

Agency Expenditure Summary

	<u>FY 2015</u>		<u>FY 2016</u>		<u>FY 2017</u>	
	<u>Approp</u>	<u>Actual</u>	<u>Approp</u>	<u>Estimate</u>	<u>Request</u>	<u>Gov Rec</u>
By Function						
Liquor Dispensary	17,680,700	16,789,200	18,593,200	18,593,200	19,579,500	19,510,900
Total	17,680,700	16,789,200	18,593,200	18,593,200	19,579,500	19,510,900
By Fund Source						
Dedicated	17,680,700	16,789,200	18,593,200	18,593,200	19,579,500	19,510,900
Total	17,680,700	16,789,200	18,593,200	18,593,200	19,579,500	19,510,900
By Object						
Personnel Costs	11,455,000	10,862,100	11,890,500	11,890,500	12,772,100	12,975,900
Operating Expenditures	5,715,500	5,485,000	5,908,700	5,908,700	5,932,800	5,810,400
Capital Outlay	510,200	442,100	794,000	794,000	874,600	724,600
Trustee/Benefit Payments	0	0	0	0	0	0
Lump Sum	0	0	0	0	0	0
Total	17,680,700	16,789,200	18,593,200	18,593,200	19,579,500	19,510,900
FTP Positions	205.00	205.00	212.00	212.00	222.00	222.00

	<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 Gov Rec</u>
--	------------	-----------------------	--------------------------	-----------------------	------------------------	-----------------	----------------------

Description: The mission of the Idaho State Liquor Division is to provide control over the importation, distribution, sale, and consumption of distilled spirits; curtail intemperate use of beverage alcohol; and responsibly optimize the net revenues to the citizens of Idaho.

FY 2016 Original Appropriation

3.00 FY 2016 Original Appropriation: SB 1127

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

FY 2016 Total Appropriation

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

FY 2016 Estimated Expenditures

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

Base Adjustments

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2016.

Dedicated	0.00	(7,500)	0	(794,000)	0	0	(801,500)
Total	0.00	(7,500)	0	(794,000)	0	0	(801,500)

FY 2017 Base

Dedicated	212.00	11,883,000	5,908,700	0	0	0	17,791,700
Total	212.00	11,883,000	5,908,700	0	0	0	17,791,700

Program Maintenance

10.11 Change in Health Benefit Costs: This decision unit reflects the scheduled changes in the employer health benefit cost based upon the December projection by Milliman, which showed an increase from the June estimate. In addition, the Governor recommends discontinuing thriveidaho and adjusting the employer-employee cost-sharing split to reduce the financial impact to state employees.

Dedicated	0.00	222,600	0	0	0	0	222,600
Total	0.00	222,600	0	0	0	0	222,600

10.12 Change in Variable Benefit Costs: This decision unit reflects the scheduled changes in the employer variable benefits cost.

Dedicated	0.00	7,600	0	0	0	0	7,600
Total	0.00	7,600	0	0	0	0	7,600

Executive Budget Detail

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/Benefit	Lump Sum	Total Gov Rec
10.23 Contract Inflation: The Governor does not recommend spending authority for contract inflation related to liquor store leases. He recommends that the agency absorb these cost increases within its base appropriation.							
Dedicated	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0
10.31 Repair, Replacement Items/Alterations: The Governor recommends replacing point-of-sale equipment at 66 liquor stores (\$184,800), shelving and counters at two stores (\$59,000), signage at three stores (\$20,500), flooring at two stores (\$20,000), a warehouse reach truck (\$34,000), two uninterruptable power supplies for servers (\$25,000), and six inventory scanners for district managers (\$6,300).							
Dedicated	0.00	0	0	349,600	0	0	349,600
Total	0.00	0	0	349,600	0	0	349,600
10.41 Attorney General Fees: Adjustments to costs of legal services provided by the Office of the Attorney General are reflected here.							
Dedicated	0.00	0	4,400	0	0	0	4,400
Total	0.00	0	4,400	0	0	0	4,400
10.45 Risk Management Cost Increases: Adjustments to costs of insurance coverage as projected by a third-party actuary and billed by the Office of Insurance Management are reflected here.							
Dedicated	0.00	0	12,000	0	0	0	12,000
Total	0.00	0	12,000	0	0	0	12,000
10.46 Controller's Fee Charge: Adjustments to the costs of statewide accounting and statewide payroll processing provided by the Office of the State Controller are reflected here.							
Dedicated	0.00	0	12,600	0	0	0	12,600
Total	0.00	0	12,600	0	0	0	12,600
10.47 Treasurer's Fee Charge: Adjustments to the costs of cash management and warrant processing by the Office of the State Treasurer are reflected here.							
Dedicated	0.00	0	(1,700)	0	0	0	(1,700)
Total	0.00	0	(1,700)	0	0	0	(1,700)
10.61 Salary Multiplier - Regular Employees: The Governor recommends a 3% increase in employee compensation, to be distributed on a merit basis.							
Dedicated	0.00	255,000	0	0	0	0	255,000
Total	0.00	255,000	0	0	0	0	255,000
10.62 Salary Multiplier - Group and Temporary: The Governor does not recommend a compensation increase for group and temporary positions.							
Dedicated	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0
10.64 27th Payroll: This decision unit reflects one-time costs associated with the 27th pay period that falls in FY 2017. Biweekly pay periods cover 364 days per year and the remaining day per year results in an additional pay period every 11 years.							
Dedicated	0.00	324,500	0	0	0	0	324,500
Total	0.00	324,500	0	0	0	0	324,500

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/Benefit	Lump Sum	Total Gov Rec
10.65 27th Payroll - CEC Costs: The Governor recommends one-time CEC costs associated with the 27th payroll.							
Dedicated	0.00	9,900	0	0	0	0	9,900
Total	0.00	9,900	0	0	0	0	9,900

FY 2017 Total Maintenance

Dedicated	212.00	12,702,600	5,936,000	349,600	0	0	18,988,200
Total	212.00	12,702,600	5,936,000	349,600	0	0	18,988,200

Line Items

12.01 Store Relocations/Remodels: The Governor recommends one-time Capital Outlay to relocate or remodel seven state liquor stores in Coeur d'Alene, Rupert, Jerome, Twin Falls, Caldwell, and Boise (two stores). The enhancements proposed for these stores will improve customer service and convenience. The Governor recommends that the agency absorb one-time Personnel Costs for store relocations and ongoing Operating Expenditures for increased lease costs within its base appropriation.

Dedicated	0.00	0	0	375,000	0	0	375,000
Total	0.00	0	0	375,000	0	0	375,000

12.02 Classify Contracted Warehouse Workers: The Governor recommends 4.0 FTP and dedicated fund spending authority to convert four contracted warehouse materials handlers to permanent classified positions. In recent years, the Liquor Division has contracted with a staffing agency to meet warehouse staffing needs. With the growth of sales and shipments, the need for these contracted workers has become permanent. The recommended Personnel Costs for hiring four materials handlers are offset by a reduction in Operating Expenditures due to reduced contracted staffing costs. These positions are requested and recommended at 86% of policy to allow the agency to compete with market rates for warehouse workers.

Dedicated	4.00	176,900	(125,600)	0	0	0	51,300
Total	4.00	176,900	(125,600)	0	0	0	51,300

12.03 Central Office Upstairs Remodel: The Governor does not recommend one-time Capital Outlay to renovate and furnish the second floor of the Liquor Division central office, as that project is recommended in the Permanent Building Fund budget. The Governor recommends the agency absorb ongoing Operating Expenditures for increased utility costs within its base appropriation.

Dedicated	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0

12.04 Convert Temp Employees to Classified FTP: The Governor recommends 6.0 FTP to allow increased use of classified employees. By converting group positions to full-time positions in high-volume stores, customers will be better served by experienced and reliable classified employees. The salary for these positions will come from Personnel Cost savings through a reduction in group positions. The Governor recommends that the agency absorb benefit costs within its base appropriation.

Dedicated	6.00	0	0	0	0	0	0
Total	6.00	0	0	0	0	0	0

Executive Budget Detail

	<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 Gov Rec</u>
12.05 Hourly Pay Increase for Temporary Clerks: The Governor recommends spending authority to increase the starting pay of temporary liquor store clerks, who work approximately one-quarter of employee hours at state liquor stores. Temporary employees are a critical aspect of store operations, ensuring that stores have adequate staff during store hours. As market forces have increased starting wages for employees at retail and convenience stores, the Liquor Division has seen turnover for temporary clerks increase from 68% in FY 2012 to 107% in FY 2015. Increasing starting pay for temporary clerks to \$10.10 per hour (the equivalent starting wage for classified employees) will reduce turnover and improve the pool of job applicants, allowing state stores to hire better-qualified employees.							
Dedicated	0.00	96,400	0	0	0	0	96,400
Total	0.00	96,400	0	0	0	0	96,400

FY 2017 Gov's Recommendation

Dedicated	222.00	12,975,900	5,810,400	724,600	0	0	19,510,900
Total	222.00	12,975,900	5,810,400	724,600	0	0	19,510,900