

# Liquor Division, State

## Agency Expenditure Summary

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>	
	<u>Approp</u>	<u>Actual</u>	<u>Approp</u>	<u>Estimate</u>	<u>Request</u>	<u>Gov Rec</u>
<b>By Function</b>						
Liquor Division	18,593,200	18,327,300	19,670,900	19,670,900	20,886,500	20,943,800
<b>Total</b>	<b>18,593,200</b>	<b>18,327,300</b>	<b>19,670,900</b>	<b>19,670,900</b>	<b>20,886,500</b>	<b>20,943,800</b>
<b>By Fund Source</b>						
Dedicated	18,593,200	18,327,300	19,670,900	19,670,900	20,886,500	20,943,800
<b>Total</b>	<b>18,593,200</b>	<b>18,327,300</b>	<b>19,670,900</b>	<b>19,670,900</b>	<b>20,886,500</b>	<b>20,943,800</b>
<b>By Object</b>						
Personnel Costs	11,890,500	11,577,700	12,975,900	12,975,900	13,549,100	13,606,400
Operating Expenditures	5,908,700	5,960,000	5,820,400	5,820,400	6,407,900	6,407,900
Capital Outlay	794,000	789,600	874,600	874,600	929,500	929,500
Trustee/Benefit Payments	0	0	0	0	0	0
Lump Sum	0	0	0	0	0	0
<b>Total</b>	<b>18,593,200</b>	<b>18,327,300</b>	<b>19,670,900</b>	<b>19,670,900</b>	<b>20,886,500</b>	<b>20,943,800</b>
<b>FTP Positions</b>	<b>212.00</b>	<b>212.00</b>	<b>222.00</b>	<b>222.00</b>	<b>229.00</b>	<b>229.00</b>

# 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>
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**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 2017 Original Appropriation

3.00 FY 2017 Original Appropriation: SB 1366

Dedicated	222.00	12,975,900	5,820,400	874,600	0	0	19,670,900
<b>Total</b>	<b>222.00</b>	<b>12,975,900</b>	<b>5,820,400</b>	<b>874,600</b>	<b>0</b>	<b>0</b>	<b>19,670,900</b>

## FY 2017 Total Appropriation

Dedicated	222.00	12,975,900	5,820,400	874,600	0	0	19,670,900
<b>Total</b>	<b>222.00</b>	<b>12,975,900</b>	<b>5,820,400</b>	<b>874,600</b>	<b>0</b>	<b>0</b>	<b>19,670,900</b>

## FY 2017 Estimated Expenditures

Dedicated	222.00	12,975,900	5,820,400	874,600	0	0	19,670,900
<b>Total</b>	<b>222.00</b>	<b>12,975,900</b>	<b>5,820,400</b>	<b>874,600</b>	<b>0</b>	<b>0</b>	<b>19,670,900</b>

## Base Adjustments

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2017.

Dedicated	0.00	(334,400)	0	(874,600)	0	0	(1,209,000)
<b>Total</b>	<b>0.00</b>	<b>(334,400)</b>	<b>0</b>	<b>(874,600)</b>	<b>0</b>	<b>0</b>	<b>(1,209,000)</b>

## FY 2018 Base

Dedicated	222.00	12,641,500	5,820,400	0	0	0	18,461,900
<b>Total</b>	<b>222.00</b>	<b>12,641,500</b>	<b>5,820,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,461,900</b>

## Program Maintenance

10.11 Change in Health Benefit Costs: This decision unit reflects the scheduled changes in the employer benefit cost after the maximum health insurance continuation for employees with an open disability claim is reduced from 30 months to six months.

Dedicated	0.00	197,100	0	0	0	0	197,100
<b>Total</b>	<b>0.00</b>	<b>197,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>197,100</b>

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

Dedicated	0.00	3,600	0	0	0	0	3,600
<b>Total</b>	<b>0.00</b>	<b>3,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,600</b>

10.23 Contract Inflation: The Governor recommends ongoing dedicated fund spending authority for contractual liquor store lease increases.

Dedicated	0.00	0	102,700	0	0	0	102,700
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>102,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>102,700</b>

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/Benefit	Lump Sum	Total Gov Rec
10.31 Repair, Replacement Items/Alterations: The Governor recommends replacing store flooring (\$119,000), store signage (\$52,500), store lighting (\$30,000), store shelving (\$19,000), server hardware and software (\$37,000), a warehouse management system (\$45,000), a fork lift (\$35,000), pallet jacks (\$28,000), and uniforms for retail employees (\$25,500).							
Dedicated	0.00	0	0	391,000	0	0	391,000
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>391,000</b>	<b>0</b>	<b>0</b>	<b>391,000</b>
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	1,400	0	0	0	1,400
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>1,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,400</b>
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. The FY 2018 amounts include the addition of cybersecurity coverage beginning in December 2016.							
Dedicated	0.00	0	3,400	0	0	0	3,400
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>3,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,400</b>
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	(1,800)	0	0	0	(1,800)
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>(1,800)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,800)</b>
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	(600)	0	0	0	(600)
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>(600)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(600)</b>
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	266,700	0	0	0	0	266,700
<b>Total</b>	<b>0.00</b>	<b>266,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>266,700</b>
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
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FY 2018 Total Maintenance</b>							
Dedicated	222.00	13,108,900	5,925,500	391,000	0	0	19,425,400
<b>Total</b>	<b>222.00</b>	<b>13,108,900</b>	<b>5,925,500</b>	<b>391,000</b>	<b>0</b>	<b>0</b>	<b>19,425,400</b>
<b>Line Items</b>							
12.01 Relocate, Remodel, and Add Liquor Stores : The Governor recommends 4.0 FTP and ongoing dedicated fund spending authority to relocate or remodel seven state-run liquor stores and open two additional stores in the Treasure Valley. In addition, one-time dedicated fund spending authority for Operating Expenditures and Capital Outlay is also recommended.							
Dedicated	4.00	244,800	371,000	511,000	0	0	1,126,800
<b>Total</b>	<b>4.00</b>	<b>244,800</b>	<b>371,000</b>	<b>511,000</b>	<b>0</b>	<b>0</b>	<b>1,126,800</b>

**Executive Budget Detail**

	<b>FTP</b>	<b>Personnel Cost</b>	<b>Operating Expense</b>	<b>Capital Outlay</b>	<b>Trustee/Benefit</b>	<b>Lump Sum</b>	<b>Total Gov Rec</b>
12.02 Two Additional Material Handlers in Warehouse: The Governor recommends 2.0 FTP and ongoing dedicated fund spending authority for warehouse material handler positions to manage increases in product volume.							
Dedicated	2.00	87,100	0	0	0	0	87,100
<b>Total</b>	<b>2.00</b>	<b>87,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>87,100</b>
12.03 Enhanced Hours of Operation: The Governor recommends ongoing dedicated fund spending authority to modify and standardize the hours of operation of 10 liquor stores. In addition, four additional group hours per week at six high-volume stores are also recommended.							
Dedicated	0.00	42,000	0	0	0	0	42,000
<b>Total</b>	<b>0.00</b>	<b>42,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,000</b>
12.04 Restore Deputy Director Position: The Governor recommends 1.0 FTP and ongoing dedicated fund spending authority for a deputy director. In 2011, the Liquor Division was able to combine two deputy director positions due to hiring an individual uniquely qualified for both. The spending authority for the second position was used to fund budget requests in subsequent years. Due to a 25% increase in sales since 2012, as well as succession planning, the division is returning to its four-deputy structure.							
Dedicated	1.00	123,600	5,000	0	0	0	128,600
<b>Total</b>	<b>1.00</b>	<b>123,600</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>128,600</b>
12.05 Excel at Retail Initiative: The Governor recommends ongoing dedicated fund spending authority for an automated cloud-based scheduling program, ongoing licensing fees for a cloud-based learning management program, costs associated with a secret shopper program, and costs associated with a third-party internal compliance identification-checking program.							
Dedicated	0.00	0	31,400	0	0	0	31,400
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>31,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,400</b>
12.06 Furnishings for Remodeled Office Space: The Governor recommends one-time dedicated fund spending authority for equipment and furniture to furnish new office space at the central office.							
Dedicated	0.00	0	0	27,500	0	0	27,500
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>27,500</b>	<b>0</b>	<b>0</b>	<b>27,500</b>
12.07 Consultant for ERP Replacement: The Governor recommends one-time dedicated fund spending authority to develop an assessment, write a request for proposal for a new Enterprise Resource Planning (ERP) package, and select a solution to replace the current accounting system, warehouse management systems, and point of sale systems with a unified platform.							
Dedicated	0.00	0	75,000	0	0	0	75,000
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>75,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,000</b>
<b>FY 2018 Gov's Recommendation</b>							
Dedicated	229.00	13,606,400	6,407,900	929,500	0	0	20,943,800
<b>Total</b>	<b>229.00</b>	<b>13,606,400</b>	<b>6,407,900</b>	<b>929,500</b>	<b>0</b>	<b>0</b>	<b>20,943,800</b>