

Department of Liquor Licenses and Control

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DESCRIPTION	FY 2003	FY 2004	FY 2005	
	ACTUAL	ESTIMATE	OSPB	JLBC
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	34.2	38.2		38.2
Personal Services	1,123,700	1,447,300		1,447,300
Employee Related Expenditures	385,600	440,800		440,800
Professional and Outside Services	4,000	4,500		4,500
Travel - In State	95,000	142,800		142,800
Travel - Out of State	1,300	1,500		1,500
Other Operating Expenditures	377,200	394,800		394,800
Equipment	16,400	11,000		11,000
AGENCY TOTAL	2,003,200	2,442,700		2,442,700

FUND SOURCES

General Fund	2,003,200	2,442,700	2,442,700
SUBTOTAL - Appropriated Funds	2,003,200	2,442,700	2,442,700
Other Non-Appropriated Funds	698,500	812,500	812,500
TOTAL - ALL SOURCES	2,701,700	3,255,200	3,255,200

CHANGE IN FUNDING SUMMARY

FY 2004 to FY 2005 JLBC

	\$ Change	% Change
General Fund	0	0.0%
Total Appropriated Funds	0	0.0%
Non Appropriated Funds	0	0.0%
Total - All Sources	0	0.0%

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

PERFORMANCE MEASURES	FY 2003	FY 2003	FY 2004	FY 2005
	Appropriation	Actual	Appropriation	Recommend.
• Investigations and routine liquor inspections completed	5,200	2,517	3,100	3,000
• Average calendar days to complete an investigation	37	30	35	35
• New licenses, transferred licenses, and renewals issued	10,300	10,778	10,800	10,800
• % of customers who responded to the survey reporting "very good" or "excellent" service	99.3	86	87	87
• Administration as a % of total cost	40	9.3	17.3	9.3

Comments: 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 decrease in administration as a percent of total cost for FY 2003.

RECOMMENDED CHANGES FROM FY 2004

Operating Budget

The JLBC recommends \$2,442,700 from the General Fund for the operating budget in FY 2005. This amount is unchanged from FY 2004.

Lease Costs **GF** **\$0**
 The JLBC recommends no change from the General Fund for increased lease costs. The agency would absorb a FY 2005 lease increase of \$4,000 within their Other Operating Expenditures. With its lump sum budget the agency has the discretion to shift these monies from other line items.

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JLBC RECOMMENDED FORMAT — Lump Sum by Agency.

JLBC RECOMMENDED FOOTNOTES

Deletion of Prior Year Footnotes

The JLBC recommends deleting the one-time footnote requiring the department to 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.

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
Audit Surcharge (LLA3010/A.R.S. § 4-209)		Non-Appropriated
Source of Revenue: A \$20 surcharge on liquor licenses for bars, retail stores, and restaurants.		
Purpose of Fund: To fund an auditor and support staff positions to review revenue requirements for restaurant liquor licenses.		
Funds Expended	104,700	156,700
Year-End Fund Balance	86,800	73,600
Enforcement Surcharge - Enforcement Unit (LLA3012/A.R.S. § 4-209)		Non-Appropriated
Source of Revenue: A \$10 surcharge on hotel and restaurant liquor licenses and \$25 on all other licenses.		
Purpose of Fund: For the costs of a neighborhood association interaction and liquor enforcement management unit. The unit works with neighborhood associations regarding liquor violations.		
Funds Expended	280,100	308,100
Year-End Fund Balance	60,200	45,700
Enforcement Surcharge - Multiple Complaints (LLA3011/A.R.S. § 4-209)		Non-Appropriated
Source of Revenue: A \$25 surcharge on liquor license renewals.		
Purpose of Fund: To investigate licensees that have been the subject of multiple complaints from neighborhood associations, civic groups, and local governments.		
Funds Expended	313,700	347,700
Year-End Fund Balance	74,200	56,900
Federal Grants (LLA2000/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Federal revenues received through the Governor's Office of Highway Safety.		
Purpose of Fund: To pay overtime expenses for special investigators investigating licensees reportedly serving alcohol to juveniles.		
Funds Expended	0	0
Year-End Fund Balance*	(19,000)	0

*As reported by the agency. Actual ending balance will not be negative.

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