



Alan Steen
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Legislative Budget Board
1501 N. Congress Avenue
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Governor's Office of Budget, Planning and Policy
Fourth Floor, State Insurance Building
PO Box 12428
Austin, Texas 78711

Attached is a copy of the Texas Alcoholic Beverage Commission's Report on Customer Service. We are pleased to be able to share this information with you. Please feel free to contact me at 512-206-3217 if you have any questions or concerns.

Sincerely,

Alan Steen
Administrator

AS: cb

Texas Alcoholic Beverage Commission

Report on Customer Service

Customer focus, continuous improvement, idea generation, communication, recognition and reward. These are the key elements of a successfully operating agency. However, improving the quality of customer service is a critical issue facing all state agencies. To improve the service provided, the Texas Alcoholic Beverage Commission is committed to identifying agency's customers; setting achievable service standards based on customer expectations; realigning policies and management systems to meet customer needs; and redesigning service processes.

Inventory of External Customers by Strategy

The identification of external customers is a prerequisite to understanding customer requirements and satisfaction levels.

The services the agency provides to its customers include: conducting investigations; providing regular instruction on the law and compliance to school children, licensees and permittees (and their employees), and to members of civic groups; overseeing the labeling and promotion of alcoholic beverage products; issuing different types of alcoholic beverage licenses and permits throughout the state and the world; collecting taxes; conducting compliance audits and regulatory reviews; assuring compliance with personal importation laws and collecting taxes and administrative fees on alcoholic beverages and cigarettes imported into Texas from Mexico; and reviewing and prosecuting administrative violations of the Texas Alcoholic Beverage Code by licensees and permittees.

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

Following is an inventory of external customers served by each strategy listed in the 2008–09 General Appropriations Act and a brief description of the types of services provided to them.

Enforcement

The enforcement division is responsible for the criminal and administrative enforcement of the state's alcoholic beverage laws. Certified peace officers, known as TABC agents, inspect premises licensed by the agency and investigate alleged violations of the Alcoholic Beverage Code and other state laws. Agents provide presentations to licensees and their employees to increase voluntary compliance with the law. In addition, presentations are delivered to youth and young adults, civic organizations and other law enforcement agencies in an attempt to promote a better understanding of the law and the roles and responsibilities of the agency.

Increasingly, the agency has placed a greater emphasis on developing initiatives that target the problems associated with underage drinking and over-consumption of alcohol. Agents frequently work with other local law enforcement agencies, schools, parents, and other community coalitions to reduce the incidence of underage drinking and binge drinking in communities.

Compliance

The compliance division is charged with the administrative/regulatory enforcement of the Alcoholic Beverage Code. The division plays a role in the initial licensing process through application processing, inspections, fee analysis, and marketing practices reviews. They play a role in monitoring seller training schools to ensure compliance with agency standards. In addition, field personnel conduct investigative audits, regulatory compliance, and other financial reviews and assist the enforcement division in various types of investigations. The compliance division is also responsible for oversight of the promotion of alcoholic beverage products in Texas. Along with enforcement agents, compliance auditors provide presentations to licensees and their employees, as well as others in the community

Tax

The tax division is charged with the oversight of the taxing authority of the agency. Personnel receive, process and audit monthly excise tax reports to ensure taxes have been paid and that other reporting requirements are in adherence with the statutes of the Alcoholic Beverage Code. The division also oversees the product testing and labeling of alcoholic beverage products in Texas.

Ports of Entry

The ports of entry program is responsible for ensuring compliance with personal importation laws and the collection of taxes and fees on alcoholic beverages and cigarettes brought into Texas. Cigarette taxes are collect on behalf of the Office of the Comptroller of Public Accounts. Agency personnel are stationed at all major bridges along the Texas-Mexico border.

Education and Prevention

The education and prevention staff oversee agency programs involving educating the public, retailers and their employees of the laws associated with consuming alcoholic beverages. They lead the agency's efforts to prevent illegal underage drinking, illegally making alcohol available to minors, as well as driving while intoxicated. The staff work with different statewide and local agencies, community coalitions and other groups to share information as well as participate in various programs to prevent underage drinking.

Licensing

The licensing division investigates and processes applications for all phases of the alcoholic beverage industry, including the manufacture, sale, purchase, transportation, storage, and distribution of alcoholic beverages. The division must ensure that each applicant is qualified to hold such license/permit and adheres to all applicable regulatory

requirements. Approximately 100,000 licenses and permits are issued each year by division personnel.

Customer Satisfaction Survey

For many years now, the agency has used surveys to assess the level of customer satisfaction with specific agency programs: licensing, compliance and enforcement. The data obtained from the survey is used to: (1) monitor each division’s performance against customer service standards; (2) improve the division’s overall quality of service and delivery; and (3) provide the customers’ views of the division’s overall performance.

The licensing division provides surveys to retailers, wholesalers and manufacturers located in Texas who have applied for an original license or permit. During fiscal year 2007, 754 out of 6963 surveys were returned with a response rate of 10.8%. The percent of respondents expressing satisfaction with the licensing process was 95.6%. The overall percentage is weighted, because not everyone answers the questions related to evaluating the licensing employees in headquarters. That percentage is the average of the score for each survey based on which questions each respondent chose to answer.

The licensing division drafted a new survey in October 2006 in an attempt to make the questions clearer and encourage a better response rate. The response rate increased when the agency started using the new survey.

The first question on the survey involved where the respondent received their application forms. The answers to the next three questions are related to the first question, so responses are broken out by the source of the forms. The goal is to find out if applicants receive better information from our agency, from a licensing service, from our website, or somewhere else.

	TABC	Licensing Service	Internet	Other
Where did you obtain the forms for your application?	43%	36%	18%	2%
Were you provided with all the forms necessary to complete your application?	98%	99%	98%	100%
Were you provided clear, written instructions covering the steps to follow in obtaining your license?	98%	99%	98%	100%
Were you provided clear, written instructions covering the steps to follow in obtaining your license?	96%	92%	85%	88%

The remaining questions assess the customer's interaction with their local TABC office and TABC licensing headquarters during the licensing process.

	<u>Yes</u>
At your local TABC interview/meeting, were you given an opportunity to ask questions and/or were you given a contact name and phone number to assist you with future questions or concerns?	99%
Were you satisfied with the information provided by your local TABC office?	97%
Were the people who helped you at the local TABC office courteous and professional?	98%
Did your local TABC office give you a realistic estimate of the time required to obtain your license/permit?	91%
Did you call Austin TABC Headquarters at any point before you received your license/permit?	25%
Did you receive courteous and professional treatment from the staff at Austin TABC Headquarters?	92%
Were you satisfied with the information provided by the staff at Austin TABC Headquarters?	88%
Do you believe your application was delayed at any point in the filing process?	18%

In the past, the compliance division auditors have provided surveys to permittees audited during the year. However, survey results showed that the majority of the surveys returned were from only a handful of auditors. During fiscal year 2007, over half the surveys returned were from three of 65 auditors. It appeared that not all auditors were passing out surveys following an audit. This means the overall questionnaire percentages are very reliant on the performance of only a few auditors, and are not accurate for any performance measures. For that reason, the process of distributing surveys has changed. Beginning in May 2008, surveys have been mailed to 20% of those permit holders that were inspected by auditors or were the subject of an audit/analysis.

Last fiscal year, 428 surveys were returned, but the agency does not have reliable numbers to show how many were distributed. The percent of respondents expressing satisfaction with the licensing process was 98%. This number is based on the percentage of permit holders who responded positively to at least four of the six survey questions. Following are the responses to specific questions:

	<u>Yes</u>
Was the compliance officer and any assistant professional?	99.8%
Did compliance officer clearly and fully explain all procedures and results?	99.3%
Was compliance officer on time for the appointment, if applicable?	97.3%
Were your questions adequately answered?	99.5%
Was the assignment conducted with a minimal amount of disruption to your business?	97.3%
Did the compliance officer explain any collection and appeal procedures?	86.4%

The Enforcement Division mails questionnaires to a randomly selected 10% sample of permit holders inspected during the preceding month. During a migration from M204 to a web-based environment, the agency lost the ability to generate the report to determine the random 10%, and the surveys were not distributed between June 2006 and May 2007.

During the 4th quarter of fiscal year 2007, 236 surveys out of 1,152 were returned with a response rate of 15.2%. The percent of respondents expressing overall satisfaction with the services delivered by enforcement agents was 94.1%. This number is based on the percentage of permit holders who responded positively to at least four of the six survey questions. Following are the responses to specific questions on the survey:

	<u>Yes</u>
Was the disruption to your business minimal?	89%
Did the agents treat you and your employees with courtesy and respect?	95%
Did the agents treat your customers with courtesy and respect?	95%
Were the actions of the agents fair and reasonable?	94%
Did the agents seem as interested in helping you obey the law as they were in finding violations?	92%
Overall, did the experience leave you with a favorable impression of the TABC and its enforcement agents?	92%

The agency has an additional survey instrument available on the agency website. It is designed to gauge customer satisfaction with respect to the following quality dimensions: service timeliness, staff, facilities, printed materials, communication, complaint handing processes, website and overall satisfaction.

Because the survey was only available to those customers who visited the website, and because customers were not directly asked to participate, the response rate is typically very low. Only 47 people completed the survey during fiscal year 2006 and 22 people during fiscal year 2007. (More people visited our website and filled out the survey during fiscal year 2006 because of a strong and negative response related to press coverage during the spring of 2006.)

Since responses of this nature are typically from those who are either very supportive or who have had a particularly bad experience, its primary value is to identify potential problem areas and bright spots. Nevertheless, the average responses to each question are listed below for fiscal year 2007. The responses were given on a scale of one (strongly disagree) to five (strongly agree). Any response above a three is considered to be perceived more positively than negatively. Areas of potential improvement involve timeliness of responses by phone, e-mail or through receiving printed materials.

	FY 2007 AVERAGE
Our employees were knowledgeable.	3.29
Our employees were courteous and respectful.	3.12
Our employees were responsive to your needs and concerns.	3.25
Our office was convenient and easily accessible.	3.33
Our office was clean and orderly.	3.21
I received printed materials (i.e., brochures, newsletters, instructions, forms, etc.) explaining the services available.	3.00
Our materials were clear and understandable.	3.33
Our services were offered at convenient times.	3.61
Our services were delivered within a reasonable amount of time.	3.50
I received a response within a reasonable amount of time by: Telephone (including "on hold" time)	2.92
I received a response within a reasonable amount of time by: E-mail	2.33
I received a response within a reasonable amount of time by: Materials (regular US mail)	2.33
I was given clear explanations about the services available.	3.25
I received answers to all of my questions.	3.44
I was able to find helpful information on the TABC web site.	3.27
I found the quality of the TABC web site to be satisfactory.	3.36
I know how to make a complaint regarding services at the TABC.	3.63
I believe the TABC would handle my complaint in a fair manner.	3.13
Overall, I am satisfied with the services I received from the TABC.	3.45

The agency is in the process of redesigning the internet survey to simplify the responses and determine ways to increase participation in the survey. The agency believes this is the best approach to obtaining valuable information for both the agency and its management.

Survey Results

Based on the evaluations by agency customers, there was both evidence of good customer service by the agency and some opportunities for improvement. The agency's enforcement, licensing and compliance staff all received positive survey results. These employees were considered to be courteous, knowledgeable and responsive to customer needs, in addition to providing clear explanations about the agency's services and answering all customer questions.

The areas needing the most improvement included streamlining the licensing process, increasing responsiveness to requests for information, explaining appeal procedures, and minimizing the disruption to permit holders' businesses during inspections.

Customer-Related Performance Measures

The Legislative Budget Board has created generic customer-related performance measures for all state agencies. These projected measures include:

Outcome Measures	FY 2003	FY 2005	FY 2007	FY 2008 Expected
Percentage of Surveyed Customer Respondents Expressing Overall Satisfaction with Services Received	90%	91%	96%	90%
Percentage of Surveyed Customer Respondents Identifying Ways to Improve Service Delivery	N/A	N/A	<1%	<1%
Output Measures				
Number of Customers Surveyed	27,325	18,186	8,600 (estimate)	15,000
Number of Customers Served	500,000	500,000	500,000	500,000
Efficiency Measure				
Cost per Customer Surveyed	\$0.08	\$0.14	\$0.12	\$0.26
Explanatory Measures				
Number of Customers Identified	20 million	20 million	20 million	20 million
Number of Customer Groups Inventoried	3	3	3	3

Compact with Texans

As part of the customer service initiative, the agency designed its *Compact with Texans* and submitted it to the Legislative Budget Board and the Governor's Office of Budget and Planning for approval. The compact was approved and, since then, has been added to the agency's web site.

TABC Compact with Texans

Letter from the Administrator

Service, Courtesy, Integrity, and Accountability. The agency's cornerstones provide the foundation for the agency – who we are and what we do. Everything else is built on these four principles. When it comes down to it, these are pretty much universal guiding principles that we all have come to expect of any service provider. We believe you deserve no less from us.

At the Texas Alcoholic Beverage Commission, we realize the great responsibility that the State of Texas has placed upon our agency and we view this *Compact* as a binding agreement between you, our customer, and every member of our agency.

In addition to telling you who we are and what we do, this agreement will also lay out some standards that we will strive hard to measure up to as we carry out our day-to-day responsibilities. So, whether your contact with us is in person, via regular mail, via e-mail, over the telephone, at our web site or through whatever other medium available, we want you to know that our work ethic will be marked with a spirit and zeal to help you out in whatever way possible.

Thank you for the opportunity to serve you.

Sincerely,



Alan Steen
Administrator

Our Mission, Vision, Philosophy and Guiding Principles

Our Mission

Established in 1935, our mission is to promote public safety and serve the people of Texas through consistent, fair and timely administration of the Alcoholic Beverage Code while fostering education, voluntary compliance and legal, responsible alcohol consumption.

Our Vision

A safe and responsible Texas served by an Alcoholic Beverage Commission committed to innovative partnerships with our communities and the alcoholic beverage industry.

Our Philosophy

The Texas Alcoholic Beverage Commission will:

- ◆ apply the Alcoholic Beverage Code in a fair, consistent, and timely manner;
- ◆ exemplify courteous, ethical, and professional behavior;
- ◆ be fiscally responsible and accountable to the people of Texas; and
- ◆ be accessible, transparent, efficient and effective.

Our Guiding Principles

1. We value our employees, are committed to their continual improvement and empower them to make key decisions.
2. We recruit, train, mentor, and develop individuals who are committed to our vision.
3. We expect ethical and professional behavior of ourselves.
4. We exercise discretion in our authority when making decisions based on ethical and legal principles.
5. We do the right thing, not just what we have the right to do.
6. We know our mission and understand our purpose, and we integrate our efforts in order to accomplish it in a consistent and efficient manner.
7. We work together to achieve goals and solve problems.
8. We strive to put responsible people into business and promote good business practices through integrated partnerships.

Our Services

- We conduct investigations for minors in possession, public intoxication, bootlegging, prostitution, gambling, narcotics, weapons, and organized criminal activities.
- We provide regular instruction to school children, licensees and permittees (and their employees), and to members of civic groups to promote a better understanding of the law and voluntary compliance.
- We oversee the labeling, bottling, and promotion of alcoholic beverage products.
- We issue more than 60 different types of alcoholic beverage licenses and permits throughout the state and the world to establish regulatory control.
- We conduct regulatory and tax compliance audits to ensure adherence with the Alcoholic Beverage Code and ensure the proper amount of tax/fee is reported and paid.
- We assure compliance with personal importation laws and collect taxes and administrative fees on alcoholic beverages and cigarettes imported into Texas from Mexico.
- We review and prosecute administrative violations of the Texas Alcoholic Beverage Code by licensees and permittees.

Our Customer Service Standards

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

- Treat you with professional courtesy and respect at all times.

- Provide you with accurate, timely, and complete information.
- Respond to all inquiries within three to five working days of receipt.
- Process new applications received for final processing in Licensing Headquarters within 14 working days.
- Acknowledge receipt of complaints within three working days.
- Resolve complaints within 60 working days and notify you if any situations arise that may require additional time for complaint resolution.
- Provide helpful and up-to-date information on our web site.
- Ensure our facilities are easily accessible and clean.
- Provide you with our *Compact with Texan's* Customer Satisfaction Survey results and continually strive to improve our services.

Our Customer Relations Representative

Our Customer Relations Representative is responsible for responding to any of your concerns regarding our agency. Please feel free to contact her:

Carolyn Beck
Texas Alcoholic Beverage Commission
PO Box 13127 Austin, Texas 78711
questions@tabc.state.tx.us
(512) 206-3347

Our Complaint Handling Process

Report Violations of the Alcoholic Beverage Code

You may file a complaint against violations of the Alcoholic Beverage Code, including establishments and persons who sell or give alcoholic beverages to minors. For all complaints, you will need to provide the name and location of the establishment, if applicable, and a description of the violations observed.

Upon receipt, we will acknowledge your complaint within three working days. Every effort will be made to resolve your complaint within 60 working days. You will be notified of any situations that would require additional time for complaint resolution. If you have any questions or would like to file a complaint concerning a violation of the Alcoholic Beverage Code, please contact us by:

- E-mail: complaints@tabc.state.tx.us
- Toll-free telephone: 1-888-843-8222 (1-888-THE-TABC)
- Mail: Texas Alcoholic Beverage Commission
PO Box 13127
Austin, Texas 78711
- Fax: 512-206-3350

Complaints Against TABC Personnel

In order to file a complaint against the Texas Alcoholic Beverage Commission or an employee of the Texas Alcoholic Beverage Commission, please contact our Office of Professional Responsibility by:

- E-mail: opr@tabc.state.tx.us
- Telephone: (512) 206-3405
- Mail: Office of Professional Responsibility
Texas Alcoholic Beverage Commission
PO Box 13127
Austin, Texas 78711
- Fax: (512) 206-3207

Our License And Permit Process

In an effort to respond to your needs, the **"Instructions for Applicants of an Alcoholic Beverage License or Permit"** was created to guide you through the application process and can be downloaded free-of-charge from our web site <http://www.tabc.state.tx.us/publications/> or obtained from your [local TABC office](#). This helpful booklet contains such useful information as:

- Different types of licenses and permits;
- Fee and surcharge amounts for all licenses and permits;
- Directory of all local offices;
- Step-by-step procedures of the application process;
- Checklist of required forms; and
- Detailed instructions for every form.

In order to apply for an alcoholic beverage license or permit, you must contact your [local TABC office](#) and request a materials packet. The packet contains:

- Information on the license or permit type for which you are applying;
- Blank Application Forms and Personal History Sheets;
- Conduct Surety, Tax Bond Forms or other bond/security forms, if applicable; and
- Other forms as required by local governing bodies.

The number of applications you will need to prepare will vary depending on your location and what is required from your local government offices. Our [local TABC office](#) will inform you of the exact number you are required to complete when you pick up your packet. Please allow up to 75 working days for processing a new application. However, the application process may be completed faster depending on the workload.

This timeframe varies depending on the length of time required to process your application through the city and/or county in which you are located. For certain on-premise locations, the posting of a sign is required for 60 days prior to your application being received in Austin. In certain cases, an inspection of the proposed licensed location may be necessary for processing your application. Issuance of your license or permit will be delayed if this inspection has not been conducted.

If a completed renewal application and all required fees have been filed with the agency prior to the expiration date of the permit or license, the permit holder may operate, under the expired permit or license, until the renewal application is denied or issued.

If you have any questions or comments regarding our license and permit application process, please contact us by:

- E-mail: questions@tabc.state.tx.us
- Telephone: [Telephone Numbers for Local TABC Offices](#)
- TABC Offices: [Locations \(Addresses\) for TABC Offices](#)
- Mail: Licensing Division
Texas Alcoholic Beverage Commission
PO Box 13127
Austin, Texas 78711

Questions, Comments, Suggestions and Requests for Information

We value your comments and will use them to measure our performance and improve our service. Communication of information and ideas provides an understanding and shared commitment toward achieving common goals.

Every effort will be made to respond to your inquiries (including US mail, e-mail and/or personal requests) within three to five working days of receipt. Questions, comments, suggestions, and requests for information can easily be made by:

[Locations](#) | [E-Mail](#) | [Mail](#) | [Telephone](#) | [Internal Affairs](#)

Your Satisfaction Is Important To Us!

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