TEXAS ALCOHOLIC BEVERAGE COMMISSION
STRATEGIC PLAN

Fiscal Years 2013-2017
AGENCY STRATEGIC PLAN
For The Fiscal Years 2013-2017 Period

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STATEWIDE ELEMENTS

The following mission and philosophy for Texas state government are presented in “Strengthening our Prosperity: The Statewide Strategic Planning Elements for Texas State Government,” and they apply to all state agencies.

MISSION OF TEXAS STATE GOVERNMENT

Texas state government must be limited, efficient and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.

Aim high . . . we are not here to achieve inconsequential things!

PHILOSOPHY OF TEXAS STATE GOVERNMENT

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise we will promote the following core principles:

• First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics, or individual recognition.
• Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.
• Decisions affecting individual Texans, in most instances, are best made by those individuals, their families and the local government closest to their communities.
• Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future and the future of those they love.
• Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
• State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse and providing efficient and honest government.
• Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.
RELEVANT STATEWIDE GOALS AND BENCHMARKS

The Texas Alcoholic Beverage Commission (TABC) strategies directly support the following statewide priority goals and benchmarks:

PUBLIC SAFETY AND CRIMINAL JUSTICE

**Priority Goal:** To protect Texans by:
- Preventing and reducing terrorism and crime;
- Securing the Texas/Mexico border from all threats;
- Achieving an optimum level of statewide preparedness capable of responding and recovering from all hazards; and
- Confining, supervising and rehabilitating offenders.

**Benchmarks:**
- Juvenile violent crime arrest rate
- Adult violent crime arrest rate
- Number of traffic deaths per thousand involving alcohol

The public safety and criminal justice goal is supported by the agency’s enforcement and compliance goal of promoting the health, safety and welfare of the public by promoting voluntary compliance with the law and deterring the illegal distribution and consumption of alcoholic beverages. The agency strategy of deterring and detecting the violations of the Alcoholic Beverage Code is accomplished through inspections, investigations and education of the industry and general public.

ECONOMIC DEVELOPMENT

**Priority Goal:** To provide an attractive economic climate for current and emerging industries that fosters economic opportunity, job creation, capital investment and infrastructure development by:
- Promoting a favorable business climate and fair system to fund necessary state services;
- Addressing transportation needs;
- Maintaining economic competitiveness as a key priority in setting State policy; and
- Developing a well-trained, educated and productive workforce.

**Benchmarks:**
- Per capita gross state product
- Texas unemployment rate
- Number of new non-government, non-farm jobs created
- Number of new small businesses created

The commission’s licensing and compliance goals and strategies support the economic goal of the state by ensuring compliance with statutory schemes and creating an atmosphere and business climate supporting fair competition and lawful trade practices. TABC’s related strategies are:
Ensuring compliance with laws regarding ownership of permits/licenses, tax security and other licensing requirements;
Inspecting, analyzing and investigating all segments of the industry and initiating actions, whether educational or punitive; and
Strategically placing personnel to regulate importation of alcoholic beverages and cigarettes.

**GENERAL GOVERNMENT**

Priority Goal: To provide citizens with greater access to government services while reducing service delivery costs and protecting the fiscal resources for current and future taxpayers by:
- Supporting effective, efficient and accountable state government operations;
- Ensuring the state’s bonds attain the highest possible bond rating; and
- Conservatively managing the state’s debt.

Benchmarks:
- Number of state employees per 10,000 population
- Number of state services accessible by the Internet
- Savings realized in state spending by making reports, documents and processes available on the Internet and accepting information in electronic format

These benchmarks are supported by each strategy of the commission as the agency is guided by its own philosophy and values in efficient and cost-effective operations. The leadership of the agency is particularly proud of ongoing efforts to use technology to be increasingly transparent and make more information accessible to the public.

**REGULATORY**

Priority Goal: To ensure Texans are effectively and efficiently served by high-quality professionals and businesses by:
- Implementing clear standards;
- Ensuring compliance;
- Establishing market-based solutions; and
- Reducing the regulatory burden on people and business.

Benchmarks:
- documented complaints resolved within six months
- number of new business permits issued via the Internet

Responsiveness to the public continues to be a high priority for TABC. After years of preparing the technology and streamlining the processes, the agency has begun to make some permits available on the Internet.
AGENCY VISION, MISSION AND PHILOSOPHY

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

TABC MISSION
The mission of the Texas Alcoholic Beverage Commission 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.

TABC 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.

TABC CORNERSTONES
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.

• Service • Courtesy
• Integrity • Accountability

TABC 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.
Texas Alcoholic Beverage Commission

**TABC COMPACT WITH TEXANS**

The commission’s leadership and personnel are dedicated to the principles of exemplary customer service, believing that the citizens of this state, as well as those who may conduct business in Texas, deserve the highest degree in service standards. The commission expects these characteristics to be obvious to citizens in their interactions with the commission’s employees:

- Efficiency
- Quality
- Honesty
- Commitment
- Friendliness
- Professionalism

The *Compact with Texans* goes even further to delineate not only the universal guiding principles of how the service should be delivered, but when to expect it.

- Provide accurate and timely information.
- Respond to inquiries within three working days.
- Acknowledge receipt of complaints within three working days.
- Resolve complaints within 60 days.
- Provide helpful and up-to-date information on the agency’s website.
- Ensure our facilities are easily accessible and clean.

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Agent Sheila Doyle works in the Austin District Office.
EXTERNAL/INTERNAL ASSESSMENT

OVERVIEW OF AGENCY SCOPE AND FUNCTIONS

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

The TABC collects in excess of $200 million annually in taxes and fees, which aids in the financing of the state’s public schools, local governments, research, human services and other areas in which state government provides services to all Texans.

The Alcoholic Beverage Code authorizes the Texas Alcoholic Beverage Commission to:

- Grant, refuse, suspend, or cancel permits and licenses in all phases of the alcoholic beverage industry;
- Supervise, inspect and regulate the manufacturing, importation, exportation, transportation, sale, storage, distribution and possession of alcoholic beverages;
- Assess and collect fees and taxes;
- Investigate for violations of the Alcoholic Beverage Code and assist in the prosecution of violators;
- Seize illicit beverages;
- Adopt standards of quality and approve labels and size of containers for all alcoholic beverages sold in Texas;
- Pass rules to assist the agency in all of the above.

HISTORICAL PERSPECTIVE
When the 21st Amendment to the U.S. Constitution repealed national prohibition (imposed by the 18th Amendment) in 1933, it delegated responsibility for regulation of the alcoholic beverage industry to the individual states.

U.S. Constitution - AMENDMENT XXI

Section 1. The eighteenth article of amendment to the Constitution of the United States is hereby repealed.

Section 2. The transportation or importation into any state, territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

Creation of the Agency
Shortly after the adoption of the 21st Amendment, the Texas Legislature, meeting in special session, enacted the Texas Liquor Control Act that created the Texas Liquor Control Board. The LCB, as it came to be commonly known, began its existence on November 16, 1935, charged with the administration of the new act. The name of the agency was changed January 1, 1970, to the Texas Alcoholic Beverage Commission.
and, on September 1, 1977, the recodified Texas Liquor Control Act took effect as the Texas Alcoholic Beverage Code.

**Liquor by the Drink**

After several attempts, the Texas Legislature responded in 1971 to a public referendum by creating a mixed beverage permit that allowed sales of liquor by the drink in those areas specifically authorized by local option election. With the new permit came the mixed beverage gross receipts tax:

...a tax at the rate of 10 percent ... imposed on the gross receipts of a permittee from the sale, preparation, or service of mixed beverages or from the sale, preparation, or service of ice or nonalcoholic beverages that are sold, prepared, or served for the purpose of being mixed with alcoholic beverages and consumed on the premises of the permittee.

The new permit met with immediate acceptance, and the new tax quickly became a major revenue generator for the state. In 1985, the tax rate was increased to 12 percent and increased again in 1989 to 14 percent. For fiscal year 1993, gross receipts tax and penalty collections amounted to $244.7 million, more than half of the total revenue collected by the agency.

**Sunset Review**

House Bill 1445 of the 73rd Legislature, 1993, enacted recommendations from the Sunset Review of the commission. The legislature's action demonstrated its belief in the need for a separate alcoholic beverage regulatory agency. Emerging from the process, the Texas Alcoholic Beverage Commission was continued for 12 years with two significant functional changes:

- Effective January 1, 1994, responsibility for the collection and verification of the mixed beverage gross receipts tax was transferred to the Office of the Comptroller of Public Accounts.

- Effective April 1, 1994, responsibility for the enforcement of the Bingo Enabling Act was transferred to the Texas Lottery Commission. The Texas Alcoholic Beverage Commission had assumed short-term responsibility for the regulation of bingo from the Office of the Comptroller of Public Accounts in January 1990.

The Sunset Commission again reviewed the agency in 2004; however, the bill containing their recommendations did not pass during the 79th Legislative Session. Instead, TABC was continued for another two years.

Although the Sunset bill did not pass, the Sunset Report recommended that the agency focus on public safety issues. As a result, in 2005, the agency requested, and was granted, over 100 additional FTE’s to increase enforcement efforts focused on reducing DWI arrests, accidents and fatalities in Texas. Of that amount, 59 enforcement agents were hired, and a new education and prevention division was created. An additional 27 compliance auditors were hired, which allowed the compliance division to assume administrative tasks previously conducted by enforcement agents. Additionally,
enforcement efforts became more focused on at-risk locations, increasing the efficiency and effectiveness of operations.

Following another Sunset Review in 2006, Senate Bill 904 passed during the 80th Legislative Session, continuing the agency for another 12 years. Following is a summary of the major aspects of the Sunset bill:

1. Update TABC’s mission to better reflect the agency’s role in protecting public safety and regulating the modern alcoholic beverage industry.

2. Ensure TABC’s enforcement efforts are fair, consistent and focused on public safety.

3. Reduce TABC’s regulation of certain business practices that duplicate federal requirements, impose unnecessary costs and delays on the industry and create excessive burdens for the agency.

4. Require TABC to develop a formal process for making and communicating policy decisions regarding marketing practices regulations.

5. Require the agency to create a more formal and consistent approach to investigating and resolving complaints against its employees.

6. Ensure licensees have access to online license application, renewal and fee payment.

7. Require establishments that serve alcohol to post signs warning the public of the risks of drinking alcohol during pregnancy.

8. Expand TABC’s authority to take enforcement action against establishments that sell or serve alcohol during prohibited hours.

Local Option Elections
Although the laws regulating the alcoholic beverage industry are consistent statewide, the Alcoholic Beverage Code allows local determination of the types of alcoholic beverages which may be sold and how they can be sold by means of local option elections.

Following the demise of Prohibition, local communities maintained the right to choose whether to legalize the sale of alcoholic beverages. Many communities decided to remain “dry” or “partly dry,” which meant that alcohol sales were banned or restricted. Many communities conducted elections and voted to legalize the sale of alcoholic beverages. Those communities that were “wet” prior to Prohibition automatically reverted back to their original status.

Entire counties, individual cities, or single justice of the peace (judicial) precincts in Texas can hold an election and decide to legalize or prohibit the sale of alcoholic beverages, and if so, what kinds of alcoholic beverages (beer, ale/wine or distilled spirits). Registered voters can determine whether it will be legal to sell alcoholic
beverages in convenience or grocery stores, in liquor stores, in bars and/or in restaurants.

New laws passed in 2003 and 2005 relaxed the requirements for holding elections to vote on the wet/dry status of a community, resulting in a surge of statewide local option elections. During fiscal years 2004 through 2011, there were 545 elections attempting to legalize some form of the sale of alcoholic beverages with an overall 77 percent success rate. In November 2007, two communities voted to prohibit the sale of alcoholic beverages, reversing the impact of a recent countywide election to legalize alcohol. This was the first time a community prohibited the sale of alcoholic beverages since 1999.

FIGURE 1: Percentage of Elections Successful in Legalizing the Sale of Alcoholic Beverages from FY 2004 to FY 2011

As of December 2011, there were 46 completely wet counties in Texas and 22 completely dry counties. The remaining 186 counties were partially wet, meaning that the sale of some type of alcoholic beverage is legal in some part of the county. Prior to legislative changes in 2003, there were 35 completely wet counties and 51 dry. There were 53 completely dry counties in 1995.

Following the rapid “wetting-up” of Texas since 2003, only a small fraction of the state’s population lives in a completely dry area. For an overview of the current wet/dry status of Texas counties, refer to the following map.
FIGURE 2: Wet/Dry Status of Counties in Texas, December 2011

*Partially wet does not necessarily mean the entire county is partially wet. A city or justice precinct may be the only wet portion, and the remaining area is totally dry.

**KEY SERVICE POPULATIONS**
The TABC has a wide and varied group of customers throughout the state. Not only does the agency focus on its most immediate group -- the alcoholic beverage industry -- it must also give adequate attention and concern to the issues of the general public, law enforcement groups, educators, various coalitions and public interest groups concerning the regulation of alcoholic beverage sales. The agency sought input during the strategic planning phases from all areas, including its own employees.
ORGANIZATIONAL ASPECTS

WORKFORCE SIZE AND COMPOSITION
Management of human resources is critical to the overall effectiveness of any organization. As employees are responsible for maintaining a functioning organization, management recognizes that the focus must be on recruitment, selection, training and retention of a highly qualified workforce.

Recruitment Activities
The commission is committed to a diversified workforce and to focus on attaining ethnic, racial and/or gender balance with emphasis on under-representation through its recruitment policy. Elements of the policy include participation in career fairs sponsored by colleges and universities as well as professional organizations and groups across the state. A wide distribution of brochures and pamphlets providing general information about the agency are also included in recruitment efforts. Additionally, job postings are distributed to an extensive network of colleges, universities, state agencies, regional training academies and other organizations representing ethnic minorities and women. A large number of applicants obtain information from the agency Internet career website and from direct e-mail inquiries. These efforts have been successful in addressing the under-representation issues as well as emphasizing the agency’s mission, philosophy, goals and objectives.

Diverse Workforce
At the end of fiscal year 2011, TABC’s had a total of 581.25 filled positions. Overall, minorities constitute approximately 50 percent of the commission’s workforce, a slight increase from the 49 percent in 2009.

FIGURE 3: Minority Representation 2009  FIGURE 4: Minority Representation 2011
ORGANIZATIONAL STRUCTURE
The policy-making body of the agency is a three-member governing board appointed by the Governor with the advice and consent of the Senate. Members of the commission hold office for staggered terms of six years, with the term of one member expiring every two years. Each member must be a Texas resident and must have resided in the state for at least five years preceding the appointment. Commission members serve without salary.

The commission is currently comprised of Chairman José Cuevas, Jr., of Midland; Steven M. Weinberg, MD, JD, of Colleyville; and Melinda S. Fredricks of Conroe.

An administrator, appointed by the three-member governing board, directs the daily operations of the Texas Alcoholic Beverage Commission. The board appointed current Administrator Alan Steen on August 1, 2003; and he is scheduled to retire on June 30, 2012. The administrator is responsible for employing staff to ensure that the policies established by the commission and the laws enacted by the legislature are implemented in an efficient and cost-effective manner.

Sharing in that responsibility is the assistant administrator of regulatory and business operations, chief of field operations, general counsel, director of the office of professional responsibility (internal affairs) and the director of communications and governmental relations. See Appendix B for a detailed organization chart or Appendix E Workforce Plan for a description of each division.

An independent audit firm performs internal audit functions for TABC, reporting directly to the commissioners.

GEOGRAPHIC LOCATION OF THE AGENCY
Texas is the second-largest state in the nation comprised of a population exceeding 25.7 million people. The commission is continually challenged to provide adequate services equitably and effectively to each area of the state with a field workforce that is limited to one FTE per 40,794 residents. The field staff provides not only law enforcement services but regulatory and compliance oversight including the initial phases of the licensing process. Ports of entry program staff on the Texas-Mexico border collect excise tax on imported products and serve as a barrier to individuals who attempt to import products exceeding importation limits or fail to meet minimum age requirements.

Meeting the needs of the state’s citizens remains critical and requires great emphasis on the strategic locations of personnel. Field operations are regionalized to permit the agency to respond more effectively to local concerns. Other than the agency’s headquarters office, which is statutorily required to be in Austin, office sites are chosen based on three criteria: (1) proximity to concentrations of licensed premises, (2) centrality of the location to the area being served, and (3) ease of access to and from all points of the service area. Enforcement, compliance, and field licensing personnel are assigned based on the number of licensed premises in the service area. Ports of entry staff are allocated based on traffic counts at international border crossings.
A regional manager directs enforcement and compliance personnel in each of the agency’s three operating regions, while a licensing supervisor directs licensing personnel in each of the five districts. Ports of entry personnel also report through their own chain of command which includes local supervisors, regional supervisors, and a Ports of Entry Director.

**FIGURE 5: Location of TABC Offices**

Region 1 – North Texas Region
The North Texas regional office is located in Arlington and a subordinate district office is located in Lubbock. Personnel are also stationed in each of the following cities: Amarillo, Abilene, Belton, Brownwood, Cleburne, Denton, Greenville, Longview, McKinney, Mineral Wells, Mount Pleasant, Odessa, San Angelo, Sherman, Tyler, Waco, and Wichita Falls.
Region 2 – Coastal Bend Region
The Coastal Bend regional office is located in Houston. Personnel are also stationed in each of the following cities: Beaumont, Brazoria, Bryan, Conroe, Dickinson, Huntsville, Lufkin, Richmond, Sealy, and Wharton.

Region 3 – Border Region
The regional office for the Border Region is located in San Antonio and a subordinate district office is located in Austin. Personnel are also stationed in each of the following cities: Corpus Christi, Del Rio, El Paso, Fort Davis, Georgetown, Hondo, Laredo, Llano, McAllen, New Braunfels, San Benito, San Marcos, Uvalde, and Victoria.

Ports of Entry
Located within the Border Region but reporting through their own chain of command, agency personnel assigned to the Ports of Entry Division staff facilities at all major border crossings along the Rio Grande, including the international bridges in Anzalduas, Brownsville, Del Rio, Donna, Eagle Pass, El Paso, Hidalgo, Laredo, Los Indios, Pharr, Progresso, Rio Grande City, and Roma. Other bridges are staffed on a temporary basis as dictated by seasonal traffic.

SERVICE POPULATION
The TABC allocates resources to its field offices based, for the most part, on the number of licensed businesses served. While those served by the agency are found in every part of the state, they are concentrated in the state’s 27 metropolitan statistical areas (MSAs). As a consequence, most of the TABC’s service delivery resources are also concentrated in the state’s MSAs.

The state’s five most populous metropolitan statistical areas -- Houston, Dallas/Fort Worth, San Antonio, and Austin -- are home to the TABC’s five largest field offices. Of the remaining 22 Texas MSAs, the agency has offices of varying size in all but one (Midland), and that one is served from an office located in an adjacent MSA (Odessa). The state’s rural areas are served by agents working from the 26 MSAs in which the agency has offices and from nine smaller communities located outside of the existing MSAs.

Across the state, each of the three regions directs its efforts to support the goals of the agency. However, as each of these regions works across organizational lines to achieve desired outcomes of the agency’s goals, each has both common and unique regional challenges to address.

Region 1 – North Texas Region
The agency’s North Texas Region encompasses a large and diverse area that stretches from the Texas Panhandle and Permian Basin, across the state’s central plains, to the piney woods of East Texas. It includes both the state’s largest metropolitan area (Dallas/Fort Worth) and huge rural spaces.

In the western parts of the region, population centers are widely dispersed over a broad geographic area. Except for the cities of Lubbock, Amarillo, Midland, Odessa, Abilene, and San Angelo, communities tend to be very small. Population centers in the
easternmost portions of the region, while less geographically dispersed, are also relatively small.

Providing services to licensed businesses and citizens located in the region’s rural areas and smaller towns poses special challenges. The agency attempts to meet these challenges by adequately staffing and strategically placing its offices. Even so, because distances and travel are involved, providing services to these areas often comes at the cost of lower productivity for those who are assigned to work them.

Alcohol regulation and enforcement within the North Texas Region are also complicated by the fact that the region contains most of the state’s “dry” areas (jurisdictions where, by local option, no alcohol sales are permitted), as well as hundreds, if not thousands, of jurisdictions where certain types of alcohol sale are permitted, but not others. As a consequence, an exceptionally high degree of local knowledge is required of agency employees assigned to the North Texas Region, as is specialized knowledge concerning “bootleggers” and private clubs. Both are typically found in the “dry” and “semi-dry” areas of this one particular region.

The number of sporting event/racing venues located in the Dallas/Fort Worth Metroplex and the marketing practices issues associated with such venues also create a need for a relatively high level of regulatory expertise. In addition, to help local agencies maintain order at these events, agency supervisors have to plan effectively and to coordinate planned agency activities with those of the local law enforcement agencies.

Yet another complicating factor is that the region as a whole has become increasingly “wet” in recent years thanks to a continuous wave of successful local option elections. Elections have been fueled by population growth within the greater DFW Metroplex and by local government officials’ and business interests’ efforts to enhance local economies and tax revenues. Each successful election has increased the number of original applications and renewals that must be processed by agency licensing personnel. It also increases the number of licensed businesses that must be regulated by the enforcement agents and compliance auditors, straining the agency resources allocated to the region. While the agency has been able to make some adjustments over time and move additional resources to the North Texas Region, its resources are subject to budgetary constraints and are relatively fixed. Should the current volume of local option elections continue into the future, as it likely will, the agency’s North Texas field staff will be faced with ever-increasing workloads.

Region 2 – Coastal Bend Region
Smaller in geographic size than the North Texas Region, but containing almost as many licensed businesses, the Coastal Bend Region is centered on the Houston metropolitan area and extends roughly from Huntsville and Lufkin in the north to Galveston in the south, and from the Bryan-College Station area east to the Louisiana border.

The Houston metropolitan area, like the DFW Metroplex, has a high concentration of licensed locations and a number of professional sports venues. Marketing practices issues arising from those sports venues and from a highly competitive market require a high degree of professional expertise on the part of the employees assigned to the
agency’s Houston Office, as do the large-scale special events common to the area. Lack of zoning and the density of the population add to the regulatory and law enforcement challenges. The exceptionally high degree of ethnic diversity found among local retailers creates its own special issues. Also, Houston, perhaps due to the size of its population, appears to have a greater problem than other cities with illegal “after-hours” sales and consumption of alcoholic beverages.

In addition, Houston and all other communities within the region that are in close proximity to the coast face the threat of devastating damage from seasonal hurricanes. Agency employees living and working in these areas not only have to be concerned with preventing or dealing with losses by their own families during such times, they also have to be prepared to shift gears and to participate in agency relief, rescue, recovery, and cleanup operations that serve the broader community.

The parts of the region outside of the Greater Houston area and the region’s other major metropolitan areas such as Beaumont and Bryan-College Station, are, in many ways similar to the easternmost portions of the North Texas Region—rural farmland dotted by numerous small towns. As was the case in North Texas, agency services are provided to these areas largely from offices located within nearby MSAs. However, distances, dispersion, and necessary travel time can reduce the overall productivity of the employees assigned to perform those services.

Region 3 – Border Region
As its name suggests, the Border Region encompasses the entire expanse of Texas’ international border with Mexico. If a line were drawn from the Austin metropolitan area south to Matagorda Bay, and then another from the Austin MSA west to El Paso, most of the areas of the state that are south and west of those lines would be part of the Border Region. In addition to the City of San Antonio, which is the location of the Border Region’s regional office, this large and diverse region also includes the cities of Austin, Victoria, Corpus Christi, Brownsville, McAllen, Laredo, and El Paso; most of the Texas Hill Country, a large portion of the state’s coastline and coastal plains, and both the Upper and Lower Rio Grande Valley areas.

Population centers in the Border Region are somewhat more dispersed than those in the Coastal Bend Region, but the Border Region still contains numerous small towns and large tracts of rural land that are used primarily for ranching or farming. As in other portions of the state, economic necessity requires that the agency serve the small towns and rural areas of the Border Region from offices in larger metropolitan areas and from a handful of strategically located satellite offices. Necessity also dictates that the agency must also accept some loss in worker productivity due to distances that must be traveled to serve small, widely-dispersed populations. The challenges faced by Border Region managers, and managers elsewhere in the state, is one of finding creative means to provide exceptional services to all parts of the region while minimizing the productivity-loss inherent in serving widely-dispersed components of the population.

Coastal Tourism - Also shared with the Coastal Bend Region are the problems associated with containing hundreds of miles of coastline. The more obvious challenge is dealing with hurricanes and hurricane-related disasters. Additionally, because the
Border Region contains the state’s most popular coastal destinations (Port Aransas and South Padre Island), the regulatory and enforcement issues related to coastal tourism create an additional challenge for this particular region.

Coastal tourism tends to be seasonal, with the regular season running roughly from mid-May to mid-September. There are some issues with over-consumption by individual patrons during this period, but because the regular season normally involves visits to the coast by families, even that problem is not particularly great. There might be a slight increase in complaints about and agency inspections of licensed businesses, but the incremental pressure on regional resources caused by regular tourism is usually minimal.

Spring Break - During this annual event, the crowd is composed of high school and college students, and other young adults. These folks are usually single, often under the legal drinking age, and bring with them a dangerous attitude of invincibility. Spring break requires significant agency resources.

While the peak period usually occurs during the second week of March, there is enough “traffic” during the first and third weeks to warrant an agency presence during those weeks as well. The agency presence required is normally all or most of the Border Region’s law enforcement agents and most of the auditors. Reinforcements from other parts of the state are also often required.

Issues addressed by Border Region personnel during spring break include underage drinking, illegal sales to minors and intoxicated persons, public intoxication, disorderly conduct, and illegal marketing schemes. Enforcement agents monitor area bars and stores to prevent illegal sales and also help local police control the crowds and maintain public order. The auditors distribute informational materials and investigate any marketing practices issues that might arise.

Colleges and Universities - The region is also home to many of colleges and universities, with an especially high concentration in the Austin-San Antonio corridor. Issues of underage drinking and binge drinking are of special concern around college campuses and are compounded in the Austin-to-San Antonio area by the concentrated cluster of under-aged, but independently living, young people.

Agents stationed in and around college areas have to be experts on the laws pertaining to underage drinking, familiar with current dress and grooming styles popular with young adults, and proficient in the use of the enforcement tactics that can be employed to prevent illegal possession of alcoholic beverages by minors. The recognition of fake and/or altered identification is also a required skill as such documents are frequently used by underage persons who attempt to acquire alcoholic beverage. While all agents need this background, having such knowledge and skills is especially important for those stationed in the Austin – San Antonio corridor.

Border Violence - Employee safety is a concern throughout the agency, but for those living and working in the areas immediately adjacent to the Mexican border, the threat to personal safety is very real, even to civilian employees.
Ports of Entry civilian tax collectors, for example, have been the target of terrorist threats, and tax collectors at POE facilities up and down the border have had to take cover when gun battles erupted on the Mexican side of the border. Enforcement agents in the McAllen District have even been the target of a hand grenade attack (thankfully the grenade failed to explode). Many along the border live in fear that violence that is now prevalent in Mexico will spill over to the American side and become a regular occurrence there as well.

Agency and regional management have updated safety procedures and trained employees. Offices and POE booths have been made more secure, and body armor has been issued to agents and tax collectors alike. POE communications systems have also been upgraded, as has the weaponry available to enforcement agents.

**Summary**

In summary, TABC’s three regions share certain characteristics and common challenges, but each also has characteristics and challenges unique to itself. Agency ability to meet its goals and to effectively serve its constituents is dependent upon the degree to which its regional workgroups succeed in meeting the challenges that confront them.

**MANAGEMENT ISSUES**

Effective management of employees begins at the recruitment stage and continues throughout the employee’s tenure. Career development and training maximizes employee effectiveness and productivity after being hired. The commission continues to monitor its human resources management control systems such as performance appraisals, hiring processes, staff development and compliance with applicable laws to maintain an environment of continuous quality improvement. The agency’s emphasis on professionalism, common courtesy, ethics and values and commitment to the agency’s customers has generated an organizational culture where employees strive for efficiency and effectiveness in the performance of their jobs and to meet agency measures, goals and objectives.

**Employee Satisfaction**

The agency has maintained initiatives such as risk management, customer satisfaction surveys, professional development, internal training and health and safety issues. Further, there is an ongoing evaluation of tasks and responsibilities by agency divisions to determine whether other services can be provided for the customers of the agency. TABC will continue to place an emphasis on implementing new practices and on finding innovative ways of performing the same and/or additional tasks both internally and externally.

**Future Staffing Needs**

Initiatives in the areas of public safety, compliance, education, public awareness and community involvement have created a greater demand on the staff. Due to the state and national economic downturn, the agency has not been able to increase the number of employees to keep up with increased population and licensed locations. However, the agency has realigned reporting structures to increase the efficiency of field
operations. More recently, field positions were reallocated following the release of new Census data. However, to make a substantial impact on public safety issues such as human trafficking, alcohol poisoning fatalities, under-age drinking, providing alcohol to minors and the over-service of alcohol by retailers, additional staffing in the field operations, education/prevention and tax divisions is needed.

The future outcome of pending litigation as well as the increase of wet areas in the state could impact the licensing process and number of permits issued, potentially requiring additional staffing in the licensing division.

There is also a growing need for the agency to hire bilingual or multi-lingual employees. The state’s population is increasingly diverse, and the percentage of business owners that do not speak English as their first language is increasing. These language differences create a challenge for the agency to provide the best possible customer service to all applicants and permit holders.

The agency implemented several technology initiatives such as an automated licensing process, a workflow management system, an online collection system and an automated payment system for ports of entry. The agency utilizes the Internet to provide information to the public and to its employees. While the intent of these changes is to increase efficiency, they have subsequently increased the need for a workforce with a higher level of computer skills.

As the agency continues to redefine its processes, computer skills will become a necessary component of most classifications. Enhancing the quality and efficiency of the agency’s technology workforce will be realized through recruitment, staff development and retention programs.

The border regions continue to add new international bridges that will dictate the need for additional staffing in the ports of entry program. When consideration is given to new initiatives, demand for additional services, the number of licensed establishments and the increased population statewide, it is clear that our current staffing pattern in these areas is indeed limited.

In 2011, the agency’s turnover rate was 10.4 percent which was lower than the state average. The low turnover rate decreases the opportunity to initially hire staff with the needed available skills, making both internal and external training a high priority. The agency must continue to develop internal training initiatives and identify external training resources. Employees should be given the opportunity to develop and/or enhance skills that are necessary for their current positions as well as for future promotional opportunities.

Additionally, the agency must work to ensure that once employees are trained, they can be retained. Proactive retention solutions include implementing career ladders in key positions, rewarding employees through merit increases and promotions when possible and developing programs that allow agency employees to balance work/life needs.
A constant key factor in all employee-related issues is a budgetary limitation, both in terms of monies and resources. This ultimately impacts the agency in terms of its ability to meet mandates and customer demands and successfully recruit, train and retain qualified employees.

**CAPITAL ASSETS**

*Wide Area Network-Tex-AN Next Generation*

The agency continues to upgrade and expand its wide area network (WAN) to improve overall performance. TABC has used current and emerging technologies to enhance network connectivity for remote field offices and ports of entry stations. The upgrade has enabled us to enhance connectivity over a broader area while providing faster and less expensive service to our most remote locations. Wireless technologies are being leveraged for better performance, scalability, and mobility. Our telecom infrastructure has been expanded and upgraded to enhance office interoperability, streamlining workflow processes, communications, and reporting. Greater bandwidth allows for faster response to important data that is essential for carrying out day-to-day job duties. Continued enhancement of the network will ensure redundancy that will support operations and daily processing in the event of failures, disruptions or disasters. Many of the agency’s phone systems have now been upgraded to be IP capable, and the agency is able to remotely administer these systems without the additional cost of time and travel. In addition TABC field offices now have the ability to utilize Unified Communications. Unified Communications empowers better collaboration by offering one solution for voice, email to voicemail which integrates with core business applications. As newer technology is implemented, older components of the WAN and telecommunications must be upgraded to keep up with the enhanced network. Currently the Tex-AN Next Generation network (MPLS) is being implemented by TABC. TABC will continue to look for services such as Business DSL, **VPN for Remote Worker Access** and cable modem solutions. These services will enables voice and data services to work over a single network connection and device.

*Personal Computers*

Personal computing technologies such as desktops and notebooks continue to be upgraded throughout the agency on a three- or four-year cycle. This cycle enables the workstations to keep up with changing technology and advancements in agency programs. The agency has deployed ruggedized laptops and mobile handheld devices to various parts of the state in support of the evolving agency focus. This has enabled our employees to become more flexible, efficient, and mobile.

*Fleet Assessment*

The agency requested funding for approximately 37 law enforcement replacement vehicles for the FY 2012-2013 biennium. The agency typically tries to replace its vehicles at 100,000 miles, but with the budget reductions requested by state leadership, the agency returned part of the funding appropriated for FY 2011. Improved maintenance procedures and better vehicle design have limited the negative impact of driving vehicles beyond the 100,000 mark. Due to limited funding during the FY 2012-2013 biennium, the agency has decided to replace vehicles when the total mileage hits 125,000. The agency would like to return to the replacement of vehicles at 100,000 miles for safety and efficiency purposes when funding becomes available in the future.
Radios
The agency’s funding for mobile and portable radio is sufficient to carry the agency through the year 2013. In FY 2009, the agency received a grant totaling $300,000 for the purchase of handheld radios. Handheld radios are a vital part of the agency’s ability to effectively communicate with local law enforcement entities throughout the state. In FY 2012, the agency received additional grant funding that will be used to purchase both portable and mobile radios for law enforcement purposes. The agency will continue to take an active role as a participating member of the State Radio Task Force that was created by the 76th Legislature. The task force was created in an effort to organize and plan the short- and long-range goals of the state as they relate to wireless communication needs of state agencies.

CONSULTING AND PROFESSIONAL SERVICES
To meet the agency’s objectives related to training, education, construction, programming, professional printing and internal auditing, the agency has contracted with professional entities skilled in these areas.

The agency periodically uses staff augmentation for highly technical work that is definable and repeatable (e.g., software development) or for work that requires highly specialized skills on a one-time or infrequent basis (e.g., system network administration). Technical staff are contracted through approved state-supported contracts.

The agency contracts for internal auditing services. In FY 2011, this contract totaled $69,920. During the FY 2010-2011 biennium, the agency was appropriated funding for developing a system for on-line licensing applications. The contract with our software provider totaled $699,656 in FY 2011. TABC continues to be one of 29 agencies included in the Data Center Consolidation Project. The agency spent $530,467 for that project in FY 2011.

The agency will continue to use consulting and professional services in the future for architectural/engineering services associated with ports of entry tax booth construction, education and prevention efforts, media and public relations services associated with public information projects, internal audit services, employee assistance program, software development, specialized employee training and routine internal assessments.

The agency will budget about $60,000 per year for consulting fees related to internal audit and the employee’s assistance program. Additional consulting services are obtained if they are justified and if funding is available.

HISTORICALLY UNDERUTILIZED BUSINESSES
State Policy
Historically Underutilized Business (HUB) means an entity with its principal place of business in this state that is:
(a) a corporation formed for the purpose of making a profit in which at least 51 percent or more of all classes of the shares of stock or other equitable securities are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the corporation’s control, operation, and
management;
(b) a sole proprietorship created for the purpose of making a profit that is completely owned, operated and controlled by an economically disadvantaged person;
(c) a partnership formed for the purpose of making a profit in which 51 percent or more of the assets and interest in the partnership are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the partnership’s control, operation, and management;
(d) a joint venture in which each entity in the venture is a HUB, as determined under another paragraph of this subdivision; or
(e) a supplier contract between a HUB as determined under another paragraph of this subdivision and a prime contractor under which the HUB is directly involved in the manufacture or distribution of the goods or otherwise warehouses and ships the good.

In accordance with the Texas Government Code, Sections 2161.181 and Texas Administrative Code, Title 34, Part 1, Chapter 20, Subchapter B, state agencies shall make a good faith effort to increase the contract awards for the purchase of goods or services that the agency expects to make during a fiscal year to the HUB’s based on rules adopted by the commission to implement 2009 State of Texas Disparity Study. It is the policy of the agency to encourage the use of HUB’s to assist agencies in the implementation of this policy through race, ethnic, and gender-neutral means. The purpose of the HUB program is to promote full and equal business opportunities for all businesses in an effort to remedy disparity in state procurement and contracting in accordance with the HUB goals specified in the State of Texas disparity Study.

Goals established through the disparity study are:
- 11.2% for heavy construction other than building contracts;
- 21.1% for all building construction, including general contractors and operative builders contracts;
- 32.7% for all special trade construction contracts;
- 23.6% for professional services contracts;
- 24.6% for all other services contracts; and
- 21.0% for commodities contracts.

Utilization
The agency’s successful utilization of HUBs is an ongoing effort attributable to a policy that encourages contributions from all employees involved in the procurement process, establishes goals and requires division level reporting and accountability.

The policy incorporates the Office of the Comptroller of Public Account’s guidelines, designates HUB utilization goals, confirms the agency’s good faith effort to procure goods and services from the HUB community, and has resulted in an average agency HUB utilization rate above the state average over the past several fiscal years. The TABC shall continue to demonstrate good faith efforts, with the utilization of the agency HUB coordinator and sufficient resources from our current operating budget.

The commission’s HUB coordinator shall assist in the development of the agency’s procurement specifications, HUB subcontracting plans, evaluation of contracts for
compliance, contract administration, marketing and outreach efforts for HUB participation.

The commission has made significant changes in existing policies related to standard procurement and credit card purchases to encourage the use of minority-owned businesses. In addition, TABC is a supporting member of the HUB Discussion Workgroup Outreach Committee. The commission sponsors and attends several HUB forums, HUB meetings, conferences and outreach programs for HUB economic opportunities across the State of Texas. These outreach programs provide a comprehensive view of the state government procurement process by including information on certain industries as well as other certifying entities within the state. These sponsored forums encourage HUB vendors to network with agency procurement officials as well as market goods and services that are provided to all state agencies, colleges, political subdivisions and universities.

FIGURE 6: TABC vs. Statewide HUB Utilization
FISCAL ASPECTS

BUDGET
For the FY 2012-2013 biennium, the agency had a reduction of $5.5 million (approximately six percent) in legislative general revenue funding over the previous biennium. During the FY 2010-2011 biennium, the agency returned funding for two capital budget projects as part of a five percent reduction in appropriations. The projects were funded for the automation of excise tax collections and seller/server training. For the FY 2012-2013 biennium, the agency did have additional funding appropriated for priority items that included the Statewide Data Center Consolidation project, software increases for Versa, the agency’s licensing system, and to annualize cost for new bridges opened in the Ports of Entry Division.

The agency’s biennial budget of $84.8 million is 98.7 percent general revenue funded, 1.0 percent federally funded, with the remaining 0.3 percent funded through appropriated receipts, interagency contracts and Office of the Governor Criminal Justice Division grants.

The agency’s general revenue fund includes an increase of $3.1 million in FY 2012 and $3.2 million in FY 2013, contingent upon the agency increasing revenue through surcharges by $7 million during the FY 2012-13 biennium. Also included as a contingency appropriation are 45.2 FTEs for each year of the biennium.

FIGURE 7: Appropriations

![Appropriations Bar Chart](image-url)
**BUDGETARY LIMITATIONS**

The agency may not transfer funds from Strategy C.2.1. Ports of Entry into another agency strategy, as it is designated as a non-transferable strategy. All funds appropriated to Ports of Entry must be expended or lapsed based on divisional responsibilities. Should it become necessary, additional funding may be transferred into the strategy as authorized by the legislature in the General Appropriations Act. The General Appropriations Act now sets the limitation of transfers between strategies at 20 percent, up from 12.5 percent.

**GRANTS**

The United States Department of Justice awarded the agency a $356,400 two-year block grant in 2011 and an additional $300,000 two-year block grant in 2012 to support underage drinking prevention and enforcement efforts throughout the state. A majority of this funding is awarded to law enforcement agencies and educational institutions in the form of a contract through request for proposals. TABC is allotted five percent of the grant for administrative purposes.

During FY 2011, the Texas Department of Transportation (TxDOT) awarded the agency $76,976 to support underage drinking and driving prevention programs at high schools and include an underage drinking and driving mock crash during the spring season. TxDOT also awarded the agency $250,000 during FY 2012 to reduce DUI crashes and fatalities by encouraging voluntary compliance from licensed alcoholic beverage businesses and involving communities to be proactive and report suspicious alcoholic beverage violations to TABC.

The agency also received funds from the Office of the Governor’s Criminal Justice Division (CJD) for enforcement and educational efforts during spring break in the amount of $195,323 for 2011 and $430,000 for 2012 and 2013. The CJD also awarded the agency an additional $300,000 in FY 2011 and $800,000 in FY 2012 to provide public safety and enforcement equipment for the Field Operations Division. The Ports of Entry Division also received an award from the CJD during FY 2011 for $193,745 to increase the safety of TABC personnel stationed at the bridge crossings between Texas and Mexico. The grant provided safety equipment and training on defensive tactics and emergency response situations.

**REVENUE COLLECTIONS**

*Licensing Revenue*

The Legislature has directed the agency to collect amounts equal to its appropriation through license and permit fees and surcharges. In addition, the Legislature has directed the agency to cover its appropriation plus other direct and indirect costs through fees, surcharges, fines and miscellaneous revenue. The agency may set surcharges such that fees, surcharges, fines and miscellaneous revenue will cover, at a minimum, its appropriation plus other direct and indirect costs. These legislative changes have provided the agency with the desirable flexibility to set surcharges in amounts sufficient to cover increases in annual operating costs caused by inflation, new technology requirements, legislative pay increases and additional capital equipment needs. The passage of SB 1217 in the 80th Legislature allowed the agency to begin issuing two-year permits.
Excise Taxes

Excise tax collections increased approximately four percent between fiscal years 2008 and 2011. These taxes are deposited into the state’s general revenue fund of which 100 percent is directed toward other state expenditures.

FIGURE 9: Excise Tax Revenue
LEASING COSTS

Office Space
The agency should continue to see approximately a two and a half percent increase in statewide lease expense between fiscal year 2012 and fiscal year 2015. Most new leases have been written to include fixed amount increases ranging from two to three percent versus being tied to the Consumer Price Index (CPI). This limits increases and helps the agency to better predict its budget needs.

FIGURE 10: Building Leases

Border Areas
The agency’s mandated presence at bridge sites along the Texas/Mexico border not only requires personnel, but increasing lease and construction costs associated with providing tax collection facilities at these border crossings. The General Services Administration (GSA) continues to open new bridge locations and remodel existing locations. As this occurs, the agency’s lease fees with GSA will increase due to amortized construction costs and utility increases being factored into the rental rates.

Since fiscal year 2000, the annual lease rates with GSA have remained relatively steady; however, leases at the Paso Del Norte Bridge in El Paso and the Del Rio Bridge increased due to major renovation of the bridges. The GSA is currently building a new bridge at Fabens.
The Fabens bridge will be the largest pedestrian, vehicular, commercial motor vehicle port on the Texas/Mexico border. The first phase of the bridge is scheduled to open in December 2012. In addition to GSA controlled bridges, several bridge locations are privately-owned or owned by municipalities. Rent increases are a result of continued upgrades due to increased security and heightened awareness.

Tax Compliance Officers Sergio Batres and Julian Hooper are stationed in Eagle Pass, and are currently staffing Eagle Pass International Bridge I.
SERVICE POPULATION DEMOGRAPHICS

Specific groups served by or receiving special attention from the agency, besides the population in general, include young people, especially those in the 18-24 age group, and the businesses that make up the alcoholic beverage industry (retailers, wholesalers and manufacturers).

GENERAL POPULATION

The general population is of interest, not only because it benefits from the regulation of alcoholic beverages, but also because population growth drives the demand for alcoholic beverage products and vendors. Changes in aggregate demand for alcoholic beverages, as well as changes in the number of alcoholic beverage retailers, are directly and positively related to changes in the size of the general population.

The Comptroller of Public Accounts Economic Forecast predicts a slow but steady growth in population, averaging just under 1.7 percent per year between fiscal year 2013 and fiscal year 2017.

FIGURE 12: Projected Population of Texas

Changes by Age Group. The state’s population is expected to age between 2013 and 2017, with the growth rate for the 45 – 64 age cadre roughly eight times that for Texans under 25 years of age. The growth rate for those 65 and up is expected to be twice that of the 45 – 64 year olds during the same period. The expected growth for all age groups is depicted in Figure 13.

The “graying” of Texas is due primarily to the aging of the population’s largest age segment, the post-WWII Baby Boomers, as well as declining birth rates among Anglos. Continued increases in the average life span, made possible by medical advances and
healthier lifestyles, have also contributed to the observed increase in average age. Even so, as seen in Figure 14 below, the change in average age will be gradual and very incremental.

FIGURE 13: Projected Population Growth Rates for Selected Age Groups

![Projected Population Growth by Age Group FY 2013 - FY 2017](image)

FIGURE 14: Population Share by Age Group from FY 2013 to FY 2017

![Population Share by Age Group](image)
**Changes by Ethnicity.** The ethnic makeup of the population will also change from FY 2013 to FY 2017, largely due to expected differences in the growth rates for the state’s primary ethnic groups.

As seen in Figure 15, the state’s Hispanic population is expected to grow by almost 15 percent during this period, while the Anglo population will grow by only a miniscule 0.3 percent. The big surprise is the expected growth rate for the “other” category which is expected to approach 20 percent. This category is largely Asian and Pacific Islanders, various Southwest Asian/Middle Eastern ethnic groups, and people of mixed ethnicity who do not self-select any of the other options. Because of the relative size of the existing populations, it is the Hispanic growth rate, coupled with the small growth rate for Anglos, which will have the greatest impact on the ethnic make-up of the state as a whole. The observed differences are due to higher birth rates for the so-called “minority groups” and higher inward migration rates for Hispanics and the various Asian/Southwest Asian groups.

**FIGURE 15: Population Growth by Ethnic Group from 2013 to 2017**

![Population Growth by Ethnic Group](image)

**OLDER PEOPLE**

Personal consumption of alcoholic beverages and the incidence of alcohol-related problems have historically declined with age. For that reason, the passage of an age segment the size of the Baby Boomers through middle-age and into their “golden years” should exert a moderating influence upon the consumption patterns and alcohol-related behaviors of the population as a whole. The decline in per capita consumption of alcoholic beverages observed in recent years suggests that the Boomers are following the normal trend. The commission expects individual consumption to decline as the population continues to age and believes that further declines in individual consumption...
will largely offset the pressures that population growth at the expected rate of increase would normally exert on the agency’s resources.

**FIGURE 16: Changes in Ethnic Diversity from FY 2013 to FY 2017**

![Ethnic Composition of Texas Population](image)

**YOUNG PEOPLE**

Young people in the 18 - 24 age group are an important target audience for the agency’s public information and education programs. Those who are under 21 cannot legally acquire or consume alcoholic beverages, but frequently try to do so, all too often with tragic consequences. Those who are over 21, but still in their early 20s, are frequently the source of the alcoholic beverages consumed by their underage friends and relatives. As a group, these young adults are often over-represented in arrests for alcohol-related crimes. As a consequence, 18 - 24 year-olds are also a factor in a substantial portion, if not the majority, of the commission’s criminal law enforcement activities.

It is no exaggeration to state that this particular age group has greater impact on TABC operations than any other segment of the general population. Its growth relative to the agency’s resource base will most definitely stress those resources.

The Texas State Data Center expects the number of people between the ages of 18 and 24 to grow at a substantially slower rate than the general population from 2013 to 2017 (1.3 percent for young people compared with 6.8 percent for the population as a whole) and to decline slightly as a percentage of the state population. Even so, the actual number of young people will grow relative to the agency’s available resources, and the agency will need to find new and better methods of operation in order to maintain current service standards.
INCREASED ETHNIC DIVERSITY
Changes in the ethnic make-up of the state will also place new demands on the agency and affect service delivery. The most crucial challenge confronting the agency will be the need to ensure that agency personnel can communicate clearly and effectively with foreign-born citizens and licensees form whom English is not a first language. As noted previously, the growth rate for Hispanics and other ethnic groups will greatly outpace that of the Anglo population in coming years. Many of these new Texans will be foreign-born and will bring with them a wide range of cultural preferences and practices that will differ - in some cases greatly differ - from the Anglo-dominated culture of the past. The agency and its employees must be sensitive to these differences and able to respond to the changes in business practices, population drinking patterns and product preferences that they might bring.

ALCOHOLIC BEVERAGE RETAILERS
Alcoholic beverage retailers constitute the largest single class of businesses regulated by the commission. The greatest part of the agency’s regulatory and criminal law enforcement activities take place on retail premises, and retailers are a key target of the commission’s public information and education initiatives. The size and economic health of this service population has a significant impact on the agency’s resource needs.

Despite a decline since the start of the current fiscal year (FY 2012), the number of alcoholic beverage retailers has grown since 2003, thanks to both population growth and to a wave of local option elections sparked by legislative changes in 2003 and 2005 that lowered petition requirements for key local option issues.

Growth for the most recent five-year period totaled 10.6 percent, or an average of 2.1 percent annually. As of January 1, 2012, the number of licensed retail establishments doing business in the state of Texas totaled 45,212. Agency planners expect the number of licensed retailers to continue to grow over the next five years at an average growth rate of 1.6 percent per year, which is slightly less than the projected growth rate for the state’s population (1.7 percent).

As for the impact of this growth on the agency, any increase in the size of a key service population will increase the demand for agency services and impose additional stresses upon the agency’s resource base. Continued growth in the retailer segment of the industry without a concurrent increase in agency resources could be a challenge for the commission in future years, especially if the actual retailer growth rate in future years is greater than that currently projected. Fortunately, however, the growth rate for this population is expected to remain relatively low, and the agency’s current resource base should be capable of handling the increases in service demand created by population growth and local option elections.
FIGURE 17: Projected Number of Licensed Retailers FY 2013 to FY 2017

Projected totals are as of January 1st of each fiscal year.

Accounts Examiner Julie Ross is responsible for the Licensing Division’s reports, system enhancements and special projects. She has been at Austin Headquarters since 1994.
WHOLESALE AND MANUFACTURERS
The number of licensed businesses required to file wholesale and manufacturing tier reports with the commission grew from 3,814 in January 2008 to 5,166 in January 2012, or by 35 percent, with most of the growth coming from holders of out-of-state winery direct shipper and non-resident seller permits. The vast majority of these businesses are located out of state.

Within Texas, the number of wholesale and manufacturing business locations that were subject to inspection by TABC employees grew by a more modest, but still significant, 33 percent (from 562 to 748 business locations), with just under half of that growth (88 new locations) coming from an increase in the number of licensed wineries.

The Texas market continues to evolve. During the first half of the current fiscal year (FY 2012), for example, sales volumes for distilled spirits, wines and ales continued to rise while beer sales fell. The sheer size of the Texas market and continued growth for distilled spirits, wines and ales should draw more wholesale and manufacturing tier businesses into the Texas market place as time goes on. While growth is likely to be more modest than it has been in recent years, it is still expected to continue, especially with regard to non-resident sellers, direct shippers and Texas wineries.

FIGURE 18: Upper Tier License/Permit Holders Required to File Periodic Reports

Growth in the number of non-resident sellers, direct shippers, wineries and other manufacturing or wholesale tier businesses that are required to file periodic reports with the commission will increase the workload of the tax accounts examiners who must review and process those reports. As long as that growth is relatively modest, the agency should be able to handle the additional workload with current personnel and present work processes. However, if actual growth approaches the levels experienced during the past five years, either more tax accounts examiners or more automated
processes will be required. On a more positive note, even upper tier growth akin to that experienced in recent years is unlikely to impact the work of agency field personnel as most of that growth would be in licensed out-of-state businesses which are not normally subject to site visits.

**FIGURE 19: Wholesale and Manufacturing Tiers Business Locations in Texas**

![In-State Licensed Businesses: Wholesale & Manufacturing Tiers](image)

**SUMMARY**

Several key service populations will increase in size between FY 2013 and FY 2017, but the increases are expected to be such that the agency should be able to absorb the resulting incremental increases in service demand without additional resources. That said, the agency does have some concerns about the aggregate growth expected in the number of retailers and in the “under 24” age group. It also warns that if the number of licensed businesses in the wholesale and manufacturing tiers of industry that must file periodic reports with the agency continues to rise as it has in recent years, the agency will need funding either for more staff to handle the additional workload or for more automation in its work processes.

*Chief of Field Operations Joel Moreno congratulates Marketing Practices Supervisor Thomas Graham on receiving his five-year tenure plaque.*
TECHNOLOGICAL DEVELOPMENTS

A. IMPACT OF TECHNOLOGY ON CURRENT AGENCY OPERATIONS

The most significant impact of technology on current operations is the need to provide convenient mechanisms for regulated entities to interact with TABC (citizen focus), while simultaneously maintaining the agency’s legacy applications used by TABC employees (customer focus). Investing in technology is necessary to provide the level of service expected by citizens. While the return on technology investment is rarely monetary, the gain in terms of improved customer service and efficiency is invaluable.

Technology refresh is critical to ensure the infrastructure and software is dynamic and able to support the growth and changes required to meet business needs. Modernization of hardware and software—through replacement or extending compatibility with new systems—can be expensive and complex. However, failure to modernize technology may cause an organization to become trapped in obsolete technology that costs more to operate with fewer benefits.

The Internet continues to be an integral tool for communicating with regulated entities and the general public, as well as the mechanism for processing business transactions. For example, the agency continues to improve Public Inquiry to provide current, comprehensive and transparent agency information in a highly accessible and usable fashion. The agency will also continue to launch additional license and permit types eligible to renew online.

B. IMPACT OF ANTICIPATED TECHNOLOGICAL ADVANCES

The Department of Information Resources, in the 2012–2016 State Strategic Plan for Information Resources Management (available at http://www.dir.texas.gov/management/strategy/ SSP/Pages/home.aspx), describes the impact of technological advances to state agencies. TABC concurs with the issues described in that document. TABC has found the following items to have the greatest impact:

**Government and its Citizens** - Citizens are demanding transparency, access to information, and ability to transact with government through multiple channels including web-based systems, telephone, mobile applications and social media. If citizens can bank, buy and be entertained online, then citizens can expect to renew a license, pay taxes and fines, or launch a new business by completing applications for necessary permits with a few easy clicks.

The 82nd Texas Legislature (Regular Session) enacted Senate Bill (SB) 701, effective September 1, 2011. This provision of law requires state agencies to post “high-value data sets” online. TABC’s Public Inquiry system provides those data sets described in SB 701. For several years, citizens and regulated entities have been able to query TABC systems for license status, violation history, complaint, and credit law information. Public Inquiry also includes features to download large quantities of data in multiple formats.
Security Management - TABC is continuously updating agency infrastructure, software, and policy to defend against new forms of cyber security threats. The safety and security of state information resources is a fundamental management responsibility of all agencies. Security threats, in the form of malicious hacking, viruses, malware, unsecured devices, data breaches, among others, are commonplace today.

Mobile Computing - In the coming years we will see a broader shift to mobile computing. Ironically, the “high-end” smart phone market is also turning into the low-end computing market. The proliferation of Wi-Fi, Bluetooth, Air cards (and other USB wireless devices) allows anyone with a smart phone, tablet, PDA or notebook (stationary or in a car) to be connected anywhere, anytime.

Mobile Applications - Mobile applications have become central to banking, entertainment, information, and other services. The smart phone continues to be at the center of a converged, digital universe. With 4G network speeds and unlimited storage in the cloud, the phone will combine storehouse, credit card, debit card, and your identity as a whole.

Social Media - Social media utilization is believed to be a driving factor in the idea that the current period in time will be defined as the Attention Age. It supports the democratization of knowledge and information, transforming people from content consumers into content producers. Social mediums are not only a way for businesses to interact with consumers but also a source of networking and communication between people. Social media can take many different forms, Blogs, Micro-Blogs (e.g., Twitter), Podcasting, Crowdsourcing, Social Networking (Facebook, LinkedIn, and MySpace), Wikis (e.g., Wikipedia), Photo Sharing (e.g., Flickr and Picasa), Video Sharing (e.g., YouTube), and Livecasting (e.g., Skype).

C. DEGREE OF AGENCY AUTOMATION, TELECOMMUNICATIONS, ETC.

Software Automation - TABC maintains over 40 distinct software applications, primarily developed on a .NET platform (now the agency standard). Some legacy software applications were developed in FoxPro and Lotus Notes. TABC has an initiative to replace these applications over the next five years with software consistent with the technology standard.

Infrastructure - TABC is one of 29 agencies with significant information technology (IT) operations that transitioned to the Data Center Services contract in April 2007 (House Bill 1516 79th Regular Legislative Session). The consolidated data center combines and coordinates state data center and disaster recovery operations to improve efficiencies and performance. The agency transformed all application servers by September 2009. Remote file and print servers were transformed in 2010. Therefore, **TABC is one of very few agencies that are completely transformed into the State Data Center.**

Telecommunications – Over the past three years, the TABC telecommunication system has been standardized statewide:

- All TABC field offices use the same electronic key telephone system.
• Headquarters uses a PBX phone system.
• The devices used in the field are the same devices used in Headquarters.
• All remote office facilities have been standardized to cable modems, with bandwidth upgraded as necessary.
• All facilities use Voice over Internet Protocol (VOIP).
• All facilities have been converted to 4-digit dialing (not requiring the area code and prefix to contact a TABC facility.)

D. ANTICIPATED NEED FOR AUTOMATION (EITHER PURCHASED OR LEASED)

Detailed descriptions and background of each statewide priority is described in depth in the 2012-2016 State Strategic Plan for Information Resources.
http://www.dir.texas.gov/management/strategy/SSP/Pages/home.aspx

Each TABC technology initiative listed below is described in more detail in the Technology Resources Planning Section.

The TABC information technology objectives are intended to enhance the performance of the agency’s mandates, missions and functional program areas through core IT applications support initiatives.

• Ensure that the public is able to interact with the commission on the Internet
  o Automate the manual process for renewing permits by allowing license and permit holders to renew online using credit/debit cards.
  o Automate the manual process for collecting and processing excise tax reports by using web services technology to collect tax/information reports from the alcoholic beverage industry.
  o Automate the manual process for collecting and approving alcoholic beverage labels and the associated fee.
  o Upgrade the Ports of Entry Tax Collection System to accept credit/debit cards.
  o Implement an enterprise web architecture solution, which combines a variety of web applications and workspaces, and manages them in one portal environment. The portal will assemble these applications from existing resources and new services. (e.g., Cash Credit Law, Public Inquiry, Approved Labels.)

• Transform agency operations using new technology.
  o Implement an enterprise level solution for advanced analysis designed for pattern discovery and information access for use by the agency’s investigative and law enforcement users (e.g., digital dashboards, SharePoint and SSRS Integration, case management system, risk assessment system, GEMS, and LEAP).
  o Implement an enterprise-wide electronic document imaging solution for capturing and indexing the agency's paper documents (e.g., alcoholic beverage labels, license and permit files, excise tax records, financial records, records management system, etc.).
  o Implement a mobile computing solution (i.e. hand-held devices, smart phones, tablets, wireless, etc.) to assist enforcement agents and compliance officers with their routine paper workload.
• Manage TABC’s secure technology infrastructure
  o Implement an information security program, including policies, procedures, hardware, software, and employee training, to defend against cyber security threats.
  o Maintain a stable, reliable communication network for data, voice, and video to all TABC offices and agency employees at their point of need.
  o Manage the TABC data center.
  o Manage the Data Center Services arrangement for contracted services.

• Support each TABC employee with their technology problems through the Help Desk.

Figure 20: TABC IT Maturity Model

TABC IT Maturity Model

Legacy (Mainframe)
- Disparate Applications
- Multiple Development Platforms
- Mainframe-Centric Technology Architecture
- No Online Citizen Interaction
- Disjointed Network
- Little Project Management

Transition (Architecture-Focus)
- Disparate Applications
- Servers Instead of Mainframe
- Short-Term Technology Architecture
- Defined Target Platform
- Multiple software versions
- Online Citizen Access (1-way)
- No citizen transactions
- Optimized LAN/WAN
- Shrinkng number of servers
- Some Project Management, but not Standardized
- Centralized Help Desk

Simplify (IT-Focus)
- Shrinkng number of applications
- Shrinkng number of platforms
- Shrinkng software versions
- Mid-Term Technology Architecture
- Shared Code
- Online Citizen Interaction (2-way)
- Optimized LAN/WAN (including mobility and remote capability)
- No internal electronic collaboration
- Automation of routine internal processes
- Standardized Project Management Processes

Standardize (Customer-Focus)
- Long-Term Technology Architecture
- Technology Roadmap
- Code Re-Use
- Online Citizen Transactions
- Centralized Servers (DCS)
- Optimized mobility and remote network
- Some internal electronic collaboration
- Automation of routine external processes
- Formalized Project Management Processes
- Some Cross-Agency Interaction

Optimize (Citizen-Focus)
- Standardized Platform
- Standard Software
- Standard Software Versions
- Applications
- Online Citizen Transactions
- Internal Electronic Collaboration
- External Social Media
- Optimized Servers (DCS)
- Data sharing with other agencies
TABC IT Maturity Model
The Information Resources Division has, to date, done a good job of keeping up with technology advancements. However, to date, most of the technology supports agency personnel (customer focus) rather than citizens and regulated entities (citizen focus). The public expects more interaction with TABC through online transactions, social media, and mobile applications. Therefore, TABC has developed a model where TABC can continue to serve internal customers but also develop new capabilities for citizens (see TABC IT Maturity Model diagram).

TABC IT Initiatives
To meet the technology needs of the TABC, the Information Resources Division follows the guidelines and priorities established by the Texas Department of Information Resources in the 2012–2016 State Strategic Plan for Information Resources Management. Most importantly to state agencies, the plan identifies 10 Statewide Priorities that agencies should consider within their planning process:

- Cloud
- Data Management
- Data Sharing
- Infrastructure
- Legacy Applications
- Mobility
- Network
- Open Data
- Security and Privacy
- Social Media

TABC has identified almost 70 distinct technology initiatives needed throughout TABC. These are documented and prioritized on the IRD Project Portfolio. Of these projects, only about 20 are funded, with the remaining projects being completed as internal resources or funding becomes available. Key initiatives are listed below, categorized by the 10 statewide priorities. (Further details are provided in the Technology Resources Planning Section.

CLOUD
The National Institute of Standards and Technology (NIST) defines cloud computing as a “model for enabling convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction.” Cloud services typically include Software as a Service (SaaS), centralized storage, and hosted solutions. As a result, the agency does not need to invest in infrastructure or technical skill sets.

Cloud Initiatives
- Virtual Desktop Initiative
- Microsoft Exchange (Email), including moving to tabc.texas.gov domain
- Lync (Web/Video Conferencing)
- Unified Communications
• SharePoint Intranet
• Enterprise Internet through Texas.gov
• Mobile Audit and Inspection Software
• Microsoft Office 365 Software as a Service (SaaS)

**DATA MANAGEMENT**
Agencies must be proactive to improve the management of data—from creation through disposition:
• Reducing duplicate, transitory, or inappropriate data
• Developing effective records management policies
• Administering practical data management processes
• Preserving data future use
• Managing data storage, backup and retrieval

Data Management Initiatives
• Licensing Imaging & Retrieval
• Excise Tax Imaging & Retrieval
• Financial Records Imaging & Retrieval
• Label Certificate Inquiry (Internal and External)
• SharePoint Records Management and Document Management
• Migrate from Crystal Reports to SQL Server Reporting Services
• Implement Internal Inquiry System
• Common drive cleanup project (data redundancy and disk storage reduction)

**DATA SHARING**
Agencies collect, store, and use large quantities of data to support the business of government. Often the same data is collected and stored by multiple agencies, resulting in inefficient use of storage space, inability to sustain data integrity, and potential confusion among citizens who interact with multiple agencies.

Data Sharing Initiatives
• Excise Tax Automation (sharing with regulated entities)
• Law Enforcement Analytic Portal (LEAP) (sharing with local law enforcement)
• IMPACT by Overwatch (sharing with local law enforcement)
• GEMS (sharing with local law enforcement)

**INFRASTRUCTURE**
IT infrastructure—which includes mainframe, server, storage, and networking assets—comprises a significant portion of an agency’s technology budget. It includes effective management of mainframe, server, storage, and networking assets and standardizing, consolidating, virtualizing and optimizing assets to reduce costs.

Infrastructure Initiatives
• Data Center Services
• Communications Technology Infrastructure
• Security Management
• Virtual Desktop Initiative
• Wi-Fi Network

**LEGACY APPLICATIONS**
A legacy application is a computer program that, although critical to an organization's operations, is based on older and less efficient technology.

Legacy Application Initiatives
• Versa Project (replace LicenseEase and eGateway)
• TABC:Online (upgrade Public Inquiry)
• Case Management & Risk Assessment (upgrade ARTS and replace CrisNet)
• Migrate from Crystal View to SQL Server Reporting Services (SSRS)
• Upgrade POETCS – Border Stamp Enforcement
• Application Standardization & Optimization
• Enterprise Resource Planning

**MOBILITY**
In response to the evolution of mobile devices and mobile use, TABC has appraised our current delivery systems to determine how mobile technologies can be utilized to meet the expectations of employees and regulated entities.

Mobility Initiatives
• In-Car Computers
• Access from Anywhere on Any Device – Virtual Desktop Initiative
• Bring Your Own Device Program
• Mobile Audit and Inspection Software
• WebEx Web Conferencing (by Level 3 Communications)
• Ports of Entry Automation and Upgrade
• Unified Communications – Presence
• Mobile-friendly Public Website
• Secure Network Access - VPN, Remote Desktop, Aircards, Wi-Fi

**NETWORK**
Network services are being transformed by the needs of business and government with the rapid convergence of voice, data, and video requiring greater bandwidth over Internet protocol platforms; growing attention to network reliability and security with increased connectivity to data centers and the emergence of cloud services; increased demand for mobility, portability and wireless; and the evolving requirements for remote offices and remote workers.

Network Initiatives
• Network management and upgrades at offices and Ports of Entry locations TABC locations around the state
• Telephone system management and upgrades at offices and Ports of Entry locations TABC locations around the state
• Migrate from AT&T WAN to AT&T VPN (Upgrade to Tex-AN Next Generation)
• LAN/WAN Network Circuitry (bandwidth, cable modems, etc.)
• 800 Number Call Forwarding
• Network Redundancy Project
• Wi-Fi Implementation

OPEN DATA
Provisions of SB 701 specify that a state agency must post to its website each high-value data set if it determines that it can accomplish this with existing resources, at no additional cost to the state. TABC already provides such information in a format that is accessible, searchable, machine-readable, exportable, non-proprietary, and license-free.

Open Data Initiatives
• Public Inquiry
• Online Labels (Internal and Public)
• Place Data on tabc.texas.gov/data or tabc.state.tx.us/data (per SB 701)
• Display a link to the data sets page, positioning the data sets page within two clicks from the agency’s home page (per SB 701)

SECURITY & PRIVACY
TABC maintains a security program intended to prevent security threats, in the form of malicious hacking, viruses, malware, unsecured devices, and data breaches, among others. We have initiatives to manage access and authentication to agency systems and data. We also protect the private information collected from citizens, regulated entities, and employees.

Security & Privacy Initiatives
• Complex Password Implementation
• Remote and local device encryption - Disallow unencrypted devices to access the TABC network.
• Network Access Control - Disallow unapproved devices to access the TABC network.
• Security Awareness Online Training Module
• Active Directory Integration to All Agency Applications
• PCI Compliance with Credit Card Industry - Policies and Education to ensure private and credit card information are secure
• Routine review and update of security policies
• Annual penetration test by DIR

SOCIAL MEDIA
Social Media is used to describe dynamic and interactive web-based communications. Current popular social media websites include Facebook, Twitter, YouTube, and Flickr. These services enable users to instantly create and share content without web programming skills. This new model has shaped the public’s expectation of online communications, which enhances their perception of e-government. Today, the public expects not just a website; but also a link to a Facebook page or a Twitter account.
Social Media Initiatives
- TABC Facebook (operational)
- TABC Twitter (operational)
- TABC YouTube Channel (operational)
- Mobile Applications – Complaints, Signs of Intoxication, Underage Drinking
- Implement the Social Media Toolkit – Strategy, Policy, Content, Tools/Operations

OTHER INITIATIVES
TABC continually evaluates other technology solutions designed to improve interagency communications, enhance management reporting of agency performance information and increase employee productivity.
- Migrate to tabc.texas.gov domain
- Digital Dashboards
- Case Management/Risk Assessment
- Rebrand all public transaction systems to TABC:Online
- Remediate Applications that are not Accessible to Persons with Disabilities
- Address Standardization
- Barcode on Licenses/Permits
- Label Approval Automation
- Personnel Action Form Automation (SharePoint Workflow)
- Management Halt Automation (SharePoint Workflow)
- Online Chat/Customer Service

IRD Operations Manager David Clowe manages the IT help desk, the agency network and the agency technical infrastructure.
ECONOMIC VARIABLES

Regression analysis of alcoholic beverage sales volumes, population changes and economic growth in Texas clearly demonstrates that the economic well being of the Texas alcoholic beverage industry is directly tied to the overall growth rates of the state’s population and its economy, with population changes being the stronger of the two determinates. The relationships in question are strong, highly significant, and undoubtedly causal.

The Comptroller of Public Accounts projects steady growth for the state’s population and its economy during the next five years, with average annual growth rates of 1.7 percent and 3.4 percent, respectively. The TABC projects that the average annual growth rate for aggregate demand for alcoholic beverages during the same period will fall somewhere between 2.0 percent and 2.2 percent.

The commission notes that the number of licensed retail locations has increased steadily since FY 2003. It attributes the upswing to population growth and to a surge in local option elections sparked by changes made by the Legislature to local option petition signature requirements first in late 2003 and then again in 2005. Despite a 3.0 percent drop in the number of licensed premises during the first half of the current fiscal year (FY 2012), the commission expects the number of licensed businesses to continue to increase during the next five years at an average annual rate of not less than 1.6 percent.

FIGURE 21: Projected Growth Rates for Key Economic Variables
ENVIRONMENTAL ASPECTS

UNDERAGE DRINKING
Underage alcoholic beverage consumption in Texas is a widespread and persistent public health and safety problem that creates serious personal, social, and economic consequences for youth, their families, communities, and the state as a whole. Alcoholic beverages are the number one drug of choice among Texas youth and continue to be used more than tobacco or illicit drugs. The prevention and reduction of underage drinking continues to be an important public health and safety goal for the state which requires the general public, communities and all levels of government to be proactive and work together.

Underage alcoholic beverage consumption can start as early as grade four in elementary schools. The 2010 biennial Texas School Survey of Substance Use reported that 21.5% of elementary students (grades 4-6) and 61.8% of secondary school students (grades 7-12) had consumed an alcoholic beverage at some point in their lives. The most significant difference among youth was grade seen which showed a 13.1% increase from grade six for youth ever consuming an alcoholic beverage in their lives.

FIGURE 22: Consumption of Alcoholic Beverages Ever by Grade Level

In the past month, prior to taking the survey, 29% of secondary school students consumed an alcoholic beverage. The senior class (grade 12) continues to be the highest grade for past-month consumption with 43.4% of seniors having consumed an alcoholic beverage in the past month compared to 35.8% of juniors (grade 11).
FIGURE 23: Past-Month Consumption of an Alcoholic Beverage by Secondary School Students

The Texas School Survey shows that the consumption of alcoholic beverages among youth continues to increase as they become older. Youth who start drinking before the age of 15 years are five times more likely to develop alcohol dependence or abuse later in life than those who begin drinking at or after the age of 21 years.

In 2010, a total of 8,929 drivers under the age of 21 were arrested for driving under the influence (DUI). Of those drivers, 2,654 were involved in a DUI crash. During the same year a total of 30,903 youth under the age of 21 were arrested for other alcoholic beverage related violations in Texas.

**BINGE DRINKING**

According to a new study conducted by the Centers for Disease Control and Prevention (CDC), the third leading preventable cause of death in the United States is excessive alcoholic beverage consumption including binge drinking. The National Institute on Alcohol Abuse and Alcohol defines binge drinking as a pattern of drinking that brings a person's blood alcohol concentration to .08 or above. This typically happens when men consume five or more drinks, and when women consume four or more drinks, in about two hours. This dangerous behavior is responsible for over 80,000 deaths in the U.S. each year. Binge drinking also leads to other adverse outcomes such as motor vehicle crashes, unintentional injuries, alcohol poisoning, violence against others, risky sexual behaviors, and chronic health conditions.

The CDC study states that one in six U.S. adults binge drink, and binge drinkers engage in a binge drinking episode an average of four times a month. On average, binge drinkers consume eight alcoholic beverages per binge episode. The age group with the
most binge drinkers is 18-34 years while the age group that binge drinks most often is 65+ years. More than half the alcoholic beverages consumed by adults is while binge drinking. Ninety percent of the alcoholic beverages consumed by youth under the age of 21 is while binge drinking and 40% of college students binge drink. The average largest number of drinks consumed by binge drinkers decreased with increasing age, from 9.1 among adults aged 18--24 years to 5.5 among those aged ≥65 years. The data for Texas shows that 16.8% to 18.6% of adults binge drink.

**DRIVING WHILE INTOXICATED**
Texas currently leads the nation in traffic fatalities resulting from alcohol-impaired driving. During 2010, a total of 85,511 adult drivers over the age of 21 were arrested for driving while intoxicated. 23,840 of those adult drivers were involved in a crash which resulted in 1,259 alcohol-impaired driving fatalities. 127,459 adults over the age of 21 were arrested for other alcoholic beverage related violations in Texas.

**EDUCATION AND PREVENTION**
TABC has created several education programs and campaigns to prevent and reduce underage alcoholic beverage consumption, binge drinking, driving while intoxicated, and other issues related to the consumption of alcoholic beverages. These programs include educational presentations, materials, videos, and most recently technology-based materials such as interactive web pages, social media, and applications for personal electronic devices. With these education programs, TABC has the opportunity to reach and provide education for youth, parents, community members, alcoholic beverage retail employees, the alcoholic beverage industry, and law enforcement officers.

The underage drinking prevention and education programs TABC has created for youth focus on the laws and consequences of underage drinking, including drinking and driving. These programs provide information for youth through a variety of outlets with the intent that youth will have enough information to make a responsible decision on their own to not consume alcoholic beverages. These programs also present information to youth in way that they can relate by making them aware of the effects and impact an underage drinking violation can have on their life, such as the suspension or loss of their driver’s license, ineligibility for scholarships and financial aid, and being suspended from extra-curricular activities at school.

Programs have also been created for parents and adults to prevent and reduce underage drinking. Information such as topics or ways a parent can approach their child on the subject of underage drinking, as well as information on the social hosting laws and consequences of providing alcoholic beverages to a minor are presented. These programs inform the parents of the financial responsibility they could face if their child receives a violation for consuming alcoholic beverages. The programs also provide both parents and adults with information on the legal liability they could encounter if they are found to be the provider of an alcoholic beverage to a minor who is involved in a crash, fatality or other type of personal injury or property damage as the result of consuming an alcoholic beverage. Many adults are unaware that it is a class A misdemeanor to provide alcoholic beverage to a minor, which carries a fine of $4,000, and/or up to a year in jail, as well as six months suspension of driver’s license.
TABC continues to provide free educational opportunities for alcoholic beverage businesses and their employees which aid in the prevention and reduction of underage drinking. These education programs, such as SERVE, include false ID training and the consequences of selling alcoholic beverages to a minor. TABC and other law enforcement departments also conduct underage drinking enforcement operations such as minor stings on alcoholic beverage businesses to ensure that they are complying with the Alcoholic Beverage Code. The locations that do not comply with the law typically pay a fine and/or are required to participate in one or more of the education programs offered by TABC.

By reducing the alcoholic beverages available to youth either through educating parents, other adults, retail employees, or youth themselves this will create an environment where youth are less apt to consume alcoholic beverages and get behind the wheel of a vehicle. This in turn will reduce the incidences of driving while intoxicated, alcohol-related crashes and fatalities caused by those under the age of 21.

To reduce binge drinking, TABC has created education programs that focus on preventing and reducing over-consumption and over-service which can lead to intoxication and alcohol poisoning. Community members are provided with information on the signs of intoxication which can lead to alcohol poisoning and result in death or serious health related problems. This information is also provided to alcoholic beverage business employees through various education programs offered by TABC and through the Seller/Server trainings offered by third party course providers. Alcoholic beverage employees are also informed of the consequences of over-service or providing alcoholic beverages to intoxicated persons. Various techniques are presented throughout these programs on how to handle different situations with customers who become inebriated or out of control as a result of consuming alcoholic beverages. By preventing the actions that lead to over-consumption or over-service, individuals will consume fewer alcoholic beverages which will decrease the number of binge drinkers and binge drinking episodes.

TABC also provides an education program and materials on the alcohol content of various beverages and what alcohol by volume (ABV) means. There are community members and alcoholic beverage business employees who are unaware of what ABV stands for and how different types of alcoholic beverages compare to a standard alcoholic beverage drink. For example one 23.5 ounce malt beverage that is 12% ABV is equivalent to almost five 12-ounce beer cans that are 5% ABV. By being aware of the amount of alcohol in a drink, both community members and alcoholic beverage business employees will be aware of how much alcohol is actually being consumed and/or served. This will assist TABC in its goal to reduce intoxication and over-service, thus reducing the number of binge drinkers.

Additional programs have also been created by TABC for specific alcoholic beverage business employees such as the Manager’s Awareness Program (MAP) and the Risk Management Program. The target audience for MAP is the managers and owners of an alcoholic beverage business. This program provides further education on ways to prevent alcoholic beverage violations and examples of policies and procedures a business should implement to deter their employees from committing those types of
violations. The Risk Management Program targets security personnel for an on-premise alcoholic beverage location and the appropriate action to follow when a breach of peace or other disturbances occur. Both these programs are intended to reinforce responsible alcoholic beverage services by alcoholic beverage businesses.

An education program on how to submit a complaint against an alcoholic beverage business for alcoholic beverage violations or other criminal activities has also been created by TABC. Materials for this program also outline the type of information necessary for TABC to follow up with an investigation. TABC is also in the process of developing an application that will allow a user to submit a complaint through their phone or other personal electronic device.

By providing continued educational opportunities for alcoholic beverage business employees, TABC works to reduce the number of individuals who are over-served or allowed to over-consume. If these individuals are prevented from reaching intoxication, in theory, there would be fewer intoxicated drivers, and therefore a decrease in alcohol-related arrests, crashes and fatalities.

Education programs and training for law enforcement officers on alcoholic beverage enforcement tactics, especially those that enforce laws to prevent underage drinking, are equally important. TABC provides free TCLEOSE-approved courses for certified peace officers with information on the alcoholic beverage laws they have the authority to enforce. The training also includes how to partner with TABC on investigations involving a serious injury or death related to the illegal sale or consumption of alcoholic beverages. By providing education to the general public and alcoholic beverage business employees, and then following it up with random alcoholic beverage compliance checks, both education and enforcement will work together to further reduce alcoholic beverage related violations in the state.

Agent Shuddell Lindsey teaching a class on alcoholic beverage laws to airmen and airwomen newly assigned to Goodfellow Air Force Base in San Angelo.
LEGAL ISSUES

GRANHOLM V. HEALD
In May 2005, the U.S. Supreme Court issued its opinion in Granholm v. Heald, which ruled that statutory schemes that offered in-state wineries broader rights to sell and ship directly to consumers than were offered to out-of-state wineries violate the Commerce Clause of the U.S. Constitution. Perhaps the most significant aspect of the Granholm case was the implicit basis of the court’s ruling: that if there is a conflict between the Twenty-first Amendment and the Commerce Cause, the Commerce Clause prevails. The implication is that the same holds true regarding other provisions of the U.S. Constitution. This represents a significant shift in long held tenets of Twenty-first Amendment jurisprudence and in the suppositions on which much of the regulatory structure for alcoholic beverages is built.

Predictably, the Granholm decision sparked a wave of litigation around the country. That litigation is producing different and, in some cases, conflicting interpretations of the state’s authority to regulate alcoholic beverages.

SOUTHERN WINE AND SPIRITS V. STEEN
On June 27, 2006, Southern Wine and Spirits applied for a Texas wholesaler’s permit, a Texas general distributor’s license, and a Texas importer’s license. On August 31, 2006, they were sent a letter by TABC denying their applications because they are not Texas residents. September 11, 2006, they filed suit.

On May 29, 2007, a U.S. District Court held that the one-year Texas residency and Texas citizenship requirements for license and permit applications violated the Commerce Clause of the U.S. Constitution. TABC was enjoined from enforcing these licensing requirements. The agency may still insist on U.S. citizenship, including lawful residency, and insist that corporations are authorized to do business in Texas by holding a Certificate of Authority from the Texas Secretary of State.

Since May 29, 2007, TABC has been accepting permit applications from applicants who do not meet the one-year Texas residency requirement.

SIESTA VILLAGE V. STEEN AND WINE COUNTRY GIFT BASKETS V. STEEN
In April 2006, twin lawsuits, Siesta Village v. Steen and Wine Country Gift Baskets v. Steen, were filed in U.S. District Courts, challenging the constitutionality of certain provisions of the Alcoholic Beverage Code and seeking an injunction barring their enforcement. The lawsuit claimed that sections of the Code discriminated against interstate commerce and violated the Interstate Commerce Clause, by authorizing in-state wine retailers to ship wine directly to Texas consumers while denying out-of-state wine retailers the same right.

On January 14, 2008, a final order was issued in the twin cases. The district court judge declared certain aspects of the Alcoholic Beverage Code unconstitutional, enjoining the enforcement of those laws. Among other things, the judge ruled that out-of-state
retailers are eligible to apply for, and receive, a Texas retailer permit authorizing them to sell and ship wine directly to Texas consumers. The judge also ruled that once receiving the permit, out-of-state retailers must also abide by relevant Texas laws, such as the one that mandates that all retailers purchase their product from a Texas wholesaler. In turn, they are then able to do whatever the law allows Texas retailers to do, such as shipping wine directly to consumers in Texas. Following the district court ruling, TABC made an Out of State Wine Only Package Store Permit available to out of state retailers. However, this decision was appealed by both parties.

On January 26, 2010, a three-member panel of the 5th Circuit Court of Appeals reversed the district court’s ruling that invalidated state provisions that only retailers with a physical presence in Texas could deliver to consumers in Texas. The appeals court ruled that allowing in-state (but not out-of-state) retailers to make local deliveries is a benign incident of an acceptable three-tier system, and therefore is not a violation of the Interstate Commerce Clause of the U.S. Constitution. TABC is not required to offer a permit to out-of-state retailers authorizing them to ship wine to Texas consumers. On February 9, 2010, the plaintiff/appealant filed a petition for "en banc" review (meaning the entire appellate court) for reconsideration of the appellate court’s decision. As a result, the appellate court’s mandate was not issued pending a decision on the petition for an en banc review. Pending that decision, the TABC continued to follow the district court’s decision, which required TABC to offer a permit to out-of-state retailers.

On July 22, 2010, the appeals court denied the request for an "en banc" review, and the decision by the appeals court became final. The plaintiffs sought review of the appeals court decision in the U.S. Supreme Court. On March 7, 2011, the Supreme Court denied the request. The State of Texas CAN prohibit out-of-state retailers from shipping wine to Texas consumers.

AUTHENTIC BEVERAGE COMPANY INC. V. TEXAS ALCOHOLIC BEVERAGE COMMISSION
In 2010, beer distributor Authentic Beverage Co. filed a federal lawsuit against TABC alleging violations of rights under the 1st and 14th Amendments and the Commerce Clause.

In October 2011, attorneys for the plaintiffs and the Office of the Attorney General on behalf of TABC filed cross-motions for summary judgment. Judge Sam Sparks issued a ruling on December 19, 2011, in favor of the plaintiffs on the first amendment free speech issues and in favor of the state on the 14th amendment equal protection and commerce clause issues.

The judge’s ruling means that:

- A member of the manufacturing or wholesale tier may advertise retail locations where their products may be purchased. (TABC still has the right to prevent undue collusion between manufacturers/wholesalers and retailers and ensure there is no financial remuneration, incentive, inducement or compensation between manufacturers/wholesalers and retailers.)
• A member of the manufacturing or wholesale tier may now refer to alcohol content in advertisements of their products. In addition, manufacturers and wholesalers are no longer prohibited by state law from using words that describe product strength on the label or in advertisement (e.g., “strong,” “full strength,” etc.).

• Brewers will no longer have to use the terms “beer” and “ale” on their labels based on the alcohol content of their products. Instead, they can use these terms as they are commonly used in the industry, i.e., to describe the process used to make the product. Specifically, Judge Sparks said that "nothing prevents Texas or TABC from passing appropriate regulations requiring producers to include accurate statements about the alcohol content of their products in labeling or advertising; absent a constitutionally sound justification, however, Texas may not dictate the exact words producers must use to do so."

In January 2012, TABC issued a marketing practice bulletin to inform the industry of interim guidelines, pending new rules to replace the ones that were overturned by the court. Since January, TABC has engaged the public in the rulemaking process. At the agency’s March 27th Commission meeting, the Commission voted on a set of proposed rules that abide by the judge’s ruling. Specifically, the interim guidelines and the proposed rules allow manufacturers to designate high or low alcohol content on a malt beverage label using alcohol by volume or by using the terms “beer,” “ale,” or “malt liquor” as defined in the Alcoholic Beverage Code. The rules were posted for public comment and are scheduled to be adopted at the Commission meeting in the summer of 2012.

IN SUMMARY
These cases demonstrate the commission has had to defend fundamental aspects of its statutory and regulatory structure. The Authentic Beverage ruling in particular indicates that Texas alcoholic beverage statutes and rules that treat various products, or in-state and out-of-state entities, differently may warrant a closer look to ensure that the state has a rational basis for the distinctions. The judge’s opinion also suggests that where commercial speech is involved, there needs to be a closer look at whether a substantial government interest is directly advanced by the statute or rule, and whether the state’s interests could be advanced in a less restrictive manner.
KEY ORGANIZATIONAL EVENTS

The agency has experienced considerable key organizational events since the last strategic plan. Key events took place in all divisions of the agency as well as the agency’s operation as a whole.

REALLOCATION OF RESOURCES

The agency developed a plan for the future in the summer of 2011 so that they can transition toward the most efficient model with the available resources while keeping public service and public safety on the forefront. TABC first used census numbers to identify where the Texas population is predicted to grow in the coming years. Then the agency looked at the number of TABC permits and where the permits are geographically located. Agents were reallocated to those areas of the state.

The outcome of this reallocation is a community policing effort that strikes a balance between public service and public safety. The agency is committed to putting good people in business quickly, educating them and keeping them on the right track. The agency is also committed to keeping the public safe by intervening at problem locations early, bringing them into voluntary compliance and recognizing which locations have illegal interests first. When locations have illegal interests, the agency will work with local agencies to put these “bad actors” out of business.

TRI-REGIONAL WORKGROUP

The Tri-Regional Workgroup was developed to provide recommendations associated with the agency’s reallocation of resources. The Tri-Regional Workgroup will remain a continuing voice in the broad direction and quality assurance of TABC. It is the duty of the Workgroup to represent the greater interests of the TABC, the industry it regulates, and the citizens of the State of Texas.

VERSA:ONLINE / VERSA:REGULATION

In June of 2011, TABC successfully transitioned to the Versa:Regulation licensing system. With this new system in place, the agency was able to establish the framework for future online permit and license applications and renewals. Versa:Online is on-track for Agent’s Permits, Beer Agent’s License and Manufacturer’s Agent’s Permit renewals in late Spring of 2012. The ability to apply and renew for all permits and license will be completed within the next two years.

DATA-DRIVEN DECISION MAKING

With approximately 45,000 permits state-wide being monitored by 200 agents, TABC has begun to utilize technology initiatives such as the Law Enforcement Analysis Portal (LEAP) and internal reports to fill in the gaps. In areas of the state, LEAP allows local police departments to share information and data with TABC. The agency can then track trends in complaints, violations, and calls for service; all of which help identify risky locations. The number of TABC permits is growing by an average of 2.7% each year but the number of agents is expected to stay the same. Agents will need to rely on the available technology to ensure that problem locations don’t slip through the cracks.
Additionally, management tools continued to be enhanced using criteria to identify locations that are more at risk for operating contrary to the Alcoholic Beverage Code. Once identified, education and counseling is used to assist the retailer and if operations do not improve, administrative action against the permit begins.

**USE OF SOCIAL MEDIA**
TABC has expanded its efforts to reach a broader audience using social media. In the last two years, the Facebook page has been reinvented to focus on more prevention issues. A YouTube Channel was created which “houses” TABC’s public service announcements related to underage drinking, alcohol poisoning, and driving while intoxicated. Finally, a Twitter feed was initiated. All of these outlets give the agency wider visibility among very specific service populations. Social media is used widely in community prevention organizations, the media, alcoholic beverage consumers, retailers, and craft brewers, distillers and wineries. Facebook and Twitter in particular give the agency an additional two-way communication tool to disseminate information, receive feedback and respond to questions from the industry and the public.

**HUMAN TRAFFICKING PREVENTION**
TABC has continued to be recognized as an essential resource in the prevention of human trafficking in Texas. Agents serve on regional task forces and have participated in joint investigations in domestic and international trafficking cases. Several bars have been closed down by TABC because of sex trafficking. The agency has a representative on the Attorney General Human Trafficking Prevention Task Force and was asked to make recommendations during the 82nd Legislation Session to strengthen penalties for human trafficking.

**PROCESS IMPROVEMENT**
Retooling processes such as licensing and credit law has made significant changes for the industry. The average time to process an application has been reduced to 41 days. Putting good actors into business faster creates a positive impact on individual business owners as well as the state’s economy and it increases tax revenue. Multiple changes to the credit law process significantly reduced the amount of debt that retailers owe to wholesalers (from $573.8 million in FY 2009 to $11.6 million in FY 2012), creating more market stability.

**BUDGETARY CHALLENGES**
The 82nd Legislature was forced to make some very tough budgetary decisions due to harsh economic conditions, and TABC contributed by tightening its belts. Although the agency gave back appropriated funds and cut positions, advanced planning ensured that no employees lost their jobs.

**ON-LINE LABEL APPROVAL DATABASE**
TABC completed an on-line database that gives consumers access to a list of what alcoholic beverage products are legal for sale in Texas and those products' alcohol content. TABC's Label Approval Database includes all alcoholic beverages that have had labels approved since 2005. Consumers can search the database by permit number, brand name, trade (manufacturer) name, type of product, approval date, or
percent alcohol by volume. Each record includes all of this information and an image of the approved label.

The database, which was funded by the federal Office of Juvenile Justice and Delinquency Prevention, can play an important role in the prevention of underage drinking, and in adult consumers’ efforts to drink responsibly. A parent or teacher’s ability to view a product’s label and see the alcohol content can help them play a more educated role in monitoring a young person’s activities. Having access to a product’s alcohol content is also beneficial if an adult consumer knows how to use it to determine responsible consumption measures.

**GROWTH IN APPROVED PRODUCTS**
Manufacturers of alcoholic beverages are seeking approval for the sale of their products in Texas in historically high numbers. In the second quarter of FY 2012, there was a 58% increase in the number of product applications submitted as compared to the same time period last year. A portion of this growth can be attributed to a December 2011 court ruling that stated TABC will no longer require brewers to designate high or low alcohol content on labels using specific words like "beer" and "ale."

**911 LIFELINE LEGISLATION**
The 82nd Texas Legislature enacted a new 911 Lifeline Legislation, sponsored by Senator Kirk Watson, which provides limited immunity to a person under 21 who calls for help because someone may have alcohol poisoning.

Senate Bill 1331 says that in the event of possible alcohol poisoning, a person under 21 calling for help will not be cited for possessing or consuming alcohol. The immunity for minors is limited to the first person who calls for help, only if he or she stays on the scene and cooperates with law enforcement and medical personnel. The new law does not protect a person from being cited for any other violation.

TABC enacted a similar internal policy in 2009, following the death of 18-year-old Austinite Carson Starkey. Carson died of alcohol overdose during his first semester of college following a fraternity hazing incident. Under this new law effective September 1, 2011, youth who do the right thing are protected, regardless of which law enforcement agency responds to the 911 call. TABC is distributing information about alcohol poisoning and the new law in an effort to reduce unnecessary deaths from alcohol poisoning.

**CURBING ILLEGAL WINE SHIPPING**
TABC is collaborating with FedEx Express and FedEx Ground, subsidiaries of FedEx Corp., (Fed Ex) and United Parcel Services (UPS) to thwart the illegal shipment of wine into Texas. On May 4, 2011, TABC met with representatives from UPS and FedEx to discuss options for preventing unlicensed retailers from selling and shipping wine to consumers in Texas.

Both UPS and FedEx have policies that prohibit customers from using their service to ship wine without authorization from the origin and destination states. In addition to
contacting retailers directly, TABC routinely provides FedEx and UPS with a list of retailers who have recently shipped wine into Texas illegally. In turn, these companies have notified those retailers that shipping wine without the proper authority is a violation of their agreement and puts their business relationship at risk.

**BASTROP WILDFIRES**
Memorial Day weekend 2011, TABC was called to assist the citizens of Bastrop County with what turned out to be the largest wildfire in Texas state history. Agents assisted with ensuring neighborhoods remained evacuated and were instrumental in control of residents returning to their homes when it was safe. Several civilian employees provided victim assistance and registration for homeowners, and car loads of donated clothes and household items were sent to Bastrop by Headquarters employees. TABC agents historically have provided assistance during natural disasters. Their commitment to public service, ability to respond quickly when called upon, and ability to work well with citizens who are under great stress, make them highly qualified and sought after by state and local law enforcement during emergencies.

**IN SUMMARY**
The agency has leveraged technology and new ideas to increase efficiency, productivity and transparency. Capitalizing on this new path, the commission has seen improvements, changes and events that have continued to mold and build the best regulatory agency possible.
OPPORTUNITIES FOR IMPROVEMENT

Forums involving internal and external stakeholders continue to provide the agency a broad venue in identifying areas for improvements. The agency leverages stakeholder feedback and workgroups to implement change. Other helpful tools include a continuing internal audit process, on-going customer evaluations, State Auditor’s reviews, and Sunset staff recommendations.

STRATEGIC PRIORITIES

Historically, the agency’s internal and external management goals developed during the strategic planning process have been largely operational and relatively short-term. Whereas these goals are an important part of the agency’s planning process, they have lacked a greater vision and strategic outlook. During this year’s strategic planning process, agency division directors and Commissioners participated in an off-site meeting to develop a shared vision of the agency in 2018. The group developed the following priorities, not to replace the management goals, but to support and augment them. They provide a broader focus to keep the agency moving in the same direction regardless of short-term crises, employee turnover or other external factors.

Commissioners and division directors agreed that to be the best regulatory agency possible, the agency will need to focus on the following:

- Harnessing technology to ensure we are addressing tomorrow’s challenges today.
- Revisiting and fine-tuning the agency mission and vision to reflect environmental changes, including the economy, consumer attitudes, and the alcoholic beverage industry.
- Continuously working to improve communication inside and outside of the organization, not to communicate more, but to communicate the information people need in a timely manner.
- Building future leaders through succession planning.
- Being increasingly accessible and transparent to our stakeholders and the general public.
- Increasing public awareness of the public safety concerns caused by underage drinking and over-consumption by persons of any age.

OPERATIONAL MANAGEMENT GOALS - INTERNAL

In March 2012, division directors and key staff used employee feedback related to the Survey of Employee Engagement to develop operational goals and strategies hoping to improve the work experience of employees around the state:

1. Continue to explore ways to ensure employees are compensated fairly.
   - Explore equity adjustments for comparable positions within the agency.
   - Conduct a study to ensure accurate classification of civilian employees.
   - Explore non-financial incentives.
   - Review the Career Ladder and consider adjustments.
2. Continue to identify ways to construct and retrofit Ports of Entry facilities and upgrade work areas.
   - Negotiate contracts with General Services Administration and facility owners to include response time for repairs and routine maintenance.
   - Continue to implement and employ equipment, policy, and procedures to augment the safety of employees.

3. Leverage technology to improve employee work experience and environment.
   - Support technology initiatives identified in the Agency Strategic Plan.

4. Continue to improve internal communication.
   - Provide training on how to fully utilize the intranet (Sharepoint) and the internet.
   - Expand the use of Sharepoint.
   - Expand use of webinar or video conferencing.
   - Continue to embrace the philosophy that downward communication should go to all impacted parties (not strictly through chain of command) but that upward communication follows chain of command.

**OPERATIONAL MANAGEMENT GOALS - EXTERNAL**

In March 2012, division directors and key staff met with industry and community stakeholders to develop operational goals and strategies related to how the agency serves those customers. The following goals were based on issues raised in those conversations with our stakeholders in the community and alcoholic beverage industry.

1. Identify and gather information collected outside TABC that is an indicator of high-risk business behavior or an unstable marketplace.
   - Local law enforcement data
   - Attorney General’s office financial data
   - Comptroller tax liens

2. Continue to improve communication with industry to facilitate education and voluntary compliance.
   - Continue quarterly wholesaler meetings and conduct face-to-face meetings upon request.
   - Conduct semi-annual retailer meetings for at-risk locations and other interested retailers, associations and interest groups.
   - Continue marketing practice and other agency bulletins.
   - Continue tours of stakeholder facilities.
   - Request additional funding from the Legislature to expand the industry training and communication program, including training available on the TABC website, covering Alcoholic Beverage Code and Rules.

3. Work with stakeholders to continue prevention and education programs, including prevention of underage drinking and over-service of alcohol.
   - Do more to promote the availability of personnel to speak at school/community events and parent groups and talk more about the consequences of providing alcohol to minors.
• Continue focus on third party providers, expanding education and enforcement. Continue MAP, Project SAVE and SERVE.
• Train local law enforcement.
• Explore methods to distribute materials to parents and young adults.

4. Continue to accelerate the licensing process to put good actors in business while setting up controls to keep bad actors out.
• Review and revise rules to create more clarity.
• Develop checklists for applicants on the pre-qualification process.
• Continue implementation of on-line renewals.
• Continue to increase communication and provide education to local officials, especially in rural areas.
• Work to standardize the licensing process with local government statewide, with the intent to make the process as efficient as possible.
• Streamline application process for temporary and caterer’s permits.

5. Invest in technology to better to serve the industry and the public.
• Allow license and permit holders to opt-in to use email as the primary means of communication, reducing paper and traditional mailing.
• Develop an electronic portal with license and permit information and allow online modifications; change of mailing address, change of email address, linking licenses and permits, verify address information, renew a license or permit, review the status of an application or renewal, review prior communication, and receive notifications of pending renewals.
• Implement technology that allows TABC personnel to be more mobile and accessible to license/permit holders.
• Implement a bar code on the permit/license that allows TABC personnel to access historical data about the permit/license holder and location.
• Implement bar coding on tax stamps.
• Use technology to better serve the service-sector thought process going forward.
  o Running reports to get data by service area.
  o Case management system that involves all agency IT systems including licensing, legal, field operations.

6. Explore ways to reward voluntary compliance in addition to penalties for non-compliance.
• Explore the possibility of a scoring system to track historical compliance and participation in TABC programs.
• Consider modifying the sanctioning program to give weight to historical compliance (e.g. not selling during a minor sting) without jeopardizing consistent administration of the Alcoholic Beverage Code.
• If we do reward permit holders, measure the results to discover whether the reward system affects behavior, and whether it motivates permit holders to continue to comply.
TABC GOALS

1. To protect the peace and safety of the public by taking positive steps to encourage voluntary compliance with the Texas Alcoholic Beverage Code and other state laws and by undertaking enforcement and regulatory actions that are both fair and effective.
   [Vernon's Texas Alcoholic Beverage Code: Chapters: 2, 61, 101 (Subchapters B & D), 103, 105, 106, 107, 108 and 251; Sections: 1.03, 5.33, 5.36, 5.38, 6.01, 11.01, 11.46, 11.61, 11.68, 25.06, 28.0, 32.14, 32.15, 37.07, 37.09, 38.03, 39.21, 39.31, 39.32, 40.05, 51.03-.04, 63.04, 67.01, 69.06, 104.01, 109.33, 109.35 and 109.53.]

2. To process and issue alcoholic beverage license/permit applications while ensuring compliance with the Alcoholic Beverage Code through investigations and other regulatory means.
   [Vernon's Texas Alcoholic Beverage Code: Chapters: 6-53, 61-75 102, 103, 109, 204 and 251; Sections 5.50, 6.02 and 101.69.]

3. To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving and distributing of alcoholic beverages.
   [Vernon's Texas Alcoholic Beverage Code: Chapters: 102, 106, 107, 108, 109, 201, 202, 203, 204, 205 and 206; Sections: 5.32, 5.37, 5.41, 5.51, 6.01 and 11.61.]

4. To carry out developed agency policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses.
GOALS, OBJECTIVES, STRATEGIES AND OUTCOME/OUTPUT MEASURES

GOAL 01: ENFORCEMENT

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

OBJECTIVES/OUTCOME MEASURES

01 Detect and Prevent Violations of the Law

To act, to detect and to prevent violations of the law in such a manner that, by fiscal year 2013, 85 percent of all licensed establishments are inspected annually; 95 percent of all administrative cases filed by enforcement agents result in administrative sanctions; 95 percent of all licensees responding to post-inspection surveys rate agency enforcement services as satisfactory or better; 85 percent of all complaint investigations are closed within 60 days; 95 percent of all priority retail locations are inspected annually; a retail public safety compliance rate of not less than 98 percent is achieved; a 97 percent priority retailer public safety compliance rate is achieved; and the public safety recidivism rate for licensed retailers is reduced to 16 percent.

Outcome Measures

01 Percentage of Licensed Establishments Inspected Annually
02 Percent of Administrative Cases Filed by Enforcement Agents Resulting in Administrative Sanctions
03 Percent of Agency Contacts Rating Enforcement Actions as Satisfactory or Better
04 Percentage of Complaint Investigations Closed within 60 Days
05 Percentage of Priority Retail Locations Inspected by Enforcement Agents
06 Retailer Public Safety Compliance Rate
07 Priority Retailer Public Safety Compliance Rate
08 Public Safety Recidivism Rate – Licensed Retailers

STRATEGIES/OUTPUT MEASURES

01 Deter and Detect Violations

Deter and detect violations of the Alcoholic Beverage Code through enforcement actions.

Output Measures

01 Number of Inspections Conducted by Enforcement Agents
02 Number of Inspections of Priority Retailers Conducted by Enforcement Agents
03 Number of Persons Instructed by Enforcement Agents
04 Number of Licensees Attending Enforcement Education Programs

Efficiency Measure

01 Average Cost Per Enforcement Inspection
02 Average Cost Per Person Attending Enforcement Education Programs

Explanatory/Input Measures

01 Number of Enforcement Administrative Cases Reaching Final Disposition
02 Number of Licensed Locations Subject to Inspection
03 Number of Complaint Investigations Opened
04 Number of Criminal Cases Filed
05 Number of Administrative Cases Initiated by Enforcement Agents
06 Number of Priority Retail Locations
07 Number of Complaint Investigations Closed
08 Number of OCA/Trafficking Investigations Closed
09 Number of Multi-Agency/Joint Operations Targeting Organized Crime and Trafficking in TABC’s Border Region
GOAL 02: LICENSING

To process and issue alcoholic beverage license and permit applications, while ensuring compliance with the Alcoholic Beverage Code through investigations and other regulatory means.

<table>
<thead>
<tr>
<th>OBJECTIVES/OUTCOME MEASURES</th>
<th>STRATEGIES/OUTPUT MEASURES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>01 Licensing</strong></td>
<td><strong>01 Licensing</strong></td>
</tr>
<tr>
<td>Process applications for permits and licenses in an efficient and timely manner such that, by fiscal year 2013, the average time required to approve an original primary application processed through a TABC field office is 45 days.</td>
<td>Issue licenses and permits while ensuring compliance with laws regarding ownership, performance, tax securities and other regulatory requirements.</td>
</tr>
<tr>
<td><strong>Outcome Measures</strong></td>
<td><strong>Output Measures</strong></td>
</tr>
</tbody>
</table>
| 01 Average Number of Days to Approve an Original Primary License/Permit Application Processed through a TABC Field Office | 01 Number of Applications Processed  
02 Number of Licenses/Permits Issued |
|                             | **Efficiency Measure**      |
|                             | 01 Average Cost Per License/Permit Processed |
GOAL 03: COMPLIANCE AND TAX COLLECTION

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

**OBJECTIVES/OUTCOME MEASURES**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Compliance and Tax Collection</td>
<td>Monitor all tiers of the alcoholic beverage industry and conduct inspections, analyses, investigations and other activities to encourage maximum voluntary compliance with the Alcoholic Beverage Code, so that, by fiscal year 2013, the compliance rate for field audits and analyses is 82 percent, the percent of report analyses resulting in administrative or compliance actions is only 15.5 percent, the percent of agency contacts expressing satisfaction with contacts with agency auditors is 97 percent and the compliance rate for inspections of licensed businesses conducted by auditors is 96 percent.</td>
</tr>
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</table>

**Outcome Measures**

<table>
<thead>
<tr>
<th>Outcome Measure</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Compliance Rate – Field Audits and Analyses</td>
<td></td>
</tr>
<tr>
<td>02 Percent of Report Analyses Resulting in Administrative or Compliance Action</td>
<td></td>
</tr>
<tr>
<td>03 Percent of Agency Contacts Expressing Satisfaction with Contacts with Agency Auditors</td>
<td></td>
</tr>
<tr>
<td>04 Compliance Rate – Inspections of Licensed Businesses by Auditors</td>
<td></td>
</tr>
</tbody>
</table>

**STRATEGIES/OUTPUT MEASURES**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Compliance Monitoring</td>
<td>Inspect, investigate and analyze all segments of the alcoholic beverage industry, verify the accuracy and timeliness of tax reporting payments and initiate any necessary compliance and/or administrative actions for failure to comply, while providing instruction to promote voluntary compliance.</td>
</tr>
</tbody>
</table>

**Output Measures**

<table>
<thead>
<tr>
<th>Output Measure</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Number of Persons Instructed by Auditors</td>
<td></td>
</tr>
<tr>
<td>02 Number of Wholesale and Manufacturing Reports Analyzed</td>
<td></td>
</tr>
<tr>
<td>03 Number of Audits and Other Analyses Conducted by Field Auditors</td>
<td></td>
</tr>
<tr>
<td>04 Inspections Conducted by Field Auditors</td>
<td></td>
</tr>
</tbody>
</table>

**Efficiency Measure**

<table>
<thead>
<tr>
<th>Efficiency Measure</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Average Cost Per Audit or Analyses</td>
<td></td>
</tr>
<tr>
<td>02 Average Cost Per Auditor Inspection</td>
<td></td>
</tr>
<tr>
<td>03 Average Cost Per Person Attending Educational Programs Taught by Auditors</td>
<td></td>
</tr>
<tr>
<td>04 Average Cost Per Wholesale and Manufacturing Report Analyzed</td>
<td></td>
</tr>
</tbody>
</table>

**Explanatory Measures**

<table>
<thead>
<tr>
<th>Explanatory Measure</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Number of Licensed Locations Subject to Inspection and Other Regulatory Enforcement Activities</td>
<td></td>
</tr>
<tr>
<td>02 Number of Wholesale/Manufacturer Licensees/Permittees Required to Submit Monthly Reports</td>
<td></td>
</tr>
<tr>
<td>03 Number of Administrative Actions Initiated by Auditors and Other Compliance Personnel</td>
<td></td>
</tr>
<tr>
<td>04 Number of Cash Law/Credit Law Defaults Received and Processed</td>
<td></td>
</tr>
<tr>
<td>05 Number of Administrative Actions Resulting from Analyses of Wholesale and Manufacturing Reports</td>
<td></td>
</tr>
</tbody>
</table>
**GOAL 03: COMPLIANCE AND TAX COLLECTION (cont'd)**

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

<table>
<thead>
<tr>
<th>OBJECTIVES/OUTCOME MEASURES</th>
<th>STRATEGIES/OUTPUT MEASURES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>02 Ports of Entry</strong></td>
<td><strong>02 Ports of Entry</strong></td>
</tr>
<tr>
<td>Ensure maximum compliance with laws regulating importation of alcoholic beverages and cigarettes at ports of entry, so that, by fiscal year 2013, ports of entry revenue is at least 120 percent of the ports of entry expenses.</td>
<td>Identify high traffic loads and strategically place personnel or equipment at ports of entry to more effectively regulate the personal importation of alcoholic beverages and cigarettes.</td>
</tr>
<tr>
<td><strong>Outcome Measures</strong></td>
<td><strong>Output Measure</strong></td>
</tr>
<tr>
<td>01 Revenue as a Percent of Expenses</td>
<td>01 Number of Alcoholic Beverage Containers Stamped</td>
</tr>
<tr>
<td></td>
<td>02 Number of Packages of Cigarettes Stamped</td>
</tr>
<tr>
<td></td>
<td><strong>Efficiency Measure</strong></td>
</tr>
<tr>
<td></td>
<td>01 Average Cost Per Alcoholic Beverage Container Imported/Technically Seized</td>
</tr>
<tr>
<td></td>
<td>02 Average Cost Per Cigarette Package Imported/Technically Seized</td>
</tr>
<tr>
<td></td>
<td><strong>Explanatory Measure</strong></td>
</tr>
<tr>
<td></td>
<td>01 Number of Alcoholic Beverage Containers Technically Seized</td>
</tr>
<tr>
<td></td>
<td>02 Number of Packages of Cigarettes Technically Seized</td>
</tr>
</tbody>
</table>

*These measures represent explanatory measures as the agency has no control over the number of alcoholic beverages or cigarette packages that are imported.
GOAL 04: HISTORICALLY UNDERUTILIZED BUSINESSES (Non-budgeted)

To carry out developed agency policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses.

<table>
<thead>
<tr>
<th>OBJECTIVES/OUTCOME MEASURES</th>
<th>STRATEGIES/OUTPUT MEASURES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>01 HUBs</strong></td>
<td><strong>01 Increased Use of HUBs</strong></td>
</tr>
</tbody>
</table>
| To carry out state and agency policies concerning the inclusion of historically underutilized businesses in such a way that, by fiscal year 2013, at least 22.1 percent of the total dollar value of agency purchasing contracts and subcontracts are awarded to HUB vendors, with the following minimums for the various contract/subcontract categories:  
  1) 12.6 percent of commodities contracts;  
  2) 33 percent of services contracts;  
  3) 20 percent of professional and consulting contracts;  
  4) 57.2 percent of all special trade construction contracts;  
  5) 11.9 percent of heavy construction contracts; and  
  6) 26.1 percent of all other building construction contracts. | To continue the implementation of the agency's internal HUB policy dated November 15, 1995, for increasing the use of HUBs through purchasing and public works contracts and subcontracts. |

**Outcome Measure**

01 Percent of Total Dollar Value of Purchasing Contracts and Subcontracts Awarded to Qualified HUBs

**Output Measures**

01 Aggregate Number of HUB Contractors and Subcontractors Contacted for Bids

02 For Each Purchasing Category, the Number of HUB Contracts and Subcontracts Awarded

03 For Each Purchasing Category, the Dollar Value of HUB Contracts and Subcontracts Awarded

04 Number of HUB Related Economic Opportunity Forums, Trade Shows and Seminars Attended for Increasing the Agency's Outreach and Utilization of HUB Vendors
2. Initiative Description:
Transformation and consolidation of agency data center operations into the State Data Center.

TABC is one of 29 agencies currently using the data center services (DCS) program for server operations management, data center transformation/consolidation, and security and disaster recovery improvements.

TABC has completed the Transition phase, the Transformation phase, and is currently in the Consolidation phase. Unfortunately, not all servers are moving under DCS vendor control. Therefore, TABC must continue to manage specific servers and maintain a technical environment to do so.

3. Associated Project(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transition Server Operations to DCS Vendor Management</td>
<td>Complete</td>
</tr>
<tr>
<td>Transform Agency Servers</td>
<td>Complete</td>
</tr>
<tr>
<td>Consolidate Agency Data Center Operations</td>
<td>Complete</td>
</tr>
<tr>
<td>Manage Steady State Activities</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

- Agency Goal - Detect and Prevent Violations of the Law
- Agency Goal - Licensing
- Agency Goal - Compliance and Tax Collection
- Agency Goal - Ports of Entry
- Internal Goal 5: Information Technology: Identify and review strategies to improve service and accessibility to information technology systems in a secure manner.

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- P4 – Infrastructure
6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

- Connect – expanding citizen access to services
- Innovate – leveraging technology services and solutions across agencies
- Trust – providing a clear and transparent accounting of government services and data
- Deliver – promoting a connected and agile workforce

Innovate – The Data Center Services arrangement, unlike any project before it, leverages technology services and solutions across agencies. Indeed, the intent of the arrangement is to save money through economies of scale, when combining similar technology activities of 29 agencies.

7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

- Operational efficiencies by recognizing economies of scale across multiple agencies.
- Security improvements by outsourcing physical and logical security requirements on agency data and enhanced disaster recovery.
- Foundation for future operational improvements by optimizing server and storage resources, accelerating the acquisition process, and providing environments/infrastructure necessary for temporary short-term use.

8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.

- Barrier – TABC has found the DCS arrangement to be more expensive – not less expensive – than managing the servers ourselves. The activities are time-consuming, the vendor requires oversight, and the data to support invoices is not available to agencies to verify accurate billing.
- Capability – A new vendor team was recently selected to assume responsibility for the DCS arrangement. TABC is optimistic that the new vendor team will provide services at an acceptable level, ultimately leading to cost savings unrecognized during the life of the contract.
# ONLINE LICENSING & PERMITTING

<table>
<thead>
<tr>
<th>1. Initiative Name: Online Licensing &amp; Permitting</th>
</tr>
</thead>
</table>

## 2. Initiative Description:
Implement public access to online license application, renewal, and fee payment.

In June 2011, TABC upgraded the licensing system, LicenseEase, to Versa:Regulation. The new systems allow TABC to progressively launch online services for application, renewal and fee payment. For example, in the Spring of 2012, TABC launched license renewals for A, BK and T permits (agent permits) and the ability for seller server schools to purchase certificates in bulk online.

Over the next two years, TABC will have the capability to configure the new software to accommodate additional license types over time. We will systematically launch additional online permit renewals as we improve the system’s capability.

The new systems will also provide multi-language by user choice, a secure user registration/logon, password retrieval capability, and an E-mail transaction confirmation feature. Additionally, per state law, the web-based systems will be accessible to citizens with disabilities. We have put in a number of safeguards, to make the system secure and validate the online user.

## 3. Associated Project(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Versa Project – Versa: Regulation Upgrade</td>
<td>Complete</td>
</tr>
<tr>
<td>Versa Project – Versa:Online Implementation</td>
<td>Beta Test Phase</td>
</tr>
<tr>
<td>Versa Project – Versa:BizGuide Implementation</td>
<td>Development Phase</td>
</tr>
<tr>
<td>Versa Project – TABC and County Single Payment Transaction</td>
<td>Planning Phase</td>
</tr>
<tr>
<td>Online Payment of Fees, Fines, Civil Penalties</td>
<td>Not Started</td>
</tr>
</tbody>
</table>

## 4. Agency Objective(s):
Identify the agency objective(s) that the technology initiative supports.

- Agency Objective - Licensing
- External Goal 3: Continue to streamline the licensing process to reduce cost and time involved.

## 5. Statewide Technology Priority(ies):
Identify the statewide technology priority or
priorities the technology initiative aligns with, if any.

- P5 – Legacy Applications

**6. Guiding Principles:** As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

- **Connect** – expanding citizen access to services
- **Innovate** – leveraging technology services and solutions across agencies
- **Trust** – providing a clear and transparent accounting of government services and data
- **Deliver** – promoting a connected and agile workforce

- Connect – The purpose of the Online Licensing & Permitting program is to allow citizens (regulated entities) to access and transact business with the agency.
- Innovate – Leverages Texas.gov capabilities to collect payments online.

**7. Anticipated Benefit(s):** Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- **Operational efficiencies** (time, cost, productivity)
- **Citizen/customer satisfaction** (service delivery quality, cycle time)
- **Security improvements**
- **Foundation for future operational improvements**
- **Compliance** (required by State/Federal laws or regulations)

- Operational efficiencies due to industry self-service.
- Customer (Regulated Industry) satisfaction by streamlining the renewal/payment process.
- Foundation for future operational improvements – intent to accommodate additional license types over time.

**8. Capabilities or Barriers:** Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.

- **Barrier** – The transaction fee is a deterrent to using the online service (compared to the traditional paper process.) Unlike many agencies, TABC cannot absorb the transaction fee due to specific language in statute.
- **Barrier** – The original application process is cumbersome and paper-based, primarily because of the requirement for local government to certify that the applicant can operate as the designated location. To complicate matters, each local government (county, municipality) follows different procedures to obtain the certification. Therefore, automating the process is difficult without a standard operating procedure across the state. (TABC does not regulate the local option elections or the local government’s certification process.)
- **Capability** – Several agencies use the Iron Data Versa suite of software products. These agencies have formed the Texas Versa Users Group to resolve vendor or software issues common to multiple agencies.
- **Best Practices:** Leverages Texas.gov capabilities to collect payments online.
CASE MANAGEMENT & RISK ASSESSMENT

1. Initiative Name: Case Management & Risk Assessment

2. Initiative Description:
Enhance the agency’s Application Tracking and Reporting system (ARTS) to include case management workflow features and risk assessment functionality.

The main goal of the Case Management System is to maintain electronic records of complaints, inspections, audits, investigations, administrative violations, criminal violations, offenses, notices, hearings, orders (pending and issued), proposals for decision, and settlements. TABC is implementing Risk Management solutions to better predict future violations based on past performance. TABC would like to integrate these Risk Management solutions into the Case Management system. Based on the information within the Case Management System, the system will be able to determine the relative priority for a permittee (Risk Assessment) and assign inspections.

Features of the new system will be an automated workflow processes to streamline case activities, role and permission-based security around ARTS and the ability to decommission the CrisNet (NetRMS) system by shifting key features to ARTS. The Risk Assessment features will identify high-risk businesses by using indicators from multiple systems.

3. Associated Project(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case Management &amp; Risk Assessment</td>
<td>Development Phase</td>
</tr>
</tbody>
</table>

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

- Agency Objective - Detect and Prevent Violations of the Law
- Agency Objective - Compliance and Tax Collection
- External Goal 4: Identify high-risk businesses by using non-public-safety violations as an indicator that public safety violations may be occurring.

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- P2 – Data Management
- P3 – Data Sharing
- P5 – Legacy Applications
- P9 – Security and Privacy

6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

- Connect – expanding citizen access to services
- Innovate – leveraging technology services and solutions across agencies
- Trust – providing a clear and transparent accounting of government services and
data
• Deliver – promoting a connected and agile workforce

• Deliver – The Case Management & Risk Assessment Project is intended to automate and streamline the processes and procedures for identifying, responding to, and disposal of violations of the Alcoholic Beverage Code.
• Deliver - With an integrated Case Management System, TABC personnel will have access to records throughout TABC and can better manage activities.

7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:
• Operational efficiencies (time, cost, productivity)
• Citizen/customer satisfaction (service delivery quality, cycle time)
• Security improvements
• Foundation for future operational improvements
• Compliance (required by State/Federal laws or regulations)

• Operational efficiencies by eliminating redundant systems for entering and tracking enforcement investigation cases.
• Security improvements by implementing user- and role-based security permissions.
• Foundation for future operational improvements such as streamlining workflow processes; implementing new workflow processes; measuring activity and outcomes by Service Area, Sector, District, Region and Statewide; and integration with TABC’s Intranet/Document Management System.
• Compliance with statewide application security and accessibility guidelines.

8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.

• Capability – TABC intends to utilize SharePoint as a key component of the system to implement workflow and security. This can be done relatively inexpensively because TABC already maintains an Enterprise Agreement with Microsoft.
• Capability – The system will collect information that can be used in TABC’s data analytics to improve performance across the agency. (See Data Analytics and Information Management initiative.)
• Capability – Through the course of this project, TABC software development staff will learn how to implement features of SharePoint. That skill will be useful long after this project.
• Barrier – The project is funded by a grant through TxDOT. The grant expires on September 30, 2012 so the project must be complete by that date.
• Barrier – This project is, in part, dependent upon the Data Center Services vendor’s ability to provision a SharePoint 2010 environment. Historically, such requests have taken 8-10 months, which would extend beyond the project’s grant funding deadline.
SECURITY MANAGEMENT

1. Initiative Name: Security Management

2. Initiative Description:
Improve information security, identity management, and privacy management within the agency.

TABC employs a full-time information security officer (ISO) to help align cyber security initiatives and resources; conduct agency wide annual risk, vulnerability, systems, and equipment assessments; respond quickly to the state Computer Security Incident Response system; identify, develop, and maintain best practices, performance standards, templates, and guidelines on IT security; improve information sharing and enhance security communication throughout the agency; and promote cyber security awareness, training, and education.

TABC will continue to provide information technology security awareness training for employees throughout the agency. The agency will provide training to the IT management and technical staff to enhance and bolster best practices in information security through security forums, publications, and other information sharing avenues. TABC will provide continued funding to improve and upgrade hardware/software providing automated monitoring and alerts. We will also explore new technologies to provide wider accessibility while maintaining high security standards.

3. Associated Project(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network Access Control implementation</td>
<td>Complete</td>
</tr>
<tr>
<td>Remote and local device encryption</td>
<td>Development Phase</td>
</tr>
<tr>
<td>Mobile Device Management (Access &amp; Security)</td>
<td>Planning Phase</td>
</tr>
<tr>
<td>Maintain and Update Security Policies and Procedures as Required</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Firewall Upgrade</td>
<td>Concept Phase</td>
</tr>
</tbody>
</table>

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

- Agency Goal - Detect and Prevent Violations of the Law
- Agency Goal - Licensing
- Agency Goal - Compliance and Tax Collection
- Agency Goal - Ports of Entry

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.
6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

- Connect – expanding citizen access to services
- Innovate – leveraging technology services and solutions across agencies
- Trust – providing a clear and transparent accounting of government services and data
- Deliver – promoting a connected and agile workforce

- Trust – The Security Management Program is intended to ensure that agency data is protected, agency infrastructure and systems are not vulnerable to cyber security threats, and agency employees use agency resources as intended.

7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

- Reduced vulnerabilities, risks, and threats; improved security awareness; improved identity management, improved privacy policies, increased privacy awareness, and reduced privacy breaches.

8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.

- Barriers – Cyber security threats increase in number and change in structure at an alarming rate. It is becoming increasingly difficult to stay ahead of security threats, even with state-of-the-market software and qualified individuals.
- Barriers – The skills and tools required to keep up with security threats are often prohibitively expensive.
- Capability – Security is a component of every technology initiative at TABC.

MOBILE WORKFORCE

1. Initiative Name: Mobile Workforce

2. Initiative Description:
Implement technologies that allow TABC staff to work without being tied down to a desk computer.

The Mobile Workforce initiative includes the following components:

- Implement Virtual Desktops - Access from Any Device and Any Location with
Internet
- Bring-Your-Own-Device (BYOD) Initiative, allowing TABC employees to use their personal devices without compromising TABC data
- Implement Barcode on Licenses and Permits so information is accessible with a quick scan
- Web Conferencing/Video Conferencing to improve communication and training while reducing travel costs
- Unified Communications - integrate the agency’s different communications systems, media, devices and applications to improve communications, regardless of location
- Mobile Site Visit Audit Software – Automated forms for audits and inspections, GPS location and GIS tracking available on a mobile device
- Implement Wi-Fi Network

TABC has found Mobile Computing to increase productivity of Field Operations staff. Continuing with the success of the In-Car project, TABC has created this initiative to take advantage of technology improvements so staff can work most effectively without being tied down to a desk computer.

3. Associated Project(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virtual Desktop Implementation</td>
<td>Evaluation &amp; Negotiation Phase</td>
</tr>
<tr>
<td>Implement Barcode on Licenses &amp; Permits</td>
<td>Planning Phase</td>
</tr>
<tr>
<td>Web Conferencing / Video Conferencing</td>
<td>Evaluation &amp; Negotiation Phase</td>
</tr>
<tr>
<td>Implement Unified Communications</td>
<td>Evaluation Phase</td>
</tr>
<tr>
<td>Mobile Site Visit Audit Software</td>
<td>Planning Phase</td>
</tr>
<tr>
<td>Implement Wi-Fi Network</td>
<td>Proof of Concept Pilot Phase</td>
</tr>
</tbody>
</table>

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

- Agency Goal - Detect and Prevent Violations of the Law
- Agency Goal - Licensing
- Agency Goal - Compliance and Tax Collection
- Agency Goal - Ports of Entry

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- P6 – Mobility

6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

- Connect – expanding citizen access to services
- Innovate – leveraging technology services and solutions across agencies
- Trust – providing a clear and transparent accounting of government services and data
- Deliver – promoting a connected and agile workforce

- Deliver – The Mobile Workforce Program is intended to promote TABC’s need to serve regulated entities at their place of business – in the field.

7. **Anticipated Benefit(s):** Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:
   - Operational efficiencies (time, cost, productivity)
   - Citizen/customer satisfaction (service delivery quality, cycle time)
   - Security improvements
   - Foundation for future operational improvements
   - Compliance (required by State/Federal laws or regulations)
   - Operational efficiencies by managing the desktop image in a single server rather than on 650 workstations around the state.
   - Operational efficiencies with the ability to extend the lifespan of a PC as the functions are moved to a central server.
   - Operational efficiencies by integrating fixed and mobile voice, e-mail, instant messaging, desktop and advanced business applications into a single, simple environment for agency users.
   - Operational efficiencies and customer satisfaction (regulated entity) by streamlining and accelerating the inspection/audit/investigation process.
   - Operational efficiencies through support of Field Operations intentions for employees to be routinely away from the office.
   - Operational efficiencies by reducing data entry, allowing interviews and documentation to be completed simultaneously.
   - Operational efficiencies by allowing real-time access to application and violation history.
   - Operational efficiencies through improved accountability and productivity of Field Operations employees.

8. **Capabilities or Barriers:** Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.

- Capability - Deploy innovative technology to enhance agency communication both internally and externally.
- Capability – Moving to Virtual Desktops should increase the life expectancy of PC equipment, because the equipment will not need to be upgraded to accommodate operating system updates, memory requirements or disk space.
- Capability - Web and Video Conferencing will enable the Training Division to deliver training virtually, reducing travel costs. (See also the Learning Management System initiative.)
### DATA ANALYTICS AND INFORMATION MANAGEMENT

<table>
<thead>
<tr>
<th>Initiative Name: Data Analytics and Information Management</th>
</tr>
</thead>
</table>
| **2. Initiative Description:**  
TABC is moving toward data analytics, data mining and business intelligence reporting to identify regulated entities with a propensity to violate the Alcoholic Beverage Code. As a result, TABC must develop tools and techniques to report performance measures and outcomes using cross-agency data mining.  
SharePoint will continue to provide the agency the framework for specific content publishing, content management, and records management. We will also be able to conduct effective searches for people, documents, and data, and access and analyze large amounts of agency data. This enterprise wide strategy provides the necessary infrastructure to improve life cycle management of agency data and information. TABC already maintains a data mart housing data that crosses multiple systems. TABC has implement SQL Server Reporting Services (SSRS) so employees can easily access agency data. TABC has also begun integrating SSRS into SharePoint, allowing real-time presentation of performance measures and resource utilization.  
TABC has begun developing executive dashboards for agency managers to track key performance data by integrating SQL Server Reporting Services into SharePoint intranet. Using these tools and data within TABC and shared from other agencies, TABC is just beginning to measure, predict, and manage regulated entities, employee performance, and public safety risk:  
- Identify Regulated Entities with the Propensity to Violate the Alcoholic Beverage Code (Data Analytics and Data Mining)  
- Determine and Measure Relative Risk of a Licensed Location (Risk Assessment)  
- Determine and Measure Relative Public Safety Risk of a Service Area (Risk Assessment)  
- Determine and Measure Market Stability (Investigation Analysis)  
- Measure and Predict Work Load in a Service Area to Best Allocate Resources (Case Management Workload Analysis)  
- Measure Employee Performance Against Objectives (Case Management Workload Analysis)  

TABC participates on a number of cross-agency initiatives to share information. The Geographic Enforcement Management Service (GEMS) software presents local law enforcement data (select jurisdictions) for TABC enforcement officers’ use. The Law Enforcement Analytic Portal (LEAP) initiative similarly centralizes local law enforcement data (select jurisdictions). Indeed, TABC can take the lead among law enforcement agencies for cross-agency application standardization, and service integration to eliminate redundancies. TABC intends to explore participation in the Texas Integrated Justice Information System Initiative to take full advantage of existing...
data from other law enforcement agencies (local, state and federal.) We are also collaborating with the Attorney General’s office and other state agencies on developing consistent policies, procedures, guidelines, and best practices for managing digital information to meet future open records and e-discovery requests. The Comptroller and TABC currently provide each other access to information related to entities involved in the sale of alcoholic beverages.

TIJIS is a statewide advisory group organized to focus on cooperation regarding information system standards among justice, public safety and homeland security agencies throughout Texas. The National Information Exchange Model (NIEM), a partnership of the U.S. Department of Justice and the U.S. Department of Homeland Security, is designed to develop, disseminate and support enterprise-wide information exchange standards and processes that can enable jurisdictions to effectively share critical data. In 2007, the Texas Department of Public Safety, the Texas Department of Criminal Justice, and the Texas Office of Court Administration collaborated with TIJIS to begin the Texas Path to NIEM Project. A procurement process was completed and the contract was awarded to UNISYS. The Texas Path to NIEM is a very critical information sharing project, enabling jurisdictions to effectively share, exchange, accept and translate information using the NIEM standards.

3. Associated Project(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement Data Sharing Arrangement with Geographical Enforcement Management System (GEMS)</td>
<td>Complete</td>
</tr>
<tr>
<td>Implement Data Sharing Arrangement with Law Enforcement Analytic Portal (LEAP)</td>
<td>Complete</td>
</tr>
<tr>
<td>Migrate from Crystal Reports to SQL Server Reporting Services</td>
<td>Complete</td>
</tr>
<tr>
<td>Implement Internal Inquiry System</td>
<td>Complete</td>
</tr>
<tr>
<td>Implement Ports of Entry Dashboard (Pilot)</td>
<td>Complete</td>
</tr>
<tr>
<td>Implement Licensing Division Dashboard</td>
<td>Testing Phase</td>
</tr>
<tr>
<td>Integrate SQL Server Reporting Services (SSRS) into SharePoint Report Center</td>
<td>Planning Phase</td>
</tr>
<tr>
<td>Implement Executive Division Dashboard</td>
<td>Planning Phase</td>
</tr>
<tr>
<td>Implement Field Operations Dashboard</td>
<td>See Case Management Project</td>
</tr>
<tr>
<td>Implement SharePoint Document Management, replacing legacy</td>
<td>Planning Phase</td>
</tr>
</tbody>
</table>
4. **Agency Objective(s):** Identify the agency objective(s) that the technology initiative supports.

- Agency Goal - Detect and Prevent Violations of the Law
- Agency Goal - Licensing
- Agency Goal - Compliance and Tax Collection
- Agency Goal - Ports of Entry

5. **Statewide Technology Priority(ies):** Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- P2 – Data Management
- P3 – Data Sharing

6. **Guiding Principles:** As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

- **Connect** – expanding citizen access to services
- **Innovate** – leveraging technology services and solutions across agencies
- **Trust** – providing a clear and transparent accounting of government services and data
- **Deliver** – promoting a connected and agile workforce

   - Deliver – The improvements described in Data Analytics and Information Management Program allow agency employees at all levels to make better, informed decisions.
   - Innovate – The arrangements described in Data Analytics and Information Management Program demonstrate cross-agency collaboration, specifically for data sharing and presenting information geographically.

7. **Anticipated Benefit(s):** Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

   - Operational efficiencies (time, cost, productivity)
   - Citizen/customer satisfaction (service delivery quality, cycle time)
   - Security improvements
   - Foundation for future operational improvements
   - Compliance (required by State/Federal laws or regulations)

   - Operational Efficiencies by improving access to key performance measure data for agency executives
   - Foundation for future operational improvements by developing the framework to collect, share, store, analyze, and present data for improved decision-making.

8. **Capabilities or Barriers:** Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.

   - Barrier – There is no statewide standard or central repository for local law enforcement to share information. As a result, to obtain public safety information
TABC must approach each local law enforcement agency separately. Some agencies maintain their information in electronic form, but small agencies more often maintain their information in paper form.

- Barrier – The skills and software required to implement and manage data analytics is advanced. Finding and retaining skills personnel to perform these complex tasks has proven difficult.

CITIZEN ACCESS TO TABC INFORMATION

1. Initiative Name: Citizen Access to TABC Information

2. Initiative Description:
Citizens are demanding transparency, access to information, and ability to transact with government through multiple channels including web-based systems, telephone, mobile applications and social media. TABC will continue to implement online transaction services, extend internet query tools to allow public access to information, and utilize Texas.gov for multiple online initiatives.

TABC continues to refine and expand Public Inquiry to offer more and better information to the public and regulated entities. Through Public Inquiry, the public can access license status, violation history, complaint, and credit law information.

Improving website usability and accessibility is an on-going process. The website was redesigned in 2009 (replacing a decade-old website). But now the website needs to be streamlined to be accessible on mobile devices and offer simpler access to data. To accommodate this need, TABC will team with Texas.gov to implement TxNet, a comprehensive Enterprise Internet solution offered exclusively to state agencies and local governments by Texas.gov. Texas.gov will host the internet site, but TABC will continue to design, deploy, and administer content.

Texas.gov provides online services to citizens, businesses, state agencies, and local governments through a collaborative effort across all levels of government. Further, state law requires agencies to use a common e-payment system established by Texas.gov. As mobile devices (cell phones and PDAs) become more prevalent than traditional workstations, the online applications must be modified (maybe even re-coded) to accommodate different browsing platforms. Opportunities for TABC to leverage Texas.gov include:

- Additional Online Applications License Types - TABC has already implemented online renewals for select license types. Over the next 2 years, TABC intends to systematically include additional license types. Texas.gov is the payment processor of this service.
- TxPay – TABC intends to use TxPay to accept fees, fines and civil penalties that are not associated with a license or permit renewal.
- TABC Storefront – This includes any item TABC may have for sale, including Club Cards, signage, and TABC collateral material.
• MyTexBiz – TABC participated in the development of MyTexBiz, a Governor’s Office Initiative for one-stop permitting to open a restaurant.
• TxNet – Website development and hosting described above.
• Border Stamp Enforcement – Texas.gov will provide the payment processing for the upgraded software that will accept credit and debit cards.
• Mobile Application Development – Texas.gov has developer resources so TABC does not have to invest in the Mobile Application Development skill set. TABC has several data sets that could be delivered through mobile applications.

3. Associated Project(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrade Public Inquiry</td>
<td>Complete</td>
</tr>
<tr>
<td>Re-brand Online Services to TABC:Online</td>
<td>Beta Testing Phase</td>
</tr>
<tr>
<td>Migrate Website Content to Texas.gov</td>
<td>Planning Phase</td>
</tr>
<tr>
<td>TxNet solution</td>
<td>Concept Phase</td>
</tr>
<tr>
<td>Redesign Public Inquiry for Mobile Devices</td>
<td></td>
</tr>
<tr>
<td>Intoxication Mobile Application</td>
<td>Funding Request (Spring Break Grant)</td>
</tr>
<tr>
<td>File a Complaint Mobile Application</td>
<td>Funding Request (Spring Break Grant)</td>
</tr>
<tr>
<td>Find a TABC Office Location Mobile Application</td>
<td>Conceptual Phase</td>
</tr>
<tr>
<td>Cash Credit Law Mobile Application</td>
<td>Conceptual Phase</td>
</tr>
<tr>
<td>Public Inquiry Mobile Application</td>
<td>Conceptual Phase</td>
</tr>
<tr>
<td>Renew Licenses/Permits Mobile Application</td>
<td>Conceptual Phase</td>
</tr>
<tr>
<td>Pay Fees, Fines &amp; Civil Penalties Mobile Application</td>
<td>Conceptual Phase</td>
</tr>
</tbody>
</table>

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

• Agency Goal - Detect and Prevent Violations of the Law
• Agency Goal - Licensing
• Agency Goal - Compliance and Tax Collection
• Agency Goal - Ports of Entry
• External Goal 1: Continue to improve communication with industry to facilitate education and voluntary compliance.
### 5. Statewide Technology Priority(ies):
Identify the statewide technology priority or priorities the technology initiative aligns with, if any.
- P8 – Open Data

### 6. Guiding Principles:
As applicable, describe how the technology initiative will address the following statewide technology guiding principles:
- **Connect** – expanding citizen access to services
- **Innovate** – leveraging technology services and solutions across agencies
- **Trust** – providing a clear and transparent accounting of government services and data
- **Deliver** – promoting a connected and agile workforce

- Connect and Trust – The Citizen Access to TABC Information initiative improves access to agency data, in the spirit of the statewide Open Data initiative.
- Innovate – The Citizen Access to TABC Information initiative takes advantage of Texas.gov, the solution for transacting online services across state government.

### 7. Anticipated Benefit(s):
Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:
- **Operational efficiencies** (time, cost, productivity)
- **Citizen/customer satisfaction** (service delivery quality, cycle time)
- **Security improvements**
- **Foundation for future operational improvements**
- **Compliance** (required by State/Federal laws or regulations)

- Operational efficiencies and customer satisfaction by allowing citizens to find information on their own, rather than submitting Public Information Requests or contacting TABC with complex questions.
- Foundation for future operational improvements as regulated entities and the public accept (and demand) online services as an alternative to traditional paper or walk-in methods.

### 8. Capabilities or Barriers:
Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.

- **Capability** - Satisfies the public’s demand for more openness in government.
- **Capability** - Satisfies the Sunset recommendation for making violation and complaint information public via the agency’s website.
- **Barrier** – The transaction fee is a deterrent to using the online service (compared to the traditional paper process.) Unlike many agencies, TABC cannot absorb the transaction fee due to specific language in statute.
- **Best Practice** - TABC’s Public Inquiry System is nationally recognized by the state alcohol regulation community.
## DOCUMENT IMAGING & RETRIEVAL

### 1. Initiative Name: Document Imaging & Retrieval

### 2. Initiative Description:
Implement document imaging and retrieval to all agency business units and extend access to electronic documents across the agency.

TABC has acquired Neubus imaging services to image licensing files (historical) and implement a front-end imaging process to image new applications and related documentation. Since the project was initiated in 2009 to image Licensing files, TABC has implemented additional services:
- Implemented Day-Forward Imaging Processes to streamline the License/Permit Application and Renewal Process (this is refined with periodic process improvement)
- Imaged 5 years of Approved Alcoholic Beverage Labels
- Implemented a system (for internal and public use) to access Approved Alcoholic Beverage Labels. [https://label.tabc.state.tx.us/esd3-tlabel](https://label.tabc.state.tx.us/esd3-tlabel).

**Planned functionality:**
- Integrate the Neubus Licensing system with Licensing and Compliance systems through an automated interface.
- Use the barcode created during the imaging process and put it on each license/permit. Image Excise Tax Records, reducing/eliminating paper.
- Image Financial Records (Purchase Orders, etc.), reducing/eliminating paper.

### 3. Associated Project(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Image Licenses and Permits since 1935</td>
<td>Complete</td>
</tr>
<tr>
<td>Implement Imaging Process for Received Applications and Renewals</td>
<td>Complete</td>
</tr>
<tr>
<td>Implement Public Access to Approved Labels</td>
<td>Complete</td>
</tr>
<tr>
<td>Improve Licensing Scanning &amp; Retrieval Process</td>
<td>Planning Phase</td>
</tr>
<tr>
<td>Implement Imaging for Excise Tax Records</td>
<td>Planning Phase</td>
</tr>
<tr>
<td>Implement Imaging for Financial Records</td>
<td>Planning Phase</td>
</tr>
</tbody>
</table>

### 4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.
- Agency Goal – Licensing
- Agency Goal – Compliance and Tax Collection
5. **Statewide Technology Priority(ies):** Identify the statewide technology priority or priorities the technology initiative aligns with, if any.
   - P2 – Data Management

6. **Guiding Principles:** As applicable, describe how the technology initiative will address the following statewide technology guiding principles:
   - Connect – expanding citizen access to services
   - Innovate – leveraging technology services and solutions across agencies
   - Trust – providing a clear and transparent accounting of government services and data
   - Deliver – promoting a connected and agile workforce

   - Deliver – The Document Imaging & Retrieval Program allows all employees to access paperwork regardless of physical location. Further, it reduces storage fees by eliminating paper and streamlines automated processes.
   - Innovate – TABC has developed a relationship with Neubus through the Council on Competitive Government Strategic Sourcing arrangement.

7. **Anticipated Benefit(s):** Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:
   - Operational efficiencies (time, cost, productivity)
   - Citizen/customer satisfaction (service delivery quality, cycle time)
   - Security improvements
   - Foundation for future operational improvements
   - Compliance (required by State/Federal laws or regulations)

   - Operational efficiencies through reduced cost to maintain records.
   - Operational efficiencies through streamlined processes as a result of eliminating the creation and transfer of paperwork.
   - Customer satisfaction (regulated entity) by significantly reducing the cycle time to apply for or renew a license/permit.

8. **Capabilities or Barriers:** Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.
   - Capability - Improved archiving of images and documents.
   - Capability - Easier retrieval to files using complete text indexing of document contents (such as PDF or Office documents, or OCR text), and custom searching.
   - Capability – A standing contract that allows TABC to image any documents while taking advantage of our quantity discount.
   - Best Practices: Utilize a managed services contract to maximize efficiency while reducing costs.
LEARNING MANAGEMENT SYSTEM

1. Initiative Name: Learning Management System

2. Initiative Description:
Implement a solution to register employee training, track employee training, integrate with TCLEOSE, and distribute courses over the Internet with features for online collaboration.

TABC intends to implement, InformaOne, a scalable and reliable Learning Management System from Informa Systems, with unique Law Enforcement features and customization. InformaOne will enable the rapid deployment of learning content to the agency’s distributed workforce. With the system, the agency will record user activity in a variety of formats (from instructor-led to online learning/video technology) and also extract reports quickly and easily.

3. Associated Project(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement Software Solution</td>
<td>Negotiation Phase</td>
</tr>
<tr>
<td>Import Employee Training History</td>
<td>Planning Phase</td>
</tr>
<tr>
<td>Develop Computer Based Training Modules</td>
<td>Planning Phase</td>
</tr>
<tr>
<td>Distribute Computer Based Training Modules</td>
<td>Planning Phase</td>
</tr>
</tbody>
</table>

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

- Agency Goal - Detect and Prevent Violations of the Law
- Agency Goal - Licensing
- Agency Goal - Compliance and Tax Collection
- Agency Goal - Ports of Entry
- Goal 4: Employee Development: Investigate ways to expand or improve training opportunities for employees.

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- P3 – Data Sharing
- P6 – Mobility

6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

- Connect – expanding citizen access to services
- Innovate – leveraging technology services and solutions across agencies
- Trust – providing a clear and transparent accounting of government services and
data
• Deliver – promoting a connected and agile workforce

• Deliver – The Learning Management System Project will allow TABC to deliver training without regard to physical location. It will also improve the level of training across the agency as basic, pre-requisite information can be easily shared prior to meeting in person.

7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:
• Operational efficiencies (time, cost, productivity)
• Citizen/customer satisfaction (service delivery quality, cycle time)
• Security improvements
• Foundation for future operational improvements
• Compliance (required by State/Federal laws or regulations)

• Operational efficiencies by reducing travel time and costs (for instructor or student).
• Operational efficiencies by delivering basic information virtually, reserving face-to-face learning for higher learning objectives and teambuilding exercises.
• Foundation for future operational improvements by implementing the platform for an unlimited number of training modules (work-specific, technology, procedural, cultural, informative, general, etc.)
• Compliance by maintaining accurate records for Certified Police Officer training as required by TCLEOSE.

8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.

• Capability – TABC is the recipient of a grant to fund the acquisition of the Learning Management System software.

APPLICATION STANDARDIZATION & OPTIMIZATION

1. Initiative Name: Application Standardization & Optimization

2. Initiative Description:
Standardize and optimize the software development environment and the TABC software applications.

TABC has multiple initiatives to standardize and optimize the applications, the development environment and the interoperability of all TABC applications. TABC intends to replace the legacy (outdated) FoxPro applications and the legacy Lotus Notes applications, primarily using the SharePoint tool. IRD plans to standardize on a single version of .NET, SQL Server Databases, and upgrade server operating systems to Windows 2008 (25 systems of varying complexity). IRD is just beginning to exploit
SharePoint to accommodate multiple business needs for information sharing (21 application needs identified). Indeed, several of the legacy FoxPro and Lotus Notes applications will be implemented using SharePoint.

TABC is in the process up standardizing and upgrading Visual Source Safe to Team Foundation Server (TFS), a full software configuration management solution that offers release management, version control, work item tracking, and reporting functionality.

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standardize the Software Platform (.NET, SQL Server, Visual Studio, Server OS) – 25 applications of varying complexity</td>
<td>Implementation Phase</td>
</tr>
<tr>
<td>Upgrade Visual Source Safe to Team Foundation Server</td>
<td>Planning Phase</td>
</tr>
<tr>
<td>Personnel Action Form (PAF) Automation on SharePoint</td>
<td>Beta Testing Phase</td>
</tr>
<tr>
<td>Halt Form Automation on SharePoint</td>
<td>Planning Phase</td>
</tr>
<tr>
<td>Master Replicator and FoxPro Application Replacement (Delinquent List, Employee Directory, Master Replicator, and USAS Database)</td>
<td>Conceptual Phase</td>
</tr>
<tr>
<td>Install Application Security and Volume Testing Software</td>
<td>Conceptual Phase</td>
</tr>
<tr>
<td>Replace IAMS Change Management Software on SharePoint</td>
<td>Conceptual Phase</td>
</tr>
<tr>
<td>Content Management System on SharePoint</td>
<td>Conceptual Phase</td>
</tr>
<tr>
<td>Project Tracking on SharePoint</td>
<td>Conceptual Phase</td>
</tr>
<tr>
<td>Vehicle Stop on SharePoint</td>
<td>Conceptual Phase</td>
</tr>
<tr>
<td>Seized &amp; Purchased as Evidence on SharePoint</td>
<td>Conceptual Phase</td>
</tr>
<tr>
<td>Legislative/media Contact Report on SharePoint</td>
<td>Conceptual Phase</td>
</tr>
<tr>
<td>Attachment Storage on SharePoint</td>
<td>Conceptual Phase</td>
</tr>
<tr>
<td>Protest Workflow on SharePoint</td>
<td>Conceptual Phase</td>
</tr>
<tr>
<td>Dashboard to Cognos on SharePoint</td>
<td>Conceptual Phase</td>
</tr>
</tbody>
</table>
## Document and Records Management System on SharePoint
- Conceptual Phase

## My Human Resources Site on SharePoint
- Conceptual Phase

## Global Address List (GAL) update to outlook on SharePoint
- Conceptual Phase

### 4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.
- Agency Goal - Detect and Prevent Violations of the Law
- Agency Goal - Licensing
- Agency Goal - Compliance and Tax Collection
- Agency Goal - Ports of Entry

### 5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.
- P5 – Legacy Applications

### 6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles:
- Connect – expanding citizen access to services
- Innovate – leveraging technology services and solutions across agencies
- Trust – providing a clear and transparent accounting of government services and data
- Deliver – promoting a connected and agile workforce

- The Guiding Principles do not directly apply to the Application Standardization and Optimization Program. However, the Program improves the technology that supports all agency operations.

### 7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:
- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

- Operational efficiencies by reducing development time and time to test new features.
- Operational efficiencies by improving interoperability of systems.
- Foundation for future operational improvements by simplifying the upgrade to new versions as available.

### 8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.
| Capability – TABC maintains an Enterprise Agreement with Microsoft which allows the agency to upgrade to new versions of Microsoft software within incurring any additional cost. |
| Barrier – TABC technology resources are extremely busy and working on multiple, high-priority initiatives simultaneously. Carving time for staff to work on this initiative has proven difficult as it is important, but not yet urgent. |

**BUSINESS SOFTWARE IMPROVEMENTS**

1. **Initiative Name:** Business Software Improvements

2. **Initiative Description:**
   Business Software Improvements, including Email Cloud Solution, Migrate to the texas.gov domain (including email addresses) and begin using Microsoft Office 365 Software As A Service.

3. **Associated Project(s):**

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email Cloud Solution</td>
<td>Negotiation Phase</td>
</tr>
<tr>
<td>Microsoft Office 365 Software As A Service</td>
<td>Negotiation Phase</td>
</tr>
<tr>
<td>Migrate to the texas.gov domain</td>
<td>Planning Phase</td>
</tr>
</tbody>
</table>

4. **Agency Objective(s):** Identify the agency objective(s) that the technology initiative supports.

   - Agency Goal - Detect and Prevent Violations of the Law
   - Agency Goal - Licensing
   - Agency Goal - Compliance and Tax Collection
   - Agency Goal - Ports of Entry

5. **Statewide Technology Priority(ies):** Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

   - P1 – Cloud
   - P5 – Legacy Applications

6. **Guiding Principles:** As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

   - Connect – expanding citizen access to services
   - Innovate – leveraging technology services and solutions across agencies
   - Trust – providing a clear and transparent accounting of government services and data
   - Deliver – promoting a connected and agile workforce

   - The Guiding Principles do not directly apply to the Business Software
Texas Alcoholic Beverage Commission

7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:
   • Operational efficiencies (time, cost, productivity)
   • Citizen/customer satisfaction (service delivery quality, cycle time)
   • Security improvements
   • Foundation for future operational improvements
   • Compliance (required by State/Federal laws or regulations)

   • Operational efficiencies through reduced cost of maintaining email accounts and eliminating the Exchange email.
   • Compliance with DIR’s initiative for all agencies to move to the texas.gov domain.

8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.

   • Barrier – The email cloud solution must comply with TJIS security standards for law enforcement agencies. Other agencies that have moved to the email cloud have identified this as an unforeseen issue that TABC intends to avoid.
   • Barrier – TABC has been ready to migrate the Exchange servers to the State Data Center, but the vendor lacked an acceptable solution. As a result, TABC intends to move to the cloud. Meanwhile, the new DCS vendor is developing acceptable solutions for email. TABC could be forced into a decision based on the DCS arrangement rather than the business needs of the agency.

PC REFRESH

1. Initiative Name: PC Refresh

2. Initiative Description:
   Personal computers (PCs) are now everyday tools for most state employees. Historically, these purchases have been treated as large capital acquisitions, where agencies are expected to see value from the purchase over time. The rate of technology change, however, has led to PCs becoming functionally obsolete after an increasingly short period. Investment in this type of technology is no longer a one-time expense; it is an ongoing operational expense that must be incorporated into yearly budget planning for agencies and universities.

   TABC currently has a refresh cycle of 3 years for most personal computers (4 years for ruggedized notebooks and special purpose workstations. As the lease term expires, Information Resources staff acquire, install and configure the replacement equipment and return the leased equipment to the vendor.
3. Associated Project(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC Refresh (Annual Activity)</td>
<td>Implementation Phase for FY11 Planning Phase for FY12 and beyond</td>
</tr>
</tbody>
</table>

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

- Agency Goal - Detect and Prevent Violations of the Law
- Agency Goal - Licensing
- Agency Goal - Compliance and Tax Collection
- Agency Goal - Ports of Entry

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- P4 – Infrastructure

6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

- Connect – expanding citizen access to services
- Innovate – leveraging technology services and solutions across agencies
- Trust – providing a clear and transparent accounting of government services and data
- Deliver – promoting a connected and agile workforce

- The Guiding Principles do not directly apply to the PC Refresh Project. However, the Project improves the technology that supports all agency operations.

7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

- Foundation for future operational improvements by making sure all PCs are compatible with current operating systems and software versions, including processing, storage and memory requirements.
- Operational efficiencies with the ability to extend the lifespan of a PC as the functions are moved to a central server through the Virtual Desktop Initiative (see Mobile Workforce.)

8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.
• Capability – The lease arrangement for PCs allows TABC at the end of the lease to extend the lease or purchase the equipment. This gives TABC flexibility based on available funds and timing of the refresh for each PC or group of workstations.

• Capability – The Virtual Desktop initiative (see Mobile Workforce) puts the processing, storage and memory from the PC to a server. Therefore, after the Virtual Desktop Initiative is complete, our PCs will need access to the internet and minimal technical specifications. We expect the PC lifecycle to extend to 4 or 5 years (from 3 years)

COMMUNICATIONS TECHNOLOGY INFRASTRUCTURE

1. Initiative Name: Communications Technology Infrastructure

2. Initiative Description:
The agency uses the statewide TEX-AN communications services contract for voice and data services including access circuits, data transport services, ATM, frame-relay, point-to-point services, internet service provider services, and network security operations services.

TABC has standardized the telecommunication system statewide:
• All TABC field offices use the same electronic key telephone system.
• Headquarters uses a PBX phone system.
• The devices used in the field are the same devices used in Headquarters.
• All facilities use Voice over Internet Protocol (VoIP).
• All facilities have been converted to 4-digit dialing (not requiring the area code and prefix to contact a TABC facility.)

TABC currently uses NEC’s Mercury Communications software for VoIP and the Headquarters PBX. The life expectancy of a phone system (hardware) is seven years, with software upgrades every two or three years. Future upgrades include software releases and patches to enhanced features, such as unified messaging and 6-way conference calling.

TABC ‘piggy backs’ on the Department of Public Safety network so TABC enforcement officers have access to TLETS and NLETS data. This initiative enables TABC officers to deploy state of the art mobile data systems that foster greater access and sharing of data and information in real-time among and beyond Texas law enforcement. This effort will enhance TABC’s day-to-day public safety operations to better support various targeted and coordinated regional initiatives including drunk driving enforcement, officer oversight and training review, and specific actions against certain types of drug, human trafficking and other related crimes.

3. Associated Project(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Network management and upgrades at offices and Ports of Entry locations TABC locations around the state
- **Status:** Ongoing

### Telephone system management and upgrades at offices and Ports of Entry locations TABC locations around the state
- **Status:** Ongoing

### Migrate from AT&T WAN to AT&T VPN
- **Status:** Planning and Negotiation Phase

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#### 4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.
- Agency Goal - Detect and Prevent Violations of the Law
- Agency Goal - Licensing
- Agency Goal - Compliance and Tax Collection
- Agency Goal - Ports of Entry

#### 5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.
- P4 – Infrastructure
- P7 – Network

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#### 6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles:
- Connect – expanding citizen access to services
- Innovate – leveraging technology services and solutions across agencies
- Trust – providing a clear and transparent accounting of government services and data
- Deliver – promoting a connected and agile workforce

The Guiding Principles do not directly apply to the Communications Technology Infrastructure Program. However, the Program improves the technology that supports all agency operations. This initiative also provides the infrastructure foundation for other initiatives such as Mobile Workforce and Learning Management System.

#### 7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:
- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

- Operational efficiencies by enabling TABC to build an application aware, network-based Multi-Protocol Label Switching (MPLS) virtual private network (VPN) to efficiently transmit applications such as voice, data, and video over a single connection.
- Foundation for future operational improvements by upgrading the network to
accommodate voice, data and video over a single connection. Future operational improvements include web/video conferencing, access from anywhere, virtual desktop, VOIP, and computer-based training.

8. **Capabilities or Barriers**: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.

- **Capability** – TABC takes advantage of the Tex-AN contract through DIR. The recently approved Tex-AN arrangement through DIR offers current technology solutions that the previous contract did not include.
- **Barrier** – TABC Ports of Entry locations are often co-located with federal offices such as Border Patrol and Customs. In the past, TABC has attempted to establish a dedicated wireless network at several POE locations but met resistance from federal agencies.

**ENTERPRISE RESOURCE PLANNING (ERP)**

1. **Initiative Name**: Enterprise Resource Planning (ERP)

2. **Initiative Description**:
TABC has identified needs to strengthen software solutions for both financial and human resources. (The statewide Project ONE initiative should meet this need, but appears to be unavailable to TABC for the next three to five years.)

The current Human Resources Management System (HRMS) contains employee data and demographics. It does not include functions for Applicant Tracking, Recruiting Tracking, Job Posting, and Performance Review Tracking. It was custom-built in the 1990s and is considered cumbersome and beyond its useful life by the Human Resources Division.

The Business Services Division uses a custom-built Lotus Notes system for Purchase Tracking and Travel Reimbursements. Employees currently report time using Microsoft Excel spreadsheets which are then re-keyed into the Comptroller’s personnel system (USPS). Further, much of TABC’s budgeting, financial tracking, and reconciliation activities are performed using Microsoft Excel spreadsheets. These cumbersome, often manual, systems should be replaced with current off-the-shelf software, which is readily available on the market.

3. **Associated Project(s):**

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrade the Human Resources Management System</td>
<td>Request for Funding Phase (LAR)</td>
</tr>
<tr>
<td>Time and Leave Automation</td>
<td>Request for Funding Phase (LAR)</td>
</tr>
<tr>
<td>Replace Lotus Notes Purchase Tracking System</td>
<td>Request for Funding Phase (LAR)</td>
</tr>
<tr>
<td>Replace Lotus Notes Travel Tracking System</td>
<td>Request for Funding Phase (LAR)</td>
</tr>
</tbody>
</table>

4. **Agency Objective(s):** Identify the agency objective(s) that the technology initiative supports.

- Agency Goal - Detect and Prevent Violations of the Law
- Agency Goal - Licensing
- Agency Goal - Compliance and Tax Collection
- Agency Goal - Ports of Entry

5. **Statewide Technology Priority(ies):** Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- P5 – Legacy Applications

6. **Guiding Principles:** As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

- Connect – expanding citizen access to services
- Innovate – leveraging technology services and solutions across agencies
- Trust – providing a clear and transparent accounting of government services and data
- Deliver – promoting a connected and agile workforce
- The Guiding Principles do not directly apply to the Enterprise Resource Planning Program. However, the Program implements the technology that supports all agency operations.

7. **Anticipated Benefit(s):** Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

- Improve the management of employee HR information through workflow automation.
- Improve the management of financial data through automation.
- Security improvements by replacing paper-based, manual processes with automated systems.

8. **Capabilities or Barriers:** Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.

- Barrier – Project One, an initiative by the Texas Comptroller’s Office, is intended, over the long-term, to provide all agencies with ERP systems.
However, all indicators from the Comptroller’s Office are that statewide implementation is many years away. Meanwhile, the Comptroller’s Office requires agencies to obtain prior approval for any ERP initiative (or any initiative with ERP components). TABC has twice submitted requests to implement Human Resource Management software and been denied both times. TABC’s systems are beyond their useful life and no longer meet the agency’s complex business needs.

PORTS OF ENTRY TAX COLLECTION AND BORDER STAMP ENFORCEMENT

1. Initiative Name: Ports of Entry Tax Collection and Border Stamp Enforcement

2. Initiative Description:
TABC expects to receive a grant to upgrade the Ports of Entry Tax Collection System (POETCS). The purpose of the project would be to strengthen the controls on the POE stamps issued along the border. It will also allow Ports of Entry personnel to collect excise taxes using credit/debit cards.

Further, TABC is determining if and how Ports of Entry should begin collecting excise taxes beyond border crossings, including airports and seaports. This new initiative should improve revenue collection for the agency, but will require an investment in technology to perform the job effectively and efficiently.

3. Associated Project(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create a database/scan system for POE stamps by upgrading POETCS</td>
<td>Request for Funding Phase (grant)</td>
</tr>
<tr>
<td>Update POETCS to accept credit/debit cards</td>
<td>Request for Funding Phase (grant)</td>
</tr>
<tr>
<td>Extend POETCS to airports and seaports</td>
<td>Request for Funding Phase (LAR)</td>
</tr>
</tbody>
</table>

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

- Agency Goal - Detect and Prevent Violations of the Law
- Agency Goal - Compliance and Tax Collection
- Agency Goal - Ports of Entry
- Agency Goal – Promote Community Policing Efforts through Technology

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- P2 – Data Management
- P4 – Infrastructure
6. **Guiding Principles:** As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

- **Connect** – expanding citizen access to services
- **Innovate** – leveraging technology services and solutions across agencies
- **Trust** – providing a clear and transparent accounting of government services and data
- **Deliver** – promoting a connected and agile workforce

- Innovate – The Border Stamp Enforcement Project utilizes the Texas.gov payment portal that is leveraged across the State of Texas.
- Connect – The Border Stamp Enforcement Project will allow individuals crossing the border to pay their alcoholic beverage tax in a more convenient manner.

7. **Anticipated Benefit(s):** Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

- Operational efficiencies by offering 24-hour access to information related to the alcohol brought in from other locations.
- Public safety improvements because stamps would only be deemed legal if in the database system, preventing tax stamp forgeries on both alcohol and tobacco entering the United States. With a simple scan action law enforcement could verify that taxes were collected and when.
- Foundation for future operational improvements because additional information could be added as more investigative knowledge is needed.
- Security improvements because the amount of cash on hand is a security risk for Ports of Entry staff. (The amount of cash has increased dramatically over the past year.)
- Security improvements by preventing some organized crime activity (such as money laundering through tax payments.)
- Improved revenue generation by expanding Ports of Entry to include airports and seaports.

8. **Capabilities or Barriers:** Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.

- Capability – TABC expects to receive grant funding to complete this initiative.
- Capability – TABC continues to maintain an operating relationship with the vendor that developed the POETCS system in 2007. TABC expects to utilize the same vendor to complete the necessary upgrades to POETCS.
- Barrier – TABC currently accepts credit/debit cards online (Texas.gov is the
payment processor.) To do this, TABC must meet some PCI compliance requirements for when employees encounter credit card and personally identifiable information. This POE initiative will require stringent compliance with all PCI requirements as the agency would be physically handling credit cards.

LABEL APPROVAL AUTOMATION

1. Initiative Name: Label Approval Automation

2. Initiative Description:
Currently, TABC label approval is an entirely manual paper process. Applicants, primarily alcoholic beverage manufacturers and distributors, browse to the TABC website, download and print an application, manually fill it out, staple a copy of the COLA to the application, and mail it along with payment to TABC. TABC staff then manually processes the application and mails the permittee a paper certificate of label approval.

The Alcoholic Beverage Label Approval Application seeks to replace this manual processing. The new System will allow applicants to submit completed applications, pay all applicable fees, and view and print appropriate TABC label approval certificates.

In addition, designated TABC staff will be able to log in with a separate Administrator profile to disposition applications via a work queue, search the work queue for specific applications, and create application activity reports.

3. Associated Project(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Label Approval Automation</td>
<td>Request for Funding Phase (LAR or self-funding model)</td>
</tr>
</tbody>
</table>

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

- Agency Goal - Compliance and Tax Collection

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- P2 – Data Management
- P5 – Legacy Applications

6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

- Connect – expanding citizen access to services
- Innovate – leveraging technology services and solutions across agencies
- Trust – providing a clear and transparent accounting of government services and
<table>
<thead>
<tr>
<th>7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Operational efficiencies (time, cost, productivity)</td>
</tr>
<tr>
<td>• Citizen/customer satisfaction (service delivery quality, cycle time)</td>
</tr>
<tr>
<td>• Security improvements</td>
</tr>
<tr>
<td>• Foundation for future operational improvements</td>
</tr>
<tr>
<td>• Compliance (required by State/Federal laws or regulations)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Capability - TABC can assess a fee as long as we can justify any increase to the TABC CFO and the alcoholic beverage industry. Therefore, TABC should be able to increase the fee so the agency can then absorb the transaction fees assessed for credit card processing. (See Sec. 101.67 and Sec. 101.671.)</td>
</tr>
<tr>
<td>• Capability – TABC accepts label approval applications once and they never expire. Most states have an annual renewal process (and charge a higher fee than TABC.)</td>
</tr>
</tbody>
</table>

### EXCISE TAX AUTOMATION

1. **Initiative Name:** Excise Tax Automation

2. **Initiative Description:**
   Reviewing and reconciling Excise Tax reports is a manual process (very labor intensive) at TABC. Approximately 36,000 reports are analyzed each year. The majority of time is spent reconciling the manufacturing tier shipping report/invoices against wholesale/distributing receiving reports.

   Current excise tax filers include nonresident sellers, wholesalers, distillers, winery/wine bottlers, airlines/passenger trains, distributors, nonresident manufacturers, brewpubs, resident manufacturers, brewers, and direct shippers. Although much of the filing
processes are similar there are some distinct differences between filers.

The reports are received on the 15th of each month, following the month for which the report is made. The report analysis process takes approximately one month. Every invoice is checked to determine tax liability, product label approval and validity of shipper. Correspondence for discrepancies is generated and remains outstanding until it is resolved.

### 3. Associated Project(s):

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automate Excise Tax</td>
<td>Request for Funding (LAR) Phase 1, Requirements, Complete Project on indefinite hold due to funding cuts.</td>
</tr>
</tbody>
</table>

### 4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

- Agency Goal - Compliance and Tax Collection

### 5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- P2 – Data Management
- P5 – Legacy Applications
- P8 – Open Data

### 6. Guiding Principles: As applicable, describe how the technology initiative will address the following statewide technology guiding principles:

- Connect – expanding citizen access to services
- Innovate – leveraging technology services and solutions across agencies
- Trust – providing a clear and transparent accounting of government services and data
- Deliver – promoting a connected and agile workforce

### 7. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

- The new system will allow the agency to use its resources more efficiently. Instead of submitting a report and invoices by mail, each permittee would be
able to submit the required information electronically. The program would reconcile all the information and determine which transactions are not matching and a discrepancy report would be generated. This process would be in real-time eliminating the month-long analyzation process.

- Fiscally, there will be many benefits to the state and the businesses we regulate. Postage fees would be drastically reduced. Businesses would be able to better use their resources by not having to staff personnel to manually generate and file these monthly reports. They also would save space by not having to keep copies of each transaction for record retention requirements.
- The time saved by not having to manually process the monthly reports would be used to concentrate on more involved compliance violations in a timelier manner.
- Foundation for future operational improvements by re-using technology, such as BizTalk and SharePoint, for other initiatives.

8. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.

- Barrier – The Excise Tax Project was approved by the 81st legislature. Unfortunately, this project was a casualty of the mandatory budget cuts. This project makes strong fiscal sense, as the technology investment results in efficiencies within TABC and with regulated entities.
- Capability – Before the project was placed on hold due to budget cuts, the Requirements Definition Phase was complete. When this project begins, that deliverable will be the starting point with very little re-work expected.
APPENDIX A:
AGENCY PLANNING PROCESS

In addition to the agency’s internal customers—the employees themselves—the Texas Alcoholic Beverage Commission has a wide and varied group of external customers throughout the state. Not only does the agency focus on its most immediate group, the alcoholic beverage industry, but it must also give adequate attention and concern to the issues of the general public, law enforcement groups, educators, various coalitions and public interest groups concerning the regulation of alcoholic beverage sales.

**PERFORMANCE MEASURES**
Throughout the spring of 2012, TABC’s budget director and planner worked with the Legislative Budget Board to recommend changes to agency performance measures. As of May 2012, they have not been approved yet. It is hoped that if approved, they will allow the agency to measure performance in a more meaningful way.

**INTERNAL / EXTERNAL ASSESSMENT**
Key staff in various divisions worked on different sections of the internal / external assessment. These employees evaluated key factors that influence the agency. External factors include economic conditions, population shifts, technological advances, geographical changes and statutory changes. Internal factors include management policies, resource constraints, organizational structure, automation, personnel and operational procedures.

**TECHNOLOGY RESOURCES PLANNING**
TABC’s Information Resources Project Manager worked with IT staff as well as internal customers (employees) to develop an IT roadmap that details where the agency is moving technologically and how the agency will get there.

**MANAGEMENT GOALS**
Each year, the Opportunities for Improvement section of the agency’s Strategic Plan includes internal management goals. During the 2008 process, the decision was made to begin developing internal goals based on the results of the Survey of Employee Engagement and external goals based on feedback received from industry and community stakeholders.

**SURVEY OF EMPLOYEE ENGAGEMENT LOCAL BRAINSTORMING MEETINGS**
Throughout February and March, supervisors hosted local meetings to discuss the results of the Survey of Employee Engagement for their particular area, and to gather ideas on how to incorporate findings into the agency’s management goals. Every employee had the opportunity to meet in small to medium-size groups and discuss their personal interpretation of the survey results. Then they were able to brainstorm issues or concerns, as well as recommendations, for how to address the lowest-scoring constructs in the survey.
In late March, division directors used the results of these local brainstorming meetings to develop management goals and strategies specifically related to the feedback from TABC employees.

The goal sponsors will be expected to report their progress on a quarterly basis throughout the next two years. These goals are included in the Opportunities for Improvement section of the Strategic Plan. The Survey of Employee Engagement in 2013 will measure the results.

**STAKEHOLDER INVOLVEMENT**

During the 2004 and 2006 strategic planning processes, the agency held public forums across the state to gather input from the general public and all permit holders. These regional meetings were advertised in local newspapers. Attendance was low, and the discussions did not result in a great deal of valuable input into our strategic planning.

During the 2008, 2010 and 2012 processes, instead of inviting the general public to participate, focus was given to the agency’s direct stakeholders – the alcoholic beverage industry and other public interest groups. These interested parties were invited to participate along with the division directors and key staff in a strategic planning session.

Employees presented the status of the external management goals that were established in 2010 with the stakeholder participation. Regarding each goal, the division directors, key staff and stakeholders were asked four questions:

- Do any of these objectives need more work?
- Should we continue this goal another two years? Is there value in making this one of the agency’s top goals?
- If yes, does the goal need to be reworked, rephrased, or redirected?
- Do we want to add any new objectives or strategies to this goal?

The stakeholders’ input, particularly in developing recommendations for management goals, was invaluable. Following the meeting with the stakeholders, the executive staff gathered to review the feedback received. Combining that feedback with the staff expertise, six management goals were developed that focus on the agency’s mission of regulating the alcoholic beverage industry.

**COMMISSIONERS AND DIVISION DIRECTORS OFF-SITE STRATEGIC PLANNING MEETING**

Following an internal audit recommendation, agency division directors and the three Commissioners participated in a strategic planning “retreat” intended to give the board members more involvement in the planning process. A day-and-a-half meeting took place in April where the participants identified areas the agency has excelled in and areas for improvement. The directors and Commissioners also discussed what long-term goals they believe are most important to the agency’s future.
ADOPTION BY COMMISSIONERS
On May 22, 2012, the Strategic Plan was adopted by the commission members as the plan for the five-year period ending August 31, 2017.

IMPLEMENTATION / FOLLOW-UP
Beginning in the summer 2012, TABC managers will meet quarterly to revisit the Strategic Plan and discuss progress, barriers to success and other related issues.

SUMMARY
Information gathered from the internal and external customers as well as the prior Strategic Plan, action plans, goals, strategies, performance measures, new initiatives, Survey of Employee Engagement, technology issues and various agency resources provided the basis for the agency’s FY 2013-2017 Strategic Plan.

TABC Chemist
Joy Murray
demonstrates the
difference between
alcohol by weight and
alcohol by volume.
APPENDIX B:
ORGANIZATIONAL CHART

[Organizational chart image]

People of Texas

Governor of Texas

Commissioners

Administrator

Office of Professional Responsibility

Communications and Governmental Relations

Legal Services Division

Training Division

Chief of Field Operations

North Texas Region
Coastal Bend Region
Border Region

Business Services Division
Licensing Division
Tax Division
Human Resources Division
Information Resources Division
Education & Prevention Division
Ports of Entry Division

Regulatory & Business Operations
Assistant Administrator

Research and Planning

Excise Tax Chemistry Lab Marketing Practices
### APPENDIX C:
#### FIVE-YEAR PROJECTIONS FOR OUTCOMES

<table>
<thead>
<tr>
<th>Outcome</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Licensed Establishments Inspected Annually</td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>Percent of Administrative Cases Filed by Enforcement Agents Resulting in Administrative Sanctions</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>Percent of Agency Contacts Rating Enforcement Actions as Satisfactory or Better</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>Percent of Complaint Investigations Closed Within 60 Days</td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>Percent of Priority Retail Locations Inspected</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>Retailer Public Safety Compliance Rate</td>
<td>98%</td>
<td>98%</td>
<td>98%</td>
<td>98%</td>
<td>98%</td>
</tr>
<tr>
<td>Priority Retailer Public Safety Compliance Rate</td>
<td>97%</td>
<td>97%</td>
<td>97%</td>
<td>97%</td>
<td>97%</td>
</tr>
<tr>
<td>Recidivism Rate – Licensed Retailers</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Average Number of Days to Approve an Original Primary License/Permit Processed through a TABC Field Office</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Compliance Rate – Field Audits &amp; Analyses</td>
<td>82%</td>
<td>82%</td>
<td>82%</td>
<td>82%</td>
<td>82%</td>
</tr>
<tr>
<td>Percent of Report Analyses Resulting in Administrative or Compliance Actions</td>
<td>15.5%</td>
<td>15.5%</td>
<td>15.5%</td>
<td>15.5%</td>
<td>15.5%</td>
</tr>
<tr>
<td>Percent of Agency Contacts Reporting Satisfaction with Agency Auditors</td>
<td>97%</td>
<td>97%</td>
<td>97%</td>
<td>97%</td>
<td>97%</td>
</tr>
<tr>
<td>Compliance Rate – Inspections of Licensed Businesses by Auditors</td>
<td>96%</td>
<td>96%</td>
<td>96%</td>
<td>96%</td>
<td>96%</td>
</tr>
<tr>
<td>Revenue as a Percent of Expenses</td>
<td>120%</td>
<td>120%</td>
<td>120%</td>
<td>120%</td>
<td>120%</td>
</tr>
</tbody>
</table>
APPENDIX D:
PERFORMANCE MEASURE DEFINITIONS

Goal 1
To protect the peace and safety of the public by taking positive steps to encourage voluntary compliance with the Texas Alcoholic Beverage Code and other state laws and by undertaking enforcement and regulatory actions that are both fair and effective.

OUTCOME MEASURES

01 Percentage of Licensed Establishments Inspected Annually

*Short Definition:* The percentage of licensed establishments inspected during a specified time period by enforcement agents and compliance auditors, expressed as a ratio of the number of individual establishments subject to inspection. With respect to this measure, an inspection is a visit to a licensed location or a proposed licensed location for the purpose of determining compliance with the Alcoholic Beverage Code and other state laws.

*Purpose/Importance:* This outcome is intended to measure the degree of coverage achieved by enforcement agents and compliance auditors during a specified period. Adequate coverage is deemed important because of the deterrent effect of the expectation of inspection and because inspections give licensees the opportunity to ask questions and receive answers that might prevent future violations.

*Source/Collection of Data:* The data required to calculate the measure comes from the agency’s automated inspection records and from its automated licensing records. Records of the inspections conducted by agents and compliance auditors are created as part of the data entry of Daily Activity Reports by field personnel. An automated licensing record is created for each licensee by data entry of information from the licensee’s application at the time of application and is updated at the time of approval and at the time of each subsequent renewal or change. The values reported for this measure are taken from automated agency reports.

*Method of Calculation:* The measure is calculated by dividing the number of individual establishments actually inspected during a particular period by the number of licensed establishments subject to inspection during the same period. The number of individual establishments inspected is derived by first finding all inspection records for the inspections conducted during a specified period of time and then by sorting out inspection records with duplicate CLP’s (alpha/numeric license identifiers unique to each establishment), leaving one record for each CLP and then counting the remainder.
The number of establishments subject to inspections is determined by (1) searching the automated licensing files to identify all licenses that were active during the period in question; (2) then sorting out the records of all secondary licenses, leaving just one, the primary license record, for each establishment and finally (3) counting the remaining records.

_Data Limitations_: The base of the ratio (the number of licensed locations) constantly changes as businesses enter or leave the industry. The speed and magnitude of this change are beyond the agency's control and can influence this measure.

_Calculation Type_: Noncumulative.

_New Measure_: No.

_Desired Performance_: Higher.

**02 Percent of Administrative Cases Filed by Enforcement Agents Resulting in Administrative Sanctions**

_Short Definition_: The percentage of administrative cases originated by enforcement agents that were closed--reached final disposition--during a specified time period and that resulted in either specific sanctions being imposed upon a licensee or permittee or in sanctions being prevented by operation of Section 106.14 of the Alcoholic Beverage Code. For the purposes of this measure, an administrative case is a due process civil action in which the agency seeks to suspend or cancel an entity's licensing privileges due to one or more violations of the Alcoholic Beverage Code.

_Purpose/Importance_: This outcome measures the quality of the administrative cases filed by enforcement agents by providing a ratio of the cases "won" by agency enforcement agents to the total number of enforcement cases reaching a final disposition.

_Source/Collection of Data_: Enforcement administrative violation records. These automated records are created using hardcopy administrative notices as source documents and are updated throughout the case settlement process. The numbers required for the calculations associated with this measure are taken from automated agency reports.

_Method of Calculation_: All administrative violation records pertaining to cases that were settled (e.g., reached final disposition or were "closed") during the period of interest are identified and counted. Then within that group of case records, all records with disciplines (final dispositions) other than "dismissed with prejudice" or "dismissed without prejudice" are identified and counted. As the final step in the calculation, the number of administrative cases with disciplines other than some form of "dismissed" is divided by the total number of administrative cases that had been settled or closed during the same time period.
Data Limitations: The only problem with this measure is that a lengthy time lapse can occur between filing and final disposition if an administrative case is contested. However, most cases are settled by waiver without a hearing and receive dispositions almost immediately.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Higher.

03 Percent of Agency Contacts Rating Enforcement Actions as Satisfactory or Better

Short Definition: The number of enforcement post-inspection survey instruments returned with ratings indicating general satisfaction with agency enforcement practices divided by the total number of returned enforcement post-inspection survey instruments.

Purpose/Importance: This outcome measures licensee/permittee satisfaction with agency enforcement practices.

Source/Collection of Data: Survey instruments mailed to and returned from licensees and permittees whose premises were inspected during a specified time period and the spreadsheet databases created by entering information from the returned post-inspection survey instruments.

Method of Calculation: Each survey instrument contains six questions that gauge respondent satisfaction with agency enforcement practices. Respondents rate agency enforcement agents on each dimension by marking either "Yes" or "No." As returned survey instruments are received they are data-entered into a spreadsheet, with the initial categorical rating for each dimension being translated during data entry into a numeric value--"1" for Yes and "0" for No. The ratings entered for all six dimensions are then averaged to derive a measure of general satisfaction for each respondent. Those whose general satisfaction scores are greater than .5 are considered to be "satisfied." To derive the value sought, the number of respondents expressing general satisfaction is then divided by the total number of persons who responded to the survey during the period in question.

Data Limitations: Low response rates compromise the representativeness of the data and preclude any generalization of the results.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Higher.
04 Percentage of Complaint Investigations Closed Within 60 Days

Short Definition: The number of complaint investigations closed during a specified time period that were closed within 60 days of the date on which they were opened divided by the total number of complaint investigations closed during the same period.

Purpose/Importance: This outcome measures the enforcement division’s ability to investigate and close complaints within a reasonable amount of time (60 days).

Source/Collection of Data: Automated complaint investigation records pertaining to complaints investigated by enforcement personnel are the source of the information used for this measure. These records are created by data entry using hardcopy complaint cards as source documents or by direct entry from field notes. Each automated record is updated periodically over the course of the investigation and then closed at its conclusion. The totals needed for the calculation of the measure are taken from agency automated reports.

Method of Calculation: Using the enforcement database, identify all complaint investigation records for investigations closed during the period of interest. Take each record found and compare the Received Date found in each with its Complaint Closed Status Date. Identify all whose Complaint Closed Status Date is within 60 days of its Received Date. Count the number of elements in both groups identified and then divide the number of complaint records that have Complaint Closed Status Dates that are within 60 days of their original Received Dates by the total number of records found for complaint investigations that were closed during the specified date range.

Data Limitations: Two factors that can influence this measure are outside the agency’s control: the absolute number of complaints received and their complexity. Either can affect the value of the measure.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Higher.

05 Percentage of Priority Retail Locations Inspected by Enforcement Agents

Short Definition: The number of Priority retail locations actually inspected by enforcement agents during a specified time period divided by the total number of licensed retail locations meeting the criteria for priority status during the same time period. For the purposes of this measure, an inspection is a visit to a licensed location or to a proposed licensed location for the purpose of determining compliance with the Alcoholic Beverage Code and other state laws. A licensed retail location may be deemed a priority retail location if there is a past history of public safety or related violations, such as vice offenses or offenses indicative of financial stress, occurring on
its premises, or if there have been multiple complaints alleging such violations in the past 12 months.

*Purpose/Importance*: This outcome measure sets a minimum coverage goal for licensed retail locations that are considered to be especially at risk for public safety violations due to the establishment’s past history. It is intended to direct and require agent attention to those licensed retail locations where public safety violations are most likely to occur.

*Source/Collection of Data*: Automated agency complaint, inspection, violation and licensing records are the sources of the information used to calculate the value of this measure. These records are created by data entry from standardized forms or, in some cases, by data entry from handwritten field notes. The specific numbers used in the calculation come from agency automated reports.

*Method of Calculation*: Priority retail locations are identified by comparing pre-set risk criteria against the automated complaint and violation records stored in the agency’s database to determine which licensed entities met the risk criteria during a specified time period. The primary license numbers of the entities determined to be at risk for future public safety violations are then compared against the license numbers contained in inspection records to identify the priority retail locations that were inspected during the period in question. The number of priority locations subject to inspection is totaled as is the number of priority retail locations inspected. The required percentage is derived by dividing the number of priority retail locations inspected during the period in question by the total number of priority retail locations subject to inspection during the same period.

*Data Limitations*: Priority status is time sensitive. Entities will enter and/or exit priority status throughout the course of the fiscal year.

*Calculation Type*: Noncumulative.

*New Measure*: No.

* Desired Performance*: Higher.

**06 Retailer Public Safety Compliance Rate**

*Short Definition*: The number of inspections of licensed retail locations conducted by enforcement agents during a specified time period that did not result in the filing of criminal or administrative charges for public safety violations divided by the total number of inspections of licensed retail locations conducted by agents during the same time period. For the purposes of this measure, an inspection is a visit to a licensed location or proposed licensed location for the purpose of determining compliance with the Alcoholic Beverage Code and other state laws.
Purpose/Importance: This outcome measure gauges the degree to which licensed retailers and their customers actually complied with the public safety provisions of the Alcoholic Beverage Code and other laws.

Source/Collection of Data: Automated agency inspection record and automated violation records related to those inspection records are the sources of the data used to calculate this measure. The automated inspection records are created during the data entry of employee Daily Activity Reports and field notes. The automated violation records are created by the data entry of hardcopy criminal citations and administrative notices. The values needed for the calculation of this measure are taken from agency automated reports.

Method of Calculation: The automated records pertaining to inspections conducted at retail locations during the period in question are identified and counted. These records and their related violation records are further examined to identify all inspections that did not produce criminal or administrative cases involving one or more public safety violations. The number of elements identified as belonging to this subset is then totaled and that total is divided by the total number of inspections conducted at retail locations during the period of interest to derive the desired percentage.

Data Limitations: None known.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Higher.

07 Priority Retailer Public Safety Compliance Rate

Short Definition: The number of inspections of priority retail locations conducted by enforcement agents during a specified time period that did not result in the filing of criminal or administrative charges for public safety violations divided by the total number of inspections of priority retail locations conducted by agents during the same time period. For the purpose of this measure, inspections are a visit to a licensed location or to a proposed licensed location for the purpose of determining compliance with the Alcoholic Beverage Code and other state laws. A licensed retail location may be deemed a priority retail location if there is a past history of public safety or related violations, such as vice offenses or offenses indicative of financial stress, occurring on its premises, or if there have been multiple complaints alleging such violations in the past 12 months.

Purpose/Importance: This outcome measure gauges the degree to which licensed retailers who meet the criteria for priority status and their customers actually complied with the public safety provisions of the Alcoholic Beverage Code and other laws.
Source/Collection of Data: Automated agency complaint, inspection, and violation records are the sources of the data used to calculate this measure. The automated inspection records are created during the data entry of employee Daily Activity Reports and field notes. The automated violation records are created by the data entry of hardcopy criminal citations and administrative notices. Automated complaint records are created and assigned for investigation when allegations concerning possible violations of the Alcoholic Beverage Code and other state laws are received from the public, elected officials, and other agencies. The values needed for the calculation of this measure are taken from automated agency reports.

Method of Calculation: Priority retail locations are identified by comparing pre-set risk criteria with automated violation and complaint records to determine which licensed entities meet the risk criteria during the period in question. The primary license numbers of the entities determined to be at risk are then compared with the license numbers of the establishments inspected during the period in question. The inspection records pertaining to priority retailers are further examined to determine which inspections resulted in criminal or administrative cases involving public safety violations. The number of inspections involving priority licensed retailers that resulted in public safety related criminal or administrative cases is then divided by the total number of inspections involving priority retailers to derive the desired percentage.

Data Limitations: Priority status is time sensitive. Entities will enter and/or exit priority status throughout the course of the fiscal year.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Higher.

08 Public Safety Recidivism Rate - Licensed Retailers

Short Definition: The percent of the licensed retailers charged with an administrative public safety offense during a specified time period that have been charged with other public safety violations during the 12 months preceding the last public safety offense they committed during the period under review.

Purpose/Importance: This outcome measures retailer recidivism with respect to public safety violations and over time provides a method of gauging the enforcement division’s effectiveness in preventing subsequent public safety offenses by the same retailer.

Source/Collection of Data: Enforcement administrative case records are created using hardcopy administrative notices as source documents and are then sorted and tabulated in various ways to obtain the reported values. The reported values are taken from an automated agency report.
Method of Calculation: First, all administrative case records originated for offenses that occurred during a specified period of time are sorted through to identify all licensed retailers who were charged with public safety offenses during that time period. Those so identified are counted. Next, the agency's administrative case records are again reviewed, this time in comparison with a list of the retailers identified during the first step, to determine if any of those retailers had been charged with a prior public safety offense during the twelve months preceding the last public safety offense they committed during the period under review. Those found to have prior public safety charges meeting this criterion are also counted. Then, as a final step, the number of public safety offenders with prior offenses is divided by the total number of public safety offenders.

Data Limitations: None known.

Calculation Type: Noncumulative.

New Measure: No.

 Desired Performance: Lower.

OUTPUT MEASURES

01 Number of Inspections Conducted by Enforcement Agents

Short Definition: Number of inspections of licensed premises conducted by enforcement agents during a specified time period. For the purpose of this performance measure, an inspection is a visit to a licensed location, a proposed licensed location, or any other physical location for the purpose of determining compliance with the Alcoholic Beverage Code and other state laws. Undercover compliance checks also fall within this definition.

Purpose/Importance: Inspections are the agency's primary law enforcement work process. There are various forms or types of inspections, but what they all have in common is a physical encounter for the purpose of confirming or enforcing compliance with state laws. Counting inspections provides an accurate representation of the number of times agents have conducted physical compliance checks during the course of their law enforcement duties.

Source/Collection of Data: The information required to derive the count comes from inspection records in the agency's agent activity reporting system. Each individual inspection made by an agent is noted in the agent's Daily Activity Report or field notes. When these reports or notes are data-entered, an automated record summarizing each inspection is created. The values reported for this measure are taken from an automated agency report.

Method of Calculation: The measure is calculated by counting the number of automated inspection records that were originated for activity occurring during a specified period of time.
Data Limitations: The term “inspection” is applied to a wide variety of compliance checks. One inspection is not necessarily equal to another in terms of complexity, the specific activities performed or the time and other resources required to conduct it.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Higher.

02 Number of Inspections of Priority Retailers Conducted by Enforcement Agents

Short Definition: Number of inspections of priority retailers who are licensed retail locations previously determined to be “at risk” for future public safety violations conducted by enforcement agents during a specified time period. With respect to this performance measure, inspections are a visit to a licensed location or to a proposed licensed location for the purpose of determining compliance with the Alcoholic Beverage Code and other state laws. A licensed location may be deemed a priority retailer if it has a past history of public safety or related violations, such as vice offenses or offenses indicative of financial stress, occurring on its premises, or if there have been multiple complaints alleging such violations in the past 12 months.

Purpose/Importance: This output measures provides a count of the number of times enforcement agents inspected retail locations that had been previously determined to be especially “at risk” for public safety violations.

Source/Collection of Data: Enforcement records created by data-entry from Agents Daily Activity Reports; enforcement criminal case, administrative case, and complaint investigation records created by data-entering hardcopy citations, administrative notices, and complaint cards; and licensing records created and updated by data-entry from original, renewal, and change applications.

Method of Calculation: The priority retailers that were in business and subject to inspection during the period of interest are identified by first checking Licensing records to determine which retailers were in business and then by cross comparing each with the pre-set criteria for priority status to identify the retailers meeting the criteria during the period in question. The license numbers of the retailers that were determined to have met the criteria for priority status and that were subject to inspection are compared with those found in the Enforcement inspection records for the period. The inspection records involving locations that were in priority status at the time of the inspection are then counted and that total becomes the value reported for this measure.

Data Limitations: Retailers are constantly entering and leaving the industry. They also flow on to and off of the priority list over time. As a consequence, the number of retailers and priority retailers can vary over time in a manner that is beyond the control of the agency.
**03 Number of Persons Instructed by Enforcement Agents**

*Short Definition:* The number of people attending educational presentations made by enforcement agents.

*Purpose/Importance:* Enforcement agents perform two primary tasks. They enforce the law and they educate the public to prevent violations of the law. The volume of the enforcement division’s public education efforts is represented by this measure.

*Source/Collection of Data:* The data for this measure comes from educational program session records stored in the database of the agency’s agent activity reporting system. Agents record information about each program session they teach in their Daily Activity Reports. Automated educational program session records are created when the agent’s Daily Activity Reports or field notes are data-entered. Each record identifies the type of program taught, the county in which the session was held, the number of people taught and the date of the session. The values reported for this measure are taken from automated agency reports.

*Method of Calculation:* The measure is calculated by identifying all automated educational program session records created for sessions taught by enforcement agents during a specified time period and then summing the attendee counts found in those records.

*Data Limitations:* Most of the work to achieve this goal is done during the school year, which means that there can be strong seasonal variances during the course of a full fiscal year.

*Calculation Type:* Cumulative.

*New Measure:* No.

*Desired Performance:* Higher.

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**04 Number of Licensees Attending Enforcement Education Programs**

*Short Definition:* Number of license/permit holders and/or their employees who attend public education programs taught by enforcement agents during the reporting period.

*Purpose/Importance:* This output measure provides a count of those attending the education programs that the enforcement division provides for the owners of regulated
businesses and their employees. Licensee education is viewed by the agency as one of the keys to prevention. The programs provide attendees with a better understanding of the law, the penalties it provides and their own legal responsibilities. The same programs also provide attendees with useful tools for recognizing and avoiding illegal sales.

**Source/Collection of Data:** Enforcement activity records related to agent-taught or facilitated public education classes. These records are data-entered into an enforcement database using agents' Daily Activity Reports or field notes as source documents and then tabulated to obtain the reported totals. The reported totals are taken from an agency automated report.

**Method of Calculation:** First, all automated agent activity records related to retailer and upper tier public education classes taught by enforcement agents during a specified time period are identified. Then the class attendee counts found within these records are totaled. The resulting sum is the value reported for this measure.

**Data Limitations:** None known.

**Calculation Type:** Cumulative.

**New Measure:** No.

**Desired Performance:** Higher.

**EFFICIENCY MEASURES**

**01 Average Cost Per Enforcement Inspection**

**Short Definition:** The cost of all law enforcement activity during a specified period of time divided by the total number of inspections (physical compliance checks) conducted by enforcement agents during the same time period. An inspection is a visit to a licensed location, a proposed licensed location, or any other location for the purpose of determining compliance with the Alcoholic Beverage Code and other state laws.

**Purpose/Importance:** This efficiency measure provides a unit cost figure for the core law enforcement activity.

**Source/Collection of Data:** Enforcement automated activity records and inspection records, which are data-entered using agent field notes or agents' Daily Activity Reports as source documents and a chart from the agency's business services division that allocates the agency's expenses during the period in question among its various strategies are used in the calculations required for this measure.

**Method of Calculation:** The work hours reported for all enforcement activity during the period in question are extracted from enforcement activity records and totaled. Also
extracted from the same database as a subtotal of the first total is the total for the enforcement work hours that were devoted to public education/information activities. The latter is subtracted from the former to derive a total for the number of enforcement work hours related to inspection activities. The total expenditures for enforcement activities is then multiplied by a ratio created by dividing inspection activity work hours by total enforcement work hours to identify the amount of total enforcement expenditures attributable to inspections and that amount is then divided by the total number of inspections conducted by enforcement agents during the same period to derive a per inspection / compliance check unit cost.

*Data Limitations:* The division of total work hours between the two groups of activities - inspections and public education/information is somewhat arbitrary, and there is no good or fair way to divide the time spent on certain supporting activities (supervision, data entry and reporting, case adjudication, etc.) among the two. For the sake of simplicity and because it is by far the greater and most important of the two core activities, the supporting activities have all been attributed to inspections. As a consequence, the work hours and, therefore, the costs allocated to inspections tend to overstate the true cost of those activities and to some degree understate the cost of public education/information activities.

*Calculation Type:* Noncumulative.

*New Measure:* No.

*Desired Performance:* Lower.

**02 Average Cost Per Person Attending Enforcement Education Programs**

*Short Definition:* The total cost of all enforcement educational/public information activity during a specified time period divided by the total number of persons attending educational programs taught/facilitated by agents during the same time period.

*Purpose/Importance:* This efficiency measure provides a unit cost figure for enforcement educational initiatives.

*Source/Collection of Data:* Enforcement automated activity records, which are data-entered using agent field notes or Agents Daily Activity Reports as source documents and a chart from the agency's business services division that allocates the agency's expenses during the period in question among its various strategies. Agent educational work hours and total agent work hours are taken from the Task Type Summary by Division & Date report (Agent educational work hours can also be found on the Educational Activities Statewide report). The number of persons instructed by enforcement agents is taken from an agency automated report.

*Method of Calculation:* The work hours reported for all enforcement activity during the period in question are extracted from enforcement activity records and totaled. Also
extracted from the same database as a subtotal of the first total is the total for the enforcement work hours that were devoted to public education/information activities. The latter is divided by the former and the resulting ratio is then multiplied by the total for enforcement expenses during the period in question to derive the amount of total enforcement expenditures attributable to educational activities. That amount is then divided by the total number of persons instructed by enforcement agents during the same period to derive a "per person instructed" unit cost.

Data Limitations: The division of total work hours between the two groups of activities, inspections and public education/information, is somewhat arbitrary and there is no good or fair way to divide the time spent on certain supporting activities (supervision, data entry and reporting, case adjudication, etc.) among the two. For the sake of simplicity and because it is by far the greater and most important of the two core activities, the supporting activities have all been attributed to inspections and compliance checks. As a consequence, the work hours and, therefore, the costs allocated to inspections, tend to overstate the true cost of those activities and to some degree understate the cost of public education/information activities.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Lower.

EXPLANATORY/INPUT MEASURES

01 Number of Enforcement Administrative Cases Reaching Final Disposition

Short Definition: The number of administrative cases originated by enforcement agents reaching the final disposition stage within a specified time period.

Purpose/Importance: Administrative cases initiated by agents can be combined and often are when they reflect two or more incidents concerning the same licensed entity. As a consequence, the number of cases initiated does not equal the number of cases fully adjudicated ("settled"). This particular explanatory measure provides a count of the number of administrative cases fully adjudicated during the period in question. That number is used in calculating the "Percent of Administrative Cases Filed by Enforcement Agents Resulting in Administrative Sanctions" outcome measure.

Source/Collection of Data: Enforcement administrative case records which are data-entered using hardcopy administrative notices or agent field notes as source documents are used in the calculation of the value of this measure. An agency automated report provides the numbers required for this measure.

Method of Calculation: All automated administrative case records for cases originated by enforcement agents that have a unique docket number present in the record, a
status of "closed," and a status date falling within the date range specified are found and counted. The resulting total is the value reported for this measure.

*Data Limitations:* The only problem with this measure is that a lengthy time lapse can occur between filing and final disposition if an administrative case is contested.

*Calculation Type:* Cumulative.

*New Measure:* No.

*Desired Performance:* Higher.

**02 Number of Licensed Locations Subject to Inspection**

*Short Definition:* The number of licensed locations subject to inspection during a specified period of time.

*Purpose/Importance:* This explanatory measure provides a count of the number of active licensed locations during the period in question.

*Source/Collection of Data:* Licensing records, which are created and updated using original, renewal, and change applications as the primary source documents, are used in the compilations required to derive the reported total. The reported total is taken from an automated agency report.

*Method of Calculation:* Cross reference licensing records to identify the physical locations that are occupied by business entities that were licensed by the agency during the period in question. Count the individual locations found.

*Data Limitations:* The businesses that are licensed to sell or serve alcoholic beverages at the locations in question are free to enter and leave business at will. As a consequence, the number of licensed business entities and the locations from which they do business change over time and are beyond the control of the agency.

*Calculation Type:* Noncumulative.

*New Measure:* No.

*Desired Performance:* Higher.

**03 Number of Complaint Investigations Opened**

*Short Definition:* The number of complaint investigations initiated by the enforcement division during a specified time period.
**Purpose/Importance:** As a matter of policy, the enforcement division investigates all allegations involving violations of the Alcoholic Beverage Code that it receives from the public, other agencies, public officials and the agency’s own employees. This explanatory measure provides a count of the number of investigations initiated by the agency as result of the allegations (complaints) received during a specified time period.

**Source/Collection of Data:** Enforcement complaint investigation records which are data-entered from hardcopy complaint cards or field notes. The values reported come from an agency automated report.

**Method of Calculation:** In the agency automated database, find all complaint investigation records that pertain to investigations led by enforcement agents with a Received Date that falls within the date range of interest. Then count the records found. The resulting total is the value reported for this measure.

**Data Limitations:** Complaints come from the general public, other agencies and sometimes from agency employees. While the measure is in some regards a “need indicator,” its value is beyond the control of the agency.

**Calculation Type:** Cumulative.

**New Measure:** No.

**Desired Performance:** Higher.

04 **Number of Criminal Cases Filed**

**Short Definition:** Number of criminal cases originated by enforcement agents during a specified time period.

**Purpose/Importance:** While compliance is the desired outcome of enforcement operations, it is not always the outcome obtained. This explanatory measure provides a count of another possible outcome—the criminal cases initiated by enforcement agents, which arise when agents observe persons committing criminal offenses.

**Source/Collection of Data:** Enforcement criminal case records which are data-entered from hardcopy citation records or from agent field notes are counted to derive the values reported for this measure. The values reported are taken an agency automated report.

**Method of Calculation:** Find all criminal case records in the agency's database with violation dates within the date range interest. Count the records found. The total is the number of criminal cases initiated by agents during the period in question.

**Data Limitations:** Prior to the second half of FY 2007, each individual violation required a separate case record. A recent change in software and citation forms (late FY 2007,
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early FY 2008) now permits case records with multiple violations if the offender, incident
date and time and the severity of the offense are the same. As a consequence, the
number of criminal case records from late FY 2007 onward could be less than in
previous fiscal years even if the absolute number of violations were the same. The data
from late FY 2007 onward will, therefore, not be fully comparable with that of prior
periods.

Type of Calculation: Cumulative.

New Measure: No.

Desired Performance: Higher.

05 Number of Administrative Cases Initiated by Enforcement Agents

Short Definition: Number of administrative cases filed by enforcement agents during a
specified time period. An administrative case is an administrative action initiated against
a licensee for the purpose of suspending or cancelling the licensee's licensing privileges
due to a violation of the Alcoholic Beverage Code.

Purpose/Importance: While compliance is the desired outcome of enforcement
operations, it is not always the outcome obtained. This explanatory measure provides a
count of another possible outcome - the administrative cases initiated by enforcement
agents, which arise when agents observe a license/permit holder or an employee of
license/permit holder committing a serious regulatory or public safety offense.

Source/Collection of Data: Enforcement administrative case records which are data-
entered using hardcopy administrative notices or field notes as source documents. The
values reported come from an agency automated report.

Method of Calculation: In the enforcement database, find all administrative case records
with Issue Dates falling within the specified date range and count all records found.

Data Limitations: None known.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Higher.

06 Number of Priority Retail Locations

Short Definition: The number of licensed retail locations whose licenses or permits were
active during the period in question that due to a past history of public safety or related
violations, such as vice offenses or offenses indicative of financial stress, occurring on
its premises, or if there have been multiple complaints alleging such violations in the past 12 months.

**Purpose/Importance:** This explanatory measure provides a count of the licensed locations that are the primary target of agency enforcement operations. This value is used in calculating the “Percent of Priority Retail Locations Inspected” outcome measure.

**Source/Collection of Data:** Licensing records, which are entered and updated using original, renewal, or change applications as the primary source documents. Also Agency complaint and violation records, which are entered into agency data systems using agent field notes, administrative notices, criminal citations, and complaint cards as the initial source documents. The values actually reported are taken from an agency automated report.

**Method of Calculation:** Licensing records are reviewed to determine which licensed retailers were in business and, therefore, subject to inspection during the period in question. The history of each license found to be subject to inspection is then compared with pre-set risk criteria to determine which should be considered especially “at risk” for public safety violations. The “at risk retailers” are then counted and their numbers totaled.

**Data Limitations:** The retail businesses that are licensed to sell or serve alcoholic beverages at the locations in question are free to enter and leave business at will. As a consequence, the number of licensed business entities and the number of retail locations from which the sale or service of alcohol occurs change over time and are beyond the control of the agency. Also beyond the agency’s control are the number of retailers that meet the criteria for priority status. It is also noted that priority status can change over time and that retailers may gain or lose that status over time as new allegations are received or new violations occur and as old violations and allegations become more distant in time.

**Calculation Type:** Noncumulative.

**New Measure:** No.

**Desired Performance:** Lower.

**07 Number of Complaint Investigations Closed**

**Short Definition:** Number of complaint investigations led by enforcement agents that were closed during a specified period of time.

**Purpose/Importance:** Complaints are investigated by conducting interviews, auditing documents and records, conducting undercover operations or other physical inspections and engaging in other investigative activity. These investigations are closed when the
allegations have been disproved, or when sufficient evidence to sustain the allegations has been found, or when agents have made a reasonable effort to prove or disprove the allegations and have been unable to find sufficient evidence to support either outcome. This particular explanatory measure provides a count of the number of investigations that were closed during a specified time period. That total is used in calculating the Percent of Complaints Closed in 60 Days outcome measure.

Source/Collection of Data: Enforcement complaint investigation records, which are data-entered from hardcopy complaint cards and field notes, are counted to obtain the reported total. The totals reported are taken from an automated agency report.

Method of Calculation: All automated complaint investigation records with an agent as the "lead investigator," a "closed" status and status date falling within the specified date range are identified and counted. The resulting total is reported as the value for this measure.

Data Limitations: Complaints come from the general public, other agencies and sometimes from agency employees. To the degree that the value of this measure is dependent upon the number of complaints received, its value is beyond the control of the agency. However, the agency can control the rate at which the complaint investigations initiated are closed and thereby influence the value of the measure.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Higher.

08 Number of OCA/Trafficking Investigations Closed

Short Definition: The number of investigations completed by enforcement agents relating to human trafficking, drug trafficking, or other organized criminal activities by Licensee/Permittee.

Purpose/Importance: Provides a count of the number of complaint investigations completed by enforcement agents within a specified time period that involved allegations related to human trafficking, drug trafficking, or other organized criminal activity.

Source/Collection of Data: Agency automated complaint investigation records which are created when the initial allegation is received and updated throughout the course of the investigation.

Method of Calculation: All complaint investigation records with closed dates falling within the specified date range and allegations that are related to human trafficking, drug trafficking, or organized criminal activity (OCA) are identified and counted. The
total of that count is the value reported for this measure. The specific allegations considered in the calculation of this measure include: Human Trafficking, Place or Manner - Human Trafficking, Prostitution, Place or Manner - Prostitution, Gambling, Place or Manner - Gambling, Organized Criminal Activity (NEW), Place or Manner - Organized Criminal Activity (NEW), Sale/Delivery Drugs, Permit Sale/Delivery/Possession Drugs, and Sale/Delivery Drugs by Licensee/Permittee.

Data Limitations: Complaints come from the general public, other agencies, and sometimes from agency employees. To the degree that the value of this measure is dependent upon the number of complaints received, its value is beyond the control of the agency. Also, the number of investigations meeting the criteria for this measure is likely to be relatively small.

Calculation Type: Cumulative.

New Measure: Yes.

Desired Performance: Higher.

09 Number of Multi-Agency/Joint Operations Targeting Organized Crime and Trafficking in TABC's Border Region.

Short Definition: The number of multi-agency investigations and other joint operations initiated within a specified time period involving TABC and at least one other agency and that target Organized Crime Activities (OCA) that occur on licensed premises in the TABC Border Region or that involve illegal importation of alcoholic beverages from Mexico.

Purpose/Importance: The volume of multi-agency investigations and joint operations demonstrates the degree to which the TABC is cooperating and sharing resources with other agencies in the Border Region that are also involved in the fight against organized crime, human trafficking, and drug trafficking.

Source/Collection of Data: One source of the data used for this measure will be automated agency complaint investigation records containing allegations related to human trafficking, drug trafficking, gambling, prostitution, illegal importations, or other organized criminal activities and a “complaint type” of “Multi-Agency Investigation.” Also, when automated subsystems pertaining to this record type become available on September 1, 2012, another source of data will be automated Joint Operation records with Y/N flags indicating that the offenses targeted are either human trafficking, drug trafficking, gambling, prostitution, illegal importations, or other organized criminal activities.

Method of Calculation: Identify and count all complaint investigation records pertaining to investigations conducted within the Border Region that have received dates within the date range specified, that have a complaint type of “Multi-Agency Investigation,” and
that contain allegations related to human trafficking, drug trafficking, gambling, prostitution, illegal importations, or other organized criminal activities. Identify and count all Joint Operation records for operations conducted within the Border Region that commenced within the specified date range, that contain Y/N flags indicating that the offenses targeted were either human trafficking, drug trafficking, gambling, prostitution, illegal importations, or other organized criminal activities, and that are unrelated to previously counted multi-agency investigation records. Total the two counts and report the resulting sum as the value for this measure.

Data Limitations: A small number of complaint investigations and joint operations will meet the criteria for this measure.

Calculation Type: Cumulative.

New Measure: Yes.

Desired Performance: Higher.
Goal 2: To process applications and issue alcoholic beverage licenses and permits.

OUTCOME MEASURE

01 Average Number of Days to Approve an Original Primary License/Permit Application Processed through a TABC Field Office

Short Definition: Average number of days to process original primary in-state retail and wholesale applications from original date filed with local office to issuance of a license/permit.

Purpose/Importance: Provide management with information concerning total average days to process original primary retail and wholesale applications from beginning of process to issuance of license/permit. Fluctuation in this information alerts management to problems and/or changes in application process. The license/application classes selected for monitoring are those most often sought by persons and entities attempting to start new retail or wholesale businesses in Texas.

Source/Collection of Data: Data required to calculate this measure is obtained from license/permit application records pertaining to the following license classes: MB, RM, N, NE, NB, BG, BQ, BE, BF, P, Q, V, Y, W, X, LX, BB, BC and BD. These records contain the date each application was originally received in a field office and the date on which each application was approved and the related license or permit was printed. An ad hoc report ran against agency automated data extracts the totals necessary to calculate the reported values.

Method of Calculation: As the automated Average Number of Days to Process Original Applications report runs, it first locates and counts all records pertaining to original applications for the classes of primary licenses and permits whose processing starts at agency field offices (MB, RM, N, NE, NB, BG, BQ, BE, BF, P, Q, V, Y, W, X, LX, BB, BC and BD) with application approved dates within the specified date range. For each record, the system subtracts the received date found in that record from its application approved date to determine the number of processing days required for the application. After next adding the number of processing days required for all records found, the report then divides that sum by the number of application records found during the initial search. Using the agency’s computer systems, this figure represents the average number of days to process an in-state retail/wholesale original application

Data Limitations: Many circumstances can affect the process time; requirements of law, elections, protests, number of applications and responsiveness of applicant.

Calculation Type: Noncumulative.

New Measure: No.
Desired Performance: Lower.

OUTPUT MEASURES

01 Number of Applications Processed

Short Definition: This is intended to reflect the total number of license/permit applications (originals, renewals, temporaries and changes) processed by the licensing division. For the purposes of this measure, an application is any requested change affecting a primary license/permit or a subordinate, any request for a new primary or subordinate license/permit, any request to renew a primary or subordinate license/permit, or a request for a temporary license/permit. Also for the purposes of this measure, an application is considered fully "processed" on the date on which it is either approved, denied, or withdrawn.

Purpose/Importance: It provides management with information concerning the total work as to the number of applications processed, including those which require time to maintain the files in their current status.

Source/Collection of Data: The data required to calculate this measure is obtained from license/permit records which are created by data entry personnel. Information is entered from the license/permit applications as they are received by the division. Upon approval of such documents, further updates are completed by data entry personnel. Agency computer system generated data from the license/permit records are used to calculate this measure.

Method of Calculation: Using the agency's computer system, this figure represents the number of applications (originals, renewals, temporaries and changes) processed. This measure affects the average license/permit processing time and the average cost per license/permit processed.

Data Limitations: The number of new businesses requiring licenses, as well as the number of business failures and turnover requiring some type of licensing action, can affect this measure.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Higher.

02 Number of Licenses/Permits Issued

Short Definition: This measure provides the number of originals, renewals and temporaries issued in a specific period. Primary licenses/permits AND subordinate
licenses/permits approved and issued by the agency are individually counted when calculating the value of this measure.

**Purpose/Importance:** The number of originals, renewals and temporaries issued determines the revenue generated by the licensing division from license/permit fees and surcharges.

**Source/Collection of Data:** The data required to calculate this measure is obtained from license/permit records which are created by data entry personnel. Information is entered from the license/permit applications as they are received by the division. Upon approval of such documents, further updates are completed by data entry personnel. The count of temporary, original and renewal applications that have been approved within a specified date range determine this measure. Temporary, original and renewal licenses and permits are printed and issued on the approval date.

**Method of Calculation:** Agency reports find and counts all temporary, original and renewal applications approved within a specified date range.

**Data Limitations:** The economy, population and social trends on alcoholic beverage consumption affect the number of new business requiring licenses/permits as well as the number of businesses failures.

**Calculation Type:** Cumulative.

**New Measure:** No.

**Desired Performance:** Higher.

**EFFICIENCY MEASURE**

**01 Average Cost per License/Permit Processed**

**Short Definition:** This measure is intended to represent the average cost to process a license or permit. For the purposes of this measure, an application is any requested change affecting a primary license/permit or a subordinate, any request for a new primary or subordinate license/permit, any request to renew a primary or subordinate license/permit, or a request for a temporary license/permit. Also for the purposes of this measure, an application is considered fully "processed" on the date on which it is either approved, denied, or withdrawn.

**Purpose/Importance:** This measure allows management to monitor costs and control expenditures.

**Source/Collection of Data:** The expenditure amounts are from reports provided by the Uniform Statewide Accounting System (USAS) and agency computer systems.
Method of Calculation: Total costs are divided by the total number of licenses/permits processed, including temporaries and changes.

Data Limitations: The economy, population and social trends on alcoholic beverage consumption affect the number of new businesses requiring licenses/permits, as well as the number of business failures.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Lower.
Goal 3: To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving and distributing of alcoholic beverages.

**Objective 1: Ensure Compliance with the Alcoholic Beverage Code.**

**OUTCOME MEASURES**

**01 Compliance Rate – Field Audits and Analyses**

*Short Definition:* The percentage of audits and analyses conducted by field auditors during which licensees and permittees were found to be in full compliance with the requirements of the Alcoholic Beverage Code and TABC Rules.

*Purpose/Importance:* This measure shows the degree to which agency compliance efforts have been successful and to which regulated businesses conform to the requirements of state law and applicable state regulations.

*Source/Collection of Data:* The numbers used to calculate the value of this measure come from agency automated reports, which in turn draw information from automated auditor audit and violation records.

*Method of Calculation:* The number of audits and analyses of licensed businesses conducted by auditors during a specified time period is counted. Also counted is a subset of this group which consists of those audits and analyses that did not result in administrative citations or tax/fee delinquency collections. The number of audits and analyses of licensed businesses during which no violations or delinquencies were found is then divided by the total number of audits and analyses of licensed businesses conducted by auditors to determine the value to be reported for this ratio.

*Data Limitations:* Staffing levels and the experience/knowledge levels of agency employees can influence the value of this measure.

*Calculation Type:* Noncumulative.

*New Measure:* No.

*Desired Performance:* Higher.
02 Percent of Report Analyses Resulting in Administrative or Compliance Action

Short Definition: The percentage of monthly reports analyzed during which violations of the Alcoholic Beverage Code and/or Rules were detected and an administrative or compliance action was issued.

Purpose/Importance: This measure shows the rate of noncompliance with the reporting requirements of the Alcoholic Beverage Code and Rules and the effectiveness of the agency’s monitoring program in detecting these violations.

Source/Collection of Data: Individual tax examiners maintain a running tally of the reports analyzed and compliance/excise tax letters issued which are reported daily to the unit supervisor and then summed for periodic reports.

Method of Calculation: The number of administrative and compliance actions issued for failure to comply with the Alcoholic Beverage Code and Rules discovered during the report analyzation process divided by the total number of reports analyzed during the reporting process.

Data Limitations: The agency’s current efforts to simplify the reporting process can cause a decrease in the number of inadvertent violations noted and decrease the percentage of report analyzations that result in compliance or administrative actions.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Lower.

03 Percent of Agency Contacts Expressing Satisfaction with Contacts with Agency Auditors

Short Definition: The percentage of compliance post-inspection/audit survey instruments returned with ratings indicating general satisfaction with the actions of the agency's auditors.

Purpose/Importance: This outcome measures licensee/permittee satisfaction with regard to the practices of the agency's auditors. It is important because it provides feedback from our customers and indicates how well the agency is meeting its own expectations concerning customer service.

Source/Collection of Data: The data required for the calculation of this measure comes from survey instruments that are mailed to and returned from licensees and permittees whose businesses were inspected or audited during a specified time period by the agency's field auditors. The responses when returned are data-entered into a spreadsheet database and tabulated at the end of each reporting period.
Method of Calculation: Each survey instrument contains six questions that gauge respondent satisfaction with the auditor's practices. Respondents rate enforcement agents on each dimension by marking either "Yes" or "No." As returned survey instruments are received, they are data-entered into a spreadsheet, with the initial categorical rating for each dimension being translated during data-entry into a numeric value--"1" for Yes and "0" for No. A respondent's failure to rate the auditors on a given dimension is treated as a "No" response for that dimension. The ratings entered for all six dimensions are then averaged to derive a measure of general satisfaction for each respondent. Those whose general satisfaction scores are greater than .5 are considered to be "satisfied." To derive the value sought, the number of respondents expressing general satisfaction is then divided by the total number of persons who responded to the survey during the period in question.

Data Limitations: The agency has no control over the number of survey instruments returned and the response rate is usually low. Low response rates compromise the representativeness of the data and preclude any generalization of the results.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Higher.

04 Compliance Rate – Inspections of Licensed Businesses by Auditors

Short Definition: The percentage of inspections conducted by field auditors during which licensees and permittees were found to be in full compliance with the requirements of the Alcoholic Beverage Code and TABC Rules.

Purpose/Importance: This measure shows the degree to which agency compliance efforts have been successful and to which regulated businesses conform to the requirements of state law and applicable state regulations.

Source/Collection of Data: The numbers used to calculate the value of this measure come from agency automated reports, which in turn draw information from automated auditor inspection and violation records.

Method of Calculation: The number of inspections of licensed businesses conducted by auditors during a specified time period is counted. Also counted is a subset of this group consisting of those inspections that did not result in the issuance of an administrative citation for violations observed or documented during the inspection. The number of inspections of licensed businesses during which no violations were found is then divided by the total number of inspections of licensed businesses conducted by auditors to determine the value to be reported for this ratio.

Data Limitations: Staffing levels and the experience/knowledge levels of agency employees can influence the value of this measure.
Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Higher.

OUTPUT MEASURES

01 Number of Persons Instructed by Auditors

Short Definition: The number of people attending educational presentations made by auditors.

Purpose/Importance: Auditors perform three primary tasks: audits and analyses, inspections and public education. Their contribution to the agency's public education efforts is represented by this measure.

Source/Collection of Data: The data for this measure comes from educational program session records created by auditors and stored in the agency's Daily Activity Reporting System (DARS) database. Auditors record information about each program session they teach in their Daily Activity Reports. Automated educational program session records are created when the auditor's Daily Activity Reports or field notes are data-entered. Each record identifies the type of program taught, the county in which the session was held, the number of people taught and the date of the session. The values reported for this measure are taken from agency automated reports that draw information from those records.

Method of Calculation: The measure is calculated by identifying all automated educational program session records created for sessions taught by auditors during a specified time period and then summing the attendee counts found in those records.

Data Limitations: Most of the work to achieve this goal is done during the school year, which means that there can be strong seasonal variances during the course of a full fiscal year.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Higher.

02 Number of Wholesale and Manufacturing Reports Analyzed

Short Definition: The number of monthly reports received and analyzed by agency employees that come from the manufacturing and wholesale tiers of the alcoholic beverage industry and that pertain either to the sale and shipment of alcoholic beverages into or within the state of Texas, to the alcoholic beverage products manufactured within the state, or to the use of beverage quality alcohol in the
manufacturing process for non-beverage products. The total includes all of the excise
tax reports received and reviewed by TABC employees.

Purpose/Importance: The measure shows the workload and output of those agency
employees who are involved in processing the monthly reports the agency receives
from the manufacturing and wholesale tiers of the alcoholic beverage industry.

Source/Collection of Data: Tax Division personnel manually record each report analysis
completed by type of analysis performed on their Excise Tax Daily Reports. These are
then data-entered into a spreadsheet which is used to generate totals for all employees
and to produce an Excise Tax Activity Report for the period in question.

Method of Calculation: This a manual tabulation of reports analyzed by division
personnel on a monthly basis and maintained on a spreadsheet.

Data Limitations: Economic/market conditions can cause fluctuations in the number of
etties required to submit monthly reports and thereby cause fluctuations in the volume
of reports received. Also, the knowledge and skills levels of the upper tier employees
completing the reports and the TABC employees analyzing them can have an impact on
the number of errors present within the reports and on processing time at the TABC
end.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Higher.

03 Number of Audits and Other Analyses Conducted by Field Auditors

Short Definition: The number of audits and other analyses conducted by field auditors
during a specified period of time. Analyses are reviews, conducted by field auditors, of
selected areas of a licensee/permittee’s operations to ensure compliance with the
licensing requirements of the Alcoholic Beverage Code and Rules. Included in this
broad definition are financial and audit records of various types.

Purpose/Importance: For all of their usefulness, inspections constitute a rather cursory
check for compliance. Audits and analyses involve a deeper and more prolonged look at
selected aspects of the licensee/permittee’s operations and require considerably more
expertise than a simple inspection. While conducted less frequently than inspections,
they are, perhaps, the most important part of an auditor's workload.

Source/Collection of Data: The data required for the calculation of this measure comes
from automated analyses/audit records created by field auditors while data-entering
their Daily Activity Reports. An agency automated report tabulates the records for a
specified date range and provides the count reported as the value for this measure.
**Method of Calculation:** An agency automated report identifies all automated records pertaining to audits and analyses conducted by field auditors during a specified date range, counts them and provides the total reported for this measure.

**Data Limitations:** Lack of cooperation from licensees/permittees and the knowledge and experience levels of the auditors themselves can delay the completion of audits and other analyses and, therefore, adversely impact the value reported for this measure.

**Calculation Type:** Cumulative.

**New Measure:** No.

**Desired Performance:** Higher.

**04 Inspections Conducted by Field Auditors**

**Short Definition:** The total number of inspections conducted by field auditors during a specified period of time. For the purpose of this measure, an inspection is a visit to a licensed location, a proposed licensed location, or any other physical location for the purpose of determining compliance with the Alcoholic Beverage Code and other state laws.

**Purpose/Importance:** Inspections are the agency's primary regulatory compliance work process. There are various forms or types of inspections but what they all have in common is a physical encounter for the purpose of confirming or enforcing compliance with state laws. Counting them provides an accurate representation of the number of times auditors have conducted physical compliance checks during the course of their regulatory enforcement duties.

**Source/Collection of Data:** The information required to derive the count comes from inspection records in the agency's activity reporting system. Each individual inspection made by an auditor is noted in the auditor's Daily Activity Report or field notes. When these reports or notes are data-entered, an automated record summarizing each inspection is created. The values reported for this measure are taken from an agency automated report.

**Method of Calculation:** The measure is calculated by counting the number of automated inspection records that were originated for activity occurring during a specified period of time.

**Data Limitations:** The term “inspection” is applied to a wide variety of compliance checks. One inspection is not necessarily equal to another in terms of complexity, the specific activities performed or the time and other resources required to conduct it.

**Calculation Type:** Cumulative.


New Measure: No.

Desired Performance: Higher.

**EFFICIENCY MEASURES**

**01 Average Cost Per Audit or Analyses**

*Short Definition:* The cost of the audits and analyses conducted during a specified period of time divided by the total number of audits and analyses conducted by auditors in the same time period.

*Purpose/Importance:* This efficiency measure provides a unit cost figure for a core compliance auditor activity.

*Source/Collection of Data:* Auditor automated activity records, which are data-entered using auditor field notes or Daily Activity Reports as source documents and a chart from the agency's business services division that allocates the agency's expenses during the period in question among its various strategies. Auditor work hours devoted to audits and analyses and total auditor work hours are taken from agency automated reports that draw information from these automated records.

*Method of Calculation:* The work hours reported for all auditor activity during the period in question are extracted from automated activity records and totaled. Also extracted from the same database as a subtotal of the first total is the total for the auditor work hours that were devoted to audits and analyses. The latter is divided by the former and the resulting ratio is then multiplied by the total for auditor related spending during the period in question to derive the amount of total expenditures attributable to audits and analyses. That amount is then divided by the total number of audits and analyses conducted by auditors during the same period to derive a "per audit/analysis" unit cost.

*Data Limitations:* The division of total work hours between inspections, public education/information activities and audits/analyses is somewhat arbitrary, and there is no good or fair way to divide the time spent on certain supporting activities (supervision, data-entry and reporting, case adjudication, etc.) among the two. For the sake of simplicity, the supporting activities have all been attributed to inspections. As a consequence, the work hours and, therefore, the costs allocated to inspections tend to overstate the true cost of those activities and to some degree understate the costs of public education/information activities and audits/analyses.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Lower.
02 Average Cost Per Auditor Inspection

Short Definition: The cost of all auditor inspection activity during a specified period of time divided by the total number of inspections (physical compliance checks) conducted by auditors the same time period. An inspection is a visit to a licensed location, a proposed licensed location, or any other location for the purpose of determining compliance with the Alcoholic Beverage Code and other state laws.

Purpose/Importance: This efficiency measure provides a unit cost figure for a core compliance auditor activity.

Source/Collection of Data: Auditor automated activity records and inspection records, which are data-entered using field notes or Daily Activity Reports as source documents and a chart from the agency's business services division that allocates the agency's expenses during the period in question among its various strategies are used in the calculations required for this measure.

Method of Calculation: The work hours reported for all compliance auditor activity during the period in question are extracted from auditor activity records and totaled. Also extracted from the same database as a subtotals of the first total are the totals for the work hours that were devoted to public education/information activities and to audits and analyses. The latter two are added together subtracted from the former to derive a total for the number of compliance auditor work hours related to inspection activities. The total expenditures for compliance auditor activities is then multiplied by a ratio created by dividing inspection activity work hours by total auditor work hours to identify the amount of total compliance auditor expenditures attributable to inspections. That amount is then divided by the total number of inspections conducted by auditors during the same period to derive a per inspection/compliance check unit cost.

Data Limitations: The division of total work hours between inspections, public education/information activities and audits/analyses is somewhat arbitrary, and there is no good or fair way to divide the time spent on certain supporting activities (supervision, data-entry and reporting, case adjudication, etc.) among the two. For the sake of simplicity, the supporting activities have all been attributed to inspections. As a consequence, the work hours and, therefore, the costs allocated to inspections tend to overstate the true cost of those activities and to some degree understate the costs of public education/information activities and audits/analyses.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Lower.
03 Average Cost Per Person Attending Educational Programs Taught by Auditors

Short Definition: The total cost of all auditor educational/public information activity during a specified time period divided by the total number of persons attending educational programs taught/facilitated by auditors during the same time period.

Purpose/Importance: This efficiency measure provides a unit cost figure for auditor educational initiatives.

Source/Collection of Data: Auditor automated activity records, which are data-entered using auditor field notes or Daily Activity Reports as source documents and a chart from the agency’s business services division that allocates the agency's expenses during the period in question among its various strategies. Auditor educational work hours and total auditor work hours are taken from agency automated reports.

Method of Calculation: The work hours reported for all auditor activity during the period in question are extracted from automated activity records and totaled. Also extracted from the same database as a subtotal of the first total is the total for the auditor work hours that were devoted to public education/information activities. The latter is divided by the former and the resulting ratio is then multiplied by the total for auditor related spending during the period in question to derive the amount of total expenditures attributable to educational activities. That amount is then divided by the total number of persons instructed by auditors during the same period to derive a "per person instructed" unit cost.

Data Limitations: The division of total work hours between inspections, public education/information activities and audits/analyses is somewhat arbitrary, and there is no good or fair way to divide the time spent on certain supporting activities (supervision, data-entry and reporting, case adjudication, etc.) among the two. For the sake of simplicity, the supporting activities have all been attributed to inspections. As a consequence, the work hours and, therefore, the costs allocated to inspections tend to overstate the true cost of those activities and to some degree understate the costs of public education/information activities and audits/analyses.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Lower.

04 Average Cost Per Wholesale and Manufacturing Report Analyzed

Short Definition: The total cost attributable to the Tax Collection/Reporting function during a specified period of time divided by the number of Wholesalers and Manufacturers reports received and analyzed by agency employees during the same time period.
**Purpose/Importance:** The measure provides an average unit cost for the handling of wholesale and manufacturing tier reports.

**Source/Collection of Data:** Tax Division personnel manually record each report analysis completed by type of analysis performed on their Excise Tax Daily Reports (Form C-29). These are then data-entered into a spreadsheet which is used to generate totals for all employees and to produce an "Excise Tax Activity Report" for the period in question. The "reports analyzed" total taken from this report and strategy spending totals taken from a quarterly BSD Expenditures Report that allocates agency operating cost to its various strategies are used in the calculations required for this measure.

**Method of Calculation:** The expenditure total reported for the Tax Collection/ Reporting function in the BSD Expenditures report is divided by the "reports analyzed" total taken from the "Excise Tax Activity Report" to derive the reported value.

**Data Limitations:** Economic/market conditions can cause fluctuations in the number of entities required to submit monthly reports and thereby cause fluctuations in the volume of reports received.

**Calculation Type:** Noncumulative.

**New Measure:** No.

** Desired Performance:** Lower.

**EXPLANATORY MEASURES**

**01 Number of Licensed Locations Subject to Inspection and Other Regulatory Enforcement Activities**

**Short Definition:** The number of licensed locations within the state of Texas subject to inspection or other regulatory compliance activities during a specified time period.

**Purpose/Importance:** This explanatory measure provides a count of the number of active licensed locations during the period in question.

**Source/Collection of Data:** Automated agency licensing records, which are created and updated using original, renewal, and change applications as the primary source documents, are used in the compilations required to derive the reported total. The total reported is itself taken from an automated agency report.

**Method of Calculation:** The automated report cross references automated licensing records to identify the physical locations occupied by business holding licenses or permits during the period in question and then counts the individual locations found.
Data Limitations: The businesses that are licensed to sell or serve alcoholic beverages at the locations in question are free to enter and leave business at will. As a consequence, the number of licensed business entities and the locations from which they do business change over time and are beyond the control of the agency.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Neutral.

02 Number of Wholesaler/Manufacturer Licensees/Permittees Required to Submit Monthly Reports

Short Definition: Number of upper tier licensees and permittees who are required to submit monthly reports to the agency. These are businesses involved in the wholesale sale or manufacturing of alcoholic beverages that either sell or ship alcoholic beverages into, out of, or within the State of Texas, that manufacture alcoholic beverage products within the state, or that use beverage quality alcohol in the manufacturing process for non-beverage products.

Purpose/Importance: The measure provides a count of the current number of business that must submit monthly reports for review and analyzation and also provides an indication of the number of such reports that can be expected to be received at the end of the next reporting period.

Source/Collection of Data: The agency's automated licensing records are the primary source of the data used in the calculation. An automated report provides a breakdown by license class of the licenses and permits that were active on date that the report ran.

Method of Calculation: The automated report is ran immediately following the close of period that is to be reported. The user then manually totals the counts provided within that report for the license classes of interest. The license classes whose members must submit monthly reports to the TABC are AB, B, BA, BB, BC, BD, BJ, BP, BS, C, D, DS, FC, G, I, J, LX, MW, PT, S, W, X and Z.

Data Limitations: Businesses are free to enter or exit the industry at will. As a consequence, the value reported for this measure is constantly changing, and those changes are beyond the agency's control.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Neutral.
03 Number of Administrative Actions Initiated by Auditors and other Compliance Personnel

Short Definition: The sum total of the administrative cases, administrative warnings, summary suspensions, protests, Cash Law/Credit Law Warning Letters and Credit Law Notices of Default first publications initiated by auditors and other compliance personnel.

Purpose/Importance: The measure represents the number of times auditors and other compliance personnel found violations and took corrective action during the course of their duties.

Source/Collection of Data: The data used in this measure is from automated agency violation records and from Cash Law/Credit Law Default records. The administrative warnings, administrative cases, Cash Law/Credit Law Warning letters, application protests and summary suspensions initiated by auditors and other compliance and personnel are used to calculate this measure, as are Credit Law Notices of Default first publications.

Method of Calculation: The administrative warnings, administrative cases, cash law/credit law warning letters, application protests, Credit Law Default first publications and summary suspensions initiated by auditors and other Compliance personnel during a specified time period are counted and totaled together to derive the reported total.

Data Limitations: The agency's current efforts to train and educate its customers can decrease the number of violations detected.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Neutral.

04 Number of Cash Law/Credit Law Defaults Received and Processed

Short Definition: Number of cash law and credit law notices of default received by the agency from beer distributors and wholesalers during a specified period of time and data-entered into the agency's automated system.

Purpose/Importance: Retailers who pay for beer deliveries with a "hot" check or fail to pay the balance due for credit liquor purchases within a specified time frame are subject to a progressive sequence of administrative sanctions. Delivery or direct entry of delinquent notices are the methods by which distributors and wholesalers notify the TABC of such transgressions on the part of retailers and provide the starting point for the series of sanctions described above.
Source/Collection of Data: Default notices are either physically received from or directly entered into the agency’s data system by distributors and wholesalers. Automated reports draw summary totals for specified time periods from the records contained in the data system.

Method of Calculation: All Notice of Default records created within a specified period of time are counted and the total is the value report of this measure.

Data Limitations: The number of defaults reported can vary with economic conditions and can be greatly affected by changes in state law. Also too, most default notices are now directly entered by Distributors and Wholesales and are "processed" with little or no involvement of agency personnel.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Neutral.

05 Number of Administrative Actions Resulting from Analyses of Wholesale and Manufacturing Reports

Short Definition: Number of compliance/excise tax letters issued for reporting errors and tax underpayments discovered by tax personnel while analyzing wholesale and manufacturing tier reports.

Purpose/Importance: The measure provides a count of the number of times that manufacturers and wholesalers failed to meet agency tax payment and reporting requirements.

Source/Collection of Data: Individual tax examiners maintain a running tally of the reports analyzed and compliance/excise tax letters issued which are reported daily to the unit supervisor and then summed for periodic reports.

Method of Calculation: The compliance/excise tax letter counts reported by agency tax examiners during a specified time period are totaled and that sum is then reported as the value for this measure.

Data Limitations: The agency's current efforts to train and educate its customers can decrease the number of violations detected.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Neutral.
Goal 3: To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving and distributing of alcoholic beverages.

Objective 2: Ensure Maximum Compliance with Importation Laws at Ports of Entry.

OUTCOME MEASURES

01 Revenue as a Percent of Expenses

*Short Definition:* The revenue derived by the TABC ports of entry section from the taxes and fees collected for the personal importation of alcoholic beverages and cigarettes divided by the total cost of ports of entry operations.

*Purpose/Importance:* This measure compares the tax revenue generated by the agency's ports of entry division with the total cost of operating that section.

*Source/Collection of Data:* Tax stamp “sales” and revenue data are collected via hand-held devices and uploaded to the agency database. Automated reports tabulate this data and provide totals for individual tax collectors and for each POE organizational unit, as well as for the division as a whole. The expenditures are tracked in USAS and the cost data is extracted quarterly by BSD and used to create quarterly Expenditure Reports that allocate agency operating costs to its various strategies.

*Method of Calculation:* Total fees and taxes collected from the personal importation of alcoholic beverages and cigarettes are divided by the total cost of the ports of entry function. The result is expressed as a percentage.

*Data Limitations:* Economic conditions in the United States and Mexico which affect currency valuations have a direct affect upon the quantity of alcoholic beverages and cigarettes imported and, therefore, upon the fees and taxes collected for the personal importation of said products. Also impacting personal importations are the public's perception of the public safety situation in and around the border area, especially on the Mexican side and state tax rates.

*Calculation Type:* Noncumulative.

*New Measure:* No.

*Desired Performance:* Higher.
OUTPUT MEASURES

01 Number of Alcoholic Beverage Containers Stamped

Short Definition: The total number of containers of alcoholic beverages personally imported into Texas and required taxes and fees were paid by the persons importing the products.

Purpose/Importance: This measure provides a count of the containers of alcoholic beverages that are taxed at the Texas/Mexico ports of entry.

Source/Collection of Data: Tax stamp “sales” and revenue data are collected via hand-held devices and uploaded to the agency database. Automated reports tabulate this data and provide totals for individual tax collectors and for each POE organizational unit, as well as for the division as a whole.

Method of Calculation: Using data originally captured at the ports using hand-held computing devices, an automated report tabulates a division-wide total for POE sales (the number of containers stamped). The resulting total is the value reported for this measure.

Data Limitations: The volume of personal importations is dependent upon cross-border shopping and tourism. Any event or series of events that increases or decreases cross-border tourism or shopping will affect the volume of personal importations and the value reported for this measure. Such events are beyond the agency’s control.

Calculation Type: Cumulative.

New Measure: Yes.

Desired Performance: Higher.

02 Number of Packages of Cigarettes Stamped

Short Definition: The total number of packages of cigarettes personally imported into Texas and required taxes and fees were paid by the persons importing the products.

Purpose/Importance: This measure provides a count of the individual packages of cigarettes that are taxed at the Texas/Mexico ports of entry.

Source/Collection of Data: Tax stamp “sales” and revenue data are collected via hand-held devices and uploaded to the agency database. Automated reports tabulate this data and provide totals for individual tax collectors and for each POE organizational unit, as well as for the division as a whole.
Method of Calculation: Using data originally captured at the ports using hand-held computing devices, an automated report tabulates a division-wide total for POE sales (the number of packages stamped). The resulting total is the value reported for this measure.

Data Limitations: The volume of personal importations is dependent upon cross-border shopping and tourism. Any event or series of events that increases or decreases cross-border tourism or shopping will affect the volume of personal importations and the value reported for this measure. Such events are beyond the agency's control.

Calculation Type: Cumulative.

New Measure: Yes.

Desired Performance: Higher.

EFFICIENCY MEASURE

01 Average Cost Per Alcoholic Beverage Container Imported/Technically Seized

Short Definition: Total cost of the ports of entry section in stamping or confiscating alcoholic beverage containers divided by the total number of alcoholic beverage containers imported or technically seized.

Purpose/Importance: This measure is intended to show the average cost incurred by the agency for each container or package imported or technically seized.

Source/Collection of Data: The number of containers and packages imported and those technically seized are manually added together by Austin headquarters from reports. Information concerning containers stamped or technically seized is initially collected via hand-held devices and uploaded to the agency database. Automated reports tabulate this data and provide totals for individual tax collectors and for each POE organizational unit, as well as for the division as a whole. The expenditures are tracked in USAS and the cost data is extracted quarterly by the agency's business services division and used to create quarterly Expenditure Reports that allocate agency operating costs to its various strategies.

Method of Calculation: Total cost of the ports of entry function divided by the total number of containers or packages stamped or technically seized. (Note: The unit cost of handling alcoholic beverage containers and packages of cigarettes is exactly the same.)

Data Limitations: The volume of personal importations is dependent upon cross-border shopping and tourism. To a more limited degree, the volume of technical seizures is dependent upon the volume of personal importations. Any event or series of events that increases or decreases cross-border tourism or shopping will affect the volume of...
personal importations and to a lesser degree, the volume of technical seizures. Such events are beyond the agency's control.

*Calculation Type:* Noncumulative.

*New Measure:* Yes.

*Desired Performance:* Lower.

**02 Average Cost Per Cigarette Package Imported/Technically Seized**

*Short Definition:* Total cost of the ports of entry section in stamping or confiscating packages of cigarettes divided by the total number of cigarette packages imported or technically seized.

*Purpose/Importance:* This measure is intended to show the average cost incurred by the agency for each package of cigarettes imported or technically seized.

*Source/Collection of Data:* The number of containers and packages imported and those technically seized are manually added together by Austin headquarters from reports. Information concerning containers stamped or technically seized is initially collected via hand-held devices and uploaded to the agency database. Automated reports tabulate this data and provide totals for individual tax collectors and for each POE organizational unit, as well as for the division as a whole. The expenditures are tracked in USAS and the cost data is extracted quarterly by the agency's business services division and used to create quarterly Expenditure Reports that allocate agency operating costs to its various strategies.

*Method of Calculation:* Total cost of the ports of entry function divided by the total number of containers or packages stamped or technically seized. (Note: The unit cost of handling alcoholic beverage containers and packages of cigarettes is exactly the same.)

*Data Limitations:* The volume of personal importations is dependent upon cross-border shopping and tourism. To a more limited degree, the volume of technical seizures is dependent upon the volume of personal importations. Any event or series of events that increases or decreases cross-border tourism or shopping will affect the volume of personal importations and to a lesser degree, the volume of technical seizures. Such events are beyond the agency's control.

*Calculation Type:* Noncumulative.

*New Measure:* Yes.

*Desired Performance:* Lower.
EXPLANATORY MEASURE

01 Number of Alcoholic Beverage Containers Technically Seized

Short Definition: The number of alcoholic beverage containers technically seized by ports of entry personnel as illegal imports during a specified time period. A container is considered to be illegally imported if: it is in excess of the legal importation quota; the container itself is illegal; it is imported by minors or intoxicated persons; or it is not declared or the importer refuses to pay the required tax. The illegal containers are technically seized and destroyed by the ports of entry personnel.

Purpose/Importance: This output is intended to measure the total number of alcoholic beverage containers technically seized for any reason during the period referenced.

Source/Collection of Data: Information concerning technical confiscations is initially collected via hand-held devices and uploaded to the agency database. Automated reports tabulate this data and provide totals for individual tax collectors and for each POE organizational unit, as well as for the division as a whole.

Method of Calculation: Total taken from an automated report after the agency's automated system sums the number of alcoholic beverage containers referenced in all technical seizure records created by POE personnel for the period in question.

Data Limitations: The volume of personal importations is dependent upon cross-border shopping and tourism. To a more limited degree, the volume of technical seizures is dependent upon the volume of personal importations. Any event or series of events that increases or decreases cross-border tourism or shopping will affect the volume of personal importations and to a lesser degree, the volume of technical seizures. Such events are beyond the agency's control.

Calculation Type: Cumulative.

New Measure: Yes.

Desired Performance: Higher.

02 Number of Packages of Cigarettes Technically Seized

Short Definition: The number of packages of cigarettes seized by ports of entry personnel as illegal imports during a specified time period. A package is considered to be illegally imported if: it is in excess of the legal importation quota; the package itself is illegal; it is imported by persons under 18 years of age; or it is not declared or the importer refuses to pay the required tax. The illegal packages are technically seized and destroyed by the ports of entry personnel.
Purpose/Importance: This output is intended to measure the total number of cigarette packages technically seized for any reason during the period referenced.

Source/Collection of Data: Information concerning technical confiscations is initially collected via hand-held devices and uploaded to the agency database. Automated reports tabulate this data and provide totals for individual tax collectors and for each POE organizational unit, as well as for the division as a whole.

Method of Calculation: Total taken from an automated report after the agency's automated system sums the number of cigarette packages referenced in all technical seizure records created by POE personnel for the period in question.

Data Limitations: The volume of personal importations is dependent upon cross-border shopping and tourism. To a more limited degree, the volume of technical seizures is dependent upon the volume of personal importations. Any event or series of events that increases or decreases cross-border tourism or shopping will affect the volume of personal importations and to a lesser degree, the volume of technical seizures. Such events are beyond the agency's control.

Calculation Type: Cumulative.

New Measure: Yes.

Desired Performance: Higher.
Appendix E:
Workforce Plan

SECTION I

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

The TABC collects in excess of $200 million annually in taxes and fees, which aids in the financing of the state’s public schools, local governments, research, human services and other areas in which state government provides services to all Texans.

The Alcoholic Beverage Code authorizes the Texas Alcoholic Beverage Commission to:

- Grant, refuse, suspend, or cancel permits and licenses in all phases of the alcoholic beverage industry;
- Supervise, inspect and regulate the manufacturing, importation, exportation, transportation, sale, storage, distribution and possession of alcoholic beverages;
- Assess and collect fees and taxes;
- Investigate for violations of the Alcoholic Beverage Code and assist in the prosecution of violators;
- Seize illicit beverages;
- Adopt standards of quality and approve labels and size of containers for all alcoholic beverages sold in Texas;
- Pass rules to assist the agency in all of the above.

ORGANIZATIONAL STRUCTURE
The policy-making body of the agency is a three-member governing board appointed by the Governor with the advice and consent of the Senate. Members of the commission hold office for staggered terms of six years, with the term of one member expiring every two years. Each member must be a Texas resident and must have resided in the state for at least five years preceding the appointment. Commission members serve without salary.

The commission is currently comprised of Chairman José Cuevas, Jr., of Midland; Steven M. Weinberg, MD, JD, of Colleyville; and Melinda S. Fredricks of Conroe.

An administrator, appointed by the three-member governing board, directs the daily operations of the Texas Alcoholic Beverage Commission. The board appointed current Administrator Alan Steen on August 1, 2003; and he is scheduled to retire on June 30, 2012. The administrator is responsible for employing staff to ensure that the policies
established by the commission and the laws enacted by the legislature are implemented in an efficient and cost-effective manner.

Sharing in that responsibility is the assistant administrator of regulatory and business operations, chief of field operations, general counsel, director of the office of professional responsibility (internal affairs) and the director of communications and governmental relations. See Appendix B for a detailed organization chart.

An independent audit firm performs internal audit functions for TABC, reporting directly to the commissioners.

**Field Operations: Enforcement and Compliance**

Field Operations is the agency's largest and most visible division. Staff in field operations perform both enforcement and compliance functions involving criminal, regulatory and administrative enforcement of the state's alcoholic beverage laws. The chief of field operations oversees three assistant chiefs. Each chief supervises field operations staff in one of the three regions.

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. Auditors conduct investigative audits and other financial reviews, conduct inspections and fee analysis during the initial phases of the licensing process, and assist the agents in various types of investigations. Auditors also play a role in monitoring seller training schools to ensure compliance with agency standards.

Both enforcement agents and compliance auditors provide training to permit holders and their employees, upon request as well as in response to violations by the permittee. In addition, presentations are delivered to students, ranging from middle schools to university settings. Finally, they provide presentations to 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.

**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 qualifies to hold such license/permit and adheres to all applicable regulatory requirements. Licenses and permits are issued for a period of two years. Approximately 57,000 licenses and permits are issued each year by division personnel.

**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 Alcoholic Beverage Code. The division also is responsible for overseeing the promotion of alcoholic beverage products as well as the testing and labeling of the products in Texas.
Ports of Entry
The ports of entry division is responsible for ensuring compliance with personal importation laws and the collection of taxes and fees on alcoholic beverages and cigarettes brought into Texas from Mexico. Cigarette taxes are collected 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 division oversees 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 works 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.

Office of Professional Responsibility
The office of professional responsibility (internal affairs) oversees or conducts all internal investigations concerning the conduct of agency employees.

Information Resources
The information resources division is responsible for developing and maintaining the core technology applications for the agency, which includes licensing, enforcement, compliance, legal, and business services. Additionally, the division establishes and supports the technology infrastructure that facilitates agency operations, and is charged with researching and analyzing how to apply new technologies to solve business problems.

Business Services
The business services division is responsible for all fiscal operations of the agency, including revenue processing, accounts payable, payroll, time and leave accounting, maintenance of the general ledger, research and planning, as well as preparation and oversight of the agency’s legislative appropriations request, annual financial report, and performance reports. The general services section of business services is responsible for staff support functions of purchasing, historically underutilized business (HUB) program coordination, records retention coordination, real and personal property management, facilities leasing, fleet management, mail center operations, and warehousing.

Human Resources
The human resources division manages employment-related activities, including recruitment, selection, benefits and compensation, employee relations, classification, risk management, and implementation of the agency's equal employment opportunity program.
Training
The training division oversees staff development activities for the agency. The division maintains training records and offers required training for certified peace officers, state mandated training for all employees and additional training to develop and enhance the skills of agency employees.

Legal Services / General Counsel
The agency's legal services and general counsel division prepares, processes, and prosecutes administrative cases dealing with violations of the Alcoholic Beverage Code. This division reviews protests to the issuance of licenses and permits by local authorities and citizens and prosecutes application protests by the commission. When violations by permittees and licensees throughout the state are alleged, a hearing is held by the State Office of Administrative Hearings. Outcomes of such hearings include recommendations to cancel, suspend, grant, or deny a license or permit.

MISSION
The mission of the Texas Alcoholic Beverage Commission 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.

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

PHILOSOPHY AND VALUES
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.

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.
- Service
- Courtesy
- Integrity
- Accountability

STRATEGIC GOALS AND OBJECTIVES

Goal 1: To protect the peace and safety of the public by taking positive steps to encourage voluntary compliance with the Texas Alcoholic Beverage Code and other state laws and by undertaking enforcement and regulatory actions that are both fair and effective.
Objective: Detect and prevent violations of the law.
Strategy: Deter and detect TABC code violations through enforcement actions.

Goal 2: To process and issue alcoholic beverage license/permit applications while ensuring compliance with the Alcoholic Beverage Code through investigations and other regulatory means.

Objective: Process and issue license and permit applications.
Strategy: Ensure compliance with laws and other regulatory requirements.

Goal 3: To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving and distributing of alcoholic beverages.

Objective: Ensure compliance with the Alcoholic Beverage Code.
Strategy: Conduct inspections and monitor compliance.

Objective: Ensure maximum compliance with importation laws.
Strategy: Place ports personnel for maximum revenues.

SECTION II
Current Workforce Profile (Supply Analysis)

WORKFORCE DEMOGRAPHICS
The following charts profile the agency’s workforce at the end of fiscal year 2011 TABC’s workforce total is comprised of 62% males and 38% females. Sixty-six percent of the employees are over the age of 40. Thirty-two percent of employees have less than five year’s agency service. The agency addressed the issue of tenure through the implementation of career ladders for a large number of the operational positions. The career ladder is a retention tool used to motivate employees to maintain their employment with the agency. The career ladder allows scheduled promotions based upon tenure and performance
FIGURE 24: Agency Age Profile 2011

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 to 29 Yrs.</td>
<td>7%</td>
</tr>
<tr>
<td>30 to 39 Yrs.</td>
<td>26%</td>
</tr>
<tr>
<td>40 to 49 Yrs.</td>
<td>33%</td>
</tr>
<tr>
<td>50 to 59 Yrs.</td>
<td>26%</td>
</tr>
<tr>
<td>60 to 69 Yrs.</td>
<td>7%</td>
</tr>
</tbody>
</table>

FIGURE 25: Agency Gender Profile 2011

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>62%</td>
</tr>
<tr>
<td>Female</td>
<td>38%</td>
</tr>
</tbody>
</table>
FIGURE 26: Agency Tenure Profile 2011

The following table compares the percentage of African American, Hispanic and female employees to the statewide civilian workforce.

FIGURE 27: Workforce Profile Comparison 2011

<table>
<thead>
<tr>
<th>EEO Category</th>
<th>2011 Workforce Profile Comparison</th>
<th>TABC Workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statewide Civilian Workforce</td>
<td></td>
</tr>
<tr>
<td></td>
<td>African American</td>
<td>Hispanic</td>
</tr>
<tr>
<td>Officials/Administrators</td>
<td>8%</td>
<td>21%</td>
</tr>
<tr>
<td>Professional</td>
<td>10%</td>
<td>19%</td>
</tr>
<tr>
<td>Technical</td>
<td>14%</td>
<td>27%</td>
</tr>
<tr>
<td>Protective Services</td>
<td>18%</td>
<td>21%</td>
</tr>
<tr>
<td>Paraprofessional</td>
<td>18%</td>
<td>31%</td>
</tr>
<tr>
<td>Administrative Support</td>
<td>13%</td>
<td>32%</td>
</tr>
</tbody>
</table>

The agency remains under-represented in at least one demographic in four of the EEO categories. During the last seven years, the agency made steady gains in most categories.

African Americans and Hispanics both accounted for 11% of the new hires during fiscal year 2011. African Americans made up 6% of the agency's terminations while 24% of the terminations were Hispanic.
The agency’s representation of African Americans exceeded their availability in the statewide civilian workforce in the officials/administrators, professional, technical and administrative support categories. African American representation remains 10% below the available civilian workforce in the paraprofessional and 12% below in the protective services category.

At the end of fiscal year 2011, the agency met statewide availability in Hispanic representation in the professional, protective services and paraprofessional EEO categories. Hispanic representation at TABC is underutilized in the official administrator, technical, and administrative support EEO categories.

The agency’s representation of female employees continued to remain stable at 68%. Although the agency has remained stable, the distribution of females in different EEO categories has changed. TABC’s representation of females exceeded their availability in the statewide civilian workforce in the official/administrators, paraprofessionals and administrative support categories. However, the female representation still shows an underutilization in the technical, protective services and professional categories.

In the protective service categories, TABC female representation is still 8% below statewide availability in 2011. Thirty-seven percent of the new hires during 2011 were females; however, 33% of the terminations were females. Overall Hispanic, African American and female representation in the technical category remains low. It is a specialized category containing a limited number of positions in which turnover rarely occurs, providing no opportunity to increase representation numbers. Consequently, the resignation or reclassification of one employee will drastically affect the overall representation.

During the last five years, TABC’s overall turnover rate has been low. Turnover can be attributed to a variety of reasons including retirements, resignations, and general attrition resulting from management changes and reorganizations. Figure 28 compares the average TABC turnover rate to that of the state over the last five years. The agency’s turnover rate has been lower than the state as a whole. However, an analysis of turnover by EEO categories shows a significant decrease in turnover when comparing fiscal year 2007 with fiscal years 2011 in most EEO categories. The turnover rate for administrative support averaged a little over 30% during the majority of the fiscal years until dropping to 25.4% in 2011. The exception in the turnover rate is found in the protective services category. From fiscal year 2007 to 2011, the turnover rate increased from 8.3% to 12.5%. The increase in turnover in the protective services category can be attributed to retirements.

The turnover rate of the agency should remain steady and below the statewide average. Over the next five years, a high number of personnel in key positions with a high degree of expertise are eligible for retirement. By the end of 2016, 153 employees will become eligible for retirement. Of those projected retirements, 91 are classified in non-commissioned positions. Commissioned peace officers account for 62 of the possible retirements. Figure 29 examines the potential loss of employees due to retirement over a five-year period.
FIGURE 28: Turnover Comparison TABC v. Statewide

Turnover Comparison TABC vs. Statewide

<table>
<thead>
<tr>
<th>Year</th>
<th>TABC Rate</th>
<th>Statewide Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2007</td>
<td>12%</td>
<td>19.2%</td>
</tr>
<tr>
<td>FY2008</td>
<td>16.4%</td>
<td>19.3%</td>
</tr>
<tr>
<td>FY2009</td>
<td>9.8%</td>
<td>15.6%</td>
</tr>
<tr>
<td>FY2010</td>
<td>10.7%</td>
<td>15.9%</td>
</tr>
<tr>
<td>FY2011</td>
<td>10.4%</td>
<td>17.7%</td>
</tr>
</tbody>
</table>

FIGURE 29: Projected Retirement Eligibility

Projected Retirement Eligibility

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2012</td>
<td>72</td>
</tr>
<tr>
<td>FY 2013</td>
<td>18</td>
</tr>
<tr>
<td>FY 2014</td>
<td>18</td>
</tr>
<tr>
<td>FY 2015</td>
<td>26</td>
</tr>
<tr>
<td>FY 2016</td>
<td>19</td>
</tr>
</tbody>
</table>
CRITICAL WORKFORCE SKILLS
Although the agency has many qualified employees, there are critical skills necessary in order for the agency to operate customer service and database development / maintenance. Without such, basic business functions could not be provided. We also recognize that skills such as written and verbal communication, foreign language skills, analytical reasoning and interpersonal skills will always be a necessity.

During the hiring process, hiring supervisors shall continue to identify which knowledge, skills and abilities are necessary for filling vacant positions. The selection process should focus on those skills in both the screening criteria, interview questions, and if applicable, assessment exercises.

The identification of required competencies and a comprehensive skills audit throughout TABC should be undertaken so that future planning for the development and importation of workforce skills and competencies are improved.

CHALLENGES AFFECTING CRITICAL WORKFORCE SKILLS
Today and even more so in the future, employees must have an education level that matches the complexity of the work they are required to perform. Fewer positions will only require a high school diploma and many skills needed for those positions will support the preference for a college degree.

The workplace is becoming more mobile, automated and efficiency-oriented. The public expects services to be easily accessible, customer-friendly and cost effective. In addition, in the future, both workers and customers are becoming more diverse. As a result of these factors, TABC positions require better educated, trained, and a more technical staff. Many positions currently require specific certifications in their field to perform job duties. Few positions within the agency accommodate the hiring of non-experienced personnel due to down time and limited staff.

TABC needs organizational, communication and problem solving skills at all levels of the organization. In addition, more positions within all divisions require the utilization of technology to provide better efficiency and accessibility. The demand for increased information technology services makes the staffing needs of the information resources division critical. Positions will require expertise in developing technology, initiating process improvements and communicating with non-technical employees.

SECTION III
Future Workforce Profile (Demand Analysis)

EXPECTED WORKFORCE CHANGES
The law enforcement arm of the TABC workforce will continue to be challenged by legislatively mandated physical requirements. The aging of the available workforce particularly in the field operations division poses unique challenges to the agency. The need for a physically fit and physically able agent workforce remains even though the
population segment from which that workforce can be drawn (21 – 50 year olds) will shrink as a percentage of the general population. Increased automation may very well improve certain work processes and decrease manpower requirements to a limited degree, but it cannot offset the need for physical contact between enforcement agents and those they regulate or between enforcement agents and criminal violators. Under these circumstances, workforce demand may outpace available supply.

The Hispanic, Asian and Southeast Asian population of Texas and its workforce continues to increase. Asian subpopulations are also expected to grow disproportionately. Increased diversity has a multitude of possible advantages for TABC. A significant advantage is that increased diversity in the available workforce expands the opportunity for diversity in applicant pools. The diversity of TABC customers create a priority for TABC to recruit, hire, and retain a greater number of bilingual employees including enforcement agents. TABC desperately needs more bilingual employees to serve an increasingly multilingual population.

While the agency’s mission and the field operations division’s goals and objectives focus on public safety, the strategies, technologies, and work processes used to achieve them will change. As they change, so too will the knowledge, skills, and abilities needed within the workforce.

In the past, the methods used to achieve the field operations division’s primary objective -- detecting and deterring violations of the Alcoholic Beverage Code -- were limited to those associated with direct street enforcement -- inspections, surveillance, and limited undercover work. Today, with public education and a greater emphasis on working with and through other organizations added to the mix, agents have to communicate, teach, plan, organize, and motivate as well as enforce the law. Also, because of the growing use of technology and the increased complexity of some of the activities in which they take part, agents must possess a broader range of skills and knowledge.

This expansion of the field operations division’s investigative focus translates into a great expansion of the range of knowledge, skills, and abilities required of an effective enforcement agent. The enforcement agent of the future will have to be more broadly educated and trained. As a consequence, TABC will not only be competing to attract a shrinking segment of the future workforce, its competition will be increasingly focused towards the upper end of that segment.

Employees within the licensing division will require more formal education because of the complexity of business entities applying for licenses and permits. Most will require degrees in business, accounting, finance or related areas. Higher skilled employees will be required to be intuitive, self-motivated and analytical, working in a very fluid environment and atmosphere.

Auditors’ decreasing involvement in tax collection, due to consolidation of entities, will expand their role. In the future, auditors will continue to focus on public safety initiatives that involve investigations, providing regulatory oversight, and information resource.
Increases in technology will enhance information gathering and report writing. Employees will be required to have computer literacy skills ranging from very basic to advance. More efficient programmers, database administrators, and network and systems support specialists will be necessary to increase technology efforts. A re-engineering of workflow processes, revising and streamlining, must also take place to identify and implement necessary automation for improved efficiency and greater productivity.

Employee training will need to be enhanced to an on-going continuing education program to provide sufficient training in new processes and to supplement prior training of those hired. This training modality should include both internal and external courses in classroom and/or seminar settings as well as instructional or on-line training. A basic need may also rise for increased usage of cross-training among employees and across divisions due to shrinking resources to hire additional manpower. Training should also include the addition of a tuition reimbursement program to assist current employees in obtaining the education needed to promote with the agency.

**FUTURE WORKFORCE SKILL REQUIREMENTS**

TABC enforcement agents will be required to have the ability to communicate well both verbally and in writing, as well as the ability to plan, analyze, organize, and lead. As the TABC workforce becomes more mobile, increased knowledge and use of computer technology as well as proficient computer user skills will become an integral part of the workplace.

Investigative skills will continue to be a necessary component in an agent’s skill set. A background in investigations can be either required as a condition of employment or acquired after hiring. If the agency decides that it is not better served by requiring such skills and experience as a prerequisite of the job, then it should have a training program in place that ensures that agents acquire these needed skills.

Basic peace officer certification and a limited degree of law enforcement experience are no longer enough to satisfy the division’s tactical needs. Agents will need a broader range of training, education, experience, and managerial skills.

To effectively and efficiently process all applications ensuring compliance with all provisions of the Texas Alcoholic Beverage Code, and Rules, and other local, state, and federal statutes will require employees with varied attributes. These may include, but are not limited to additional formal education, degrees in business, accounting, finance, or other related fields, the ability to analyze various and complex structures, and supervisory skills or management potential.

Auditors, similar to enforcement agents, will require investigative skills, the ability to communicate, and the ability to plan, analyze, and organize. Increased knowledge and use of computer technology will be necessary as well.
Cash handling experience, customer service, problem resolution, report writing, oral and written communications, and safety awareness will remain necessary as basic level skills.

Regulatory and business operations will require maintaining a knowledgeable and competent staff. As those services move toward a more strategic focus, staff will need skills such as project management, teamwork, negotiation and facilitation, strategic planning, business process re-engineering, statistical analysis, fiscal management, and performance assessments.

Technical environment workforce skills, with expanded technology, will also require change and security management, network and operating systems expertise, database administration and other training as essential for future positions. More specifically, PC and PC application skills and working knowledge of external systems such as USAS, USPS and ABEST will become required skills for employees in several divisions.

**STAFFING NEEDS**

To perform critical functions as outlined above, the TABC currently has a cap of 696 FTEs. Of those 696 FTEs, 254 are budgeted commissioned peace officer positions in the field operations division. The inability to hire or excess delays in hiring replacements for vacant peace officer position adversely affect performance achievement. Failure or inability to maintain adequate skill and proficiency levels among the agents also affects performance achievement, and of course, the range of skills and proficiencies necessary will expand as new tactical methods are employed.

The field operations division anticipates a need for increased field auditors to conduct investigations, audits, and analyses. With respect to staffing and the skill and proficiency levels of its agents, the division’s primary concern is that future retirements will lead to an exit of manpower, knowledge, and experience. Compounding this concern is the fact that all law enforcement agencies are competing for a shrinking applicant pool, and state agencies with enforcement responsibilities are unable to attract top candidates due to a noncompetitive salary structure. This concern is magnified by the number of employees that are eligible for retirement over the next five years. A large number of retirements, in addition to regular turnover, could have an impact on the agency’s operations for a period of time.

The licensing division is currently authorized 74 employees. During 2009, the agency re-engineered the licensing process shifting to a regional process. The agency does not expect an increase in full-time positions will be required to meet future demands.

Automating a complex licensing process that is constrained by statutory qualification requirements and the applicants’ need for capital, protection of liability, and other business decisions, will be a long term process that will most likely be achieved in phases throughout the next few years. The division will utilize project management skills as well as technology.
License and permit cancellations will continue to affect this division’s needs and will possibly increase the need for additional attorneys in the legal division due to an increased caseload resulting from increased enforcement efforts.

The ports of entry division (POE) will need additional personnel to staff expansion in the El Paso District. United States Customs and Border Protection is currently expanding the Fabens POE, and will become the largest POE in Texas. After the enhancements, Fabens POE will consist of both vehicular and pedestrian traffic, and have multiple lanes dedicated to commercial motor vehicle traffic. The upgraded Fabens POE is scheduled to open in December 2012.

The City of El Paso is in the final stages of approving another POE that will be constructed where one of the city parks is currently located. Destruction of the city park and construction of the new POE are scheduled to be completed by the end of 2013. In addition, Customs and Border Protection will re-open the POE in Big Bend National Park on April 1, 2012 to serve as a border crossing from Boquillas, Texas into Mexico.

Surveys will be conducted during the next few months to determine the feasibility of staffing international airports and seaports. Preliminary information from Customs and Border Protection suggest that as much as 50% of passengers entering Texas from international flights declare alcoholic beverages. Since airports and seaports are currently unregulated, all levels of staffing will be needed to include Tax Compliance Officers, supervisors, and managerial staff. Survey results will provide information on passenger volume, frequency of flights/cruises, quantities of alcohol imported, and hours of operation. All variables will be evaluated to determine the appropriate number of positions needed to efficiently regulate personal importations at airports and seaports. All of these locations will impact staffing in the ports of entry division.

Additional staff may ultimately be required in headquarters to balance the increased field staff. Supervisory or managerial positions may also become necessary depending on the overall increase of agency positions in relation to current management/staff ratios.

Additionally, other factors such as an increase in the workforce size, increased demands on existing programs, onset of new programs or tasks such as internet on-line processing, and reallocations of processes may also create the need for additional personnel, especially in service related divisions.

**CRITICAL FUNCTIONS**

Determining the agency’s workforce requirements for the future needs to take into account a range of factors. The following critical functions have been identified:

- Conduct enforcement activities such as investigations, inspections, and public education programs to achieve goals and objectives.
• Process applications for all phases of the alcohol beverage industry involving the manufacturing, sale, purchase, transportation, storage, and distribution of alcoholic beverages and determine each applicant’s qualifications to hold such license or permit.

• Maintain complete and accurate information of all licensees and permittees and provide this information in a timely manner to agency personnel, members of the alcoholic beverage industry, other law enforcement and state agencies, and to the general public.

• Ensure the state is adequately protected from the potential loss of revenue from taxes and non-compliance by maintaining current tax security and performance bonding.

• Process monthly tax and informational reports and credit law notices. Monitor and evaluate seller training schools and classes. In compliance with code and rules, collect taxes on alcoholic beverages and cigarettes.

• Conduct investigations, audits and analyses, inspections of licensed entities, and inspections of applicants holding alcoholic beverage permits or licenses. Maintain and account for confiscated properties.

• Strategically move toward re-engineering of the agency’s database systems. Increase support of the agency’s network and PC computing environments, and increase security awareness and oversight.

• Process all financial transactions in an efficient and timely manner and prepare necessary reports for management and as statutorily required. Budget agency appropriations and manage grant programs effectively.

• Attract and retain qualified applicants for positions within the agency and develop and train agency employees for future positions within all divisions.

• Maintain voice and radio communications systems and portfolio of office, radio, and warehouse leases. Procure goods and services effectively and efficiently, and manage vehicle fleet and capital equipment.

• Explore and implement cost effective changes utilizing the advancements in technology.
SECTION IV
Gap Analysis

ANTICIPATED SURPLUS/SHORTAGE OF EMPLOYEES
A shortage of qualified law enforcement recruits is dependent upon three factors: (1) growth of staffing relative to the growth of general population, (2) growth of staffing relative to the growth of the potential pool of applicants, and (3) the competitiveness of the state salary structure.

Based on past history, any growth in staffing is likely to be relatively small and certainly not proportionate to the growth of the general population. As for the pool of potential applicants, it will shrink relative to the general population, but still grow in absolute terms.

Although TABC law enforcement salaries are competitive with other state law enforcement agencies, state law enforcement salaries are significantly lower than municipal and county law enforcement agencies. The increased level of skills and experience that is needed for agent positions coupled with the lower salary range than municipal and county law enforcement agencies will continue to add difficulty in attracting and recruiting law enforcement candidates.

Past experiences have demonstrated how difficult it has been to attract, develop and retain qualified applicants for all support positions within several divisions. To address this difficulty, the agency implemented career ladders for administrative staff and positions that support the issuance of licensing and permits as well as auditors that maintain compliance. Many of the processes and/or job tasks are moving away from clerical untrained and unskilled positions to positions requiring more formal education and technical training.

Advancement opportunities are limited within the agency in several division-specific positions as well as agency-wide positions, which discourages many of the more qualified and educated employees from making long-term plans and commitments. In some instances, the agency has experienced losing full-time positions in favor of salary increases to retain existing staff due to the difficulty in attracting and retaining qualified employees.

The information resources division’s effort in hiring personnel with technology experience is hindered by the agency’s budgeted salary which lags significantly behind private sector jobs in technology.

Trends demonstrate increasing annual turnover rates for technical positions, as younger technical employees (by age and length of service) are not staying with the agency. The rate at which younger, less tenured employees are leaving is affecting the agency’s ability to position key staff members for promotion, career development and succession planning. In response, a career ladder for technical positions was implemented. The career ladder awards scheduled promotions based upon tenure and performance in
hopes of attracting a more favorable applicant pool. The career ladder also assists the agency in retaining the employees after they are hired.

**ANTICIPATED SURPLUS/SHORTAGE OF SKILLS**
The compromises made at the time of hiring will force the TABC to invest more resources in agent training and development. The agency's training division will need to develop training specific to the career ladders to allow the employees to continue to perform the processes required of their positions.

Because the unusually high number of retirements will create immediate and acute shortages in the knowledge and skills needed for operations, a greater proportion of this investment will have to be made at the front-end of careers than ever before.

Expected shortages include a lack of computer and oral communications skills among recruits. Because of the salary limitation, newly hired agents are not expected to be sufficiently familiar with investigative techniques and procedures or with techniques and procedures for undercover operations. Lack of knowledge concerning the Alcoholic Beverage Code has always been common among recruits therefore training and development will be even more critical due to the presence of fewer tenured employees to provide on-the-job instruction in practical applications.

Compliance staff within the field operations division, are primarily college educated with accounting/business degrees. A significant percentage of those employees will also become eligible for retirement in the next five years. Auditor positions require extensive knowledge of the Alcoholic Beverage Code. Since tenured employees may not be available to mentor and coach new employees, it will be necessary to recruit applicants with the ability to interpret and apply statutes and law, the ability to multitask and work independently.

Increasingly there is a shortage of skilled workers with the diversification of job skills now required for the majority of positions within the agency. This makes replacement of most positions with qualified applicants a challenge considering current compensation levels as compared to the private sector and other state agencies.

Although the agency has made some progress in attracting skilled information technology programmers, the development process for new systems is still slower than the demand for increased automation demands. In order to keep up with demand and to minimize agency costs, the agency will continue to outsource technology projects when feasible. Additionally, the next generation database, programming and operating systems skills are lacking, and internal candidates for information technology positions are experiencing difficulty competing for higher positions because of limited technical experience.

The ports of entry division does not anticipate a shortage of skills within the next five years, as this segment of the workforce is diverse enough to develop and train future supervisory and management personnel from within the ranks. Working knowledge
acquired through length of service coupled with on-site training will enable selecting from current employees.

Throughout the agency, managers are currently sufficiently skilled in all necessary areas at this time and are likely to remain secure for the next five years. At the next level, there may be some gaps in skills related to decision-making, business process analysis, statistical analysis and computer skills. However, this will not present a significant problem because of current management development training and internal development opportunities available to employees that aspire to become managers. The gap that could be difficult to close is the educational background of current staff. Some long-tenured staff do not have formal degrees that are now required for most upper level positions and the agency does not currently offer assistance in acquiring formal degrees. Manager positions are relatively competitive as far as salary is concerned, so the agency could attract employees from outside that would have the necessary skills.

NEW SKILLS NEEDED
The need for new skills will arise whenever operational methods change or when new strategies or sub-strategies are added. Changes in high-level strategies, the fine-tuning of existing methods and the adoption of new ones are an on-going process. Such changes are, however, generally incremental and are built on existing skills. Training will be provided in advance of full implementation when the need for a new skill results from changes or additions to existing operational method.

To accomplish the mission and goals of the agency, future employees must possess the ability to make sound decisions, communication skills both verbal and written, computer skills, business, finance, accounting background or training, analytical skills, customer service, management and supervisory experience, and the ability to work within a stressful atmosphere.

In several areas and for key positions, investigative skills, problem resolution, project management, various certifications, business process analysis, and statistical analysis may also be required.

SECTION V
Strategy Development
In an attempt to address identified deficits between the current workforce and future demands, several strategies will be implemented for the current workforce. These are based on a range of factors identified through analyzing the agency and its workforce.

ORGANIZATIONAL STRUCTURE
Continue to realign personnel and restructure processes utilizing more technology and moving away from labor-intensive manual processes to electronic processes and computer-based applications.
Increase requirement levels of formal education for key positions to facilitate career development among positions. In some cases, education, training and certifications may become of more value than experience and will be assigned a higher weight during selection processes.

**RETENTION PROGRAMS**
Encourage greater utilization of staggered work hours and work incentive (flexible) schedules by employees. Encourage increased usage of telecommuting and implement job sharing program.

Continue to adjust and implement career ladders to support retention of critical employees.

Utilize performance enhancement programs such as use of administrative leave and employee recognition. Increase educational incentives and allow for greater flexibility to meet educational demands.

Increase the availability of training both inside and outside of the agency. Increase the use of online training. Develop a method of notifying employees of available training, registering for training and accessing training records. The agency should continue to seek opportunities to offer in-house training at different locations throughout the state to accommodate more employees.

Create a tuition reimbursement program to allow current employees to complete formal degree programs.

Create an employee development program that allows employees to gain training in skills needed for current positions and higher-level positions. Continue to identify core-training needs for each employee and locate or develop training resources to meet those needs. Training will have both a developmental and job specific focus.

**RECRUITMENT PLANS**
Establish a hiring process for agent trainee positions that identifies those applicants that possess or have the aptitude to perform investigative assignments. The agency will continue to explore a process of hiring agents throughout the year and increasing recruitment in specific areas and locations throughout the year.

Establish a relationship with college and university career centers to recruit graduates and alumni. Increase participation in high school, college and university vocational training and internship programs.

Seek additional cost efficient recruitment resources that are targeted at all areas of the population for key positions within the agency.

Establish membership with associations related to the operations of TABC to facilitate cost effective advertising.
CAREER DEVELOPMENT PROGRAMS
Encourage participation in Governor’s Management Development Program as well as
the Governor’s Executive Development Program and the Bill Blackwood Law
Enforcement Training Program and/or similar training programs.

Encourage participation in state sponsored fundamental courses such as Fiscal Officer,
Human Resources, and Information Technology academies.

Coordinate and participate with other state agencies in their training by exchanging
areas of experience and expertise.

SUCCESSION PLANNING
Continue agency-wide career ladder for key positions and competitive promotional
process for ranking law enforcement positions.

Select personnel for advancement either by employee’s indicating their desire for
advancement or based on supervisor’s opinion of employee’s ability.

Increase employee job functions and task responsibilities through cross training, job
shadowing or special projects.

LEADERSHIP DEVELOPMENT
Encourage participation in Governor’s Management Development Program and Bill
Blackwood Law Enforcement Training Program and/or similar program.

Require completion of basic supervisory courses that include a fundamental core of
workplace issues relating to management and supervision for all employees in lead or
supervisory position as well as those employees being developed to those levels.

Utilize team and project leaders in special projects, new initiatives or applicable agency
processes.

ORGANIZATIONAL TRAINING AND EMPLOYEE DEVELOPMENT
Continue to provide mandatory training for key positions requiring continuing education.

Continue to provide basic training for respective job functions and tasks such as
licensing procedures, business entity training, customer service, Alcoholic Beverage
Code and agency rules, and other timely work issues.

Increase accessibility to computer based training, both interactive and on-line
instruction.

Develop training profiles for employees to assist in identifying potential career
advancement and address performance issues.

Increase and develop new training, addressing unique needs of core groups for
respective job functions and tasks.
APPENDIX F:
SURVEY OF EMPLOYEE ENGAGEMENT
RESULTS AND UTILIZATION PLAN

As stated in the Instructions for Preparing Agency Strategic Plans, an important trend in the business world involves implementing a method to determine how employees view their organization’s cultural strengths and weaknesses. Securing such data is critical to ensuring continuous improvement and is especially valuable to management in assessing the relative quality and effectiveness of the organization. Achieving quality and excellence is an evolving process and can be facilitated by recognizing the strengths and weaknesses within an organization as perceived by the people who work there. A thorough self-examination can provide an agency the ability to benchmark against itself, as well as against similar agencies.

An employee engagement survey provides perspectives on how employees view their organization, work and relationships within the organization’s environment. Such a survey contributes greatly to the external/internal assessment of an agency’s Strategic Plan. Just as customer satisfaction surveys are increasingly viewed as being important in an agency’s assessment, employee surveys are gaining the same level of importance. In these times of “doing more with less,” employees are being called on to accept more responsibilities and meet more challenges, and their satisfaction and level of engagement is a direct correlation of their abilities to meet those new challenges.

**Overall Response Rate**
Out of the 581 employees who were invited to take the survey, 483 responded. At 83 percent, our response rate was considerably high. The response rate in 2009 was also high at 85 percent. High rates mean that employees have an investment in the organization, want to see the organization improve and generally have a sense of responsibility to the organization. With this level of engagement, employees have high expectations from Leadership to act on the survey results. TABC believes the high participation rates in 2009 and 2011 are directly related to the efforts put forth to respond directly to issues raised in previous survey results.

**Survey Framework and Scoring**
The survey assessment is a framework that consists of survey items, constructs and dimensions. Each level of the framework provides insight into the workings of an organization.

- **Items** - At the most basic level there are survey items, which provide specific feedback. For each item, employees are asked to indicate how strongly they agree or disagree that the item describes the organization, on a scale of one to five.

- **Constructs** - The survey constructs are designed to broadly profile organizational strengths and areas of concern so that interventions may be targeted appropriately. Survey constructs are developed from a group of related survey items. Scores for the constructs range from a low of 100 to a high of 500.
Dimensions - The framework, at its highest level, consists of six workplace dimensions. These six dimensions capture the total work environment. Each dimension consists of several survey constructs. The dimension score also ranges from 100 to 500 and is an average of the construct scores belonging to the dimension.

Survey Dimensions and Constructs

<table>
<thead>
<tr>
<th>Dimension I</th>
<th>Dimension II</th>
<th>Dimension III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Group</td>
<td>Accommodations</td>
<td>Organization</td>
</tr>
<tr>
<td>Supervision</td>
<td>Pay</td>
<td>Strategic Orientation</td>
</tr>
<tr>
<td>Team</td>
<td>Benefits</td>
<td>Diversity</td>
</tr>
<tr>
<td>Quality</td>
<td>Physical Environment</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dimension IV</th>
<th>Dimension V</th>
<th>Climate Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td>Personal</td>
<td>Atmosphere</td>
</tr>
<tr>
<td>Systems</td>
<td>Employee Engagement</td>
<td>Ethics</td>
</tr>
<tr>
<td>Internal Communication</td>
<td>Employee Development</td>
<td>Fairness</td>
</tr>
<tr>
<td>External Communication</td>
<td>Job Satisfaction</td>
<td>Feedback</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Management</td>
</tr>
</tbody>
</table>

Overall Agency Score by Year
In 2011, the agency scored a 362 for all the questions overall. That means that on average, employees answered slightly closer to "Agree" than “Neutral.” This is slightly better than last year, when we scored a 360, and is better than the six-survey average of 352. Following is a graph of the survey since 2001:

FIGURE 30: Overall Survey Score 2001-2011
**Construct Analysis**

Highest scoring constructs are areas of relative strength for this organization while the lowest scoring constructs are areas of relative concern. Relative strengths and weaknesses should not be confused with true weaknesses and strengths. A 300 is a completely neutral score. However, since employees who take surveys are at least not so unhappy that they’ve already quit, that means on average, the scores are slightly higher than neutral. Scores of 375 or higher indicate areas of substantial strength. Conversely, scores below 350 are viewed more negatively by employees, and scores below 325 should be a significant source of concern for the organization and should receive immediate attention.

**FIGURE 31: Construct Analysis**

TABC scored between 264 (Pay) and 394 (Strategic) on all constructs. There were seven constructs that indicated an area of substantial strength: Strategic Orientation, Physical Environment, Supervision, Benefits, External Communication, Atmosphere and Fairness. Only Pay scored low enough to be considered a significant source of concern. Below is a description of the areas of relative strength and weakness.
Three Relative Strengths

The Strategic construct measures the extent to which employees understand our mission and vision, and how responsive we are to the community. This was the agency’s highest scoring construct at 394.

Physical Environment examines the degree to which employees feel they have the physical resources to do their jobs adequately and safely. This was the agency’s second highest scoring construct at 383.

The Supervision construct measures the degree to which the employee finds his or her supervisor reasonable and fair. This was the third highest scoring construct at 382.

Three Relative Weaknesses

The Pay construct measures the degree to which the employee perceives his or her pay to be adequate and fair. This was our lowest scoring construct at 264. Since this is well-below 325, it can be considered a true weakness and a significant source of concern.

Internal Communication measures how open and honest the employee perceives the organization’s channels of communication. This was the second lowest scoring construct at 338. However, as mentioned above, since this is a bit above 325, it is a relative weakness.

The Diversity construct measures the degree to which employees feel personal differences are valued and the extent to which those who are different are included and treated fairly in opportunities for advancement. This was the third lowest scoring construct at 352. Again this is only a relative weakness - anything over 350 is considered a decent score.

Climate Analysis

The survey also included questions about the agency’s climate. The climate in which employees work does, to a large extent, determine the efficiency and effectiveness of an organization. This Climate Analysis is divided into five areas: Atmosphere, Ethics, Fairness, Feedback, and Management. Since the two highest scores in this area are similar to the scores of our relative strengths (Atmosphere at 389 and Ethics at 382) and the lowest scores in the Climate Analysis are similar to those of our weaknesses (ranging from 327 to 336), all five will be examined below.

The Atmosphere aspect measures the degree to which the organization is perceived to be free of harassment and encourages reciprocity. This aspect was the most highly scored at 389.

The Ethics aspect measures how employees feel about the ethical behavior of their fellow employees and the degree to which ethical violations are handled appropriately. This aspect was rated the second highest at 382.
The *Feedback* aspect measures the degree to which employees feel they are able to communicate their opinions and as a result help improve agency functioning. This was a relative weakness at 336.

*Fairness* measures the extent to which employees feel that they and others are treated fairly. This was a relative weakness at 331.

The *Management* aspect measures the extent employees think management communicates with employees and makes itself available. This was the lowest scoring aspect at 327.

**FIGURE 32: Climate Analysis**

**Climate Analysis**

<table>
<thead>
<tr>
<th>Climate Areas</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate/Atmosphere</td>
<td>389</td>
</tr>
<tr>
<td>Climate/Ethics</td>
<td>382</td>
</tr>
<tr>
<td>Climate/Fairness</td>
<td>331</td>
</tr>
<tr>
<td>Climate/Feedback</td>
<td>330</td>
</tr>
<tr>
<td>Climate/Management</td>
<td>327</td>
</tr>
</tbody>
</table>

**Analyzing Over Time Data**

In 2011, TABC experienced positive growth in 12 out of the 19 constructs in comparison with the 2009 iteration of the survey. The constructs with the most positive growth are: *External Communication* and *Strategic*. Together, these constructs were identified by employees as having the most significant improvement compared to the previous iteration of the survey.

In 2009, the constructs that showed the least amount of improvement or a decrease in score were: *Quality, Strategic Orientation, Information Systems, Fairness and External Communication*. These constructs may or may not be the lowest scoring constructs, but definite attention should be given to these constructs when considering which areas to focus efforts upon improving.

In 2011, the construct that showed a significant decrease in score was *Pay*. It has been the lowest scoring construct in 2011, 2009 and 2007. Low scores suggest that pay is a central concern or reason for satisfaction or discontent. In some situations pay does not meet comparables in similar organizations. In other cases individuals may feel that pay levels are not appropriately set to work demands, experience and ability. Cost of living increases may cause sharp drops in purchasing power, and as a result, employees will view pay levels as unfair. Remedying *Pay* problems requires a determination of which of the above factors are serving to create the concerns.
Below are the construct scores and a comparison to previous iterations of the survey. Because there have been changes in constructs, some of the scores cannot be compared to previous iterations.

FIGURE 33: Construct Scores Over Time

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Areas of Relative Strength:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic</td>
<td>394</td>
<td>5%</td>
<td>374</td>
<td>382</td>
<td>394</td>
<td>375</td>
<td>378</td>
</tr>
<tr>
<td>Physical Environment</td>
<td>383</td>
<td>4%</td>
<td>370</td>
<td>352</td>
<td>350</td>
<td>353</td>
<td>341</td>
</tr>
<tr>
<td>Supervision</td>
<td>382</td>
<td>1%</td>
<td>380</td>
<td>326</td>
<td>338</td>
<td>309</td>
<td>313</td>
</tr>
<tr>
<td><strong>Other Areas:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Benefits</td>
<td>381</td>
<td>4%</td>
<td>366</td>
<td>363</td>
<td>362</td>
<td>327</td>
<td>354</td>
</tr>
<tr>
<td>External Communication</td>
<td>376</td>
<td>6%</td>
<td>355</td>
<td>358</td>
<td>366</td>
<td>349</td>
<td>353</td>
</tr>
<tr>
<td>Employee Development</td>
<td>374</td>
<td>3%</td>
<td>364</td>
<td>335</td>
<td>346</td>
<td>297</td>
<td>306</td>
</tr>
<tr>
<td>Quality</td>
<td>372</td>
<td>3%</td>
<td>362</td>
<td>372</td>
<td>377</td>
<td>361</td>
<td>366</td>
</tr>
<tr>
<td>Engagement</td>
<td>365</td>
<td>1%</td>
<td>360</td>
<td>345</td>
<td>360</td>
<td>340</td>
<td>345</td>
</tr>
<tr>
<td>Team</td>
<td>365</td>
<td>4%</td>
<td>350</td>
<td>324</td>
<td>342</td>
<td>318</td>
<td>318</td>
</tr>
<tr>
<td>Information Systems</td>
<td>363</td>
<td>3%</td>
<td>351</td>
<td>356</td>
<td>355</td>
<td>351</td>
<td>350</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>362</td>
<td>-1%</td>
<td>367</td>
<td>349</td>
<td>343</td>
<td>337</td>
<td>342</td>
</tr>
<tr>
<td><strong>Relative Areas of Concern:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay</td>
<td>264</td>
<td>-16%</td>
<td>316</td>
<td>273</td>
<td>289</td>
<td>223</td>
<td>229</td>
</tr>
<tr>
<td>Internal Communication</td>
<td>338</td>
<td>-1%</td>
<td>342</td>
<td>310</td>
<td>323</td>
<td>299</td>
<td>290</td>
</tr>
<tr>
<td>Diversity</td>
<td>352</td>
<td>0</td>
<td>351</td>
<td>339</td>
<td>358</td>
<td>329</td>
<td>329</td>
</tr>
<tr>
<td><strong>Climate Analysis:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atmosphere</td>
<td>389</td>
<td>4%</td>
<td>374</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethics</td>
<td>382</td>
<td>-4%</td>
<td>396</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feedback</td>
<td>336</td>
<td>-1%</td>
<td>338</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fairness</td>
<td>331</td>
<td>-1%</td>
<td>336</td>
<td>341</td>
<td>364</td>
<td>346</td>
<td>345</td>
</tr>
<tr>
<td>Management</td>
<td>327</td>
<td>2%</td>
<td>322</td>
<td></td>
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</tr>
</tbody>
</table>

There are natural variations in the responses to the standard questions each year, and while in general we'd like to see the scores go up, inevitably some questions will be rated more favorably one year than another. One particular question or construct may drop from the previous year, while two others may have improved, so it's important to keep the direction of the overall average in mind. That said, the survey can help us find our relative strengths and weaknesses and see where we've improved and where we can still improve.
**CPOs vs. non-CPOs**

In general, certified peace officers (CPOs) tend to score lower than non-CPOs. However, this is probably not unique to the TABC, since agencies with a criminal justice or public safety focus also tend to score lower on the survey than other agencies. As shown in the graph below, CPO scores have moderate improvement compared to the last two years. Non-CPO scores, while they decreased slightly, remain high.

There may be many reasons why CPO scores have gone up. While non-CPOs generally score higher than CPOs, they scored lower in Pay. Since questions pertaining to pay scored lower this year after concerns with the economy and the budget, the slight decrease may be due to dissatisfaction with pay.

**FIGURE 34: Survey Scores, CPOs and Non-CPOs by Year**

![Survey Scores, CPOs and Non-CPOs by Year](image)

**Employee Retention**

Sixty percent of the employees responding to the survey reported having worked for TABC for at least six years. Despite the dissatisfaction with pay, 91 percent of employees reported that they see themselves working for this organization in one year, about the same as in 2009 (92 percent). This measurement is a good indicator of how well the organization is doing at retaining its employees.

**Utilization Plan**

Survey results were distributed to all employees. Agency-wide results were presented to field managers and division directors, and they were provided the opportunity to make recommendations for improvement.

Employees met in small to medium-size groups, and a group leader who was not their supervisor presented local survey results. The employees were provided the opportunity
to discuss the survey results and present problems with solutions. They were encouraged to suggest various ways their work-life could be improved, specifically addressing some of the lower-scoring constructs.

Feedback from these brainstorming meetings was gathered, and managers met to develop management goals based on the feedback. These goals are included in the agency strategic plan, and the goal sponsors will be responsible for reporting quarterly on their progress and barriers to success.

This process was developed as part of the 2008 strategic planning process, and the majority of the survey constructs that translated into management goals in 2008 and 2010 showed an improvement in scores in the subsequent survey.

Summary
In summary, the results from the Institute for Organizational Excellence’s Survey of Employee Engagement for 2011 have been positive overall. Employee participation is a high 83 percent, and the overall score for employees has remained high, going up two points from last year. While there is always room for improvement, many of the problem areas may relate to the uncertainty and communication around a reallocation of resources that had been set in motion right before the survey took place and lingering uncertainty about job stability from the close of the recent legislative session.

The concerns with pay are not something management may be able to address directly in this economy. However there may be room for improvement in communication channels. A challenge we face is to improve communication around major agency changes and to make sure that employees feel that they are both well-informed by management and are able to give constructive feedback to management about the issues they face on the job, how to improve functioning, and how to take the TABC forward in the future.

The Tri Regional Workgroup was established in 2011, giving employees around the state a voice in TABC’s operations.
APPENDIX G:

INTERNAL POLICY ON

HISTORICALLY UNDERUTILIZED BUSINESSES

It is the policy of the Texas Alcoholic Beverage Commission (TABC) to comply with the Comptroller of Public Accounts (CPA) adopted HUB rules, Texas Administrative Code (TAC), Title 34, Part 1, Chapter 20, Subchapter B, §20.10 - §20.28, and Texas Government Code, Title 10, Subtitle D, Chapter 2161 in order to encourage the use of historically underutilized businesses (HUBs) and to achieve these goals through the use of race, ethnic and gender neutral means. The goal of this program is to promote full and equal business opportunity for all businesses in the agency’s contracting.

This policy shall incorporate the adoption of CPA’s HUB rules to implement a meaningful HUB program based on the State of Texas Disparity Study. The TABC will make a good faith effort to utilize HUB’s in contracts for commodities, services, professional and consulting services and construction by contracting directly with HUB’s or indirectly through subcontracting opportunities. The TABC shall make a good faith effort to assist HUB’s in receiving a portion of the total contract value of all contracts that the agency expects to award in a fiscal year in accordance with the following percentages: 1) 11.2% for heavy construction other than building contracts; 2) 21.1% for all building construction, including general contractors and operative builders contracts; 3) 32.7% for all special trade construction contracts; 4) 23.6% for professional services contracts; 5) 24.6% for all other services contracts; and 6) 21.0% for commodities contracts.

The agency shall ensure it makes a good faith effort by implementing the following procedures: 1) advance planning of large purchases to ensure adequate time and preparation is involved; 2) when possible, divide proposed requisitions into reasonable lots in keeping with industry standards and competitive bid requirements; 3) when applicable, assess bond and insurance requirements to avoid unreasonable bidding restrictions and permit more than one business to perform the work; 4) specify reasonable, realistic delivery schedules consistent with the agency’s actual requirements; 5) ensure that specifications, terms and conditions reflect TABC’s actual requirements, are clearly stated and do not impose unreasonable or unnecessary contract requirements; 6) when contracts exceed $100,000, the agency shall require contractors to make a good faith effort to award necessary subcontracts to HUB’s by providing contractors with HUB subcontracting good faith guidelines, HUB goals and a reference list of available certified HUB’s; and 7) determine whether specific agency-wide goals are appropriate because some HUB groups have not been underutilized within applicable contracting categories and should not be included in the HUB goals for that category.

The TABC will maintain and compile monthly information relating to the agency’s use (by each operating division of the agency) of HUBs, including information regarding subcontractors. Additionally, the TABC shall require contractors on awarded contracts...
exceeding $100,000 to report to the TABC on a quarterly basis, the identity and the amount paid to each HUB vendor to whom the contractor has awarded a subcontract for the purchase of supplies, materials, equipment and services. The agency will ensure that internal and external reporting guidelines are in place to ensure tracking, control and accountability.

The TABC shall maintain the designation of an agency HUB coordinator. The HUB coordinator and the purchasing section shall assist each division in locating, certifying and making a good faith effort to use HUBs in accordance with the agency’s set forth policies, goals and procedures. Agency employees within each division that are engaged in recommending, requesting, or approving a particular vendor in the acquisition of goods and services and/or vehicle fleet repairs, will be held accountable for adhering to the agency’s HUB policy. The HUB coordinator shall actively participate in HUB forums, trade shows, training and implementation of the agency’s Mentor Protégé program to promote HUB sub-contracting.

This internal HUB policy, as amended, is hereby adopted for implementation March 8, 2012.

Assistant Regional Compliance
Supervisor Yohannes Tefera
participates in media relations training at Sam Houston State University in Huntsville, Texas.
APPENDIX H:
PROGRAM INITIATIVES

Risk-Based Enforcement
The key elements of the risk-based enforcement program are: increased inspection frequency for retailers with past histories of public safety violations; a greater emphasis on “after hours” establishments that illegally sell or permit consumption of alcoholic beverages during prohibited hours; and prioritization of its complaint investigations to give investigations involving allegations of public safety offenses first priority in terms of time and resources.

TABC has also developed a risk-based program to focus on at-risk behavior that may indicate a pattern of bad business behavior that could lead to serious violations. The process includes looking for pre-determined factors in the application, examining administrative violation history and gathering intelligence from other law enforcement and governmental agencies.

Priority Inspections
The TABC assigns retailers whose premises have been the scene of an offense with public safety implications or that have been the subject of multiple complaints alleging such violations to one of five priority levels, based on the severity and number of past violations or complaints and on the length of time since the most recent violation or complaint. The priority level to which the retailer is assigned determines the frequency of inspection. At the highest level, which is reserved for retailers whose owner or employees have recently committed a public safety offense, locations are inspected bi-weekly. As time passes, so long as no new violations are observed, a business will progress downward through the priority tiers, with inspections becoming less frequent with each downward step, until at the end of twelve month period, they are subject only to a regular annual inspection.

As part of this program, the agency also provides free training opportunities to retail managers and employees in an attempt to prevent future violations. Field offices are required to offer these opportunities to all retailers qualifying for Level 1 (the highest) and Level 2 priority status, but routinely make them available to all other retailers as well.

The offenses termed public safety violations by the TABC are alcohol age-law offenses (sale to minor, permitting minors to possess and consume alcoholic beverages, etc.), intoxication offenses, prohibited hours offenses (sale, service, or consumption on licensed premises after state mandated closing times), drug-related offenses, breaches of the peace (fighting or assault), and human trafficking. All were selected for special attention because they have some relationship to the level of intoxication of persons leaving licensed premises, the former if only because the inexperience of young people generally puts them and the public at risk at any degree of intoxication. Vice offenses (gambling, prostitution, etc.) are also considered when assigning priority status, as are
violations indicative of retailer financial stress, because such offenses have been found to occur concurrently with or as a precursor to actual public safety offenses.

3,362 retailers qualified for priority status during FY 2011. TABC enforcement agents conducted 21,238 inspections of these retailers licensed premises as the year progressed. These inspections produced 155 criminal cases and 226 administrative cases, mostly involving additional public safety offenses. As result of its training initiatives, some 34,577 retail managers and employees, most from priority retail locations, were exposed to illegal sales recognition and prevention “best practices” techniques. Due to all of this attention, the percent of inspections of priority locations resulting in the discovery of public safety violations has steadily declined, falling from 12.8 percent in FY 2006, to 5.5 percent in FY 2009, and then to 2.6 percent by the end of FY 2011.

**Prioritized Complaint Investigations**

TABC enforcement agents conducted 9,138 investigations in FY 2011, involving 13,605 separate allegations of violations of state law. 7,123 of these investigations and 11,282 of the allegations involved alleged public safety offenses, and were, therefore, immediately assigned. On average, investigations involving alleged public safety offenses were completed within 34 days. Approximately one-quarter of these investigations (1,660) resulted in the discovery of criminal or administrative violations.

**Risk Assessments**

The risk assessment program was developed to help identify permits and licenses with a history of regulatory problems and determine if the business requires education or further investigation to try and bring them into voluntary compliance with the Texas Alcoholic Beverage Code and Rules. A risk assessment conducted on a permit or license looks at several factors including: the permit or license holder, administrative history of the location, history of criminal offenses at the location, and information gathered from local law enforcement agencies. The purpose of risk assessment program is to identify if a business is operating in compliance with TABC Code and Rules, if the business needs to be educated to try and bring the business into voluntary compliance, or if the business needs to be investigated further for potential administrative violations. Enforcement agents conducted 1,582 formal risk assessments in FY 2011.

**Minor Stings**

Under the close supervision of TABC enforcement agents, young people who are obviously underage go into licensed establishments and attempt to buy alcoholic beverages. Criminal charges are filed on clerks or servers who violate the law by completing the transactions. The licensed entity faces administrative charges that could result in suspension, fine in lieu of suspension, or cancellation.

Enforcement agents conducted 8,759 minor stings in FY 2011 and found an overall compliance rate of 89 percent, a vast improvement from the 30 – 40 percent rate that existed in some locations at the time the program began in the early 1990s.
Cops in Shops
TABC enforcement agents, with the cooperation of licensees and their employees, pose as customers or employees of an establishment and apprehend underage buyers as they attempt to purchase alcoholic beverages. In addition to discouraging minors from attempting to purchase alcoholic beverages, the program gives agents the unique opportunity to work closely with retail employees, building rapport and sharing knowledge. Agents teach employees how to identify minors and fake or false identification and other retailer best practices. This one-on-one interaction creates an environment where an agent can educate retail employees on a more informal or personal level than an organized training session.

Cops in Shops was originally funded by grants through the Texas Department of Transportation but is now fully funded by the TABC. Enforcement agents conducted 240 Cops in Shops sessions on the premises of 192 individual retailers in FY 2011.

Operation Fake Out
TABC enforcement agents, in cooperation with alcoholic beverage permittees, local law enforcement and other state law enforcement agencies, check the IDs offered by young people as they attempt to gain access to bars and nightclubs. Youngsters presenting fake, forged, or altered IDs or IDs that clearly belong to other parties are arrested and charged with the appropriate ID-related offense. Agents conducted 78 Operation Fake Out operations at 62 individual licensed locations in FY 2011, mostly in the entertainment districts of the state’s major metropolitan areas or in and around college campuses.

Project SAVE
Project SAVE (Stop Alcohol Violations Early) is the TABC’s public education initiative. The initiative consists of multiple educational programs, each targeting a separate segment of the population. There are specific programs for elementary and middle school students, high school students, college students, the employees of Texas retailers, wholesale tier employees, parents/civic groups and local law enforcement. In FY 2011, TABC enforcement agents taught or sponsored educational presentations attended by 291,117 persons as part of the agency’s Project SAVE initiative. Agency auditors made educational presentations to an additional 102,513 persons.

Manager’s Awareness Program
The Manager’s Awareness Program (MAP) was designed by TABC staff for owners and managers of licensed establishments to encourage voluntary compliance through education. Launched in 2007, MAP was originally funded through a safety grant from Texas Department of Transportation. After the grant ended in October 2009, TABC has assumed responsibility for program funding by using both TABC enforcement agents and auditors to offer the training free of charge throughout the state.

Topics presented include responsible management practices, exemption from administrative action (safe harbor), civil liability for the licensed establishment, minors, private clubs, intervention techniques, signs of intoxication, refusing sales, policies and procedures and checking employee certification for seller/server training. The program
also includes a fire safety section that was written as a collaborative effort between TABC and the Texas State Fire Marshal’s Office, as well as information about human trafficking.

During FY 2011, TABC enforcement agents and auditors provided MAP training to 4,106 managers and other retail employees.

**SERVE**
SERVE is a companion education program to be used with the Managers Awareness Program. SERVE is designed for all employees and MAP is specific to managers of licensed locations. Service provides education to deter violations and promote voluntary compliance with the Texas Alcoholic Beverage Code. This one-hour program addresses common issues such as those related to minors and intoxicated persons.

**Risk Management for Retailers**
In 2012, thanks to funding from the Texas Department of Transportation (TXDOT), TABC was given funding to create and promote a new training for retailers. The training, entitled Risk Management, provides retailers with education information needed to promote public safety through voluntary compliance. The training provides additional information for retailers related to when license and permit holders are required to report Breach of Peace to the TABC. The training also gives specific instructions on how and what needs to be reported to TABC and Texas regulations for locations that do not comply with the requirement. The program also goes over some recommendations from TABC for General Risk Management Policies and Procedures to assist with voluntary compliance. These policies include both alcohol service and sell policies and operational policies such as overcrowding issues and how to de-escalate situations. The program ends with information related specifically to security staff and law requirements related to using security staff at a location.

**Policing Special Events**
The TABC has always assisted local law enforcement in crowd control and alcohol enforcement at special events such as rodeos, festivals and other mass gatherings. In recent years, the agency has sought and received grant funding from the Texas Department of Transportation, the Office of the Governor’s Criminal Justice Division and the U.S. Department of Justice’s Office of Juvenile Justice and Delinquency Prevention to increase its presence at events such as Galveston’s Mardi Gras and spring break at South Padre Island, Port Aransas and Galveston’s Crystal Beach. In FY 2011, agents devoted 4,569 work hours to policing special events, including Spring Break and Mardi Gras operations.

**EUDL Grant Program - Funding Ends May 31, 2013 and is no longer supported through Federal Programming Sources**
In late 2002, Governor Perry transferred responsibility for administering the federal Enforcing Underage Drinking Laws (EUDL) block grant from his office’s Criminal Justice Division to the TABC. Funded through the U.S. Department of Justice’s Office of Juvenile Justice and Delinquency Prevention, the EUDL block grant provides
approximately $360,000 per year to the State of Texas for underage drinking enforcement and prevention efforts.

On average, two-thirds of the EUDL funds received are used to provide grants to support the enforcement of underage drinking programs throughout the state. The remainder is used to support statewide initiatives and enhancing college-based programs designed to prevent underage drinking and binge drinking.

**Seller Training**

In addition to providing educational opportunities for retailers through programs taught by its own employees, the TABC also oversees the delivery of training for the employees of retailers through a network of private providers as part of its Seller/Server Certification Program. These programs deal specifically with the recognition and avoidance of illegal sales involving minors and intoxicated persons and, when successfully completed, result in a state certification being issued to the course participant. Current law provides special benefits to retailers who require their employees to attend certification courses. The agency’s seller training section markets the program to retailers, oversees the private training schools and ensures consistency and quality through standardized testing and periodic inspection. Approximately 290,000 retail employees obtain seller/server certification each year.

**Peace Officer Education**

In 2011, TABC agents trained 25,768 peace officers in Texas on basic liquor laws and/or common liquor law enforcement tactics designed to prevent underage drinking.

**Dealing with False Identification**

This training is intended to provide law enforcement officers with a basic understanding of false and fraudulent identification and provide some of the tools necessary to recognize these forms of identification.

**How to Conduct Minor Sting Operations**

This training provides guidelines and operational information on reducing sales of alcohol to underage purchasers through compliance investigations of alcohol retailers. It presents the rationales for carrying out these investigations and emphasizes the importance of reducing youth access to alcohol.

Participants in the training will:

- Gain an understanding of the issues related to underage drinking and the retail availability of alcohol to underage purchasers.
- Motivate policymakers, communities and law enforcement to place greater emphasis on compliance investigations and prevention of underage drinking.
- Provide step-by-step guidelines for carrying out compliance investigations.
- Identify barriers to compliance investigations and approaches to overcoming these barriers.
- Utilize compliance investigations efficiently and effectively to deter sales to minors and demonstrate community norms against underage drinking.
Party Patrol and Controlled Party Dispersal Techniques for Preventing and Breaking Up Underage Drinking Parties
This training discusses the role of enforcement and community agencies in preventing underage drinking parties and safely dispersing them when they do occur. It describes the problem of underage drinking in general and youth drinking parties in particular. This training presents:

- Proactive approaches to underage drinking parties that can help to prevent them before they start and minimize the potential for tragedy and exposure to liability while maximizing opportunities to educate the public on the dangers of youth and alcohol.
- Information on how to use enforcement campaigns to bring about changes in community norms concerning underage drinking and parties.
- Information on the operational steps that should be taken to prevent and disperse underage parties.

Operations to Reduce Third Party Sales of Alcohol to Underage Youth
This training is designed to give an overview of the strategies that can be used in states and communities to prevent third party transactions of alcohol to youth and to address these sales if they are occurring.

Participants in this workshop will learn about the following:
- Research related to third party transactions’ contributions to underage drinking.
- Existing laws and ordinances that can serve as tools to prevent and address third party sales.
- Enforcement strategies for preventing and addressing third party transactions, both stranger sales and familiar exchanges.
- Strategies for increasing community support and political will re: addressing third party transaction.

Additionally, TABC trains other law enforcement agencies on the topics of mutual concern to enhance the effectiveness of both local law enforcement and the TABC in providing market stability and public safety. These classes help define the roles of each agency and educate local government on TABC’s ability to assist the local authorities with issues related to permittees and licensees.

System Support Specialist Ozie Farr has been with TABC for 23 years and currently supports the agency through the information resources division help desk.