



TEXAS ALCOHOLIC
BEVERAGE COMMISSION
Supporting Businesses and Protecting Texans

LEGISLATIVE APPROPRIATIONS REQUEST

for **Fiscal Years 2026** and **2027**

Submitted to the
**Office of the Governor, Budget and Policy Division,
and the Legislative Budget Board**

— **By the Texas Alcoholic Beverage Commission** —

Kevin J. Lilly, Chairman.....Houston
Deborah Gray Marino, Member.....San Antonio
M. Scott Adkins, Member.....El Paso
Hasan K. Mack, Member.....Austin
Vacant, Member.....TBD

Aug. 23, 2024



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Administrator's Statement

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Administrator’s Statement

The Texas Alcoholic Beverage Commission (TABC), originally established by the Texas Legislature as the Texas Liquor Control Board in 1935, is charged with regulating all aspects of the alcoholic beverage industry in the state. TABC ensures that businesses operating across the three tiers of the industry (i.e., manufacturing, wholesale, and retail) and the three product categories (i.e., malt beverages, wine, and distilled spirits) comply with the provisions of the Texas Alcoholic Beverage Code (Code).

The Code gives TABC a dual regulatory and public safety mission. The agency’s regulatory mission includes issuing licenses to applicants who are eligible to operate within the Texas alcoholic beverage industry, approving the registration of new alcoholic beverage products, collecting excise and importation taxes, and auditing businesses to ensure compliance. TABC's public safety mission is to ensure licensed businesses and those working in the alcoholic beverage industry do not cause threats to communities.

In carrying out its statutory responsibilities, TABC pledges to always:

- apply the Code in a fair, consistent, and timely manner;
- exemplify courteous, ethical, and professional behavior; and
- be fiscally responsible, transparent, accountable, efficient, and accessible.

The General Appropriations Act, in TABC Budget Rider 7, requires the agency’s collection of fees, fines, and other revenues to cover its appropriations. TABC’s baseline appropriations request for the 2026-27 biennium is \$111,892,823, including 620 full-time equivalent employees (FTEs), of which 230 are peace officers serving as agents in the Enforcement Division. During this upcoming biennium, TABC estimates to collect \$223.0 million in fees, fines, and other revenues. Additionally, the agency estimates to collect \$552.0 million in alcohol excise taxes and \$1.3 million in cigarette taxes.

TABC’s Governing Board of Commissioners

The governing board (Commission) consists of five Commissioners appointed by the Governor and confirmed by the Texas Senate. They serve staggered six-year terms without compensation. The Commission’s top priority is to ensure the agency implements the law and its Administrative Rules (Rules) in a manner that is fair, protective of public health and safety, and not overly burdensome on businesses. The Commission values transparency and open government. It ensures that all Commission meeting dates, locations, and agendas are available in advance to the public and that Commission meetings are streamed live for public viewing.

Commission Member	Term End	Hometown
Kevin J. Lilly, Chair	November 15, 2027	Houston
M. Scott Adkins	November 15, 2023	El Paso
Hasan K. Mack	November 15, 2025	Austin

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Deborah Gray Marino November 15, 2025 San Antonio

Vacant

The Commissioners appoint an Executive Director to run day-to-day operations of the agency. The Executive Director carries out these duties with the support of a Deputy Executive Director. Additional details about the agency's structure can be found in the Organizational Chart submitted as part of this request.

Significant Changes in Policy

Significant policy changes have impacted alcoholic beverage regulation in Texas over the last six years.

In 2019, the 86th Legislature adopted House Bill 1545, known as the TABC Sunset bill. Among the sunset bill's reforms, it consolidated 75 license and permit types into 37; eliminated license and permit fees from statute and required TABC to set them by rule; streamlined the product registration process; eliminated certain advertising restrictions; and authorized small breweries to sell beer-to-go. The agency fully implemented these reforms between 2019 and 2021. However, some ongoing efforts continue for proper implementation, such as periodically reviewing license and permit fees to ensure they remain appropriate and completing the buildout of TABC's Alcohol Industry Management System (AIMS).

In 2021, the 87th Legislature adopted new laws that allow Mixed Beverage Permit holders operating as restaurants to sell alcohol-to-go (HB 1024), hotel bars to stay open 24/7 (HB 1518), and retailers that are licensed to sell beer and wine only to begin selling at 10 a.m. on Sundays instead of noon (HB 1518); and that requires wine bottles with labels referring to Texas, a Texas county, or a Texas grape-growing region, to contain wine made with fruit 100% grown in Texas (HB 1957). Additionally, the Legislature adopted SB 475, which requires each state agency to designate an employee as its data management officer and establish a data governance program to improve information management and analysis. TABC currently uses existing resources to comply with this law, but this is unsustainable because current staff and resources are already dedicated to other critical agency functions.

In 2023, the 88th Legislature allowed distillers to contract with other distillers to produce spirits (SB 60), conduct samples for consumers at temporary events (SB 1375), and sell up to four bottles to consumers (SB 2284). TABC was also required to provide an Opioid Overdose Course that bar servers must take each year (SB 998).

Significant Changes in Provision of Service: Technology and Industry Growth

To implement the licensing reforms required by the 2019 TABC Sunset bill and begin phasing out multiple unsupported legacy systems, the 86th Legislature approved TABC to build a single cloud-based system through which the alcoholic beverage industry and agency staff could conduct their regulatory responsibilities. It became known as the Alcohol Industry Management System (AIMS). Since AIMS is the first comprehensive system of its kind for alcohol regulation, it had to be built over multiple years with funds appropriated in each of the last three legislative sessions.

The 86th Legislature funded Phase I of the project, which was launched in September 2021, and included functionalities such as license applications and renewals, product registration, excise tax reports, breach of peace reports, and more.

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The 87th Legislature funded Phase II of the project, which was partially completed in 2023, with features such as compliance reporting (i.e., licensees' self-inspections), alcohol importation tax collection, legal and law enforcement case management, and various enhancements to the licensing and excise tax functionalities from Phase I. The remaining Phase II features to be completed are legal and investigative functionalities.

Finally, the 88th Legislature funded Phase III of the project, for which TABC and its vendor are still in development to build additional required functionalities for the license application process; additional industry report submissions; tools to automate the agency's identification and remediation of discrepancies in reports filed by license holders to ensure accuracy and compliance; and enhancements to Phase II functionalities. Phase III features are the intended final components of the core functionalities necessary for AIMS to be the all-in-one, cloud-based software solution to replace the agency's legacy systems. However, the agency's due diligence in developing a fully functional AIMS has caused delays that make completion of Phase III within the 2024-25 biennium unlikely. This will necessitate the Legislature granting the agency Unexpended Balance (UB) authority for these project funds or re-appropriating the unexpended AIMS development funds from the 2024-25 biennium to the agency in the 2026-27 biennium.

The completion of AIMS Phase I and partial completion of Phase II has brought significant benefits to the Texas alcoholic beverage industry. The average wait time to receive an approved license or permit from TABC has decreased by 31%, from 51 days in FY 2019 to 35 days in FY 2023. Additionally, businesses' average wait time to receive approval of new product registrations from TABC has decreased by nearly 50%, from 29 days in FY 2019 to 15 days in FY 2023. Further, with the recent launch of the compliance report feature in AIMS, which license holders must use to conduct an annual self-inspection, TABC met its performance measure target for audit inspections for the first time since FY 2018.

TABC's continuing ability to effectively regulate and serve the alcoholic beverage industry while ensuring public safety hinges on its ability to integrate technology and data solutions as the industry in Texas continues to grow at a rapid pace. Over the last 10 years, the number of breweries in Texas have grown by 103%; wineries have grown by 186%; distilleries by 390%; distributors by 39%; wholesalers by 47%; off-premises

consumption retailers by 18%; and on-premises consumption retailers by 27%. This represents dramatic increases in demand for TABC services, which must be addressed through technology and a stable workforce of qualified, experienced personnel.

Significant Externalities: Salaries, Recruiting and Retaining Qualified Staff

In the last two regular sessions, the Texas Legislature recognized the importance of state government's ability to recruit and retain qualified personnel, appropriating several targeted pay increases for state employees. TABC greatly appreciates this funding because a significant number of agency positions had salaries that were not competitive with salaries offered by other agencies for similar positions.

In 2021, the 87th Legislature approved pay increases for peace officers under Salary Classification Schedule C, and TABC received \$3.9 million for this purpose in the 2022-23 biennium. By the end of that biennium, the percentage of TABC's vacant peace officer positions decreased from 20% to 17%. However, the 17% vacancy rate remains problematic as TABC still can't meet several law enforcement performance measure targets set by the Legislature. The problem stems from TABC's need for experienced peace officers and the agency's lack of funding to pay peace officers for their experience. TABC aims to address this problem with an exceptional item request, which is explained in detail within this LAR.

In 2023, the 88th Legislature provided 5% raises, with a minimum raise of \$3,000, to state employees in FY 2024 and again in FY 2025. Additionally, to address high

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turnover rates, the Legislature provided TABC with \$2.5 million for targeted salary increases for its licensing, audit, and ports of entry staff. These salary increases have positively impacted the agency and its work. However, TABC now has difficulty retaining its critical operations staff, such as accountants who manage and report agency license and tax revenue, procurement professionals who ensure the agency properly contracts for needed services, and human resources professionals who enable the agency to recruit and hire. A significant portion of these departing staff leave for similar jobs at other agencies that pay between 8% and 25% more than TABC, according to data on the State Auditor’s website. The agency aims to address this problem with an exceptional item request, which is explained in detail within this LAR.

Exceptional Items

TABC is committed to executing its statutory mission effectively and efficiently to provide excellent customer service to the fast-growing alcoholic beverage industry and the millions of Texans who look to the agency to ensure public safety within the industry. To achieve that goal, TABC proposes five exceptional item requests focused on integrating technology and data solutions, filling vacant peace officer positions, and maintaining a high-performing professional staff.

TABC’s exceptional item requests total \$13.5 million and include nine new FTEs. Without these funds and FTEs, the agency won’t be able to efficiently regulate and serve the needs of the ever-growing Texas alcoholic beverage industry or meet important benchmarks the state has set for the agency.

Item I. Expand Data Governance to Support Operations and Industry Needs

TABC requests \$1.9 million to establish a Business Intelligence Office, which includes four new FTEs along with funds for data management and analytics tools and necessary professional services to build and support an effective data management program.

This will enable TABC to properly organize its data, implement quality controls to maintain data integrity, and enhance data literacy across the organization. TABC and its stakeholders will have easier access to data and be able to leverage it to gain valuable insights, identify improvement opportunities, and make informed, data-driven decisions. For instance, TABC and the public could utilize TABC data to visualize trends in violations and determine areas that require focused education and enforcement. Moreover, the alcoholic beverage industry could make better use of TABC data to analyze market trends. With this funding, TABC will be better equipped to meet the increasing demands for data, improve data access and utilization, enhance decision-making processes, and improve services provided to its stakeholders.

This is necessary for TABC to meaningfully comply with Government Code Section 2054.137, which requires agencies to designate an employee as the data management officer and establish a data governance program to improve information management and analysis. While TABC currently uses existing resources to comply, this is unsustainable as they are already dedicated to other critical agency functions. To effectively serve the fast-growing alcoholic beverage industry of more than 73,000 licenses and address public safety concerns, TABC must be able to leverage data and determine necessary actions through analytics.

Without this funding, TABC lacks the minimal resources to sustain the state’s expectations and the needs of staff and stakeholders for accessible, reliable data. Further, TABC will be unable to fully harness its data to improve operations for its fast-growing industry.

Item II. Hire and Retain Experienced Peace Officers

TABC requests \$5.0 million to compensate its peace officers for up to four years of service under Salary Classification Schedule C if they previously served an equal

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number of years as a peace officer anywhere within the United States.

This will enable TABC to initially pay its experienced peace officers a salary of \$80,274 rather than start them as a Probationary Agent for one year at \$55,441 and then as an Agent I for the next three years at \$65,851. This will help TABC fill longstanding vacant peace officer positions; reduce travel costs with agents traveling shorter distances;

timely investigate public safety complaints; meet legislatively set performance measure targets; and overall, fulfill its public safety mission.

This funding is necessary because TABC primarily hires peace officers with at least four years of experience. The duties of a TABC agent require seasoned, mature individuals who can work calmly with businesses and the public, sometimes in tense situations, and investigate complicated crimes such as financial fraud. However, TABC is not currently appropriated sufficient funds to hire experienced peace officers at competitive compensation. This is a major obstacle to TABC's ability to fill its peace officer positions. From FY 2018 to FY 2023, TABC was authorized for an average of 245 peace officer positions and the agency maintained a 12.0% average vacancy rate for those positions. As a result, the agency has been unable to meet various legislatively set performance measure targets for enforcement inspections and investigations.

Without this funding, TABC won't be able to meaningfully fill its vacant peace officer positions. These vacancies will result in increasingly negative consequences as the alcoholic beverage industry continues to rapidly grow and increase agent workload.

Item III. Retain Critical Operations Staff

TABC requests an additional \$1.2 million within its Indirect Administration Goal to increase the salaries, of staff positions that are critical to support agency operations, to levels that are competitive with salaries for similar positions at other agencies.

By providing this funding, TABC will be better positioned to reduce turnover and retain skilled professionals who are essential to the agency's accounting, procurement, human resources, technology, and programming responsibilities. These positions underpin the work that must be done for TABC to carry out its mission of supporting businesses and protecting Texans. Additionally this funding will enable TABC to reduce productivity losses and improve institutional wisdom, efficiency, employee morale, and customer service.

Item 3 is necessary because these staff positions face significant labor market pressures, resulting in staff turnover that poses a real threat to TABC's operational success. Based on average and max-average salaries, other agencies' compensation ranges between 8% and 13% higher than TABC's for accountants, between 20% and 25% higher for programmers, and between 9% and 15% higher for purchasers, according to data from the State Auditor's Office website. Over the last six years, 50 of the 63 FTEs within TABC's Indirect Administration Goal left the agency, and more than 80% of those that participated in an exit interview indicated they were leaving due to compensation. Furthermore, a third of those leaving transferred to another state agency. Looking at the data another way, the personnel turnover rate within TABC's Indirect Administration Goal ranged between 5% and 28% annually in the last six years.

Without this funding, the agency will continue to lose competent, experienced employees who take years to develop. This will impact the agency's ability to process timely payments, properly account for revenue, procure and implement necessary tools and services, and onboard new employees.

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Item IV. Integrate and Support Technology Solutions for Quality Service

TABC requests \$3.0 million to hire five new FTEs and to obtain necessary tools within its Innovation and Technology (IT) Division. Historically, TABC could rely on technology solutions without increasing FTEs. However, there are now more project and data demands, network issues, and end-user issues than TABC's current IT staff can address sufficiently. As TABC evolves to serve a growing alcoholic beverage industry, moves more workload into cloud environments, and increasingly relies on technology solutions and data to perform core responsibilities, it is essential for the agency to quickly adapt, adequately implement software solutions, and promptly resolve network and end-user issues. This funding is needed to lay the foundation for sustained success at TABC.

The five FTEs are needed to oversee the agency's software solutions and fully integrate their services into core operations, as well as provide network support for the agency's cloud services and end-user support for agency staff using its various software solutions. This will enable TABC to get more value out of its technology, minimize disruptions to its cloud-based programs, and ensure its 620 FTEs receive quick assistance to address their technology issues. As a result, these FTEs will improve workflow, create internal efficiencies, and improve the quality-of-service TABC provides to the alcoholic beverage industry.

Additionally, cloud-based software and professional services are needed to facilitate the agency's IT staff capabilities for developing code that will create automated workflows for staff, responsibly integrating artificial intelligence tools, and providing data analytics abilities. This will enable TABC to leverage best practices to maximize performance and service to its stakeholders.

Without these resources, TABC will struggle to meet its basic technology and data needs, which will result in disruptions to workflows and delays in service for the rapidly growing alcoholic beverage industry.

Item V. Technology Licensing and Support

TABC requests an additional \$2.2 million to cover increased costs for maintenance and agency staff user licenses for its technology transformation projects, which includes the Alcohol Industry Management System (AIMS) and data analytics projects.

AIMS is the first-of-its-kind cloud-based system that TABC built to replace numerous legacy systems and enable staff and the public to conduct most of their required TABC tasks through a single online program. AIMS allows businesses to apply for and renew their licenses, manage license information, register their products, file reports, submit

payments, etc. It allows agency staff to process business transactions and maintain compliance records for each license holder — and will soon allow staff to share information among all agency divisions for investigative and enforcement purposes.

AIMS licensing and support funding is needed because AIMS is a Software as a Service (SaaS) — as recommended in the 2024-2028 State Strategic Plan (SSP) for Information Resources Management — and thus a subscription-based system for which TABC must pay ongoing licensing and maintenance costs to continue using. The Legislature appropriated \$1.6 million in TABC's 2024-25 budget to cover these costs. However, additional funding is needed because maintenance and user-license costs will increase for the 2026-27 biennium after TABC launches additional Phase II and Phase III AIMS functionalities. TABC can't absorb the delta between base funding and its estimated ongoing need.

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If TABC does not receive this funding, a total of \$3.8 million for technology licensing and support in the 2026-27 biennium, it will reduce the number of TABC staff who can access AIMS; limit the agency's ability to make necessary system enhancements or updates; and significantly disrupt service for Texas businesses.

Rider Request – Unexpended Balances: Technology Transformation Project

TABC is in the midst of implementing a large, multi-year technology transformation project to replace its unsupported legacy systems with a unified structure of data management and Software as a Service (SaaS) technology. This project includes completing the buildout of the agency's Alcohol Industry Management System (AIMS), a cloud-based service through which the alcoholic beverage industry and TABC staff can conduct regulatory responsibilities in an efficient manner.

TABC seeks a rider authorizing it to carry forward into the 2026-27 biennium any unexpended or unobligated funds the Legislature appropriated to the agency in the 2024-25 biennium for its Technology Transformation Project. This authorization is necessary because the scope of the project and due diligence required will prevent completion within the 2024-25 biennium. Without this authority, TABC's appropriated funds for the project will lapse on August 31, 2025, the project will be incomplete, and the agency will need the Legislature to re-appropriate those lapsed Technology Transformation funds for the 2026-27 biennium.

Rider Request – Employment of Peace Officers with Previous Experience

To ensure the agency hires enforcement agents suited for the job, TABC has a standard of hiring those that have at least four years of prior peace officer experience anywhere in the U.S. However, to fill longstanding vacancies for these positions, TABC must be able to compensate its peace officers for their prior experience rather than start them as entry-level peace officers. Therefore, TABC proposes a new budget rider explicitly allowing it to determine a TABC agent's salary under Salary Classification Schedule C by counting up to four years of their prior peace officer experience

anywhere within the U.S. as "years of service." With this clear authorization, the agency will be better equipped to fill longstanding vacant peace officer positions, meet its legislatively set performance measure targets, and overall fulfill its public safety mission.

This rider is necessary because state peace officers must be compensated according to "years of service" in Salary Classification Schedule C. While the Texas Comptroller's Fiscal Management Division indicates that each state agency may determine what counts as "years of service" for compensation under Schedule C, neither this guidance nor the General Appropriations Act are clear about whether agencies can consider peace officer experience at the local or state levels — in Texas or elsewhere in the U.S. — or peace officer experience at the federal level.

Rider Request – Amend the "Limit on Travel and Activities" Rider

In 2017, the 85th Texas Legislature adopted a rider into TABC's budget that prohibits the agency from traveling outside of Texas and from accepting payments or travel subsidies from trade associations. The Legislature adopted this rider because they lost faith in TABC's leadership at the time. Nearly eight years and two TABC executive administrations later, the agency has earned back the Legislature's and industry's trust, yet the rider remains in place. This imposes unintended hardships on the agency's ability to perform its duties.

TABC requests that the Legislature repeal Subsection (a) of the agency's "Limit on Travel and Activities" budget rider, which will allow the agency to travel out of the

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state when reasonably necessary to perform its duties. If TABC’s out-of-state travel restriction remains in place, the agency faces the following problems:

- If the agency is sued regarding state alcohol laws and the case is heard by a federal appellate court outside of Texas, TABC staff who need to attend the hearing are forced to personally pay for their travel. This happened in 2019.
- When TABC agents stationed in El Paso or Texarkana are due for training, TABC must pay a premium for them to attend distant training in Austin or Houston rather than sending them to comparable training options in nearby cities in New Mexico or Arkansas.
- When TABC’s organized crime investigators, who assist all levels of law enforcement with investigating major crimes involving the alcoholic beverage industry, are invited to training programs outside of the state by the FBI and other reputable entities, they must decline. Missing these opportunities can hinder TABC’s ability to combat human and narcotics trafficking in the state.
- When TABC officials are occasionally asked by Texas stakeholders or others to speak at or participate in national gatherings of alcoholic beverage regulators or businesses to discuss emerging regulatory issues and how to improve enforcement and compliance, TABC officials must decline — unlike other Texas agency officials.

Rider Request – Repeal the “Winery Permit Study” Rider

This rider required TABC to conduct a one-time study and report its findings to the Legislature by August 31, 2024. TABC has fulfilled this duty, and there’s no further need for the rider.

Exempt Position

The General Appropriations Act for the 2024-25 biennium recognizes one exempt position at TABC. The agency is not requesting any changes.

Background Checks

During the hiring process for peace officer jobs at TABC, the agency carefully investigates candidates pursuant to Occupations Code Section 1701.451 and the Texas Commission on Law Enforcement’s rules concerning their employment history, educational records, credit history, and legal records.

Applicants for civilian positions are subject to criminal history and credit history checks, and a check of previous employment references, as outlined in Labor Code Sections 103.001 and 104.004(a). Interns, volunteers, and contractors with access to the TABC network are subject to a criminal history check as per Government Code Section 411.1405.

When processing applications for an alcoholic beverage license, the agency conducts criminal background checks on individuals named on the application as outlined in Alcoholic Beverage Code Section 109.532. All criminal history information received as part of these investigations is kept confidential, and all such records are destroyed after the applicant’s eligibility to hold a license is determined.

Closing Statement

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As Chairman of the Texas Alcoholic Beverage Commission, I fully support TABC's Legislative Appropriations Request for the 2026-27 biennium. Commissioners have worked with agency staff to develop a Strategic Plan and Legislative Appropriations Request that benefit both the citizens of Texas and the industry we regulate. By approving TABC's baseline request, exceptional items, and requested rider revisions, the Legislature will fully equip the agency to carry out its statutory mission.

Kevin J. Lilly

Chairman, Texas Alcoholic Beverage Commission

Division Descriptions

Audit and Investigations — Conducts investigations and financial reviews; oversees the collection and reconciliation of the state's excise taxes; conducts inspections during the initial phases of the licensing process; and assists agents in various types of investigations.

Business Services — Responsible for all fiscal operations of the agency, including revenue processing, accounts payable, payroll, time and leave accounting, maintenance of the general ledger, and research and planning, as well as preparation and oversight of the agency's legislative appropriations request, annual financial reports, and all performance reporting.

Executive — Leads the agency and establishes the strategy for achieving TABC's mission; implements Commission directives; manages day-to-day operations; leads clear communication and engagement efforts; and sets staff training standards.

General Counsel — Provides legal services for the agency, including representing TABC in administrative hearings, drafting rules, responding to open records requests, managing litigation involving the agency, and providing legal advice to agency leadership and staff.

Human Resources — Manages employment-related activities including recruitment, selection, benefits and compensation, employee relations, classification, risk management, and implementation of TABC's equal employment opportunity program.

Innovation and Technology — Develops and maintains the core technology applications and infrastructure that supports agency operations and applies innovative technology solutions to make the agency more efficient, improve customer service, and solve business problems.

Inspector General — Oversees or conducts all internal investigations concerning the conduct of agency employees.

Law Enforcement — Protects Texans through public safety investigations and operations; investigates allegations of violations of the Alcoholic Beverage Code and other laws at TABC-licensed businesses; and, through the Special Investigations, investigates financial crimes, combats organized crime and other major criminal activity, and traces the source of alcohol after alcohol-related emergencies resulting in serious injury or death.

Licensing — Processes, reviews and grants licenses and permits to qualified applicants in accordance with the Alcoholic Beverage Code; provides customer service to applicants to assist businesses and support regulatory compliance; carries out a consistent, predictable, and timely licensing and permitting process; and oversees the agency's product registration process (labeling).

Marketing Practices — Oversees laws and rules regulating promotion of alcoholic beverage products.

Ports of Entry — Enforces personal importation laws and collects taxes and fees on alcoholic beverages and cigarettes brought into Texas from other countries through the state's ports of entry.

Public and Government Affairs — Establishes and oversees TABC's relationship and communications with government officials and their staff, TABC's engagement with the alcoholic beverage industry, and executes the agency's internal and external communications plan.

Strategic Planning and Performance Improvement — Implements legislation and audit recommendations; strategic planning and performance measures reporting; and management of the rulemaking process and policy program, as well as evaluation of structures, processes, and programs for efficiency and effectiveness.

Training — Develops innovative initiatives and maintaining inclusive training for staff, law enforcement, and TABC-licensed businesses.



CERTIFICATE

Agency Name Texas Alcoholic Beverage Commission

This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Office of the Governor, Budget and Policy Division, is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Office of the Governor will be notified in writing in accordance with House Bill 1, Article IX, Section 7.01, Eighty-eighth Legislature, Regular Session, 2023.

Chief Executive Office or Presiding Judge

Signature 

Thomas Graham
Printed Name

Executive Director
Title

August 23, 2024
Date

Board or Commission Chair

Signature 

Kevin J. Lilly
Printed Name

Presiding Officer
Title

August 23, 2024
Date

Chief Financial Officer

Signature 

Conrad A. Swan
Printed Name

Chief Financial Officer
Title

August 23, 2024
Date

Budget Overview - Biennial Amounts
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Appropriation Years: 2026-27

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS	
	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2026-27	
Goal: 1. Promote the Health, Safety, and Welfare of the Public												
1.1.1. Enforcement	58,970,676	58,024,010			1,315,968	800,000	437,431	200,000	60,724,075	59,024,010	5,000,000	
Total, Goal	58,970,676	58,024,010			1,315,968	800,000	437,431	200,000	60,724,075	59,024,010	5,000,000	
Goal: 2. License, Permit, Register Qualified Businesses and Products												
2.1.1. Licensing	11,164,445	11,960,774							11,164,445	11,960,774		
Total, Goal	11,164,445	11,960,774							11,164,445	11,960,774		
Goal: 3. Ensure Compliance with Fees & Taxes												
3.1.1. Compliance Monitoring	14,183,605	15,059,156							14,183,605	15,059,156		
3.2.1. Ports Of Entry	11,455,688	11,573,968							11,455,688	11,573,968		
Total, Goal	25,639,293	26,633,124							25,639,293	26,633,124		
Goal: 4. Indirect Administration												
4.1.1. Central Administration	5,113,182	5,437,392							5,113,182	5,437,392	573,650	
4.1.2. Information Resources	20,227,249	8,392,250							20,227,249	8,392,250	7,915,930	
4.1.3. Other Support Services	943,539	945,274							943,539	945,274	53,750	
Total, Goal	26,283,970	14,774,916							26,283,970	14,774,916	8,543,330	
Total, Agency	122,058,384	111,392,824			1,315,968	800,000	437,431	200,000	123,811,783	112,392,824	13,543,330	
Total FTEs									620.0	620.0	9.0	

2.A. Summary of Base Request by Strategy

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

458 Alcoholic Beverage Commission

Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
1 Promote the Health, Safety, and Welfare of the Public					
1 <i>Detect/Prevent Law Violations</i>					
1 ENFORCEMENT	28,461,216	31,212,070	29,512,005	29,512,005	29,512,005
TOTAL, GOAL 1	\$28,461,216	\$31,212,070	\$29,512,005	\$29,512,005	\$29,512,005
2 License, Permit, Register Qualified Businesses and Products					
1 <i>Process Apps for Permits, Licenses, & Registrations in a Timely Manner</i>					
1 LICENSING	4,347,440	5,184,058	5,980,387	5,980,387	5,980,387
TOTAL, GOAL 2	\$4,347,440	\$5,184,058	\$5,980,387	\$5,980,387	\$5,980,387
3 Ensure Compliance with Fees & Taxes					
1 <i>Ensure Compliance with Alcoholic Beverage Code</i>					
1 COMPLIANCE MONITORING	6,228,969	6,608,540	7,575,065	7,529,578	7,529,578
2 <i>Ensure Maximum Compliance with Importation Laws at Ports of Entry</i>					
1 PORTS OF ENTRY	4,977,794	5,668,704	5,786,984	5,786,984	5,786,984

2.A. Summary of Base Request by Strategy

8/23/2024 5:01:16PM

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

458 Alcoholic Beverage Commission

Goal / Objective / STRATEGY		Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
TOTAL, GOAL	3	\$11,206,763	\$12,277,244	\$13,362,049	\$13,316,562	\$13,316,562
4 Indirect Administration						
1 Indirect Administration						
1 CENTRAL ADMINISTRATION		2,326,774	2,394,486	2,718,696	2,718,696	2,718,696
2 INFORMATION RESOURCES		5,862,874	13,537,374	6,689,875	4,196,125	4,196,125
3 OTHER SUPPORT SERVICES		414,094	470,902	472,637	472,637	472,637
TOTAL, GOAL	4	\$8,603,742	\$16,402,762	\$9,881,208	\$7,387,458	\$7,387,458
TOTAL, AGENCY STRATEGY REQUEST		\$52,619,161	\$65,076,134	\$58,735,649	\$56,196,412	\$56,196,412
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*					\$0	\$0
GRAND TOTAL, AGENCY REQUEST		\$52,619,161	\$65,076,134	\$58,735,649	\$56,196,412	\$56,196,412

2.A. Summary of Base Request by Strategy

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

458 Alcoholic Beverage Commission

Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	51,910,894	63,822,735	58,235,649	55,696,412	55,696,412
SUBTOTAL	\$51,910,894	\$63,822,735	\$58,235,649	\$55,696,412	\$55,696,412
Federal Funds:					
555 Federal Funds	629,750	915,968	400,000	400,000	400,000
SUBTOTAL	\$629,750	\$915,968	\$400,000	\$400,000	\$400,000
Other Funds:					
666 Appropriated Receipts	78,517	337,431	100,000	100,000	100,000
SUBTOTAL	\$78,517	\$337,431	\$100,000	\$100,000	\$100,000
TOTAL, METHOD OF FINANCING	\$52,619,161	\$65,076,134	\$58,735,649	\$56,196,412	\$56,196,412

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/23/2024 5:01:16PM

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
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GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2022-23 GAA)

\$48,534,841	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2024-25 GAA)

\$0	\$61,373,685	\$58,485,649	\$0	\$0
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Regular Appropriations from MOF Table (2026-27 GAA)

\$0	\$0	\$0	\$55,946,412	\$55,946,412
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RIDER APPROPRIATION

Art IX, Sec 17.46 Appropriation for Law Enforcement Officer Salary Increase (2022-23 GAA)

\$1,939,786	\$0	\$0	\$0	\$0
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Comments: CPO Salary Increase

TRANSFERS

Art V, Rider 11 Texas Wine Marketing Assistance Program (2022-23 GAA)

\$(250,000)	\$0	\$0	\$0	\$0
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2.B. Summary of Base Request by Method of Finance
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/23/2024 5:01:16PM

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
Agency code: 458 Agency name: Alcoholic Beverage Commission					
<u>GENERAL REVENUE</u>					
SB30, Sec 9.02 88th Legislative Session Salary Increase for State Employees	\$332,262	\$0	\$0	\$0	\$0
Art V, Rider 11 Texas Wine Marketing Assistance Program (2024-25 GAA)	\$0	\$(250,000)	\$(250,000)	\$0	\$0
Art V, Rider 11 Texas Wine Marketing Assistance Program (2026-27 GAA)	\$0	\$0	\$0	\$(250,000)	\$(250,000)
<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>					
SB 30, Sec 9.02, 88th Legislative Session Motor Vehicle Purchase	\$2,699,050	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2022-23 GAA)	\$(1,492,986)	\$0	\$0	\$0	\$0
Art IX, Sec 17.46 Appropriation for Law Enforcement Officer Salary Increase (2022-23 GAA)	\$(174,987)	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/23/2024 5:01:16PM

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>GENERAL REVENUE</u>					
Comments: CPO Salary Increase Lapsed					
<i>UNEXPENDED BALANCES AUTHORITY</i>					
Art IX, Sec 14.03(i), Capital Budget UB (2022-23 GAA)	\$554,183	\$0	\$0	\$0	\$0
Comments: UB Capital Funds					
HB 2, 87th Leg, Regular Session	\$2,467,795	\$0	\$0	\$0	\$0
Comments: UB Supplemental Funds for AIMS					
SB 30, Sec 9.02, 88th Legislative Session Motor Vehicle Purchase	\$(2,699,050)	\$2,699,050	\$0	\$0	\$0
TOTAL, General Revenue Fund	\$51,910,894	\$63,822,735	\$58,235,649	\$55,696,412	\$55,696,412
TOTAL, ALL GENERAL REVENUE	\$51,910,894	\$63,822,735	\$58,235,649	\$55,696,412	\$55,696,412

FEDERAL FUNDS

555 Federal Funds

REGULAR APPROPRIATIONS

2.B. Summary of Base Request by Method of Finance
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/23/2024 5:01:16PM

Agency code: 458	Agency name: Alcoholic Beverage Commission				
METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>FEDERAL FUNDS</u>					
Regular Appropriations from the MOF table (2022-23 GAA)	\$300,000	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$400,000	\$400,000	\$0	\$0
Regular Appropriations from MOF Table (2026-27 GAA)	\$0	\$0	\$0	\$400,000	\$400,000
<i>RIDER APPROPRIATION</i>					
Art IX, Sec 13.01, Federal Funds/Block Grants (2022-23 GAA)	\$606,468	\$0	\$0	\$0	\$0
Comments: TABC DUI and DWI Traffic Safety Grant, Trafficking Victims to Services Grant, and Trafficking Investigations Grant awarded in 2023 effective 10/1/2022-9/30/2023. Totaling \$906,468. GAA appropriated \$300,000 in federal funds. This adjustment totals \$606,468.					
Art IX, Sec 13.01, Federal Funds/Block Grants (2024-25 GAA)	\$0	\$457,838	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/23/2024 5:01:16PM

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
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FEDERAL FUNDS

Comments: TABC DUI and DWI Traffic Safety Grant, Trafficking Victims to Services Grant, and Trafficking Investigations Grant awarded in 2024 effective 10/1/2023-9/30/2024. Totaling \$857,838. GAA appropriated \$400,000 in federal funds. This adjustment totals \$457,838.

LAPSED APPROPRIATIONS

Art IX, Sec 13.01, Federal Funds/Block Grants (2022-23 GAA)

	\$ (152,546)	\$ 0	\$ 0	\$ 0	\$ 0
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Comments: TABC Reducing Minor DUI Project Grant and Strengthening Human Trafficking Investigations grants remaining at expiration 9/30/2022.

Art IX, Sec 13.01, Federal Funds/Block Grants (2024-25 GAA)

	\$ 0	\$ (235,818)	\$ 0	\$ 0	\$ 0
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Comments: TABC DUI and DWI Traffic Safety Grant, Trafficking Victims to Services Grant, and Trafficking Investigations Grant remaining at expiration 9/30/2023.

UNEXPENDED BALANCES AUTHORITY

Art IX, Sec 13.08, Unexpended Balances (2022-23 GAA)

	\$ 169,776	\$ 0	\$ 0	\$ 0	\$ 0
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Comments: TABC Reducing Minor DUI Project and Strengthening Human Trafficking Investigations Grants unexpended.

Art IX, Sec 13.08, Unexpended Balances (2024-25 GAA)

2.B. Summary of Base Request by Method of Finance
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/23/2024 5:01:16PM

Agency code:	458	Agency name:	Alcoholic Beverage Commission			
METHOD OF FINANCING		Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>FEDERAL FUNDS</u>		\$ (293,948)	\$ 293,948	\$ 0	\$ 0	\$ 0
	Comments: TABC DUI and DWI Traffic Safety Grant, Trafficking Victims to Services Grant, and Trafficking Investigations Grant awarded in 2023 unexpended.					
TOTAL, Federal Funds		\$629,750	\$915,968	\$400,000	\$400,000	\$400,000
TOTAL, ALL FEDERAL FUNDS		\$629,750	\$915,968	\$400,000	\$400,000	\$400,000

OTHER FUNDS

666 Appropriated Receipts

REGULAR APPROPRIATIONS

Regular Appropriations from MOF table (2022-23 GAA)

\$100,000	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2024-25 GAA)

\$0	\$100,000	\$100,000	\$0	\$0
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Regular Appropriations from MOF Table (2026-27 GAA)

\$0	\$0	\$0	\$100,000	\$100,000
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RIDER APPROPRIATION

2.B. Summary of Base Request by Method of Finance
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/23/2024 5:01:16PM

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
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OTHER FUNDS

Art IX, Sec 8.03, Surplus Property (2022-23 GAA)

\$8,879	\$0	\$0	\$0	\$0
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Comments: Sale of Vehicle

Art IX, Sec 12.02, Publications or Sales of Records (2022-23 GAA)

\$632	\$0	\$0	\$0	\$0
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Comments: Open Records Request

Art IX, Sec 8.02, Reimbursements and Payments (2022-23 GAA)

\$6,415	\$0	\$0	\$0	\$0
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Comments: Third Party Reimbursements from employee purchasing firearms or badges.

LAPSED APPROPRIATIONS

Regular Appropriations from MOF Table (2022-23 GAA)

\$(77,754)	\$0	\$0	\$0	\$0
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Comments: Revenue received in AY23 from investigations under Chapter 59, Code of Criminal Procedure, and Chapter 71, Property Code to be used for law enforcement purposes.

Regular Appropriations from MOF table (2022-23 GAA)

2.B. Summary of Base Request by Method of Finance
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/23/2024 5:01:16PM

Agency code:	458	Agency name:	Alcoholic Beverage Commission			
METHOD OF FINANCING		Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>OTHER FUNDS</u>						
		\$(15,926)	\$0	\$0	\$0	\$0
	Comments: Lapse of Appropriated Receipts related to third party reimbursements, Sale of Vehicles, and Open Records Requests.					
	<i>UNEXPENDED BALANCES AUTHORITY</i>					
	Art IX, Sec 14.03(i), Capital Budget UB (2022-23 GAA)					
		\$56,890	\$0	\$0	\$0	\$0
	Comments: UB Fleet Acquisition Sale of Vehicles					
	Art V, Rider 9; Seized Assets (2022-23 GAA)					
		\$236,812	\$0	\$0	\$0	\$0
	Comments: UB Seized Assets					
	Art V, Rider 9; Seized Assets (2024-25 GAA)					
		\$(237,431)	\$237,431	\$0	\$0	\$0
	Comments: UB Seized Assets					
TOTAL,	Appropriated Receipts					
		\$78,517	\$337,431	\$100,000	\$100,000	\$100,000
TOTAL, ALL	OTHER FUNDS					
		\$78,517	\$337,431	\$100,000	\$100,000	\$100,000

2.B. Summary of Base Request by Method of Finance
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/23/2024 5:01:16PM

Agency code: 458	Agency name: Alcoholic Beverage Commission				
METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
GRAND TOTAL	\$52,619,161	\$65,076,134	\$58,735,649	\$56,196,412	\$56,196,412
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2022-23 GAA)	640.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	620.0	620.0	0.0	0.0
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	0.0	0.0	620.0	620.0
LAPSED APPROPRIATIONS					
Regular Appropriations from MOF Table (2022-23 GAA)	(115.5)	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	(88.7)	0.0	0.0	0.0
TOTAL, ADJUSTED FTES	524.5	531.3	620.0	620.0	620.0
NUMBER OF 100% FEDERALLY FUNDED FTEs					
	1.0	2.0	0.0	0.0	0.0

2.C. Summary of Base Request by Object of Expense

8/23/2024 5:01:17PM

89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

458 Alcoholic Beverage Commission

OBJECT OF EXPENSE	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1001 SALARIES AND WAGES	\$36,686,592	\$39,805,550	\$45,436,026	\$45,436,026	\$45,436,026
1002 OTHER PERSONNEL COSTS	\$2,048,597	\$1,628,810	\$1,634,838	\$1,634,838	\$1,634,838
2001 PROFESSIONAL FEES AND SERVICES	\$2,339,660	\$10,449,126	\$3,868,656	\$1,364,906	\$1,364,906
2002 FUELS AND LUBRICANTS	\$500,802	\$327,151	\$356,500	\$356,500	\$356,500
2003 CONSUMABLE SUPPLIES	\$133,397	\$63,694	\$70,254	\$70,254	\$70,254
2004 UTILITIES	\$512,184	\$496,026	\$519,843	\$517,096	\$517,096
2005 TRAVEL	\$264,227	\$488,199	\$493,489	\$483,489	\$483,489
2006 RENT - BUILDING	\$2,189,284	\$1,920,970	\$1,931,628	\$1,931,628	\$1,931,628
2007 RENT - MACHINE AND OTHER	\$267,033	\$406,287	\$374,629	\$374,629	\$374,629
2009 OTHER OPERATING EXPENSE	\$4,468,103	\$5,587,341	\$3,994,226	\$3,971,486	\$3,971,486
5000 CAPITAL EXPENDITURES	\$3,209,282	\$3,902,980	\$55,560	\$55,560	\$55,560
OOE Total (Excluding Riders)	\$52,619,161	\$65,076,134	\$58,735,649	\$56,196,412	\$56,196,412
OOE Total (Riders)					
Grand Total	\$52,619,161	\$65,076,134	\$58,735,649	\$56,196,412	\$56,196,412

2.D. Summary of Base Request Objective Outcomes
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

8/23/2024 5:01:17PM

458 Alcoholic Beverage Commission

<i>Goal/ Objective / Outcome</i>	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1 Promote the Health, Safety, and Welfare of the Public					
<i>1 Detect/Prevent Law Violations</i>					
1 Percentage of Licensed Establishments Inspected Annually					
	21.20%	22.15%	12.50%	22.00%	22.00%
2 % of Administrative Actions Resulting in Administrative Sanctions					
	86.78%	92.78%	96.30%	96.00%	96.00%
KEY 3 Percentage of Priority Licensed Locations Inspected by Enforcement					
	71.20%	52.50%	73.00%	70.00%	70.00%
4 Retailer and Direct Sale Manufacturer Public Safety Compliance Rate					
	97.40%	97.83%	96.70%	97.00%	97.00%
5 Public Safety Compliance Rate of Priority Locations					
	98.50%	98.26%	97.40%	97.00%	97.00%
6 Recidivism Rate - Licensed Retailers					
	11.06%	14.88%	13.10%	13.00%	13.00%
7 % of Priority Locations					
	13.21%	16.74%	21.20%	20.00%	20.00%
2 License, Permit, Register Qualified Businesses and Products					
<i>1 Process Apps for Permits, Licenses, & Registrations in a Timely Manner</i>					
KEY 1 Avg Number of Days to Approve an Original Primary License/Permit					
	35.00	25.97	37.00	31.00	31.00
KEY 2 Average Number of Days to Approve a Product Registration Application					
	14.67	13.74	20.00	16.00	16.00

2.D. Summary of Base Request Objective Outcomes
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

8/23/2024 5:01:17PM

458 Alcoholic Beverage Commission

Goal/ Objective / Outcome	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
3 Ensure Compliance with Fees & Taxes					
1 Ensure Compliance with Alcoholic Beverage Code					
KEY 1 Compliance Rate - Audits	88.63%	89.06%	85.00%	89.00%	89.00%
2 Percent of Reports Resulting in Correction Notices	13.64%	8.50%	9.70%	9.70%	9.70%
KEY 3 Compliance Rate Auditor Inspections	99.03%	99.16%	99.00%	99.00%	99.00%
4 Compliance Rate - Auditor Investigations	32.98%	30.40%	36.96%	30.00%	28.00%
2 Ensure Maximum Compliance with Importation Laws at Ports of Entry					
1 Revenue As a Percent of Expenses	134.49%	113.12%	136.40%	118.00%	118.00%

2.E. Summary of Exceptional Items Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
 TIME : 5:01:17PM

Agency code: 458

Agency name: Alcoholic Beverage Commission

Priority	Item	2026			2027			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Expand Data Governance	\$980,613	\$980,613	4.0	\$980,613	\$980,613	4.0	\$1,961,226	\$1,961,226
2	Hire and Retain Peace Officers	\$2,500,000	\$2,500,000	0.0	\$2,500,000	\$2,500,000	0.0	\$5,000,000	\$5,000,000
3	Retain Critical Operations Staff	\$636,464	\$636,464	0.0	\$636,464	\$636,464	0.0	\$1,272,928	\$1,272,928
4	Integrate and Support Technology	\$1,729,588	\$1,729,588	5.0	\$1,329,588	\$1,329,588	5.0	\$3,059,176	\$3,059,176
5	Technology Licensing and Support	\$1,125,000	\$1,125,000	0.0	\$1,125,000	\$1,125,000	0.0	\$2,250,000	\$2,250,000
Total, Exceptional Items Request		\$6,971,665	\$6,971,665	9.0	\$6,571,665	\$6,571,665	9.0	\$13,543,330	\$13,543,330

Method of Financing

General Revenue	\$6,971,665	\$6,971,665		\$6,571,665	\$6,571,665		\$13,543,330	\$13,543,330
General Revenue - Dedicated								
Federal Funds								
Other Funds								
	\$6,971,665	\$6,971,665		\$6,571,665	\$6,571,665		\$13,543,330	\$13,543,330

Full Time Equivalent Positions

9.0 **9.0**

Number of 100% Federally Funded FTEs

0.0 **0.0**

2.F. Summary of Total Request by Strategy
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/23/2024
 TIME : 5:01:18PM

Agency code: 458 Agency name: Alcoholic Beverage Commission

Goal/Objective/STRATEGY	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
1 Promote the Health, Safety, and Welfare of the Public						
<i>1 Detect/Prevent Law Violations</i>						
1 ENFORCEMENT	\$29,512,005	\$29,512,005	\$2,500,000	\$2,500,000	\$32,012,005	\$32,012,005
TOTAL, GOAL 1	\$29,512,005	\$29,512,005	\$2,500,000	\$2,500,000	\$32,012,005	\$32,012,005
2 License, Permit, Register Qualified Businesses and Products						
<i>1 Process Apps for Permits, Licenses, & Registrations in a Timely Man</i>						
1 LICENSING	5,980,387	5,980,387	0	0	5,980,387	5,980,387
TOTAL, GOAL 2	\$5,980,387	\$5,980,387	\$0	\$0	\$5,980,387	\$5,980,387
3 Ensure Compliance with Fees & Taxes						
<i>1 Ensure Compliance with Alcoholic Beverage Code</i>						
1 COMPLIANCE MONITORING	7,529,578	7,529,578	0	0	7,529,578	7,529,578
<i>2 Ensure Maximum Compliance with Importation Laws at Ports of Ent</i>						
1 PORTS OF ENTRY	5,786,984	5,786,984	0	0	5,786,984	5,786,984
TOTAL, GOAL 3	\$13,316,562	\$13,316,562	\$0	\$0	\$13,316,562	\$13,316,562

2.F. Summary of Total Request by Strategy
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/23/2024
 TIME : 5:01:18PM

Agency code: 458 Agency name: Alcoholic Beverage Commission

Goal/Objective/STRATEGY	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
4 Indirect Administration						
1 <i>Indirect Administration</i>						
1 CENTRAL ADMINISTRATION	\$2,718,696	\$2,718,696	\$286,825	\$286,825	\$3,005,521	\$3,005,521
2 INFORMATION RESOURCES	4,196,125	4,196,125	4,157,965	3,757,965	8,354,090	7,954,090
3 OTHER SUPPORT SERVICES	472,637	472,637	26,875	26,875	499,512	499,512
TOTAL, GOAL 4	\$7,387,458	\$7,387,458	\$4,471,665	\$4,071,665	\$11,859,123	\$11,459,123
TOTAL, AGENCY STRATEGY REQUEST	\$56,196,412	\$56,196,412	\$6,971,665	\$6,571,665	\$63,168,077	\$62,768,077
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$56,196,412	\$56,196,412	\$6,971,665	\$6,571,665	\$63,168,077	\$62,768,077

2.F. Summary of Total Request by Strategy
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/23/2024
 TIME : 5:01:18PM

Agency code: 458		Agency name: Alcoholic Beverage Commission				
<i>Goal/Objective/STRATEGY</i>	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
General Revenue Funds:						
1 General Revenue Fund	\$55,696,412	\$55,696,412	\$6,971,665	\$6,571,665	\$62,668,077	\$62,268,077
	\$55,696,412	\$55,696,412	\$6,971,665	\$6,571,665	\$62,668,077	\$62,268,077
Federal Funds:						
555 Federal Funds	400,000	400,000	0	0	400,000	400,000
	\$400,000	\$400,000	\$0	\$0	\$400,000	\$400,000
Other Funds:						
666 Appropriated Receipts	100,000	100,000	0	0	100,000	100,000
	\$100,000	\$100,000	\$0	\$0	\$100,000	\$100,000
TOTAL, METHOD OF FINANCING	\$56,196,412	\$56,196,412	\$6,971,665	\$6,571,665	\$63,168,077	\$62,768,077
FULL TIME EQUIVALENT POSITIONS	620.0	620.0	9.0	9.0	629.0	629.0

2.G. Summary of Total Request Objective Outcomes
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/23/2024
 Time: 5:01:18PM

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

Goal/ Objective / Outcome

	BL 2026	BL 2027	Excp 2026	Excp 2027	Total Request 2026	Total Request 2027
1	Promote the Health, Safety, and Welfare of the Public					
1	<i>Detect/Prevent Law Violations</i>					
	1 Percentage of Licensed Establishments Inspected Annually					
	22.00%	22.00%	24.00%	26.00%	24.00%	26.00%
	2 % of Administrative Actions Resulting in Administrative Sanctions					
	96.00%	96.00%	96.00%	96.00%	96.00%	96.00%
KEY	3 Percentage of Priority Licensed Locations Inspected by Enforcement					
	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
	4 Retailer and Direct Sale Manufacturer Public Safety Compliance Rate					
	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%
	5 Public Safety Compliance Rate of Priority Locations					
	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%
	6 Recidivism Rate - Licensed Retailers					
	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
	7 % of Priority Locations					
	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
2	License, Permit, Register Qualified Businesses and Products					
1	<i>Process Apps for Permits, Licenses, & Registrations in a Timely Manner</i>					

2.G. Summary of Total Request Objective Outcomes
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/23/2024
 Time: 5:01:18PM

Agency code: 458 Agency name: Alcoholic Beverage Commission

Goal/ Objective / Outcome

		BL 2026	BL 2027	Excp 2026	Excp 2027	Total Request 2026	Total Request 2027
KEY	1 Avg Number of Days to Approve an Original Primary License/Permit	31.00	31.00			31.00	31.00
KEY	2 Average Number of Days to Approve a Product Registration Application	16.00	16.00			16.00	16.00
3	Ensure Compliance with Fees & Taxes						
1	Ensure Compliance with Alcoholic Beverage Code						
KEY	1 Compliance Rate - Audits	89.00%	89.00%			89.00%	89.00%
	2 Percent of Reports Resulting in Correction Notices	9.70%	9.70%			9.70%	9.70%
KEY	3 Compliance Rate Auditor Inspections	99.00%	99.00%			99.00%	99.00%
	4 Compliance Rate - Auditor Investigations	30.00%	28.00%			30.00%	28.00%
2	Ensure Maximum Compliance with Importation Laws at Ports of Entry						
	1 Revenue As a Percent of Expenses	118.00%	118.00%			118.00%	118.00%

458 Alcoholic Beverage Commission

GOAL: 1 Promote the Health, Safety, and Welfare of the Public
 OBJECTIVE: 1 Detect/Prevent Law Violations
 STRATEGY: 1 Enforcement

Service Categories:

Service: 34 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Output Measures:						
KEY 1	Number of Inspections Conducted by Enforcement Agents	38,313.00	34,792.00	43,411.00	32,260.00	34,280.00
KEY 2	# Inspections Priority Licensed Locations Conducted by Enforcement	22,759.00	17,292.00	36,147.00	24,000.00	24,000.00
KEY 3	Number of OCA/Trafficking Investigations Closed	188.00	168.00	148.00	150.00	150.00
KEY 4	# of Investigative Activities Targeting OCA and Trafficking on Border	798.00	605.00	653.00	650.00	650.00
KEY 5	Number of Enforcement Investigative Activities	0.00	0.00	0.00	36,000.00	36,000.00
KEY 6	Number of Undercover Operations Conducted	10,486.00	9,593.00	14,000.00	7,500.00	7,960.00
Efficiency Measures:						
KEY 1	Average Cost Per Enforcement Investigative Activity	675.96	1,264.99	982.66	700.00	700.00
KEY 2	Average Cost Per Investigative Activity Targeting OCA and Trafficking	672.32	2,611.49	1,083.76	2,400.00	2,400.00
Explanatory/Input Measures:						
1	Average Number of Days to Close an Investigation	66.26	62.87	56.00	65.00	65.00
2	Number of Licensed Locations Subject to Inspection	66,184.00	62,968.00	60,428.00	63,000.00	63,000.00
3	Number of Criminal Cases Filed	934.00	542.00	1,060.00	540.00	540.00
4	Number of Administrative Actions Initiated by Enforcement Agents	1,189.00	956.00	2,100.00	960.00	1,020.00

3.A. Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/23/2024 5:01:19PM

458 Alcoholic Beverage Commission

GOAL: 1 Promote the Health, Safety, and Welfare of the Public
 OBJECTIVE: 1 Detect/Prevent Law Violations
 STRATEGY: 1 Enforcement

Service Categories:

Service: 34 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
5	Number of Priority Licensed Locations	8,744.00	10,530.00	13,250.00	10,000.00	10,000.00
6	Number of Investigations Closed by Enforcement Agents	4,388.00	5,012.00	5,000.00	4,300.00	4,300.00
7	# of Investigative Activities Targeting OCA and Trafficking	2,424.00	1,607.00	2,300.00	1,650.00	1,650.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$21,362,814	\$21,810,130	\$24,830,031	\$24,830,031	\$24,830,031
1002	OTHER PERSONNEL COSTS	\$1,198,922	\$925,667	\$955,320	\$955,320	\$955,320
2001	PROFESSIONAL FEES AND SERVICES	\$131,952	\$64,621	\$23,000	\$23,000	\$23,000
2002	FUELS AND LUBRICANTS	\$479,000	\$313,464	\$339,550	\$339,550	\$339,550
2003	CONSUMABLE SUPPLIES	\$110,576	\$50,939	\$52,407	\$52,407	\$52,407
2004	UTILITIES	\$272,843	\$280,864	\$288,463	\$288,463	\$288,463
2005	TRAVEL	\$168,610	\$278,748	\$274,889	\$274,889	\$274,889
2006	RENT - BUILDING	\$1,086,296	\$1,009,059	\$1,002,619	\$1,002,619	\$1,002,619
2007	RENT - MACHINE AND OTHER	\$100,178	\$215,384	\$211,481	\$211,481	\$211,481
2009	OTHER OPERATING EXPENSE	\$2,445,652	\$2,428,501	\$1,534,245	\$1,534,245	\$1,534,245
5000	CAPITAL EXPENDITURES	\$1,104,373	\$3,834,693	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$28,461,216	\$31,212,070	\$29,512,005	\$29,512,005	\$29,512,005

Method of Financing:

458 Alcoholic Beverage Commission

GOAL: 1 Promote the Health, Safety, and Welfare of the Public
 OBJECTIVE: 1 Detect/Prevent Law Violations
 STRATEGY: 1 Enforcement

Service Categories:
 Service: 34 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1	General Revenue Fund	\$27,752,949	\$29,958,671	\$29,012,005	\$29,012,005	\$29,012,005
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$27,752,949	\$29,958,671	\$29,012,005	\$29,012,005	\$29,012,005
Method of Financing:						
555	Federal Funds					
	16.575.000 Crime Victims Assistance	\$110,292	\$171,899	\$0	\$0	\$0
	16.738.003 Human Trafficking Project	\$129,921	\$226,768	\$0	\$0	\$0
	20.616.000 National Priority Safety Programs	\$389,537	\$517,301	\$400,000	\$400,000	\$400,000
CFDA Subtotal, Fund	555	\$629,750	\$915,968	\$400,000	\$400,000	\$400,000
SUBTOTAL, MOF (FEDERAL FUNDS)		\$629,750	\$915,968	\$400,000	\$400,000	\$400,000
Method of Financing:						
666	Appropriated Receipts	\$78,517	\$337,431	\$100,000	\$100,000	\$100,000
SUBTOTAL, MOF (OTHER FUNDS)		\$78,517	\$337,431	\$100,000	\$100,000	\$100,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$29,512,005	\$29,512,005
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$28,461,216	\$31,212,070	\$29,512,005	\$29,512,005	\$29,512,005
FULL TIME EQUIVALENT POSITIONS:		247.4	249.6	300.4	300.4	300.4

458 Alcoholic Beverage Commission

GOAL: 1 Promote the Health, Safety, and Welfare of the Public
 OBJECTIVE: 1 Detect/Prevent Law Violations Service Categories:
 STRATEGY: 1 Enforcement Service: 34 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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STRATEGY DESCRIPTION AND JUSTIFICATION:

Because of its highly trained agents, TABC is the premier alcohol law enforcement agency in the nation in conducting law enforcement operations and investigations involving the alcoholic beverage industry. The commission uses a risk-based approach for detecting serious violations that impact public safety. The primary purpose is to detect and deter violations using criminal and administrative laws. The commission created an Investigations Bureau which includes a Special Investigations Unit to focus on long-term investigations involving organized criminal activity with a nexus to the alcoholic beverage industry and a TRACE (Target Responsibility of Alcohol Related Emergencies) Unit to investigate alcohol related incidents involving serious injury or death. A Special Response Team aids other agencies when natural or man-made disasters occur. Warehouse personnel ensure that agency vehicles are outfitted with police equipment, and other items are inventoried. The Legal division prosecutes administrative violations with the State Office of Administrative Hearings. The Office of Inspector General oversees all internal investigations. Training personnel maintain inclusive training for staff.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors influencing this strategy include alcohol consumption, public attitudes concerning alcohol abuse, increases in the number of permitted businesses, the state’s population, the volume of wet/dry initiatives, the state’s economy, and the level of legislative appropriations.

Internal factors include staffing levels and allocation, recruitment and retention of qualified peace officers, and employee knowledge, skills, and abilities.

458 Alcoholic Beverage Commission

GOAL: 1 Promote the Health, Safety, and Welfare of the Public
 OBJECTIVE: 1 Detect/Prevent Law Violations
 STRATEGY: 1 Enforcement

Service Categories:

Service: 34 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2024 + Bud 2025)</u>	<u>Baseline Request (BL 2026 + BL 2027)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$60,724,075	\$59,024,010	\$(1,700,065)	\$(515,968)	555 - Decreased in Federal Funds - Grants awarded are one time independent applications made by the agency each year
			\$(237,431)	666 - Decreased in Appropriated Receipts - Amounts collected are estimates and can vary from year to year
			\$(2,699,050)	001 - Decreased by Motor Vehicle Purchase appropriation awarded by SB 30, Sec 9.02, 88th Legislative Session
			\$1,157,366	001 - Legislative Salary increases
			\$595,018	001 - Reallocation of budget to appropriately align agency wide costs
			\$(1,700,065)	Total of Explanation of Biennial Change

458 Alcoholic Beverage Commission

GOAL: 2 License, Permit, Register Qualified Businesses and Products
 OBJECTIVE: 1 Process Apps for Permits, Licenses, & Registrations in a Timely Manner
 STRATEGY: 1 Licensing

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Output Measures:						
	1 Number of License/Permit Applications Processed	63,258.00	77,945.00	60,500.00	69,000.00	69,000.00
KEY 2	Number of Licenses/Permits Approved	48,446.00	60,121.00	50,775.00	54,310.00	54,310.00
	3 Number of Product Registration Applications Processed	27,408.00	24,128.00	31,139.00	25,000.00	25,000.00
	4 Number of Product Registration Applications Approved	26,616.00	23,587.00	27,269.00	24,250.00	24,250.00
Efficiency Measures:						
KEY 1	Average Cost Per License/Permit Application Processed	77.02	74.28	77.94	80.64	80.64
Objects of Expense:						
1001	SALARIES AND WAGES	\$3,640,006	\$4,539,041	\$5,330,810	\$5,330,810	\$5,330,810
1002	OTHER PERSONNEL COSTS	\$165,120	\$176,071	\$161,299	\$161,299	\$161,299
2001	PROFESSIONAL FEES AND SERVICES	\$132,833	\$23,046	\$22,361	\$22,361	\$22,361
2002	FUELS AND LUBRICANTS	\$226	\$243	\$200	\$200	\$200
2003	CONSUMABLE SUPPLIES	\$1,717	\$4,187	\$2,400	\$2,400	\$2,400
2004	UTILITIES	\$18,858	\$14,745	\$18,194	\$18,194	\$18,194
2005	TRAVEL	\$4,658	\$24,201	\$31,080	\$31,080	\$31,080
2006	RENT - BUILDING	\$210,793	\$197,422	\$198,351	\$198,351	\$198,351
2007	RENT - MACHINE AND OTHER	\$4,225	\$43,381	\$29,321	\$29,321	\$29,321
2009	OTHER OPERATING EXPENSE	\$169,004	\$145,392	\$186,371	\$186,371	\$186,371

458 Alcoholic Beverage Commission

GOAL: 2 License, Permit, Register Qualified Businesses and Products
 OBJECTIVE: 1 Process Apps for Permits, Licenses, & Registrations in a Timely Manner Service Categories:
 STRATEGY: 1 Licensing Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
5000	CAPITAL EXPENDITURES	\$0	\$16,329	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$4,347,440	\$5,184,058	\$5,980,387	\$5,980,387	\$5,980,387
Method of Financing:						
1	General Revenue Fund	\$4,347,440	\$5,184,058	\$5,980,387	\$5,980,387	\$5,980,387
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$4,347,440	\$5,184,058	\$5,980,387	\$5,980,387	\$5,980,387
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$5,980,387	\$5,980,387
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,347,440	\$5,184,058	\$5,980,387	\$5,980,387	\$5,980,387
FULL TIME EQUIVALENT POSITIONS:		61.9	66.0	77.7	77.7	77.7

STRATEGY DESCRIPTION AND JUSTIFICATION:

This strategy supports the statewide goals of serving the people of Texas and protecting public health and safety through consistent, predictable, and timely administration of the Alcoholic Beverage Code. The Licensing Department regulates and maintains the integrity of the three-tier system through a thorough application investigation process. This process is in place to ensure licenses and permits are issued to qualified businesses and products are registered for businesses meeting regulatory requirements. This strategy also oversees the agency's product registration process (labeling).

458 Alcoholic Beverage Commission

GOAL: 2 License, Permit, Register Qualified Businesses and Products
 OBJECTIVE: 1 Process Apps for Permits, Licenses, & Registrations in a Timely Manner Service Categories:
 STRATEGY: 1 Licensing Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors such as the state’s economy, growing population, legislative changes, and local wet/dry status impact the number of businesses submitting applications. Texas remains as one of the top 5 fastest growing states in the nation and more than 50,000 licenses and permits will be issued in FY2025.

Internal factors affecting this strategy include demands on licensing staff who must interpret a highly complex set of regulations and deliver accurate and timely information concerning qualifications and requirements for 37 different licenses, permits, and certificates. The department continues to implement innovative strategies to work in conjunction with the agency’s online business portal to increase efficiency and improve functionality. TABC must be competitive in the job market to attract and most importantly, retain qualified staff.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$11,164,445	\$11,960,774	\$796,329	\$264,698	001 - Legislative Salary increases
			\$531,631	001 - Reallocation of budget to appropriately align agency wide costs
			\$796,329	Total of Explanation of Biennial Change

458 Alcoholic Beverage Commission

GOAL: 3 Ensure Compliance with Fees & Taxes
 OBJECTIVE: 1 Ensure Compliance with Alcoholic Beverage Code
 STRATEGY: 1 Conduct Inspections and Monitor Compliance

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Output Measures:						
	1 # of Wholesale and Manufacturing Reports Analyzed	52,587.00	55,299.00	63,400.00	63,400.00	63,400.00
KEY 2	Number of Audits Conducted	2,075.00	2,245.00	2,000.00	2,000.00	2,000.00
KEY 3	Inspections Conducted by Auditors	1,847.00	43,132.00	42,000.00	43,000.00	43,000.00
KEY 4	# of Investigations Closed by Audit	1,795.00	1,759.00	2,500.00	2,000.00	2,000.00
Efficiency Measures:						
KEY 1	Average Cost Per Audit	550.55	641.05	793.20	601.30	601.30
	2 Average Cost Per Auditor Inspection	1,829.00	29.48	77.52	3.02	3.02
	3 Average Cost Per Wholesale/Manufacturing Report Analyzed	13.44	8.02	14.84	9.14	9.14
Explanatory/Input Measures:						
	1 Number of Administrative Actions by Audit	5,782.00	4,613.00	13,500.00	1,400.00	1,400.00
	2 # Notices from Analyses of Wholesale/Manufacturing Reports	7,175.00	6,458.00	17,386.00	6,100.00	6,100.00
	3 # of Seller/Server and Delivery Certificates Issued	486,408.00	491,737.00	420,000.00	470,000.00	470,000.00
	4 Average Cost Per Seller/Server and Delivery Driver Certificate	1.39	1.50	2.70	1.66	1.66
Objects of Expense:						

3.A. Strategy Request
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458 Alcoholic Beverage Commission

GOAL: 3 Ensure Compliance with Fees & Taxes
 OBJECTIVE: 1 Ensure Compliance with Alcoholic Beverage Code Service Categories:
 STRATEGY: 1 Conduct Inspections and Monitor Compliance Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1001	SALARIES AND WAGES	\$4,547,499	\$5,277,526	\$6,098,838	\$6,098,838	\$6,098,838
1002	OTHER PERSONNEL COSTS	\$186,976	\$171,073	\$175,237	\$175,237	\$175,237
2001	PROFESSIONAL FEES AND SERVICES	\$86,356	\$129,721	\$121,160	\$111,160	\$111,160
2002	FUELS AND LUBRICANTS	\$491	\$523	\$200	\$200	\$200
2003	CONSUMABLE SUPPLIES	\$6,593	\$5,877	\$9,050	\$9,050	\$9,050
2004	UTILITIES	\$63,658	\$62,960	\$67,778	\$65,031	\$65,031
2005	TRAVEL	\$39,754	\$135,354	\$129,250	\$119,250	\$119,250
2006	RENT - BUILDING	\$349,144	\$254,206	\$255,344	\$255,344	\$255,344
2007	RENT - MACHINE AND OTHER	\$58,625	\$66,258	\$59,454	\$59,454	\$59,454
2009	OTHER OPERATING EXPENSE	\$889,873	\$454,280	\$603,194	\$580,454	\$580,454
5000	CAPITAL EXPENDITURES	\$0	\$50,762	\$55,560	\$55,560	\$55,560
TOTAL, OBJECT OF EXPENSE		\$6,228,969	\$6,608,540	\$7,575,065	\$7,529,578	\$7,529,578
Method of Financing:						
1	General Revenue Fund	\$6,228,969	\$6,608,540	\$7,575,065	\$7,529,578	\$7,529,578
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$6,228,969	\$6,608,540	\$7,575,065	\$7,529,578	\$7,529,578

458 Alcoholic Beverage Commission

GOAL: 3 Ensure Compliance with Fees & Taxes
 OBJECTIVE: 1 Ensure Compliance with Alcoholic Beverage Code Service Categories:
 STRATEGY: 1 Conduct Inspections and Monitor Compliance Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$7,529,578	\$7,529,578
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$6,228,969	\$6,608,540	\$7,575,065	\$7,529,578	\$7,529,578
FULL TIME EQUIVALENT POSITIONS:		69.3	69.4	79.0	79.0	79.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

This strategy is composed of Audit, Excise Tax, Marketing Practices Communications programs. The Audit Division conducts regulatory investigations and inspections, audits, and analyses. Excise Tax processes monthly excise tax and shipping reports, tests alcoholic beverages in its lab, and issues identification stamps for distilled spirits. Marketing Practices reviews inquiries and provides regulatory marketing guidance to agency staff and industry members. The Communications Division is responsible for providing information to industry stakeholders, the media, and the public. The team develops industry notices, agency-related publications, videos, and social media posts; and they also perform media interviews.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors which may affect this strategy include changes in state law or other legislative action, as well as overall growth of the industry. Additionally, growth of the global economy may increase the need for comprehensive research and reporting on trends which could impact the local Texas market. Changes in upper-tier market share typically impacts retailer competitiveness and thus increases the complexity of marketing practices issues.

Internal factors influencing this strategy include staffing levels and allocation; recruitment and retention of qualified personnel; and employee knowledge, skills, and abilities.

458 Alcoholic Beverage Commission

GOAL: 3 Ensure Compliance with Fees & Taxes
 OBJECTIVE: 1 Ensure Compliance with Alcoholic Beverage Code Service Categories:
 STRATEGY: 1 Conduct Inspections and Monitor Compliance Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$14,183,605	\$15,059,156	\$875,551	\$261,232	001 - Legislative Salary increases
			\$614,319	001 - Reallocation of budget to appropriately align agency wide costs
			\$875,551	Total of Explanation of Biennial Change

458 Alcoholic Beverage Commission

GOAL: 3 Ensure Compliance with Fees & Taxes
 OBJECTIVE: 2 Ensure Maximum Compliance with Importation Laws at Ports of Entry
 STRATEGY: 1 Ports of Entry

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Output Measures:						
KEY 1	Number of Alcoholic Beverage Containers Imported	1,600,864.00	1,436,606.00	1,863,733.00	1,457,500.00	1,475,500.00
KEY 2	Number of Cigarette Packages Imported	468,713.00	409,125.00	408,442.00	427,000.00	427,000.00
Efficiency Measures:						
1	Average Cost Per Alcoholic Beverage Container/Cigarette Package	2.32	2.94	2.45	2.64	2.64
Explanatory/Input Measures:						
1	# Alcoholic Beverage Containers Disallowed	28,860.00	29,756.00	22,500.00	22,500.00	22,500.00
2	Number of Cigarette Packages Disallowed	2,810.00	2,597.00	3,590.00	2,600.00	2,600.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$3,626,594	\$4,242,551	\$4,784,378	\$4,784,378	\$4,784,378
1002	OTHER PERSONNEL COSTS	\$346,535	\$198,060	\$174,993	\$174,993	\$174,993
2001	PROFESSIONAL FEES AND SERVICES	\$59,858	\$15,951	\$5,000	\$5,000	\$5,000
2002	FUELS AND LUBRICANTS	\$20,139	\$12,277	\$15,000	\$15,000	\$15,000
2003	CONSUMABLE SUPPLIES	\$11,203	\$1,341	\$2,397	\$2,397	\$2,397
2004	UTILITIES	\$123,696	\$87,761	\$93,442	\$93,442	\$93,442
2005	TRAVEL	\$18,551	\$22,650	\$25,000	\$25,000	\$25,000
2006	RENT - BUILDING	\$402,024	\$361,367	\$376,314	\$376,314	\$376,314

458 Alcoholic Beverage Commission

GOAL: 3 Ensure Compliance with Fees & Taxes
 OBJECTIVE: 2 Ensure Maximum Compliance with Importation Laws at Ports of Entry
 STRATEGY: 1 Ports of Entry

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
2007	RENT - MACHINE AND OTHER	\$16,027	\$22,454	\$18,888	\$18,888	\$18,888
2009	OTHER OPERATING EXPENSE	\$353,167	\$703,585	\$291,572	\$291,572	\$291,572
5000	CAPITAL EXPENDITURES	\$0	\$707	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$4,977,794	\$5,668,704	\$5,786,984	\$5,786,984	\$5,786,984
Method of Financing:						
1	General Revenue Fund	\$4,977,794	\$5,668,704	\$5,786,984	\$5,786,984	\$5,786,984
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$4,977,794	\$5,668,704	\$5,786,984	\$5,786,984	\$5,786,984
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$5,786,984	\$5,786,984
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,977,794	\$5,668,704	\$5,786,984	\$5,786,984	\$5,786,984
FULL TIME EQUIVALENT POSITIONS:		97.1	94.5	105.8	105.8	105.8

STRATEGY DESCRIPTION AND JUSTIFICATION:

458 Alcoholic Beverage Commission

GOAL: 3 Ensure Compliance with Fees & Taxes
 OBJECTIVE: 2 Ensure Maximum Compliance with Importation Laws at Ports of Entry Service Categories:
 STRATEGY: 1 Ports of Entry Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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This strategy is mandated under the Alcoholic Beverage Code to prevent the unrestricted flow of alcoholic beverages imported into the state, prevent the illegal importation of alcoholic beverages into the state, control importation of alcoholic beverages by minors, and to control excessive importations of alcoholic beverages in violation of the code. Other state laws direct the strategy to prevent the unrestricted flow of cigarettes and control importation of cigarettes by minors. The division also provides excise tax collection for each alcoholic beverage container and package of cigarettes legally imported into the state. This strategy continues operations at current levels of service at ports of entry along the Texas - Mexico border.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

This strategy is affected by external factors outside the agency’s control, such as economic conditions in the U.S. and Mexico, the valuation of Mexican currency, and immigration issues which affect cross-border traffic and commerce. Other factors beyond the agency’s control include public safety; fear of crime and violence along the border with Mexico; severe weather issues along the Gulf of Mexico which could impact port of entry operations; increased operational costs related to port maintenance; safety improvements; and building leases.

Internal factors include the need to keep the department properly staffed to fulfill the mandates of the Texas Alcoholic Beverage Code.

458 Alcoholic Beverage Commission

GOAL: 3 Ensure Compliance with Fees & Taxes
 OBJECTIVE: 2 Ensure Maximum Compliance with Importation Laws at Ports of Entry
 STRATEGY: 1 Ports of Entry

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$11,455,688	\$11,573,968	\$118,280	\$215,861	001 - Legislative Salary increases
			\$(97,581)	001 - Reallocation of budget to appropriately align agency wide costs
			\$118,280	Total of Explanation of Biennial Change

458 Alcoholic Beverage Commission

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,953,740	\$2,051,669	\$2,281,451	\$2,281,451	\$2,281,451
1002	OTHER PERSONNEL COSTS	\$96,524	\$112,265	\$114,400	\$114,400	\$114,400
2001	PROFESSIONAL FEES AND SERVICES	\$32,331	\$19,779	\$35,000	\$35,000	\$35,000
2002	FUELS AND LUBRICANTS	\$308	\$116	\$950	\$950	\$950
2003	CONSUMABLE SUPPLIES	\$2,580	\$1,028	\$2,700	\$2,700	\$2,700
2004	UTILITIES	\$9,548	\$11,339	\$19,570	\$19,570	\$19,570
2005	TRAVEL	\$28,025	\$24,884	\$30,000	\$30,000	\$30,000
2006	RENT - BUILDING	\$50,712	\$56,744	\$57,000	\$57,000	\$57,000
2007	RENT - MACHINE AND OTHER	\$44,492	\$39,411	\$42,000	\$42,000	\$42,000
2009	OTHER OPERATING EXPENSE	\$108,514	\$76,979	\$135,625	\$135,625	\$135,625
5000	CAPITAL EXPENDITURES	\$0	\$272	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$2,326,774	\$2,394,486	\$2,718,696	\$2,718,696	\$2,718,696
Method of Financing:						
1	General Revenue Fund	\$2,326,774	\$2,394,486	\$2,718,696	\$2,718,696	\$2,718,696
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,326,774	\$2,394,486	\$2,718,696	\$2,718,696	\$2,718,696

458 Alcoholic Beverage Commission

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,718,696	\$2,718,696
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,326,774	\$2,394,486	\$2,718,696	\$2,718,696	\$2,718,696
FULL TIME EQUIVALENT POSITIONS:		25.8	25.8	29.1	29.1	29.1

STRATEGY DESCRIPTION AND JUSTIFICATION:

Central Administration includes the Executive, General Counsel, Strategic Initiatives, Human Resources, and Business Services Divisions. The agency’s administrative duties and powers are authorized through the Alcoholic Beverage Code.

The Executive Division interacts with Commissioners, establishing policy and direction on the agency’s operations.
 The General Counsel directs the Office of General Counsel, providing legal advice and counsel to Commission staff, the Executive Director, and Commission members, involving litigation, provisions of the Code; Commission rules, policies; and operations.

Human Resources manages the agency’s recruiting, hiring, personnel policies and procedures, and risk management.
 The Business Services Division manages the agency’s grants, payroll, accounting, budgeting, procurement, travel, time and leave, revenue policies and processing, and all financial reporting.

Strategic Initiatives, created in response to mandates instituted by the 86th Legislature, oversees implementation of legislation and evaluates programs, efficiency and effectiveness.

458 Alcoholic Beverage Commission

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration

Service Categories:

Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

This strategy is impacted by new laws; changes to the Alcoholic Beverage Code; reviews conducted by oversight entities such as the Sunset Commission, Governor’s Office, Legislative Committees, Office of the Comptroller, and Office of the State Auditor; risk management recommendations made by the State Office of Risk Management; public attitudes towards alcoholic beverage sales; economic cycles; and demographic changes in the population of the state.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$5,113,182	\$5,437,392	\$324,210	\$100,082	001 - Legislative Salary increases
			\$224,128	001 - Reallocation of budget to appropriately align agency wide costs
			\$324,210	Total of Explanation of Biennial Change

458 Alcoholic Beverage Commission

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,326,588	\$1,523,286	\$1,714,567	\$1,714,567	\$1,714,567
1002	OTHER PERSONNEL COSTS	\$46,389	\$38,232	\$46,299	\$46,299	\$46,299
2001	PROFESSIONAL FEES AND SERVICES	\$1,812,269	\$10,145,128	\$3,636,620	\$1,142,870	\$1,142,870
2002	FUELS AND LUBRICANTS	\$59	\$220	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$126	\$154	\$500	\$500	\$500
2004	UTILITIES	\$22,714	\$36,696	\$30,362	\$30,362	\$30,362
2005	TRAVEL	\$4,283	\$2,278	\$2,300	\$2,300	\$2,300
2006	RENT - BUILDING	\$56,445	\$30,877	\$31,500	\$31,500	\$31,500
2007	RENT - MACHINE AND OTHER	\$41,874	\$14,068	\$10,020	\$10,020	\$10,020
2009	OTHER OPERATING EXPENSE	\$447,218	\$1,746,272	\$1,217,707	\$1,217,707	\$1,217,707
5000	CAPITAL EXPENDITURES	\$2,104,909	\$163	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$5,862,874	\$13,537,374	\$6,689,875	\$4,196,125	\$4,196,125
Method of Financing:						
1	General Revenue Fund	\$5,862,874	\$13,537,374	\$6,689,875	\$4,196,125	\$4,196,125
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$5,862,874	\$13,537,374	\$6,689,875	\$4,196,125	\$4,196,125

458 Alcoholic Beverage Commission

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:

Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$4,196,125	\$4,196,125
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$5,862,874	\$13,537,374	\$6,689,875	\$4,196,125	\$4,196,125
FULL TIME EQUIVALENT POSITIONS:		18.0	20.0	21.0	21.0	21.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

The information resources strategy is responsible for developing and maintaining the core technology applications for the agency. The division establishes and supports technology infrastructure which facilitates agency operations and is charged with researching and analyzing ways to apply new technologies to solve problems while maintaining security of agency data. From a governance perspective, the division has a project management office (PMO) and an Information Security Office (ISO). The PMO manages all agency projects, data management, and all governance processes to ensure the security as well as proper use of agency data. The ISO is tasked with all aspects of cybersecurity. Costs includes daily operations, application programmers, analysts, computer support, and data/voice telecommunications.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The strategy is impacted by statute changes related to contract management and IT data center services requirements, DIR oversight and reporting requirements, Sunset Commission recommendations, and State Auditor recommendations. Internal factors include the level of automation and IT support required within the agency, staffing levels and allocation; employee knowledge, skills, and ability levels; the quality and quantity of existing hardware/software; and the quality of agency planning and leadership.

458 Alcoholic Beverage Commission

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$20,227,249	\$8,392,250	\$(11,834,999)	\$(9,975,000)	001 - Decreased by one-time costs for Alcohol Industry Management System (AIMS)
			\$(1,942,936)	001 - Net reallocation of budget to appropriately align agency wide costs and to reflect capital budget increases
			\$82,937	001 - Legislative Salary increase
			<u>\$(11,834,999)</u>	Total of Explanation of Biennial Change

3.A. Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/23/2024 5:01:19PM

458 Alcoholic Beverage Commission

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 3 Other Support Services

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	\$229,351	\$361,347	\$395,951	\$395,951	\$395,951
1002	OTHER PERSONNEL COSTS	\$8,131	\$7,442	\$7,290	\$7,290	\$7,290
2001	PROFESSIONAL FEES AND SERVICES	\$84,061	\$50,880	\$25,515	\$25,515	\$25,515
2002	FUELS AND LUBRICANTS	\$579	\$308	\$600	\$600	\$600
2003	CONSUMABLE SUPPLIES	\$602	\$168	\$800	\$800	\$800
2004	UTILITIES	\$867	\$1,661	\$2,034	\$2,034	\$2,034
2005	TRAVEL	\$346	\$84	\$970	\$970	\$970
2006	RENT - BUILDING	\$33,870	\$11,295	\$10,500	\$10,500	\$10,500
2007	RENT - MACHINE AND OTHER	\$1,612	\$5,331	\$3,465	\$3,465	\$3,465
2009	OTHER OPERATING EXPENSE	\$54,675	\$32,332	\$25,512	\$25,512	\$25,512
5000	CAPITAL EXPENDITURES	\$0	\$54	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$414,094	\$470,902	\$472,637	\$472,637	\$472,637
Method of Financing:						
1	General Revenue Fund	\$414,094	\$470,902	\$472,637	\$472,637	\$472,637
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$414,094	\$470,902	\$472,637	\$472,637	\$472,637

458 Alcoholic Beverage Commission

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 3 Other Support Services

Service Categories:

Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$472,637	\$472,637
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$414,094	\$470,902	\$472,637	\$472,637	\$472,637
FULL TIME EQUIVALENT POSITIONS:		5.0	6.0	7.0	7.0	7.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

This strategy funds part of the Business Services Division. The activities associated with this strategy include support functions related to purchasing, mail operations, contract management, asset management. The strategy provides staffing for these functions as well as general operating expenses of this program.

This strategy provides direct support for all other strategies assisting them in meeting goals and objectives as well as TABC’s mission. The strategy is directly involved in fostering efficient and accountable government through established policies that encourages energy conservation, efficient use of state resources, protection of state assets, and high ethical standards in purchasing and contract management.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

This section of the Business Services Division is externally impacted by statute changes related to purchasing, contract management, historically underutilized business reporting requirements, internal audit recommendations, energy conservation mandates from Office of the Governor, State Auditor recommendations, funding made available by the Legislature, and policy changes made by the Comptroller.

Internal factors include the degree of automation and CAPPs support made available for managing purchasing and fixed asset tracking.

458 Alcoholic Beverage Commission

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 3 Other Support Services

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$943,539	\$945,274	\$1,735	\$20,412	001 - Legislative Salary increases
			\$(18,677)	001 - Reallocation of budget to reflect a reduction in temporary contract workers
			<u>\$1,735</u>	Total of Explanation of Biennial Change

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$52,619,161	\$65,076,134	\$58,735,649	\$56,196,412	\$56,196,412
METHODS OF FINANCE (INCLUDING RIDERS):				\$56,196,412	\$56,196,412
METHODS OF FINANCE (EXCLUDING RIDERS):	\$52,619,161	\$65,076,134	\$58,735,649	\$56,196,412	\$56,196,412
FULL TIME EQUIVALENT POSITIONS:	524.5	531.3	620.0	620.0	620.0

Agency Code: 458	Agency Name: Texas Alcoholic Beverage Commission	Prepared By: Tiffany Forister	Date: August 15, 2022	Request Level: Base Request
Current Rider Number	Page Number in 2024–25 GAA	Proposed Rider Language		

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3.B. Rider Revisions and Additions Request (continued)

1 V-2

Performance Measure Targets. The following is a listing of the key performance target levels for the Alcoholic Beverage Commission. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Alcoholic Beverage Commission. In order to achieve the objectives and service standards established by this Act, the Alcoholic Beverage Commission shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	<u>2024</u>	<u>2026</u>	2025	<u>2027</u>
A. Goal: REGULATE DISTRIBUTION				
Outcome (Results/Impact):				
Percentage of Priority Licensed Locations Inspected by Enforcement Agents	73%	70%	73%	70%
A.1.1. Strategy: ENFORCEMENT				
Output (Volume):				
Number of Inspections Conducted by Enforcement Agents	43,411	<u>32,260</u>	43,411	<u>34,280</u>
Number of Inspections of Priority Licensed Locations	36,147	<u>24,000</u>	36,147	<u>24,000</u>
Number of Investigations Completed Closed Relating to Trafficking or Other Organized Criminal Activities (OCA)	448	<u>150</u>	448	<u>150</u>
Number of Joint Operations <u>Investigative Activities That Target Targeting OCA or and Trafficking in Border Region</u>	503	<u>650</u>	503	<u>650</u>
<u>Number of Enforcement Investigative Activities</u>		<u>36,000</u>		<u>36,000</u>
Number of Single Agency Operations That Target OCA or Trafficking in or adjacent to Border Counties and Gulf Intercoastal Waterway	150		150	
Number of Undercover Operations Conducted	44,000	<u>7,500</u>	44,000	<u>7,960</u>
Efficiencies:				
Average Cost Per Enforcement Inspection <u>Investigative Activity</u>	\$982.66	<u>\$700.00</u>	\$982.66	<u>\$700.00</u>
Average Cost of Multi Agency/Joint Operations per <u>Investigative Activity Targeting OCA and Trafficking</u>	\$1,083.76	<u>\$2,400</u>	\$1,083.76	<u>\$2,400</u>
B. Goal: LICENSING				
Outcome (Results/Impact):				
Average Number of Days to Approve an Original Primary License/Permit	45	<u>31</u>	45	<u>31</u>
<u>Average Number of Days to Approve a Product Registration Application</u>	20	<u>16</u>	20	<u>16</u>
B.1.1. Strategy: LICENSING				
Output (Volume):				
Number of Licenses/Permits Issued <u>Approved</u>	50,775	<u>54,310</u>	52,775	<u>54,310</u>
Number of Product Registration Applications Issued <u>Approved</u>	27,269	<u>24,250</u>	27,953	<u>24,250</u>

Efficiencies:	\$77.94	<u>\$80.64</u>	\$77.58	<u>\$80.64</u>
Average Cost Per License/Permit Processed				

C. Goal: COMPLIANCE AND TAX COLLECTION

Outcome (Results/Impact):

The Percent of Audits Found to Be in Full Compliance				
Compliance Rate - Audits	85%	<u>89%</u>	85%	<u>89%</u>
The Percentage of Inspections Conducted by Field Auditors				
Compliance Rate – Auditor Inspections	99%	<u>99%</u>	99%	<u>99%</u>

C.1.1. Strategy: COMPLIANCE MONITORING

Output (Volume):

Number of Audits Conducted				
Number of Inspections Conducted by Auditors	1,832	<u>2,000</u>	1,832	<u>2,000</u>
Number of Complaint Investigations Closed by Audit	42,000	<u>43,000</u>	42,000	<u>43,000</u>
Efficiencies:				
Average Cost of Audits Conducted	2.500	<u>2,000</u>	2,500	<u>2,000</u>

C.2.1. Strategy: PORTS OF ENTRY

Output (Volume):

Number of Alcoholic Beverage Containers Stamped				
Number of Cigarette Packages Stamped	1,863,733	<u>1,457,500</u>	1,863,733	<u>1,475,500</u>
	408,442	<u>427,000</u>	408,442	<u>427,000</u>

2

V-3

Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for “Lease payments to the Master Lease Purchase Program” or for items with an “(MLPP)” notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provision of Government Code§1232.103.

	<u>2024</u>	<u>2026</u>	<u>2025</u>	2027
a. Acquisition of Information Resource Technologies				
(1) Agencywide PC Replacements and Tablet Computers – Leased	\$ 251,853	<u>\$251,853</u>	\$ 251,853	<u>\$251,853</u>
(2) Hardware/Software Acquisitions	\$ 364,292	<u>\$364,292</u>	\$ 364,292	<u>\$364,292</u>

	(3) Information Technology Transformation	\$7,481,250		\$2,493,750	
	(4) AIMS Technology Licensing and Maintenance	\$1,200,000	\$800,000	\$1,200,000	\$800,000
	Total, Acquisition of Information Resource Technologies	\$9,297,395	\$1,416,145	\$4,309,895	\$1,416,145
b.	Acquisition of Capital Equipment and Items				
	(1) Public Safety Equipment - Replacement	\$ 179,419	\$179,419	\$179,419	\$179,419
c.	Data Center/Shared Technology Services				
	(1) Data Center Consolidation	\$843,764	\$840,635	\$840,635	\$840,635
d.	Cybersecurity				
	(1) Cybersecurity Program	\$ 300,260	\$300,260	\$ 300,260	\$300,260
	Total, Capital Budget	\$10,620,835	\$2,736,459	\$5,630,209	\$2,736,459
	Method of Financing (Capital Budget):				
	General Revenue Fund	\$10,620,835	\$2,736,459	\$5,630,209	\$2,736,549
	Total, Method of Financing	\$10,620,835	\$2,736,459	\$5,630,209	\$2,736,549

9 V-4 **Appropriation: Seized Assets.** All funds received under Chapter 59, Code of Criminal Procedure, and Chapter 71, Property Code, by the Alcoholic Beverage Commission are hereby appropriated above in Strategy A.1.1, Enforcement, to be used for law enforcement purposes. Any funds unexpended at the close of each fiscal year are appropriated for the following year (fiscal year ~~2023~~ 2025 unexpended balance estimated to be \$0).

10 V-4 **Clothing Provisions.**

a. A commissioned officer who received a \$1,200 clothing allowance pursuant to the General

Appropriations Act during the ~~2022-23~~ 2024-25 biennium shall receive a \$1,200 clothing Allowance in the ~~2024-25~~ 2026-27 biennium.

- b. No person shall receive a \$1,200 clothing allowance unless eligible in subsection (a).
- c. An individual who is newly hired or newly commissioned after September 1, 1997, is eligible to receive a \$500 cleaning allowance.
- d. The Texas Alcoholic Beverage Commission may purchase uniforms for Tax Collectors at International Bridges.

13

V-4

Limit on Travel and Activities.

- a. ~~The Texas Alcoholic Beverage Commission may not spend money appropriated to the agency by this Act for use during the state fiscal biennium ending August 31, 2023:~~
 - (1) ~~for travel outside the state, other than for bona fide and documented law enforcement or investigative activities; or~~
 - (2) ~~to attend or participate in an event, training, conference, class, or similar activity outside the state.~~
- b. ~~The Texas Alcoholic Beverage Commission and employees of the commission may not accept payments from or spending authority on behalf of any trade, professional, or industry organization for any purpose or in any form, including a travel subsidy, payment of travel or other expenses for conference presenters, prepaid meals, or lodging.~~

16

V-5

Winery Permit Study. ~~Out of amounts appropriated above in Strategy B.1.1., Licensing, the Alcoholic Beverage Commission shall conduct a study, in coordination with the Texas Department of Agriculture, of the privileges granted to winery permits issued under Chapter 16 of the Alcoholic Beverage Code, including:~~

- a. ~~the issuance of permits to persons that do not grow grapes and manufacture wine from those grapes, including separate information on holders of other permits that manufacture alcohol;~~
- b. ~~the activities permit holders are authorized to engage in and how such authority fits within Texas' three tier system;~~

- ~~c. the feasibility of creating a separate permit specifically for persons that grow grapes and manufacture wine from those grapes;~~
- ~~d. how other state license wineries and the activities those wineries are authorized to engage in, as compared to Texas;~~
- ~~e. the economic benefits of allowing wine sales by other alcohol manufacturing licensees; and~~
- ~~f. how state agencies support and market different types of wineries.~~

~~The Commission shall prepare and submit to the Legislature no later than August 31, 2024, a report containing the findings of the study and other information the Commission believes the Legislature may find useful in analyzing the current winery permit structure, the creation of new permits related to wine, and the distribution of authority among such permits.~~

- 701 V **Unexpended Balances Information Technology Transformation.** Out of amounts appropriated to the Texas Alcoholic Beverage Commission for the 2024-25 biennium for its Information Technology Transformation Initiative, any unobligated and unexpended balances remaining as of August 31, 2025, are appropriated for the fiscal biennium beginning September 1, 2025, for the same purpose.
- 702 V **Employment of Peace Officers with Previous Experience.** From funds appropriated above, the Alcoholic Beverage Commission may elect to credit up to four years of experience as a peace officer anywhere within the United States as years of service for the purpose of calculating the officer's salary under Salary Classification Schedule C as provided in Article IX, Section 2.01 of this Act.

4.A. Exceptional Item Request Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
 TIME: 5:01:56PM

Agency code: 458 Agency name: Alcoholic Beverage Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Expand Data Governance to Support Operations and Industry Needs Item Priority: 1 IT Component: Yes Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: Yes Includes Funding for the Following Strategy or Strategies: 04-01-02 Information Resources		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	450,521	450,521
2001	PROFESSIONAL FEES AND SERVICES	501,088	501,088
2003	CONSUMABLE SUPPLIES	2,000	2,000
2004	UTILITIES	3,004	3,004
2005	TRAVEL	8,000	8,000
2006	RENT - BUILDING	12,000	12,000
2009	OTHER OPERATING EXPENSE	4,000	4,000
TOTAL, OBJECT OF EXPENSE		\$980,613	\$980,613
METHOD OF FINANCING:			
1	General Revenue Fund	980,613	980,613
TOTAL, METHOD OF FINANCING		\$980,613	\$980,613
FULL-TIME EQUIVALENT POSITIONS (FTE):		4.00	4.00

DESCRIPTION / JUSTIFICATION:

TABC requests \$1.9 million to establish a Business Intelligence Office, which includes four new FTEs along with funds for data management and analytics tools and necessary professional services to build and support an effective data management program.

This will enable TABC to properly organize its data, implement quality controls to maintain data integrity, and enhance data literacy across the organization. TABC and its stakeholders will have easier access to data and be able to leverage it to gain valuable insights, identify improvement opportunities, and make informed, data-driven decisions. For instance, TABC and the public could utilize TABC data to visualize trends in violations and determine areas that require focused education and enforcement. Moreover, the alcoholic beverage industry could make better use of TABC data to analyze market trends. With this funding, TABC will be better equipped to meet the increasing demands for data, improve data access and utilization, enhance decision-making processes, and improve services provided to its stakeholders.

This is necessary for TABC to meaningfully comply with Government Code Section 2054.137, which requires agencies to designate an employee as the data management officer and establish a data governance program to improve information management and analysis. While TABC currently uses existing resources to comply, this is unsustainable as they are already dedicated to other critical agency functions. To effectively serve the fast-growing alcoholic beverage industry of more than 73,000 licenses

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CODE	DESCRIPTION	Excp 2026	Excp 2027
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and address public safety concerns, TABC must be able to leverage data and determine necessary actions through analytics.

Without this funding, TABC lacks the minimal resources to sustain the state’s expectations and the needs of staff and stakeholders for accessible, reliable data. Further, TABC will be unable to fully harness its data to improve operations for its fast-growing industry.

EXTERNAL/INTERNAL FACTORS:

Internal: TABC lacks resources to fully comply with legislative intent. Funding will allow for robust tracking systems to validate data quickly and efficiently, thus enhancing the agency’s ability to share quality information across agency functions. TABC must ensure data released publicly is of the highest quality. TABC staff will be trained as necessary to support data-centric objectives.

External: Through its information system initiated in FY2022, businesses can manage activities, including submitting applications, reporting excise tax, conducting compliance activities, and more in a self-service capacity. Texas-owned businesses get into business faster than ever, which directly contributes to the Texas economy. The online system also serves as a case management system to record regulatory and enforcement activities, including audits, inspections, investigations, and legal cases. The volume of data increases annually but current resources can neither handle the growth nor ensure integrity and quality of the data.

PCLS TRACKING KEY:

N/A

DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:

TABC requests \$1.9 million to establish a Business Intelligence Office, which includes four new FTEs along with funds for data management and analytics tools and necessary professional services to build and support an effective data management program.

IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?

NEW

STATUS:

N/A

OUTCOMES:

This will enable TABC to properly organize its data, implement quality controls to maintain data integrity, and enhance data literacy across the organization. TABC and its stakeholders will have easier access to data and be able to leverage it to gain valuable insights, identify improvement opportunities, and make informed, data-driven decisions. For instance, TABC and the public could utilize TABC data to visualize trends in violations and determine areas that require focused education and enforcement. Moreover, the alcoholic beverage industry could make better use of TABC data to analyze market trends. With this funding, TABC will be better equipped to meet the increasing demands for data, improve data access and utilization, enhance decision-making processes, and improve services provided to its stakeholders.

OUTPUTS:

This is necessary for TABC to meaningfully comply with Government Code Section 2054.137, which requires agencies to designate an employee as the data management officer and establish a data governance program to improve information management and analysis. While TABC currently uses existing resources to comply, this is unsustainable as they are already dedicated to other critical agency functions. To effectively serve the fast-growing alcoholic beverage industry of more than 73,000 licenses and address public safety concerns, TABC must be able to leverage data and determine necessary actions through analytics.

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TYPE OF PROJECT

Enterprise Management / Architecture / Performance

ALTERNATIVE ANALYSIS

Without this funding, TABC lacks the minimal resources to sustain the state’s expectations and the needs of staff and stakeholders for accessible, reliable data. Further, TABC will be unable to fully harness its data to improve operations for its fast-growing industry.

ESTIMATED IT COST

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$980,613	\$980,613	\$480,613	\$480,613	\$480,613	\$3,403,065

SCALABILITY

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FTE

2024	2025	2026	2027	2028	2029	2030
4.0	4.0	4.0	4.0	4.0	4.0	4.0

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Continued funding for FTEs in Data Management.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$480,613	\$480,613	\$480,613

APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 50.00%

CONTRACT DESCRIPTION :

Contract for data analyst services for 2026 and 2027.

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Agency code: **458** Agency name: **Alcoholic Beverage Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
	<p>Item Name: Hire and Retain Experienced Peace Officers Item Priority: 2 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 01-01-01 Enforcement</p>		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	2,500,000	2,500,000
TOTAL, OBJECT OF EXPENSE		2,500,000	2,500,000
METHOD OF FINANCING:			
1	General Revenue Fund	2,500,000	2,500,000
TOTAL, METHOD OF FINANCING		2,500,000	2,500,000

DESCRIPTION / JUSTIFICATION:

TABC requests \$5.0 million to compensate its peace officers for up to four years of service under Salary Classification Schedule C if they previously served an equal number of years as a peace officer anywhere within the United States.

This will enable TABC to initially pay its experienced peace officers a salary of \$80,274 rather than start them as a Probationary Agent for one year at \$55,441 and then as an Agent I for the next three years at \$65,851. This will help TABC fill longstanding vacant peace officer positions; reduce travel costs with agents traveling shorter distances; timely investigate public safety complaints; meet legislatively set performance measure targets; and overall, fulfill its public safety mission.

This funding is necessary because TABC primarily hires peace officers with at least four years of experience. The duties of a TABC agent require seasoned, mature individuals who can work calmly with businesses and the public, sometimes in tense situations, and investigate complicated crimes such as financial fraud. However, TABC is not currently appropriated sufficient funds to hire experienced peace officers at competitive compensation. This is a major obstacle to TABC's ability to fill its peace officer positions. From FY 2018 to FY 2023, TABC was authorized on average 245 peace officer positions and the agency maintained a 12.0% average vacancy rate for those positions. As a result, the agency has been unable to meet various legislatively set performance measure targets for enforcement inspections and investigations.

Without this funding, TABC won't be able to meaningfully fill its vacant peace officer positions. These vacancies will result in increasingly negative consequences as the alcoholic beverage industry continues to rapidly grow and increase agent workload.

EXTERNAL/INTERNAL FACTORS:

External: Filling current budgeted vacancies should not only increase public safety for all Texas communities but also impact a fair and competitive alcoholic beverage

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CODE	DESCRIPTION	Excp 2026	Excp 2027
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industry.

Internal: TABC Law Enforcement Department is understaffed and overburdened with a large volume of investigations along with the current performance measure expectations. It is important to note, as a cost savings measure, agents are assigned by areas of responsibility and not necessarily their proximity to a physical office. This allows more coverage by providing the flexibility of agents deploying locally to conduct investigations and operations.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Continued funding for salaries.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2028	2029	2030
	\$2,500,000	\$2,500,000	\$2,500,000

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Agency code: **458** Agency name: **Alcoholic Beverage Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Retain Critical Operations Staff Item Priority: 3 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 04-01-01 Central Administration 04-01-02 Information Resources 04-01-03 Other Support Services		
	OBJECTS OF EXPENSE:		
1001	SALARIES AND WAGES	636,464	636,464
	TOTAL, OBJECT OF EXPENSE	\$636,464	\$636,464
	METHOD OF FINANCING:		
1	General Revenue Fund	636,464	636,464
	TOTAL, METHOD OF FINANCING	\$636,464	\$636,464

DESCRIPTION / JUSTIFICATION:

TABC requests an additional \$1.2 million within its Indirect Administration Goal to increase the salaries, of staff positions that are critical to support agency operations, to levels that are competitive with salaries for similar positions at other agencies.

By providing this funding TABC will be better positioned to reduce turnover and retain skilled professionals who are essential to the agency’s accounting , procurement, human resources, technology, and programming responsibilities. These positions underpin the work that must be done for TABC to carry out its mission of supporting businesses and protecting Texans. Additionally this funding will enable TABC to reduce productivity losses and improve institutional wisdom , efficiency, employee morale, and customer service.

Item 3 is necessary because these staff positions face significant labor market pressures, resulting in staff turnover that poses a real threat to TABC’s operational success. Based on average and max-average salaries, other agencies’ compensation ranges between 8% and 13% higher than TABC’s for accountants, between 20% and 25% higher for programmers, and between 9% and 15% higher for purchasers, according to data from the State Auditor’s Office website. Over the last six years, 50 of the 63 FTEs within TABC’s Indirect Administration Goal left the agency, and more than 80% of those that participated in an exit interview indicated they were leaving due to compensation. Furthermore, a third of those leaving transferred to another state agency. Looking at the data another way, the personnel turnover rate within TABC’s Indirect Administration Goal ranged between 5% and 28% annually in the last six years.

Without this funding, the agency will continue to lose competent, experienced employees who take years to develop. This will impact the agency’s ability to process timely

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payments, properly account for revenue, procure and implement necessary tools and services, and onboard new employees.

EXTERNAL/INTERNAL FACTORS:

TABC's IT, finance, HR, and other professional populations face the following external pressures:

Other Texas State Agencies: TABC faces enduring labor market forces making it difficult to employ and retain its professional personnel. Experienced professional staff have highly transferable skills (i.e., what they do for TABC can be conveyed to other state employment opportunities) that makes TABC's indirect functions particularly susceptible to talent-drain; TABC's essential staff are finding higher paid opportunities at other state agencies that are recruiting capable AP and revenue accountants, HR specialists, and IT professionals to name a few. For illustration, according to SAO data, other state agencies pay employees in the Accountant series between 8% to 13% higher than TABC, the Programmer series 20% to 25% higher, and Purchasers between 9% to 15% higher.

Market Salaries exceed TABC professionals: The competitive disadvantage is not limited to other divisions of state government. TABC professional positions also trail the private sector. For example, finance, human resources and IT professional working as Human Resources Specialists, Programmers, Cyber Security Analysts, Accountants, System Administrators, Budget and Finance Managers are paid 7% - 45% higher in the private sector (source: Indeed.com), than TABC professionals in those same fields of discipline.

High Turnover: In the last six years, personnel turnover rate within the Indirect Administration Goal has ranged between 5% to 28% annually. In 2022 TABC's Indirect personnel experienced a 19% turnover rate and in 2023 a 28% turnover rate. The Indirect Administration Goal employes on average 63 FTEs and during that six year span the agency experienced the need to replace 50 individuals. The commission can confirm that a third of those 50 employees transferred to another state agency. Of the employees that chose to take an exit survey, over 80% indicated they were resigning due to pay/salary.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Continued funding for salaries.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$636,465	\$636,465	\$636,465

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Agency code: **458** Agency name: **Alcoholic Beverage Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Integrate and Support Technology Solutions for Quality Service Item Priority: 4 IT Component: Yes Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: Yes Includes Funding for the Following Strategy or Strategies: 04-01-02 Information Resources		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	423,703	423,703
2001	PROFESSIONAL FEES AND SERVICES	1,201,360	501,360
2003	CONSUMABLE SUPPLIES	2,500	2,500
2004	UTILITIES	3,755	3,755
2005	TRAVEL	10,000	10,000
2006	RENT - BUILDING	15,000	15,000
2007	RENT - MACHINE AND OTHER	2,000	2,000
2009	OTHER OPERATING EXPENSE	71,270	71,270
5000	CAPITAL EXPENDITURES	0	300,000
TOTAL, OBJECT OF EXPENSE		\$1,729,588	\$1,329,588
METHOD OF FINANCING:			
1	General Revenue Fund	1,729,588	1,329,588
TOTAL, METHOD OF FINANCING		\$1,729,588	\$1,329,588
FULL-TIME EQUIVALENT POSITIONS (FTE):		5.00	5.00

DESCRIPTION / JUSTIFICATION:

TABC requests \$3.0 million to hire five new FTEs and to obtain necessary tools within its Innovation and Technology Division. Historically, TABC could rely on technology solutions without increasing FTEs. However, there are now more project and data demands, network issues, and end-user issues than TABC's current IT staff can address sufficiently. As TABC evolves to serve a growing alcoholic beverage industry, moves more workload into cloud environments, and increasingly relies on technology solutions and data to perform core responsibilities, it is essential for the agency to quickly adapt, adequately implement software solutions, and promptly resolve network and end-user issues. This funding is needed to lay the foundation for sustained success at TABC.

The five FTEs are needed to oversee the agency's software solutions and fully integrate their services into core operations, as well as provide network support for the agency's cloud services and end-user support for agency staff using its various software solutions. This will enable TABC to get more value out of its technology, minimize disruptions to its cloud-based programs, and ensure its 620 FTEs receive quick assistance to address their technology issues. As a result, these FTEs will improve workflow, create internal efficiencies, and improve the quality-of-service TABC provides to the alcoholic beverage industry.

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Additionally, cloud-based software and professional services are needed to facilitate the agency’s IT staff capabilities for developing code that will create automated workflows for staff, responsibly integrating artificial intelligence tools, and providing data analytics abilities. This will enable TABC’ to leverage best practices to maximize performance and service to its stakeholders.

Without these resources, TABC will struggle to meets its basic technology and data needs, which will result in disruptions to workflows and delays in service for the rapidly growing alcoholic beverage industry.

EXTERNAL/INTERNAL FACTORS:

Internal Factors:

Without this funding the agency will remain in a reactive state. Addressing problems as they arise but without the FTE resources and funding to look ahead and prepare for a more data centric future. This funding will allow for IT staff to have access to comprehensive training so that we can ready our current and future staff on new technology and partner with an expert vendor to ensure the agency aligns with the best practices within artificial intelligence.

These resources and funding can galvanize the agency to be ready to address an industry that is growing at a quicker pace than the technical resources who support the staff whom play a role in regulating that industry. The ability to address data centric questions about who or what uses or needs certain data categories through more automation with artificial intelligence also a method to reward the public for their trust in TABC.

PCLS TRACKING KEY:

N/A

DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:

TABC requests \$3.0 million to hire five new FTEs and to obtain necessary tools within its Innovation and Technology (IT) Division. Historically, TABC has been afforded opportunities to rely on technology solutions, without increasing staffing levels, but there are now more project and data demands, network issues, and end-user issues than TABC’s current IT staff can address. To serve a growing alcoholic beverage industry, it’s essential for the agency to quickly adapt, adequately implement software solutions, and promptly resolve network and end-user issues. This funding is needed to lay the foundation for sustained success at TABC.

IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?

NEW

STATUS:

N/A

OUTCOMES:

The five FTEs are needed to oversee the agency’s software solutions and fully integrate services into core operations, as well as provide network support for the agency’s cloud services and end-user support for staff. This will enable TABC to get more value out of its technology by fully identifying and more promptly integrating their tools into the agency’s operations. This will also enable TABC to minimize disruptions to its cloud-based programs and ensure the agency’s 620 FTEs receive quick assistance to address their technology issues. As a result, this will improve workflow, create internal efficiencies, and improve the quality-of-service TABC provides to the industry.

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OUTPUTS:

Cloud-based software and professional services are needed to facilitate the agency’s IT staff capabilities for developing code that will create automated workflows for agency staff, responsibly integrating AI tools, and providing various data analytics abilities. This will enable TABC’s IT Division to leverage best practices to maximize the agency’s performance and service to its stakeholders.

TYPE OF PROJECT

Enterprise Management / Architecture / Performance

ALTERNATIVE ANALYSIS

Without these FTEs and funds, the agency will struggle to meet its basic technology and data needs, which will result in disruptions to the agency’s workflows and delays in service for the rapidly growing alcoholic beverage industry.

ESTIMATED IT COST

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$1,729,588	\$1,329,588	\$529,588	\$529,588	\$529,588	\$4,647,940

SCALABILITY

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FTE

2024	2025	2026	2027	2028	2029	2030
5.0	5.0	5.0	5.0	5.0	5.0	5.0

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Continued funding for FTEs.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$529,588	\$529,588	\$529,588

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APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 35.00%

CONTRACT DESCRIPTION :

Contract for professional services and software for 2026 and 2027.

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CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Technology Licensing and Support Item Priority: 5 IT Component: Yes Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: Yes Includes Funding for the Following Strategy or Strategies: 04-01-02 Information Resources		
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	1,125,000	1,125,000
TOTAL, OBJECT OF EXPENSE		\$1,125,000	\$1,125,000
METHOD OF FINANCING:			
1	General Revenue Fund	1,125,000	1,125,000
TOTAL, METHOD OF FINANCING		\$1,125,000	\$1,125,000

DESCRIPTION / JUSTIFICATION:

TABC requests an additional \$2.2 million to cover increased costs for maintenance and agency staff user licenses for its technology transformation projects, which includes the Alcohol Industry Management System (AIMS) and data analytics projects.

AIMS is the first-of-its-kind cloud-based system that TABC built to replace numerous legacy systems and enable staff and the public to conduct most of their required TABC tasks through a single online program. AIMS allows businesses to apply for and renew their licenses, manage license information, register their products, file reports, submit payments, etc. It allows agency staff to process business transactions and maintain compliance records for each license holder — and will soon allow staff to share information among all agency divisions for investigative and enforcement purposes.

AIMS licensing and support funding is needed because AIMS is a Software as a Service (SaaS) — as recommended in the 2024-2028 State Strategic Plan (SSP) for Information Resources Management — and thus a subscription-based system for which TABC must pay ongoing licensing and maintenance costs to continue using. The Legislature appropriated \$1.6 million in TABC’s 2024-25 budget to cover these costs. However, additional funding is needed because maintenance and user-license costs will increase for the 2026-27 biennium after TABC launches additional Phase II and Phase III AIMS functionalities. TABC can’t absorb the delta between base funding and its estimated ongoing need.

If TABC does not receive this funding, a total of \$3.8 million for technology licensing and support in the 2026-27 biennium, it will reduce the number of TABC staff who can access AIMS; limit the agency’s ability to make necessary system enhancements or updates; and significantly disrupt service for Texas businesses.

4.A. Exceptional Item Request Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME: **5:01:56PM**

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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EXTERNAL/INTERNAL FACTORS:

Interruption of implementation could pose possible risk to field staff (i.e. Commissioned Peace Officers (CPO), Agents, Auditors, etc.) if they are unable to access real-time data during enforcement and investigations.

Interruption of implementation also poses possible risk to audit cases. Interrupted access to data hosted at DCS could pose risk during disasters as well as daily business operations.

Limited involvement by executive sponsors and stakeholders could pose potential risk for successful completion of the project.

Limited availability of technologically experienced workforce in highly competitive Austin setting poses potential risk for successful completion of the project.

PCLS TRACKING KEY:

N/A

DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:

TABC requests an additional \$2.2 million to cover increased costs for maintenance and agency staff user licenses for its technology transformation projects, which includes the Alcohol Industry Management System (AIMS) and data analytics projects.

IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?

CURRENT

STATUS:

AIMS licensing and support funding is needed because AIMS is a Software as a Service (SaaS) — as recommended in the 2024-2028 State Strategic Plan (SSP) for Information Resources Management — and thus a subscription-based system for which TABC must pay ongoing licensing and maintenance costs to continue using. The Legislature appropriated \$1.6 million in TABC’s 2024-25 budget to cover these costs. However, additional funding is needed because maintenance and user-license costs will increase for the 2026-27 biennium after TABC launches additional Phase II and Phase III AIMS functionalities. TABC can’t absorb the delta between base funding and its estimated ongoing need.

OUTCOMES:

AIMS is the first-of-its-kind cloud-based system that TABC built to replace numerous legacy systems and enable staff and the public to conduct most of their required TABC tasks through a single online program. AIMS allows businesses to apply for and renew their licenses, manage license information, register their products, file reports, submit payments, etc. It allows agency staff to process business transactions and maintain compliance records for each license holder — and will soon allow staff to share information among all agency divisions for investigative and enforcement purposes.

OUTPUTS:

N/A

TYPE OF PROJECT

Software as a Service

ALTERNATIVE ANALYSIS

If TABC does not receive this funding, a total of \$3.8 million for technology licensing and support in the 2026-27 biennium, it will reduce the number of TABC staff who can

4.A. Exceptional Item Request Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME: **5:01:56PM**

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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access AIMS; limit the agency’s ability to make necessary system enhancements or updates; and significantly disrupt service for Texas businesses.

ESTIMATED IT COST

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$1,199,999	\$800,000	\$1,925,000	\$1,925,000	\$1,925,000	\$1,925,000	\$1,925,000	\$11,624,999

SCALABILITY

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FTE

2024	2025	2026	2027	2028	2029	2030
0.0	0.0	0.0	0.0	0.0	0.0	0.0

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Continued licensing and maintenance. Cost includes \$1.6 million in base dollars in addition to the EI request.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$1,925,000	\$1,925,000	\$1,925,000

APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 100.00%

CONTRACT DESCRIPTION :

Licensing and maintenance contracts.

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME: **5:01:56PM**

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

Code	Description	Excp 2026	Excp 2027
Item Name:		Expand Data Governance to Support Operations and Industry Needs	
Allocation to Strategy:		4-1-2	Information Resources
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	450,521	450,521
2001	PROFESSIONAL FEES AND SERVICES	501,088	501,088
2003	CONSUMABLE SUPPLIES	2,000	2,000
2004	UTILITIES	3,004	3,004
2005	TRAVEL	8,000	8,000
2006	RENT - BUILDING	12,000	12,000
2009	OTHER OPERATING EXPENSE	4,000	4,000
TOTAL, OBJECT OF EXPENSE		\$980,613	\$980,613
METHOD OF FINANCING:			
1 General Revenue Fund		980,613	980,613
TOTAL, METHOD OF FINANCING		\$980,613	\$980,613
FULL-TIME EQUIVALENT POSITIONS (FTE):		4.0	4.0

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

Code	Description	Excp 2026	Excp 2027
Item Name: Hire and Retain Experienced Peace Officers			
Allocation to Strategy: 1-1-1 Enforcement			
STRATEGY IMPACT ON OUTCOME MEASURES:			
<u>1</u>	Percentage of Licensed Establishments Inspected Annually	24.00%	26.00%
<u>2</u>	% of Administrative Actions Resulting in Administrative Sanctions	96.00%	96.00%
<u>3</u>	Percentage of Priority Licensed Locations Inspected by Enforcement	70.00%	70.00%
<u>4</u>	Retailer and Direct Sale Manufacturer Public Safety Compliance Rate	97.00%	97.00%
<u>5</u>	Public Safety Compliance Rate of Priority Locations	97.00%	97.00%
<u>6</u>	Recidivism Rate - Licensed Retailers	13.00%	13.00%
<u>7</u>	% of Priority Locations	20.00%	20.00%
OUTPUT MEASURES:			
<u>1</u>	Number of Inspections Conducted by Enforcement Agents	37,000.00	40,000.00
<u>2</u>	# Inspections Priority Licensed Locations Conducted by Enforcement	26,000.00	28,000.00
<u>3</u>	Number of OCA/Trafficking Investigations Closed	170.00	180.00
<u>4</u>	# of Investigative Activities Targeting OCA and Trafficking on Border	720.00	790.00
<u>5</u>	Number of Enforcement Investigative Activities	39,000.00	43,000.00
<u>6</u>	Number of Undercover Operations Conducted	8,230.00	9,000.00
EFFICIENCY MEASURES:			
<u>1</u>	Average Cost Per Enforcement Investigative Activity	700.00	700.00
<u>2</u>	Average Cost Per Investigative Activity Targeting OCA and Trafficking	2,400.00	2,400.00
EXPLANATORY/INPUT MEASURES:			
<u>1</u>	Average Number of Days to Close an Investigation	65.00	65.00
<u>2</u>	Number of Licensed Locations Subject to Inspection	63,000.00	63,000.00
<u>3</u>	Number of Criminal Cases Filed	600.00	650.00
<u>4</u>	Number of Administrative Actions Initiated by Enforcement Agents	1,100.00	1,200.00
<u>5</u>	Number of Priority Licensed Locations	10,000.00	10,000.00
<u>6</u>	Number of Investigations Closed by Enforcement Agents	4,700.00	5,200.00
<u>7</u>	# of Investigative Activities Targeting OCA and Trafficking	1,800.00	1,800.00
OBJECTS OF EXPENSE:			
	1001 SALARIES AND WAGES	2,500,000	2,500,000
TOTAL, OBJECT OF EXPENSE		\$2,500,000	\$2,500,000
METHOD OF FINANCING:			
	1 General Revenue Fund	2,500,000	2,500,000

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME: **5:01:56PM**

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

Code	Description	Excp 2026	Excp 2027
Item Name:	Hire and Retain Experienced Peace Officers		
Allocation to Strategy:	1-1-1 Enforcement		
TOTAL, METHOD OF FINANCING		\$2,500,000	\$2,500,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME: **5:01:56PM**

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

Code	Description	Excp 2026	Excp 2027
Item Name:	Retain Critical Operations Staff		
Allocation to Strategy:	4-1-1 Central Administration		
OBJECTS OF EXPENSE:			
	1001 SALARIES AND WAGES	286,825	286,825
TOTAL, OBJECT OF EXPENSE		\$286,825	\$286,825
METHOD OF FINANCING:			
	1 General Revenue Fund	286,825	286,825
TOTAL, METHOD OF FINANCING		\$286,825	\$286,825
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME: **5:01:56PM**

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

Code	Description	Excp 2026	Excp 2027
Item Name:	Retain Critical Operations Staff		
Allocation to Strategy:	4-1-2 Information Resources		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	322,764	322,764
TOTAL, OBJECT OF EXPENSE		\$322,764	\$322,764
METHOD OF FINANCING:			
1	General Revenue Fund	322,764	322,764
TOTAL, METHOD OF FINANCING		\$322,764	\$322,764
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME: **5:01:56PM**

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

Code	Description	Excp 2026	Excp 2027
Item Name:	Retain Critical Operations Staff		
Allocation to Strategy:	4-1-3 Other Support Services		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	26,875	26,875
TOTAL, OBJECT OF EXPENSE		\$26,875	\$26,875
METHOD OF FINANCING:			
1	General Revenue Fund	26,875	26,875
TOTAL, METHOD OF FINANCING		\$26,875	\$26,875
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME: **5:01:56PM**

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

Code	Description	Excp 2026	Excp 2027
Item Name:		Integrate and Support Technology Solutions for Quality Service	
Allocation to Strategy:		4-1-2	Information Resources
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	423,703	423,703
2001	PROFESSIONAL FEES AND SERVICES	1,201,360	501,360
2003	CONSUMABLE SUPPLIES	2,500	2,500
2004	UTILITIES	3,755	3,755
2005	TRAVEL	10,000	10,000
2006	RENT - BUILDING	15,000	15,000
2007	RENT - MACHINE AND OTHER	2,000	2,000
2009	OTHER OPERATING EXPENSE	71,270	71,270
5000	CAPITAL EXPENDITURES	0	300,000
TOTAL, OBJECT OF EXPENSE		\$1,729,588	\$1,329,588
METHOD OF FINANCING:			
1 General Revenue Fund		1,729,588	1,329,588
TOTAL, METHOD OF FINANCING		\$1,729,588	\$1,329,588
FULL-TIME EQUIVALENT POSITIONS (FTE):		5.0	5.0

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME: **5:01:56PM**

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

Code	Description	Excp 2026	Excp 2027
Item Name: Technology Licensing and Support			
Allocation to Strategy: 4-1-2 Information Resources			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	1,125,000	1,125,000
TOTAL, OBJECT OF EXPENSE		\$1,125,000	\$1,125,000
METHOD OF FINANCING:			
1	General Revenue Fund	1,125,000	1,125,000
TOTAL, METHOD OF FINANCING		\$1,125,000	\$1,125,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

4.C. Exceptional Items Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
TIME: 5:01:56PM

Agency Code: **458** Agency name: **Alcoholic Beverage Commission**

GOAL: 1 Promote the Health, Safety, and Welfare of the Public

OBJECTIVE: 1 Detect/Prevent Law Violations

STRATEGY: 1 Enforcement

Service Categories:

Service: 34 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2026	Exp 2027
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u>	Percentage of Licensed Establishments Inspected Annually	24.00 %	26.00 %
<u>2</u>	% of Administrative Actions Resulting in Administrative Sanctions	96.00 %	96.00 %
<u>3</u>	Percentage of Priority Licensed Locations Inspected by Enforcement	70.00 %	70.00 %
<u>4</u>	Retailer and Direct Sale Manufacturer Public Safety Compliance Rate	97.00 %	97.00 %
<u>5</u>	Public Safety Compliance Rate of Priority Locations	97.00 %	97.00 %
<u>6</u>	Recidivism Rate - Licensed Retailers	13.00 %	13.00 %
<u>7</u>	% of Priority Locations	20.00 %	20.00 %

OUTPUT MEASURES:

<u>1</u>	Number of Inspections Conducted by Enforcement Agents	37,000.00	37,000.00
<u>2</u>	# Inspections Priority Licensed Locations Conducted by Enforcement	26,000.00	26,000.00
<u>3</u>	Number of OCA/Trafficking Investigations Closed	170.00	180.00
<u>4</u>	# of Investigative Activities Targeting OCA and Trafficking on Border	720.00	790.00
<u>5</u>	Number of Enforcement Investigative Activities	39,000.00	43,000.00
<u>6</u>	Number of Undercover Operations Conducted	8,230.00	9,000.00

EFFICIENCY MEASURES:

<u>1</u>	Average Cost Per Enforcement Investigative Activity	700.00	700.00
<u>2</u>	Average Cost Per Investigative Activity Targeting OCA and Trafficking	2,400.00	2,400.00

EXPLANATORY/INPUT MEASURES:

<u>1</u>	Average Number of Days to Close an Investigation	65.00	65.00
<u>2</u>	Number of Licensed Locations Subject to Inspection	63,000.00	63,000.00
<u>3</u>	Number of Criminal Cases Filed	600.00	650.00
<u>4</u>	Number of Administrative Actions Initiated by Enforcement Agents	1,100.00	1,200.00
<u>5</u>	Number of Priority Licensed Locations	10,000.00	10,000.00

4.C. Exceptional Items Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
TIME: 5:01:56PM

Agency Code: **458** Agency name: **Alcoholic Beverage Commission**

GOAL: 1 Promote the Health, Safety, and Welfare of the Public

OBJECTIVE: 1 Detect/Prevent Law Violations

STRATEGY: 1 Enforcement

Service Categories:

Service: 34 Income: A.2 Age: B.3

CODE	DESCRIPTION	Excp 2026	Excp 2027
<u>6</u>	Number of Investigations Closed by Enforcement Agents	4,700.00	5,200.00
<u>7</u>	# of Investigative Activities Targeting OCA and Trafficking	1,800.00	1,900.00

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	2,500,000	2,500,000
Total, Objects of Expense		\$2,500,000	\$2,500,000

METHOD OF FINANCING:

1	General Revenue Fund	2,500,000	2,500,000
Total, Method of Finance		\$2,500,000	\$2,500,000

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Hire and Retain Experienced Peace Officers

4.C. Exceptional Items Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
TIME: 5:01:56PM

Agency Code: **458** Agency name: **Alcoholic Beverage Commission**

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2026	Exp 2027
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	286,825	286,825
Total, Objects of Expense	\$286,825	\$286,825

METHOD OF FINANCING:

1 General Revenue Fund	286,825	286,825
Total, Method of Finance	\$286,825	\$286,825

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Retain Critical Operations Staff

4.C. Exceptional Items Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
TIME: 5:01:56PM

Agency Code: **458** Agency name: **Alcoholic Beverage Commission**

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2026	Exp 2027
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	1,196,988	1,196,988
2001 PROFESSIONAL FEES AND SERVICES	1,702,448	1,002,448
2003 CONSUMABLE SUPPLIES	4,500	4,500
2004 UTILITIES	6,759	6,759
2005 TRAVEL	18,000	18,000
2006 RENT - BUILDING	27,000	27,000
2007 RENT - MACHINE AND OTHER	2,000	2,000
2009 OTHER OPERATING EXPENSE	1,200,270	1,200,270
5000 CAPITAL EXPENDITURES	0	300,000
Total, Objects of Expense	\$4,157,965	\$3,757,965

METHOD OF FINANCING:

1 General Revenue Fund	4,157,965	3,757,965
Total, Method of Finance	\$4,157,965	\$3,757,965

FULL-TIME EQUIVALENT POSITIONS (FTE):

9.0	9.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Expand Data Governance to Support Operations and Industry Needs
 Retain Critical Operations Staff
 Integrate and Support Technology Solutions for Quality Service
 Technology Licensing and Support

4.C. Exceptional Items Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
TIME: 5:01:56PM

Agency Code: **458** Agency name: **Alcoholic Beverage Commission**

GOAL: 4 Indirect Administration

OBJECTIVE: 1 Indirect Administration

STRATEGY: 3 Other Support Services

Service Categories:

Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2026	Exp 2027
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	26,875	26,875
Total, Objects of Expense	\$26,875	\$26,875

METHOD OF FINANCING:

1 General Revenue Fund	26,875	26,875
Total, Method of Finance	\$26,875	\$26,875

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Retain Critical Operations Staff

5.A. Capital Budget Project Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME : **5:01:57PM**

Agency code: **458**

Agency name: **Alcoholic Beverage Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2024

Bud 2025

BL 2026

BL 2027

5005 Acquisition of Information Resource Technologies

*1/1 Agencywide PC Replacements and Tablet
 Computers - Leased*

OBJECTS OF EXPENSE

Capital

General	2007	RENT - MACHINE AND OTHER		\$314,817	\$251,853	\$251,853	\$251,853
		Capital Subtotal OOE, Project	1	\$314,817	\$251,853	\$251,853	\$251,853
		Subtotal OOE, Project	1	\$314,817	\$251,853	\$251,853	\$251,853

TYPE OF FINANCING

Capital

General	CA	1	General Revenue Fund	\$314,817	\$251,853	\$251,853	\$251,853
			Capital Subtotal TOF, Project	\$314,817	\$251,853	\$251,853	\$251,853
			Subtotal TOF, Project	\$314,817	\$251,853	\$251,853	\$251,853

2/2 Hardware/Software Acquisitions

OBJECTS OF EXPENSE

Capital

General	2009	OTHER OPERATING EXPENSE		\$455,365	\$364,292	\$364,292	\$364,292
		Capital Subtotal OOE, Project	2	\$455,365	\$364,292	\$364,292	\$364,292
		Subtotal OOE, Project	2	\$455,365	\$364,292	\$364,292	\$364,292

TYPE OF FINANCING

Capital

General	CA	1	General Revenue Fund	\$455,365	\$364,292	\$364,292	\$364,292
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5.A. Capital Budget Project Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME : **5:01:57PM**

Agency code: **458**

Agency name: **Alcoholic Beverage Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2024

Bud 2025

BL 2026

BL 2027

Capital Subtotal TOF, Project 2

\$455,365

\$364,292

\$364,292

\$364,292

Subtotal TOF, Project 2

\$455,365

\$364,292

\$364,292

\$364,292

3/3 Information Technology Transformation

OBJECTS OF EXPENSE

Capital

General 2001 PROFESSIONAL FEES AND SERVICES

\$8,857,724

\$2,493,750

\$0

\$0

Capital Subtotal OOE, Project 3

\$8,857,724

\$2,493,750

\$0

\$0

Subtotal OOE, Project 3

\$8,857,724

\$2,493,750

\$0

\$0

TYPE OF FINANCING

Capital

General CA 1 General Revenue Fund

\$8,857,724

\$2,493,750

\$0

\$0

Capital Subtotal TOF, Project 3

\$8,857,724

\$2,493,750

\$0

\$0

Subtotal TOF, Project 3

\$8,857,724

\$2,493,750

\$0

\$0

4/4 AIMS Licensing and Support

OBJECTS OF EXPENSE

Capital

General 2009 OTHER OPERATING EXPENSE

\$1,199,999

\$800,000

\$800,000

\$800,000

Capital Subtotal OOE, Project 4

\$1,199,999

\$800,000

\$800,000

\$800,000

Subtotal OOE, Project 4

\$1,199,999

\$800,000

\$800,000

\$800,000

TYPE OF FINANCING

Capital

General CA 1 General Revenue Fund

\$1,199,999

\$800,000

\$800,000

\$800,000

5.A. Capital Budget Project Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME : **5:01:57PM**

Agency code: **458**

Agency name: **Alcoholic Beverage Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2024

Bud 2025

BL 2026

BL 2027

Capital Subtotal TOF, Project 4

\$1,199,999

\$800,000

\$800,000

\$800,000

Subtotal TOF, Project 4

\$1,199,999

\$800,000

\$800,000

\$800,000

9/9 Technology Licensing and Support

OBJECTS OF EXPENSE

Capital

General 2009 OTHER OPERATING EXPENSE

\$0

\$0

\$0

\$0

Capital Subtotal OOE, Project 9

\$0

\$0

\$0

\$0

Subtotal OOE, Project 9

\$0

\$0

\$0

\$0

TYPE OF FINANCING

Capital

General CA 1 General Revenue Fund

\$0

\$0

\$0

\$0

Capital Subtotal TOF, Project 9

\$0

\$0

\$0

\$0

Subtotal TOF, Project 9

\$0

\$0

\$0

\$0

Capital Subtotal, Category 5005

\$10,827,905

\$3,909,895

\$1,416,145

\$1,416,145

Informational Subtotal, Category 5005

Total, Category 5005

\$10,827,905

\$3,909,895

\$1,416,145

\$1,416,145

5006 Transportation Items

8/8 Motor Vehicle Purchase

OBJECTS OF EXPENSE

Capital

General 5000 CAPITAL EXPENDITURES

\$3,372,882

\$0

\$0

\$0

5.A. Capital Budget Project Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME : **5:01:57PM**

Agency code: **458**

Agency name: **Alcoholic Beverage Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2024

Bud 2025

BL 2026

BL 2027

Capital Subtotal OOE, Project	8	\$3,372,882	\$0	\$0	\$0
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Subtotal OOE, Project	8	\$3,372,882	\$0	\$0	\$0
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TYPE OF FINANCING

Capital

General CA 1 General Revenue Fund		\$3,372,882	\$0	\$0	\$0
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Capital Subtotal TOF, Project	8	\$3,372,882	\$0	\$0	\$0
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Subtotal TOF, Project	8	\$3,372,882	\$0	\$0	\$0
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Capital Subtotal, Category	5006	\$3,372,882	\$0	\$0	\$0
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Informational Subtotal, Category	5006				
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Total, Category	5006	\$3,372,882	\$0	\$0	\$0
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5007 Acquisition of Capital Equipment and Items

5/5 Public Safety Equipment - Replacement

OBJECTS OF EXPENSE

Capital

General 2003 CONSUMABLE SUPPLIES		\$21,750	\$0	\$0	\$0
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General 2009 OTHER OPERATING EXPENSE		\$202,523	\$179,419	\$179,419	\$179,419
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Capital Subtotal OOE, Project	5	\$224,273	\$179,419	\$179,419	\$179,419
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Subtotal OOE, Project	5	\$224,273	\$179,419	\$179,419	\$179,419
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TYPE OF FINANCING

Capital

General CA 1 General Revenue Fund		\$224,273	\$179,419	\$179,419	\$179,419
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5.A. Capital Budget Project Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME : **5:01:57PM**

Agency code: **458**

Agency name: **Alcoholic Beverage Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2024

Bud 2025

BL 2026

BL 2027

Capital Subtotal TOF, Project	5	\$224,273	\$179,419	\$179,419	\$179,419
Subtotal TOF, Project	5	\$224,273	\$179,419	\$179,419	\$179,419
Capital Subtotal, Category	5007	\$224,273	\$179,419	\$179,419	\$179,419
Informational Subtotal, Category	5007				
Total, Category	5007	\$224,273	\$179,419	\$179,419	\$179,419

7000 Data Center/Shared Technology Services

6/6 Data Center Consolidation

OBJECTS OF EXPENSE

Capital

General	2001	PROFESSIONAL FEES AND SERVICES	\$841,750	\$840,635	\$840,635	\$840,635
General	2009	OTHER OPERATING EXPENSE	\$2,010	\$0	\$0	\$0
Capital Subtotal OOE, Project	6		\$843,760	\$840,635	\$840,635	\$840,635
Subtotal OOE, Project	6		\$843,760	\$840,635	\$840,635	\$840,635

TYPE OF FINANCING

Capital

General	CA	1 General Revenue Fund	\$843,760	\$840,635	\$840,635	\$840,635
Capital Subtotal TOF, Project	6		\$843,760	\$840,635	\$840,635	\$840,635
Subtotal TOF, Project	6		\$843,760	\$840,635	\$840,635	\$840,635
Capital Subtotal, Category	7000		\$843,760	\$840,635	\$840,635	\$840,635
Informational Subtotal, Category	7000					
Total, Category	7000		\$843,760	\$840,635	\$840,635	\$840,635

5.A. Capital Budget Project Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME : **5:01:57PM**

Agency code: **458**

Agency name: **Alcoholic Beverage Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2024

Bud 2025

BL 2026

BL 2027

9000 Cybersecurity

7/7 Cybersecurity Program

OBJECTS OF EXPENSE

Capital

General	2001	PROFESSIONAL FEES AND SERVICES		\$375,325	\$300,260	\$300,260	\$300,260
	Capital Subtotal OOE, Project		7	\$375,325	\$300,260	\$300,260	\$300,260
	Subtotal OOE, Project		7	\$375,325	\$300,260	\$300,260	\$300,260
	TYPE OF FINANCING						
	<u>Capital</u>						
General	CA	1 General Revenue Fund		\$375,325	\$300,260	\$300,260	\$300,260
	Capital Subtotal TOF, Project		7	\$375,325	\$300,260	\$300,260	\$300,260
	Subtotal TOF, Project		7	\$375,325	\$300,260	\$300,260	\$300,260
	Capital Subtotal, Category	9000		\$375,325	\$300,260	\$300,260	\$300,260
	Informational Subtotal, Category	9000					
	Total, Category	9000		\$375,325	\$300,260	\$300,260	\$300,260
	AGENCY TOTAL -CAPITAL			\$15,644,145	\$5,230,209	\$2,736,459	\$2,736,459
	AGENCY TOTAL -INFORMATIONAL						
	AGENCY TOTAL			\$15,644,145	\$5,230,209	\$2,736,459	\$2,736,459

5.A. Capital Budget Project Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME : **5:01:57PM**

Agency code: **458**

Agency name: **Alcoholic Beverage Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2024	Bud 2025	BL 2026	BL 2027
METHOD OF FINANCING:					
<u>Capital</u>					
General	1 General Revenue Fund	\$15,644,145	\$5,230,209	\$2,736,459	\$2,736,459
Total, Method of Financing-Capital		\$15,644,145	\$5,230,209	\$2,736,459	\$2,736,459
Total, Method of Financing		\$15,644,145	\$5,230,209	\$2,736,459	\$2,736,459
TYPE OF FINANCING:					
<u>Capital</u>					
General	CA CURRENT APPROPRIATIONS	\$15,644,145	\$5,230,209	\$2,736,459	\$2,736,459
Total, Type of Financing-Capital		\$15,644,145	\$5,230,209	\$2,736,459	\$2,736,459
Total, Type of Financing		\$15,644,145	\$5,230,209	\$2,736,459	\$2,736,459

5.B. Capital Budget Project Information
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
 TIME: 5:01:58PM

Agency Code:	458	Agency name:	Alcoholic Beverage Commission
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	1	Project Name:	Agencywide PC/Tablets Leased

PROJECT DESCRIPTION

General Information

Agency desktop technology refresh plan to replace the existing inventory of obsolete Intel-based personal computers (PC's), and tablets with Intel® Core™ Series Processor or better processor technology capable of supporting a graphical user interface, client/server applications, and multimedia applications to achieve enhanced employee productivity. This project also provides tablet computers to allow employees to remotely access and input data and information in near-to-real-time using wireless data communication. Request is based on annual funding needs for a three and four year obligation on leasing of equipment.

PLCS Tracking Key

Number of Units / Average Unit Cost Desktop \$240 - Tablet \$400

Estimated Completion Date Ongoing

Additional Capital Expenditure Amounts Required

2028	2029
0	0

Type of Financing CA CURRENT APPROPRIATIONS

Projected Useful Life N/A

Estimated/Actual Project Cost \$0

Length of Financing/ Lease Period 4 Years

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2026	2027	2028	2029	Total over project life
0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
---------------------------------	------------------------	------------------------------

Explanation: This project includes agency wide IT equipment replacement and upgrade plan for desktop scanners, ongoing software licensing, and network equipment upgrades.

Project Location: All Texas Alcoholic Beverage Commission offices throughout the state.

Beneficiaries: Employees of the Texas Alcoholic Beverage Commission, the alcoholic beverage industry, and the people of Texas.

Frequency of Use and External Factors Affecting Use:

Daily access to computers and tablets for all Texas Alcoholic Beverage Commission employees.

5.B. Capital Budget Project Information
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
 TIME: 5:01:58PM

Agency Code:	458	Agency name:	Alcoholic Beverage Commission
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	3	Project Name:	IT Transformation

PROJECT DESCRIPTION

General Information

The TABC serves a large, continually growing constituency of manufacturers, distributors, and retailers of alcoholic beverages in the State of Texas. In order to maintain at least a minimum level of service to, as well as enforcement oversight of, this constituency, the TABC must follow a 4 - 6 year technology transformation plan that will provide higher levels of internal efficiencies, increased levels of strategic enforcement, audit, and legal capabilities, and much needed self-service capabilities to the constituency.

For permit applications, external users will be able to submit original license applications and fees online through a user-friendly experience. Once submitted, application information is then made available to business users automatically. Licensing specialists will have the ability to receive and review application information separated by license type. Internal and external users will be able to upload or import organizational charts and supplemental information, reducing a significant amount of up-front data entry.

PLCS Tracking Key

Number of Units / Average Unit Cost N/A
Estimated Completion Date 8/31/2025

Additional Capital Expenditure Amounts Required

2028	2029
0	0

Type of Financing CA CURRENT APPROPRIATIONS
Projected Useful Life 15 years
Estimated/Actual Project Cost \$0
Length of Financing/ Lease Period N/A

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2026	2027	2028	2029	Total over project life
0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
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Explanation: In order to maintain at least a minimum level of service to, as well as enforcement oversight of, this constituency, TABC must follow a 4 - 6 year technology transformation plan that will provide higher levels of internal efficiency, increased levels of strategic enforcement, audit, and legal capabilities, and much needed self-service capabilities to the licensed constituency.

Project Location: All Texas Alcoholic Beverage Commission offices throughout the state.

Beneficiaries: Employees of the Texas Alcoholic Beverage Commission, the alcoholic beverage industry, and the people of Texas

5.B. Capital Budget Project Information
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
TIME: 5:01:58PM

Frequency of Use and External Factors Affecting Use:

Daily use by TABC employees. Interruption of implementation could pose possible risk to staff if they are unable to access real -time data while performing their assignments. Interruption of implementation also poses possible risk to audit cases. Interrupted access to data hosted at DCS could pose risk during disasters as well as in daily business operations.

5.B. Capital Budget Project Information
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
 TIME: 5:01:58PM

Agency Code:	458	Agency name:	Alcoholic Beverage Commission
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	4	Project Name:	AIMS Licensing and Support

PROJECT DESCRIPTION

General Information

Software as a Service Licensing and Support for Alcohol Industry Management System (AIMS).

PLCS Tracking Key N/A

Number of Units / Average Unit Cost N/A

Estimated Completion Date Ongoing

Additional Capital Expenditure Amounts Required	2028	2029
	0	0

Type of Financing CA CURRENT APPROPRIATIONS

Projected Useful Life N/A

Estimated/Actual Project Cost \$0

Length of Financing/ Lease Period N/A

<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>				Total over project life
2026	2027	2028	2029	
0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: The agency, having moved its operations to cloud-based technology at the direction of the legislature, must now fund the annual licensing costs as well as support & maintenance for this SaaS that encompasses the agency's entire set of business processes and procedures.

Statutorily TABC is the custodian of this data and must prevent unauthorized access, intrusion, and use.

Project Location: All Texas Alcoholic Beverage Commission offices throughout the state.

Beneficiaries: Employees of the Texas Alcoholic Beverage Commission, the alcoholic beverage industry, and the people of Texas.

Frequency of Use and External Factors Affecting Use:

Daily use by Texas Alcoholic Beverage Commission employees.

5.B. Capital Budget Project Information
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
 TIME: 5:01:58PM

Agency Code:	458	Agency name:	Alcoholic Beverage Commission
Category Number:	5007	Category Name:	ACQUISITN CAPEQUIP ITEMS
Project number:	5	Project Name:	Public Safety Equip - Replacement

PROJECT DESCRIPTION

General Information

Replacement of obsolete and fully depreciated equipment includes such things as firearms (7-year life); mobile radios (6-year life); handheld radios (6-year life); body armor (5-year life) and handcuffs, batons, flashlights, covert audio/video recorders (5-year life), and other public safety equipment. This funding ensures regular replacement of fully depreciated equipment for commissioned law enforcement personnel.

PLCS Tracking Key	N/A
Number of Units / Average Unit Cost	Varies depending on the type of unit purchased.
Estimated Completion Date	Ongoing

Additional Capital Expenditure Amounts Required	2028	2029
	0	0
Type of Financing	CA	CURRENT APPROPRIATIONS
Projected Useful Life	N/A	
Estimated/Actual Project Cost	\$0	
Length of Financing/ Lease Period	N/A	

<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>					Total over project life
2026	2027	2028	2029		
0	0	0	0		0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: This project funds the replacement of obsolete and fully depreciated equipment for law enforcement officers.

Project Location: All Texas Alcoholic Beverage Commission offices throughout the state.

Beneficiaries: Texas Alcoholic Beverage Commission commissioned peace officers and agency stakeholders.

Frequency of Use and External Factors Affecting Use:

Commissioned peace officers for the state are on call 24 hours a day, 7 days a week. External factors include quality of equipment being acquired and useful life of future products.

5.B. Capital Budget Project Information
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
 TIME: 5:01:58PM

Agency Code:	458	Agency name:	Alcoholic Beverage Commission
Category Number:	7000	Category Name:	Data Center/Shared Technology Svcs
Project number:	6	Project Name:	Data Center Consolidation

PROJECT DESCRIPTION

General Information

TABC efforts toward technology modernization, legacy decommissions, and data and file retention clean-up are in flight utilizing cloud platforms and the DCS infrastructure. These specific efforts will continue throughout the current and upcoming biennia and, once completed, will move into a maintenance and support effort.

PLCS Tracking Key

Number of Units / Average Unit Cost Based on statewide contract.

Estimated Completion Date Ongoing

Additional Capital Expenditure Amounts Required		2028	2029
		0	0
Type of Financing	CA	CURRENT APPROPRIATIONS	
Projected Useful Life	N/A		
Estimated/Actual Project Cost	\$0		
Length of Financing/ Lease Period	N/A		

<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>				Total over
2026	2027	2028	2029	project life
0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: The Texas Department of Information Resources (DIR) signed three multi-year contracts to provide consolidated data center services to state agencies.

Project Location: All Texas Alcoholic Beverage Commission offices throughout the state.

Beneficiaries: Employees of the Texas Alcoholic Beverage Commission and People of Texas.

Frequency of Use and External Factors Affecting Use:

Daily use and access to Texas Alcoholic Beverage Commission systems.

5.B. Capital Budget Project Information
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
 TIME: 5:01:58PM

Agency Code:	458	Agency name:	Alcoholic Beverage Commission
Category Number:	9000	Category Name:	Cybersecurity
Project number:	7	Project Name:	Cybersecurity

PROJECT DESCRIPTION

General Information

TABC maintains confidential data including personally identifiable information, criminal violation history, legal data, corporate data, sales data, and the like. Statutorily TABC is the custodian of this data and must prevent unauthorized access, unauthorized intrusion, and unauthorized use. Without funding for this initiative, TABC's risk exposure to cybersecurity threats increases significantly.

PLCS Tracking Key	N/A
Number of Units / Average Unit Cost	N/A
Estimated Completion Date	Ongoing

Additional Capital Expenditure Amounts Required		2028	2029
		0	0
Type of Financing	CA	CURRENT APPROPRIATIONS	
Projected Useful Life	N/A		
Estimated/Actual Project Cost	\$0		
Length of Financing/ Lease Period	N/A		

<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>					Total over project life
2026	2027	2028	2029		
0	0	0	0		0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: TABC maintains confidential data including personally identifiable information, criminal violation history, legal data, corporate data and sales data. Statutorily TABC is the custodian of this data and must prevent unauthorized access, intrusion, and use.

Project Location: All Texas Alcoholic Beverage Commission offices throughout the state.

Beneficiaries: Employees of the Texas Alcoholic Beverage Commission, the alcoholic beverage industry, and the people of Texas

Frequency of Use and External Factors Affecting Use:
 Daily use by Texas Alcoholic Beverage Commission employees.

5.B. Capital Budget Project Information
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
 TIME: 5:01:58PM

Agency Code:	458	Agency name:	Alcoholic Beverage Commission
Category Number:	5006	Category Name:	TRANSPORTATION ITEMS
Project number:	8	Project Name:	SB 30 Motor Vehicles

PROJECT DESCRIPTION

General Information

The agency needs to maintain a fleet of law enforcement vehicles and pool vehicles to ensure that the agency is able to fulfill its responsibilities to investigate violations of the Alcoholic Beverage Code and other applicable laws.

PLCS Tracking Key	N/A
Number of Units / Average Unit Cost	\$56,000
Estimated Completion Date	N/A

Additional Capital Expenditure Amounts Required	2028	2029
	699,525	699,525

Type of Financing	CA CURRENT APPROPRIATIONS
Projected Useful Life	Goal of 6.5 years or 100,000 miles.
Estimated/Actual Project Cost	\$0
Length of Financing/ Lease Period	N/A

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

				Total over
2026	2027	2028	2029	project life
0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: The agency needs to maintain a fleet of law enforcement vehicles and pool vehicles to ensure that the agency is able to fulfill its responsibilities to investigate violations of the Alcoholic Beverage Code and other applicable laws.

Project Location: All Texas Alcoholic Beverage Commission offices throughout the state.

Beneficiaries: Texas Alcoholic Beverage Commission's commissioned peace officers.

Frequency of Use and External Factors Affecting Use:

Commissioned peace officers for the state are on call 24 hours a day, 7 days a week. External factors include quality of equipment being acquired, maintenance of the vehicles and the useful life of future products.

5.B. Capital Budget Project Information
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2024
 TIME: 5:01:58PM

Agency Code:	458	Agency name:	Alcoholic Beverage Commission
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	9	Project Name:	Technology Licensing and Support

PROJECT DESCRIPTION

General Information

Software as a Service Licensing and Support for Alcohol Industry Management System (AIMS).

PLCS Tracking Key N/A

Number of Units / Average Unit Cost N/A

Estimated Completion Date Ongoing

Additional Capital Expenditure Amounts Required	2028	2029
	0	0

Type of Financing CA CURRENT APPROPRIATIONS

Projected Useful Life Ongoing

Estimated/Actual Project Cost \$0

Length of Financing/ Lease Period N/A

<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>					Total over
2026	2027	2028	2029	2029	project life
0	0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: The agency, having moved its operations to cloud-based technology at the direction of the legislature, must now fund the annual licensing costs as well as support & maintenance for this SaaS that encompasses the agency's entire set of business processes and procedures.

Statutorily TABC is the custodian of this data and must prevent unauthorized access, intrusion, and use.

Project Location: All Texas Alcoholic Beverage Commission offices throughout the state.

Beneficiaries: Employees of the Texas Alcoholic Beverage Commission, the alcoholic beverage industry, and the people of Texas.

Frequency of Use and External Factors Affecting Use:

Daily use by Texas Alcoholic Beverage Commission employees.

Agency code: 458 Agency name: Alcoholic Beverage Commission

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027	
5005 Acquisition of Information Resource Technologies						
<i>1/1 Agencywide PC/Tablets Leased</i>						
<u>GENERAL BUDGET</u>						
Capital	4-1-1	CENTRAL ADMINISTRATION	35,789	6,417	\$6,417	\$6,417
	4-1-2	INFORMATION RESOURCES	9,657	5,677	5,677	5,677
	4-1-3	OTHER SUPPORT SERVICES	2,715	2,715	2,715	2,715
	1-1-1	ENFORCEMENT	171,343	171,731	171,731	171,731
	2-1-1	LICENSING	36,071	21,071	21,071	21,071
	3-1-1	COMPLIANCE MONITORING	50,604	35,604	35,604	35,604
	3-2-1	PORTS OF ENTRY	8,638	8,638	8,638	8,638
		TOTAL, PROJECT	\$314,817	\$251,853	\$251,853	\$251,853
<i>2/2 Hardware/Software Acquisition</i>						
<u>GENERAL BUDGET</u>						
Capital	4-1-2	INFORMATION RESOURCES	455,365	364,292	364,292	364,292
		TOTAL, PROJECT	\$455,365	\$364,292	\$364,292	\$364,292
<i>3/3 IT Transformation</i>						
<u>GENERAL BUDGET</u>						
Capital	4-1-2	INFORMATION RESOURCES	8,857,724	2,493,750	0	0
		TOTAL, PROJECT	\$8,857,724	\$2,493,750	\$0	\$0
<i>4/4 AIMS Licensing and Support</i>						
<u>GENERAL BUDGET</u>						

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

Category Code/Name

Project Sequence/Project Id/Name

	Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
Capital	4-1-2	INFORMATION RESOURCES	1,199,999	800,000	\$800,000	\$800,000
		TOTAL, PROJECT	\$1,199,999	\$800,000	\$800,000	\$800,000

9/9 Technology Licensing and Support

GENERAL BUDGET

Capital	4-1-2	INFORMATION RESOURCES	0	0	0	0
		TOTAL, PROJECT	\$0	\$0	\$0	\$0

5006 Transportation Items

8/8 SB 30 Motor Vehicles

GENERAL BUDGET

Capital	1-1-1	ENFORCEMENT	3,372,882	0	0	0
		TOTAL, PROJECT	\$3,372,882	\$0	\$0	\$0

5007 Acquisition of Capital Equipment and Items

5/5 Public Safety Equip - Replacement

GENERAL BUDGET

Capital	1-1-1	ENFORCEMENT	224,273	179,419	179,419	179,419
		TOTAL, PROJECT	\$224,273	\$179,419	\$179,419	\$179,419

7000 Data Center/Shared Technology Services

6/6 Data Center Consolidation

GENERAL BUDGET

5.C. Capital Budget Allocation to Strategies (Baseline)
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2024**
 TIME: **5:01:58PM**

Agency code: **458** Agency name: **Alcoholic Beverage Commission**

Category Code/Name

Project Sequence/Project Id/Name

	Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
Capital	4-1-2	INFORMATION RESOURCES	843,760	840,635	\$840,635	\$840,635
		TOTAL, PROJECT	<u>\$843,760</u>	<u>\$840,635</u>	<u>\$840,635</u>	<u>\$840,635</u>

9000 Cybersecurity

7/7 Cybersecurity

GENERAL BUDGET

Capital	4-1-2	INFORMATION RESOURCES	375,325	300,260	300,260	300,260
		TOTAL, PROJECT	<u>\$375,325</u>	<u>\$300,260</u>	<u>\$300,260</u>	<u>\$300,260</u>
		TOTAL CAPITAL, ALL PROJECTS	\$15,644,145	\$5,230,209	\$2,736,459	\$2,736,459
		TOTAL INFORMATIONAL, ALL PROJECTS				
		TOTAL, ALL PROJECTS	<u>\$15,644,145</u>	<u>\$5,230,209</u>	<u>\$2,736,459</u>	<u>\$2,736,459</u>

458 Alcoholic Beverage Commission

Category Code/Name		Est 2024	Bud 2025	BL 2026	BL 2027
<i>Project Sequence/Name</i>					
Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
5005 Acquisition of Information Resource Technologies					
<i>1 Agencywide PC/Tablets Leased</i>					
OOE					
Capital					
1-1-1 ENFORCEMENT					
<u>General Budget</u>					
2007	RENT - MACHINE AND OTHER	171,343	171,731	171,731	171,731
2-1-1 LICENSING					
<u>General Budget</u>					
2007	RENT - MACHINE AND OTHER	36,071	21,071	21,071	21,071
3-1-1 COMPLIANCE MONITORING					
<u>General Budget</u>					
2007	RENT - MACHINE AND OTHER	50,604	35,604	35,604	35,604
3-2-1 PORTS OF ENTRY					
<u>General Budget</u>					
2007	RENT - MACHINE AND OTHER	8,638	8,638	8,638	8,638
4-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
2007	RENT - MACHINE AND OTHER	35,789	6,417	6,417	6,417
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					

458 Alcoholic Beverage Commission

Category Code/Name		Est 2024	Bud 2025	BL 2026	BL 2027
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
1 Agencywide PC/Tablets Leased					
2007	RENT - MACHINE AND OTHER	9,657	5,677	5,677	5,677
4-1-3 OTHER SUPPORT SERVICES					
<u>General Budget</u>					
2007	RENT - MACHINE AND OTHER	2,715	2,715	2,715	2,715
TOTAL, OOE's		\$314,817	\$251,853	251,853	251,853
MOF					
GENERAL REVENUE FUNDS					
Capital					
1-1-1 ENFORCEMENT					
<u>General Budget</u>					
1	General Revenue Fund	171,343	171,731	171,731	171,731
2-1-1 LICENSING					
<u>General Budget</u>					
1	General Revenue Fund	36,071	21,071	21,071	21,071
3-1-1 COMPLIANCE MONITORING					
<u>General Budget</u>					
1	General Revenue Fund	50,604	35,604	35,604	35,604
3-2-1 PORTS OF ENTRY					
<u>General Budget</u>					
1	General Revenue Fund	8,638	8,638	8,638	8,638
4-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	35,789	6,417	6,417	6,417

458 Alcoholic Beverage Commission

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
1 Agencywide PC/Tablets Leased					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
1	General Revenue Fund	9,657	5,677	5,677	5,677
4-1-3 OTHER SUPPORT SERVICES					
<u>General Budget</u>					
1	General Revenue Fund	2,715	2,715	2,715	2,715
TOTAL, GENERAL REVENUE FUNDS		\$314,817	\$251,853	251,853	251,853
TOTAL, MOFs		\$314,817	\$251,853	251,853	251,853
2 Hardware/Software Acquisition					
OOE					
Capital					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	455,365	364,292	364,292	364,292
TOTAL, OOE's		\$455,365	\$364,292	364,292	364,292
MOF					
GENERAL REVENUE FUNDS					
Capital					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
1	General Revenue Fund	455,365	364,292	364,292	364,292
TOTAL, GENERAL REVENUE FUNDS		\$455,365	\$364,292	364,292	364,292
TOTAL, MOFs		\$455,365	\$364,292	364,292	364,292

458 Alcoholic Beverage Commission

Category Code/Name		Est 2024	Bud 2025	BL 2026	BL 2027
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
3 IT Transformation					
OOE					
Capital					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	8,857,724	2,493,750	0	0
TOTAL, OOE's		\$8,857,724	\$2,493,750	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
1	General Revenue Fund	8,857,724	2,493,750	0	0
TOTAL, GENERAL REVENUE FUNDS		\$8,857,724	\$2,493,750	0	0
TOTAL, MOF's		\$8,857,724	\$2,493,750	0	0

458 Alcoholic Beverage Commission

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
4 AIMS Licensing and Support					
OOE					
Capital					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	1,199,999	800,000	800,000	800,000
TOTAL, OOE's		\$1,199,999	\$800,000	800,000	800,000
MOF					
GENERAL REVENUE FUNDS					
Capital					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
1	General Revenue Fund	1,199,999	800,000	800,000	800,000
TOTAL, GENERAL REVENUE FUNDS		\$1,199,999	\$800,000	800,000	800,000
TOTAL, MOF's		\$1,199,999	\$800,000	800,000	800,000

458 Alcoholic Beverage Commission

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
9 Technology Licensing and Support					
OOE					
Capital					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
TOTAL, OOE's		\$0	\$0	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
1	General Revenue Fund	0	0	0	0
TOTAL, GENERAL REVENUE FUNDS		\$0	\$0	0	0
TOTAL, MOFs		\$0	\$0	0	0

5006 Transportation Items

458 Alcoholic Beverage Commission

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
8 SB 30 Motor Vehicles					
OOE					
Capital					
1-1-1 ENFORCEMENT					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	3,372,882	0	0	0
TOTAL, OOE's		\$3,372,882	\$0	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
1-1-1 ENFORCEMENT					
<u>General Budget</u>					
1	General Revenue Fund	3,372,882	0	0	0
TOTAL, GENERAL REVENUE FUNDS		\$3,372,882	\$0	0	0
TOTAL, MOF's		\$3,372,882	\$0	0	0

5007 Acquisition of Capital Equipment and Items

458 Alcoholic Beverage Commission

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
5 Public Safety Equip - Replacement					
OOE					
Capital					
1-1-1 ENFORCEMENT					
<u>General Budget</u>					
2003	CONSUMABLE SUPPLIES	21,750	0	0	0
2009	OTHER OPERATING EXPENSE	202,523	179,419	179,419	179,419
TOTAL, OOE's		\$224,273	\$179,419	179,419	179,419
MOF					
GENERAL REVENUE FUNDS					
Capital					
1-1-1 ENFORCEMENT					
<u>General Budget</u>					
1	General Revenue Fund	224,273	179,419	179,419	179,419
TOTAL, GENERAL REVENUE FUNDS		\$224,273	\$179,419	179,419	179,419
TOTAL, MOF's		\$224,273	\$179,419	179,419	179,419

7000 Data Center/Shared Technology Services

458 Alcoholic Beverage Commission

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
6 Data Center Consolidation					
OOE					
Capital					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	841,750	840,635	840,635	840,635
2009	OTHER OPERATING EXPENSE	2,010	0	0	0
TOTAL, OOE's		\$843,760	\$840,635	840,635	840,635
MOF					
GENERAL REVENUE FUNDS					
Capital					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
1	General Revenue Fund	843,760	840,635	840,635	840,635
TOTAL, GENERAL REVENUE FUNDS		\$843,760	\$840,635	840,635	840,635
TOTAL, MOF's		\$843,760	\$840,635	840,635	840,635

9000 Cybersecurity

458 Alcoholic Beverage Commission

Category Code/Name		Est 2024	Bud 2025	BL 2026	BL 2027
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
7 Cybersecurity					
OOE					
Capital					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	375,325	300,260	300,260	300,260
TOTAL, OOE's		\$375,325	\$300,260	300,260	300,260
MOF					
GENERAL REVENUE FUNDS					
Capital					
4-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
1	General Revenue Fund	375,325	300,260	300,260	300,260
TOTAL, GENERAL REVENUE FUNDS		\$375,325	\$300,260	300,260	300,260
TOTAL, MOF's		\$375,325	\$300,260	300,260	300,260

458 Alcoholic Beverage Commission

		Est 2024	Bud 2025	BL 2026	BL 2027
CAPITAL					
<u>General Budget</u>					
GENERAL REVENUE FUNDS					
	TOTAL, GENERAL BUDGET	\$15,644,145	\$5,230,209	2,736,459	2,736,459
		15,644,145	5,230,209	2,736,459	2,736,459
	TOTAL, ALL PROJECTS	\$15,644,145	\$5,230,209	2,736,459	2,736,459

6.A. Historically Underutilized Business Supporting Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/23/2024**
 Time: **5:01:59PM**

Agency Code: **458** Agency: **Alcoholic Beverage Commission**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year - HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2022			Total Expenditures FY 2022		HUB Expenditures FY 2023			Total Expenditures FY 2023	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	% Goal	Actual \$	
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
21.1%	Building Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
32.9%	Special Trade	32.9 %	0.0%	-32.9%	\$0	\$81,221	32.9 %	0.0%	-32.9%	\$0	\$9,277	
23.7%	Professional Services	23.7 %	100.0%	76.3%	\$43,159	\$43,159	23.7 %	100.0%	76.3%	\$56,660	\$56,660	
26.0%	Other Services	26.0 %	45.4%	19.4%	\$2,020,780	\$4,446,365	26.0 %	39.8%	13.8%	\$1,961,428	\$4,926,392	
21.1%	Commodities	21.1 %	19.9%	-1.2%	\$353,478	\$1,774,035	21.1 %	26.9%	5.8%	\$435,406	\$1,621,367	
	Total Expenditures		38.1%		\$2,417,417	\$6,344,780		37.1%		\$2,453,494	\$6,613,696	

B. Assessment of Attainment of HUB Procurement Goals

Attainment:

In FY 2022 the TABC exceeded the applicable agency determined HUB procurement goal in the categories Professional Services and Other Services. In 2023 TABC exceeded the applicable agency determined HUB procurement goal in in the categories Professional Services, Other Services, and Commodities.

Applicability:

The Heavy Construction and Building Construction categories were not applicable to agency operations in FY 2022 and FY 2023. The agency does not have strategies or expenditures related to those categories for the fiscal years listed.

Factors Affecting Attainment:

The geographical location of agency facilities and the availability of certified HUB vendors in those areas can prevent TABC from achieving the goals for Commodities. The utilization of Comptroller of Public Accounts (CPA) term and managed contracts can also impact attaining the Commodities goals

C. Good-Faith Efforts to Increase HUB Participation

Outreach Efforts and Mentor-Protégé Programs:

The agency has complied with all good faith efforts and requirements as required per Texas Administrative Code, Title 34, Chapter 20:

The agency works diligently with HUBs to secure what is available.

The agency continues to ensure that contract specifications, terms, quantities and conditions reflected the agency’s actual requirements, are clearly stated, and did not impose unreasonable or unnecessary requirements.

The agency attends HUB events annually.

6.A. Historically Underutilized Business Supporting Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/23/2024**
Time: **5:01:59PM**

Agency Code: **458** Agency: **Alcoholic Beverage Commission**

The agency regularly reviews the agency's internal division's requests and their specific needs and HUB participation capabilities.

HUB Program Staffing:

TABC has designated one staff member to serve as the HUB Coordinator for the agency. The HUB Coordinator advises and assists the agency by implementing HUB program functions and is actively involved in the planning, communication, training, review, and reporting. All TABC purchasing staff actively participate in HUB events and assist when possible.

Current and Future Good-Faith Efforts:

The HUB Coordinator's roles for Texas Alcoholic Beverage Commission's current and future Good Faith Efforts include the following :

- Advise and assist the agency by implementing the HUB program functions,
- Vendor outreach, education, and training,
- Continue to identify and establish relationships with HUB vendors to participate in mentor protégé program,
- Provide training for procurement and agency staff,
- Provide representation at Statewide HUB Discussion workgroup meetings,
- Encourage and assist qualified vendors to become certified,
- Attend external forums and meetings for outreach opportunities,
- Require HUB subcontracting plans for contracts over \$100,000 when subcontracting opportunities are probable,
- Ensure that contract specifications and terms do not impose unreasonable or unnecessary requirements,
- Use the CMBL/HUB directory for the solicitation of all bids

**6.B. Current Biennium Onetime Expenditure Schedule
Summary of Onetime Expenditures**

Agency Code: 458	Agency Name: Texas Alcoholic Beverage Commission	Prepared By: Katelyn Cassidy	Date: 8/21/2024
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Projects	Estimated 2024	Budgeted 2025	Requested 2026	Requested 2027
SB 30 Motor Vehicles	\$2,699,050	\$0	\$0	\$0
IT Transformation	\$7,481,250	\$2,493,750	\$0	\$0
0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0
Total, All Projects	\$10,180,300	\$2,493,750	\$0	\$0

**6.B. Current Biennium Onetime Expenditure Schedule
Strategy Allocation from 2024-25 Biennium to 2026-27 Biennium**

Agency Code: 458	Agency Name: Texas Alcoholic Beverage Commission	Prepared By: Katelyn Cassidy	Date: 8/21/2024
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2024-25 PROJECT: SB 30 Motor Vehicles ALLOCATION TO STRATEGY: A.1.1	2026-27 PROJECT: ALLOCATION TO STRATEGY: A.1.1
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Strategy Code	OOE/MOF Code	Strategy Allocation	Estimated 2024	Budgeted 2025	Requested 2026	Requested 2027
Object of Expense:						
A.1.1	5000	Capital Expenditures	\$2,699,050	\$0	\$0	\$0
Total, Object of Expense			\$2,699,050	\$0	\$0	\$0
Method of Financing:						
	0001		\$2,699,050	\$0	\$0	\$0
Total, Method of Financing			\$2,699,050	\$0	\$0	\$0

Project Description for the 2024-25 Biennium:

This funding was used to replace Agency fleet vehicles that had not been replaced in prior years, as scheduled, due to budget constraints.

Project Description and Allocation Purpose for the 2026-27 Biennium:

The Agency's historic baseline capital budget for fleet vehicle replacement was not included in our GR/GR-D Baseline provided by the Legislative Budget Board.

**6.B. Current Biennium Onetime Expenditure Schedule
Strategy Allocation from 2024-25 Biennium to 2026-27 Biennium**

Agency Code: 458	Agency Name: Texas Alcoholic Beverage Commission	Prepared By: Katelyn Cassidy	Date: 8/21/2024
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2024-25 PROJECT: IT Transformation ALLOCATION TO STRATEGY: D.1.2	2026-27 PROJECT: ALLOCATION TO STRATEGY:
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Strategy Code	OOE/MOF Code	Strategy Allocation	Estimated 2024	Budgeted 2025	Requested 2026	Requested 2027
Object of Expense:						
D.1.2	2001	Professional Fees and Services	\$7,481,250	\$2,493,750	\$0	\$0
Total, Object of Expense			\$7,481,250	\$2,493,750	\$0	\$0
Method of Financing:						
	0001	General Revenue	\$7,481,250	\$2,493,750	\$0	\$0
Total, Method of Financing			\$7,481,250	\$2,493,750	\$0	\$0

Project Description for the 2024-25 Biennium:

The TABC serves a large, continually-growing constituency of manufacturers, distributors, and retailers of alcoholic beverages in the State of Texas. In order to maintain at least a minimum level of service to, as well as enforcement oversight of, this constituency, the TABC must follow a 6 year technology transformation plan that will provide higher levels of internal efficiencies, increased levels of strategic enforcement, audit, and legal capabilities, and much needed self-service capabilities to the constituency.

Project Description and Allocation Purpose for the 2026-27 Biennium:

6.C. Federal Funds Supporting Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

		458 Alcoholic Beverage Commission				
CFDA/ALN NUMBER/ STRATEGY		Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
16.575.000	Crime Victims Assistance					
1 - 1 - 1	ENFORCEMENT	110,292	171,899	0	0	0
	TOTAL, ALL STRATEGIES	\$110,292	\$171,899	\$0	\$0	\$0
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$110,292	\$171,899	\$0	\$0	\$0
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
16.738.003	Human Trafficking Project					
1 - 1 - 1	ENFORCEMENT	129,921	226,768	0	0	0
	TOTAL, ALL STRATEGIES	\$129,921	\$226,768	\$0	\$0	\$0
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$129,921	\$226,768	\$0	\$0	\$0
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
20.616.000	National Priority Safety Programs					
1 - 1 - 1	ENFORCEMENT	389,537	517,301	400,000	400,000	400,000
	TOTAL, ALL STRATEGIES	\$389,537	\$517,301	\$400,000	\$400,000	\$400,000
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$389,537	\$517,301	\$400,000	\$400,000	\$400,000
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0

		458 Alcoholic Beverage Commission				
CFDA/ALN NUMBER/ STRATEGY		Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
 <u>SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS</u>						
16.575.000	Crime Victims Assistance	110,292	171,899	0	0	0
16.738.003	Human Trafficking Project	129,921	226,768	0	0	0
20.616.000	National Priority Safety Programs	389,537	517,301	400,000	400,000	400,000
TOTAL, ALL STRATEGIES		\$629,750	\$915,968	\$400,000	\$400,000	\$400,000
TOTAL, ADDL FED FUNDS FOR EMPL BENEFITS		0	0	0	0	0
TOTAL, FEDERAL FUNDS		\$629,750	\$915,968	\$400,000	\$400,000	\$400,000
TOTAL, ADDL GR FOR EMPL BENEFITS		\$0	\$0	\$0	\$0	\$0

SUMMARY OF SPECIAL CONCERNS/ISSUES

Assumptions and Methodology:

The Texas Alcoholic Beverage Commission estimates grant funding in our method of finance for FY2024-2025 based on prior awards.

Potential Loss:

FY 2026 - 27 grants have not yet been awarded, therefore funds are not guaranteed.

6.E. Estimated Revenue Collections Supporting Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **458** Agency name: **Alcoholic Beverage Commission**

FUND/ACCOUNT	Act 2023	Exp 2024	Est 2025	Est 2026	Est 2027
1 General Revenue Fund					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3253 Liquor Tax	116,116,693	122,305,107	124,751,209	127,246,233	129,791,158
3256 Liquor Permit Fees	50,006,605	51,263,314	52,288,580	53,334,351	54,401,038
3257 License/Permit Sucharges-General	686,480	729,100	743,682	758,556	773,727
3258 Malt Beverage Tax	113,296,838	122,209,300	124,653,486	127,146,556	129,689,487
3259 Wine Tax	17,237,659	18,046,750	18,407,685	18,775,839	19,151,356
3261 Wine and Malt Beverage Permit	32,341,520	45,052,978	45,954,038	46,873,118	47,810,581
3263 Brew Pub License	192,280	159,830	163,027	166,287	169,613
3265 Malt Liquor (Ale) Tax	0	0	0	0	0
3266 Temp Charit Funct Permit-Alcohol	0	0	0	0	0
3268 Alcohol Bev Penalty Lieu Suspend	1,475,600	1,254,800	1,279,896	1,305,494	1,331,604
3269 Sale-Confiscated Alcohol Bevs	0	0	0	0	0
3271 Alcoholic Beverage Import Fee	4,503,754	4,190,782	4,274,598	4,360,090	4,447,291
3272 Alcoholic Bev Seller Trng Prog	903,585	1,023,810	1,044,286	1,065,172	1,086,475
3273 Alcoholic Bev - Samp & Labels Cert	578,500	584,925	596,623	608,556	620,727
3274 A B C Administrative Fees	47,901	31,025	31,645	32,278	32,924
3275 Cigarette Tax	652,840	604,293	616,379	628,706	641,281
3582 Controlled Sub Act Forft Prop Sales	0	0	0	0	0
Subtotal: Actual/Estimated Revenue	338,040,255	367,456,014	374,805,134	382,301,236	389,947,262
Total Available	\$338,040,255	\$367,456,014	\$374,805,134	\$382,301,236	\$389,947,262
DEDUCTIONS:					
Health, OASI, Retirement	(10,584,417)	(11,247,336)	(11,472,283)	(11,701,729)	(11,935,764)
Unemployment	(12,205)	(14,675)	(13,000)	(13,000)	(13,000)
Benefit Replacement	(7,469)	(6,069)	(6,000)	(6,000)	(6,000)
Total, Deductions	\$(10,604,091)	\$(11,268,080)	\$(11,491,283)	\$(11,720,729)	\$(11,954,764)
Ending Fund/Account Balance	\$327,436,164	\$356,187,934	\$363,313,851	\$370,580,507	\$377,992,498

6.E. Estimated Revenue Collections Supporting Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **458** Agency name: **Alcoholic Beverage Commission**

FUND/ACCOUNT	Act 2023	Exp 2024	Est 2025	Est 2026	Est 2027
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REVENUE ASSUMPTIONS:

The Texas Alcoholic Beverage Commission is required by Rider 7 of the agency bill pattern to cover its appropriation in addition to employee benefits using revenue codes: 3256, 3257, 3261, 3263, 3266, 3268, 3271, 3272, 3273, 3274, and 3769.

Any increase in excess of the biennial revenue amount certified by the Comptroller of Public Accounts must be collected by the agency through increases in surcharges in amounts sufficient to cover the increase. However, the enactment of House Bill (HB) 1545 during the 86th regular session repeals provisions of the Alcoholic Beverage Code establishing fee amounts and surcharges for licenses and permits and directs the agency to set fees effective September 1, 2021. HB 1545 also changes references to beer and ale to malt beverages and is effective September 1, 2021. The fluctuation in license/permit fees is due to the agency issuing 2-year permits which results in renewals happening every two years.

CONTACT PERSON:

Conrad Swan

6.E. Estimated Revenue Collections Supporting Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **458** Agency name: **Alcoholic Beverage Commission**

FUND/ACCOUNT	Act 2023	Exp 2024	Est 2025	Est 2026	Est 2027
<u>666</u> Appropriated Receipts					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3719 Fees/Copies or Filing of Records	588	739	0	0	0
3767 Supply, Equip, Service - Fed/Other	74,199	76,469	0	0	0
3769 Forfeitures	9,523	215,782	0	0	0
3802 Reimbursements-Third Party	6,325	5,017	0	0	0
3839 Sale of Motor Vehicle/Boat/Aircraft	34,949	75,866	0	0	0
Subtotal: Actual/Estimated Revenue	125,584	373,873	0	0	0
Total Available	\$125,584	\$373,873	\$0	\$0	\$0
Ending Fund/Account Balance	\$125,584	\$373,873	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

Revenue from Appropriated Receipts will continue at a similar rate.

CONTACT PERSON:

Conrad Swan

Please visit our website at **tabc.texas.gov** for more information about the Texas Alcoholic Beverage Commission.



**TEXAS ALCOHOLIC
BEVERAGE COMMISSION**
Supporting Businesses and Protecting Texans