



Liquor Division

Base Review

Frances Lippitt,
Budget & Policy Analyst
February 1, 2024

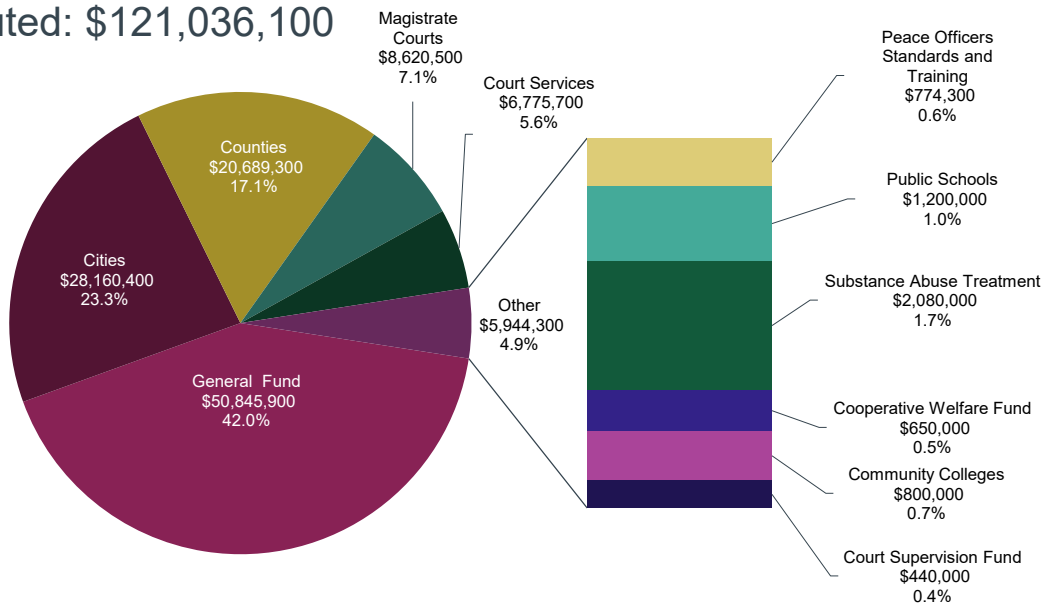
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Liquor Division

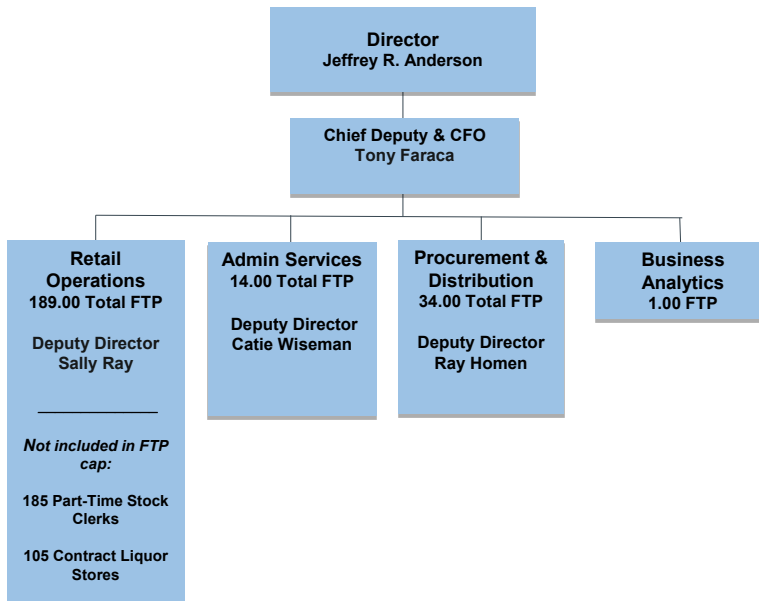
The mission of the Idaho State Liquor Division is to provide control over the importation, distribution, sale, and consumption of distilled spirits; curtail intemperate use of beverage alcohol; and responsibly optimize the net revenues to the citizens of Idaho [Statutory Authority: Chapter 2, Title 23, Idaho Code].

FY 2023 Liquor Distributions

Total Distributed: \$121,036,100



Organizational Structure



261.00 FTP
16.00 Vacant
as of 9/01/2023

Five-year Averages

Authorized FTP: **242.80**

Filled FTP Percentage: **93.04%**

Personnel Cost Appropriated: **\$15,408,540**

Percent of PC Spent on PC: **95.92%**



Liquor Control Fund

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	Actual	Actual	Actual	Estimate	Estimate
A. Beginning Free Fund Balance	\$ 36,997,400	\$ 38,115,700	\$ 21,790,600	\$ 20,415,700	\$ 18,723,800
B. Receipts and Transfers	\$ 291,365,200	\$ 300,272,300	\$ 314,281,200	\$ 324,724,600	\$ 333,914,600
C. Statutory Distributions	\$ 48,453,000	\$ 61,470,000	\$ 57,470,200	\$ 59,300,000	\$ 60,903,500
D. Cash Expenditures & Agency Request	\$ 241,793,900	\$ 255,127,400	\$ 258,185,900	\$ 267,116,500	\$ 274,690,000
E. Ending Free Fund Balance (A + B - C - D)	\$ 38,115,700	\$ 21,790,600	\$ 20,415,700	\$ 18,723,800	\$ 17,044,900



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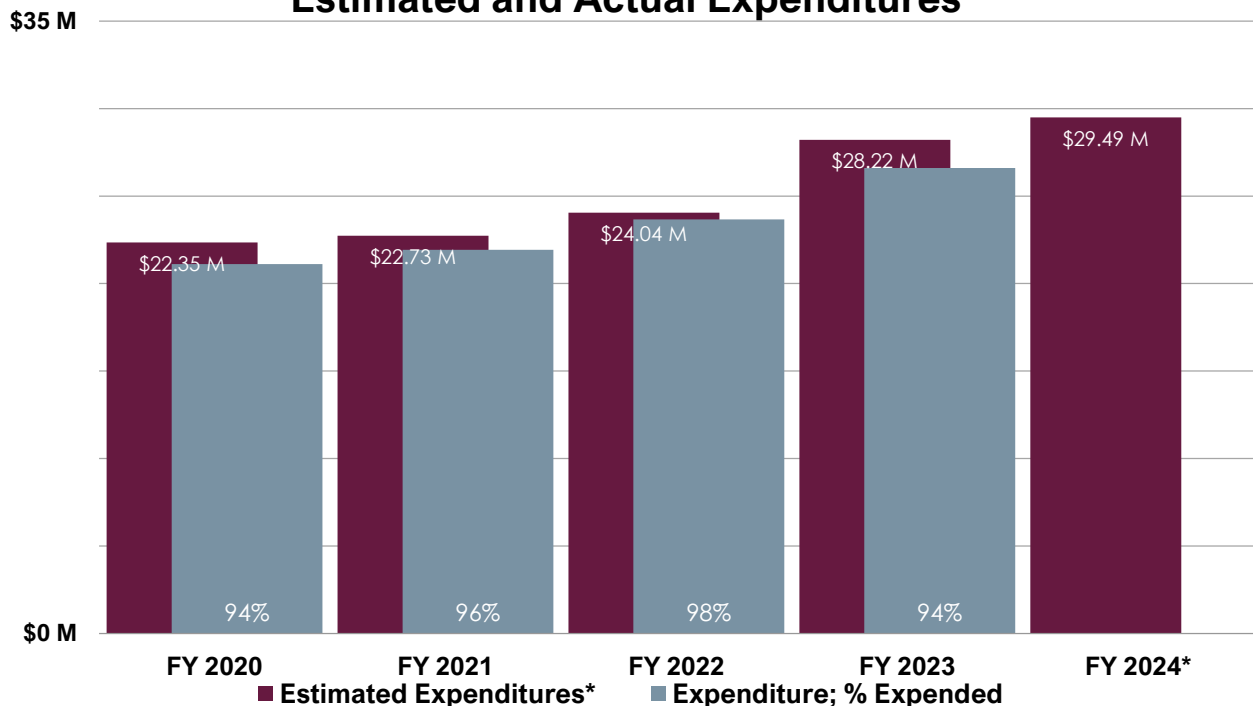
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Five-Year Review

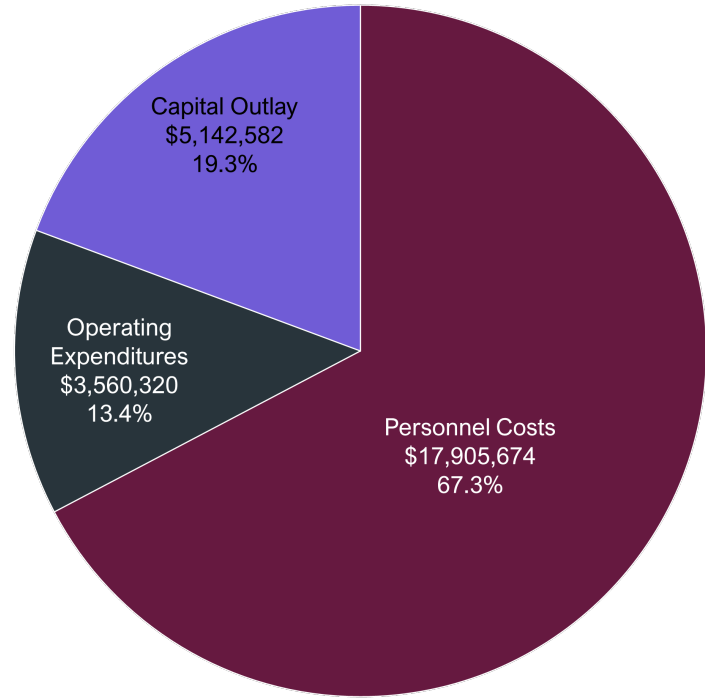
Estimated and Actual Expenditures



FY 2023 Expenditures

Division Operations

The Liquor Division's appropriated expenditures totaled \$26,608,576.

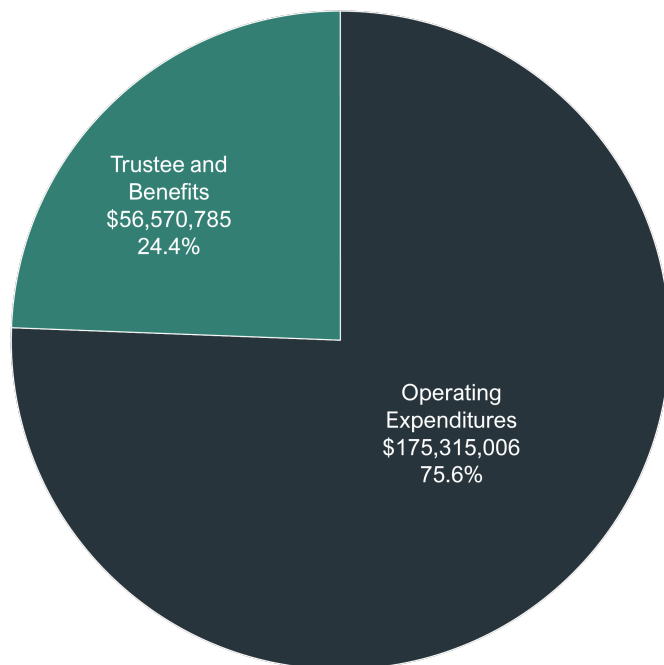


FY 2023 Expenditures: Continuously Appropriated

Acquisition & Distribution

The Liquor Division expended \$231,885,791 in continuously appropriated funds in FY 2023.

Of that amount, 72% was for merchandising, and 24% was distributed to cities, counties, and magistrate courts.

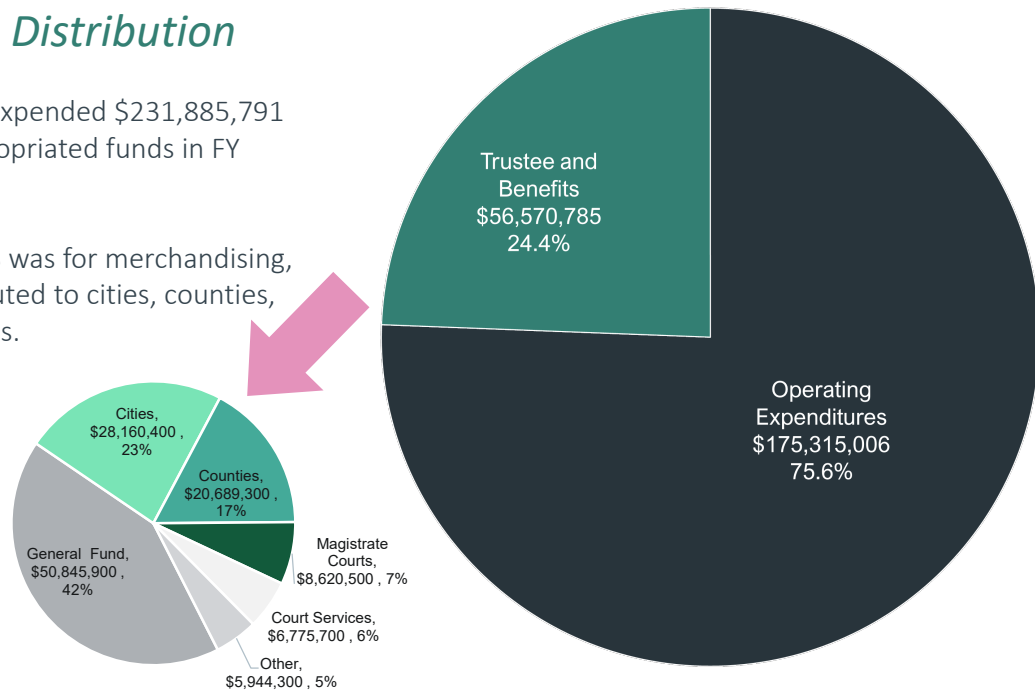


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Five-Year Base Snapshot

Fiscal Year	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024*
1. Total FTP	240.00	240.00	242.00	263.00	261.00
2. Current Year Base	20,426,400	21,381,300	21,862,500	22,800,400	26,335,600
3. Benefits Costs	18,400	(64,100)	37,300	200,500	271,600
4. Inflationary Adjustments	96,400			173,300	448,400
5. Statewide Cost Allocation	31,500	38,700	29,300	(14,700)	52,700
6. CEC	293,700	214,100	207,100	1,090,100	797,600
7. Total Ongoing Maintenance Change	440,000	188,700	273,700	1,449,200	1,570,300
8. % Chg from Current Year Base (line 7 / 2)	2.2%	0.9%	1.3%	6.4%	6.0%
9. Ongoing Enhancements	514,900	292,500	664,200	2,086,000	45,000
10. Total Ongoing Enhancements Change	514,900	292,500	664,200	2,086,000	45,000
11. % Chg from Current Year Base (line 10 / 2)	2.5%	1.4%	3.0%	9.1%	0.2%
12. Next Year Base (line 2 + 7 + 10)	21,381,300	21,862,500	22,800,400	26,335,600	27,950,900*
13. Total Base Change (line 12 - 2)	954,900	481,200	937,900	3,535,200	1,615,300
14. % Chg from Current Year Base (line 13 / 2)	4.7%	2.3%	4.3%	15.5%	6.1%

*Next Year Base not set. Ongoing Original Appropriation used instead.



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2023 Budget Enhancements

Ongoing Enhancement Name	Type	Amount
Retail Staffing Market Pay Adjustments	Enhancement	\$974,800
Convert Part-Time Positions to Full-Time	Enhancement	\$51,500
Convert Retail Temps to Full-Time	Enhancement	\$90,500
Increased Store Staffing Levels	Enhancement	\$182,200
Two New Retail Stores	Enhancement	\$569,200
Two Additional Warehouse Associates	Enhancement	\$115,700
Relocate/Remodel Two Existing Stores	Enhancement	\$102,100
Total Ongoing Base Change from Enhancements		\$2,086,000



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2024 Budget Enhancements

Ongoing Enhancement Name	Type	Amount
Relocate or Remodel Two Existing Stores	Enhancement	\$70,200
Additional HR Specialist	Enhancement	\$77,200
DHR Consolidation	Enhancement	(\$102,400)
Total Ongoing Base Change from Enhancements		\$45,000



2025 Budget Request & Governor's Recommendation

Ongoing Enhancement Name	Type	Amount
Pay Increases for Retail Temp Staff	Enhancement	\$189,800
Relocate or Remodel Store	Enhancement	\$79,300
Convert Temp Hours to 2.00 FTP	Enhancement	\$45,500
Program Systems Specialist	Enhancement	\$85,100
ITS Consolidation	Enhancement	\$17,600
Total Ongoing Base Change from Enhancements		\$417,300

Onetime Enhancement Name	Type	Amount
Relocate or Remodel Store	Enhancement	\$87,000
Total Onetime Base Change from Enhancements		\$87,000

The Governor's recommendation included all of the above requests.

Please feel free to contact me with any questions at (208)334-4745 or flippitt@lso.idaho.gov



Key Indicators

Cases Managed and/or Key Services Provided	FY 2020	FY 2021	FY 2022	FY 2023
Nine-Liter Cases Sold	1,347,500	1,462,900	1,440,500	1,429,300
Total Dollar Sales	\$258,567,000	\$297,072,800	\$305,619,200	\$319,850,000
Net Income	\$98,241,700	\$114,069,600	\$114,246,000	\$120,588,000
Profit Distributions	\$95,444,300	\$114,513,100	\$115,556,600	\$121,036,200



Performance Measures

Performance Measure		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
• Low Per Capita Consumption (9-Liter Cases per Adult) <i>Change vs. Prior Year</i>	actual	1.05 +8.2%	1.12 +6.7%	1.09 -2.8%	1.09 -2.9%	-----
	target	Below +9.2%	Below +8.5%	Below -1.5%	Below -0.8%	Below +1.6%
• 9-Liter Cases Sold <i>Change vs. Prior Year</i>	actual	1,348,000 +9.2%	1,463,000 +8.5%	1,441,000 -1.5%	1,429,000 -0.8%	-----
	target	Above +8.2%	Above +6.7%	Above -2.8%	Above -2.9%	Above +1.0%
• Sales (000s) <i>Change vs. Prior Year</i>	actual	\$258,500 +12.4%	\$297,072,800 +14.9%	305,619,200 +2.9%	319,850,000 +4.6%	-----
	target	Above +9.2%	Above +8.5%	Above -1.5%	Above -0.8%	Above +1.6%
• Distributions (000s) <i>Change vs. Prior Year</i>	actual	\$95,400 +11.8%	\$114,513,100 +20.0%	\$115,566,200 +1.0%	\$121,036,200 +4.7%	-----
	target	Above +12.4%	Above +14.9%	Above +2.9%	Above +4.6%	Above +3.5%



FY 2023 Expenditures – Personnel Costs

67.3% of Total Budgeted Expenditures

Gross Salary and Wages: \$12,343,071

Employees	\$10,744,670
Temporary Employees	\$1,598,401



Employee Benefits: \$5,562,603

Group Health Insurance	\$3,111,235
Employer Retirement Contribution	\$1,268,204
Social Security and Medicare	\$911,186
Workers Compensation	\$146,370
Life Insurance	\$71,951
DHR	\$53,398
Prior Year PERSI Contribution	\$259
Employment Security	\$1

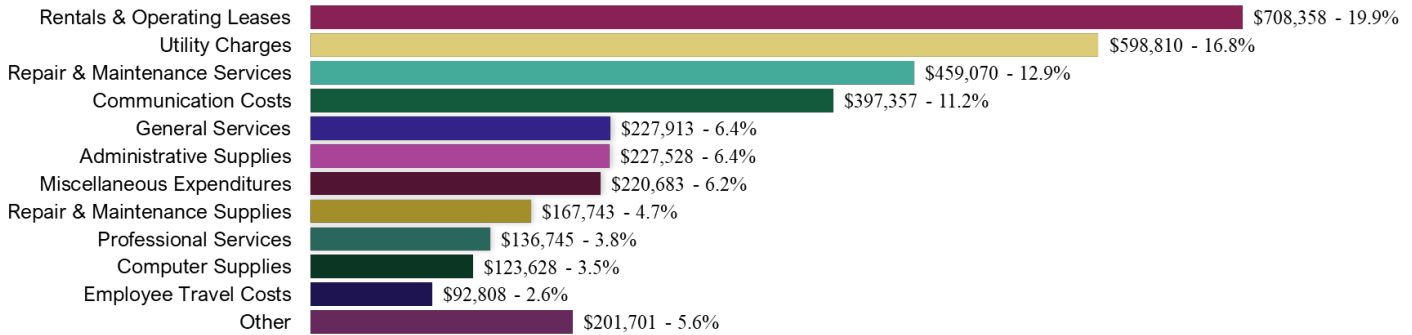
Personnel Costs Expenditures totaled \$17,905,674.



FY 2023 Expenditures - Operating Expenditures

13.4% of Total Budgeted Expenditures

Total: \$3,560,320



FY 2023 Expenditures – Trustee & Benefit Payments

24.4% of Total Continuously Appropriated Expenditures

Trustee and Benefits

Expenditure	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	% of Total
Distr. To Cities, Counties, Mag. Courts	\$39,005,000	\$43,276,000	\$48,466,310	\$61,430,914	\$56,570,785	100.0%
Total	\$39,005,000	\$43,276,000	\$48,466,310	\$61,430,914	\$56,570,785	-



2020 Budget Enhancements

Ongoing Enhancement Name	Type	Amount
Relocate or Remodel Nine Stores	Enhancement	\$220,000
Convert Group Positions to Full-Time	Enhancement	\$121,600
Four New Warehouse Employees	Enhancement	\$173,300
Total Ongoing Base Change from Enhancements		\$514,900



2021 Budget Enhancements

Ongoing Enhancement Name	Type	Amount
Warehouse Maintenance Contract	Enhancement	\$50,000
Increase Store Staff Levels	Enhancement	\$239,900
OITS 1 - Operating Costs	Enhancement	\$2,500
OITS 4 - Agency Billings	Enhancement	\$100
Total Ongoing Base Change from Enhancements		\$292,500



2022 Budget Enhancements

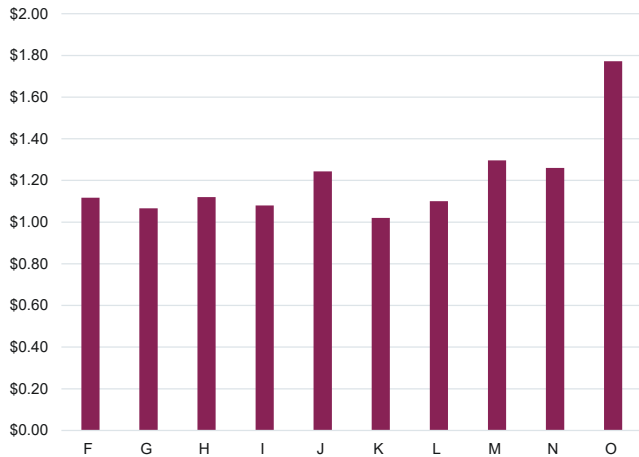
Ongoing Enhancement Name	Type	Amount
Clerks/Warehouse Wage Increase	Enhancement	\$400,000
Materials Handler - Warehouse	Enhancement	\$50,800
Relocate or Remodel Stores	Enhancement	\$58,000
Accounting Software Update	Enhancement	\$70,000
HR Associate	Enhancement	\$85,400
Total Ongoing Base Change from Enhancements		\$664,200



FY 2024 CEC Implementation

CEC was implemented on April 16th, 2023.

Liquor Division: Average Dollar Increase by Paygrade



The Legislature appropriated \$1.20 per hour per FTP and ISLD received an appropriation of \$797,600 for CEC.

ISLD implemented its CEC plan for \$793,000.

ISLD employees received increases ranging from \$1.02 to \$4.30 per hour.

Targeted Classification Pay Increases

- Liquor Store Managers: \$22.00 per hour
- Clerks: \$15.25 per hour
- Storekeepers: \$21.25 per hour
- Shipping/Receiving Material Handlers: \$18.25 per hour



Agency Funds – Sources and Uses

Fund: Liquor Control (0418-00 Ded)

Sources: Included in the Liquor Control Fund per Section 23-401, Idaho Code, are all revenues derived from the sale of alcoholic beverages, excise taxes, licenses, permits, fees, profits on sales, sales of equipment, supplies and other merchandise. All moneys from the purchase of properties, buildings, plants, apparatus, real estate, and securities, including any interest acquired by or through moneys belonging to the liquor account, shall be included in the Liquor Fund (§23-404).

Uses: The moneys from this fund are appropriated for the purpose of purchasing alcoholic liquor, nonalcoholic merchandise, and paying the expenses of administration and operation of the State Liquor Division (§23-402). A 2% surcharge on the sale of all liquor through the division is to be deposited into the Drug Court and Family Court Services Fund within the Judicial Branch (§23-217). After this transfer, and when the moneys in the Liquor Fund are sufficient to pay all current obligations of the division and a cash reserve of \$50,000 has accumulated over and above all other assets (§23-403 & 404), the remaining surplus is distributed as outlined below. 1. 50% of profits are directed to the following: A) Annual fixed distributions totaling \$5.85 million as follows: \$1,200,000 to Public Schools, \$2,080,000 to the Substance Abuse Treatment Fund, \$650,000 to the Cooperative Welfare Fund, \$800,000 to the Community Colleges, \$680,000 to the Drug Court, Mental Health Court, and Family Court Services Fund, and \$440,000 to the Court Supervision Fund. B) Any remaining balance to the General Fund. Of that remaining balance, 1.5% shall be transferred to POST beginning in FY23 (Section 23-404(b)(viii), Idaho Code). 2. The other 50% of profits are distributed to counties, cities, and magistrate courts as follows: A) 36.8% shall be distributed to counties (began at 40% in FY2018, decreasing each fiscal year by 0.8% until FY23 when the distribution reaches 36%). Each county shall be entitled to an amount in the proportion that liquor sales through the division in that county during the state's previous fiscal year bear to total liquor sales through the division in the state during the state's previous fiscal year, except that no county shall be entitled to an amount less than that county received in distributions from the Liquor Account during the state's fiscal year 1981. B) 51.2% shall be distributed to cities (began at 60% in FY2018, decreasing each fiscal year by 2.2% until FY23 when the distribution reaches 49%). City distribution is as follows: i) 90% of the amount appropriated to the cities shall be distributed to those cities which have a liquor store or distribution station located within the corporate limits of the city. Each such city shall be entitled to an amount in the proportion that liquor sales through the division in that city during the state's previous fiscal year bear to total liquor sales through the division in the state during the state's previous fiscal year, except that no city shall be entitled to an amount less than that city received in distributions from the liquor account during the state's fiscal year 1981; ii) 10% of the amount appropriated to the cities shall be distributed to those cities which do not have a liquor store or distribution station located within the corporate limits of the city. Each such city shall be entitled to an amount in the proportion that that city's population bears to the population of all cities in the state which do not have a liquor store or distribution station located within the corporate limits of the city, except that no city shall be entitled to an amount less than that city received in distributions from the liquor account during the state's fiscal year 1981. C) 12% to magistrate courts (began at 3% in FY2019, increasing each fiscal year by 3% until FY23 when the distribution reaches 15%). i) The first \$440,000 shall be distributed to the 44 counties in equal amounts. ii) 50% of the remaining funds shall be distributed in proportion to the counties' populations in relation to the state population. iii) 50% of the remaining funds shall be distributed in proportion to the number of misdemeanor and infraction filings in the county in relation to the total number of misdemeanors and infractions filed in the state during the previous fiscal year.

