

Department of Liquor Licenses and Control

A.R.S. § 4-101

Director: Leesa Berens Morrison

JLBC Analyst: Michael Stelpstra

| | FY 2002 Actual | FY 2003 Estimate | FY 2004 Approved |
|---------------------------------------|-------------------|---------------------|---------------------------------|
| OPERATING BUDGET | | | |
| <i>Full Time Equivalent Positions</i> | 44.2 | 34.2 | 38.2 |
| Personal Services | 1,405,100 | 1,261,000 | 1,455,200 |
| Employee Related Expenditures | 430,000 | 364,900 | 430,700 |
| Professional and Outside Services | 4,400 | 4,500 | 4,500 |
| Travel - In State | 138,800 | 144,300 | 144,300 |
| Other Operating Expenditures | 457,800 | 426,900 | 408,000 |
| Equipment | 32,600 | 6,300 | 0 |
| AGENCY TOTAL | 2,468,700 | 2,207,900 | 2,442,700^{1/2/} |
| FUND SOURCES | | | |
| General Fund | 2,468,700 | 2,207,900 | 2,442,700 |
| AGENCY TOTAL | 2,468,700 | 2,207,900 | 2,442,700 |

AGENCY DESCRIPTION — *The department licenses, investigates and regulates the production, distribution, and sale of alcoholic beverages throughout the state.*

| PERFORMANCE MEASURES | FY 2002 Appropriation | FY 2002 Actual | FY 2003 Appropriation | FY 2004 Appropriation |
|---|--------------------------|-------------------|--------------------------|--------------------------|
| • Investigations and routine liquor inspections completed | 5,100 | 2,984 | 5,200 | 3,100 |
| • Cost per investigation and routine liquor inspection (in \$) | 270 | NA | 270 | -- |
| • Average calendar days to complete an investigation | 39 | 42 | 37 | 35 |
| • New licenses, transferred licenses, and renewals issued | 10,300 | 10,800 | 10,300 | 10,800 |
| • % of customers who responded to the survey reporting "very good" or "excellent" service | 99.3 | 86 | 99.3 | 87 |
| • Administration as a % of total cost | 40 | NA | 40 | 17.3 |

Comments: The agency did not submit information for any measure labeled as "NA." The agency reports that decreased staff size due to budget reductions caused them to perform fewer routine inspections, which contributed to the lower number of investigations and routine liquor inspections completed. The agency reports that a change in the method used to calculate administrative costs contributed to the expected decrease in administration as a percent of total cost for FY 2004.

Technical Adjustments — The FY 2004 approved amount includes technical adjustments for Employee Related Expenditures, Risk Management charges, and lease-purchase rent charges. *(Please see the General Provisions section at the end of this Appropriations Report for further details on these changes.)*

Consolidate Liquor Enforcement — The approved amount includes an increase of \$126,300 and 2 FTE Positions above FY 2003 to transfer liquor enforcement functions in the Department of Public Safety (DPS) to the

Department of Liquor Licenses and Control (DLLC). Both departments have similar mandates to enforce Arizona's liquor laws and DPS investigators and DLLC enforcement officers perform the same functions concerning liquor enforcement.

Penalties — The approved amount includes an increase of \$128,400 and 2 FTE Positions above FY 2003 to restore a portion of the department's 6th Special Session lump sum reduction. A General Appropriation Act footnote requires the department to report to the JLBC a plan for increasing

^{1/} General Appropriation Act funds are appropriated as a Lump Sum by Agency.

^{2/} The department shall report to the Joint Legislative Budget Committee by September 1, 2003 regarding current levels of penalties for violations and its plan to increase those penalties to more appropriate levels. (General Appropriation Act footnote)

penalties for violations to more appropriate levels. Penalties are deposited into the General Fund and additional penalty revenue is expected to offset this increase in the department's General Fund appropriation.

Equipment — The approved amount includes a decrease of \$(6,300) below FY 2003 for one-time equipment funded in FY 2003.

Additional Legislation: Budget Reconciliation: Public Finances (Chapter 263) — Section 97 of this bill transfers 2 vehicles with less than 80,000 miles from DPS to DLLC for liquor enforcement.

[Click here to return to the Table of Contents](#)