



# TABC Strategic Plan

**Fiscal Years 2025-2029**



Supporting Businesses and Protecting Texans



# STRATEGIC PLAN

## Fiscal Years 2025-2029

By the Texas Alcoholic Beverage Commission

Commission Member	Term	Hometown
Kevin J. Lilly, Chair	Nov. 15, 2021 – Nov. 15, 2027	Houston
M. Scott Adkins	Nov. 7, 2019 – Nov. 15, 2023	El Paso
Deborah Gray Marino	Nov. 7, 2019 – Nov. 15, 2025	San Antonio
Hasan K. Mack	March 24, 2020 – Nov. 15, 2025	Austin
<i>Position Vacant</i>		

Submitted June 1, 2024

Signed: \_\_\_\_\_

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Thomas W. Graham, Executive Director

Approved: \_\_\_\_\_

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Kevin J. Lilly, Chair



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# Strategic Plan



# Mission

## MISSION

The mission of the Texas Alcoholic Beverage Commission (TABC) is to serve the people of Texas and protect the public health and safety through consistent, fair, and timely administration of the Alcoholic Beverage Code.

## VISION

A safe and healthy Texas served by an innovative Alcoholic Beverage Commission regulating a responsible and compliant alcoholic beverage industry.

## FOUR CORNERSTONES

- Service
- Courtesy
- Integrity
- Accountability

## PHILOSOPHY

TABC's philosophy is enshrined in its motto, "**Supporting Businesses and Protecting Texans.**" The agency, through the powers granted by the Alcoholic Beverage Code, will work directly with those whom it regulates to ensure a safe, compliant, and competitive alcoholic beverage industry while operating at peak efficiency and value for Texas taxpayers. Through these actions, as well as the day-to-day interactions with business owners across the state, TABC will work to make it easier for businesses to remain compliant with state law while ensuring the highest levels of public safety for businesses, employees, and their customers.

## NOTE

Hereafter, the Alcoholic Beverage Code will be referred to as the "Code" and the Texas Administrative Code, Title 16, Part 3 will be referred to as "Rules." The terms "license" and "permit" refer to any TABC-issued license or permit to manufacture, distribute, sell, or serve alcoholic beverages. The agency's online business portal (Alcohol Industry Management System (AIMS)) is referenced throughout this plan.





# Goals and Action Plan

## **GOAL 1 | Promote compliance with Texas laws through transparent and timely communications.**

*Objective 1.1 Effectively communicate with the public by promoting education and public relations to proactively inform and engage the communities we serve.*

### **ACTION ITEM**

1.1.1 • Within two years, achieve 95% compliance among TABC licensed and permitted businesses with filing compliance reports by communicating with and educating business about AIMS reporting capabilities. (Related to Goal 3) (FY 2027)

1.1.2 • Enhance industry compliance by promoting awareness on Compliance Reports as well as required Excise Tax reports to include Out-of-State Winery Direct Shipper's reports. (Ongoing)

1.1.3 • Provide and promote education opportunities to permit holders to proactively reduce regulatory violations and compliance issues. (Ongoing)

1.1.4 • Provide clear guidance on the Code and Rules to increase industry understanding and compliance. (Ongoing)

1.1.5 • Promote various public safety courses – such as seller/server training, the Opioid-Related Drug Overdose course, Signs of Human Trafficking course, and the Texas Responsible Alcohol Delivery (TRAD) – to increase public safety throughout Texas. (Ongoing)

1.1.6 • Conduct outreach and education initiatives with other state, local, and federal law enforcement agencies to enhance TABC's coordination on, and success, at addressing public safety violations tied to TABC-licensed locations. (Ongoing)



### ***Objective 1.2 Improve public service announcements and other communication strategies to release timely and transparent information.***

#### **ACTION ITEM**

1.2.1 • Maintain and release information on TABC’s public website and send out notices through the use of mass email capabilities, social media, and other means to ensure up-to-date and relevant information is easily accessible.

(Ongoing)

1.2.2 • Methodically schedule website updates, email notices, and social media posts to maximize the likelihood that TABC’s audience will see, understand, and have time to comply with the new information. (Ongoing)

1.2.3 • Explore, design, and release new approaches to customer service surveys to better capture industry feedback and inform necessary agency actions. (FY 2026)

1.2.4 • Evaluate customer service feedback and make adjustments based on responses. (Ongoing)

1.2.5 • Ensure staff are aware of and have access to updated and relevant policies, procedures, and guidelines. (Ongoing)

1.2.6 • Develop training strategies for staff to ensure effective implementation of new technology, laws, rules, policies, and procedures. (Ongoing)

1.2.7 • Maintain and evaluate TABC’s Public Inquiry System – through which the agency provides a publicly searchable database of information about its license and permit applicants and holders – to ensure the agency provides up-to-date and easy-to-access public information.

1.2.8 • Update guidance, FAQs, and educational materials as laws and rules change to more effectively promote compliance. (Ongoing)

#### **HOW GOAL/ACTION ITEMS SUPPORT STATEWIDE OBJECTIVES**

##### **Accountability**

Making it easier for businesses and the public to understand and follow Texas laws and agency rules is crucial to being an accountable organization. Clear and consistent standards allow those we serve to engage with the agency more productively.

Additionally, by increasing compliance through education and awareness, TABC is better able to fulfill its mission in Texas communities.



TABC works to ensure that alcoholic beverage laws and regulations are communicated in the most effective way and that information is updated and available through email, media campaigns, presentations, public meetings, videos, and web-hosted FAQs. These strategic communication methods help ensure information is released in a transparent, timely, and accessible manner. TABC also promotes accountability by encouraging industry members and the public to participate in educational opportunities such as seller/server training, the Opioid-Related Drug Overdose training, the Signs of Human Trafficking training, TRAD, and others.

### **Efficiency**

Strategic and timely communications, educational opportunities, and public service announcements streamline agency-released information aimed at maximizing efficiency and proactively releasing just-in-time messaging campaigns.

License and permit holders have the opportunity to submit a variety of reports through AIMS, but not as many take advantage of this option as desired. As more annual compliance reports are submitted through AIMS, the fewer physical inspections agency staff will be required to conduct across the state. Similarly, as more permittees submit excise tax reports through AIMS rather than paper, they will have fewer reporting errors (due to logic in AIMS) and agency staff will spend less time entering data in AIMS from paper reports and more time addressing delinquent permittees.

### **Effectiveness**

TABC has modernized and rebranded its public website, which has improved ease of hosting education and training opportunities, promoted compliance and public safety initiatives, and increased transparency regarding how the public can attend agency meetings or retrieve needed/requested information. TABC tracks its effectiveness through performance indicators such as an increase in compliance and reduction in violations.

### **Excellence in Customer Service**

Staff are developing a robust process to collect industry feedback as the agency continues to roll out technology features, in addition to setting milestones for improvements to customer service. Feedback will be used to prioritize and respond quickly to industry's needs while also allowing staff to plan long-term strategic communications that will address gaps in knowledge.





## Transparency

TABC works to ensure alcoholic beverage laws, regulations, and enhancements to technology are communicated in the most effective way and that information is updated and available to inform the industry we serve. Transparent communication strategies include providing information via news releases, the public website, social media, videos, emails, training, and meetings.

## **GOAL 2 | Improve and support a safe and competitive Texas alcoholic beverage industry.**

***Objective 2.1 Maximize technology innovations to streamline the review and approval process to reduce time needed for agency decisions.***

### **ACTION ITEM**

- 2.1.1 • Maintain current efficiencies to process original applications and issue TABC licenses and permits to qualified applicants. (Ongoing)
- 2.1.2 • Continue to identify efficiencies to decrease the time it takes to process the registration of alcoholic beverage products for qualified license and permit holders. (Ongoing)
- 2.1.3 • Encourage businesses to conduct and submit their annual compliance reports through AIMS, which allows TABC to more efficiently and effectively assess compliance with numerous laws and rules without increasing the number of physical inspections the agency conducts across the state. (Ongoing)
- 2.1.4 • Continue to educate the alcoholic beverage industry on the use of AIMS to maximize industry adoption and enhance TABC's overall operational effectiveness. (Ongoing)
- 2.1.5 • Increase efficiencies by encouraging businesses to submit excise tax reporting and payment reconciliation through AIMS. (Ongoing)
- 2.1.6 • Increase data-based decisions by leveraging data resources from technology investments and integrating data analytics staff across the organization. (FY 2026)



### **HOW GOAL/ACTION ITEMS SUPPORT STATEWIDE OBJECTIVES**

#### **Accountability**

Taxpayers and license and permit holders expect timely processing of applications and product registration while ensuring licenses and permits are issued only to those who meet regulatory requirements.

#### **Efficiency**

Through the use of AIMS, the agency continues to report increased efficiencies in the average number of days to issue an original license or permit as well as the time to approve products being registered for sale in Texas. Evidence of this is the reduction of days to issue an original permit from 42 days in FY 2020 to 26 days in FY 2024. TABC continues to enhance AIMS functionality to improve business processes and workflows for further efficiency and effectiveness.

#### **Effectiveness**

Through recent technology enhancements of AIMS, processing time has decreased due to a reduction in application errors, faster response times, and 24/7 access for applicants, all of which results in greater efficiencies for qualified businesses entering the multi-billion-dollar Texas alcoholic beverage marketplace.

TABC tracks its effectiveness through performance indicators such as the number of products registered, how many applications are processed by agency staff, and how long it takes to approve those applications.

#### **Excellence in Customer Service**

TABC is committed to providing outstanding customer service in all public-facing interactions and providing accurate, up-to-date information on technology improvements benefitting the industry. Faster and more efficient processes within TABC lead directly to quicker processing times for license and permit applications and approval on registering products to be sold in Texas. These reduced wait times enable industry members to get into business more quickly, thus increasing their ability to generate revenue for their business, their employees, and the state of Texas.



### Transparency

AIMS provides 24/7 resources to applicants and permit holders for all business needs: apply for permits, file reports, and submit self-inspection reports and more. TABC is committed to maintaining transparency to the public and its employees by using plain-language principles and innovative techniques to explain agency rules and technology features, including the integration of AIMS.

### Other Considerations Relevant to Goals/Action Items

#### **Alignment With 2024-2028 State Strategic Plan for Information Resources**

In FY 2023 TABC established its data governance program and implemented policies, procedures, and processes for strengthening data ownership, classification, access management, and security requirements. Another major initiative was also launched in FY 2023 by the creation of the technology oversight program which prioritizes information resource needs throughout the agency and assigns project management staff to oversee scope, development, and deployment of new technologies and functionality. These executive-level governance structures formalize TABC's approach to overseeing, evaluating, and improving its information technology resources and infrastructure, as well as how the agency leverages the data derived from its systems.

The executive director has charged the agency with becoming a data-centric organization, aligning TABC goals, objectives, and action items with the State Strategic Plan as published by the Department of Information Resources (DIR):

- DIR Goal 1: Elevated Government Experience — Deliver a secure, consistent, and accessible government experience across all channels. (TABC Goal 1, Goal 2, and Goal 3)
- DIR Goal 2: Mature Data Management and Privacy Practices — Enhance data management practices to bolster analytical decision-making capabilities and maintain public trust by protecting Texans' private information. (TABC Goal 1, Goal 2, Goal 3, and Goal 4)
- DIR Goal 3: Skilled and Resilient Workforce — Attract and develop employees with the business acumen, digital competencies, emotional intelligence, and critical thinking skills required to support the public-sector mission. (TABC Goal 4)
- DIR Goal 4: Transformation and Modernization — Advance service delivery by increasing organizational readiness, accelerating legacy modernization, and implementing guidance for emerging technology. (TABC Goal 1, Goal 2, Goal 3, and Goal 4)



**GOAL 3 | Enhance regulatory oversight and law enforcement services focused on protecting the peace and safety of the communities we serve.**

***Objective 3.1 Address alcoholic beverage violations and threats to public safety.***

**ACTION ITEM**

- 3.1.1 • Increase the number of investigations related to criminal and administrative violations with connections to the alcoholic beverage industry. (Ongoing)
- 3.1.2 • Respond quickly to the most serious threats to public safety with connections to the alcoholic beverage industry. (Ongoing)
- 3.1.3 • Continue to prioritize, triage, and evaluate risks related to complaints against license and permit holders to ensure public safety while maximizing the best use of agency resources. (Ongoing)
- 3.1.4 • Protect communities by investigating and taking administrative actions against organized criminal activity (such as narcotics, human trafficking, and money laundering) within the alcoholic beverage industry. (Ongoing)
- 3.1.5 • Ensure public safety at ports of entry by targeting hazardous products and keeping minors from importing personal alcoholic beverages. (Ongoing)
- 3.1.6 • Continue to conduct investigations and take appropriate actions against illicit alcoholic beverages being brought into the state and sold without a permit. (Ongoing)
- 3.1.7 • Revise and strengthen policies and procedures to ensure processes are clear for notifying law enforcement personnel of any illicit beverage. (FY 2025)



### **Objective 3.2 Provide efficient and effective regulatory oversight activities by improving processes, correcting inefficiencies, and adapting to change.**

#### **ACTION ITEM**

- 3.2.1 • Decrease time to process administrative cases and investigations by maximizing the use of AIMS to assist audit, enforcement, and legal staff. (FY 2025)
- 3.2.2 • Make it easier for businesses to report cash and credit law violations and centralize their interactions with TABC by adding new features to AIMS. (FY 2026)
- 3.2.3 • Continue to use the point-of-sale technology to minimize travelers' time at ports of entry when legally importing alcoholic beverages. (Ongoing)
- 3.2.4 • Continue to audit wine shipment reports submitted by Carrier's Permit holders and Out-of-State Winery Direct Shipper's Permit holders to identify illegal wine shipments from out-of-state wineries that are not authorized to ship wine to consumers in Texas and take appropriate enforcement actions. (Ongoing)

#### **HOW GOAL/ACTION ITEMS SUPPORT STATEWIDE OBJECTIVES**

##### **Accountability**

A core part of TABC's mission is to protect public safety and health in Texas communities. TABC takes action to enforce the laws of the state, responding to the public's complaints against regulated businesses, ensuring serious allegations of public safety violations are prioritized, administering appropriate administrative actions, deterring minors from purchasing or importing alcohol, and keeping illicit beverages from entering Texas communities.

##### **Efficiency**

In FY 2023-2024 the Ports of Entry staff gained efficiencies with the deployment of the new point-of-sale (POS) system. With this advancement, TABC has decreased risks associated with the handling of cash, seen a significant reduction in errors, and cut down on paperwork, which allows staff to increase customer interactions and more quickly identify minors and excess products before entry into Texas. Through the





modernized system, TABC is able to more quickly process transactions, generating increased revenue for the state of Texas.

In FY 2024 the agency released AIMS functionality to enhance tracking investigations into potential illegal activity by TABC-licensed businesses, allowing for gained efficiencies in cross-divisional access and records management.

### **Effectiveness**

To maximize limited resources, TABC must be strategic in regulating the alcoholic beverage industry and protecting the peace and safety of communities we serve. To achieve this, staff provides education and encourages awareness to local police departments and municipalities related to Target Responsibility for Alcohol-Connected Emergencies (TRACE) investigations. TABC leverages joint partnerships with federal, state, and local law enforcement departments to investigate human trafficking and other criminal activities.

TABC takes a proactive approach to protecting the peace and safety of the communities we serve through education and training campaigns designed for audiences ranging from federal law enforcement partners to minors.

TABC agents save lives through the reduction in the number of licensed or permitted locations selling alcohol to intoxicated persons and minors. There are 3,500 fatal car crashes per year with more than 1,000 of these involving the consumption of alcohol, and 50% of those are connected to a licensed location. By focusing on investigations and compliance at licensed and permitted businesses, TABC can continue to make Texas roads and communities safer.

In FY 2023, TABC introduced the Proactive Alcohol Compliance Enforcement (PACE) Program aimed to triage investigations by promoting education and awareness regarding laws and regulations. The PACE Program encourages increased voluntary compliance and self-regulation of alcoholic beverage industry members by providing education and best-practices to lower-risk industry members. Through this program, the agency has gained both efficiencies and effectiveness, allowing staff to devote resources toward higher-risk investigative activities.



### **Excellence in Customer Service**

Through the use of the new Ports of Entry POS system, customers have more payment options and get their transactions processed faster when they arrive in Texas. TABC also continues to respond to the public's complaints against regulated businesses and to ensure that the most serious allegations of public safety violations are prioritized.

### **Transparency**

TABC will continue to publish information through the agency website, social media channels, and news media about upcoming public safety operations. Education, training, and communications efforts will also encourage responsible and legal sale, service, and consumption of alcohol. Additionally, the agency will provide updated information at public meetings about TABC's public safety activities in communities across the state.

## **GOAL 4 | Promote a culture of excellence.**

### ***Objective 4.1 Foster an environment that prioritizes people first.***

#### **ACTION ITEM**

- 4.1.1 • Enhance resources and training to ensure agency leadership develops and demonstrates characteristics that prioritize staff. (FY 2025)
- 4.1.2 • Increase open, honest, timely, and responsible communication that is focused on improving transparency to build a sense of community and trust across the agency. (Ongoing)
- 4.1.3 • Foster work/life balance to improve job satisfaction and retention. (Ongoing)
- 4.1.4 • Continue to promote education and support through policy, training, and resources that focus on mental health and physical and psychological safety in the workplace. (Ongoing)
- 4.1.5 • Increase practices that recognize staff for exceptional service, contribution, and dedication to make employees feel valued for accomplishments and skills. (Ongoing)
- 4.1.6 • Improve new employee experience and engagement by enhancing onboarding processes and improving new hire orientation. (FY 2025)



### ***Objective 4.2 Strengthen and support a highly skilled, effective, accountable, and motivated workforce.***

#### **ACTION ITEM**

- 4.2.1 • Modernize the agency's recruitment plan and strategies to effectively attract a qualified candidate population. (FY 2025)
- 4.2.2 • Strengthen internal communications from executive and director-level staff to ensure timely and informative messages that foster a better understanding of vision, direction, and operational decisions of the agency. (FY 2025)
- 4.2.3 • Continue to provide clear expectations and guidance through updated policies and procedures. (Ongoing)
- 4.2.4 • Evaluate effective and efficient training delivery conducive to agency operations to include e-learning, on-demand, web-based, in-person, reality/scenario-based, or hybrid approaches to enable staff to excel and perform duties efficiently. (Ongoing)
- 4.2.5 • Improve systems and web-based applications to enable staff to find the necessary information to perform job duties. (FY 2025)
- 4.2.6 • Transform the agency into a data-centric organization by embracing data governance best practices, such as strengthening skillsets regarding data literacy, analysis, and data mining to prepare for maximizing technology innovations and the future state of machine and artificial intelligence. (FY 2026)

### ***Objective 4.3 Promote operational continuity by increasing workforce stability and retention.***

#### **ACTION ITEM**

- 4.3.1 • Increase workforce retention strategies such as succession planning, career progression, mentoring programs, and career development opportunities that focus on sharing knowledge and agency-wide cohesion. (FY 2025)
- 4.3.2 • Conduct an agency-wide market study to determine cost/benefit analysis for critical, hard-to-fill positions to minimize turnover and vacancy rates. (FY 2025)



### HOW GOAL/ACTION ITEMS SUPPORT STATEWIDE OBJECTIVES

#### Accountability

Strengthening and empowering TABC's workforce is a priority. TABC recognizes the importance of creating a culture that provides the leadership, support, and resources necessary to foster an environment that cultivates excellence. Through the "people first" mentality, the agency has established strategic initiatives and action plans devoted to attracting and retaining qualified employees, providing leaders with tools to support and equip staff to fulfill their duties, and advancing the agency through embracing the philosophy of continuous improvement.

The tone at the top of any organization is critical when establishing accountability. An accountable workforce includes having expectations clearly and efficiently documented and relayed throughout the organization. By strengthening executive-level communications, staff better understand the vision, direction, and decisions of the agency. TABC has expanded its policy program to more functional areas of the agency and ensured standards are clear, concise, up-to-date, and disseminated timely. Additionally, TABC's training resources support new hires, new and recently promoted managers, agents, and auditors throughout their careers, and provide courses required by oversight agencies.

#### Efficiency

TABC realizes that turnover, vacancies, low morale, and un-engaged staff are costly and are major causes of organizational inefficiencies. In FY 2024 the agency began streamlining hiring/onboarding processes, enhancing training opportunities, and establishing a formal mentoring program to ensure that succession planning is in place and that staff are prepared for next-level opportunities.

TABC has reduced redundant processes and gained operational efficiencies through technology investments and application subscriptions that promote controls regarding cybersecurity, asset management, policy development and distribution, rulemaking processes, and project management. Additionally, the agency's single sign on platform, dashboard-level data reporting capabilities, and onboarding/access management processes ensure staff are equipped with on-demand resources. Efficiencies have also been gained through efforts to migrate from local network drives and evolve to cloud-based records management applications where staff can more easily collaborate on work products.



### **Effectiveness**

To achieve organizational effectiveness and promote a culture of excellence, feedback from employees must be heard and, when possible, courses must be corrected. TABC has identified improvement opportunities through mechanisms such as the Survey of Employee Engagement (SEE); Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis; programmatic surveys; etc. Associated actions will be taken to embrace these opportunities where the agency can continue to improve how we fulfill our core functions, ensure better organizational performance, and increase job satisfaction.

In FY 2024 TABC assessed and documented processes associated with the agency's performance measures. This was necessary not only to use plain language descriptions of the measures but also to define data sources as new AIMS functionality is introduced and the agency transitions out of legacy systems. As a result, staff understand where data is reported from, how measures are calculated, and the intent of each performance measure.

TABC continues to enhance technology initiatives that include the ability to collaborate, communicate, and track progress toward outcomes and to modernize how internal information can be more easily accessed. TABC continues to track workforce statistics and measurements through various reports that share current and projected turnover and FTE rates as outlined in the Agency Workforce Plan included in the supplemental schedule of this plan.

### **Excellence in Customer Service**

By promoting a culture of excellence and attaining the action items within this goal, TABC will continue to provide excellent customer service, both internally and to the general public and industry members.





# Redundancies and Impediments

Service, statute, rule, or regulation	Unexpended Balances Carried Forward Between Biennia <i>General Appropriations Act, Article V</i>
<p><b>Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.</b></p>	<p>Lack of UB (Unexpended Balance) Rider for TABC in the General Appropriations Act (GAA) limits the agency by not being able to move unexpended funds from the fiscal year in one biennium to the fiscal year of the next biennium to cover unexpected costs related to the agency's Technology Transformation initiative. Without this authority, TABC is at a disadvantage when trying to complete this large IT project, which may extend beyond its original fiscal year. Many IT projects — as part of the overall initiative — have been put on hold due to the length of time or lack of funds.</p>
<p><b>Provide agency recommendation for modification or elimination.</b></p>	<p>Add a rider to TABC's bill pattern (Article V) similar to other agencies: "Unexpended Balances Carried Forward between Biennia: Amounts previously appropriated to the Alcoholic Beverage Commission for the purpose of the Technology Transformation Initiative remaining as of August 31, 2025, are appropriated for the same purposes for the fiscal year beginning September 1, 2025."</p>
<p><b>Describe the estimated cost savings or other benefit associated with recommended change.</b></p>	<p>Granting UB authority between biennia for IT-specific projects would allow TABC to better address unexpected and one-time expenses and allow better manageability of appropriated funds for its technology transformation initiative.</p> <p>This authority gives TABC the funding necessary to complete important IT projects related to AIMS (the agency's online business portal), which increase productivity, reliability, and the availability of services to the public, likely increasing revenue to the state.</p>



## TABC Strategic Plan FY 2025-2029

Service, statute, rule, or regulation	<b>Hiring Peace Officers with Previous Experience</b> <i>General Appropriations Act, Article V</i>
<b>Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.</b>	<p>An agency's strength lies in the quality of its personnel, and TABC's inadequate financial compensation impedes the agency's ability to attract and retain experienced peace officers. TABC is unable to consider a new hire's prior state experience when setting their initial compensation as an agent. Once an experienced peace officer realizes they will experience a reduction in pay and must work several years before step increases make their salary whole, they seek employment elsewhere. State law enforcement agencies struggle to retain staff as they compete with other law enforcement agencies that provide a better compensation package. TABC's recruitment efforts are further hindered because the agency is unable to hire a peace officer with prior experience at a competitive salary rate.</p>
<b>Provide agency recommendation for modification or elimination.</b>	<p>Add a rider to TABC's bill pattern (Article V) similar to other agencies: "From funds appropriated above, the Texas Alcoholic Beverage Commission may elect to credit up to four years of experience, as a peace officer working in the State of Texas, as years of service for the purpose of calculating the officer's salary under Salary Classification Schedule C provided in Article IX, Section 2.01 of this Act."</p>
<b>Describe the estimated cost savings or other benefit associated with recommended change.</b>	<p>This rider will enhance agency recruitment efforts by being more competitive with other law enforcement agencies that are authorized to credit new hires for previous experience.</p> <p>This rider would increase the agency's ability to recruit and retain experienced peace officers.</p> <p>The rider will benefit TABC and, ultimately, the State of Texas, as TABC becomes more competitive with other law enforcement agencies to hire the best talent available to protect Texans.</p>



## TABC Strategic Plan FY 2025-2029

Service, statute, rule, or regulation	<b>Out-of-State Travel</b> <i>General Appropriations Act, Article V</i>
<p><b>Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.</b></p>	<p>The prohibition on out-of-state travel has inhibited the agency’s ability to connect and learn from other states regulating the alcoholic beverage industry. Coordinating with other state alcoholic beverage regulators and law enforcement agencies on innovations, techniques, and lessons learned provides valuable information and enhances an agency’s ability to adequately police a growing industry.</p> <p>In recent years, TABC has been recognized twice for its work by national organizations but has been unable to attend the events out-of-state to share intelligence with other regulators. Also, another national organization has requested TABC’s expertise and experience for several panels, but the agency is unable to participate.</p> <p>The prohibition has impacted training opportunities for TABC’s enforcement personnel, who are frequently invited to take part in state-of-the-art training programs across the country. These include the prestigious FBI Leadership Academy as well as other programs designed to combat human trafficking and narcotics trafficking. Declining these training opportunities can hinder our agents’ readiness and effectiveness as peace officers.</p> <p>For agents stationed in border-adjacent cities such as El Paso or Texarkana, it makes much more financial sense to take advantage of training in New Mexico or Arkansas than to drive to Austin or Houston for the same purpose. The travel prohibition requires TABC to shoulder the added financial costs related to travel and lodging when a simple trip across state borders would accomplish the same thing.</p> <p>The Fifth Circuit Court of Appeals is located in New Orleans, Louisiana, and TABC must be present for cases that reach the Court. In 2019, TABC’s General Counsel had to pay his own travel and accommodations to perform his job duties in defending the agency in front of the Fifth Circuit Court of Appeals in <i>Walmart. v. TABC</i>.</p>
<p><b>Provide agency recommendation for modification or elimination.</b></p>	<p>Repeal subsection (a) of Rider 13, Limit on Travel and Activities, of TABC’s bill pattern (Article V) to remove the out-of-state travel restriction on TABC employees. This action maintains Subsection (b), prohibiting the commission or employees from accepting payments from industry for conference presentations, lodging, travel, etc.</p> <p>Alternatively, amend Subsection (a) to allow travel outside the state but require the agency to report travel expenses to the Legislative Budget Board, Office of the Governor, State Auditor’s Office, or any chosen agency.</p>



## TABC Strategic Plan FY 2025-2029

	Every employee's out-of-state travel request will be evaluated by the employee's chain of command to determine the applicability and appropriateness prior to approval.
<b>Describe the estimated cost savings or other benefit associated with recommended change.</b>	This change would reduce costs and improve access to critically needed training opportunities for border-adjacent peace officers, while enabling agency leaders to better serve Texas consumers by representing the state at interstate or federal-level conferences where important decisions are made affecting the alcoholic beverage industry, including how states can work together to stop illegal alcohol shipments.

<b>Service, statute, rule, or regulation</b>	<b>Applicant to Post Sign</b> <i>Sec. 11.391 and Sec. 61.381, Alcoholic Beverage Code</i>
<b>Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.</b>	<p>Certain applicants for a new license/permit must post a sign at the business location to notify the public of their intent to sell alcohol. The outdoor sign (often referred to as a "60-day sign") has to be visible to the public for 60 days before TABC can issue the license/permit. The purpose is to alert the community and give citizens an opportunity to protest the application (if eligible to do so).</p> <p>Advancements in technology and staff efficiencies have reduced the time it takes TABC to issue a new license/permit to less than 30 days. Requiring applicants to wait another 30 days to meet the 60-day requirement is burdensome for applicants and their staff, and cumbersome for TABC processors.</p>
<b>Provide agency recommendation for modification or elimination.</b>	Reduce the requirement to 30 days from 60 days for applicants to post a sign notifying the public of their intent to sell alcohol.
<b>Describe the estimated cost savings or other benefit associated with recommended change.</b>	Affected applicants will get into business up to 30 days sooner, allowing them to generate revenue — and associated local and state taxes — more quickly.



## TABC Strategic Plan FY 2025-2029

Service, statute, rule, or regulation	<b>Applicant to Publish Notice</b> <i>Sec. 11.39 and Sec. 61.38, Alcoholic Beverage Code</i>
<b>Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.</b>	<p>An applicant for most license/permit types must give notice of the application in a newspaper in the city or county where the license/permit will be located. With the information age of today, newspaper subscriptions are declining. Applicants should have other methods available to provide notice to the public.</p>
<b>Provide agency recommendation for modification or elimination.</b>	<p>Amend Sec. 11.39 of the Alcoholic Beverage Code (Code) to read similarly to Sec. 61.38 to allow for digital publication of the required notice. Sec. 61.38 applies to licenses to sell malt beverages, whereas Sec. 11.39 applies to permits to sell/serve wine and/or distilled spirits. The overwhelming majority of applications processed by TABC are for permits.</p> <p>Another option is to remove the requirement to post notice of a license/permit application in a local newspaper. If original intent was to serve the public notice for protest purposes, this intent is still met with Secs. 11.391, 11.393, 61.381, and 61.382 of the Code.</p>
<b>Describe the estimated cost savings or other benefit associated with recommended change.</b>	<p>Amending Sec. 11.39 provides for consistency between licenses and permits for the same requirement. Having digital publications as an option will make it easier for applicants to fulfill their obligation.</p> <p>Removing the requirement is a cost savings for the applicant, as legal notices cost applicants, on average, \$100-\$800 per notice.</p>





<b>Service, statute, rule, or regulation</b>	<b>Applicability of Mixed Beverage Gross Receipts Taxes for Nonprofit Entity Temporary Event Permits</b> <i>Ch. 30, Alcoholic Beverage Code, and Ch. 183, Tax Code</i>
<b>Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.</b>	<p>Prior to Sept. 1, 2021, nonprofit entities were able to obtain two different types of temporary event permits — one that authorized the sale of malt beverages and wine only or another that authorized the sale of all types of alcohol (i.e., malt beverages, wine, and distilled spirits) including mixed beverages. Alcohol sales under the temporary permit authorizing the sale of only malt beverages and wine were not subject to the Mixed Beverage Gross Receipts Tax under Ch. 183 of the Tax Code. Sales of all classes of alcohol under the temporary permit authorizing the sale of mixed beverages were subject to the Mixed Beverage Gross Receipts Tax. With the passage of the Sunset bill (HB1545 (86R)), the two temporary permits available to nonprofit entities were merged into one permit — the Nonprofit Entity Temporary Event Permit (effective Sept. 1, 2021) — and Sec. 183.001 of the Tax Code was updated to include the new nonprofit permit as being subject to the Mixed Beverage Gross Receipts Tax. As a result the holder of a Nonprofit Entity Temporary Event Permit is subject to the Mixed Beverage Gross Receipts Tax for all alcohol sales, even if mixed beverages are not sold and only malt beverages and/or wine are sold.</p>
<b>Provide agency recommendation for modification or elimination.</b>	<p>Amend Ch. 183 of the Tax Code to exclude Nonprofit Entity Temporary Event Permits from the definition of a "permittee" (and, therefore, from taxation) for the purposes of Mixed Beverage Gross Receipts Taxes if the permittee only sells malt beverages and wine.</p>
<b>Describe the estimated cost savings or other benefit associated with recommended change.</b>	<p>This solution keeps the nonprofit permit holder from paying the Mixed Beverage Gross Receipts Tax rate when the nonprofit did not sell mixed beverages. The nonprofit can then keep more of its proceeds so it can provide more benefits to its constituency.</p>



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Service, statute, rule, or regulation	<b>Local Cartage Permit</b> <i>Sec. 25.15, Alcoholic Beverage Code</i>
<b>Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.</b>	<p>The Sunset bill (HB 1545 (86R)) eliminated the requirement for certain retailers to have a Local Cartage Permit to transport alcoholic beverages, folding that authority into the retailers' authorized activities beginning Sept. 1, 2021. On the other hand, SB 1232 (86R) authorized Wine and Malt Beverage Retailer's Permit holders to deliver alcoholic beverages to consumers only if they have a Local Cartage Permit. Now the Local Cartage Permit remains solely for the Wine and Malt Beverage Retailer's Permit, even though other retailers, such as package stores, are no longer required to have the Local Cartage Permit as of Sept. 1, 2021.</p>
<b>Provide agency recommendation for modification or elimination.</b>	<p>Fold the authority to transport alcoholic beverages into the authorized activities for Wine and Malt Beverage Retailer's Permit holders. Modifications to Sec. 22.08 of the Alcoholic Beverage Code (Code) in HB 1545 (86R) offer model language that could be adapted to add this privilege to the Wine and Malt Beverage Retailer's Permit. Further, Sec. 25.15 of the Code would need to be amended to eliminate the requirement to obtain a Local Cartage Permit.</p>
<b>Describe the estimated cost savings or other benefit associated with recommended change.</b>	<p>By removing the disparity of one permit type required to have a secondary permit to perform the same activity that other retailers were given the authority to do through Sunset changes effective Sept. 1, 2021, all retailers with similar transport authority would be treated the same.</p> <p>The Commission recognized this disparity when setting fees in summer 2021 and set the fee for a Local Cartage Permit at \$0. If the recommendation becomes law, there will be no impact to General Revenue.</p>



# TABC Strategic Plan FY 2025-2029

Service, statute, rule, or regulation	Disparity among retail license/permit types <i>Alcoholic Beverage Code</i>
<p><b>Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.</b></p>	<p>Disparities exist between certain license/permit types that serve no obvious public safety or regulatory purpose and are likely remnants from previous statutes, which have not been updated. These disparities are confusing to applicants and an economic barrier for many. These differences require extra steps by applicants, license/permit holders, and agency staff; lead to unnecessary delays in processing; and cause confusion and frustration.</p> <p>Examples:</p> <p>For some permit types, the license/permit application can be denied if the spouse of the applicant does not qualify.</p> <p>In case of death for some permit types, a spouse or descendant can only operate until expiration and then apply for a new permit; for other permit types, a spouse or descendant can renew the permit.</p> <p>For one permit type, if the business is owned by two corporations and they merge, there's no change in operations; but all other permit types would have to apply for a new permit.</p> <p>Patrons of some permit types may leave/return to the business premises with an alcoholic beverage; other permit types do not have this privilege.</p>
<p><b>Provide agency recommendation for modification or elimination.</b></p>	<p>In general, amend the Alcoholic Beverage Code to be consistent across all license/permit types, unless there is a justifiable public safety or business reason. Specifically:</p> <p>Repeal references regarding denial of a license/permit application due to the applicant's spouse so that all applicants and applicants' spouses are held to the same standards.</p> <p>Upon death of a permittee, allow spouse or descendant to renew the license/permit if they are eligible to hold that license/permit.</p> <p>Eliminate restrictions so all on-premises retailers are subject to the same guidelines for control, access, and egress.</p>



## TABC Strategic Plan FY 2025-2029

<p><b>Describe the estimated cost savings or other benefit associated with recommended change.</b></p>	<p>Having consistent regulations among similar permit types would be more fair and cause less confusion among applicants. It would streamline the application process, leading to faster processing of applications and renewals. In certain situations, it could eliminate the need for some permit types to submit an original application upon the permittee's death or sale of the business. This is significant because an original application is much more involved and time consuming than the renewal application for an existing permit, and consistent regulations would limit interruptions to business.</p>
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<p><b>Service, statute, rule, or regulation</b></p>	<p><b>Confidentiality of Certain Personal Information</b> <i>Sec. 25.025 Tax Code and Sec. 552.117, Government Code</i></p>
<p><b>Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.</b></p>	<p>The personal information and addresses of former and current peace officers employed by TABC are protected from disclosure. However, TABC's legal staff — who prosecute cases involving money laundering, prostitution, drugs, and human trafficking — receive no analogous protections. While enforcing the governor's executive orders during the pandemic, legal staff were threatened by a permittee.</p>
<p><b>Provide agency recommendation for modification or elimination.</b></p>	<p>Protect the addresses and personal information of current and former TABC Office of General Counsel employees by adding them to lists of protected individuals found in Sec. 25.025 of the Tax Code and Sec. 552.117 of the Government Code.</p>
<p><b>Describe the estimated cost savings or other benefit associated with recommended change.</b></p>	<p>Providing these protections will allow Office of General Counsel staff to perform their public safety duties without fear for their personal or family's safety.</p>



## TABC Strategic Plan FY 2025-2029

Service, statute, rule, or regulation	<b>Comptroller as a Protestant</b> <i>Sec. 11.432 and 61.314, Alcoholic Beverage Code</i>
<b>Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.</b>	<p>When a TABC license/permit holder is delinquent in taxes/fees owed to the state that are separate from the taxes/fees imposed under the Alcoholic Beverage Code, TABC is not the custodian of the underlying records that prove up the debt. This requires TABC to obtain records from the Comptroller of Public Accounts (CPA) (as a third party) and make arguments in a hearing on the CPA's behalf.</p> <p>Sections 11.432 and 61.314 of the Alcoholic Beverage Code list certain government officials (e.g., the state senator or representative, the county commissioner or city council member, the sheriff, or the county or district attorney with jurisdiction over the premises to be licensed) who may protest an application; and TABC is statutorily authorized to give due consideration to the recommendation of any of the listed officials when evaluating the application. Currently, the CPA is not included in the list of officials authorized to file a protest against a license/permit application and thus does not have standing to formally contest issuance of the license/permit.</p>
<b>Provide agency recommendation for modification or elimination.</b>	<p>Add the Comptroller of Public Accounts to the list of government officials in Sections 11.432 and 61.314 of the Alcoholic Beverage Code who are allowed to have standing to protest an application for the issuance of a TABC license/permit.</p>
<b>Describe the estimated cost savings or other benefit associated with recommended change.</b>	<p>This change would allow the Comptroller of Public Accounts (CPA) to represent itself in the protest hearing instead of relying on TABC to essentially represent the CPA. As the custodian of the underlying records and as the agency with direct knowledge of the circumstances surrounding the debt, the CPA is in a better position to articulate the issue before an administrative law judge.</p>





## TABC Strategic Plan FY 2025-2029

Service, statute, rule, or regulation	<b>Notice to TABC of Civil Lawsuits</b> <i>Chapter 2, Alcoholic Beverage Code</i>
<b>Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.</b>	<p>Texas dram shop laws in Ch. 2 of the Alcoholic Beverage Code create liability for a permittee (i.e., the bar or restaurant) when alcohol is sold to an obviously intoxicated person and results in personal injury or property damage. A party harmed by the intoxicated person can file a lawsuit against the permittee for damages, but there is no requirement to report these cases to TABC even though the sale of alcohol to an obviously intoxicated person is a serious public safety violation of the Alcoholic Beverage Code. TABC should receive notice of these lawsuits so the agency can pursue criminal and/or administrative cases against permittees, where necessary, to protect public safety.</p>
<b>Provide agency recommendation for modification or elimination.</b>	<p>Amend Ch. 2 of the Alcoholic Beverage Code to require the plaintiff (or the court) in a dram shop lawsuit to serve a copy of the petition on TABC by certified or registered mail, or electronically to an email address designated by TABC.</p>
<b>Describe the estimated cost savings or other benefit associated with recommended change.</b>	<p>Receiving notice of these dram shop lawsuits will allow TABC to advance its mission of protecting public safety by taking action against license/permit holders who are negligent in their responsibility to sell/serve alcohol responsibly. Once notified of a dram shop civil suit, agency Enforcement staff could conduct their own investigation to determine if administrative action should be taken against the license/permit holder or criminal action should be taken against the person who provided the alcohol to the intoxicated customer.</p> <p>It would be more efficient and allow for a more timely response if TABC is notified of the lawsuit rather than agency attorneys spending valuable time searching for these suits statewide.</p>



## TABC Strategic Plan FY 2025-2029

Service, statute, rule, or regulation	Entitlement to Holiday Compensatory Time <i>Sec. 662.005(b), Government Code</i>
<p><b>Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.</b></p>	<p>TABC's regulatory compliance officers (RCOs) are stationed at ports of entry. RCOs prevent minors from importing alcoholic beverages, disallow dangerous alcoholic beverages from entering the U.S., and collect taxes and fees on the personal importation of alcoholic beverages and cigarettes. RCOs work non-traditional schedules and must work holidays, even when they fall on a Saturday or Sunday.</p> <p>Generally, state employees who work on a designated national or state holiday are allowed holiday compensatory time off during the 12-month period following the date of the holiday if the employee is entitled to a paid day off from working for a state agency on the holiday. There are limitations to earning holiday compensatory time if the holiday falls on a weekend.</p>
<p><b>Provide agency recommendation for modification or elimination.</b></p>	<p>Amend Sec. 662.005(b) of the Government Code to include TABC regulatory compliance officers stationed at ports of entry in the list of state employees entitled to compensatory time off for hours worked on a holiday that falls on a weekend for which they are required to work.</p>
<p><b>Describe the estimated cost savings or other benefit associated with recommended change.</b></p>	<p>Holiday traffic on a weekend is a critical time for RCOs to ensure individuals at ports of entry are importing legal products and within legal guidelines, keep alcohol out of the hands of minors, and collect taxes. Granting RCOs eligibility to receive compensatory time helps secure a TABC presence at ports of entry during critical times.</p>



## TABC Strategic Plan FY 2025-2029

Service, statute, rule, or regulation	<b>Waiting to Withdraw to Avoid Penalty</b> <i>Sec. 11.44(b), Alcoholic Beverage Code</i>
<b>Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.</b>	<p>Section 11.44(b) of the Alcoholic Beverage Code requires TABC to deny applications submitted by applicants who have a prior application that expired or was voluntarily withdrawn before an administrative hearing was held on the new application based on allegations against the applicant involving serious public safety violations (e.g., drugs or trafficking). TABC must deny such an application for three years from the date of expiration or withdrawal. Under the current statutory language, an applicant can avoid the three-year ban by waiting until the hearing begins to withdraw its application. This strategy has become more prevalent and has led to a waste of government resources (for both TABC and the State Office of Administrative Hearings) because staff must plan for an administrative hearing that the applicant never intends to go forward with.</p>
<b>Provide agency recommendation for modification or elimination.</b>	<p>Amend Sec. 11.44(b) to apply only to permittees who surrender their application after TABC initiates an action on the application (e.g., scheduling a hearing). As a reminder, Subsection (b) only applies to some of the most violent allegations (e.g., trafficking).</p> <p>This solution incentivizes settlement and resolution prior to the hearing.</p>
<b>Describe the estimated cost savings or other benefit associated with recommended change.</b>	<p>This will save hearing time and expenses for the applicant, the agency, and SOAH by changing the timing of the penalty for surrendering an application.</p>



# Supplemental Schedules



# Schedule A: Budget Structure

## **GOAL 01 Promote the Health, Safety, and Welfare of the Public**

To protect the peace and safety of the public by taking positive steps to encourage voluntary compliance with the Texas Alcoholic Beverage Code and other state laws and by undertaking enforcement and regulatory actions that are fair and effective.

### **OBJECTIVE 01 Detect/Prevent Law Violations**

Detect and prevent violations of the Alcoholic Beverage Code and other state laws that can occur on licensed premises, including those pertaining to human trafficking, drug trafficking, and other organized criminal activity.

#### **Outcome Measures**

- 01 Percentage of Licensed Establishments Inspected Annually
- 02 Percent of Administrative Actions Initiated by Enforcement Agents Resulting in Administrative Sanctions
- 03 Percentage of Priority Licensed Locations Inspected by Enforcement Agents
- 04 Public Safety Compliance Rate – Direct Sale Retailers and Manufacturers
- 05 Public Safety Compliance of Priority Licensed Locations
- 06 Recidivism Rate – Licensed Retailers
- 07 Percentage of Priority Locations Relative to the Total Number of Licensed Locations

### **STRATEGY 01 Enforcement**

Deter and detect violations of the Alcoholic Beverage Code by inspecting licensed establishments and investigating complaints.

#### **Output Measures**

- 01 Number of Inspections Conducted by Enforcement Agents
- 02 Number of Inspections of Priority Licensed Locations
- 03 Number of Investigations Closed Relating to Trafficking or Other Organized Criminal Activities
- 04 Number of Investigative Activities Targeting Organized Criminal Activity and Trafficking in Border Region
- 05 Number of Enforcement Investigative Activities
- 06 Number of Undercover Operations Conducted

#### **Efficiency Measures**

- 01 Average Cost Per Enforcement Investigative Activity
- 02 Average Cost Per Investigative Activity Targeting OCA and Trafficking Statewide



## **Explanatory Measures**

- 01 Average Number of Days to Close an Investigation by Enforcement Agents
- 02 Number of Licensed Locations Subject to Inspection
- 03 Number of Criminal Cases Filed
- 04 Number of Administrative Actions Initiated by Enforcement Agents
- 05 Number of Priority Licensed Locations
- 06 Number of Investigations Closed by Enforcement Agents
- 07 Number of Investigative Activities Targeting Organized Criminal Activity and Trafficking Statewide

## **GOAL 02 LICENSE, PERMIT AND REGISTER QUALIFIED BUSINESSES AND PRODUCTS**

To issue licenses and permits and register products for qualified businesses in compliance with the Alcoholic Beverage Code.

### **OBJECTIVE 01 Process Applications for Permits, Licenses and Product Registrations In a Timely Manner**

Process applications for licenses, permits and product registration in an efficient and timely manner.

#### **Outcome Measures**

- 01 Average Number of Days to Approve an Original Primary License/Permit
- 02 Average Number of Days to Approve a Product Registration Application

### **STRATEGY 01 Licensing**

Issue licenses and permits and register products while ensuring compliance with laws regarding ownership, performance, and other regulatory requirements.

#### **Output Measures**

- 01 Number of License/Permit Applications Processed
- 02 Number of Licenses/Permits Approved
- 03 Number of Product Registration Applications Processed
- 04 Number of Product Registration Applications Approved

#### **Efficiency Measure**

- 01 Average Cost Per License/Permit Application Processed





### **GOAL 03 Ensure Compliance with Fees & Taxes**

To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving, and distributing of alcoholic beverages.

#### **OBJECTIVE 01 Ensure Compliance with the Alcoholic Beverage Code**

Monitor all tiers of the alcoholic beverage industry and conduct inspections, audits, analyses, investigations, and other activities to encourage maximum voluntary compliance with the Alcoholic Beverage Code.

##### **Outcome Measures**

- 01 Compliance Rate – Audits
- 02 Percent of Wholesale and Manufacturing Reports Resulting in Correction Notices
- 03 Compliance Rate – Auditor Inspections
- 04 Compliance Rate – Auditor Investigations

#### **STRATEGY 01 Conduct Inspections and Monitor Compliance**

Inspect, investigate, and analyze all segments of the alcoholic beverage industry; verify the accuracy and timeliness of tax reporting payments; and initiate any necessary compliance and/or administrative actions for failure to comply while providing instruction to promote voluntary compliance.

##### **Output Measures**

- 01 Number of Wholesale and Manufacturing Reports Analyzed
- 02 Number of Audits Conducted
- 03 Number of Inspections Conducted by Auditors
- 04 Number of Investigations Closed by Audit

##### **Efficiency Measures**

- 01 Average Cost of Audits Conducted
- 02 Average Cost Per Auditor Inspection
- 03 Average Cost Per Wholesale and Manufacturing Report Analyzed

##### **Explanatory Measures**

- 01 Number of Administrative Actions Initiated by Audit
- 02 Number of Correction Notices Issued for Wholesale and Manufacturing Reports
- 03 Number of Seller/Server and Alcohol Delivery Driver Certificates Issued
- 04 Average Cost Per Seller/Server and Alcohol Delivery Driver Certificates Issued



## **OBJECTIVE 02 Ensure Maximum Compliance at Ports**

Ensure maximum compliance with laws regulating importation of alcoholic beverages and cigarettes at ports of entry.

### **Outcome Measure**

- 01 Revenue as a Percent of Expenses

## **STRATEGY 01 Ports of Entry**

Identify high traffic loads and strategically place personnel or equipment at ports of entry to more effectively regulate the personal importation of alcoholic beverages and cigarettes.

### **Output Measures**

- 01 Number of Alcoholic Beverage Containers Imported
- 02 Number of Packages of Cigarettes Imported

### **Efficiency Measure**

- 01 Average Cost Per Alcoholic Beverage Container/Cigarette Package Imported or Disallowed

### **Explanatory Measures**

- 01 Number of Alcoholic Beverage Containers Disallowed
- 02 Number of Cigarette Packages Disallowed



# Schedule B: Performance Measure Definitions

Goal 01 Promote the Health, Safety, and Welfare of the Public  
Objective 01 Detect/Prevent Law Violations  
Strategy 01 Enforcement

## Outcome Measure 01-01-01-01 Percentage of Licensed Establishments Inspected Annually

<b>Definition:</b> The percentage of in-state locations associated with a TABC license or permit inspected during a specified time period by enforcement agents or compliance auditors expressed as a ratio of the number of individual locations subject to inspection.
<b>Purpose:</b> This outcome is intended to measure the degree of coverage achieved by enforcement agents and compliance auditors during a specified period. Adequate coverage is deemed important because of the deterrent effect of the expectation of inspection and because inspections give licensees the opportunity to ask questions and receive answers that might prevent future violations.
<b>Data Source:</b> Data sources used to calculate this measure are reported in the Number of Inspections Conducted by Enforcement Agents output measure, the Number of Inspections Conducted by Auditors (Output Measure 03-01-01-03), and Number of Licensed Locations Subject to Inspection explanatory measure during a specified period.
<b>Methodology:</b> The records reported for the Number of Inspections Conducted by Enforcement Agents and Number of Inspections Conducted by Auditors (Output Measure 03-01-01-03) for a specified time period are combined. Of the resulting records, any duplicate records i.e., (locations with more than one inspection) are removed so only one inspection can be associated with a location. The number of locations inspected during the time period is the numerator. The denominator is the Number of Licensed Locations Subject to Inspection. The calculation is converted to a percentage.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

## Outcome Measure 01-01-01-02 Percent of Administrative Actions Initiated by Enforcement Agents Resulting in Administrative Sanctions

<b>Definition:</b> The percentage of administrative actions originated by enforcement agents that were closed—reached final disposition—during a specified time period and that resulted in sanctions being imposed upon a licensee or permittee. For the purposes of this measure, an administrative sanction is a due process civil action in which the agency suspends, levies a civil penalty against, issue a warning to, or cancels a license or permit due to one or more violations of the Alcoholic Beverage Code or TABC Rules.
<b>Purpose:</b> This outcome measures the quality of the administrative actions initiated by enforcement agents by providing a ratio of the actions in which agency enforcement agents prevailed to the total number of enforcement actions reaching a final disposition.
<b>Data Source:</b> Every administrative action initiated by an agent and the date of disposition is recorded in the agency’s online business portal (Alcohol Industry Management System (AIMS)).
<b>Methodology:</b> All administrative actions in AIMS noted as ‘closed’ in the case status field and with a disposition date during the specified time period are found and counted. This number serves as the denominator. Within this



group of records, all records with a final disposition of dismissed, verbal warning, or no violation found by ALJ are excluded. The remaining number is the numerator. The result is converted to a percentage.

**Data Limitations:** None.

**Calculation Method:** Noncumulative.

**New Measure:** No.

**Target Attainment:** Higher.

**Outcome Measure 01-01-01-03 (Key) Percentage of Priority Licensed Locations Inspected by Enforcement Agents**

**Definition:** The percentage of priority licensed locations inspected by enforcement agents during a specified time period. An inspection is described in the Number of Inspections Conducted by Enforcement Agents output measure and a priority licensed location is described by the Number of Priority Licensed Locations explanatory measure.

**Purpose:** This outcome measure sets a minimum coverage goal for licensed locations that are considered to be especially at risk for public safety violations due to the history or inexperience of the license or permit holder. It is intended to direct and require agent attention to those licensed locations where public safety violations are most likely to occur.

**Data Source:** Data sources used to calculate this measure are the Number of Inspections of Priority Licensed Locations output measure and the Number of Priority Licensed Locations explanatory measure for a specified time period.

**Methodology:** The required percentage is derived by dividing the Number of Inspections of Priority Licensed Locations during the period in question by the total Number of Priority Licensed Locations during the same period.

**Data Limitations:** None.

**Calculation Method:** Noncumulative.

**New Measure:** No.

**Target Attainment:** Higher.

**Outcome Measure 01-01-01-04 Public Safety Compliance Rate – Direct Sale Retailers and Manufacturers**

**Definition:** The number of inspections of licensed businesses that sell or serve alcoholic beverages directly to the public conducted by enforcement agents during a specified time period that did not result in the filing of a criminal case or an administrative action for public safety violations.

**Purpose:** This outcome measure gauges the degree to which certain licensed retailers, direct sale manufacturers, and their customers complied with the public safety provisions of the Alcoholic Beverage Code and other laws.

**Data Source:** The agency’s online business portal (Alcohol Industry Management System (AIMS)) maintains records of all active licenses and permits associated with each license and permit type. Based on license and permit records identified in the Number of Inspections Conducted by Enforcement Agents output measure for a specified time period, records pertaining only to primary license and permit types authorized to sell or serve alcoholic beverages directly to the public are extracted. The extracted records represent the inspected retailers and direct sale manufacturers. Other sources used to calculate this measure are the Number of Administrative Actions Initiated by Enforcement Agents explanatory measure and the Number of Criminal Cases Filed explanatory measure for the same time period.

**Methodology:** Numerator: The license and permit holders associated with the inspected retailers and direct sale manufacturers are compared to the license and permit holders associated with the Number of Administrative Actions Initiated by Enforcement Agents and the Number of Criminal Cases Filed for a specified time period. If the comparison results in a record common to an administrative or criminal case, the resulting number of records are those inspected retailers and direct sale manufacturers not in compliance during the time period. These records are subtracted from the number of inspected retailers and direct sale manufacturers for the time period to calculate how many inspections by enforcement agents did not result in the filing of a case for the time period.



The denominator is the number of inspected retailers and direct sale manufacturers for the specified time period. The result is converted to a percentage.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Outcome Measure 01-01-01-05 Public Safety Compliance of Priority Licensed Locations**

<b>Definition:</b> The percentage of priority licensed locations inspected by enforcement agents during a specified time period that did not result in the filing of a criminal case or administrative action for a public safety violation during the same time period. A priority licensed location is described by the Number of Priority Licensed Locations explanatory measure.
<b>Purpose:</b> This outcome measure gauges the degree to which licensed businesses that meet the criteria for priority status and their customers complied with the public safety provisions of the Alcoholic Beverage Code and other laws.
<b>Data Source:</b> Data sources used are the Number of Inspections of Priority Licensed Locations output measure, the Number of Administrative Actions Initiated by Enforcement Agents explanatory measure, and the Number of Criminal Cases Filed explanatory measure.
<b>Methodology:</b> To determine the license and permit holders associated with a priority location inspected during a specified time period that resulted in an administrative action or criminal case, compare the license and permit holders associated with the Number of Administrative Actions Initiated by Enforcement Agents and the Number of Criminal Cases Filed for the same time period. If the comparison yields records in common, the resulting number is subtracted from the Number of Inspections of Priority Licensed Locations for the same time period. This number is the numerator and represents priority locations inspected that were in compliance. The denominator is the Number of Inspections of Priority Licensed Locations. The result is converted to a percentage.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Outcome Measure 01-01-01-06 Recidivism Rate – Licensed Retailers**

<b>Definition:</b> The percent of the licensed retailers that have received at least two administrative actions for a public safety violation during a specified time period. The 12-month period for each licensed retailer is based on the date the last administrative action was initiated.
<b>Purpose:</b> This outcome measures retailer recidivism with respect to public safety violations and provides a method of gauging the Enforcement department’s effectiveness in preventing subsequent public safety violations by the same retailer.
<b>Data Source:</b> Every administrative action initiated by an agent and the date is recorded in the agency’s online business portal (Alcohol Industry Management System (AIMS)). AIMS also identifies certain license and permit types as retailers.
<b>Methodology:</b> If a record is identified for a license or permit holder in the Number of Administrative Actions Initiated by Enforcement Agents explanatory measure for a specified time period, it is compared to any other record of an administrative action initiated by enforcement agents for the 12-month period prior to the license or permit holder’s last action in the current time period. Each matched record represents recidivism i.e., a license or permit holder with multiple public safety violations in the same 12-month period. These records are then filtered so only retailers are represented. This final number is the numerator. The records identified in the Number of Administrative Actions Initiated by Enforcement Agents for the specified time period are filtered so only retailers are represented. These records represent the number of retailers with at least one violation for the specified time period and is the denominator. The result is converted to a percentage.
<b>Data Limitations:</b> None.



<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

**Outcome Measure 01-01-01-07 Percentage of Priority Locations Relative to the Total Number of Licensed Locations**

<b>Definition:</b> The percentage of priority or high-risk licensed establishments during a specified time, expressed as a ratio of the total number of individual licensed locations during the same time.
<b>Purpose:</b> This outcome is intended to measure the proportion of high-risk locations relative to all licensed locations subject to inspection by TABC. TABC uses a risk-based model to allocate Enforcement resources to high-risk (priority) locations.
<b>Data Source:</b> Data sources used to calculate this measure are the Number of Licensed Locations Subject to Inspection explanatory measure and the Number of Priority Licensed Locations explanatory measure during a specified time.
<b>Methodology:</b> The measure is calculated by dividing the Number of Priority Licensed Locations by the Number of Licensed Locations Subject to Inspection during the same period. The result is converted to a percentage.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

**Output Measure 01-01-01-01 (Key) Number of Inspections Conducted by Enforcement Agents**

<b>Definition:</b> Number of inspections of licensed premises conducted by agency enforcement agents during a specified period of time. For the purpose of this measure, an inspection is an in-person visit to a licensed location, a proposed licensed location, or any other physical location to determine compliance with the Alcoholic Beverage Code and other state laws. Underage compliance checks and interior/exterior surveillance also fall within this definition.
<b>Purpose:</b> Inspections are important activities in the agency's law enforcement work process. There are various forms or types of inspections but what they all have in common is a physical encounter for the purpose of confirming or enforcing compliance with state laws. Counting inspections provides an accurate representation of the number of times agents have conducted physical compliance checks during the course of their law enforcement duties.
<b>Data Source:</b> Each individual inspection made by an agent is noted in the agency's online business portal (Alcohol Industry Management System (AIMS)). When these reports or notes are data entered, an automated record summarizing each inspection is created. The values reported for this measure are taken from an automated agency report.
<b>Methodology:</b> A report is generated to count the number of inspections conducted by enforcement agents during a specified period of time.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Output Measure 01-01-01-02 (Key) Number of Inspections of Priority Licensed Locations**

<b>Definition:</b> Number of inspections of priority licensed locations (i.e., licensed locations previously determined to be "at risk" for future public safety violations) conducted by enforcement agents during a specified time period. An inspection is described in the Number of Inspections Conducted by Enforcement Agents output measure and a priority licensed location is described by the Number of Priority Licensed Locations explanatory measure.
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<b>Purpose:</b> This output measure provides a count of the number of inspections conducted by enforcement agents at locations that pose the highest risk for public safety violations.
<b>Data Source:</b> Data sources are the Number of Priority Licensed Locations explanatory measure and the Number of Inspections Conducted by Enforcement Agents output measure for a specified time period. The values reported for this measure are taken from an automated agency report.
<b>Methodology:</b> The records identified by the Number of Priority Licensed Locations for a specified time period are compared to the Number of Inspections Conducted by Enforcement Agents for the same time period. If a priority location was inspected during the specified time period, then each inspection is counted and reported for this measure.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher

### Output Measure 01-01-01-03 (Key) Number of Investigations Closed Relating to Trafficking or Other Organized Criminal Activities

<b>Definition:</b> The number of investigations closed by enforcement agents during a specified time period that involved allegations of human trafficking, drug trafficking, money laundering, or any other organized criminal activities (OCA) related to a license or permit holder. An investigation is considered closed when the allegations have been disproved, when sufficient evidence to sustain the allegations has been found, or when agents have made a reasonable effort to prove or disprove the allegations and have been unable to find sufficient evidence to support either outcome.
<b>Purpose:</b> Provides a count of the number of investigations closed by enforcement agents within a specified time period that involved allegations of organized criminal activity related to a license or permit holder. This measure assists with assessing the agency’s impact on organized crime and trafficking activity in the state.
<b>Data Source:</b> Enforcement agents maintain all investigations in the agency’s online business portal (Alcohol Industry Management System (AIMS)), including the date the investigation is considered closed.
<b>Methodology:</b> All investigation records in AIMS with an OCA/Trafficking classification with a closed date falling within the specified date range are identified and counted. The total of that count is the value reported for this measure. This metric is primarily worked by units that specialize in long-term, in-depth investigations; however, the contributions of field Enforcement personnel are also counted.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

### Output Measure 01-01-01-04 (Key) Number of Investigative Activities Targeting Organized Criminal Activity and Trafficking in Border Region

<b>Definition:</b> The number of investigative activities that target organized criminal activities (OCA) or trafficking conducted within a specified time period in the border region. These activities are most often conducted as part of a joint operation involving TABC and at least one other agency. For purposes of this measure, the Border Region is represented by counties along the US/Mexico border or adjacent to the Gulf Intracoastal Waterway.
<b>Purpose:</b> The volume of operations targeting organized criminal activity, including human trafficking, demonstrates the degree to which the TABC is cooperating and sharing resources with other agencies that are also involved in the fight against organized crime, human trafficking, money laundering, and drug trafficking in the Border Region.
<b>Data Source:</b> The information required to derive the reported value comes from investigative activity records in the agency’s online business portal (Alcohol Industry Management System (AIMS)).
<b>Methodology:</b> An agency automated report searches AIMS and finds all investigative activity records with the following characteristics: a designated activity class of “OCA/Trafficking Investigation”; a location address of the



activity in a county in the Border Region; and an activity date that falls within the specified date range. The report then counts the records found. The total from that count becomes the value reported for the measure.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> Yes.
<b>Target Attainment:</b> Higher.

**Output Measure 01-01-01-05 (Key) Number of Enforcement Investigative Activities**

<b>Definition:</b> The number of investigative activities conducted by agency enforcement agents during a specified period of time. An “investigative activity” may involve an inspection, preparing and serving subpoenas, conducting interviews, gathering evidence, executing searches, surveillance, writing reports, analyzing data, and other activities to determine if a violation occurred.
<b>Purpose:</b> This is a measure of the work conducted by agency enforcement agents in specialized and non-specialized units. This measure assesses the impact enforcement agents have on confirming or enforcing compliance with state laws.
<b>Data Source:</b> Enforcement agents record the date of all investigative activities in the agency’s online business portal (Alcohol Industry Management System (AIMS)).
<b>Methodology:</b> A report is generated to count the number of investigative activities conducted by enforcement agents during a specified period of time.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> Yes.
<b>Target Attainment:</b> Higher.

**Output Measure 01-01-01-06 (Key) Number of Undercover Operations Conducted**

<b>Definition:</b> The number of undercover operations conducted by agency enforcement agents during a specified period of time. For the purpose of this measure, an undercover operation is an inspection conducted in a covert method for the purpose of determining compliance with the Alcoholic Beverage Code and other state laws. Underage compliance operations and Operation Fake Outs would also fall within this definition.
<b>Purpose:</b> Undercover operations are the agency's most effective method in confirming compliance with state laws. Counting undercover operations provides an accurate representation of the number of inspections of this nature that are being performed by enforcement agents in order to check compliance.
<b>Data Source:</b> Inspection records conducted in the form of a covert method are noted in the agency’s online business portal (Alcohol Industry Management System (AIMS)). When inspections are data entered, an automated record summarizing each covert inspection is created. The values reported for this measure are taken from an automated agency report.
<b>Methodology:</b> The measure is calculated by counting the number of inspection records conducted by means of a covert method that were originated for activity occurring during a specified period of time. The calculation includes undercover operations conducted by specialized and non-specialized units.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Efficiency Measure 01-01-01-01 (Key) Average Cost Per Enforcement Investigative Activity**

<b>Definition:</b> The cost of all investigative activities conducted by enforcement agents during a specified time period.
<b>Purpose:</b> This efficiency measure provides a unit cost figure for the core law enforcement activities.



<b>Data Source:</b> For the calculation of the measure for the reporting period, the Number of Enforcement Investigative Activities outcome measure is used. Agency expenditures for salaries, travel, etc. for Enforcement agents are tracked in the state’s automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for the reporting period.
<b>Methodology:</b> The total expenditures for all enforcement activities is divided by the total number of investigative activities conducted by enforcement agents during the same period to derive a per investigative activity unit cost. The calculation for this measure includes investigative activities conducted by specialized and non-specialized units.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

**Efficiency Measure 01-01-01-02 (Key) Average Cost Per Investigative Activity Targeting OCA and Trafficking Statewide**

<b>Definition:</b> The cost of law enforcement investigative activities conducted targeting organized crime and trafficking allegations during a specified period of time.
<b>Purpose:</b> This efficiency measure provides a unit cost figure for law enforcement activities conducted to target organized crime and trafficking allegations.
<b>Data Source:</b> The statewide totals for the reporting period for agent investigative activities conducted are reported in explanatory measures related to operations targeting organized crime and trafficking. Agency expenditures for salaries, travel, etc. for Enforcement staff in specialized units targeting OCA and trafficking are tracked in the state’s automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for the reporting period.
<b>Methodology:</b> The total expenditures for all enforcement investigative activities identified as targeting organized crime and/or trafficking allegations is divided by the total number of investigative activities identified as targeting organized crime and/or trafficking allegations conducted by enforcement agents during the same period to derive a per investigative activity unit cost. The calculation for this measure includes activities conducted by specialized and non-specialized units; the measure is predominantly carried out by agents assigned to specialized units.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

**Explanatory Measure 01-01-01-01 Average Number of Days to Close an Investigation by Enforcement Agents**

<b>Definition:</b> This measure reports the average number of days it takes enforcement agents to close an investigation. An investigation is defined in the Number of Investigations Closed by Enforcement Agents explanatory measure.
<b>Purpose:</b> This outcome measures the Enforcement Department’s ability to investigate and close investigations within a reasonable amount of time.
<b>Data Source:</b> The investigation records closed by enforcement agents reported in the explanatory measure are the source of the information used for this measure. These records are created following the receipt of a jurisdictional complaint from the public or a request from another agency or other party, updated periodically over the course of the investigation, and then closed with any outcomes noted at its conclusion.
<b>Methodology:</b> An automated agency report identifies all records for investigations closed during the period of interest, subtracts the received date found in each from the record’s closed status date, totals the resulting values, and then divides that sum by the number of investigations closed. The calculation includes investigations conducted by specialized and non-specialized units.



<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

**Explanatory Measure 01-01-01-02 Number of Licensed Locations Subject to Inspection**

<b>Definition:</b> The number of licensed locations subject to inspection during a specified period of time.
<b>Purpose:</b> This explanatory measure provides a count of the number of active licensed locations during the period in question.
<b>Data Source:</b> The status and location of each primary license and permit is recorded in the agency’s online business portal (Alcohol Industry Management System (AIMS)).
<b>Methodology:</b> If a primary license or permit is located in the state of Texas and had an active status during the period in question, the location is counted.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Explanatory Measure 01-01-01-03 Number of Criminal Cases Filed**

<b>Definition:</b> Number of criminal cases originated by enforcement agents during a specified time period. A criminal case is filed against an individual due to a violation of the Alcoholic Beverage Code, Penal Code, or other laws.
<b>Purpose:</b> While compliance is the desired outcome of enforcement operations, it is not always the outcome obtained. This explanatory measure provides a count of criminal cases filed by enforcement agents against individuals when agents observe a person committing a criminal offense.
<b>Data Source:</b> Every criminal case filed by an agent and the date is recorded in the agency’s online business portal (Alcohol Industry Management System (AIMS)).
<b>Methodology:</b> All criminal case records in AIMS with filing dates within the date range of interest are found and counted. The total is the number of criminal cases filed by agents during the period in question.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

**Explanatory Measure 01-01-01-04 Number of Administrative Actions Initiated by Enforcement Agents**

<b>Definition:</b> Number of administrative actions filed by enforcement agents during a specified time period. An administrative action is initiated against a licensee due to a violation of the Alcoholic Beverage Code or TABC Rules.
<b>Purpose:</b> While compliance is the desired outcome of enforcement operations, it is not always the outcome obtained. This explanatory measure provides a count of administrative actions initiated by enforcement agents when agents observe a license/permit holder or an employee of a license or permit holder committing a public safety offense.
<b>Data Source:</b> Every administrative action initiated by an agent and the date is recorded in the agency’s online business portal (Alcohol Industry Management System (AIMS)).
<b>Methodology:</b> All administrative actions in AIMS with issue dates falling within the specified date range are found and counted.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.



<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

**Explanatory Measure 01-01-01-05 Number of Priority Licensed Locations**

<b>Definition:</b> The number of licensed locations whose licenses or permits were active during the period in question and that were determined by the agency to be especially "at risk" for future public safety violations. A licensed location may be deemed a priority licensed location if (1) there is a recent (last six months) history of public safety violations occurring on its premises; (2) there is an open investigation involving the location and allegations of public safety violations; or (3) the business has been licensed for less than two years and has not yet been the target of an investigative activity and is either licensed to sell alcoholic beverages for off-premises consumption or is the holder of a late hours certificate.
<b>Purpose:</b> This explanatory measure provides a count of the licensed locations that are the primary target of agency enforcement operations. This value is used in calculating the Percentage of Priority Licensed Locations Inspected by Enforcement Agents outcome measure.
<b>Data Source:</b> The agency's online business portal (Alcohol Industry Management System (AIMS)) maintains information on the license and permit types that sell for off-premises consumption, license and permit holders that hold a late hours certificate, and the date the license or permit was originally issued. AIMS also maintains the violation history of a license or permit holder and any investigative activities conducted on the premises. Other data used to calculate this measure is the Number of Licensed Locations Subject to Inspection explanatory measure.
<b>Methodology:</b> Licensing records identified in the Number of Licensed Locations Subject to Inspection are compared with data identifiers corresponding to the pre-set risk criteria to determine which locations are considered especially "at risk" for public safety violations. These priority licensed locations are then counted, and the total is the value reported.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

**Explanatory Measure 01-01-01-06 Number of Investigations Closed by Enforcement Agents**

<b>Definition:</b> Number of investigations closed by enforcement agents during a specified period of time. An investigation is considered closed when the allegations have been disproved, when sufficient evidence to sustain the allegations has been found, or when agents have made a reasonable effort to prove or disprove the allegations and have been unable to find sufficient evidence to support either outcome.
<b>Purpose:</b> Investigations are done by conducting interviews, auditing documents and records, conducting undercover operations, or other physical inspections and engaging in other investigative activity. This measure provides a count of the number of investigations that were closed during a specified time period. This measure helps assess the agency's ability to close cases. That total is used in calculating the Average Number of Days to Close an Investigation by Enforcement Agents explanatory measure.
<b>Data Source:</b> Enforcement agents maintain all investigation records in the agency's online business portal (Alcohol Industry Management System (AIMS)), including the date the investigation is considered closed.
<b>Methodology:</b> All investigation records in AIMS with an enforcement agent as the lead investigator and a closed date falling within the specified date range are identified and counted. The resulting total is reported as the value for this measure.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.





**Explanatory Measure 01-01-01-07 Number of Investigative Activities Targeting Organized Criminal Activity and Trafficking Statewide**

<b>Definition:</b> The number of investigative activities that target organized criminal activities (OCA) or trafficking conducted within a specified time period. These activities are most often conducted as part of a joint operation involving TABC and at least one other agency. An “investigative activity” may involve an inspection, preparing and serving subpoenas, conducting interviews, gathering evidence, executing searches, surveillance, writing reports, analyzing data, and other activities to determine if a violation occurred.
<b>Purpose:</b> The volume of operations targeting organized criminal activity, including human trafficking, demonstrates the degree to which the TABC is cooperating and sharing resources with other agencies that are also involved in the fight against organized crime, human trafficking, money laundering, and drug trafficking.
<b>Data Source:</b> The information required to derive the reported value comes from investigative activity records in the agency’s online business portal (Alcohol Industry Management System (AIMS)).
<b>Methodology:</b> An agency automated report searches AIMS and finds all investigative activity records with the following characteristics: a designated activity class of “OCA/Trafficking Investigation” and an activity date that falls within the specified date range. The report then counts the records found. The total from that count becomes the value reported for the measure.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> Yes.
<b>Target Attainment:</b> Higher.

- Goal 02 License, Permit, and Register Qualified Businesses and Products**
- Objective 01 Process Applications for Permits, Licenses and Product Registration In a Timely Manner**
- Strategy 01 Licensing**

**Outcome Measure 02-01-01-01 (Key) Average Number of Days to Approve an Original Primary License/Permit**

<b>Definition:</b> The average number of days to process and approve an application for an original license/permit from receipt of a completed application to approval of the primary license/permit.
<b>Purpose:</b> Provides an indication of the agency’s efforts to get qualified applicants in business as soon as possible.
<b>Data Source:</b> The agency’s online business portal (Alcohol Industry Management System (AIMS)) records the date each application for an original license/permit is received and the date on which each license/permit was approved. A report is generated to extract data for original primary licenses/permits approved during a specified time period.
<b>Methodology:</b> The numerator is the total number of days to process all applications for an original license/permit approved during a specified time period. The denominator is the total number of original licenses/permits approved during the same time period.
<b>Data Limitations:</b> The ultimate number of original primary licenses/permits approved depends on the number of businesses or persons submitting an application, which is a circumstance beyond the agency’s control.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

**Outcome Measure 02-01-01-02 (Key) Average Number of Days to Approve a Product Registration Application**

<b>Definition:</b> Average number of days to process and approve an application for product registration from receipt of a completed application to approval of the product registration application.
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<b>Purpose:</b> Provides an indication of the agency's efforts to approve product registrations in a timely manner.
<b>Data Source:</b> The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date each application for product registration is received and the date on which each application was approved. A report is generated to extract data for registration applications approved during a specified time period.
<b>Methodology:</b> The numerator is the total number of days to process all applications for product registrations approved during a specified time period. The denominator is the total from the Number of Product Registration Applications Approved output measure for the same time period.
<b>Data Limitations:</b> The ultimate number of product registration applications approved depends on the number of businesses submitting an application, which is a circumstance beyond the agency's control.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

**Output Measure 02-01-01-01 Number of License/Permit Applications Processed**

<b>Definition:</b> The total number of license/permit applications processed during a specified time period. For purposes of this measure, the term "application" includes original and renewal applications for primary and subordinate classes of licenses/permits, temporary events and permits, and changes to the business or persons associated with a license/permit (as defined in TABC Rules). Also for the purposes of this measure, an application is considered "processed" on the date on which it is either approved, denied, or withdrawn.
<b>Purpose:</b> This measure provides data on the total number of applications processed by the agency.
<b>Data Source:</b> The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date each application is received and the date on which each application was approved, withdrawn, or denied. A report is generated to extract data for all applications not approved, withdrawn, or denied during a specified time period, resulting in the number of applications processed.
<b>Methodology:</b> The total number of applications processed during a specified time period.
<b>Data Limitations:</b> The ultimate number of applications processed depends on the number of businesses or persons submitting an application, which is a circumstance beyond the agency's control.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Output Measure 02-01-01-02 (Key) Number of Licenses/Permits Approved**

<b>Definition:</b> This measure provides the number of licenses and permits approved by the agency in a specific time period. The count includes all original primary and subordinate licenses and permits approved for new businesses, all primary and subordinate licenses and permits approved for existing businesses renewing their licenses or permits, all temporary permits approved for qualified organizations for short-term special events, and all temporary authorizations approved for license and permit holders for short-term special events.
<b>Purpose:</b> This measure provides data on the total number of licenses and permits approved, which determines the revenue generated from license and permit fees.
<b>Data Source:</b> The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date each application or authorization is received and the date on which each license or permit or authorization was approved. A report is generated to extract data for licenses and permits and authorizations approved during a specified time period.
<b>Methodology:</b> The total number of licenses and permits and authorizations approved during a specified time period.
<b>Data Limitations:</b> The ultimate number of licenses and permits and authorizations approved depends on the number of businesses or persons submitting an application and meeting eligibility requirements in the Alcoholic Beverage Code.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.



**Output Measure 02-01-01-03 Number of Product Registration Applications Processed**

<b>Definition:</b> The total number of product registration applications processed during a specified time period. For the purposes of this measure, an application is considered "processed" on the date it is either approved, denied, or withdrawn.
<b>Purpose:</b> This measure provides data on the total number of applications processed from license/permit holders intending to register an alcoholic beverage product so it can be shipped or imported into the state, manufactured and offered for sale, or distributed or sold in the state of Texas.
<b>Data Source:</b> The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date each product registration application is received and the date on which each application was approved, withdrawn, or denied. A report is generated to extract data for all applications not approved, withdrawn, or denied during a specified time period, resulting in the number of product registration processed.
<b>Methodology:</b> The total number of product registration applications processed during a specified time period.
<b>Data Limitations:</b> The ultimate number of product registration applications processed depends on the number of alcoholic beverage products intending to be sold in Texas, which is a circumstance beyond the agency's control.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Output Measure 02-01-01-04 (Key) Number of Product Registration Applications Approved**

<b>Definition:</b> This measure provides the number of product registration applications approved in a specific period.
<b>Purpose:</b> This measure provides data on the total number of product registration applications approved so products can be shipped or imported into the state, manufactured and offered for sale, or distributed or sold in the state of Texas.
<b>Data Source:</b> The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date each product registration application is received and the date on which each application was approved. A report is generated to extract data for product registration applications approved during a specified time period.
<b>Methodology:</b> The total number of all product registration applications approved within a specified date range.
<b>Data Limitations:</b> The ultimate number of product registration applications approved depends on the number of alcoholic beverage products intending to be sold in Texas, which is a circumstance beyond the agency's control.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Efficiency Measure 02-01-01-01 (Key) Average Cost Per License/Permit Application Processed**

<b>Definition:</b> The average cost to process an application during a specified time period.
<b>Purpose:</b> This measure reflects the efficient use of staff resources to process applications.
<b>Data Source:</b> Agency expenditures for salaries, travel, etc. for Licensing staff are tracked in the state's automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for a specified time period. Other data used to calculate this measure is the Number of License/Permit Applications Processed output measure.
<b>Methodology:</b> The numerator is the spending total attributed to all Licensing department activities in the automated report for a specified time period. The denominator is the Number of License/Permit Applications Processed output measure during the same time period.
<b>Data Limitations:</b> The ultimate number of applications processed depends on the number of businesses or persons submitting an application, which is a circumstance beyond the agency's control. When there are fewer



applications to process but the spending total remains the same, the average cost per application processed will be higher than projected.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

- Goal 03**            **Ensure Compliance with Fees & Taxes**
- Objective 01**    **Ensure Compliance with the Alcoholic Beverage Code**
- Strategy 01**     **Conduct Inspections and Monitor Compliance**

**Outcome Measure 03-01-01-01 (Key) Compliance Rate - Audits**

<b>Definition:</b> The percentage of audits during which licensees and permittees were found to be in full compliance with the requirements of the Alcoholic Beverage Code and TABC Rules.
<b>Purpose:</b> This measure shows the degree to which agency compliance efforts have been successful and regulated businesses conform to the requirements of state law and applicable state regulations.
<b>Data Source:</b> Data sources used to calculate this measure are reported in the Number of Administrative Actions Initiated by Audit explanatory measure and the Number of Audits Conducted output measure for the same time period.
<b>Methodology:</b> The numerator is the Number of Audits Conducted output measure with no administrative violations and no delinquencies for a specified time period. The number of administrative actions identified in the Number of Administrative Actions Initiated by Audit explanatory measure that were the result of an audit is counted. This number is subtracted from the Number of Audits Conducted output measure in the same time period to determine how many audits did not result in an administrative action. The resulting number is part of the numerator. If an amount (of a delinquency) is not identified in the record of any of the (Number of) Audits Conducted output measure in the specified time period, the record is considered in compliance and counted as part of the numerator. The denominator is the Number of Audits Conducted output measure. The result is converted to a percentage.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Outcome Measure 03-01-01-02 Percent of Wholesale and Manufacturing Reports Resulting in Correction Notices**

<b>Definition:</b> The percentage of wholesale and manufacturing reports analyzed during a specified time period in which the report was submitted late or had reporting errors or delinquencies, resulting in the issuance of a correction notice.
<b>Purpose:</b> This measure shows the rate of noncompliance of certain license and permit holders with the reporting requirements of the Alcoholic Beverage Code and Rules and the effectiveness of the agency’s online business portal (Alcohol Industry Management System (AIMS)) in detecting reporting errors.
<b>Data Source:</b> Data sources used to calculate this measure are reported in the Number of Wholesale and Manufacturing Reports Analyzed output measure and the Number of Correction Notices Issued for Wholesale and Manufacturing Reports explanatory measure for a specified period of time.
<b>Methodology:</b> The number of correction notices issued during a specified time period is divided by the total number of reports analyzed during the same time period.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.



**Outcome Measure 03-01-01-03 (Key) Compliance Rate - Auditor Inspections**

<b>Definition:</b> The percentage of inspections conducted by auditors during which licensees and permittees were found to be in full compliance with the requirements of the Alcoholic Beverage Code and TABC Rules.
<b>Purpose:</b> This measure provides an indication of the effectiveness of the agency’s efforts to communicate the requirements of state law and applicable state regulations to license and permit holders.
<b>Data Source:</b> Data sources used to calculate this measure are reported in Number of Administrative Actions Initiated by Audit explanatory measure and the Number of Inspections Conducted by Auditors output measure for a specified period of time.
<b>Methodology:</b> The number of administrative actions identified in the Number of Administrative Actions Initiated by Audit explanatory measure for a specified period of time that were the result of inspections conducted by auditors is counted. This number is subtracted from the Number of Inspections Conducted by Auditors output measure in the same time period to determine how many inspections did not result in an administrative action. This number is the numerator. The denominator is the Number of Inspections Conducted by Auditors output measure. The result is converted to a percentage.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Outcome Measure 03-01-01-04 Compliance Rate - Auditor Investigations**

<b>Definition:</b> The percentage of Auditor-led investigations closed during a specified period of time in which the license or permit holders investigated were found to be in full compliance with the Alcoholic Beverage Code and TABC Rules.
<b>Purpose:</b> This measure shows the degree to which investigated license and permit holders were shown to be in full compliance with the Alcoholic Beverage Code and TABC Rules.
<b>Data Source:</b> Data sources used to calculate this measure are reported in Number of Administrative Actions Initiated by Audit explanatory measure and the Number of Investigations Closed by Audit output measure for a specified period of time.
<b>Methodology:</b> The number of administrative actions identified in the Number of Administrative Actions Initiated by Audit explanatory measure for a specified time period that were the result of investigations conducted by auditors is counted. This number is subtracted from the Number of Investigations Closed by Audit in the same time period to determine how many investigations did not result in an administrative action. This number is the numerator. The denominator is the Number of Investigations Closed by Audit output measure. The result is converted to a percentage.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Output Measure 03-01-01-01 Number of Wholesale and Manufacturing Reports Analyzed**

<b>Definition:</b> The number of periodic reports received and analyzed from license and permit holders with manufacturing and wholesale authorities. The reported information pertains to the sale and shipment of alcoholic beverages into and within the State of Texas and alcoholic beverage products manufactured within the state. Included in the reported total for this measure are all excise tax reports received and analyzed by TABC Excise Tax staff.
<b>Purpose:</b> The measure provides data on the total number of reports received from license and permit holders with manufacturing and wholesale authorities.
<b>Data Source:</b> Reports are submitted to the agency’s online business portal (Alcohol Industry Management System (AIMS)) by a license or permit holder or by an agency employee if the license or permit holder submitted the report on paper. AIMS records the date each report was received.



<b>Methodology:</b> A report is generated that extracts the total number of reports analyzed in a specified period of time.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Output Measure 03-01-01-02 (Key) Number of Audits Conducted**

<b>Definition:</b> The total number of audits conducted by auditors during a specified period of time. The types of audits could be excise tax audits; records, fees, and operations audits targeting private clubs, local distributors, FB (food & beverage) certificate holders, and direct shippers; and other audits to evaluate compliance with the Alcoholic Beverage Code and TABC Rules.
<b>Purpose:</b> This is a measure of work performed by auditors.
<b>Data Source:</b> Auditors record the date of an audit in the agency’s online business portal (Alcohol Industry Management System (AIMS)).
<b>Methodology:</b> A report is generated to extract the number of audits conducted during a specified period of time.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Output Measure 03-01-01-03 (Key) Number of Inspections Conducted by Auditors**

<b>Definition:</b> The total number of inspections conducted during a specified period of time. For the purpose of this measure, an inspection is a self-inspection (compliance) report submitted by a license or permit holder; a visit by an auditor to a physical location to conduct an inspection for compliance reporting, an application for a license or permit, or any other physical location; or review of material or information related to a compliance report, application, or request.
<b>Purpose:</b> This measure provides an assessment of compliance by license and permit holders with the Alcoholic Beverage Code and Texas Administrative Code based on inspections conducted by auditors for the agency.
<b>Data Source:</b> License and permit holders submit self-inspection reports through the agency’s online business portal (Alcohol Industry Management System (AIMS)) and auditors record inspections in AIMS. The submission date or inspection date, respectively, is recorded in AIMS.
<b>Methodology:</b> A report is generated to extract the number of inspections conducted by auditors during a specified period of time.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Output Measure 03-01-01-04 (Key) Number of Investigations Closed by Audit**

<b>Definition:</b> Number of investigations led by auditors that were closed during a specified period of time. Investigations may involve analyses of license and permit holders and businesses for human trafficking and other organized criminal activity, cross-tier relationships, marketing and trade practices, contracts and agreements, and ownership issues to evaluate compliance with the Alcoholic Beverage Code and TABC Rules.
<b>Purpose:</b> Complaints are investigated by conducting interviews, auditing documents and records, conducting physical inspections and engaging in other investigative activities. An investigation is closed when allegations have been disproved, when sufficient evidence to sustain the allegations has been found, or when auditors have made a reasonable effort to prove or disprove the allegations and have been unable to find sufficient evidence to support either outcome. This measure provides a count of the number of investigations that were closed by auditors during a specified time period.





<b>Data Source:</b> The agency’s online business portal (Alcohol Industry Management System (AIMS)) records the date an investigation is assigned as “closed by audit.”
<b>Methodology:</b> A report is generated to calculate the total number of investigations closed by auditors during a specified period of time.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

### Efficiency Measure 03-01-01-01 (Key) Average Cost of Audits Conducted

<b>Definition:</b> The average cost of audits conducted during a specified period of time.
<b>Purpose:</b> This measure reflects the efficient use of staff resources to conduct audits.
<b>Data Source:</b> Agency expenditures for salaries, travel, etc. for auditors are tracked in the state’s automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for a specified period of time. Auditors record work hours and dates in the agency’s online business portal (Alcohol Industry Management System (AIMS)) for all activities, including audits. Other data used to calculate this measure is the Number of Audits Conducted output measure.
<b>Methodology:</b> Auditor hours attributed to audits for a specified period of time are divided by all auditor hours for the same time period. The resulting ratio is multiplied by the dollar amount in the expenditure report described in Data Sources. The resulting dollar amount represents how much of Audit’s expenditures are attributed to audits for the same time period and is the numerator. The denominator is the Number of Audits Conducted output measure during the same time period.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

### Efficiency Measure 03-01-01-02 Average Cost Per Auditor Inspection

<b>Definition:</b> The average cost of all auditor inspection activity during a specified period of time.
<b>Purpose:</b> This measure reflects the efficient use of staff resources to conduct inspections.
<b>Data Source:</b> Agency expenditures for salaries, travel, etc. for auditors are tracked in the state’s automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for a specified period of time. Auditors record work hours and dates in the agency’s online business portal (Alcohol Industry Management System (AIMS)) for all activities, including inspections. Other data used to calculate this measure is the Number of Inspections Conducted by Auditors output measure.
<b>Methodology:</b> All auditor hours attributed to inspections for a specified period of time are divided by all auditor hours for the same time period. The resulting ratio is multiplied by the dollar amount in the expenditure report described in Data Sources. The resulting dollar amount represents how much of Audit’s expenditures are attributed to inspections for the time period and is the numerator. The denominator is the Number of Inspections Conducted by Auditors output measure during the same time period.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.





**Efficiency Measure 03-01-01-03 Average Cost Per Wholesale and Manufacturing Report Analyzed**

<b>Definition:</b> The average cost of analyzing excise tax reports received from license and permit holders with manufacturing and wholesale authorities during a specified period of time.
<b>Purpose:</b> This measure shows how efficiently staff resources are used to analyze excise tax reports from license and permit holders with manufacturing and wholesale authorities.
<b>Data Source:</b> Agency expenditures for salaries, travel, etc. for Excise Tax staff are tracked in the state's automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for a specified period of time. Other data used to calculate this measure is the Number of Wholesale and Manufacturing Reports Analyzed output measure.
<b>Methodology:</b> The numerator is the dollar amount in the expenditure report described in Data Sources for a specified period of time. The denominator is the Number of Wholesale and Manufacturing Reports Analyzed output measure during the same time period.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

**Explanatory Measure 03-01-01-01 Number of Administrative Actions Initiated by Audit**

<b>Definition:</b> The number of administrative actions filed by auditors during a specified period of time. An administrative action is the issuance of a citation for violation(s) of the Alcoholic Beverage Code and TABC Rules.
<b>Purpose:</b> The measure represents the number of times auditors found violations and took administrative action as the result of an inspection, audit, or investigation, or a violation of the Alcoholic Beverage Code or TABC Rules.
<b>Data Source:</b> Every administrative action against a license or permit holder and the date the action was initiated by auditors are recorded in the agency's online business portal (Alcohol Industry Management System (AIMS)) .
<b>Methodology:</b> A report is generated to extract the number of administrative actions initiated by auditors during a specified period of time.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

**Explanatory Measure 03-01-01-02 Number of Correction Notices Issued for Wholesale and Manufacturing Reports**

<b>Definition:</b> Number of correction notices issued for late reports, reporting errors, or tax underpayments discovered by Excise Tax staff while analyzing wholesale and manufacturing reports. Correction notices are also issued when a license or permit holder submits an amended report that is approved by TABC staff.
<b>Purpose:</b> The measure provides a count of the number of times that manufacturers and wholesalers that submitted reports failed to meet agency tax payment and reporting requirements.
<b>Data Source:</b> Errors and discrepancies are noted in the record of the license or permit holder in the agency's online business portal (Alcohol Industry Management System (AIMS)) to issue correction notices. License and permit holders submit amended reports in AIMS and on paper (which is entered into AIMS by agency staff). AIMS records the date each amended report was approved and the correction notice was issued to the license or permit holder.
<b>Methodology:</b> An automated report generates the total number of correction notices issued during a specified time period.



<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.

**Explanatory Measure 03-01-01-03 Number of Seller/Server and Alcohol Delivery Driver Certificates Issued**

<b>Definition:</b> The number of certificates issued to individuals completing a TABC-approved seller/server certification course or alcohol delivery training course during a specified time period.
<b>Purpose:</b> This measure reflects the total number of certificates issued to provide individuals skills to avoid the most common alcohol service violations.
<b>Data Source:</b> Upon an individual's completion of a course, a third-party vendor issues a certificate to that individual and records the date of issuance in the vendor's database.
<b>Methodology:</b> A member of the agency's Training division accesses the vendor's portal and extracts data for all certificates issued for a specified period of time.
<b>Data Limitations:</b> Certification is not required under state law, but is recommended for bartenders, cashiers, servers and consumer delivery drivers. Certification educates the individual but also mitigates risks for license and permit holders employing those individuals. The agency has no control over the number of individuals seeking or completing certification.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Target Attainment:</b> Higher.

**Explanatory Measure 03-01-01-04 Average Cost Per Seller/Server and Alcohol Delivery Driver Certificates Issued**

<b>Definition:</b> The average cost to issue certificates to individuals who complete a seller/server or alcohol delivery training course during a specified period of time.
<b>Purpose:</b> The measure provides an average unit cost for seller/server and alcohol delivery driver course certification.
<b>Data Source:</b> Agency expenditures for salaries, travel, etc. for Training staff are tracked in the state's automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for a specified period of time. Other data used to calculate this measure is the Number of Seller/Server and Alcohol Delivery Driver Certificates Issued explanatory measure for the same time period.
<b>Methodology:</b> The numerator is the dollar amount in the expenditure report described in Data Sources for a specified period of time. The denominator is the Number of Seller/Server and Alcohol Delivery Driver Certificates Issued explanatory measure during the same time period.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative
<b>New Measure:</b> No.
<b>Target Attainment:</b> Lower.



- Goal 03**      **Ensure Compliance with Fees & Taxes**
- Objective 02**    **Ensure Maximum Compliance with Importation Laws at Ports of Entry**
- Strategy 01**    **Ports of Entry**

**Outcome Measure 03-02-01-01 Revenue as a Percent of Expenses**

<b>Definition:</b> Revenue is derived from the taxes and fees collected for the personal importation of alcoholic beverages and cigarettes at ports of entry. Expenses relate to all expenditures associated with the ports of entry (POE) operations.
<b>Purpose:</b> This measure compares the revenue collected at ports of entry to operational costs.
<b>Data Source:</b> Revenue is collected via hand-held devices and recorded in the agency online business portal (Alcohol Industry Management System (AIMS)). Agency expenditures related to POE staff salaries, travel, etc. are tracked in the state's accounting system (CAPPS). Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for the specified time period.
<b>Methodology:</b> The revenues for a specified period are divided by the expenditure total for the same period. The result is expressed as a percentage.
<b>Data Limitations:</b> None.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Desired Performance:</b> Higher.

**Output Measure 03-02-01-01 (Key) Number of Alcoholic Beverage Containers Imported**

<b>Definition:</b> The total number of containers of alcoholic beverages personally imported into Texas by persons paying the required taxes and fees during the reporting period at ports of entry monitored by the agency.
<b>Purpose:</b> This measure provides data on the total number of the containers of alcoholic beverages personally imported into Texas.
<b>Data Source:</b> The agency uses a point-of-sale system to calculate and collect taxes and fees on alcoholic beverage containers imported by individuals at ports of entry. The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date of each transaction. A report is generated to extract data for containers imported during the reporting period.
<b>Methodology:</b> The total number of alcoholic beverage containers imported during the reporting period.
<b>Data Limitations:</b> The number of individuals passing through the ports of entry varies during any given reporting period. Historically, there are high volumes in December and January. Additional factors beyond the agency's control include weather conditions, health concerns, safety concerns, economic factors, etc. A contributing factor is the reliance on the individuals entering Texas to voluntarily declare possession of an alcoholic beverage container in order for agency staff to collect the required taxes and fees.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Desired Performance:</b> Higher.

**Output Measure 03-02-01-02 (Key) Number of Packages of Cigarettes Imported**

<b>Definition:</b> The total number of cigarette packages personally imported into Texas by persons paying the required taxes during the reporting period at ports of entry monitored by the agency.
<b>Purpose:</b> This measure provides data on the total number of the individual cigarette packages personally imported into Texas.
<b>Data Source:</b> The agency uses a point-of-sale system to calculate and collect taxes and fees on cigarette packages imported by individuals at ports of entry. The agency's online business portal (Alcohol Industry



Management System (AIMS)) records the date of each transaction. A report is generated to extract data for packages imported during the reporting period.
<b>Methodology:</b> The total number of cigarette packages imported during the reporting period.
<b>Data Limitations:</b> The number of individuals passing through the ports of entry varies during any given reporting period. Historically, there are high volumes in December and January. Additional factors beyond the agency's control include weather conditions, health concerns, safety concerns, economic factors, etc. A contributing factor is the reliance on the individuals entering Texas to voluntarily declare possession of cigarette packages in order for agency staff to collect the required tax.
<b>Calculation Method:</b> Cumulative.
<b>New Measure:</b> No.
<b>Desired Performance:</b> Higher.

**Efficiency Measure 03-02-01-01 Average Cost Per Alcoholic Beverage Container/Cigarette Package Imported or Disallowed**

<b>Definition:</b> The average cost of collecting taxes and fees on containers of alcoholic beverages and cigarette packages imported for personal consumption/use and disallowing containers and packages during a reporting period at ports of entry monitored by the agency.
<b>Purpose:</b> This measure reflects the efficient use of staff resources to process individuals attempting to import containers of alcoholic beverages and cigarette packages for personal consumption.
<b>Data Source:</b> Agency expenditures for salaries, travel, etc. for Ports of Entry (POE) staff are tracked in the state's automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for the reporting period. Other data used to calculate this measure are output measures Number of Alcoholic Beverage Containers Imported and Number of Packages of Cigarettes Imported and explanatory measures Number of Alcoholic Beverage Containers Disallowed and Number of Cigarette Packages Disallowed.
<b>Methodology:</b> Total expenditures for Ports of Entry is divided by the total number of alcoholic beverage containers and cigarette packages imported and disallowed.
<b>Data Limitations:</b> The number of individuals passing through the ports of entry varies during any given reporting period. Historically, there are high volumes in December and January. Additional factors beyond the agency's control include weather conditions, health concerns, safety concerns, economic factors, etc. A contributing factor is the reliance on the individuals entering Texas to voluntarily declare possession of alcoholic beverage containers or cigarette packages in order for agency staff to collect the required taxes and fees. When foot traffic is slow but the spending total/expenditure rate remains the same, the average cost of items imported and disallowed will be higher than projected.
<b>Calculation Method:</b> Noncumulative.
<b>New Measure:</b> No.
<b>Desired Performance:</b> Lower.

**Explanatory Measure 03-02-01-01 Number of Alcoholic Beverage Containers Disallowed**

<b>Definition:</b> The total number of alcoholic beverage containers disallowed for personal importation at ports of entry monitored by the agency during the reporting period. A container may not be permitted to be imported for personal consumption as defined by the Alcoholic Beverage Code or as determined by agency staff.
<b>Purpose:</b> This measure provides data on the total number of alcoholic beverage containers disallowed for personal consumption into Texas during a reporting period. TABC fulfills its public safety mission by disallowing alcoholic beverage containers possessed by a minor or intoxicated person and its public health mission by disallowing illicit products.
<b>Data Source:</b> The agency uses a point-of-sale system to record the number of alcoholic beverage containers disallowed at ports of entry. The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date of each record. A report is generated to extract data for containers disallowed during the reporting period.



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**Methodology:** The total number of alcoholic beverage containers disallowed at ports of entry during the reporting period.

**Data Limitations:** The number of individuals passing through the ports of entry varies during any given reporting period. Historically, there are high volumes in December and January. Additional factors beyond the agency's control include weather conditions, health concerns, safety concerns, economic factors, etc.

**Calculation Method:** Cumulative.

**New Measure:** No.

**Desired Performance:** Higher.

### Explanatory Measure 03-02-01-02 Number of Cigarette Packages Disallowed

**Definition:** The total number of cigarette packages disallowed for personal importation at ports of entry monitored by the agency during the reporting period. A package may not be permitted to be imported for personal use as defined by the Texas Administrative Code.

**Purpose:** This output is intended to measure the total number of cigarette packages whose importation is disallowed during a specified period.

**Data Source:** The agency uses a point-of-sale system to record the number of cigarette packages disallowed at ports of entry. The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date of each record. A report is generated to extract data for containers disallowed during the reporting period.

**Methodology:** The total number of cigarette packages disallowed at ports of entry during the reporting period.

**Data Limitations:** The number of individuals passing through the ports of entry varies during any given reporting period. Historically, there are high volumes in December and January. Additional factors beyond the agency's control include weather conditions, health concerns, safety concerns, economic factors, etc.

**Calculation Method:** Cumulative.

**New Measure:** No.

**Desired Performance:** Higher.



## Schedule C: Historically Underutilized Business Plan

It is the policy of TABC to comply with the rules for the Historically Underutilized Business (HUB) Program adopted by the Comptroller of Public Accounts (CPA) and Chapter 2161 of the Texas Government Code in order to encourage the use of historically underutilized businesses. The goal of this program is to promote full and equal business opportunities for all businesses in the agency's contracting.

The TABC HUB policy incorporates the adoption of CPA's HUB rules to implement a meaningful program based on the State of Texas Disparity Study. TABC will diligently work with HUBs in contracts for commodities, services, professional and consulting services, and construction by contracting directly, or indirectly through subcontracting opportunities. Additionally, TABC will make a good faith effort to assist HUBs in receiving a portion of the total contract value of all contracts the agency expects to award in a fiscal year in accordance with the following percentages:

- 23.70% for professional services contracts
- 26.00% for all other services contracts
- 21.10% for commodities contracts
- 32.90% for special trade contracts
- Construction categories: N/A

The agency will ensure it makes a good faith effort to work with HUBs and meet the agency goals by implementing:

- Advanced planning of large purchases to ensure adequate time and preparation.
- When applicable, assess bond and insurance requirements to avoid unreasonable bidding restrictions and permit more than one business to perform the work.
- Specify reasonable, realistic delivery schedules consistent with the agency's actual requirements.
- Ensure that specifications, terms, and conditions reflect TABC's actual requirements and do not impose unreasonable or unnecessary contract requirements.





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- When contracts exceed \$100,000, TABC will require contractors to make a good faith effort to award necessary subcontracts to HUBs by providing contractors with HUB subcontracting good faith guidelines, HUB goals and a reference list of available certified HUBs.
- Evaluate which agencywide goals are conducive to engaging with HUBs while continuing practices that have promoted previous use of HUBs.
- TABC will utilize enhancements to Texas Smart Buy when making procurements to verify all vendors and, if available, choose a HUB vendor, provided they meet the required specifications.
- TABC will continue to attend HUB events, forums, and meetings to connect with HUB vendors and seek out opportunities to co-sponsor HUB forums with other agencies. These forums will allow HUB vendors to present and share their capability statements and help our agency establish a relationship with those vendors for future procurements.
- With internal training at TABC, the HUB processes will be shared with TABC requisitioners. This will assist all divisions in understanding and fortifying best practices.
- Revise the TABC vendor brochure to be disbursed at HUB events with the most accurate and current information on our HUB program to help and encourage vendors who may qualify in becoming a certified HUB vendor.
- The agency will ensure that internal and external reporting guidelines are in place to ensure tracking, control, and accountability.

TABC has designated a HUB coordinator within the Business Services Division (BSD). The HUB coordinator works closely with contract and procurement staff, who also reside in BSD. The HUB coordinator will assist in locating, certifying, and making a good faith effort to use HUBs in accordance with the agency's policies, goals, and procedures. The HUB coordinator will actively participate in HUB forums and events, trade shows, and trainings. The HUB coordinator will also partner with other state agencies to implement a cooperative mentor-protégé program to promote HUB subcontracting.



# Schedule F: Agency Workforce Plan

## SECTION 1: OVERVIEW

The mission of TABC is to serve the people of Texas and protect the public health and safety through consistent, fair, and timely administration of the Alcoholic Beverage Code (the Code).

TABC regulates all phases of the alcoholic beverage industry in Texas, including sales, taxation, importation, manufacturing, transportation, and advertising of alcoholic beverages. Of the 620 full-time equivalent (FTE) positions, approximately one third or 200 are commissioned peace officers (CPOs), known as TABC agents. Agents inspect businesses licensed or permitted by the agency and investigate alleged violations of the Alcoholic Beverage Code and other state laws. Agents and auditors also provide a day-to-day public safety presence at more than 66,000 licensed businesses across the state. License and Permit Specialists (LPSs) work to ensure applicants for licenses and permits are properly vetted and have no disqualifying properties, such as prohibited ownership interest in another tier of the industry, criminal history, or indebtedness to the state for taxes. Agency auditors ensure compliance with regulatory and tax requirements authorized by the Code. Compliance analysts review and approve alcoholic beverage registrations for products sold in Texas. Regulatory Compliance Officers (RCOs) ensure persons importing alcoholic beverages and cigarettes at ports of entry along the Texas-Mexico border comply with importation laws and pay required taxes. RCOs are also responsible for stemming the personal importation of hazardous alcoholic beverages through the ports of entry to ensure public health.

TABC's operations typically result in the collection of approximately \$300 million annually in taxes and fees, which aids in financing the state's public schools, local governments, and health and human services programs.



The Code directs TABC to:

1. Protect the public safety by educating license and permit holders and investigating alleged public safety offenses in licensed locations.
2. Grant, deny, suspend, or cancel licenses and permits in all phases of the alcoholic beverage industry.
3. Supervise, inspect, and regulate the manufacturing, importation, exportation, transportation, sale, storage, distribution, and possession of alcoholic beverages.
4. Assess and collect fees and taxes.
5. Investigate potential violations of the Code and assist in the prosecution of violators.
6. Seize illicit beverages.
7. Adopt standards of quality and register alcoholic beverages to be sold in Texas.
8. Pass rules to assist TABC in all the aforementioned actions.

### **ORGANIZATIONAL STRUCTURE**

The policymaking body of TABC is a five-member governing board appointed by the Governor with the advice and consent of the Senate. Commissioners hold office for staggered terms of six years, with the term of one or two members expiring every two years. Each member must be a Texas resident and must have resided in the state for at least five years preceding the appointment. Commissioners serve without salary.

The commission consists of Chairman Kevin J. Lilly of Houston, Commissioner Deborah Gray Marino of San Antonio, Commissioner Jason S. Adkins of El Paso, and Commissioner Hasan K. Mack of Austin. As of May 2024, one position remains vacant.

Thomas W. Graham was appointed by the commission as TABC Executive Director in July 2022. The Executive Director directs the daily operations of TABC in a line-item exempt position and is responsible for employing staff to ensure that the policies established by the commission and the laws enacted by the legislature are implemented in an efficient and cost-effective manner.

The executive management team consists of the:

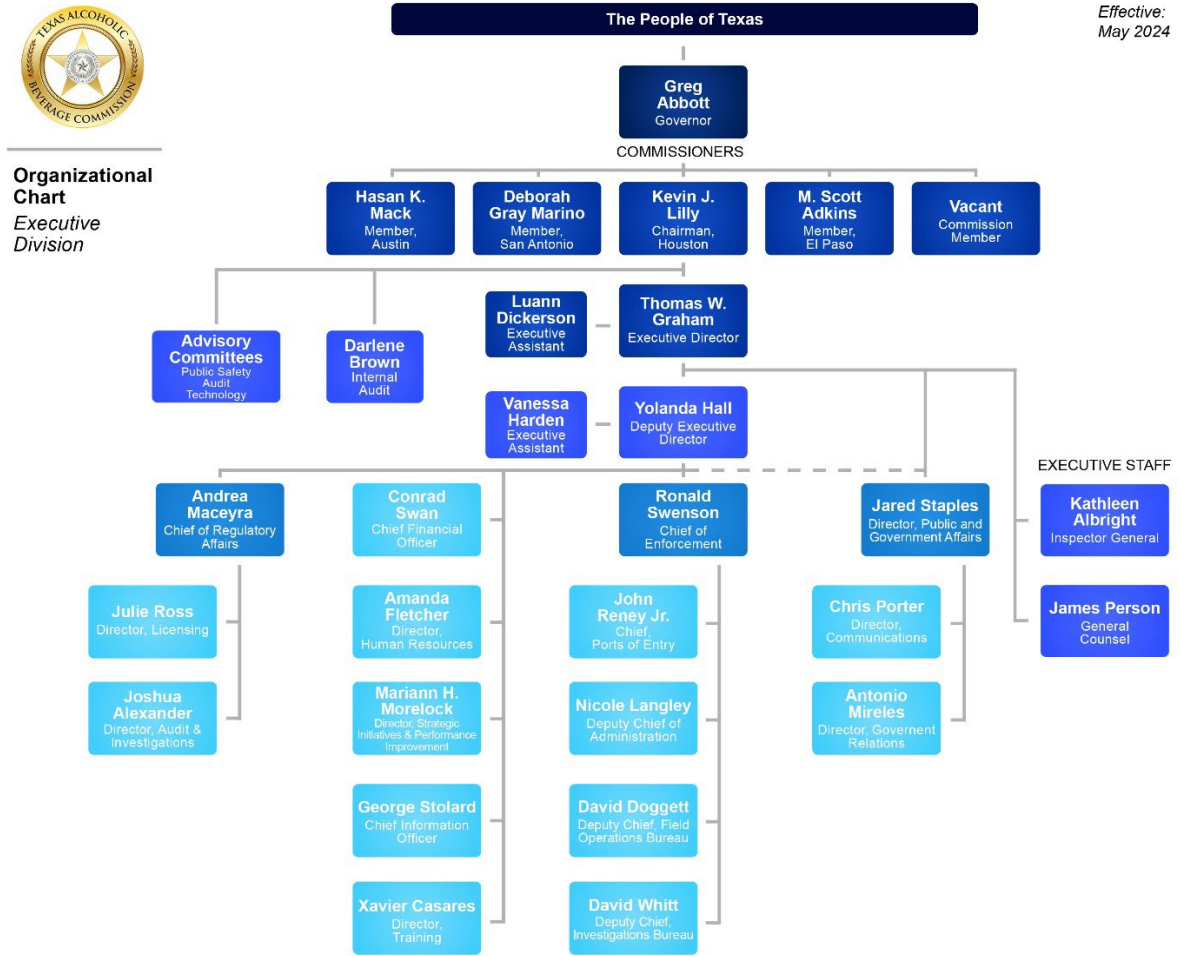
- Deputy Executive Director
- General Counsel
- Chief of Enforcement
- Chief of Regulatory Affairs
- Inspector General
- Director of Public and Government Affairs



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An independent audit firm performs internal audit functions for TABC, reporting directly to the commissioners. TABC’s organizational structure is illustrated in Figure 1.

**Figure 1. Organizational Chart**





# CORE BUSINESS FUNCTIONS

## 1. REGULATORY AFFAIRS DIVISION

The Regulatory Affairs Division assesses and collects approximately \$300 million annually for the State of Texas. This division makes up 23 percent of the TABC workforce and includes Licensing, Excise Tax, Marketing Practices, and Audit personnel who are responsible for interfacing directly with tens of thousands of Texans doing business in the alcoholic beverage industry or applying to begin their operations.

### Licensing Department

The Licensing Department investigates and processes applications for all phases of the industry, including the manufacture, sale, purchase, transportation, storage, and distribution of alcoholic beverages. This department makes up 10 percent of the TABC workforce with employees across all regions in Texas. Customer service is a priority for this department, as they are often the first contact the public has with TABC. Licensing staff must ensure that each applicant qualifies to hold a TABC license or permit and adheres to all applicable regulatory requirements. Licenses and permits are issued for a period of two years. On average, the Licensing Department approves more than 45,000 licenses and permits annually for businesses in Texas and internationally.

### Audit and Investigations Department

The Audit and Investigations Department also makes up 10 percent of the TABC workforce. Most employees are classified as auditors who conduct investigations, financial reviews, and inspections during the initial phases of the licensing process, in addition to subsequent audits (both routine and as part of larger investigations) which take place throughout the life of the permit. Auditing staff regularly assists the Enforcement Department with its investigations and assists in monitoring seller server training schools to ensure compliance with TABC standards and the Code.

Auditors also provide training to permit holders and their employees by request and in response to violations by the permit holder. Presentations are also given to civic organizations to promote a better understanding of the law and TABC's roles and responsibilities. In addition, TABC is authorized to test any alcoholic beverage to prevent fraud and ensure public safety. TABC has a chemist and laboratory to conduct such examinations.



### **Product Registration, Excise Tax, and Marketing Practices**

The Product Registration Bureau, Excise Tax Bureau, and Marketing Practices Office are charged with carrying out the agency's specialized authorities. Each are relatively small, with 11 positions total located at TABC's headquarters. Staff receive, process, and audit monthly excise tax reports to ensure appropriate taxes have been paid and that other reporting requirements are met in accordance with the Code. Staff are also responsible for monitoring the advertising of alcoholic beverage products as well as the registration of those products. Marketing Practices promotes the alcoholic beverage industry's voluntary compliance with marketing practices regulations. This includes adopting and amending the official guidance of the agency, known as Marketing Practices Advisories, by soliciting feedback and making necessary changes.

### **2. ENFORCEMENT DIVISION**

Texas has the largest alcohol law enforcement group in the nation and is recognized as a national leader of alcohol enforcement. TABC provides innovative programs to combat not only public safety issues but regulatory issues within the industry. The Enforcement Division is charged with executing the agency's law enforcement and investigations operations in support of public safety. The Ports of Entry Department also falls under the Enforcement Division with a focus on enforcing personal importation laws and collecting taxes and fees. Enforcement is TABC's largest division, totaling 56 percent of the workforce. With a robust and growing alcoholic beverage industry, Enforcement constantly adapts as needed by reprioritizing, restructuring, and reorganizing. The Enforcement Department employs the majority of TABC's commissioned peace officers (CPOs), including agents serving in the Field Operations Bureau and the Investigations Bureau. A third Administration Bureau oversees a Management Analyst, warehouse operations, honor guard, and Special Response Team (SRT).

#### **Field Operations Bureau**

Agents within the Field Operations Bureau perform both enforcement and compliance functions, which involve criminal and administrative enforcement of the state's alcoholic beverage laws. Agents inspect premises licensed by TABC and investigate alleged violations of the Code. Agents also provide training to permit holders and their employees by request and as a remedial measure in response to violations by permit holders. In addition, agents collaborate with and give presentations to other law





enforcement agencies, municipalities, and government offices across the state to promote a better understanding of the law and the roles and responsibilities of TABC.

### **Investigations Bureau**

The Investigations Bureau contains three separate units: the Special Investigations Unit (SIU), the Intelligence Services Unit (ISU), and the Target Responsibility for Alcohol-Connected Emergencies (TRACE) Unit. The SIU, through undercover operations, identifies and investigates habitual patterns of at-risk behavior of people and entities with TABC-issued licenses or permits. The SIU exercises administrative and criminal powers to disrupt and dismantle organized criminal activity on licensed premises. This unit continues to see increased operations thanks to its skill in long-term investigations with a focus on organized criminal activity.

The ISU focuses on the detection, investigation, and prevention of finance-related crimes by people and entities with a TABC-issued license or permit. Investigations may focus on money laundering, prohibited tier relationships, tax fraud, business and corporate fraud, and other organized financial crimes. This unit is also responsible for gathering digital forensics and criminal intelligence and serves as a crucial tool for identifying human trafficking operations and related crimes. There are also two grant-funded FTEs that facilitate victim services.

The TRACE Unit conducts investigations of alcohol-related incidents involving serious bodily injury or death when there is a reasonable expectation that evidence can be obtained as to the source of the alcohol. TRACE collaborates with local and state law enforcement agencies in these investigations. The most common investigations involve two types of incidents: Motor vehicle crashes and aggravated breaches of the peace.

### **Ports of Entry Department**

The Ports of Entry Department makes up 18 percent of the TABC workforce. The department is responsible for overseeing more than 90 RCOs who are responsible for enforcing personal importation laws and collecting taxes and fees on alcoholic beverages and cigarettes brought into Texas from other countries. Cigarette taxes are collected on behalf of the Texas Comptroller of Public Accounts. In addition to tax collection, RCOs are critical in protecting public health and safety by stopping illicit products, which may be harmful for consumption, from entering the Texas market. RCOs are strategically stationed at all major bridges along the Texas-Mexico border.



TABC began manning the Galveston seaport cruise lines in 2014, while the agency has had a presence at the land ports since 1936. However, effective September 30, 2023, TABC moved from having RCOs be physically present at the Galveston seaport cruise lines to having them collect taxes online through a system called Texas PortPass. Texas PortPass allows travelers entering the Galveston Seaport terminals to pay their fees for importing alcohol and cigarettes into Texas online, through the Alcohol Industry Management System (AIMS). Currently, Texas is the only state that collects personal importation taxes on cruise lines.

### **3. SUPPORT SERVICES**

TABC's indirect administration and support staff amount to about 20 percent of the workforce. Divisions overseen by the Deputy Executive Director include Business Services, Human Resources, Innovation and Technology, Strategic Initiatives and Performance Improvement (SIPI), and Training. Support divisions overseen by the Executive Director include General Counsel, Office of Inspector General, Public and Government Affairs, and Communications. Employees in these divisions provide the support services necessary to ensure that the right people and resources are in place to accomplish TABC's mission and ensure that licensed businesses adhere to the regulatory requirements of the Code.

#### **Business Services**

The Business Services Division is responsible for all fiscal operations of the agency, including revenue processing, accounts payable, payroll, time and leave accounting, research and planning, as well as preparation and oversight of TABC's legislative appropriations requests and annual financial report. The division's general services section is responsible for contracting, purchasing, asset management, facilities leasing, fleet management, and mail center operations.

#### **Human Resources**

The Human Resources Division manages employment-related policies and programs, including recruitment, selection, benefits and compensation, classification, employee relations, and risk management. Human Resources also manages the equal employment opportunity programs.



### **Innovation and Technology**

The Innovation and Technology Division (ITD) is responsible for developing and maintaining the core technology applications for the agency. ITD includes enterprise data solutions and establishes and supports the technology infrastructure to facilitate agency operations. ITD is charged with researching and analyzing new technologies to solve business problems and increase efficiencies across the agency. ITD is also responsible for ensuring the confidentiality, integrity, and availability of the agency's information assets. They are responsible for developing and implementing security policies, procedures, and controls to protect against cyber threats, comply with regulations, and mitigate risks to sensitive data and critical systems. Additionally, they oversee security awareness training, incident response, and continuous monitoring to safeguard the agency's digital infrastructure and maintain public trust in its operations.

### **Strategic Initiatives and Performance Improvement**

The Strategic Initiatives and Performance Improvement (SIPI) Division oversees and coordinates implementation of legislation, performance measures, strategic planning, policy and procedure reviews, rule reviews, data governance efforts, external audit reviews, and management responses. SIPI evaluates structures, processes, and programs for efficiency and effectiveness.

### **Training**

The Training Division is charged with staff development for all TABC employees. The division provides required training in compliance with Texas Commission on Law Enforcement (TCOLE) standards for commissioned peace officers, state-mandated training for all employees, and additional training to develop and enhance the skills of TABC employees. The division is also responsible for administering the TABC Law Enforcement Academy Advisory Board. The board is responsible for advising on curriculum development for the TABC Law Enforcement Academy, which provides training to TABC's authorized force of 220 Texas peace officers.



### **Office of General Counsel**

The Office of General Counsel provides legal counsel and leads prosecution efforts for violations of the Code. Legal staff represent TABC in administrative hearings, draft rules, and advise agency leadership on rule and policy making. The Office of General Counsel manages the agency's records management program and provides legal counsel on ethics and litigation for the agency.

### **Office of Inspector General**

The Office of Inspector General (OIG) is responsible for ensuring fair and impartial investigations of alleged employee misconduct. In addition to investigating employee misconduct, the OIG conducts reviews aimed at assessing the efficiency and effectiveness of policies, procedures, directives, and processes. These evaluations may lead to recommendations for improvement to leadership.

### **Public and Government Affairs Division**

The Public and Government Affairs division is responsible for managing industry relations, holding meetings, making presentations, and communicating key feedback from industry members and TABC stakeholders. This division is also the agency's liaison between agency leadership and the Texas Legislature and local governments.

### **Communications**

The Communications Department provides robust, engaging, and informative internal and external communications to TABC's wide-ranging audience — including industry members, agency staff, legislators, news media, and the general public. The department's personnel provide agencywide support with editorial services, video production, graphic design, web development, and social media. The Director of Communications acts as the agency's spokesperson and handles all media relations.



## SECTION II: CURRENT WORKFORCE PROFILE

### EMPLOYEE DEMOGRAPHICS FISCAL YEAR 2024

TABC has 620 authorized FTE positions for the FY 2024-2025 biennium. Due to turnover, the agency’s actual FTEs fluctuate. To illustrate, TABC’s workforce as of February 29, 2024, had a total headcount of 536. This included five part-time employees and 531 full-time employees equaling 534.1 FTEs. TABC augments its workforce with contractors in the ITD division. The five commissioners and contractors are excluded from this headcount and demographics data to follow.

#### Gender and Age

As seen in Figure 2, the TABC workforce comprises 58 percent males and 42 percent females. Figure 3 shows the ages of TABC employees grouped in categories; 80 percent of the workforce is between the ages of 30 and 59. Age and gender statistics have remained stable with only a few percentages of variance since 2017.

Figure 2. Gender Profile, FY 2024

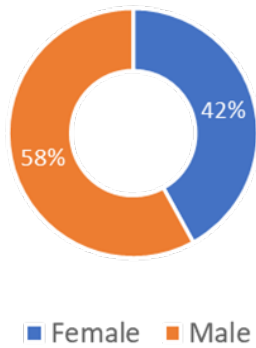
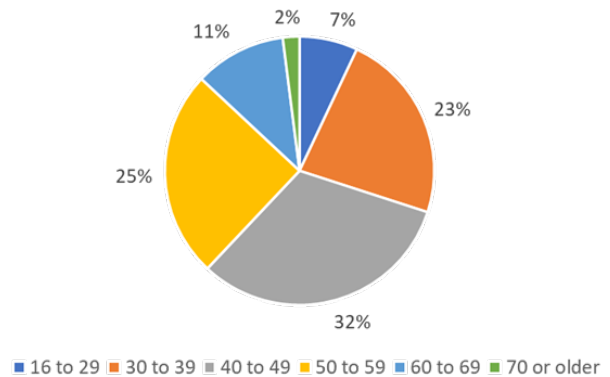


Figure 3. TABC Age Profile, FY 2024

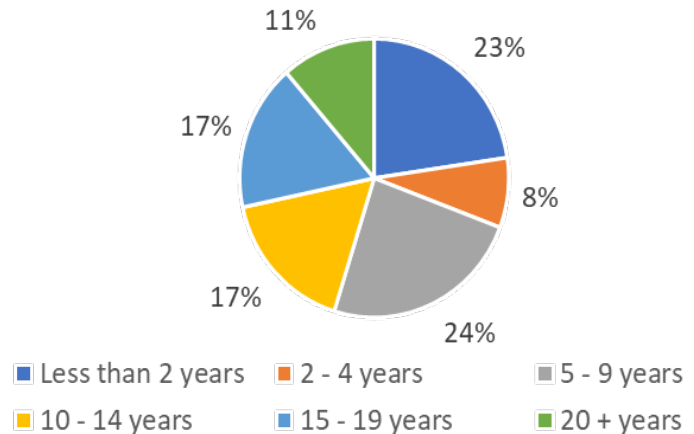




### Length of Service

Figure 4 represents the workforce by length of service with TABC. The percentage of employees with 5-9 years and 15-19 years of service has remained the same over the past two years, while the percentage of employees with 10-14 years has increased 3 percent and the employees with over 20 years of service has nearly doubled from 6 percent to 11 percent. The smallest group, with 2-4 years of service, is in part due to TABC’s self-imposed hiring freeze from FYs 2020–2021 due to budget reductions associated with the COVID-19 pandemic. Employees with less than 10 years of service with TABC make up 55 percent of the workforce.

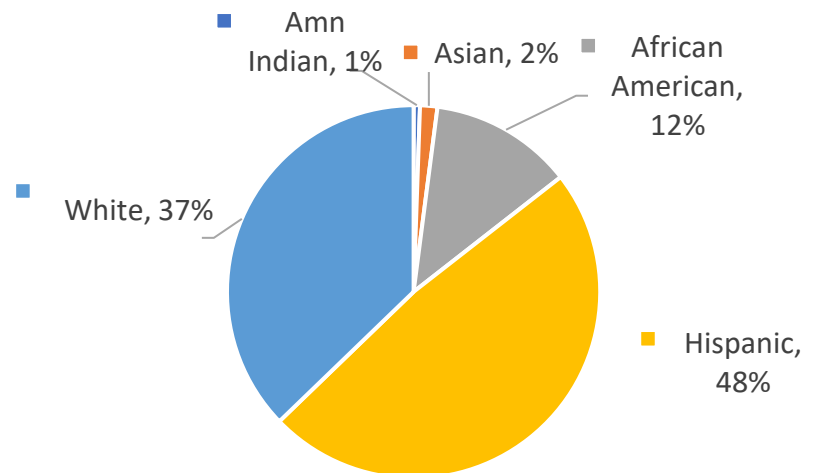
Figure 4. Length of Service, FY 2024



### Ethnicity

Figure 5 represents the workforce categorized by ethnicity. In FY 2024, African Americans accounted for 12 percent of the TABC workforce, a 2 percent increase since FY 2022, while 48 percent of the agency’s workforce is Hispanic, an increase of 1 percent. Asians and American Indians accounted for 3 percent. There has been no change in either of these categories from FY 2016.

Figure 5. Ethnic Group, FY 2024



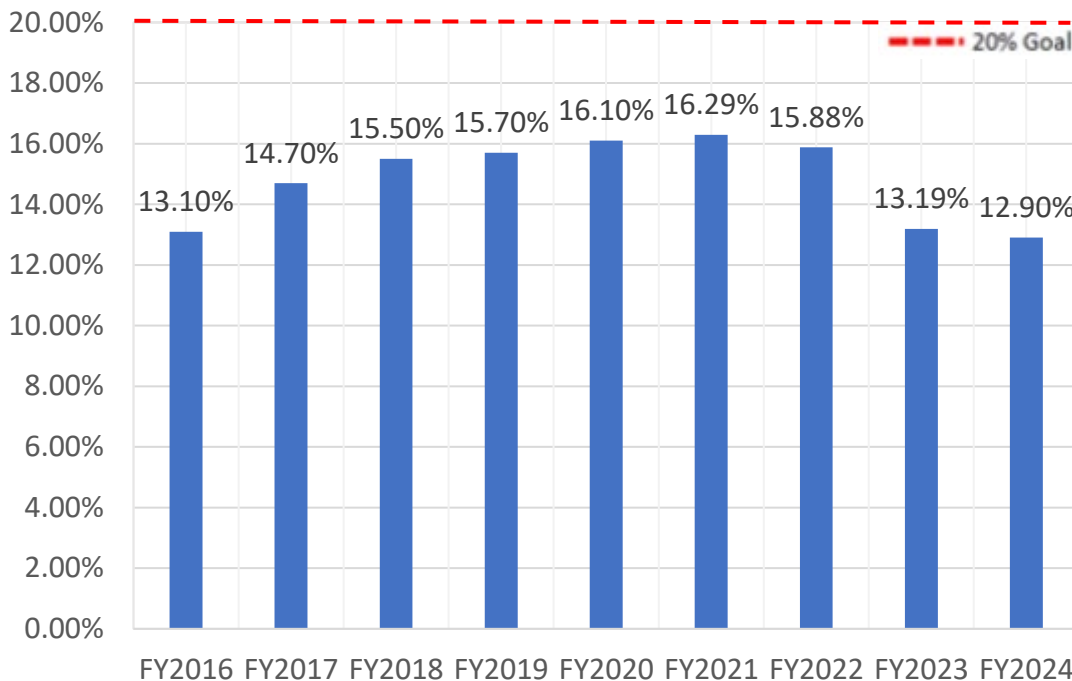




## Veteran Representation

Section 657.004 of the Texas Government Code sets a goal for state agencies of employing veterans in full-time positions equal to at least 20 percent of the total workforce. As of the end of the second quarter of FY 2024, TABC employed 72 veterans, equaling nearly 13 percent of the workforce. Although TABC has seen a decrease in veteran employment since our peak in FY 2021, the agency’s total percentage of veterans employed has been consistently higher than the statewide average which has been between 5-7 percent over the last five years. As illustrated in Figure 6, TABC’s number of veterans is more than double the statewide average, although the agency still falls below the 20 percent goal set by the Legislature. To assist in the recruiting and hiring of veterans, TABC has a designated veteran’s liaison in Human Resources who partners with the Texas Veterans Commission’s employment liaison to identify and participate in veteran hiring initiatives.

**Figure 6. Veteran Employment**



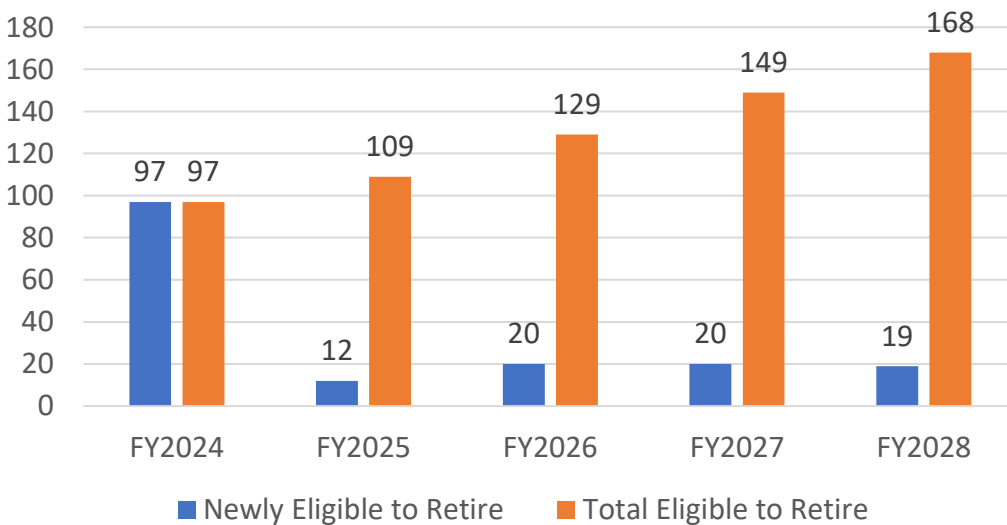


## Retirees

Human Resources estimates that by FY 2028, 168 employees or 31 percent of TABC’s workforce will be eligible to retire. Figure 7 shows the forecast for the number of current TABC employees who are projected to be eligible for retirement over the next five years. In addition, as of February 29, 2024, the agency employed 21 return-to-work retirees who offer exceptional state and organizational knowledge and have subsequently resumed state service.

In FY 2022, 18 of the 80 estimated employees eligible to retire actually retired. In FY 2023, only 9 of the 96 estimated employees eligible to retire actually retired. This last year was unusually low in part due to the across the board pay increase granted by the 88<sup>th</sup> Legislature taking effect during the FY 2024-2025 biennium.

**Figure 7. Projected Retirement Eligibility**



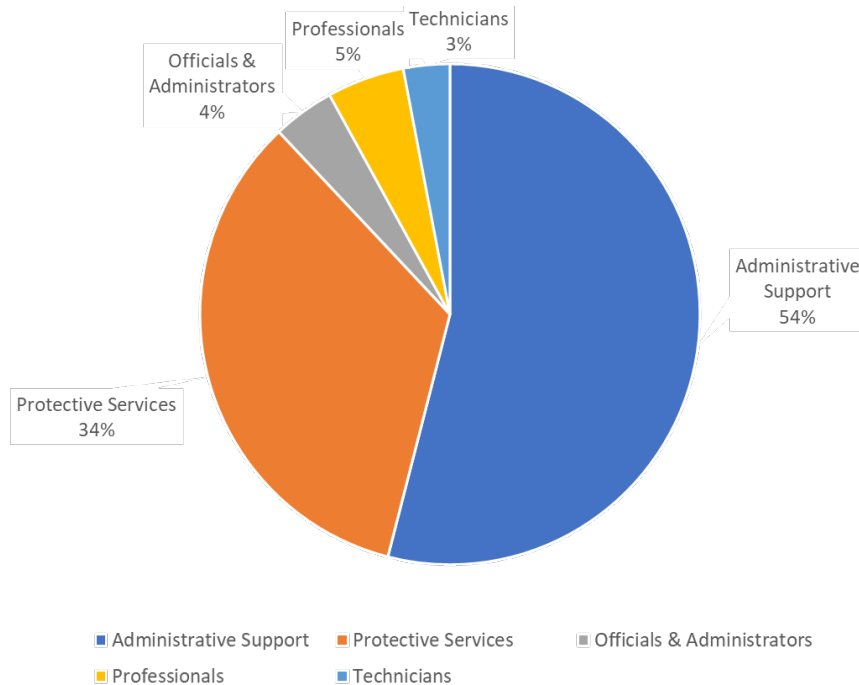
Licensing, Enforcement, Ports of Entry, and the Office of General Counsel are projected to have the greatest loss of employees due to retirements. A large number of senior leaders in the Enforcement Department could retire in the next five years. Historically, TABC employees have continued to work well beyond their immediate retirement eligibility year. The agency is preparing for these retirements by identifying critical positions and preparing high performers and potential leaders for growth opportunities as they arise. Leaders recognize the need to ensure that critical knowledge and procedures are documented to avoid significant loss of historical and organizational knowledge.



## POSITIONS BY EQUAL EMPLOYMENT OPPORTUNITY (EEO) JOB CATEGORY

Figure 8 illustrates positions within TABC by EEO job category as of March 2024.

**Figure 8. Positions by EEO Job Category**



Officials/administrators make up 4 percent of the workforce, including the Executive Director, Deputy Executive Director, General Counsel, as well as all other positions in the Director classification.

Approximately one-third of TABC’s workforce is categorized as Protective Services, including the majority of the certified peace officers classified as entry-level Probationary Agent to Agent VI, Investigator, Sergeant, and Lieutenant.

The Professionals category is made up of Enforcement majors, attorneys, criminal intelligence and compliance analysts, purchasers, and one chemist position. Information technology positions make up the entire Technician category. The Service Maintenance category is limited to three positions in the Business Services Division, specifically the mail clerk positions and the inventory and store specialist.



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More than half of the positions at TABC are currently classified as Administrative Support, including most of the positions in support services divisions and in the Ports of Entry Department. Examples of classifications of these positions include accountant, human resources specialist, manager, management analyst, information specialist, auditor, licensing and permit specialist, program specialist, training specialist, administrative and executive assistant, and regulatory compliance officer.

Figure 9 shows TABC’s workforce according to ethnicity and gender by EEO category compared to all state agencies. Note that someone who identifies with two or more races is captured in the “Other” category. Analysis indicates that TABC has underrepresentation of females and minorities in positions in the Professionals, Technical, and Protective Services EEO job categories.

**Figure 9. EEO Category by Ethnicity and Gender, FY 2023**  
**Texas Alcoholic Beverage Commission**

EEO Category	Black	Hispanic	White	Other	Female	Male
Officials/Administrators	17%	21%	62%	0%	32%	68%
Professionals	14%	8%	75%	3%	45%	55%
Technician	18%	18%	47%	17%	3%	97%
Service/Maintenance	0%	0%	0%	0%	0%	0%
Administrative Support	17%	53%	28%	2%	61%	39%
Skilled Craft Workers	0%	0%	0%	0%	0%	0%
Protective Services	5%	49%	45%	1%	15%	85%

**All state agencies**

EEO Category	Black	Hispanic	White	Other	Female	Male
Officials/Administrators	13%	21%	62%	4%	55%	45%
Professionals	34%	31%	30%	5%	73%	27%
Technician	19%	36%	40%	5%	52%	48%
Service/Maintenance	26%	32%	38%	4%	47%	53%
Administrative Support	20%	34%	40%	6%	83%	17%
Skilled Craft Workers	7%	25%	65%	3%	5%	95%

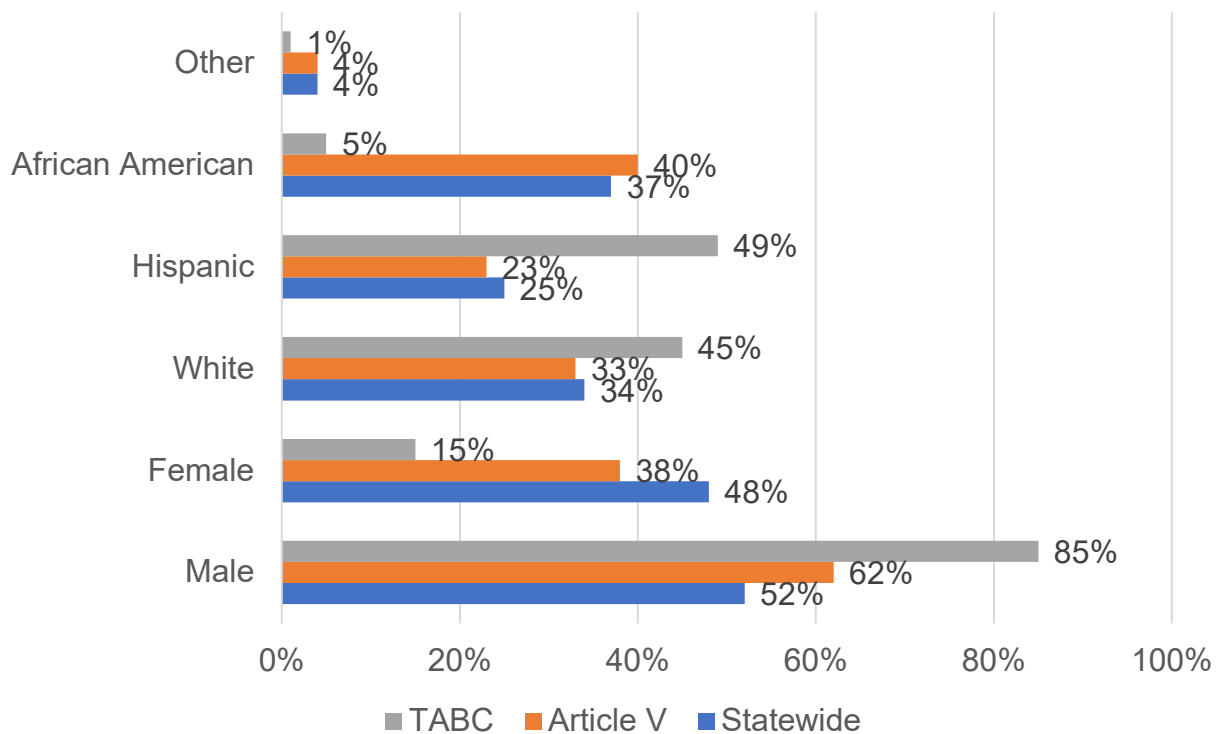


## TABC Strategic Plan FY 2025-2029

Professionals and Technician positions require specialized education and skills and combined only make up 8 percent of TABC’s workforce. Considering that one-third of TABC’s workforce falls in the Protective Services EEO category, this group is at the highest risk of potential underutilization for females and minorities. Ensuring TABC has diversity in the Enforcement division is essential to maintaining effective undercover operations and carrying out TABC’s mission and priorities. With the growing number of minority-owned businesses in the alcoholic beverage industry, TABC must continue to improve its recruiting efforts to mirror its workforce with the population it serves.

Figure 10 shows TABC’s workforce by ethnicity and gender specific to the Protective Services EEO job category compared to all Public Safety and Criminal Justice (Article V) agencies and all agencies combined statewide. TABC employs almost double the percentage of Hispanic employees in Protective Services, while the amount of African American employees constitutes a significantly lower percentage of that category. The fact that TABC employs over 50 percent fewer females in Protective Services compared to Article V agencies and even lower compared to the statewide percentage is an area needing particular attention.

**Figure 10. Protective Services EEO Job Category**

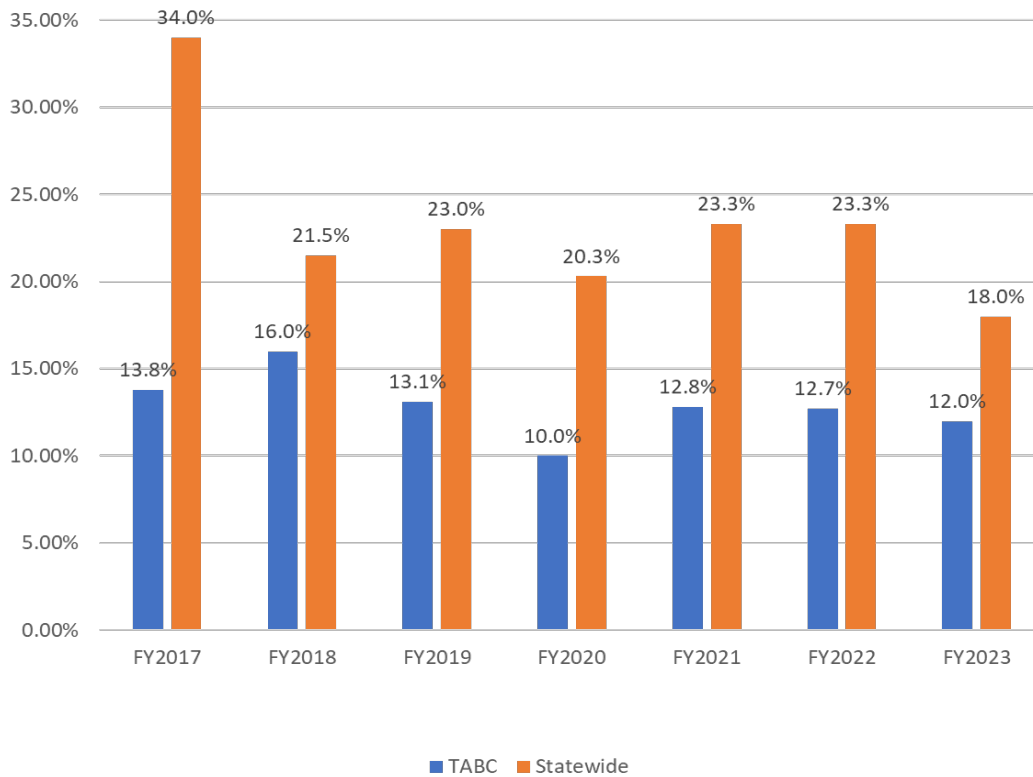




## TURNOVER

As illustrated in Figure 11, TABC’s turnover rates remain significantly lower than statewide turnover rates. The top three reasons employees have reported leaving TABC include better pay and benefits, poor working conditions or management, and retirement. In FY 2018, TABC experienced its highest turnover rate in the last several years of 16 percent, which was after a senior leadership transition. In FY 2020, TABC experienced its lowest turnover rate over the time period of 10 percent, with only 63 employee separations at the start of the pandemic.

*Figure 11. Turnover Comparison*







### FTEs and VACANCIES

The alcoholic beverage industry continues to grow at a rapid pace, and TABC will need to continue to grow to keep up with industry demands. The agency's appropriations cap of FTEs increased from 635 to 671 for the FY 2020-2021 biennium, the highest authorized number over the last decade. The agency dedicated 29 of these new FTEs to combating human trafficking and organized crime within the Enforcement Department. However, the agency's appropriations cap of FTEs decreased from 671 to 640 for the FY 2022-2023 biennium. TABC experienced a further decrease for the FY 2024-2025 biennium, as the 88<sup>th</sup> Legislature lowered the FTE cap from 640 to 620, resulting in the lowest authorized number over the last decade. As TABC's employee base number fluctuates, recruiting strategies and hiring managers must focus on sourcing quality candidates.

The number of filled positions decreased significantly over the FY 2020-2021 biennium in part due to the self-imposed internal hiring freeze while the agency continued to experience turnover. For example, as of April 30, 2022, TABC employed 532 FTEs with more than 100 vacancies. After the internal hiring freeze was lifted in FY 2022, TABC started to make progress filling vacancies. By the last quarter in FY 2023, TABC's new hire rate finally exceeded the turnover rate. By February 2024, 536 of the 620 FTEs were filled, leaving 84 positions, or 14 percent vacant.



### **SECTION III: FUTURE WORKFORCE PROFILE**

#### **LEGISLATIVE CHANGES**

TABC is focusing on building its future workforce to better meet its mission. The agency may face the loss of significant institutional knowledge as more employees reach retirement eligibility over the next five years. Further, the alcohol industry has demonstrated remarkable growth and diversification in recent years. TABC intends to meet the regulatory and enforcement needs of Texas to help ensure this growth continues in a responsible way and without undue hindrance. TABC expects to be better able to meet these challenges with a workforce that is both more diverse and more adept with contemporary information technology.

Enforcement will be better equipped to combat organized criminal activity with a more diverse team to infiltrate suspected criminal enterprises through undercover operations. If human traffickers are able to identify agents as law enforcement officers, TABC is likely to be less effective in gathering evidence and reaching human trafficking victims. Thus, the agency seeks to recruit a diverse group of agents whose skillset enables them to effectively investigate human trafficking and related crimes.

#### **TECHNOLOGY CHANGES**

TABC is developing and incorporating more information technology (IT) applications into its toolkit and working with the private sector to expand business operations. In accordance with the statutory direction given to TABC, and to meet the needs of a growing alcoholic beverage industry, the agency deployed AIMS to efficiently process the increasing number of applications and manage compliance reporting.

Fiscal year 2024 marked the start of year five of a six-year buildout of AIMS and the Enterprise Data Solution (EDS). These two projects are the remaining items to be completed as part of the TABC technology transformation initiative that began in FY 2020. AIMS is the online hub for businesses to complete common TABC activities, such as applying for, renewing, and managing licenses or permits; product registration (formerly called label approval); filing excise tax reports; and more. In the past biennium, the AIMS project focused on industry enhancements such as compliance reporting, payment cart, and updates to principal party functionality. Additional internal functions such as Enforcement updates and Legal case management were also implemented. EDS is the agency's data warehouse for business analytics and reporting.



The EDS project will continue to support legacy data and AIMS data simultaneously until AIMS is complete.

The Ports of Entry Department has also transitioned to a new point-of-sale system to modernize, automate, and improve the transaction times for issuing tax receipts and collecting taxes at the border.

### **GEOGRAPHIC CHANGES**

TABC leases most of its facilities, partnering with other local, state, and federal governmental entities for shared office space. To be mindful of taxpayer money, TABC seizes opportunities to consolidate offices to conserve resources. Small outpost offices continue to merge with larger regional offices. Leadership is reassessing physical presence of office locations, particularly in areas with larger numbers of licensed and permitted locations and along the southern border.

### **CRITICAL FUNCTIONS**

The following critical functions have been identified in determining the agency's workforce needs:

- Conducting enforcement and compliance activities such as investigations, inspections, monitoring of human trafficking and organized crime, and public education programs.
- Processing and reviewing applications for all phases of the alcoholic beverage industry including determining each applicant's qualifications to be issued permits, certificates, and approvals through stronger collaboration across the workforce.
- Maintaining complete and accurate information on all permit holders and providing this information in a timely manner to agency personnel, members of the industry, other law enforcement and state agencies, and the general public.
- Maintaining current tax security and performance bonds to avoid the potential loss of revenue due to nonpayment of taxes.
- Processing all financial transactions in an efficient and timely manner and preparing necessary reports for management and as statutorily required.
- Managing appropriations, budgeting, and grant programs effectively.
- Attracting and retaining qualified and diverse applicants and employees.
- Developing and cross-training employees for growth and leadership opportunities.
- Continuing to explore and implement cost-effective changes using the most current technology platforms.



### GAP ANALYSIS

An examination of the challenges in recruitment and retention of skilled employees revealed growing competition from the private sector and other state and local governmental agencies that offer more competitive salaries. With larger technology-focused and other global companies moving into Texas job markets, TABC is facing direct competition for highly qualified candidates who may find better financial incentives working in the private sector, particularly for information technology and attorney positions. Many private sector employers can offer higher salaries and unique benefits. This, combined with a perceived lack of job advancement opportunities in the public sector, discourages many qualified and educated employees from making long-term commitments to the agency. Due to funding restraints, it can be difficult to offer the competitive pay needed to keep high-quality staff. TABC continues to seek additional legislative appropriations for salaries and wages to mitigate some of these concerns while also being creative in recruitment by highlighting non-fiscal benefits such as the fulfillment of public service and public service loan forgiveness, industry stability, flexible schedules, and teleworking arrangements.

ITD is leading a formal change management program and involving employees in the business process analysis, configuration, testing, and implementation of various new and upgraded systems. ITD and SIPI have also collaborated to formalize and enhance the TABC Data Governance Program, which promotes a data-centric approach that supports agency-wide initiatives to ensure data used for operations, analytics, reporting, and decision making is clearly defined, accurate, and of high quality. However, the agency must strengthen its skillset regarding data literacy, analysis, and data mining to prepare for maximizing technology innovations and the future state of machine and artificial intelligence.

Implementing the technology transformation initiative is ongoing and will continue to cause significant changes to the way many employees perform their jobs. These system and process changes will allow TABC to shift job tasks from heavy data entry to more automation, system analysis, and customer service centric. Changes will also elevate the complexity of the analysis and investigation skills required of employees in the Licensing Department. Other departments, such as Audit and Investigations, will require process changes resulting in more data analysis versus data entry skills of employees.

Although TABC has improved the knowledge base of its workforce to better adapt to these new technologies, leaders anticipate the need for further training and recruitment



of employees who are technically proficient and can leverage information technology. While TABC maintains a skilled workforce, the critical skillsets and demands upon employees are evolving alongside changes and improvements in technology. Recognizing that employees will need training to operate the new systems, TABC is developing training programs for its current workforce as technology is acquired and deployed while also strengthening recruitment efforts to attract candidates who demonstrate technical and analytical competencies. Building and improving on processes for quality assurance and integrity of data in agency systems and ensuring new functionality and appropriate timing for transition from legacy systems will be essential for continuity of operations.

The ITD, Training, Human Resources, and leadership teams are preparing to help employees develop skills for additional transitions in technology. However, Human Resources anticipates a skills gap in technical and analytical competencies with the new systems. Even though TABC has made progress in hiring candidates with strong information technology skills in key positions, supply has yet to catch up to demand and growth in the division. ITD supplements staff with contractors and management continues to have difficulty attracting and retaining skilled employees in the division. The worldwide coronavirus pandemic forced many employees to become more technologically savvy and adept in video conferencing and online document collaboration, in turn enabling employees to be more technically proficient, but also increasing the demand for information technology support by the entire workforce.

The Enforcement Department has also identified a shortfall of agents to properly investigate complaints and investigations. Although the agency has improved procedures to triage and prioritize complaints based on their public safety risks, recruitment and retention of agents to minimize the agent vacancy levels is a priority for leadership.

As technology systems continue to transform and change the way TABC captures data and streamline processes to meet Legislative Budget Board (LBB) performance measures, leadership will continue to evaluate the methodology for determining agent workload and future FTE needs. Historically, information from the agency's ARTS and AIMS databases has been used to project the workload for agents using the number of licensed locations and number of complaints investigations conducted by region. Enforcement will continue to evaluate workload and implement process improvements to meet goals outlined in LBB performance measures and keep up with population/industry growth.



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A general lack of knowledge of the Code has always been a concern for new hires in many areas of the agency. Due to the complexity of the Code, competency usually does not come until year four with the agency. Therefore, it's essential to enhance the new employee onboarding program and in-service training for employees, especially those in the Audit and Investigations, Enforcement, and Licensing departments.

TABC is seeing the desired skillset of Enforcement employees evolve to focus more on undercover operations and criminal analysis to effectively combat organized criminal activity, including human trafficking. Maintaining employee diversity remains a priority to ensure successful undercover operations. In addition to diversity, Enforcement needs to recruit and hire more experienced certified peace officers. Another consideration to fill this need is to allow for external lateral transfers into the "Agent" classification on Schedule C. The current agency policy and State Classification Plan structure for TABC agents requires external hires to be hired at entry-level Probationary Agent pay, regardless of the amount of law enforcement experience the candidate brings with them. TABC-specific years of experience and time and grade as a TABC agent determine employee eligibility for step-pay increases on Schedule C for the agent classification. Changing this would require legislative action, additional funding, and updates to the State Classification Plan. Human Resources proposed a new Senior Agent classification and the State Auditor's Office (SAO) concurred with TABC's recommendation; however, the addition was not approved by either the 87<sup>th</sup> or 88<sup>th</sup> Legislature. Human Resources will continue to work with the SAO and senior leadership to propose changes to the State Classification Plan, with the goal of reducing barriers to recruitment and competitive pay. Remaining competitive and attracting qualified candidates is vital to accomplishing the agency's public safety mission.

TABC seeks to enhance the fundamental competencies as well as interpersonal and leadership skills of all employees. Exceptional customer service is a leadership priority and critical soft skill that every employee must demonstrate, particularly in the Licensing, Ports of Entry, Training, and Human Resources areas. Employees and leaders need the flexibility to successfully adapt to an ever-changing work environment while making sound business decisions. TABC will continue to ensure that leadership training is available to management teams and employees who have demonstrated leadership potential. TABC will continue to enhance training offered to all employees to develop personal and professional soft skills (such as communication, change management, and conflict resolution) and technical skills (like writing for reports, policies, and procedures), as well as provide training focused on safety and mental





health topics such as suicide awareness, alcohol and substance abuse awareness, active shooter response, and CPR.

### **SECTION IV: STRATEGIC DEVELOPMENT**

#### **EMPLOYEE TRAINING, EDUCATION, AND RECOGNITION**

The Training Division provides employees with fundamental training, growth opportunities, and resources that allow them to perform their essential job functions and prepare them for advancement opportunities. TABC leaders will continue to identify, provide, and encourage employee participation in training opportunities and continuing education courses required to maintain job-related licenses and certifications. Employees are encouraged to network with others in their profession and engage in professional organizations to stay informed of best practices and changing legal requirements.

TABC continues to provide annual in-service training programs for the Audit and Investigations, Licensing, Ports of Entry, and Enforcement departments. The in-service training curriculum is designed to address unique division needs by reinforcing core competencies and processes while emphasizing interpersonal skills (for example, the integration of the 7 Life Languages curriculum). The Training Division also developed a Constituent Relationship Management Course in FY 2021 that has been incorporated into in-service training to share best practices in customer service. The course covers the design of service processes, how the agency's purpose defines roles and relationships within service delivery, and how to utilize touchpoint mapping to increase service standards. Training staff maintain a Learning Management System that serves as a library for on-demand, computer-based training and houses both mandatory and elective training content for all employees. The agency's Employee Assistance Program (EAP) vendor offers extensive personal and professional development resources to employees and managers. Beginning in 2020, the agency partnered with the Texas State Guard (TXSG) through the Texas Military Department to establish the Chaplaincy Program. TXSG chaplains are available to provide spiritual guidance and counseling to all employees. The program provides an additional dimension and avenue for TABC employees to call upon in times of need beyond the EAP.

TABC values higher education and offers financial support to employees who want to further their education through the Tuition Reimbursement Program. This program has not been utilized in recent years due to funding limitations; however, TABC continues to reevaluate funding options as the program benefits retention and recruitment efforts.



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TABC also ensures certified peace officers that hold a TABC commission meet their training requirements to maintain their commission based on TCOLE standards. Certified peace officers are provided salary supplements through stipends for holding varying degrees of higher education or TCOLE certificate levels and dual-language skill abilities.

TABC's Training Advisory Board is established pursuant to Chapter 1701 of the Texas Occupations Code. This board is comprised of three TABC members, two public members, and at least four ex-officio non-voting members from the Training Division. The goal and responsibility as a TCOLE training provider is to conduct research, create curricula, coordinate, and facilitate effective training that will help develop our TABC personnel and external law enforcement partners so that they may provide the best level of service to the citizens of Texas. Examples of specific training offered include new agent school, undercover school for CPOs in the Investigations Bureau, new auditor academy, supervisor training, and various annual in-service training sessions for Enforcement, Audit, Licensing and POE staff.

In order to continue meeting the needs of a complex and growing alcoholic beverage industry, TABC will continue to leverage the Training Division and broaden the scope of resources available to develop and retain a highly skilled workforce. In FY 2023 an E-Learning Developer position was established to support accessibility, scalability, and customization of training courses. Training efforts will focus on improving communication and collaboration among employees at all levels throughout the organization, while leveraging technology to increase reach and maximize the return on investment.

Since 2021, the agency has inducted retired employees who represent the best of the agency's values to its Hall of Honor program. In 2023, Human Resources expanded the Employee Recognition Program beyond Service Awards to include a Peer-to-Peer Recognition Program and Employee of the Year Awards. Service Awards are intended to recognize loyalty and dedication and are given to current employees to celebrate every five years of cumulative service with the agency. The Peer-to-Peer Recognition Program is a way for an employee to publicly recognize another when they observe or experience a co-worker providing excellent customer service or collaborative support that is above and beyond what would normally be expected. The Employee of the Year Awards are designed to recognize employees for exceptional work, outstanding performance, and contributions toward TABC's mission and vision.



TABC recognizes that employee recognition programs can have significant value to and impact on organizational culture by boosting morale, enhancing retention, and improving motivation and performance. Employee recognition programs are intended to help foster a culture of appreciation and encourage innovation and creativity. Overall, employee recognition programs play a crucial role in shaping the organizational culture of excellence by promoting positivity, engagement, and a sense of belonging among employees. Leaders are evaluated on their ability and effectiveness in empowering employees to successfully perform their job duties and better themselves professionally, in recognizing the hard work and dedication of the team, and in making employees feel valued for their accomplishments and skill. TABC will continue to evaluate ways to recognize and award top performers and teams.

### **LEADERSHIP DEVELOPMENT**

The TABC LEADS training program targets current leaders in the agency and those with leadership potential, emphasizing building a culture of leadership based on communication, recognition, empowerment, and work-life balance. TABC currently has a Basic Leadership Course that is a requirement for new supervisors and is expanding the program to include intermediate and executive-level leadership courses.

TABC supports employee participation in the Governor's Management Development Program, the Governor's Executive Development Program, and other local in-person and online training programs. Management will continue to identify high performers with leadership potential and adequately train and prepare them to take on key organizational roles.

### **SUCCESSION PLANNING**

TABC is fortunate to have many long-term employees with a great deal of institutional knowledge, much of which will be lost without effective succession planning, proper documentation, and improved employee developmental programs. TABC leaders recognize the need for succession planning and retaining organizational knowledge in preparation for retirements, considering that roughly 30 percent of the workforce will be eligible to retire in the next five years.

Leaders also recognize the importance of knowledge transfer. Institutional knowledge and lessons learned can be lost as employees retire or leave the agency. Documenting current and past practices, including the basis for decisions regarding policy and procedural changes, and cross training will continue to be a high priority.



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Leaders are expected to identify opportunities that allow employees seeking new challenges and advancement to cross-train and work on stretch or developmental assignments. TABC established a Leader Development Rotational Assignment policy in 2022. Employees are encouraged to network and seek mentors and advice from leaders to help identify career goals and career development plans.

Human Resources will continue to work with senior leaders to identify critical positions and the knowledge, skills, and abilities required for each. Leaders will identify high performers with leadership potential and technical expertise in the current workforce and make efforts to mentor and develop these employees, so they are prepared to fill critical vacancies when opportunities arise. The Human Resources and Training divisions will provide training and developmental support for current employees and management. When skills gaps are identified that cannot be reasonably met internally, TABC will shift focus to implement recruitment strategies to source external candidates with the desired skillset.

### **HIRING AND RECRUITMENT**

TABC is enhancing overall communication and branding efforts using the public website and social media outlets that support recruitment plan goals. Since TABC does not have a full-time employee dedicated to recruitment, recruiting responsibilities are shared agency-wide between Human Resources and leadership. TABC must leverage current resources by collaborating and synchronizing recruitment efforts across divisions to improve TABC branding and targeted recruiting. Specific recruitment efforts will vary by job vacancy and TABC's current needs and resources. Human Resources collaborates with division management prior to posting job vacancies to ensure unique needs are considered and the best recruiting strategies are executed.

Some of TABC's standard recruitment efforts include coordinating with the Texas Workforce Commission (TWC), TCOLE, Texas Veterans Commission (TVC), and state networks such as the Texas State Agency Business Administrators' Association (TSABAA), State Agency Coordinating Council, and Texas State Human Resource Association (TSHRA). TABC currently uses job boards such as WorkInTexas.com, Indeed.com, linkedin.com, and handshake.com. Human Resources procured an enhancement to the current applicant tracking system, NEOGOV, that integrates with GovernmentJobs.com to automatically advertise job postings and direct applicants to our website to apply. Human Resources maintains a database of professional organizations, schools, and local law enforcement association contacts that are used



case-by-case depending on the nature of the job vacancy. TABC will continue to explore ways to improve recruitment and retention of minorities and females, particularly for positions in Enforcement. High turnover in this area threatens the agency's ability to timely and effectively perform critical operations.

Enforcement leadership plans to continue offering two new agent schools each fiscal year along with a separate undercover training school. Human Resources, Enforcement, and Training are collaborating to make improvements to the hiring process for a more efficient and effective hiring timeline.

To address the high volume of vacancies in law enforcement positions, TABC will continue to perpetuate and stagger Probationary Agent hiring processes and the Field Training Officer (FTO) program. This allows for new Probationary Agents to be hired and placed directly in the FTO program as opposed to having to wait to start at the beginning of a new agent school. The hiring process for filling Probationary Agent positions consists of a job posting that is open to applicants for a period of time. At the close of the job posting, all qualified candidates are invited to complete a physical readiness test and written assessment at their nearest regional office. Passing candidates advance to interview and then to the background investigation phase for final consideration. Selected candidates are extended conditional offers of employment to be hired directly into the next scheduled new agent school or placed directly into the FTO program, depending on timing.

### **INTERNSHIP PROGRAM**

TABC leverages the mutual benefit of interns to supplement staffing needs and accomplish special assignments while allowing students to gain a better understanding and appreciation for public service. Some employees currently serving in leadership and critical roles throughout TABC were first introduced to the organization through internship opportunities, demonstrating the potential return on investment an effective internship program can have.

While TABC has offered informal internship opportunities for many years, Human Resources is evaluating and establishing a more structured and formal program. The overall goal is to establish a talent pipeline for TABC to identify and recruit promising candidates early in their careers. By nurturing relationships with interns, leaders can potentially hire them as full-time employees upon graduation, which will save time and resources on recruitment efforts. Interns have the opportunity to develop and refine their technical abilities, soft skills, and industry knowledge, making them more competitive in



the job market. Offering a formalized internship program will enhance TABC's brand and reputation as an employer of choice.

### **NEW EMPLOYEE ONBOARDING**

Effective onboarding processes are essential for fostering a strong organizational culture. Setting clear expectations, integrating new hires into the team, and immersing them into the TABC culture will improve relationships, and help with retention, engagement, and performance. Furthermore, TABC has implemented surveys and established an onboarding workgroup comprised of divisional representatives charged with improving internal communication and implementing process improvements. A new TABC Essentials Training Course was established in 2024 that will be held on a quarterly basis in an effort to continue improving the onboarding process. By investing resources to improve onboarding, TABC expects to achieve outcomes that align with having a more engaged, motivated, and equipped workforce that contributes to TABC's success.

### **CULTURE**

The leadership team is devoted to fostering an employee-centric culture that ensures staff have the resources needed to perform their essential job functions. With a new Executive Director being appointed in July 2022, the agency refined goals and priorities and reorganized its organizational structure with a focus on optimizing efficiencies. By strengthening and supporting a highly skilled, effective, accountable, and motivated workforce, TABC will achieve a culture of excellence.

The agency is committed to improving work/life balance, strengthening communication and transparency, being deliberate and strategic, and remaining focused on industry-friendly compliance approaches and heightened public safety enforcement efforts.

### **SURVEY OF EMPLOYEE ENGAGEMENT (SEE), FY 2024 SUMMARY**

*The last Survey of Employee Engagement was administered in November 2023. The summary survey results begin on the following page.*





## Employee Engagement

# 73.6%

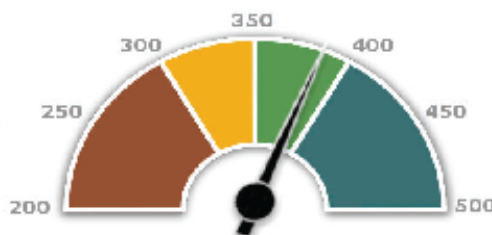
Up 3.5%

### Response Rate

The response rate to the survey is your first indication of the level of employee engagement in your organization. Of the 537 employees invited to take the survey, 395 responded for a response rate of 73.6%. As a general rule, rates higher than 50% suggest soundness, while rates lower than 30% may indicate problems. At 73.6%, your response rate is considered high. High rates mean that employees have an investment in the organization and are willing to contribute towards making improvements within the workplace. With this level of engagement, employees have high expectations from leadership to act upon the survey results.

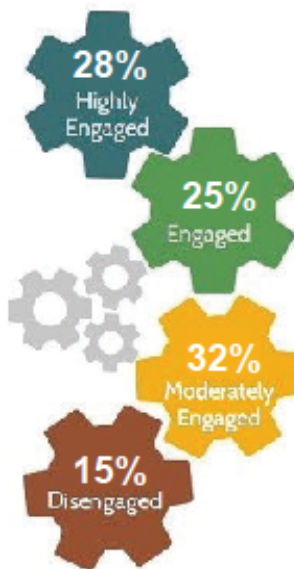
### Overall Score

The overall score is a broad indicator for comparison purposes with other entities. Scores above 350 are desirable, and when scores dip below 300, there should be cause for concern. Scores above 400 are the product of a highly engaged workforce. Your Overall Score from last time was 373.



Overall Score: 385

### Levels of Employee Engagement



Twelve items crossing several survey constructs have been selected to assess the level of engagement among individual employees. For this organization, 28% of employees are Highly Engaged, 25% are Engaged, 32% are Moderately Engaged, and 15% are Disengaged.

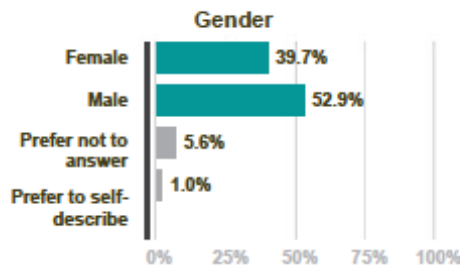
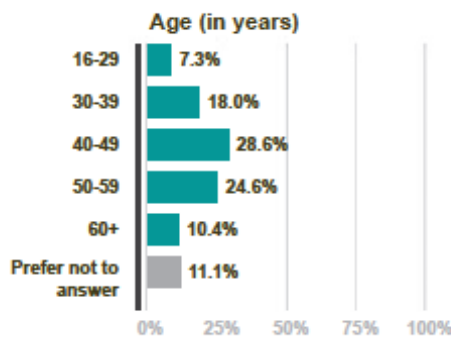
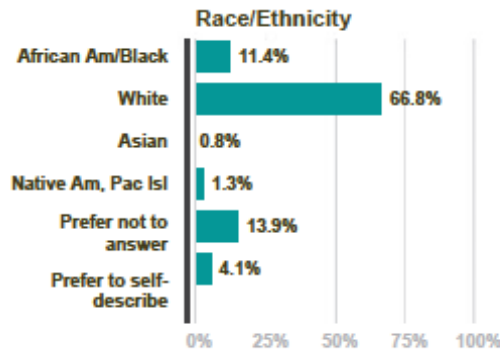
Highly Engaged employees are willing to go above and beyond in their employment. Engaged employees are more present in the workplace and show an effort to help out. Moderately Engaged employees are physically present, but put minimal effort towards accomplishing the job. Disengaged employees are disinterested in their jobs and may be actively working against their coworkers.

For comparison purposes, according to nationwide polling data, about 30% of employees are Highly Engaged or Engaged, 50% are Moderately Engaged, and 20% are Disengaged. While these numbers may seem intimidating, they offer a starting point for discussions on how to further engage employees. Focus on building trust, encouraging the expression of ideas, and providing employees with the resources, guidance, and training they need to do their best work.



## People

Examining demographic data is an important aspect of determining the level of consensus and shared viewpoints across the organization. A diverse workforce helps ensure that different ideas are understood, and that those served see the organization as representative of the community. Gender, race/ethnicity, and age are just a few ways to measure diversity. While percentages can vary among different organizations, extreme imbalances should be a cause for concern.



### FOCUS FORWARD >>>

**5% INTEND TO LEAVE**

Understand why people are leaving your organization by examining retention factors such as working conditions, market competitiveness, or upcoming retirement.

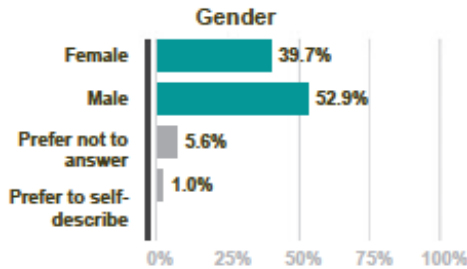
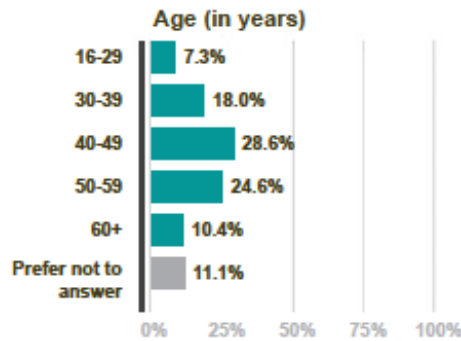
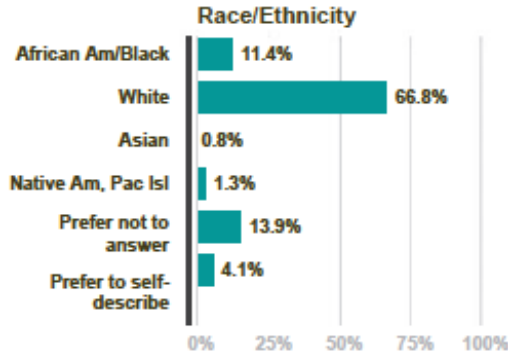
**19% CAN RETIRE**

This percentage of respondents indicated that they are or will be eligible for retirement within two years.



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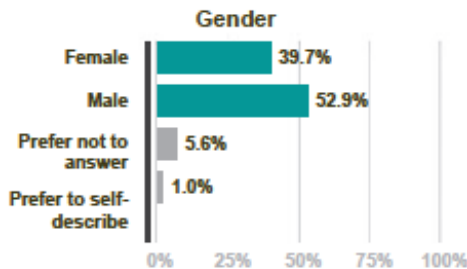
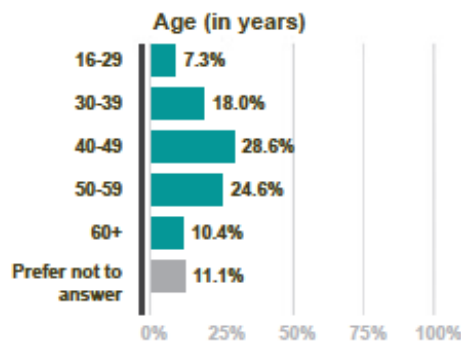
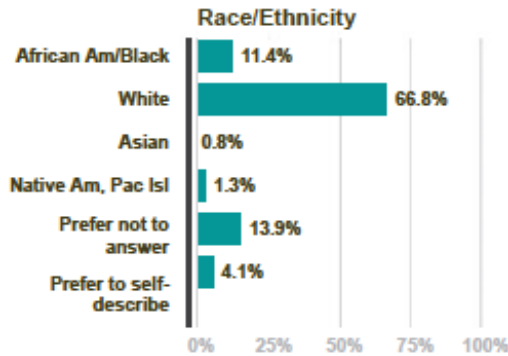
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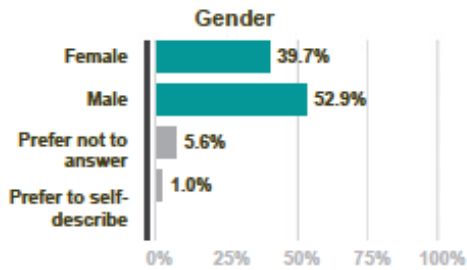
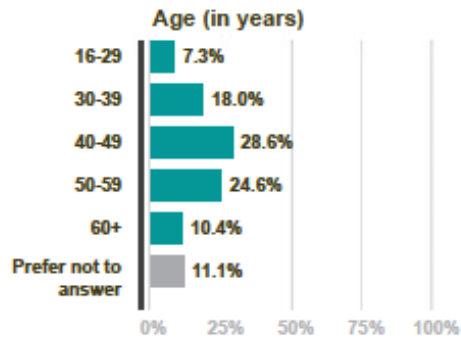
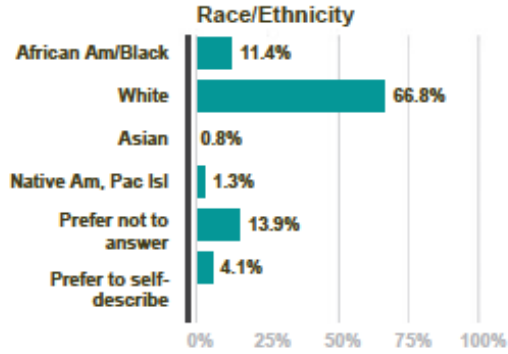
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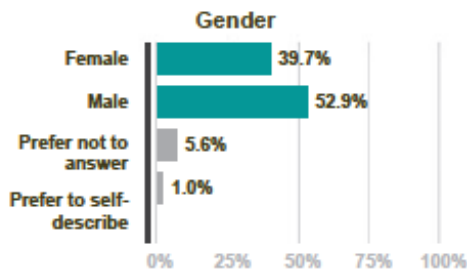
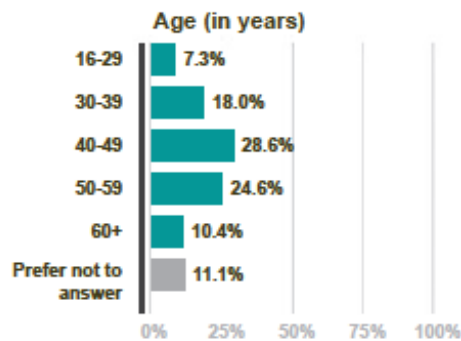
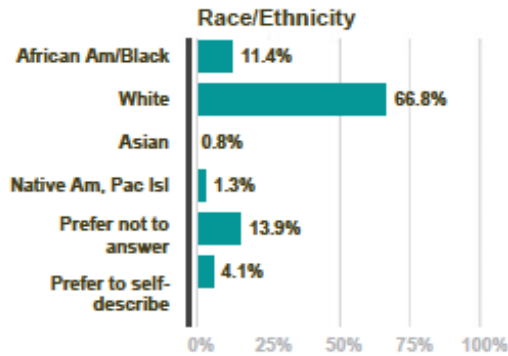
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# Schedule H: Report on Customer Service

Pursuant to the requirements of Texas Government Code, Section 2114.002, TABC submits this report on customer service. This report is based on feedback collected from customers of TABC's numerous public-facing departments — including Enforcement, Audit and Investigations, and Licensing — and from users of TABC's website.

Created by the Texas Legislature in 1935, TABC regulates all aspects of the alcoholic beverage industry, including (but not limited to) the manufacture, distribution, and retail sales of alcoholic products. Working under the laws set by the Texas Alcoholic Beverage Code (Code), the agency's mission includes both regulatory and law enforcement elements. With more than 50,000 active alcohol licenses in Texas, TABC employees are in near-constant contact with customers across the state every day.

TABC remains committed to continuously improving customer service. Throughout its 90-year history, the agency has worked to set high standards of customer service. Through feedback collected via surveys and face-to-face discussions, TABC employees work to identify customer concerns and set action plans toward ensuring the highest levels of service.

The services TABC provides its customers include:

- Issuing 37 types of alcoholic beverage licenses and permits (collectively referred to as "licenses") to businesses in Texas and around the world, allowing them to produce, transport, distribute, import, sell, and serve alcoholic beverages in Texas.
- Inspecting TABC-licensed premises to ensure compliance with the Alcoholic Beverage Code and TABC Rules.
- Conducting source investigations following alcohol-related incidents involving serious injury or death.
- Conducting investigations into organized criminal activities tied to a TABC-licensed location, including those involving prostitution, gambling, narcotics, weapons, and human trafficking.
- Collecting excise taxes from manufacturing and distributing tiers when alcoholic beverages are sold to retailers or consumers.



- Providing instruction to license holders and their employees, local law enforcement, and members of civic groups to promote a better understanding of and voluntary compliance with the Code.
- Overseeing the labeling, bottling, and promotion of alcoholic beverage products.
- Conducting audits to ensure adherence to the Code and ensure proper taxes are reported and paid.
- Ensuring compliance with and collecting taxes and fees on personal importations of alcoholic beverages and cigarettes at international borders.
- Reviewing and prosecuting violations of the Alcoholic Beverage Code.

### **INVENTORY OF EXTERNAL CUSTOMERS BY STRATEGY**

TABC has compiled a list of external customers by budget strategy and has identified three distinct groups as its primary customers: the general public, the alcoholic beverage industry, and local agencies and officials.

An inventory of external customers served by each strategy is as follows:

#### **ENFORCEMENT**

The Enforcement Department is responsible for the criminal and administrative enforcement of the Alcoholic Beverage Code. As public safety is a statewide concern affecting all Texas citizens, every person in the state is considered a primary customer.

TABC agents, who are commissioned peace officers, both inspect TABC-licensed premises and investigate any alleged violation of the Code and other state laws. While many investigations involve relatively simple violations of state alcoholic beverage laws, some involve much more complex situations such as human trafficking, organized crime, or narcotics. TABC agents work with local, state, and federal law enforcement officials on these investigations, making those agencies secondary customers.

#### **LICENSING**

The Licensing Department issues all TABC licenses, permits, and certificates thereby ensuring certain criteria are met including local government certification, tax security, and other regulations. A license is required for all segments of the alcoholic beverage industry, making its members the primary customers of TABC's Licensing Department. Additionally, by ensuring each license holder meets the qualifications required by law, the department's secondary customers include the general public and local agencies.



### AUDIT AND INVESTIGATIONS

TABC's Audit and Investigations Department is charged with ensuring compliance with the Code and TABC Rules. Auditors:

- Conduct tax, financial, and investigative audits.
- Conduct open compliance inspections of licensed locations and new location inspections during the licensing application process.
- Assist with various types of investigations.
- Monitor and regulate cash/credit law.
- Deal with marketing practices issues.

The department also initiates administrative action when a Code violation occurs.

As with Enforcement, the general public is considered a primary customer when it comes to ensuring compliance with the Code. Secondary customers include the license holders who receive training and education designed to promote voluntary compliance with the Code.

### PORTS OF ENTRY

The Ports of Entry Department ensures the proper taxation of alcoholic beverages brought into the state by individuals for personal consumption via land ports on the Texas/Mexico border. The department is charged with identifying high-traffic loads and strategically positioning personnel to collect tax payments as required by law. Primary customers are the individuals paying these taxes and fees.

Through an arrangement with the Texas Comptroller of Public Accounts, TABC Ports of Entry employees also collect taxes on cigarettes brought into the state. As such, the Comptroller is considered a secondary customer of the department.

Ports of Entry personnel are also charged with ensuring any illicit beverages, or beverages deemed dangerous for public consumption, are not brought into the state. This function serves to uphold the health of the Texas public, making all citizens and visitors primary customers of the department.



### **CUSTOMER SATISFACTION SURVEYS**

To evaluate the level of customer satisfaction, TABC used surveys tied to specific agency programs: Enforcement and Licensing. Data collected from the surveys is used to monitor each department's performance against accepted customer service standards, improve overall quality of service, and provide information on overall customer satisfaction.

TABC intends to launch additional surveys beginning in FY 2025 to expand examining other agency programs: Compliance Reporting, Excise Tax, and Product Registration. These surveys will be deployed via links on auto-generated emails sent through Alcohol Industry Management System (AIMS), a software solution which allows users to conduct their TABC business entirely online. These links take users to an online form, which allows them to submit feedback through multiple- and ranked-choice responses as well as written comments.

TABC already uses AIMS to collect feedback from Licensing constituents; as additional modules of AIMS are added, it is the agency's intent to deploy additional surveys to better collect customer satisfaction data specific to each agency program.

### ***CUSTOMER SERVICE SURVEY***

The agency makes the Customer Service Survey, with questions determined by the Legislative Budget Board and Office of the Governor, available on the TABC public website. To reach additional individuals, TABC periodically distributes the survey to subscribers of the agency's industry notifications mailing list. In FY 2022-2023, the agency received 77 survey responses. For purposes of the following data, responses marked "N/A" were not calculated as part of the overall satisfaction percentage.



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**Table 1. Customer Service Survey Results, FY 2022-2023**

Question	Satisfied	N/A	Unsatisfied/ Neutral	Total	% Satisfied
How satisfied are you with the agency’s facilities, including your ability to access the agency, the office location, signs, and cleanliness?	28	15	33	76	46%
How satisfied are you with agency staff, including employee courtesy, friendliness, and knowledgeability, and whether staff members adequately identify themselves to customers by name, including the use of name plates or tags for accountability?	30	11	35	76	46%
How satisfied are you with agency communications, including toll-free telephone access, the average time you spend on hold, call transfers, access to a live person, letters, electronic mail, and any applicable text messaging or mobile applications?	33	5	39	77	46%
How satisfied are you with the agency’s Internet site, including the ease of use of the site, mobile access to the site, information on the location of the site and the agency, and information accessible through the site such as a listing of services and programs and whom to contact for further information or to complain?	28	1	48	77	37%
How satisfied are you with the agency’s complaint handling process, including whether it is easy to file a complaint and whether responses are timely?	20	30	27	77	43%
How satisfied are you with the agency’s ability to timely serve you, including the amount of time you wait for service in person?	28	10	38	76	42%
How satisfied are you with any agency brochures or other printed information, including the accuracy of that information?	32	16	29	77	52%
Please rate your overall satisfaction with the agency.	36	2	39	77	48%



**ENFORCEMENT**

Prior to 2021, the Enforcement Department provided industry members with an opportunity to provide feedback after a visit from a TABC Enforcement Agent, usually via a short survey typically sent through email with a link to a third-party survey website.

With the launch of AIMS in 2021, TABC ceased collecting survey responses via email, with the intent of deploying surveys through AIMS. Due to delays in the development of the AIMS Enforcement email functionality, TABC deployed the surveys in Spring 2024, and is continuing to collect relevant data.

Due to the delay in technology, the agency only collected four customer satisfaction surveys for the Enforcement function throughout FYs 2022 and 2023, resulting in little usable data. Moving forward, TABC will prioritize collecting customer feedback via AIMS, and will seek additional avenues to collect feedback from those who interact with Enforcement.

**Table 2. Enforcement Survey Results, FY 2022-2023**

<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>Total</b>	<b>% Yes</b>
Was the disruption to your business minimal?	4	0	4	100%
Did the Agent(s) treat you and your employees with courtesy and respect?	4	0	4	100%
Did the Agent(s) treat your customers with courtesy and respect?	4	0	4	100%
Were the actions of the Agent(s) fair and reasonable?	4	0	4	100%
Did the Agent(s) seem as interested in educating you about the law as they were about finding violations?	4	0	4	100%
Overall, did the experience leave you with a favorable impression of the TABC and its Enforcement Agents?	4	0	4	100%





**LICENSING**

The Licensing Department provides surveys to retailers, distributors, and manufacturers who have applied for an original license or permit. The survey was last revised in 2022 to allow for a new online-only process. This survey is intended to make it easier for license or permit holders to provide feedback to TABC regarding the licensing process. The survey process is voluntary, with users being provided a survey link alongside any AIMS-generated emails they receive via their primary AIMS account.

During FY 2022-2023, a total of seven surveys were returned to TABC. These surveys indicate a 100% satisfaction rate with TABC’s licensing service.

*Table 3. Licensing Survey Results, FY 2022-2023*

Question	Satisfied	Neutral/ Unsatisfied	Total	% Satisfied
How satisfied are you with your interactions with TABC staff during your application process, including the staff’s courtesy, friendliness, and knowledgeability?	7	0	7	100%
How satisfied are you with the agency’s ability to timely serve you?	7	0	7	100%
Please rate your overall satisfaction with your customer service experience	7	0	7	100%
Please rate your overall satisfaction with TABC.	7	0	7	100%

Overall, the level of customer satisfaction for Licensing has remained steady in the 97-99% range. That said, TABC is committed to increasing survey participation in order to collect a more diverse array of results. In the coming biennium, the agency will explore additional methods of collecting survey data beyond the AIMS emails with the intent of gaining a clearer understanding of customer sentiment across the alcoholic beverage industry.

**CONCLUSION**

Based on the survey results received by the Enforcement and Licensing departments, there is evidence of customer satisfaction among those who interact with these TABC programs. However, due to the very limited sample size, these results should be taken with a grain of salt; a more thorough understanding of customer satisfaction can only be achieved through increased participation. In the coming biennium, TABC will work with



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internal and external stakeholders to determine better ways of increasing survey participation. The agency will also launch additional surveys for other programs, such as Excise Tax, Ports of Entry, and Product Registration, in order to gauge user sentiments among those groups.

**Table 4. Customer-Related Performance Measures**

Outcome Measures	FY 2024 (Estimated)	FY 2025 (Expected)
Percentage of Surveyed Customer Respondents Expressing Overall Satisfaction with Services Received <sup>1</sup>	N/A	70%
Average Number of Days to Approve an Original Primary License/Permit <sup>2</sup>	26	26
Average Number of Days to Approve a Product Registration Application <sup>3</sup>	13	13
<b>Output Measures</b>		
Total Customers Surveyed	N/A	30,000
Response Rate	1.4%	25%
Total Customers Served <sup>4</sup>	2,961,953	2,444,438
<b>Efficiency Measure</b>		
Cost per Customer Surveyed	<\$.01	<\$.01
<b>Explanatory Measures</b>		
Total Customers Identified <sup>5, 6</sup>	30,503,301	32,200,00
Total Customer Groups Inventoried	3	3
Average Number of Days to Close an Investigation by Enforcement <sup>7</sup>	57	57

<sup>1</sup> TABC continues to devise new methods for developing and deploying customer service surveys for the Enforcement, Licensing and Audit strategies. Survey responses during FY 2023 were extremely limited in number and provide little useful data from which to extrapolate an overall approval percentage. Once new survey methods are developed, TABC will better track customer response.

<sup>2</sup> Represents a TABC performance measure.

<sup>3</sup> Represents a TABC performance measure.

<sup>4</sup> Represents the approximate number of licensed businesses inspected or audited, complaints, persons attending TABC-led educational programs, seller/server training certificates issued, license/permit applications processed, and transactions at a port of entry.

<sup>5</sup> State Population. Source: U.S. Census data for population as of July 1, 2023 and [Texas Demographic Center](#) data for current 2025 projections.

<sup>6</sup> Not based on a fiscal year.

<sup>7</sup> Represents a TABC performance measure.



# TABC Compact with Texans

Originally created in 1935, the Texas Alcoholic Beverage Commission (TABC) is the state agency that regulates all phases of the alcoholic beverage industry in Texas. The duties of the commission include regulating sales, taxation, importation, manufacturing, transporting, and advertising of alcoholic beverages.

At TABC, we realize the great responsibility the state of Texas has placed on our agency, and we are committed to providing the best services possible to the people of Texas. We pledge to:

- Apply the Alcoholic Beverage Code in a fair, consistent, and timely manner.
- Exemplify courteous, ethical, and professional behavior.
- Be fiscally responsible and accountable.
- Be accessible, transparent, efficient, and effective.

## Mission

TABC's mission is to serve the people of Texas and protect public health and safety through consistent, fair and timely administration of the Alcoholic Beverage Code.

## Vision

A safe and healthy Texas served by an innovative Alcoholic Beverage Commission regulating a responsible and compliant alcoholic beverage industry.

## Guiding Principles

- We empower our employees to respond effectively to challenges.
- We recruit, develop, retain, and value a highly competent and diverse workforce that will successfully execute our mission.
- We strive to be a competitive employer.
- We expect ethical and professional behavior of ourselves.
- We exercise discretion in our authority when making decisions based on ethical and legal principles.
- We do the right thing, and not just what we have the right to do.
- We work together to achieve goals and solve problems.
- We put responsible people into business and promote good business practices through open communication.



- We foster voluntary compliance through education.
- We provide the highest level of public safety by assessing and analyzing at-risk behavior and taking action against unlawful conduct.

### **Customer Service Standards**

We recognize that quality service is essential in meeting our mission, goals, and responsibilities. We pledge to:

- Treat you with professional courtesy and respect at all times.
- Provide you with accurate, timely and complete information.
- Respond to all inquiries as soon as possible within five working days of receipt.
- Process new (unprotested) applications within 60 calendar days.
- Acknowledge receipt of complaints within three working days.
- Resolve complaints within 60 working days and notify the complainant if any situations arise that may require additional time for complaint resolution.
- Provide helpful and up-to-date information on our website.
- Ensure our facilities are easily accessible and clean.
- Provide you with our Compact with Texans Customer Satisfaction Survey results and continually strive to improve our services.

### **Public Information Officer**

TABC's public information officer (PIO) (or their designee) is responsible for responding to any concerns regarding the agency. You can contact the PIO at:

Texas Alcoholic Beverage Commission

P.O. Box 13127

Austin, Texas 78711

[questions@tabc.texas.gov](mailto:questions@tabc.texas.gov)

512-206-3462



### Complaint-Handling Process

#### Report Violations of the Alcoholic Beverage Code

You can file a complaint about violations of the Alcoholic Beverage Code, including establishments and people who sell or give alcoholic beverages to minors.

- You may file a complaint through the [Alcohol Industry Management System](#), which can be accessed via TABC's public website, or [other means](#) as noted in Rule 31.10 (Texas Administrative Code, Title 16, Part 3).
- If TABC has jurisdiction over the complaint, you will be informed an investigation has been initiated.
- We will make every effort to resolve your complaint within 60 working days.
- We will notify you of the final disposition of the complaint.

#### Complaints Against TABC Personnel

In order to file a complaint against the agency or a TABC employee, complete an [online form](#) or use other means noted on [TABC's public website](#). Upon receipt the Office of Inspector General will:

- Notify you in writing, whenever possible, confirming that your complaint was received.
- Conduct interviews of involved parties and collect evidentiary materials.
- Prepare a report with the investigative findings and conclusions.
- Notify you of the results when the investigation has been completed.

### License and Permit Process

The Alcohol Industry Management System (AIMS) is the primary means for Texas residents to apply for, track, and maintain an application for a TABC license or permit to sell, manufacture, or distribute alcoholic beverages. AIMS can be accessed via the TABC website, [www.tabc.texas.gov](http://www.tabc.texas.gov), using the Google Chrome or Microsoft Edge internet browsers.

State law requires most applicants to display a sign for at least 60 days at the business location before a TABC license or permit can be issued. **Please contact your [local TABC office](#) as soon as possible to obtain a 60-day sign or download it from the TABC website to print yourself.**



## TABC Strategic Plan FY 2025-2029

Complete and correct applications can take up to 30 days for TABC to process once they're received by the agency along with any required application fees. All applications must first be certified by a local government (city and/or county, depending on where the business is located) before they can be accepted for processing by TABC.

If a completed renewal application and all required fees have been submitted online through AIMS before the expiration date of the permit or license, the license/permit holder may operate under the expired license or permit until the renewal application is denied or issued. Paper renewal applications may be submitted but are not encouraged.

If you have any questions or comments about our license and permit application process, contact:

Licensing Division  
Texas Alcoholic Beverage Commission  
P.O. Box 13127  
Austin, TX 78711  
[licensing@tabc.texas.gov](mailto:licensing@tabc.texas.gov)  
512-206-3490  
Fax: 512-206-3399

### **Questions, Comments, Suggestions and Requests for Information**

TABC values your comments and will use them to measure our performance and improve our service. Communication of information and ideas provides an understanding and shared commitment toward achieving common goals. We will make every effort to respond to your inquiries within five working days of receiving them.

### **Your Satisfaction Is Important to Us!**

Please take a few minutes to complete our [Customer Satisfaction Survey](#). It will help us evaluate the services we provide and determine how they can be improved. We want to make this agency more responsive to the needs of the public, but we need your help to make it happen.





# Schedule I: Certification of Compliance with Cybersecurity Training



## CERTIFICATE

### Texas Alcoholic Beverage Commission

Pursuant to the Texas Government Code, Section 2056.00(b)(12), this is to certify that the agency has complied with the cybersecurity training required pursuant to the Texas Government Code, Sections 2054.5191 and 2054.5192.

**Chief Executive Officer or Presiding Judge**

**Board or Commission Chair**

Signature

Signature

Thomas W. Graham

Kevin J. Lilly

Printed Name

Printed Name

Executive Director

Chairman

Title

Title

5/14/24

5/14/24

Date

Date