

STATEMENT OF PURPOSE

RS25527

This is the FY 2018 appropriation to the State Liquor Division in the amount of \$20,116,400 and caps full-time equivalent positions at 224.00. This appropriation includes the funding for benefit cost increases, statewide cost allocation, a 3% CEC, cybersecurity insurance, and inflationary adjustments due to contractual rent increases. The 3% CEC is a merit-based increase in employee compensation for permanent employees to be distributed at the discretion of each director. Additionally, it includes replacement items which include store updates and upgrades, computer equipment, fork lifts, pallet jacks, and uniforms. Line item 1 includes \$428,000 to relocate or remodel seven state run liquor stores. Line item 2 includes 2.00 FTP and \$87,100 to hire additional material handlers for the central warehouse. Line item 3 provides \$42,000 to standardize the operation hours of ten high volume stores. Line item 5 for \$31,400 will provide retail improvement initiatives to make labor usage more efficient. Line item 6 provides \$27,500 for office furnishings at the newly remodeled central office. Line item 7 includes \$75,000 to hire an RFP consultant to assist in the process of replacing the division's legacy accounting software. Overall, this budget is a 2.3% increase above the FY 2017 appropriation.

FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2017 Original Appropriation	222.00	0	19,670,900	0	19,670,900
Removal of One-Time Expenditures	0.00	0	(1,209,000)	0	(1,209,000)
FY 2018 Base	222.00	0	18,461,900	0	18,461,900
Benefit Costs	0.00	0	200,700	0	200,700
Inflationary Adjustments	0.00	0	102,700	0	102,700
Replacement Items	0.00	0	391,000	0	391,000
Statewide Cost Allocation	0.00	0	2,300	0	2,300
Change in Employee Compensation	0.00	0	266,700	0	266,700
FY 2018 Program Maintenance	222.00	0	19,425,300	0	19,425,300
1. Remodel and Add Additional Stores	0.00	0	428,000	0	428,000
2. FTP for Material Handlers	2.00	0	87,100	0	87,100
3. Standardized Operation Hours	0.00	0	42,000	0	42,000
4. Restore Deputy Director Position	0.00	0	0	0	0
5. Excel at Retail Initiative	0.00	0	31,400	0	31,400
6. Office Furnishings	0.00	0	27,500	0	27,500
7. RFP Software Consultant	0.00	0	75,000	0	75,000
Cybersecurity Insurance	0.00	0	100	0	100
FY 2018 Total	224.00	0	20,116,400	0	20,116,400
Chg from FY 2017 Orig Approp	2.00	0	445,500	0	445,500
% Chg from FY 2017 Orig Approp.	0.9%		2.3%		2.3%

Contact:

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