash Expenditures				142,076,800	142,737,700	152,213,300	160,328,900	167,701,000
20. Ending Cash Balance				7,799,700	10,673,600	13,968,600	13,744,300	13,006,900
21. Prior Year Encumbrances as of June 30				0	0	0	0	0
22. Current Year Encumbrances as of June 30				71,100	185,900	282,800	250,000	125,000
22a. Current Year Reappropriation				0	0	0	0	0
23. Borrowing Limit				0	0	0	0	0
24. Ending Free Fund Balance				7,728,600	10,487,700	13,685,800	13,494,300	12,881,900
25. Budgetary Basis Expenditures (CY Cash Exp + CY Enc)				142,147,900	142,923,600	152,496,100	160,578,900	167,826,000
26. Outstanding Loans (if this fund is part of a loan program)				0	0	0	0	0

Notes:

FY 2018 Agency Budget - Request

Detail Report

Agency: 185 - Liquor Division, State

Function: 01 - Liquor Division

		FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Lump Sum	Total	
FY 2016 Total Appropriation									
1.00	FY 2016 Total Appropriation								
	SB 1127								
	0418-00	Dedicated	212.00	11,890,500	5,908,700	794,000	0	0	18,593,200
	Total		212.00	11,890,500	5,908,700	794,000	0	0	18,593,200
1.21	Net Object Transfers								
	ISLD Director also serves as Director of Idaho Lottery. 100% of his payroll is processed through the Lottery Division. Liquor reimburses Lottery for its portion of the Director's salary (50%). Due to SCO limitations, the reimbursement must be sourced from OE not PC. Therefore, the Director's Liquor salary must be allocated from PC into OE.								
	0418-00	Dedicated	0.00	(78,300)	78,300	0	0	0	0
	Total		0.00	(78,300)	78,300	0	0	0	0
1.61	Reverted Appropriation Balances								
	0418-00	Dedicated	0.00	(234,500)	(27,000)	(4,400)	0	0	(265,900)
	Total		0.00	(234,500)	(27,000)	(4,400)	0	0	(265,900)
FY 2016 Actual Expenditures									
	0418-00	Dedicated	212.00	11,577,700	5,960,000	789,600	0	0	18,327,300
	Total		212.00	11,577,700	5,960,000	789,600	0	0	18,327,300
FY 2017 Original Appropriation									
3.00	FY 2017 Original Appropriation								
	SB 1366								
	0418-00	Dedicated	222.00	12,641,500	5,820,400	0	0	0	18,461,900
	OT 0418-00	Dedicated	0.00	334,400	0	874,600	0	0	1,209,000
	Total		222.00	12,975,900	5,820,400	874,600	0	0	19,670,900
FY 2017 Total Appropriation									
	0418-00	Dedicated	222.00	12,641,500	5,820,400	0	0	0	18,461,900
	OT 0418-00	Dedicated	0.00	334,400	0	874,600	0	0	1,209,000
	Total		222.00	12,975,900	5,820,400	874,600	0	0	19,670,900
FY 2017 Estimated Expenditures									
	0418-00	Dedicated	222.00	12,641,500	5,820,400	0	0	0	18,461,900
	OT 0418-00	Dedicated	0.00	334,400	0	874,600	0	0	1,209,000
	Total		222.00	12,975,900	5,820,400	874,600	0	0	19,670,900

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FY 2018 Agency Budget - Request

Detail Report

Agency: 185 - Liquor Division, State

Function: 01 - Liquor Division

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/ Benefit</u>	<u>Lump Sum</u>	<u>Total</u>
Base Adjustments							
8.41 Removal of One-Time Expenditures							
OT 0418-00 Dedicated	0.00	(334,400)	0	(874,600)	0	0	(1,209,000)
Total	0.00	(334,400)	0	(874,600)	0	0	(1,209,000)
FY 2018 Base							
0418-00 Dedicated	222.00	12,641,500	5,820,400	0	0	0	18,461,900
OT 0418-00 Dedicated	0.00	0	0	0	0	0	0
Total	222.00	12,641,500	5,820,400	0	0	0	18,461,900
Program Maintenance							
10.11 Change in Health Benefit Costs							
0418-00 Dedicated	0.00	279,100	0	0	0	0	279,100
Total	0.00	279,100	0	0	0	0	279,100
10.12 Change in Variable Benefit Costs							
0418-00 Dedicated	0.00	3,600	0	0	0	0	3,600
Total	0.00	3,600	0	0	0	0	3,600
10.23 Contract Inflation							
Escalations in Liquor Store lease rates and common area expense charges including insurance and property tax pass-thrus.							
0418-00 Dedicated	0.00	0	102,700	0	0	0	102,700
Total	0.00	0	102,700	0	0	0	102,700
10.31 Repair, Replacement Items/Alterations							
Refloor 12 stores (\$119K), New signage for 6 stores (\$52.5K), Lighting at 3 Stores (\$30K), Storage Shelves at 6 stores (\$19K), Replace 2 Servers (\$37K), replace Whse. Mgmt. System (\$45K), new fork lift (\$35K), 2 new pallet jacks (\$28K), new attire for retail employees (\$25.5K),							
OT 0418-00 Dedicated	0.00	0	0	391,000	0	0	391,000
Total	0.00	0	0	391,000	0	0	391,000
10.61 Salary Multiplier - Regular Employees							
0418-00 Dedicated	0.00	88,900	0	0	0	0	88,900
Total	0.00	88,900	0	0	0	0	88,900
10.62 Salary Multiplier - Group and Temporary							
0418-00 Dedicated	0.00	9,300	0	0	0	0	9,300
Total	0.00	9,300	0	0	0	0	9,300

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Detail Report

Agency: 185 - Liquor Division, State

Function: 01 - Liquor Division

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total</u>
FY 2018 Total Maintenance							
0418-00 Dedicated	222.00	13,022,400	5,923,100	0	0	0	18,945,500
OT 0418-00 Dedicated	0.00	0	0	391,000	0	0	391,000
Total	222.00	13,022,400	5,923,100	391,000	0	0	19,336,500

Line Items

12.01 Relocate/Remodel 7 Liquor Stores & Add 2 New Liquor Stores

With 66 state-run stores, the ISLD must address expiring leases and updates to 4-8 stores/year in order to maintain a modern retail environment that meets customer expectations. The ISLD is requesting funding for the costs associated with relocating and/or remodeling seven state run stores: in Nampa (2), Garden City, Moscow, Hayden, Ammon, and Ketchum and opening two additional stores in the Treasure Valley. The enhancements proposed for these stores will improve customer service and convenience. It also is a part of the greater ISLD strategy to coordinate the location of state-run stores in more optimal retail locations. Based on historical trends, it is anticipated that these enhancements will generate incremental Sales and payback project costs in 1-2 years.

0418-00 Dedicated	4.00	271,800	336,000	0	0	0	607,800
OT 0418-00 Dedicated	0.00	0	35,000	511,000	0	0	546,000
Total	4.00	271,800	371,000	511,000	0	0	1,153,800

12.02 2 Additional Material Handlers in ISLD Warehouse

Since 2005, ISLD's Sales have more than doubled. In that time, through process and capital improvements, the warehouse has managed this growth with minimal additions to staff. However, the ISLD is now requesting two (2) additional material handlers that are needed in order for the distributor operation to adequately manage the product velocity in the ISLD Warehouse. Volumes are expected to increase at a stable level indefinitely due to population growth and industry trends.

0418-00 Dedicated	2.00	88,900	0	0	0	0	88,900
Total	2.00	88,900	0	0	0	0	88,900

12.03 Enhanced Hours of Operation

The ISLD is requesting funding for the labor costs associated with modifying the hours of operation for 10 stores in order to standardize hours within the various communities that we operate. This would require funding for an additional 2,540 hours per year. We are also requesting 4 additional temp (group) hours per week at 6 high volume stores (total of 1,250 hours) to address the considerable growth the stores have experienced since they were originally allocated labor resources. ISLD is confident that the labor costs will easily be offset by an increase in profits generated by incremental Sales. This request enhances the utilization of existing state resources and aside from labor the additional costs that would be incurred are negligible. Estimated ROI easily exceeds 100%.

0418-00 Dedicated	0.00	42,000	0	0	0	0	42,000
Total	0.00	42,000	0	0	0	0	42,000

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FY 2018 Agency Budget - Request

Detail Report

Agency: 185 - Liquor Division, State

Function: 01 - Liquor Division

		FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/Benefit	Lump Sum	Total
12.04 Restore Deputy Director Position								
Until 2012, the Idaho State Liquor Division (ISLD) Executive Management Team was comprised of one Director and four Deputy Directors. Upon the resignation of our Deputy Director of Retail Operations, that role was combined with the Deputy Director for Procurement and Distribution. We were fortunate to have a recently hired, qualified individual to fill both roles. His previous industry experience allowed for this combined role.								
Since 2012, sales have increased 25% while the ISLD has operated with one less deputy, providing considerable savings to the State of Idaho. The ISLD continued to budget for the vacant deputy position for the next several years. However, at the recommendation of the Division of Financial Management (DFM), those funds were utilized to cover the cost of converting temporary store clerks to classified employees in FY2017. The ISLD is requesting funding to restore the Deputy Director position, as industry trends and operational complexity necessitate ISLD returning to the four Deputy structure.								
0418-00	Dedicated	1.00	124,000	5,000	0	0	0	129,000
Total		1.00	124,000	5,000	0	0	0	129,000
12.05 Excel at Retail Initiative								
The ISLD is requesting the funding to cover the costs of a series of initiatives designed to improve store operations through better training and more efficient labor usage. Specifically, the ISLD seeks funding to implement an automated cloud-based scheduling program, the ongoing licensing fees for a cloud-based Learning Management program that has already been purchased, the costs associated with a secret shopper program to analyze in-store customer service, and the costs associated with a 3rd party internal compliance ID checking program. These costs would be ongoing in nature.								
0418-00	Dedicated	0.00	0	31,400	0	0	0	31,400
Total		0.00	0	31,400	0	0	0	31,400
12.06 Furnishings for Remodeled Office Space								
This request is for equipment and furniture to furnish new office space at the ISLD Central Office. The conversion of a portion of our upstairs storage area to office space is scheduled to be completed in late FY17 and will need the proper equipment and technology to utilize the space for meetings, training, and traditional office space.								
OT 0418-00	Dedicated	0.00	0	0	27,500	0	0	27,500
Total		0.00	0	0	27,500	0	0	27,500
12.07 Consultant to develop RFP to Identify ERP Replacement								
This request is for funding to retain a consultant to help ISLD develop an assessment, write a request for proposal (RFP) for a new Enterprise Resource Planning (ERP) package, and select a solution. This will replace/convert our current accounting system (ACCPAC), Warehouse Management Systems (WMS), and Point of Sale (POS) systems into a unified platform. Our current system is outdated, inefficient and extremely limited in capability. Restrictions on database sizes demands constant maintenance, difficulty in data processing, and reporting. This lack of flexibility requires expensive programming changes to keep up with business functions. Upgrading the old system is not possible as it is based on a defunct programming language (FoxPro).								
OT 0418-00	Dedicated	0.00	0	75,000	0	0	0	75,000
Total		0.00	0	75,000	0	0	0	75,000
FY 2018 Total								
0418-00	Dedicated	229.00	13,549,100	6,295,500	0	0	0	19,844,600
OT 0418-00	Dedicated	0.00	0	110,000	929,500	0	0	1,039,500
Total		229.00	13,549,100	6,405,500	929,500	0	0	20,884,100

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FORM B8.1: PROGRAM REQUEST BY DECISION UNIT

Agency/Department: Office of the Governor
 Function/Division: State Liquor Division
 Activity/Program: Liquor Division Operations

Request for Fiscal Year : 2018
 Agency Number: 185
 Function/Activity Number: 01/00
 Budget Unit: GVGA

Original Request Date: September 1, 2016
 Revision Request Date:

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Decision Unit Number: 12.01		Descriptive Title: Relocate or Remodel 7 Liquor Stores and Add 2 New Liquor Stores			
Description	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)		4.00			4.00
PERSONNEL COSTS:					
1. Salaries		\$140,000			\$140,000
2. Benefits		\$85,800			\$85,800
3. Group Position Funding		46,000			\$46,000
TOTAL PERSONNEL COSTS:		\$271,800			\$271,800
OPERATING EXPENDITURES by summary object:					
1. Increases in Rent		264,000			\$264,000
2. Increase in Utilities		72,000			\$72,000
3. One-Time Moving Costs		35,000			\$35,000
TOTAL OPERATING EXPENDITURES:		\$371,000			\$371,000
CAPITAL OUTLAY by summary object:					
1. Furniture & Fixtures		511,000			\$511,000
2.					
3.					
TOTAL CAPITAL OUTLAY:		\$511,000			\$511,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL		\$1,153,800			\$1,153,800

Attach as many pages as necessary to respond to the following questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding, by source, is in the base?
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.
 - b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.
3. Provide additional detail about the request, including one-time versus ongoing. Include a description of major revenue assumptions, for example, whether there is a new customer base, fee structure changes, or anticipated grant awards.
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

REQUEST BY DECISION UNIT

AGENCY: Office of the Governor
FUNCTION: Liquor Division
ACTIVITY: Liquor Division Operations

Agency No.: 185
Function No.: 01
Activity No.: 00

FY 2018 equest
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Original Submission or Revision No. ____

Decision Unit No: 12.01

B: Use the financial data matrix above to summarize requested resources by fund source and by expenditure class at the summary object level. Attach as many pages as necessary to respond to the following questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

With 66 state-run stores, the ISLD must address expiring leases and updates to 4-8 stores/year in order to maintain a modern retail environment that meets customer expectations. The ISLD is requesting funding for the costs associated with relocating and/or remodeling seven state run stores: in Nampa (2), Garden City, Moscow, Hayden, Ammon, and Ketchum and adding two additional stores in the Treasure Valley. The enhancements proposed for these stores will improve customer service and convenience. It also is a part of the greater ISLD strategy to coordinate the location of state-run stores in more optimal retail locations. Based on historical trends, it is anticipated that these enhancements will generate incremental Sales and payback project costs in 1-2 years.

2. What resources are necessary to implement this request?

a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.

Two additional Liquor Store Manager, Pay Grade J, Full-time status, fully benefited, Hire Date 7-1-17, two additional Liquor Store Clerks, Pay Grade F, Full-time status, fully benefited, Hire Date 7-1-17. There also will be a need for additional Group Position hours to adequately staff the new stores.

b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.

c. List any additional operating funds and capital items needed.

There may be increased costs for rent and possibly utilities. Additionally, there will be one-time capital costs related to furnishings, fixtures, and leasehold improvements

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

Dedicated Funds profits generated by the ISLD will fund this request. Profits for FY'18 are expected to exceed \$70MM providing full funding for this request.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

This request primarily serves constituents as it will provide superior location, shopping experience, convenience and service. It is also expected that the incremental Sales and Profits generated by this request will payback the investment and be accretive within 1-2 years.

FORM B8.1: PROGRAM REQUEST BY DECISION UNIT

Agency/Department: Office of the Governor
 Function/Division: State Liquor Division
 Activity/Program: Liquor Division Operations

Request for Fiscal Year : 2018
 Agency Number: 185
 Function/Activity Number: 01/00
 Budget Unit: GVGA

Original Request Date: September 1, 2016
 Revision Request Date: _____

Decision Unit Number: 12.02 Descriptive Title: Two Additional Material Handlers in ISLD Warehouse

Description	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)		2.00			2.00
PERSONNEL COSTS:					
1. Salaries		\$50,400			\$50,400
2. Benefits		\$38,500			\$38,500
3. Group Position Funding					
TOTAL PERSONNEL COSTS:		\$88,900			\$88,900
OPERATING EXPENDITURES by summary object:					
1. Increases in Rent					
2. Increase in Utilities					
3.					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1. Furniture & Fixtures					
2.					
3.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL		\$88,900			\$88,900

Attach as many pages as necessary to respond to the following questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding, by source, is in the base?
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.
 - b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.
3. Provide additional detail about the request, including one-time versus ongoing. Include a description of major revenue assumptions, for example, whether there is a new customer base, fee structure changes, or anticipated grant awards.
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

REQUEST BY DECISION UNIT

AGENCY: Office of the Governor
FUNCTION: Liquor Division
ACTIVITY: Liquor Division Operations

Agency No.: 185
Function No.: 01
Activity No.: 00

FY 2018 equest
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Original Submission X or Revision No. ____

Decision Unit No: 12.02

B: Use the financial data matrix above to summarize requested resources by fund source and by expenditure class at the summary object level. Attach as many pages as necessary to respond to the following questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

Since 2005, ISLD's Sales have more than doubled. In that time, through process and capital improvements, the warehouse has managed this growth with minimal additions to staff. However, the ISLD is now requesting two (2) additional material handlers that are needed in order for the distributon operation to adequately manage the product velocity in the ISLD Warehouse. Volumes are expected to increase at a stable level indefinitely due to population growth and industry trends.

2. What resources are necessary to implement this request?

a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.
Two Material Handlers , pay grade G, full-time status, fully benefited, hire date July 1, 2017.

b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.

c. List any additional operating funds and capital items needed.

There are no material impacts to OE or CO related to this request.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

Dedicated Funds profits generated by the ISLD will fund this request. Profits for FY'18 are expected to exceed \$70MM providing full funding for this request.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

Approval of this request would improve warehouse efficiency with higher quality labor and reduced turnover while ensuring the warehouse is adequately staffed for future growth.

FORM B8.1: PROGRAM REQUEST BY DECISION UNIT

Agency/Department: Office of the Governor
 Function/Division: State Liquor Division
 Activity/Program: Liquor Division Operations

Request for Fiscal Year : 2018
 Agency Number: 185
 Function/Activity Number: 01/00
 Budget Unit: GVGA

Original Request Date: September 1, 2016
 Revision Request Date: _____

Decision Unit Number: 12.03 Descriptive Title: Enhanced Hours of Operation

Description	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3. Group Position Funding		42,000			\$42,000
TOTAL PERSONNEL COSTS:		\$42,000			\$42,000
OPERATING EXPENDITURES by summary object:					
1. Increases in Rent					
2. Increase in Utilities					
3.					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1. Furniture & Fixtures					
2.					
3.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL		\$42,000			\$42,000

Attach as many pages as necessary to respond to the following questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding, by source, is in the base?
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.
 - b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.
3. Provide additional detail about the request, including one-time versus ongoing. Include a description of major revenue assumptions, for example, whether there is a new customer base, fee structure changes, or anticipated grant awards.
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

REQUEST BY DECISION UNIT

AGENCY: Office of the Governor
FUNCTION: Liquor Division
ACTIVITY: Liquor Division Operations

Agency No.: 185
Function No.: 01
Activity No.: 00

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Decision Unit No: 12.03

B: Use the financial data matrix above to summarize requested resources by fund source and by expenditure class at the summary object level. Attach as many pages as necessary to respond to the following questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

The ISLD is requesting funding for the labor costs associated with modifying the hours of operation for 10 stores in order to standardize hours within the various communities that we operate. This would require funding for an additional 2,540 hours per year. We are also requesting 4 additional temp (group) hours per week at 6 high volume stores (total of 1,250 hours) to address the considerable growth the stores have experienced since they were originally allocated labor resources. ISLD is confident that the labor costs will easily be offset by an increase in profits generated by incremental Sales. This request enhances the utilization of existing state resources and aside from labor the additional costs that would be incurred are negligible. Estimated ROI easily exceeds 100%.

2. What resources are necessary to implement this request?
a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.

No additional positions are necessary. Existing group positions will utilize additional labor hours.

b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.

c. List any additional operating funds and capital items needed.

There are no material impacts to OE or CO related to this request.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

Dedicated Funds profits generated by the ISLD will fund this request. Profits for FY'18 are expected to exceed \$70MM providing full funding for this request.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

This request primarily serves constituents as it will provide superior convenience and service. It is also expected that the incremental Sales and Profits generated by this request will payback the investment and be accretive almost immediately.

FORM B8.1: PROGRAM REQUEST BY DECISION UNIT

Agency/Department: Office of the Governor
 Function/Division: State Liquor Division
 Activity/Program: Liquor Division Operations

Request for Fiscal Year : 2018
 Agency Number: 185
 Function/Activity Number: 01/00
 Budget Unit: GVGA

Original Request Date: September 1, 2016
 Revision Request Date:

Decision Unit Number: 12.04 Descriptive Title: Restore Deputy Director Position

Description	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)		1.00			1.00
PERSONNEL COSTS:					
1. Salaries		\$90,000			\$90,000
2. Benefits		\$34,000			\$34,000
3. Group Position Funding					
TOTAL PERSONNEL COSTS:		\$124,000			\$124,000
OPERATING EXPENDITURES by summary object:					
1. Increases in Rent					
2. Increase in Utilities					
3. Travel & Other Overhead		5,000			\$5,000
TOTAL OPERATING EXPENDITURES:		\$5,000			\$5,000
CAPITAL OUTLAY by summary object:					
1. Furniture & Fixtures					
2.					
3.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL		\$129,000			\$129,000

Attach as many pages as necessary to respond to the following questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding, by source, is in the base?
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.
 - b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.
3. Provide additional detail about the request, including one-time versus ongoing. Include a description of major revenue assumptions, for example, whether there is a new customer base, fee structure changes, or anticipated grant awards.
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

REQUEST BY DECISION UNIT

AGENCY: Office of the Governor
FUNCTION: Liquor Division
ACTIVITY: Liquor Division Operations

Agency No.: 185
Function No.: 01
Activity No.: 00

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Decision Unit No: 12.04

B: Use the financial data matrix above to summarize requested resources by fund source and by expenditure class at the summary object level. Attach as many pages as necessary to repond to the following questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

Until 2012, the Idaho State Liquor Division (ISLD) Executive Management Team was comprised of one Director and four Deputy Directors. Upon the resignation of our Deputy Director of Retail Operations, that role was combined with the Deputy Director for Procurement and Distribution. We were fortunate to have a recently hired, qualified individual to fill both roles. His previous industry experience allowed for this combined role.

Since 2012, sales have increased 25% while the ISLD has operated with one less deputy, providing considerable savings to the State of Idaho. The ISLD continued to budget for the vacant deputy position for the next several years. However, at the recommendation of the Division of Financial Management (DFM), those funds were utilized to cover the cost of converting temporary store clerks to classified employees in FY2017. The ISLD is requesting funding to restore the Deputy Director position, as industry trends and operational complexity necessitate ISLD returning to the four Deputy structure.

2. What resources are necessary to implement this request?

- a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.
One Deputy Director , pay grade Executive, full-time status, fully benefited, hire date July 1, 2017.
- b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.
- c. List any additional operating funds and capital items needed.
There may be modest increased costs for travel and other incidental.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

Dedicated Funds profits generated by the ISLD will fund this request. Profits for FY'18 are expected to exceed \$70MM providing full funding for this request.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

This request primarily serves the effective operation of the Division. If funding is not provided, the Division will struggle to effectively manage the growing operations that become increasingly complex.

FORM B8.1: PROGRAM REQUEST BY DECISION UNIT

Agency/Department: Office of the Governor
 Function/Division: State Liquor Division
 Activity/Program: Liquor Division Operations

Request for Fiscal Year : 2018
 Agency Number: 185
 Function/Activity Number: 01/00
 Budget Unit: GVGA

Original Request Date: September 1, 2016
 Revision Request Date: _____

Decision Unit Number: 12.05 Descriptive Title: Excel at Retail Initiative

Description	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP) PERSONNEL COSTS: 1. Salaries 2. Benefits 3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object: 1. Personnel Scheduling Program 2. Mystery Shopper Program 3. Internal Compliance ID Checks 4. Licensing for Learning Management System		6,000 6,000 10,000 9,400			\$6,000 \$6,000 \$10,000 \$9,400
TOTAL OPERATING EXPENDITURES:		\$31,400			\$31,400
CAPITAL OUTLAY by summary object: 1. 2. 3.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL		\$31,400			\$31,400

Attach as many pages as necessary to respond to the following questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding, by source, is in the base?
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.
 - b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.
3. Provide additional detail about the request, including one-time versus ongoing. Include a description of major revenue assumptions, for example, whether there is a new customer base, fee structure changes, or anticipated grant awards.
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

REQUEST BY DECISION UNIT

AGENCY: Office of the Governor
FUNCTION: Liquor Division
ACTIVITY: Liquor Division Operations

Agency No.: 185
Function No.: 01
Activity No.: 00

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Original Submission or Revision No. ____

Decision Unit No: 12.05

B: Use the financial data matrix above to summarize requested resources by fund source and by expenditure class at the summary object level. Attach as many pages as necessary to respond to the following questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

The ISLD is requesting the funding to cover the costs of a series of "projects" designed to improve store operations through better training and more efficient labor usage. Specifically, the ISLD seeks funding to implement an automated cloud-based scheduling program, the ongoing licensing fees for a cloud-based Learning Management program that has already been purchased, the costs associated with a secret shopper program to analyze in-store customer service, and the costs associated with a 3rd party internal compliance ID checking program. These costs would be ongoing in nature.

2. What resources are necessary to implement this request?

a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.

N/A

b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.

N/A

c. List any additional operating funds and capital items needed.

Licensing Fees and 3rd party service fees.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

Dedicated Funds profits generated by the ISLD will fund this request. Profits for FY'18 are expected to exceed \$70MM providing full funding for this request.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

This request primarily serves constituents as it will ensure better and more responsible customer service and more efficient utilization of labor. Without approval of this request, fulfilling our mission of responsibility will be more challenging and maximizing the shopping experience from the eyes of the consumer will be much more difficult to measure.

FORM B8.1: PROGRAM REQUEST BY DECISION UNIT					
Agency/Department: Office of the Governor		Request for Fiscal Year : 2018			
Function/Division: State Liquor Division		Agency Number: 185			
Activity/Program: Liquor Division Operations		Function/Activity Number: 01/00			
		Budget Unit: GVGA			
Original Request Date: September 1, 2016	Revision Request Date:	Page: 20 of 38			
Decision Unit Number: 12.06		Descriptive Title: Furnishings for Remodeled Office Space			
Description	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP) PERSONNEL COSTS: 1. Salaries 2. Benefits 3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object: 1. 2. 3. 4.					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object: 1. Multi-media equipment 2. Office Furniture 3.		10,000 17,500			\$10,000 \$17,500
TOTAL CAPITAL OUTLAY:		\$27,500			\$27,500
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL		\$27,500			\$27,500

Attach as many pages as necessary to respond to the following questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding, by source, is in the base?
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.
 - b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.
3. Provide additional detail about the request, including one-time versus ongoing. Include a description of major revenue assumptions, for example, whether there is a new customer base, fee structure changes, or anticipated grant awards.
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

REQUEST BY DECISION UNIT

AGENCY: Office of the Governor
FUNCTION: Liquor Division
ACTIVITY: Liquor Division Operations

Agency No.: 185
Function No.: 01
Activity No.: 00

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Original Submission X or Revision No. ____

Decision Unit No: 12.06

B: Use the financial data matrix above to summarize requested resources by fund source and by expenditure class at the summary object level. Attach as many pages as necessary to repond to the following questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

This request is for equipment and furniture to furnish new office space at the ISLD Central Office. The conversion of a portion of our upstairs storage area to office space is scheduled to be completed in late FY17 and will need the proper equipment and technology to utilize the space for meetings, training, and traditional office space.

2. What resources are necessary to implement this request?

- a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.
- b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.
- c. List any additional operating funds and capital items needed.

Conference table, chairs, projector and screen, smart board, lectern, workstation, and power distribution will be necessary to make the space functional.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

Dedicated Funds profits generated by the ISLD will fund this request. Profits for FY'18 are expected to exceed \$70MM providing full funding for this request.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

This request primarily serves constituents as it ensures effective cost management by allowing the ISLD to proactively plan for its future space requirements. If not funded, the partially completed space would not be usable for anything beyond storage.

FORM B8.1: PROGRAM REQUEST BY DECISION UNIT

Agency/Department: Office of the Governor
 Function/Division: State Liquor Division
 Activity/Program: Liquor Division Operations

Request for Fiscal Year : 2018
 Agency Number: 185
 Function/Activity Number: 01/00
 Budget Unit: GVGA

Original Request Date: September 1, 2016
 Revision Request Date: _____

Decision Unit Number: 12.07

Descriptive Title: Consultant to Identify ERP Replacement

Description	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP) PERSONNEL COSTS: 1. Salaries 2. Benefits 3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object: 1. Fee for Consultant to Develop RFP 2. 3. 4.		75,000			\$75,000
TOTAL OPERATING EXPENDITURES:		\$75,000			\$75,000
CAPITAL OUTLAY by summary object: 1. Multi-media equipment 2. Office Furniture 3.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL		\$75,000			\$75,000

Attach as many pages as necessary to respond to the following questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding, by source, is in the base?
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.
 - b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.
3. Provide additional detail about the request, including one-time versus ongoing. Include a description of major revenue assumptions, for example, whether there is a new customer base, fee structure changes, or anticipated grant awards.
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

REQUEST BY DECISION UNIT

AGENCY: Office of the Governor
FUNCTION: Liquor Division
ACTIVITY: Liquor Division Operations

Agency No.: 185
Function No.: 01
Activity No.: 00

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Original Submission or Revision No. ____

Decision Unit No: 12.07

B: Use the financial data matrix above to summarize requested resources by fund source and by expenditure class at the summary object level. Attach as many pages as necessary to respond to the following questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

This request is for funding to develop an assessment and write a request for proposal (RFP) for a new Enterprise Resource Planning (ERP) package. This will replace/convert our current accounting system (ACCPAC), Warehouse Management Systems (WMS), and Point of Sale (POS) systems into a unified platform. Our current system is outdated, inefficient and extremely limited in capability. Restrictions on database sizes demands constant maintenance, difficulty in data processing, and reporting. This lack of flexibility requires expensive programming changes to keep up with business functions. Upgrading the old system is not possible as it is based on a defunct programming language (FoxPro).

2. What resources are necessary to implement this request?

- a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.

- b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.

- c. List any additional operating funds and capital items needed.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

Dedicated Funds profits generated by the ISLD will fund this request. Profits for FY'18 are expected to exceed \$70MM providing full funding for this request.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

This request primarily serves the ongoing stability of the ISLD information systems. Less maintenance time, programming changes, and tools for the users will reduce costs. Adding better tools for business and data analysis will improve business functions and planning.

FORM B6: WAGE & SALARY RECONCILIATION

Agency/Department:	Office of the Governor	Agency Number:	185
Function/Division:	State Liquor Division	Function/Activity Number:	01/00
Activity/Program:	Liquor Division Operations	Budget Unit:	GVGA
Original Request Date:	9/1/2016	Fiscal Year:	2018
Revision Date:		Fund Name:	Liquor Control
Revision #:		Fund Number:	0418-00
		Budget Submission Page #	24 of 38

PCN	CLASS CODE	DESCRIPTION	Indicator Code	FTP	FY 2017 SALARY	FY 2017 HEALTH BENEFITS	FY 2017 VAR BENEFITS	FY 2017 TOTAL	FY 2018 SALARY CHANGE	FY 2018 CHG HEALTH BENEFITS	FY 2018 CHG VAR BENEFITS	TOTAL BENEFIT CHANGES
Totals from Wage and Salary Report (WSR):												
		Permanent Positions	1	205.69	7,055,001	2,597,916	1,598,662	11,251,579	(261,296)	259,904	3,397	263,301
		Board & Group Positions	2		955,050	0	125,212	1,080,262				
		Elected Officials & Full Time Commissioners	3	0.00	0	0	0	0		0	0	0
		TOTAL FROM WSR		205.69	8,010,051	2,597,916	1,723,874	12,331,841		259,904	3,397	263,301
		FY 2017 ORIGINAL APPROPRIATION			12,975,900	222.00	8,428,395	2,733,598	1,813,907	12,975,900		
		Unadjusted Over or (Under) Funded:	Est Difference	16.31	418,343	135,682	90,033	644,059		Calculated overfunding is 5.0% of Original Appropriation		
		Adjustments to Wage & Salary:										
		Add Funded / Subtract Unfunded - Vacant or Authorized - Positions:										
		Retire Cd	Adjustment Description / Position Title									
		R1	ISLD Director Position	1	1.00	66,200	12,240	15,020	93,460	1,220	33	1,253
0404,040	01550	R1	3 Material Handlers	1	3.00	75,700	36,720	17,176	129,596	3,660	38	3,698
Various	01586	R1	10 Store Clerks	1	9.80	217,800	119,952	49,417	387,169	11,956	109	12,065
2216	01582	R1	1 Liquor Store Manager	1	1.00	38,300	12,240	8,690	59,230	1,220	19	1,239
					0.00	0	0	0	0	0	0	0
		Other Adjustments:										
3209	01586	R1	Move Double-filled PCN to Open PCN	1	0.97	21,600	11,873	4,901	38,374	1,163	11	1,194
9106, 91	20148		Conversion of Temps to Classified Clerks	2	0.00	(109,200)	0	(10,363)	(119,563)	0	0	0
					0.00	0	0	0	0	0	0	0
		Estimated Salary Needs:										
		Permanent Positions	1	221.46	7,474,601	2,790,941	1,693,865	11,959,407		279,143	3,607	282,750
		Board & Group Positions	2	0.00	845,850	0	114,849	960,699		0	0	0
		Elected Officials & Full Time Commissioners	3	0.00	0	0	0	0		0	0	0
		Estimated Salary and Benefits		221.46	8,320,451	2,790,941	1,808,714	12,920,106		279,143	3,607	282,750
		Adjusted Over or (Under) Funding:		Orig. Approp	0.54	35,900	12,100	7,800	55,800	Calculated overfunding is .4% of Original Appropriation		
				Est. Expend	0.54	35,900	12,100	7,800	55,800	Calculated overfunding is .4% of Estimated Expenditures		
				Base	0.54	35,900	12,100	7,800	55,800	Calculated overfunding is .4% of the Base		
Personnel Cost Reconciliation - Relation to Zero Variance ---->												

DU		Original Appropriation	FTP	FY 17 Salary	FY 17 Health Ben	FY 17 Var Ben	FY 2017 Total	FY 18 Chg Health Bens	FY 18 Chg Var Bens	Total Benefit Change	
3.00	FY 2017 ORIGINAL APPROPRIATION	12,975,900	222.00	8,356,382	2,802,993	1,816,524	12,975,900				
	Rounded Appropriation		222.00	8,356,400	2,803,000	1,816,500	12,975,900				
	Appropriation Adjustments:										
4.11	Reappropriation		0.00	0	0	0	0				
4.31	Supplemental		0.00	0	0	0	0			0	
5.00	FY 2017 TOTAL APPROPRIATION		222.00	8,356,400	2,803,000	1,816,500	12,975,900				
	Expenditure Adjustments:										
6.31	FTP or Fund Adjustment		0.00	0	0	0	0			0	
6.51	Transfer Between Programs		0.00	0	0	0	0			0	
7.00	FY 2017 ESTIMATED EXPENDITURES		222.00	8,356,400	2,803,000	1,816,500	12,975,900				
	Base Adjustments:										
8.31	Transfer Between Programs		0.00	0	0	0	0			0	

FORM B6: WAGE & SALARY RECONCILIATION

8.41	Removal of One-Time Expenditures		0.00	(272,600)	0	(61,800)	(334,400)			0
8.51	Base Reduction		0.00	0	0	0	0			0
9.00	FY 2018 BASE		222.00	8,083,800	2,803,000	1,754,700	12,641,500			
10.11	Change in Health Benefit Costs				279,100		279,100			
10.12	Change in Variable Benefits Costs					3,600	3,600			
	Subtotal CEC Base:	Indicator Code	222.00	8,083,800	3,082,100	1,758,300	12,924,200			
10.51	Annualization			0	0	0	0			
10.61	CEC for Permanent Positions	1.00%		72,400		16,500	88,900			
10.62	CEC for Group Positions	1.00%		8,500		800	9,300			
10.63	CEC for Elected Officials & Commissioners			0		0	0			
11.00	FY 2018 PROGRAM MAINTENANCE		222.00	8,164,700	3,082,100	1,775,600	13,022,400			
	Line Items:									
12.01	Staffing for two new state-operated liquor stores		4.00	182,000	54,000	35,800	271,800			
12.02	Two new Warehouse Material Handlers		2.00	50,400	27,000	11,500	88,900			
12.03	Enhanced Hours - Additional Temps (Group Positions)			38,300	0	3,700	42,000			
12.04	Restore Deputy Director Position		1.00	90,000	13,500	20,500	124,000			
13.00	FY 2018 TOTAL REQUEST		229.00	8,525,400	3,176,600	1,847,100	13,549,100			

Form B4: Inflationary Adjustments

Agency: Liquor Dispensary

Function: Liquor Division Operations

Activity: _____

Agency Number: 185

Function/Activity Number: _____

FY 2018 Request

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Original Submission or Revision No. _____

(1) Operating Expenditures Summary Object	(2) FY 2013 Actual	(3) FY 2014 Actual	(4) FY 2015 Actual	(5) FY 2016 Actual	FY 2015 to FY 2016		(8) FY 2017 Approp	(9) FY 2017 Exp. Adj.	(10) FY 2017 Est. Exp.
					(6) Change	(7) % Change			
Communication Costs	375,350	454,947	375,889	465,419	89,531	23.82%	394,600	5,400	400,000
Employee Development Costs	20,707	20,580	48,671	24,114	(24,557)	-50.46%	65,600	(40,600)	25,000
General Services	395,011	281,618	268,875	350,103	81,228	30.21%	285,600	(75,600)	210,000
Professional Services	141,461	161,169	151,725	116,623	(35,102)	-23.14%	169,300	(44,300)	125,000
Repair & Maintenance Services	250,221	211,139	223,660	337,655	113,995	50.97%	257,100	(20,100)	237,000
Administrative Services	3,960	5,901	6,274	6,395	121	1.93%	6,600	(600)	6,000
Computer Services	37,834	68,894	408	60,045	59,638	14626.05%	36,400	(1,400)	35,000
Employee Travel Costs	111,125	109,768	84,891	106,124	21,233	25.01%	94,200	20,800	115,000
Administrative Supplies	169,678	193,436	197,323	179,881	(17,442)	-8.84%	204,500	(24,500)	180,000
Fuel & Lubricant Costs	21,155	17,866	16,767	12,557	(4,210)	-25.11%	19,600	(2,200)	17,400
Manufacturing & Merchandising C	-	(6,380)	(43,099)	(45,621)	(2,522)	5.85%	12,700	(12,700)	-
Computer Supplies	37,946	11,155	81,386	16,137	(65,249)	-80.17%	89,500	(64,500)	25,000
Repair & Maintenance Supplies	120,280	88,682	94,475	151,270	56,795	60.12%	111,200	(16,200)	95,000
Institutional & Residential Supplies	-	-	-	-	-	-	-	-	-
Specific Use Supplies	32,666	25,416	15,738	13,246	(2,492)	-15.84%	16,500	(1,500)	15,000
Insurance	28,420	34,373	34,451	24,178	(10,273)	-29.82%	37,500	(7,500)	30,000
Utility Charges	415,428	477,128	483,624	505,976	22,352	4.62%	497,400	17,600	515,000
Rentals & Operating Leases	3,060,640	3,149,120	3,231,680	3,339,957	108,276	3.35%	3,395,600	144,400	3,540,000
Miscellaneous Expenditures	192,275	210,872	212,264	295,970	83,706	39.43%	126,500	123,500	250,000
Total	5,414,158	5,515,686	5,485,001	5,960,029	475,028	8.66%	5,820,400	-	5,820,400
FundSource									
General	-	-	-	-	-	-	-	-	-
Dedicated	5,414,158	5,515,686	5,485,001	5,960,029	475,028	8.66%	5,820,400	-	5,820,400
Federal	-	-	-	-	-	-	-	-	-
Total	5,414,158	5,515,686	5,485,001	5,960,029	475,028	8.66%	5,820,400	-	5,820,400

Form B4: Inflationary Adjustments

Agency: Liquor Dispensary

Function: Liquor Division Operations

Activity: _____

Agency Number: 185

Function/Activity Number: _____

FY 2018 Request

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Original Submission or Revision No. _____

(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Part B: Operating Expenditures Summary Object	FY 2017 Est. Exp	Remove One Time Funding	SWCAP, Nondisc., Rent	FY 2018 Base	General Inflation (DU 10.21)	% Change	Medical Inflation (DU 10.22)	% Change	FY2018 Total
Communication Costs	400,000	-	-	400,000	-	0.00%	-	0.00%	400,000
Employee Development Costs	25,000	-	-	25,000	-	0.00%	-	0.00%	25,000
General Services	210,000	-	-	210,000	-	0.00%	-	0.00%	210,000
Professional Services	125,000	-	-	125,000	-	0.00%	-	0.00%	125,000
Repair & Maintenance Services	237,000	-	-	237,000	-	0.00%	-	0.00%	237,000
Administrative Services	6,000	-	-	6,000	-	0.00%	-	0.00%	6,000
Computer Services	35,000	-	-	35,000	-	0.00%	-	0.00%	35,000
Employee Travel Costs	115,000	-	-	115,000	-	0.00%	-	0.00%	115,000
Administrative Supplies	180,000	-	-	180,000	-	0.00%	-	0.00%	180,000
Fuel & Lubricant Costs	17,400	-	-	17,400	-	0.00%	-	0.00%	17,400
Manufacturing & Merchandising C	-	-	-	-	-	-	-	0.00%	-
Computer Supplies	25,000	-	-	25,000	-	0.00%	-	0.00%	25,000
Repair & Maintenance Supplies	95,000	-	-	95,000	-	0.00%	-	0.00%	95,000
Institutional & Residential Supplies	-	-	-	-	-	-	-	0.00%	-
Specific Use Supplies	15,000	-	-	15,000	-	0.00%	-	0.00%	15,000
Insurance	30,000	-	-	30,000	-	0.00%	-	0.00%	30,000
Utility Charges	515,000	-	-	515,000	-	0.00%	-	0.00%	515,000
Rentals & Operating Leases	3,540,000	-	(3,540,000)	-	-	-	-	0.00%	-
Miscellaneous Expenditures	250,000	-	-	250,000	-	0.00%	-	0.00%	250,000
Total	5,820,400	-	(3,540,000)	2,280,400	-	0.00%	-	-	2,280,400
FundSource									
General	-	-	-	-	-	-	-	0.00%	-
Dedicated	5,820,400	-	(3,540,000)	2,280,400	-	0.00%	-	0.00%	2,280,400
Federal	-	-	-	-	-	-	-	0.00%	-
Total	5,820,400	-	(3,540,000)	2,280,400	-	0.00%	-	-	2,280,400

Form B4: Inflationary Adjustments

Agency: Liquor Dispensary

Function: Liquor Division Operations

Activity: _____

Agency Number: 185

Function/Activity Number: _____

FY 2018 Request

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Original Submission ____ or Revision No. ____

Form B4: Inflationary Adjustments

Agency: State Liquor Division

Function: Liquor Division

Activity: Liquor Division Operations

Agency Number: 185

Function/Activity Number: 01/00

FY 2018 Request

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Original Submission or Revision No. ____

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Part C: Contract (identify who and what)	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Est. Exp.	Contract Date	Term of Contract (Year x of x)	FY 2017 Contractual % Change	FY 2018 Total
Store Rent	3,060,600	3,259,300	3,231,680	3,339,957	3,540,000	various	various	2.9%	3,642,700
Total	3,060,600	3,259,300	3,231,680	3,339,957	3,540,000				3,642,700
FundSource									
General									
Dedicated	3,060,600	3,259,300	3,231,680	3,339,957	3,540,000				5,923,100
Federal									
Total	3,060,600	3,259,300	3,231,680	3,339,957	3,540,000				5,923,100

Form B4: Inflationary Adjustments

Agency: Liquor Dispensary

Function: Liquor Division Operations

Activity: _____

Agency Number: 185

Function/Activity Number: _____

FY 2018 Request

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Original Submission or Revision No. _____

Form B4: Inflationary Adjustments

Agency: State Liquor Division

Function: Liquor Division

Activity: Liquor Division Operations

Agency Number: 185

Function/Activity Number: 01/00

FY 2018 Request

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Original Submission or Revision No. _____

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Part C: Contract (identify who and what)	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Est. Exp.	Contract Date	Term of Contract (Year x of x)	FY 2017 Contractual % Change	FY 2018 Total
Store Rent	3,060,600	3,259,300	3,231,680	3,339,957	3,540,000	various	various	2.9%	3,642,700
Total	3,060,600	3,259,300	3,231,680	3,339,957	3,540,000				3,642,700
FundSource									
General									
Dedicated	3,060,600	3,259,300	3,231,680	3,339,957	3,540,000				5,923,100
Federal									
Total	3,060,600	3,259,300	3,231,680	3,339,957	3,540,000				5,923,100

FORM B7: ONE-TIME OPERATING EXPENDITURES & ONE-TIME CAPITAL OUTLAY SUMMARY

Agency/Department: State Liquor Division
 Program (If applicable): _____

Request for Fiscal Year: 2018
 Agency Number: 185
 Function/Activity Number: 01/00

Original Request Date: 9/1/16
 Revision Request Date: _____

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Priority Order	Program	DU	Fund	Sub-object Code	Item/Description	Mileage	Date Acquired	Quantity in Stock	Request Quantity Desired	Request Unit Cost	Request Total Cost
	01	10.31	0418	6230	Recarpet or Refloor 12 Liquor Stores		Various		12		119,000
	01	10.31	0418	6230	New Signage for 6 Liquor Stores		Various		7	7,500	52,500
	01	10.31	0418	6230	New Lighting at 3 Stores		Various		2		30,000
	01	10.31	0418	6230	Chip Seal Central Office Parking Lot & Concrete Repair in Warehouse						
	01	10.31	0418	6710	Replacement back stock storage at 6 Stores		Various				19,000
	01	10.31	0418	6420	Replace 2 Virtual Host Servers & Storage		2009		2	18,500	37,000
	01	10.31	0418	6440	Upgrade Warehouse Mgmt. System				1	45,000	45,000
	01	10.31	0418	6840	Fork Lift for Warehouse		1999		1	35,000	35,000
	01	10.31	0418	6840	2 New Pallet Jacks		1999		2	14,000	28,000
	01	10.31	0418	5715	Attire for Retail Employees		2012		1,500	17	25,500
	01	12.01	0418	6710	Furniture & Fixtures for Store Relocation/Modernization & 2 new stores		Various		5		546,000
	01	12.07	0418	5170	Consultant to develop RFP for ERP Replacement						75,000
	01	12.06	0418	6710	Furnishings for Newly Remodeled Office Space						27,500
	01		0418	6710	Display Pods for Stores				0	0	0
	01		0418	5550	Commercial Floor Cleaners						0
Grand Total by Program											\$1,039,500
01											1,039,500
Grand Total by Decision Unit											\$1,039,500
		10.31			Replacement Items						391,000
		12.01			Furniture & Fixtures for Stores						546,000
		12.06			Furnishings for Office Space						27,500
		12.07			Consultant for ERP						75,000
Grand Total by Fund Source											\$1,039,500
			0418								1,039,500
Grand Total by Category											\$1,039,500
				5715	Employee Uniforms			0	1,500		25,500
				5170	Consultant			0	0		75,000
				6230	Building Improvements			0	21		201,500
				6420	Cmpr Processing Unit			0	2		37,000
				6440	Software - Purchased			0	1		45,000
				6710	Furniture			0	5		592,500
				6840	Shop & Plant Equipment			0	3		63,000

FIVE-YEAR FACILITY NEEDS PLAN, pursuant to IC 67-5708B

AGENCY INFORMATION

AGENCY NAME:	Idaho State Liquor Division		
Division/Bureau:			
Prepared By:	Tony Faraca	E-mail Address:	tony.faraca@liquor.idaho.gov
Telephone Number:	208-947-9414	Fax Number:	208-947-9401
DFM Analyst:	Gideon Tollman	LSO/BPA Analyst:	Keith Bybee
Date Prepared:	3-Aug-16	For Fiscal Year:	2018

FACILITY INFORMATION (please list each facility separately by city and street address)

Facility Name:	Idaho State Liquor Division - Central Office and Distribution Center				
City:	Boise	County:	Ada		
Street Address:	1349 E. Beechcraft Court			Zip Code:	83716
Facility Ownership: (could be private or state-owned, use "X" to mark one):	Private Lease (use "X" to mark):		State Owned (use "X" to mark):	X	Lease Expires:

FUNCTION/USE OF FACILITY: Could be administrative use, client counseling, hearing rooms, field offices, etc. Address any specialized needs which require additional square feet.

Administrative and Managerial staff, warehousing of product and centralized distribution to all retail outlets.

COMMENTS: Address reasons for expanding or relocating; amount of space leased to other state agencies, federal agencies, etc. & the amount of rent they pay for the use of your facility; or other comments which might be helpful.

Facility was purchased August 1, 2002.

SURPLUS PROPERTY: Facilities to be disposed of and funds re-utilized for building replacement or renovation of facilities. This could also include leased facilities if the leased facility is to be vacated prior to the expiration date of the lease.

FISCAL YR:	ACTUAL 2016	ESTIMATE 2017	REQUEST 2018	REQUEST 2019	REQUEST 2020	REQUEST 2021
Use "X" to mark the year facility would be surplus.						

WORK AREAS: Work areas are areas occupied by full-time employees, contractors, seasonal employees, auditors, etc. (3 people working in one building would be 3 work areas)

FISCAL YR:	ACTUAL 2016	ESTIMATE 2017	REQUEST 2018	REQUEST 2019	REQUEST 2020	REQUEST 2021
Total Number of Work Areas:	44	45	46	47	48	48
Full-Time Equivalent Positions:	39	43	45	45	46	46
Temp. Employees, Contractors, Auditors, etc.:	5	2	1	2	2	2

SQUARE FEET: Use "net rentable" sq ft if in a facility leased from a private party; use "usable" sq ft if in a State-owned facility. Typically, this will be the figure shown in the Lease Agreement if leased from a private party or in the MOU if state-owned.

FISCAL YR:	ACTUAL 2016	ESTIMATE 2017	REQUEST 2018	REQUEST 2019	REQUEST 2020	REQUEST 2021
Square Feet:	104,200	104,200	104,200	104,200	104,200	104,200

FACILITY COST: Include annual rent, plus any facility-related costs, such as utilities, janitorial service, property taxes or building maintenance which are not included in rent payment made to your Landlord. If improvements will need to be made to the facility and will be paid by the agency, this should be included as well. If the lease will be expiring and the future rent is not specified in the lease agreement, increase rent by 3%/yr. Increase all other facility-related costs by 3%/yr as well. Use "Calculation Sheet" tab below if necessary. Do not include telephone costs or rent discounts. If you anticipate moving to a new facility, you need to take into account any increase in sq ft leased and estimate a new market rate for the new facility. Do NOT use your old rate per sq ft – it may not be a realistic figure.

FISCAL YR:	ACTUAL 2016	ESTIMATE 2017	REQUEST 2018	REQUEST 2019	REQUEST 2020	REQUEST 2021
Total Facility Cost/Yr:	\$434,220.00	\$305,962.60	\$238,141.48	\$185,760.72	\$191,333.54	\$197,073.55

IMPORTANT NOTES:

1. Please fill in the white sections only! If you have any questions, please call Ruth @ 332-1933.
2. Upon completion, please send to Ruth Swan-Brown at the Division of Public Works via email to Ruth.Swan-Brown@adm.idaho.gov.
3. If you have five or more locations, please summarize the information on the Facility Information Summary Sheet and include this summary sheet with your submittal.
4. Attach a hardcopy of this submittal, as well as the Facility Information Summary Sheet, if applicable, with your budget request.

AGENCY NOTES:

CALCULATION SHEET FOR FIVE-YEAR FACILITY NEEDS PLAN - Use to calculate facility-related costs, such as utilities, janitorial service, property taxes or building maintenance which are not included in rent payments. If improvements will need to be made to the facility and will be paid by the agency, this cost should be included as well. Do not include telephone costs.

UTILITIES: use actual costs from current fiscal year

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Electricity											
2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513
Water											
504	504	504	504	504	504	504	504	504	504	504	504
Sewer & Trash											
1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067
Gas											
2,461	2,461	2,461	2,461	2,461	2,461	2,461	2,461	2,461	2,461	2,461	2,461
Other Utilities:											
Total:	78,531	Est 2017	80,887	Est 2018	83,314	Est 2019	85,813	Est 2020	88,387	Est 2021	91,039

JANITORIAL SERVICE: use actual costs from current fiscal year

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Cleaning Service:											
1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179
Other Cleaning Expense (paper products, cleaning supplies, etc.): use actual costs from current fiscal year											
Total:	14,149	Est 2017	14,573	Est 2018	15,011	Est 2019	15,461	Est 2020	15,925	Est 2021	16,403

BUILDING MAINTENANCE: use actual costs from current fiscal year

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Service Contracts:											
Other Maintenance Expense: use actual costs from current fiscal year											
2,922	2,922	2,922	2,922	2,922	2,922	2,922	2,922	2,922	2,922	2,922	2,922
Total:	35,064	Est 2017	36,116	Est 2018	37,199	Est 2019	38,315	Est 2020	39,465	Est 2021	40,649

PARKING CALCULATOR: use actual costs from current fiscal year

If your agency pays for parking spaces, enter the of spaces your agency is paying for.

Cost Per Space Per Month											
Total:	0	Est 2017	0	Est 2018	0	Est 2019	0	Est 2020	0	Est 2021	0

OTHER EXPENSES CALCULATOR: use actual costs from current fiscal year

Real Estate Taxes paid by agency to landlord (show annual cost)											
Insurance paid by agency to landlord (show annual cost)											
Operating Expenses paid by agency to landlord (show annual cost)											
Other expenses paid by agency to landlord (show annual cost)											
Total:	0	Est 2017	0	Est 2018	0	Est 2019	0	Est 2020	0	Est 2021	0

TENANT IMPROVEMENTS:

Total:	150,000	Est 2017	67,500	Est 2018	10,000	Est 2019	10,000	Est 2020	10,000	Est 2021	10,000
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AGENCY NOTES:

AGENCY NAME: Idaho State Liquor Division

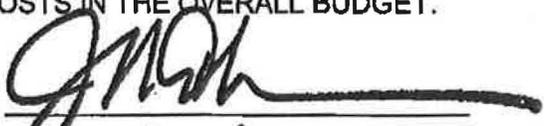
FACILITY INFORMATION SUMMARY FOR FISCAL YR			2018	BUDGET REQUEST		Include this summary w/ budget request.	
Address, City, Zip, Purpose	Fiscal Year	Sq Ft	\$/Sq Ft	Cost/Yr	Work Areas	Sq Ft/FTE	FTPs, Temps and Comments
1349 E. Beechcraft Court	2018 request	104,200	\$ 2.29	\$ 238,141	46	2,265	Add 1 contractor, convert 2 contractor to Perm
Boise, Idaho 83716	2017 estimate	104,200	\$ 2.94	\$ 305,963	45	2,316	
ISLD Central Office & Warehouse	2016 actual	104,200	\$ 4.17	\$ 434,220	44	2,368	43 FTP, 2 Contract Employee
	Change (request vs actual)	0	\$ -	-196,079	2	-103	39 FTP, 5 Contract Employee
	Change (estimate vs actual)	0	\$ -	-128,257	1	-53	
	2018 request	0	\$ -	\$ -	0	-	
	2017 estimate	0	\$ -	\$ -	0	-	
	2016 actual	0	\$ -	\$ -	0	-	
	Change (request vs actual)	0	\$ -	0	0	0	
	Change (estimate vs actual)	0	\$ -	0	0	0	
	2018 request	0	\$ -	\$ -	0	-	
	2017 estimate	0	\$ -	\$ -	0	-	
	2016 actual	0	\$ -	\$ -	0	-	
	Change (request vs actual)	0	\$ -	0	0	0	
	Change (estimate vs actual)	0	\$ -	0	0	0	
	2018 request	0	\$ -	\$ -	0	-	
	2017 estimate	0	\$ -	\$ -	0	-	
	2016 actual	0	\$ -	\$ -	0	-	
	Change (request vs actual)	0	\$ -	0	0	0	
	Change (estimate vs actual)	0	\$ -	0	0	0	
	2018 request	0	\$ -	\$ -	0	-	
	2017 estimate	0	\$ -	\$ -	0	-	
	2016 actual	0	\$ -	\$ -	0	-	
	Change (request vs actual)	0	\$ -	0	0	0	
	Change (estimate vs actual)	0	\$ -	0	0	0	
TOTAL (PAGE _____)	2018 request	104,200	\$ 2.29	\$ 238,141	46	2,265	
	2017 estimate	104,200	\$ 2.94	\$ 305,963	45	2,316	
	2016 actual	104,200	\$ 4.17	\$ 434,220	44	2,368	
	Change (request vs actual)	0	\$ -	-196,079	2	-103	
	Change (estimate vs actual)	0	\$ -	-128,257	1	-53	
TOTAL (ALL PAGES)	2018 request			\$ -			
	2017 estimate			\$ -			
	2016 actual			\$ -			

**BUDGET REQUEST
FY 2018
ALTERATION AND REPAIR PROJECTS**

AGENCY: Idaho State Liquor Division

PROJECT DESCRIPTION/LOCATION	COST	PRIORITY
<p>Warehouse Concrete Repair: We have sections of the concrete floor in the warehouse that are cracking and wearing from use. The pallet jacks used for picking orders, along with high lifts and forklifts for replenishing pallets, will hit the cracks and seams and chip away at the structural integrity of the concrete. Similar to how a pothole develops in a road. Over time the concrete has and will become more cracked, and the surface will become uneven enough to potentially damage machinery and cause accidents. This is a potential safety issue, if it is not addressed. We need to repair high traffic areas of the concrete floors with a higher quality, more durable concrete. This can be done in sections at a time with minimal interruption to warehouse operations.</p>	<p>\$60,000</p>	<p>#1</p>

PLEASE INCLUDE ANY ANTICIPATED ASBESTOS COSTS IN THE OVERALL BUDGET.

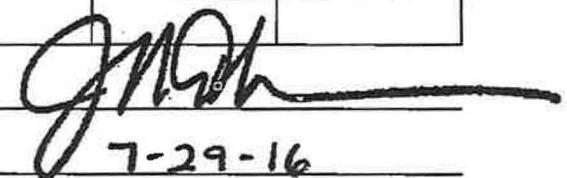
Agency Head Signature: 
 Date: 7/29/16

**BUDGET REQUEST
SIX-YEAR PLAN FY 2018 THROUGH FY 2023
CAPITAL IMPROVEMENTS**

AGENCY: Idaho State Liquor Division

PROJECT DESCRIPTION/LOCATION	FY 2018 \$	FY 2019 \$	FY 2020 \$	FY 2021 \$	FY 2022 \$	FY 2023 \$
Repair cracking concrete floor in Warehouse.	\$60,000					
Chip seal Central Office parking lot	\$7,500					
TOTAL	\$6,7500					

Agency Head Signature: _____



Date: _____

7-29-16

Part I – Agency Profile

Agency Overview

The Idaho State Liquor Division (ISLD) was established by Article III, Section 26 of the Idaho Constitution in 1935 following the repeal of Prohibition as a means of directing the distribution, sale, and consumption of beverage alcohol. Idaho is one of 19 jurisdictions that manage the sale of distilled spirits. (Seventeen states plus two Maryland counties.) These jurisdictions account for 27% of the U.S. population and regulate their own retail and/or wholesale distribution of alcoholic beverages in their various forms.

Organizationally, the ISLD has been an agency in the Office of the Governor since 1974. Jeffrey R. Anderson, Director, is appointed by the Governor.

The ISLD Central Office and Warehouse are located in Boise. All aspects of the business, including purchasing, finance and accounting, information technology, human resources, contract administration, and retail management are administered by a central office staff of 23, along with three district managers. Twenty warehouse personnel, co-located within the administrative office, receive, store, and distribute more than one million nine-liter cases annually over a geographic area of 83,000 square miles. The warehouse typically inventories about 225,000 cases valued at approximately \$15 million, owned by suppliers under a bailment system. An approximately equal amount of product is also inventoried in state and contract retail stores.

As of September 1, 2016, the ISLD operated 173 retail outlets throughout the State. Of those, 66 are state-run liquor stores, leased from the private sector, and staffed and operated by Division employees; 107 are contract, private sector retailers. Stores are typically open from 11:00 a.m. to 7:00 p.m. Some stores, based on community need, have extended hours to enhance customer service; no state-operated stores are open past 9:00 p.m. Additionally, select stores in 32 of Idaho's 44 counties have added limited Sunday hours as a responsible customer convenience feature. Each state and contract store is stocked and maintained to meet the needs of customers, including licensed liquor-by-the-drink establishments. Retail outlets feature a selection of products designed to appeal to the tastes and lifestyles of the local communities they serve. All products are uniformly and competitively priced throughout the state.

Idaho's conservative system of liquor distribution provides benefits to all of the State's citizens. Moderation and temperance in states like Idaho generally reduce social costs associated with beverage alcohol consumption. Additionally, Idaho law provides for the distribution of liquor profits to state substance abuse prevention and treatment programs, the General Fund, all 44 counties, and 200 cities. Over the previous decade, more than \$540 million has been distributed to state programs, counties, and cities, including a record \$68.7 million in FY 2016. The ISLD projects distributions to exceed \$850 million over the coming decade.

General economic conditions and industry trends impact the Division's operations. The ISLD remains cautious about growth prospects, as economic conditions and industry trends remain difficult to predict. Consequently, the ISLD is projecting a 3.9% growth rate for FY 2017. As a result of higher sales, distributions for FY 2017 should increase to approximately \$72.2 million.

Core Functions/Idaho Code

The Idaho State Liquor Division statutory authority is stated in Title 23 of *Idaho Code*.

The primary functions of the agency as stated in *Idaho Code 23-203* include but are not limited to:

- **Regulation of liquor traffic:** to permit, license, inspect, and regulate the manufacture, importation, transportation, storage, sale, and delivery of alcoholic liquor;
- **Traffic in Liquor:** to buy, import, transport, store, sell, and deliver alcoholic liquor;
- **Operation of Liquor Stores:** to establish, maintain, and discontinue warehouses, state liquor stores, and distribution stations [contract liquor stores];
- **Acquisition of Real Estate:** to acquire, buy, and lease real estate, and to improve and equip the same for the conduct of its business;
- **Acquisition of Personal Property:** to acquire, buy, and lease personal property necessary and convenient for the conduct of business;
- **Making Reports:** to report annually to the Governor and at such other times as he may require, concerning the condition, management, and financial transactions of the Division.

Revenue and Expenditures

Revenue	FY 2013	FY 2014	FY 2015	FY 2016
Liquor Control Fund	\$164,435,500	\$169,425,300	\$180,208,400	\$190,764,300
Total	\$164,435,500	\$169,425,300	\$180,208,400	\$190,764,300
Expenditures	FY 2013	FY 2014	FY 2015	FY 2016
Personnel Costs	\$10,542,886	\$10,658,788	\$10,862,108	\$11,577,661
Operating Expenditures	\$5,414,458	\$5,515,686	\$5,485,001	\$5,955,220
Capital Outlay	\$557,396	\$401,467	\$442,076	\$782,145
Continuous Appropriation (COGS)	\$84,886,085	\$95,039,597	\$96,317,106	\$102,668,836
Distributions to Stakeholders	\$60,138,475	\$63,023,762	\$64,414,109	\$68,702,200
Total	\$161,539,300	\$174,639,300	\$177,520,400	\$185,378,000

Profile of Key Services Provided

Key Services Provided	FY 2013	FY 2014	FY 2015	FY 2016
Nine-Liter Cases Sold	1,014,652	1,019,326	1,050,197	1,094,201
Total Dollar Sales	\$164,516,798	\$169,044,532	\$179,028,091	\$191,047,447
Net Income	\$59,785,937	\$61,625,129	\$65,657,560	\$70,274,531
Profit Distributions	\$60,138,475	\$63,023,762	\$64,414,109	\$68,702,200

Performance Highlights

Following is a summary of highlights for FY 2016:

- Sales increased \$12.0 million, from \$179.0 million to \$191.0 million -- up +6.7%.
- Net Profit increased \$4.6 million, from \$65.7 million to \$70.3 million -- up +7.0%
- FY2016 Distributions to State programs, General Fund, and Cities and Counties increased \$4.3 million, from \$64.4 million to \$68.7 million -- up +6.7%.

FY2016 continued a recent trend of very successful years for the ISLD, as the Division experienced record sales, profits, and distributions. Net Income and distributions grew considerably more than consumption on a per capita basis. Sales results continue to be impacted by cross-border traffic, as Washington consumers take advantage of Idaho's lower spirits prices. Washington, even after deregulation of the state-run liquor system, has the nation's highest liquor prices. The Idaho price advantage is much more pronounced than before deregulation took effect in Washington. ISLD estimates that the impact of Washington consumers impacts Idaho consumption metrics by +7.0%.

In addition to the Washington influence, effective cost management combined with store merchandising enhancements continue to drive topline sales and profit increases that far outpace changes in consumption. Industry innovation continues to lead to higher market share increases for distilled spirits vs. beer and wine. This plays a prominent role in the ISLD's sales growth now and into the future.

Improving economic conditions and merchandising innovations have impacted consumer spending in a positive way, as customers are more frequently seeking out premium brands throughout the state. The ISLD continues to modernize its retail outlets and merchandising strategies to enhance the customer experience and to direct consumers to higher margin, higher quality products, which enhance profitability without a corresponding increase in consumption.

Consumption in Idaho remains below other control states, and well below the national average consumption rate. As noted above, consumption statistics for Idaho are positively affected by the price advantage of Idaho spirits vs. Washington spirits. This price advantage exists for two reasons: (1) Idaho has uniform, supplier-determined, market-based pricing, and (2) Washington has a very high taxation of distilled spirits.

At this time, we anticipate a continuing of the Washington effect into FY 2017. There are political forces at work in Washington that would like to relieve pressure on the current tax and fee structure that produces such high liquor prices. Certainly, any changes to the pricing landscape in Washington could have a significant negative effect on spirit sales in Idaho. Aside from Idaho's pricing advantage relative to Washington, the Division's ongoing sales growth and resulting distributions are closely linked to Idaho's recovering economy as well as national trends.

Part II – Performance Measures

<u>Agency Goal</u>						
Idaho Statute 23-203 specifies the powers and duties of the Idaho State Liquor Division. Furthermore, the statute directs the Division to "exercise its powers as to curtail the intemperate use of alcoholic beverages. It shall not attempt to stimulate the normal demands of temperate consumers thereof, irrespective of the effect on the revenue..." To this end, the Division has established a benchmark philosophy that is the basis for its strategic and operational planning. The benchmarks aim to ensure the Division responsibly optimizes net revenues without implementing strategies that encourage consumption. Specifically, the Division strives for the following: <i>Distributions to stakeholders should grow faster than dollar sales; dollar sales should grow faster than 9-liter case sales; 9-liter case sales should grow faster than consumption per capita.</i>						
Performance Measures		FY 2013	FY 2014	FY 2015	FY 2016	Current Year
1. Low Per Capita Consumption (9-Liter Cases per Adult) Change vs. Prior Year	actual	0.87 +2.4%	0.86 -1.1%	0.87 +1.1%	0.90 +3.4%	0.91 +1.1%
	benchmark	Below +4.9%	Below +0.3%	Below +3.0%	Below +4.2%	Below +1.9%
2. 9-Liter Cases Sold Change vs. Prior Year	actual	1,015,000 +4.9%	1,019,000 +0.3%	1,050,000 +3.0%	1,094,000 +4.2%	1,115,000 +1.9%
	benchmark	Above +2.4%	Above -1.1%	Above +1.1%	Above +3.4%	Above +1.1%
3. Sales (000s) Change vs. Prior Year	actual	\$164,500 +7.1%	\$169,000 +2.8%	179,000 +5.9%	191,000 +6.7%	198,500 +3.9%
	benchmark	Above +4.9%	Above +0.3%	Above +3.0%	Above +4.2%	Above +1.9%
4. Distributions (000s) Change vs. Prior Year	actual	\$60,100 +9.0%	\$63,000 +4.8%	\$64,400 +2.2%**	\$68,700 +6.7%	\$72,200 +5.1%
	benchmark	Above +7.1%	Above +2.8%	Above +5.9%	Above +6.7%	Above +3.9%

Performance Measure Explanatory Notes

The ISLD has an excellent track record in meeting or exceeding its established benchmarks, and FY 2016 was no exception, as we met our goals in each of the four metric areas. **It should be noted that our only recent "miss" was in FY 2015 when the Distribution projection was lowered below the aforementioned philosophy (i.e., distributions were projected to increase at a lower rate than sales) in order to accommodate several industry-driven operational modifications. Specifically, the Division elected to increase inventory levels at the retail level by approximately \$2,000,000 (\$12,000/outlet on average) to better serve customer expectations, reduce incidents of out-of-stock items, and carry a higher volume of premium and luxury products to meet evolving consumer preferences. With more working capital devoted to higher inventory levels, this resulted in a slight one-time reduction in the amount of cash that would normally be available for distributions to our stakeholders.

For More Information Contact

Jeffrey R. Anderson, Director
Idaho State Liquor Division
1349 E. Beechcraft Ct.
Boise, ID 83716
Phone: (208) 947-9402
E-mail: jeff.anderson@liquor.idaho.gov

Director Attestation for Performance Measurement Report

In accordance with *Idaho Code* 67-1904, I certify the data provided in the Performance Measurement Report has been internally assessed for accuracy, and, to the best of my knowledge, is deemed to be accurate.

Department: Idaho State Liquor Division



Director's Signature

8/31/16

Date

Please return to:

Division of Financial Management
304 N. 8th Street, 3rd Floor
Boise, Idaho 83720-0032

FAX: 334-2438
E-mail: info@dfm.idaho.gov

FY 2018 Budget Request Revision for Statewide Cost Allocation

OCT 31 2016

Fiscal Year: 2018
 Agency Code: 185
 Agency: Idaho State Liquor Division

Revision No. 1

Budget Unit	Program Name	Fund Number	Base					BU/Fund Total	Percent of Base	Percent of Fund
			SWCAP	Attorney General DU 10.41	Risk Management DU 10.45	State Controller DU 10.46	State Treasurer DU 10.47			
GVGA	Liquor	0418-00	181,707	1,400	3,400	(1,800)	(600)	2,400	100.00%	100.00%
			0					0	0.00%	0.00%
			0					0	0.00%	0.00%
			0					0	0.00%	0.00%
			0					0	0.00%	0.00%
			0					0	0.00%	0.00%
			0					0	0.00%	0.00%
			0					0	0.00%	0.00%
Decision Unit Total			181,700	1,400	3,400	(1,800)	(600)	2,400	100.00%	100.00%

I request that the FY 2018 Budget Request be revised to reflect the above adjustments for Attorney General fees, Risk Management fees, State Controller's fees, and State Treasurer fees.

Signed [Signature] Title CFO Date 10/31/16

Instructions

Each year after the original budget submission deadline, the Division of Financial Management calculates the estimated amount of change from the current year to the budget year for certain Interagency Nonstandard Adjustment decision units related to the Statewide Cost Allocation Plan (SWCAP). It is your responsibility to distribute those changes equitably between programs (budget units) and fund sources.

- 1) Locate your agency on the Indirect Cost Recovery Budget Adjustments spreadsheet.
- 2) Sum the "FY Approp. Basis" columns for all categories (Treasurer, Controller, Attorney General, Risk Management, and Facility Services) in cell E7.
- 3) Enter by budget unit and fund source the SWCAP appropriation basis in the column titled "Base SWCAP". The allocation should be the same as your actual expenditures by fund source for last year rounded to the nearest \$100.
- 4) Find "Request Adjustment" for each category noting "Statewide Accounting" and "Statewide Payroll" must be summed to calculate the Controller fees.
- 5) Identify the budget unit and fund source for each of the areas requiring adjustment.
- 6) Enter each budget unit in the column identified as Budget Unit. Flag any continuous budget units as "(Cont)". Repeat for each different fund.
- 7) In the column identified as Fund Number, place the number of the fund to which the increase or decrease in costs will be applied.
- 8) In the column identified as adjustment, place the dollar amount for each identified budget unit by fund. Round to nearest \$100.
- 9) Check that all totals match those on the Indirect Cost Recovery Budget Adjustment spreadsheet.
- 10) Sign and return a copy to each of your DFM and LSO analysts. Thank you!