TABC Strategic Plan

Fiscal Years 2027-2031

Supporting Businesses and Protecting Texans

Strategic Plan

STRATEGIC PLAN

Fiscal Years 2027-2031

by the

Texas Alcoholic Beverage Commission

Commission Member	Term	Hometown
Robert A. Eckels, Chair	Sep. 29, 2025 – Nov. 15, 2027	Houston
M. Scott Adkins	Jan. 4, 2025 – Nov. 15, 2029	El Paso
Deborah Gray Marino	Nov. 7, 2019 – Nov. 15, 2025	San Antonio
Hasan K. Mack	March 24, 2020 – Nov. 15, 2025	Austin
Chad M. Craycraft	Jan. 4, 2025 – Nov. 15, 2029	Dallas

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Robert A. Eckels, Chair

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Mission

MISSION

The mission of the Texas Alcoholic Beverage Commission (TABC) is to serve the people of Texas and protect the public health and safety through consistent, fair, and timely administration of the Alcoholic Beverage Code.

VISION

A safe and healthy Texas served by an innovative Alcoholic Beverage Commission regulating a responsible and compliant alcoholic beverage industry.

FOUR CORNERSTONES

- Service
- Courtesy
- Integrity
- Accountability

PHILOSOPHY

TABC's philosophy is enshrined in its motto, "**Supporting Businesses and Protecting Texans**." The agency, through the powers granted by the Alcoholic Beverage Code, will work directly with those whom it regulates to ensure a safe, compliant, and competitive alcoholic beverage industry while operating at peak efficiency and value for Texas taxpayers. Through these actions, as well as the day-to-day interactions with business owners across the state, TABC will work to make it easier for businesses to remain compliant with state law while ensuring the highest levels of public safety for businesses, employees, and their customers.

NOTE

Hereafter, the Alcoholic Beverage Code will be referred to as the "Code" and the Texas Administrative Code, Title 16, Part 3 will be referred to as "Rules." The terms "license" and "permit" refer to any TABC-issued license or permit to manufacture, distribute, sell, or serve alcoholic beverages. The agency's online business portal (Alcohol Industry Management System (AIMS) is referenced throughout this plan.

Goals and Action Plan

GOAL 1 | Support the Alcoholic Beverage Industry.

ACTION ITEMS

- Optimize staff assignments to decrease the time to process manufacturers' and brand owners' product registration applications. (FY2028)
- Use targeted notices to encourage businesses to file excise tax reports in AIMS to increase efficiency and reduce errors.
- Send targeted notices to businesses to file their annual compliance reports to increase submission rates, reducing the need for physical inspections.
- Conduct information meetings with industry members and law enforcement officials in communities planning to host major events, such as the FIFA World Cup or Super Bowl, the State Fair of Texas, SXSW, and the Houston Rodeo.
- Publish timely and relevant information to industry stakeholders through regular newsletters, website updates, email notices, and social media posts.
- Update the agency's website and other informational resources as laws and rules change.
- Identify new ways to receive feedback on agency services.
- Implement strategies to strengthen customer service to license/permit applicants.
- Reorganize the agency's website and optimize content to make it more intuitive, accessible, and helpful for all visitors. (FY2027)
- Publish comprehensive guides for manufacturers, distributors/wholesalers, and retailers to address basic compliance issues. (FY2028)

HOW GOAL/ACTION ITEMS SUPPORT STATEWIDE OBJECTIVES

Accountability

TABC is using capital funds appropriated to the agency by the Texas Legislature to deploy new features in the agency's Alcohol Industry Management System (AIMS) during FY2027. Controls and oversight are in place to ensure these critical funds provide the most benefit for tax and fee payers.

As more license and permit holders submit their excise tax reports digitally through AIMS, rather than by paper forms, staff have more time to audit reports to identify delinquencies and collect funds owed to the state. These efforts contribute more than $255 million in excise taxes annually distributed to the state's General Revenue Fund.

Soliciting and implementing feedback from the alcoholic beverage industry ensures the agency is accountable to the needs of the businesses it regulates.

TABC's efforts to make the Texas Alcoholic Beverage Code and agency rules easier to understand help the agency remain accountable to businesses and the public. When people understand TABC's authority and what the agency expects of regulated businesses, licensees and permittees know exactly what's required, can follow rules more confidently, and more effectively work with the agency.

Efficiency

TABC staff processes approximately 24,000 product registrations annually. By adjusting processes and assignments of the limited product registration staff, applications will be approved at a quicker pace and permit holders will get their products into the Texas alcoholic beverage marketplace faster.

Using targeted communications to encourage certain regulated businesses to electronically submit required reports reduces errors, lessens administrative burdens, and increases compliance rates. As more annual compliance reports are submitted through AIMS, agency staff will be required to conduct fewer physical inspections. License and permit holders submit more than 70,000 excise tax reports annually. By using AIMS rather than manual paper processes, there are fewer errors, underpayments, and overpayments, benefiting the taxpayer and relieving agency staff of data entry and issuing correction notices.

By proactively providing license and permit holders with clear, timely, and up-to-date information and guidance on complying with the Alcoholic Beverage Code and agency rules, TABC reduces the need for industry stakeholders to contact the agency for answers to routine questions and avoids the time and costs associated with remediating non-compliance issues.

Effectiveness

With staff receiving approximately 6,111 excise tax reports a month, it is imperative reports are filed on time and through AIMS to reduce the administrative burden of issuing late notices and following up on late and amended reports. Giving filers advance notice and opportunities to file within a 15-day range encourages timely reporting.

In advance of major events in Texas – such as the Super Bowl or FIFA World Cup, the State Fair of Texas, SXSW, and the Houston Rodeo – TABC engages with event organizers, participating alcoholic beverage industry businesses, local governments, and law enforcement to ensure the events are conducted safely, successfully, and in compliance with the law. TABC provides guidance on license and permit holders obtaining proper authorizations, applying appropriate marketing practices, and moving products through the system. Addressing concerns and questions in advance and making all parties aware of regulations reduces violations, expedites processing of licenses and authorizations, and results in a compliant event to boost the state economy.

Excellence in Customer Service

A guiding principle of TABC is to foster voluntary compliance through education. Auditors advise license and permit holders of reporting requirements and authorities during the auditing process; agents provide training to license and permit holders as part of the case settlement. Online responsibility courses for license and permit holders in the manufacturing, distribution, and retail tiers cover common definitions, hours of sale, laws related to minors, checking identifications, identifying and preventing sales to intoxication or intoxicated persons, safe harbor, marketing and promotions, and reporting a breach of peace. Twice-monthly newsletters, frequent social media posts, and ad hoc notifications communicate requirements, deadlines, regulatory changes, and other valuable information. Additionally, content on the TABC website will be reorganized to make it more accessible, user-friendly, and easier to understand for a wide audience. These are all efforts to promote voluntary compliance.

The agency is also seeking new ways to solicit feedback from the industry it serves. One example is the Licensing staff, which receives approximately 4,000 calls per month. Improving the agency's customer service will make these engagements more valuable for industry members and allow TABC to gather useful information about the issues and challenges faced by the industry. Identifying gaps in service informs operational and policy changes, communication strategies, and training opportunities to address deficiencies and industry needs.

Transparency

TABC wants to keep the industry and the public informed. Online materials, including FAQs, responsibility courses, and marketing practices advisories, are up to date with current laws and rules and provide more detailed and practical applications of the Code and rules. Alerts, newsletters, and meetings make sure TABC audiences are aware of deadlines, requirements, and opportunities for stakeholder input.

GOAL 2 | Protect Texans.

OBJECTIVE 1: Identify, prioritize, and investigate potential administrative violations and crimes connected to the alcoholic beverage industry that threaten public safety.

ACTION ITEMS

- Use agency data and data visualization tools to better identify trends in public safety violations across the state and the businesses most at risk for committing violations so that TABC can plan law enforcement operations and resource allocations to more effectively deter future violations.
- Seek grant funding to hire additional analysts to handle increasing caseloads of agents tasked with identifying the source of the alcohol in alcohol-related incidents involving serious bodily injury or death.
- Explore more ways for TABC's Enforcement units to leverage technology to find revenue streams from criminal enterprises that hide within the alcoholic beverage industry.
- Explore the use of technology to obtain better license plate readers and the ability to track a suspect vehicle across multiple jurisdictions.
- Continue implementing the directives in Executive Order No. GA-56 to protect the public by enforcing TABC and Department of State Health Services rules on checking IDs and prohibiting the sale of consumable hemp products (CHPs) to minors.

OBJECTIVE 2: Strengthen community safety and interagency coordination.

ACTION ITEMS

- Work with local law enforcement agencies to address communication barriers during disaster and emergency situations.

- Identify and prevent hazardous products from entering the state and keep minors from importing alcoholic beverages at ports of entry.
- Update and distribute the Texas Peace Officers' Guide to the Alcoholic Beverage Code to local law enforcement. (FY2028)
- Obtain Law Enforcement Agency Best Practices accreditation. (FY2031)

OBJECTIVE 3: Ensure a fair and competitive alcoholic beverage industry.

ACTION ITEMS

- Identify individuals importing excessive amounts of alcoholic beverages through the ports of entry for illegal resale.
- Explore technologies to reconcile wine shipment reports filed by common carriers with reports filed by Out-of-State Winery Direct Shipper's Permit holders to identify illegal wine shipments into Texas from out-of-state wineries.

HOW GOAL/ACTION ITEMS SUPPORT STATEWIDE OBJECTIVES

Accountability

TABC has identified a trend in unlicensed out-of-state businesses illegally shipping alcoholic beverages directly to Texas consumers. These businesses have not paid a fee to register their products in Texas, nor have they paid taxes on the products sold to Texans. They also have likely not been approved nor paid the biennial fee as a permit holder to obtain authorization to ship registered products to Texas legally. This not only creates an unfair playing field for license and permit holders operating legally, but results in the state missing out on money that should be deposited into the General Revenue Fund.

Law enforcement accreditation holds TABC accountable by ensuring the agency follows recognized best practices, maintains accurate records, and evaluates its performance against objective benchmarks. Accreditation demonstrates TABC's commitment to higher standards.

Exploring technology, strengthening digital forensics capabilities, and partnering with other law enforcement agencies makes the most of public resources to address threats to public safety and support safer communities.

Efficiency

The agency has limited resources to review approximately 145,395 records provided monthly by carriers transporting products from out-of-state businesses to Texas consumers. It is necessary to review these records to identify illegal shipments from unlicensed business. Identifying technology solutions to reconcile these records leverages available resources to identify businesses acting illegally.

Effectiveness

More than 1.3 million alcoholic beverage containers are imported by travelers at ports of entry along the Texas/Mexico border. TABC staff stationed at the ports are responsible for identifying individuals exceeding the statutory limits of importation of alcoholic beverages. Oftentimes the imported product is sold to a consumer through unregulated online marketplaces and may not be registered for sale in Texas. This process is illegal because it does not follow the three-tier system that provides a regulatory framework for products to be manufactured, distributed, and sold by different entities. By ignoring the middle tier, these operations have an unfair advantage over license and permit holders operating under the law. Tracking these individuals and preventing them from importing excess products keeps unregistered and potentially unsafe products out of the marketplace and maintains the integrity of the three-tier system.

Various technologies can be applied to identify high-risk licensed locations so that Enforcement agents prioritize operations at those locations; track suspects; and detect trends among criminal enterprises operating in licensed locations. Expanding the use of technology reduces manual workload and accelerates investigations.

Excellence in Customer Service

The agency's public safety goal supports excellence in customer service through proactive communication and improved information sharing. Website content, newsletters, and social media posts promote safe and responsible alcohol consumption, educates and engages community members, and fosters stronger relationships and better-informed stakeholders.

Transparency

Updating and distributing the Texas Peace Officers' Guide ensures local law enforcement partners receive clear, up-to-date information, which enhances coordination and the quality of service delivered across jurisdictions.

GOAL 3 | Promote a Culture of Excellence.

Objective 1: Foster an environment that prioritizes people first.

ACTION ITEMS

- Enhance practices that recognize staff for exceptional service, contribution, and dedication to promote employees feeling valued for their accomplishments and skills.
- Evaluate the effectiveness of the CARES Council in meeting the objectives of its charter and continue to support efforts to promote mental wellness and physical and psychological safety in the workplace. (FY2027)

Objective 2: Provide staff with knowledge and skill-building opportunities to excel in their current roles and prepare them for future opportunities.

ACTION ITEMS

- Assess personal and job growth needs of employees and deliver targeted development opportunities that strengthen skills, empower employees, and improve retention.
- Implement data literacy strategies to help staff acquire the knowledge and skills needed to use data effectively within their roles.
- Design an evaluation framework for training programs and instructors and implement new templates, procedures, checklists, and processes for the reorganized Training department to inform and improve the delivery of training events. (FY2028)
- Develop a strong, prepared pool of employees inside the organization who can step into critical roles when needed to strengthen workforce continuity planning. (FY2029)
- Evaluate the impact of workforce retention strategies, including workforce continuity planning, career progression, mentoring programs, and career development. (FY2030)

Objective 3: Maximize technology to reduce staff workload, improve decision-making, and enhance response times.

ACTION ITEMS

- Enhance data visualization tools and capabilities to provide the agency with greater accessibility to data for comprehensive reporting — including near real-time budget data — to inform agency decisions.
- Use AI tools to research the Texas Alcoholic Beverage Code and automate secondary tasks.
- Leverage new technologies to modernize technical training and build staff proficiency across applications and systems.
- Update business policies, processes, and skillsets as modern technology is adopted internally and externally, including AIMS and the state's transition from USAS to STAR.

Objective 4: Attract and onboard a high-quality workforce.

ACTION ITEMS

- Support hiring managers by enhancing the systems and processes they use to hire and onboard new employees.
- Enhance TABC Internship program by participating in the Department of Defense SkillBridge program that connects service members with private and public sector organizations that offer internship opportunities for transitioning service members. (FY2028)
- Leverage the Recruitment Team and expand recruitment strategies to identify and attract qualified candidates for critical and hard-to-fill positions.

HOW GOAL/ACTION ITEMS SUPPORT STATEWIDE OBJECTIVES

Accountability

Texans deserve the best in government service. Business operations and services to the industry and public should not suffer because of retirements and personnel changes. TABC is committed to developing a workforce continuity plan that involves identifying and developing employees with critical skill sets so they are prepared when leadership opportunities are available. The plan also relies on documenting institutional knowledge of current employees and recording the ‘why’ behind policy and procedural decisions. Implementing this plan assures no interruptions in service delivery to tax and fee payers of Texas.

Efficiency

Focusing on process improvements to support the hiring manager’s role — managing the hiring process from recruitment to onboarding new employees — saves time and money. Managers who know effective recruitment and interview strategies and who understand how to engage and develop employees are more likely to hire the best person for the job, cultivate the relationship, and retain a motivated and engaged employee.

Strategies for promoting and educating employees on data literacy are necessary to reap the benefits of the agency’s current systems and prepare them for innovations. Employees who are data literate analyze and use data in multiple ways such as developing new techniques to process work faster, forecast or predict outcomes, and uncover hidden abuses or non-compliance scenarios.

New functionality implemented in AIMS in FY2026 created efficiencies for license and permit holders settling cases but ushered in a new system for auditors, agents, and attorneys to track investigations and violations of the Code by license and permit holders. With new functionality and enhancements, the agency must update business processes and workflows for efficiency and effectiveness.

Effectiveness

Data visualization tools present data in ways that are easier to understand, analyze, and take action upon. As employees are trained and skill sets are developed, these tools will lead to improved service delivery and more informed decision-making. These tools, as well as new technologies and artificial intelligence, will reduce routine tasks and time spent on manual analysis so employees can focus on more critical needs.

To retain effective employees, TABC promotes a culture of excellence by prioritizing its employees and providing them with growth opportunities. The Culture Ambassadors Reinventing Excellence and Service Council (CARES Council) was established for this purpose and focuses on initiatives that improve the employee experience, job satisfaction, and overall engagement. Future initiatives of the council are mental wellness and physical and psychological safety in the workplace. Employees who feel supported and safe are more effective. TABC's employee recognition programs serve as another indicator to employees that their contributions and performance are celebrated. Critical for retention is training employees for personal growth and skills development. As the Training department is refreshed with new leadership, it will implement guidance documents and templates to execute training programs consistently and effectively. The department also facilitates in-person and e-learning training to develop employees personally and enhance skillsets, improving motivation and performance. The department will establish new evaluation models for instructors and training programs to identify areas of improvement and determine if objectives are met and employees experience growth.

Excellence in Customer Service

Maintaining proper staffing levels is foundational to the TABC's ability to support license and permit holders, applicants, and the public. The agency's planned actions to expand recruitment efforts and improve hiring processes will help fill vacancies more quickly and provide consistent support to its customers.

Transparency

The use of data visualization tools and other improvements to the agency's data reporting capabilities provides timelier and easier to understand information to applicants, license and permit holders, legislators, and the public.

How Goals/Action Items Align With 2026-2030 State Strategic Plan for Information Resources

The Texas Department of Information Resources (DIR) *2026-2030 State Strategic Plan for Information Resources Management (SSP)* provides state agencies with a framework to modernize technology, strengthen security, and deliver innovative public services. This framework is used to inform TABC's Innovation and Technology Division (ITD) as it develops and maintains the core technology applications, policies, and procedures for the agency, including ensuring the confidentiality, integrity, and availability of the agency's information assets. A technology oversight program prioritizes information resource needs throughout the agency and assigns project management staff to oversee scope, development, and deployment of new technologies and functionality. In addition, TABC's data governance program looks to DIR guidance when supporting agency-wide efforts to effectively manage, use, and report agency data. These structures formalize TABC's approach to overseeing, evaluating, and improving its information technology resources and infrastructure, as well as how the agency leverages the data derived from its systems.

TABC's alignment with DIR's four statewide strategic technology goals are demonstrated as follows:

TABC Goal 1: Support the Alcoholic Beverage Industry aligns with:

- DIR Goal 1: Provide an Exceptional Government Experience
- DIR Goal 4: Modernize Government Services Through Emerging Technologies

TABC Goal 2: Protect Texans aligns with:

- DIR Goal 4: Modernize Government Services Through Emerging Technologies

TABC Goal 3: Promote a Culture of Excellence aligns with:

- DIR Goal 2: Manage Data Responsibly to Power AI and Technology Innovation
- DIR Goal 3: Develop a Skilled and Sustainable Workforce
- DIR Goal 4: Modernize Government Services Through Emerging Technologies

Redundancies and Impediments

Service, statute, rule, or regulation	**Unlicensed Location Enforcement** *Sections 11.01 and 61.01, Alcoholic Beverage Code* *Sec. 12.43, Penal Code* *Sec. 59.01, Code of Criminal Procedure*
Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.	State law requires businesses selling alcoholic beverages to obtain the proper permit. TABC has seen a significant increase in businesses selling alcohol despite not obtaining the required permits. This limits the agency's authority to regulate these types of locations. There are significant challenges in regulating these types of businesses with traditional law enforcement techniques due to the time and resources required to effectively monitor them. Unlicensed locations that operate as bars without the required permit present problems to public safety and garner attention by law enforcement and tend to have certain characteristics: operate during prohibited hours, impact local law enforcement due to a high call volume for violent offenses, and frequently relocate within the same area after a short interval. These characteristics alone can have a major impact on the community in terms of public safety, property values, and quality of life for citizens. Additionally, the business avoids paying sales taxes, mixed beverage taxes, and required permit fees which creates an unfair marketplace.
Provide agency recommendation for modification or elimination.	--Add a penalty of a Class A misdemeanor for first violation and a State Jail Felony for subsequent violations of operating without a permit or license, respectively, in Sec. 11.01 and Sec. 61.01 of the Texas Alcoholic Beverage Code. Currently, there is not a specific penalty for operating without a license, which means the general misdemeanor penalty set in Sec. 1.05 applies. --Alternatively, add an enhancement for repeat offenders in Penal Code Sec. 12.43 (Penalties for Repeat and Habitual Misdemeanor Offenders) to increase the penalty for repeat offenders. --Add “selling without a permit” to the definition of “contraband” in the Code of Criminal Procedure Sec. 59.01.
Describe the estimated cost savings or other benefit associated with recommended change.	Enhancing the penalty for this violation removes ambiguity and makes it easier for local prosecutors to take action. The enhanced penalty will deter these businesses from operating illegally. TABC can seize alcoholic beverages at a business that sells them without a permit, but with the statutory change, the agency could also seize the illicit revenue from the illegal sale of alcoholic beverages.

Service, statute, rule, or regulation	**Licensee/Permittee Abandons Premises** *Sec. 11.44, Alcoholic Beverage Code*
Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.	TABC-issued licenses/permits are location- (i.e., premises) specific for a defined timed period. The Alcoholic Beverage Code does not allow TABC to issue an additional or new license/permit for a location that is already covered by an existing license/permit in the majority of circumstances—even if the holder no longer operates its business at the location—until the license/permit expires. Additionally, Sec. 11.44 generally prevents the agency from granting a new license/permit for a location that is already assigned to another licensee/permittee until the existing license/permit holder agrees to relinquish their license/permit. Occasionally, licensees/permittees abandon or lose the legal right to remain in their designated premises, often because they fail to pay rent to their landlord. The landlords would often like to rent out the premises quickly to another tenant who wants to obtain a TABC license/permit. If the current licensee/permittee does not object, the agency will place their license/permit in suspense, thus opening up the premises for the new tenant. But when the current licensee/permittee does object, the agency must go through the long administrative process to suspend or cancel the current license/permit in order to issue a license/permit to a new tenant. This extended process often means the landlord and new tenant are unable to generate revenue at the location during that time period. Section 11.44 provides an avenue to TABC to issue a new license/permit if the landlord has obtained a non-appealable court-ordered eviction. In some circumstances, the licensed/permitted tenant has abandoned the location and the landlord is thus ineligible to pursue an eviction. This leaves the landlord with limited options for new tenants who may also operate an alcohol business until the current license/permit expires.
Provide agency recommendation for modification or elimination.	Amend Sec. 11.44 to allow the agency to issue a new license/permit for premises that are already designated for a current license/permit when the agency receives notice from the landlord (via a sworn statement) that the premises has been vacated or the current tenant has lost the legal right to remain at the location (i.e., circumstances wherein eviction is not a legal option for the landlord), the agency notifies the current licensee/permittee of the landlord's notice and provides an opportunity for the existing permit/license holder to respond, and the agency independently verifies the premises is not being used by the current licensee/permittee.

Describe the estimated cost savings or other benefit associated with recommended change.	This change would allow the agency to quickly approve a new license/permit for premises that would otherwise be unused while the administrative licensing action plays out. This would benefit both the landlord and new tenant, while still allowing the current licensee/permittee the option to reactivate their license/permit if a new location is found.

Service, statute, rule, or regulation	**Applicant to Post Sign** *Sec. 11.391 and Sec. 61.381, Alcoholic Beverage Code*
Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.	Certain applicants for a new license/permit must post a sign at the business location to notify the public of their intent to sell alcohol. The outdoor sign (often referred to as a "60-day sign") must be visible to the public for 60 days before TABC can issue the license/permit. The purpose is to alert the community and give citizens an opportunity to protest the application (if eligible to do so). Advancements in technology and staff efficiencies have reduced the time it takes TABC to issue a new license/permit to less than 30 days. Requiring applicants to wait another 30 days to meet the 60-day requirement is burdensome for applicants and their staff, and cumbersome for TABC processors.
Provide agency recommendation for modification or elimination.	Reduce the requirement to 30 days from 60 days for applicants to post a sign notifying the public of their intent to sell alcohol.
Describe the estimated cost savings or other benefit associated with recommended change.	Eligible applicants will get into business up to 30 days sooner, allowing them to generate revenue — and associated local and state taxes — more quickly.

Service, statute, rule, or regulation	**Applicability of Mixed Beverage Gross Receipts Taxes for Nonprofit Entity Temporary Event Permits** *Ch. 30, Alcoholic Beverage Code, and Ch. 183, Tax Code*
Describe why the service, statute, rule, or regulation is resulting in inefficient or	Prior to Sept. 1, 2021, nonprofit entities were able to obtain two different types of temporary event permits — one that authorized the sale of malt beverages and wine only or another that authorized the sale of all types of alcohol (i.e., malt beverages, wine, and distilled spirits) including mixed beverages. Alcohol sales under the temporary

ineffective agency operations.	permit authorizing the sale of only malt beverages and wine were not subject to the Mixed Beverage Gross Receipts Tax under Ch. 183 of the Tax Code. Sales of all classes of alcohol under the temporary permit authorizing the sale of mixed beverages were subject to the Mixed Beverage Gross Receipts Tax. With the passage of the Sunset bill (HB1545 (86R)), the two temporary permits available to nonprofit entities were merged into one permit — the Nonprofit Entity Temporary Event Permit (effective Sept. 1, 2021) — and Sec. 183.001 of the Tax Code was updated to include the new nonprofit permit as being subject to the Mixed Beverage Gross Receipts Tax. As a result, the holder of a Nonprofit Entity Temporary Event Permit is subject to the Mixed Beverage Gross Receipts Tax for all alcohol sales, even if mixed beverages are not sold and only malt beverages and/or wine are sold.
Provide agency recommendation for modification or elimination.	Amend Ch. 183 of the Tax Code to exclude Nonprofit Entity Temporary Event Permits from the definition of a "permittee" (and, therefore, from taxation) for the purposes of Mixed Beverage Gross Receipts Taxes if the permittee only sells malt beverages and wine.
Describe the estimated cost savings or other benefit associated with recommended change.	This solution keeps the nonprofit permit holder from paying the Mixed Beverage Gross Receipts Tax rate when the nonprofit did not sell mixed beverages. The nonprofit can then keep more of its proceeds so it can provide more benefits to its constituency.

Service, statute, rule, or regulation	**Disparity among retail license/permit types** *Alcoholic Beverage Code*
Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.	Disparities exist between certain license/permit types that serve no obvious public safety or regulatory purpose and are likely remnants from previous statutes which have not been updated. These disparities are confusing to some applicants and an economic barrier for many. These differences require extra steps by applicants, license/permit holders, and agency staff; lead to unnecessary delays in processing; and cause confusion and frustration. Examples: — For some permit types, the license/permit application can be denied if the spouse of the applicant does not qualify. — In case of death for some permit types, a spouse or descendant can only operate until expiration and then apply for a new permit; for other permit types, a spouse or descendant can renew the permit. — Mixed Beverage permittees are required to provide the agency documentation not required of other license/permit holders. Example: name and residential address of the lessor and lessee of the premises; monthly rental rate for the premises; lease expiration date; whether the lease or rental agreement includes furniture and fixtures; whether the business is to be operated under a franchise and, if so, the name and address of the franchisor; the name and address of the accountant of the business; and a list of all bank accounts, including account numbers, used in connection with the business.
Provide agency recommendation for modification or elimination.	In general, amend the Alcoholic Beverage Code to be consistent across all license/permit types unless there is a justifiable public safety or business reason. Specifically: — Repeal Sec. 25.06(b) and other references regarding denial of a license/permit application due to the applicant's spouse so that all applicants and their spouses are held to the same standards. — Upon death of a permittee, amend 11.10 and 61.02 to allow a spouse or descendant to renew the license/permit if they are eligible to hold that license/permit. This will align other license/permit types with authorities of a mixed beverage permit type. — Repeal Sec. 28.03 to eliminate superfluous information requirements for mixed beverage permit applicants.

Describe the estimated cost savings or other benefit associated with recommended change.	Having consistent regulations among similar permit types would be fairer and cause less confusion among applicants. It would streamline the application process, leading to faster processing of applications and renewals. In certain situations, it could eliminate the need for some permit types to submit an original application upon the permittee's death or sale of the business. This is significant because an original application is much more involved and time-consuming than a renewal application, and consistent regulations would limit interruptions to business.

Service, statute, rule, or regulation	**Comptroller as a Protestant** *Sec. 11.432 and 61.314, Alcoholic Beverage Code*
Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.	When a TABC license/permit holder is delinquent in taxes or fees owed to the state that are separate from the taxes/fees imposed under the Alcoholic Beverage Code, TABC is not the custodian of the underlying records that prove up the debt. This requires TABC to obtain records from the Comptroller of Public Accounts (CPA) as a third party and make arguments in a hearing on the CPA's behalf. Sections 11.432 and 61.314 of the Alcoholic Beverage Code list certain government officials (e.g., the state senator or representative, the county commissioner or city council member, the sheriff, or the county or district attorney with jurisdiction over the premises to be licensed) who may protest an application; and TABC is statutorily authorized to give due consideration to the recommendation of any of the listed officials when evaluating the application. Currently, the CPA is not included in the list of officials authorized to file a protest against a license/permit application and thus does not have standing to formally contest issuance of the license/permit.
Provide agency recommendation for modification or elimination.	Add the Comptroller of Public Accounts to the list of government officials in Sections 11.432 and 61.314 of the Alcoholic Beverage Code who are allowed to have standing to protest an application for the issuance of a TABC license/permit.
Describe the estimated cost savings or other benefit associated with recommended change.	This change would allow the Comptroller of Public Accounts (CPA) to represent itself in the protest hearing instead of relying on TABC to essentially represent the CPA. As the custodian of the underlying records and as the agency with direct knowledge of the circumstances surrounding the debt, the CPA is in a better position to articulate the issue before an administrative law judge.

Service, statute, rule, or regulation	**Local Cartage Permit** *Sec. 25.15, Alcoholic Beverage Code*
Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.	The Sunset bill (HB 1545 (86R)) eliminated the requirement for certain retailers to have a Local Cartage Permit to transport alcoholic beverages, folding that authority into the retailers' authorized activities beginning Sept. 1, 2021. On the other hand, SB 1232 (86R) authorized Wine and Malt Beverage Retailer's Permit holders to deliver alcoholic beverages to consumers only if they have a Local Cartage Permit. Now the Local Cartage Permit remains solely for the Wine and Malt Beverage Retailer's Permit, even though other retailers, such as package stores, are no longer required to have the Local Cartage Permit as of Sept. 1, 2021.
Provide agency recommendation for modification or elimination.	Fold the authority to transport alcoholic beverages into the authorized activities for Wine and Malt Beverage Retailer's Permit holders. Modifications to Sec. 22.08 of the Alcoholic Beverage Code (Code) in HB 1545 (86R) offer model language that could be adapted to add this privilege to the Wine and Malt Beverage Retailer's Permit. Further, Sec. 25.15 of the Code would need to be amended to eliminate the requirement to obtain a Local Cartage Permit.
Describe the estimated cost savings or other benefit associated with recommended change.	By removing the disparity of one permit type that is required to have a secondary permit to perform the same activity that other retailers were given the authority to do through Sunset changes effective Sept. 1, 2021, all retailers with similar transport authority would be treated the same. The Commission recognized this disparity when setting fees in summer 2021 and set the fee for a Local Cartage Permit at $0. If the recommendation becomes law, there will be no impact to General Revenue.

Service, statute, rule, or regulation	**Confidentiality of Certain Personal Information** *Sec. 25.025 Tax Code and Sec. 552.1175, Government Code*
Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.	The personal information and addresses of former and current peace officers employed by TABC are protected from disclosure under most circumstances. However, TABC's legal staff — who prosecute cases involving money laundering, prostitution, drugs, and human trafficking — receive less robust protections. While enforcing the governor's executive orders during the pandemic, legal staff were threatened by a permittee. There are similar concerns for the agency's executive director and communications director.

Provide agency recommendation for modification or elimination.	Protect the addresses and personal information of current and former TABC Office of General Counsel employees, the executive director, and communications director by adding them to lists of protected individuals found in Sec. 25.025 of the Tax Code and Sec. 552.1175 of the Government Code.
Describe the estimated cost savings or other benefit associated with recommended change.	Providing these protections will allow Office of General Counsel staff, the executive director, and communications director to perform their duties without fear for the safety of themselves or their families.

Service, statute, rule, or regulation	**Notice to TABC of Civil Lawsuits** *Chapter 2, Alcoholic Beverage Code*
Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.	Texas dram shop laws in Ch. 2 of the Alcoholic Beverage Code create liability for a permittee (i.e., the bar or restaurant) when alcohol is sold to an obviously intoxicated person and results in personal injury or property damage. A party harmed by the intoxicated person can file a lawsuit against the permittee for damages, but there is no requirement to report these cases to TABC—even though the sale of alcohol to an obviously intoxicated person is a serious public safety violation of the Alcoholic Beverage Code. TABC should receive notice of these lawsuits so the agency can pursue criminal and/or administrative cases against permittees, where necessary, to protect public safety.
Provide agency recommendation for modification or elimination.	Amend Ch. 2 of the Alcoholic Beverage Code to require the plaintiff (or the court) in a dram shop lawsuit to serve a copy of the petition on TABC by certified or registered mail, or electronically to an email address designated by TABC.
Describe the estimated cost savings or other benefit associated with recommended change.	Receiving notice of these dram shop lawsuits will allow TABC to advance its mission of protecting public safety by taking action against license/permit holders who are negligent in their responsibility to sell/serve alcohol responsibly. Once notified of a dram shop civil suit, agency Enforcement staff could conduct their own investigation to determine if administrative action should be taken against the license/permit holder or criminal action should be taken against the person who provided the alcohol to the intoxicated customer. It would be more efficient and allow for a more timely response if TABC is notified of the lawsuit rather than agency attorneys spending valuable time searching for these suits statewide.

Service, statute, rule, or regulation	**Entitlement to Holiday Compensatory Time** *Sec. 662.005(b), Government Code*
Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.	TABC's regulatory compliance officers (RCOs) are stationed at ports of entry. RCOs prevent minors from importing alcoholic beverages, disallow dangerous alcoholic beverages from entering the U.S., and collect taxes and fees on the personal importation of alcoholic beverages and cigarettes. RCOs work non-traditional schedules and must work holidays, even when they fall on a Saturday or Sunday. Generally, state employees who work on a designated national or state holiday are allowed holiday compensatory time off during the 12-month period following the date of the holiday if the employee is entitled to a paid day off from working for a state agency on the holiday. There are limitations to earning holiday compensatory time if the holiday falls on a weekend.
Provide agency recommendation for modification or elimination.	Amend Sec. 662.005(b) of the Government Code to include TABC regulatory compliance officers stationed at ports of entry in the list of state employees entitled to compensatory time off for hours worked during a holiday that falls on a weekend for which they are required to work.
Describe the estimated cost savings or other benefit associated with recommended change.	Holiday traffic on a weekend is a critical time for RCOs to ensure individuals at ports of entry are importing legal products and within legal guidelines, keep alcohol out of the hands of minors, and collect taxes. Granting RCOs eligibility to receive compensatory time helps secure a TABC presence at ports of entry during critical times.

Service, statute, rule, or regulation	**Waiting to Withdraw to Avoid Penalty** *Sec. 11.44(b), Alcoholic Beverage Code*
Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.	Section 11.44(b) of the Alcoholic Beverage Code requires TABC to deny applications submitted by applicants who have a prior application that expired or was voluntarily withdrawn before an administrative hearing was held for the new application based on allegations against the applicant involving serious public safety violations (e.g., drugs or trafficking). TABC must deny such an application for three years from the date of expiration or withdrawal. Under the current statutory language, an applicant can avoid the three-year ban by waiting until the hearing begins to withdraw its application. This strategy has become more prevalent and has led to

	a waste of government resources (for both TABC and the State Office of Administrative Hearings) because staff must plan for an administrative hearing that the applicant never intends to go forward with.
Provide agency recommendation for modification or elimination.	Amend Sec. 11.44(b) to apply only to permittees who surrender their application after TABC initiates an action on the application (e.g., scheduling a hearing). As a reminder, Subsection (b) only applies to some of the most violent allegations (e.g., trafficking). This solution incentivizes settlement and resolution prior to the hearing.
Describe the estimated cost savings or other benefit associated with recommended change.	This will save hearing time and expenses for the applicant, the agency, and SOAH by changing the timing of the penalty for surrendering an application.

Service, statute, rule, or regulation	**Bond Requirement for Special Inspectors** *Sec. 5.142, Alcoholic Beverage Code*
Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.	Special inspectors, as described in Sec. 5.142 of the Code, are honorably retired commissioned peace officers (CPOs) appointed by the executive director. Special inspectors are prohibited by agency policy from enforcing a law, except one designated to protect life and property. TABC special inspectors are not considered employees; however, due to their continued affiliation with TABC, they are held to a high standard of ethical conduct. Unlike active inspectors, special inspectors do not have vigorous continuing education and training requirements.
Provide agency recommendation for modification or elimination.	Add provisions to the Alcoholic Beverage Code to align with similar language for special rangers in the Texas Department of Public Safety (Government Code Sec. 411.023) and special game wardens in the Texas Parks and Wildlife Commission (Parks and Wildlife Code, Section 11.0201). A key provision is to require an honorably retired inspector to provide a bond before being issued a commission as a special inspector.

Describe the estimated cost savings or other benefit associated with recommended change.	Requiring special inspectors to have a bond provides additional protection to the agency to guard against liability if a special inspector causes damage from an unlawful act. Other new provisions would align TABC with other state law enforcement agencies and establish more timely evaluation of inspectors representing TABC.

Service, statute, rule, or regulation	**Protecting undercover agents in virtual SOAH hearings**
Describe why the service, statute, rule, or regulation is resulting in inefficient or ineffective agency operations.	TABC commissioned peace officers who are routinely involved in undercover operations as part of a human trafficking, narcotics, or prostitution investigation are often required to testify in court or the State Office of Administrative Hearings (SOAH). For in-person hearings, judges often allow these officers to testify via phone which protects the officer's anonymity. However, for video-based hearings conducted by SOAH, judges sometimes require the officers to appear on camera. This prevents TABC from using these peace officers in future operations for obvious safety reasons.
Provide agency recommendation for modification or elimination.	Protect undercover agents required to participate in virtual administrative hearings. This may be addressed through statute or SOAH policy.
Describe the estimated cost savings or other benefit associated with recommended change.	TABC is concerned about the safety of its undercover agents. Being forced to reveal themselves in a virtual hearing unnecessarily puts their safety in jeopardy. Additionally, the agency does not have the funding or resources to be able to hire new undercover agents to replace those who had been compromised with the frequency this new requirement would cause.

In January 2019 the Sunset Advisory Commission issued a report recommending statutory changes and management actions for TABC leadership. The statutory recommendations were the foundation for HB 1545, which was signed into law in June 2019 with major provisions effective Sept. 1, 2019, Dec. 31, 2020, and Sept. 1, 2021.

This process had a significant impact on the regulatory environment and related agency practices, including:

- Eliminated 14 types of permits and eliminated outdoor advertising restrictions (effective Sept. 1, 2019).

- Restructured the application review and protest process to align with best practices, improving consistency and accountability (effective Dec. 31, 2020).
- Created new product registration rules and processes to streamline approval of alcoholic beverages for sale in Texas (effective Dec. 31, 2020).
- Created a transparent, worksheet-based methodology to calculate penalties for regulatory violations to apply consistently across the state (effective March 1, 2021).
- Planned for and eliminated 25 permit types and coordinated implementation of new permit structure and new fees with new technology (AIMS) (effective Sept. 1, 2021).
- Recommended and adopted two-year fees for new permit structure and communicated impact to the industry and local governments (effective Sept. 1, 2021).

With three effective dates in HB 1545, implementation was completed on time and in a thoughtful, deliberative way due to the agency's organized and collaborative approach.

TABC also implemented all management actions recommended by the Sunset Advisory Commission. One of the management actions directed TABC to evaluate and address gaps in the agency's rules by adopting rules to implement the Sunset bill and other recommended management actions; reviewing existing rules; and identifying regulations that need more explanation.

Six months after the Sunset bill passed in 2019, TABC had developed a two-year plan to draft rules to meet all statutory requirements in the Sunset bill and other statutes adopted in 2019. Of the approximately 200 rules at the time, almost 70% were impacted by actions of the 86th Legislature, primarily the Sunset bill. For the remaining 30% of rules, the plan was updated to ensure all 200 rules were reviewed by the end of 2022. During implementation of the plan, internal policies were adopted requiring certain activities for every rulemaking process. The most significant steps are 1) the internal review of a draft rule by directors and the executive team and 2) a stakeholder meeting with time to offer feedback before a rule is recommended to the commission for publication.

By the end of 2022, all rules had been reviewed, and most had been reorganized into more logical groupings with a more sensible flow and consistent structure. Beginning in 2023, TABC initiated a four-year rule review cycle as required by the Government Code and now maintains an annual review schedule to meet the requirement.

In early 2026 TABC met with the Texas Regulatory Efficiency Office (TREO) to conduct a regulatory efficiency review of the agency's rules. As a result of the initial phase of this collaborative effort, TABC intends to draft repeals to eight rules and amendments to 13 rules in 2026. As dictated by internal policy, the draft changes will be reviewed internally by committee before the rules are posted to the website and a stakeholder meeting is held.

Supplemental Schedules

Schedule A: Budget Structure

GOAL 01 Promote the Health, Safety, and Welfare of the Public

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 fair and effective.

OBJECTIVE 01 Detect/Prevent Law Violations

Detect and prevent violations of the Alcoholic Beverage Code and other state laws that can occur on licensed premises, including those pertaining to human trafficking, drug trafficking, and other organized criminal activity.

Outcome Measures

01 Percentage of Licensed Establishments Inspected Annually
02 Percent of Administrative Actions Initiated by Enforcement Agents Resulting in Administrative Sanctions
03 Percentage of Priority Licensed Locations Associated with Enforcement Investigative Activities
04 Public Safety Compliance Rate – Direct Sale Retailers and Manufacturers
05 Public Safety Compliance of Priority Licensed Locations
06 Recidivism Rate – Licensed Retailers
07 Percentage of Priority Locations Relative to the Total Number of Licensed Locations

STRATEGY 01 Enforcement

Deter and detect violations of the Alcoholic Beverage Code by inspecting licensed establishments and investigating complaints.

Output Measures

01 Number of Undercover Operations Conducted
02 Number of Inspections Conducted by Enforcement Agents
03 Number of Enforcement Investigative Activities
04 Number of Investigative Activities Targeting Organized Criminal Activity and Trafficking in Border Region
05 Number of Investigative Activities Targeting Organized Criminal Activity and Trafficking Statewide
06 Number of Investigative Activities Conducted at Priority Licensed Locations
07 Number of Investigations Closed Relating to Trafficking or Other Organized Criminal Activities
08 Number of Investigations Closed by Enforcement Agents in the Field

Efficiency Measures

01 Average Cost Per Enforcement Investigative Activity

02 Average Cost Per Investigative Activity Targeting OCA and Trafficking Statewide

Explanatory Measures

01 Average Number of Days to Close an Investigation by Enforcement Agents in the Field
02 Number of Licensed Locations Subject to Inspection
03 Number of Criminal Cases Filed
04 Number of Administrative Actions Initiated by Enforcement Agents
05 Number of Priority Licensed Locations

GOAL 02 LICENSE, PERMIT AND REGISTER QUALIFIED BUSINESSES AND PRODUCTS

To issue licenses and permits and register products for qualified businesses in compliance with the Alcoholic Beverage Code.

OBJECTIVE 01 Process Applications for Permits, Licenses and Product Registrations In a Timely Manner

Process applications for licenses, permits and product registration in an efficient and timely manner.

Outcome Measures

01 Average Number of Days to Approve an Original Primary License/Permit
02 Average Number of Days to Approve a Product Registration Application

STRATEGY 01 Licensing

Issue licenses and permits and register products while ensuring compliance with laws regarding ownership, performance, and other regulatory requirements.

Output Measures

01 Number of License/Permit Applications Processed
02 Number of Licenses/Permits Approved
03 Number of Product Registration Applications Approved

Efficiency Measure

01 Average Cost Per License/Permit Application Processed

GOAL 03 Ensure Compliance with Fees & Taxes

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

OBJECTIVE 01 Ensure Compliance with the Alcoholic Beverage Code

Monitor all tiers of the alcoholic beverage industry and conduct inspections, audits, analyses, investigations, and other activities to encourage maximum voluntary compliance with the Alcoholic Beverage Code.

Outcome Measures

01 Compliance Rate – Audits
02 Compliance Rate – Wholesale and Manufacturing Reports
03 Compliance Rate – Auditor Inspections
04 Compliance Rate – Auditor Investigations

STRATEGY 01 Conduct Inspections and Monitor Compliance

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.

Output Measures

01 Number of Wholesale and Manufacturing Reports Analyzed
02 Number of Audits Conducted
03 Number of Inspections Conducted by Auditors
04 Number of Investigations Closed by Audit

Efficiency Measures

01 Average Cost of Audits Conducted
02 Average Cost Per Auditor Inspection
03 Average Cost Per Wholesale and Manufacturing Report Analyzed

Explanatory Measures

01 Number of Administrative Actions Initiated by Audit
02 Number of Correction Notices Issued for Wholesale and Manufacturing Reports
03 Number of Seller/Server and Alcohol Delivery Driver Certificates Issued
04 Average Cost Per Seller/Server and Alcohol Delivery Driver Certificates Issued

OBJECTIVE 02 Ensure Maximum Compliance at Ports

Ensure maximum compliance with laws regulating importation of alcoholic beverages and cigarettes at ports of entry.

Outcome Measure

01 Revenue as a Percent of Expenses

STRATEGY 01 Ports of Entry

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.

Output Measures

01 Number of Alcoholic Beverage Containers Imported
02 Number of Cigarette Packages Imported
03 Number of Alcoholic Beverage Containers Disallowed
04 Number of Cigarette Packages Disallowed

Efficiency Measure

01 Average Cost Per Alcoholic Beverage Container/Cigarette Package Imported or Disallowed

Schedule B: Performance Measure Definitions

Goal 01 Promote the Health, Safety, and Welfare of the Public
Objective 01 Detect/Prevent Law Violations
Strategy 01 Enforcement

Outcome Measure 01-01-01-01 Percentage of Licensed Establishments Inspected Annually

Definition: The percentage of in-state locations associated with a TABC license or permit inspected during a reporting period by enforcement agents or compliance auditors expressed as a ratio of the number of individual locations subject to inspection.	
Purpose: This outcome is intended to measure the degree of coverage achieved by enforcement agents and compliance auditors during a reporting period. Adequate coverage is deemed important because of the expected deterrent effect inspections can have on potential violations and because inspections give licensees the opportunity to ask questions and receive answers that might prevent future violations.	
Data Source: Data sources used to calculate this measure are reported in the Number of Inspections Conducted by Enforcement Agents output measure, the Number of Inspections Conducted by Auditors (Output Measure 03-01-01-03), and Number of Licensed Locations Subject to Inspection explanatory measure during a reporting period.	
Methodology: The records reported for the Number of Inspections Conducted by Enforcement Agents and Number of Inspections Conducted by Auditors (Output Measure 03-01-01-03) for a reporting period are combined. Of the resulting records, any duplicate records i.e., (locations with more than one inspection) are removed so only one inspection can be associated with a location. The number of locations inspected during the time period is the numerator. The denominator is the Number of Licensed Locations Subject to Inspection. The calculation is converted to a percentage.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Higher.

Outcome Measure 01-01-01-02 Percent of Administrative Actions Initiated by Enforcement Agents Resulting in Administrative Sanctions

Definition: The percentage of administrative actions originated by enforcement agents that were closed (reached final disposition) during a reporting period and that resulted in sanctions being imposed upon a licensee or permittee. For the purposes of this measure, an administrative sanction is a due process civil action in which the agency suspends, levies a civil penalty against, issues a warning to, or cancels a license or permit due to one or more violations of the Alcoholic Beverage Code or TABC Rules.	
Purpose: This outcome measures the quality of the administrative actions initiated by enforcement agents by providing a ratio of the actions in which agency enforcement agents prevailed to the total number of enforcement actions reaching a final disposition.	
Data Source: Every administrative action initiated by an agent and the date of disposition is recorded in the agency's online business portal (Alcohol Industry Management System (AIMS)).	
Methodology: All administrative actions in AIMS noted as 'closed' in the case status field and with a disposition date during the reporting period are found and counted. This number serves as the denominator. Within this group of records, the numerator is determined by excluding all records for which a sanction was not imposed. The result is converted to a percentage.	
Data Limitations: None.	**Calculation Method:** Noncumulative.

New Measure: No.	**Target Attainment:** Higher.

Outcome Measure 01-01-01-03 (Key) Percentage of Priority Licensed Locations Associated with Enforcement Investigative Activities

Definition: The percentage of priority licensed locations at which enforcement agents and staff conducted an investigative activity during a reporting period. An investigative activity is described in the Number of Enforcement Investigative Activities output measure and a priority licensed location is described by the Number of Priority Licensed Locations explanatory measure.	
Purpose: This outcome measure sets a minimum coverage goal for licensed locations that are considered to be especially at risk for public safety violations due to the history or inexperience of the license or permit holder. It is intended to direct and require Enforcement's attention to those licensed locations where public safety violations are most likely to occur.	
Data Source: Data sources used to calculate this measure are the Number of Investigative Activities Conducted at Priority Licensed Locations output measure and the Number of Priority Licensed Locations explanatory measure.	
Methodology: The required percentage is derived by dividing the Number of Investigative Activities Conducted at Priority Licensed Locations during the period in question by the total Number of Priority Licensed Locations during the same period.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: Yes.	**Target Attainment:** Higher.

Outcome Measure 01-01-01-04 Public Safety Compliance Rate – Direct Sale Retailers and Manufacturers

Definition: The number of inspections of licensed businesses that sell or serve alcoholic beverages directly to the public conducted by enforcement agents during a reporting period that did not result in the filing of a criminal case or an administrative action for public safety violations.	
Purpose: This outcome measure gauges the degree to which certain licensed retailers, direct sale manufacturers, and their customers complied with the public safety provisions of the Alcoholic Beverage Code and other laws.	
Data Source: The agency's online business portal (Alcohol Industry Management System (AIMS)) maintains records of all active licenses and permits associated with each license and permit type. Based on license and permit records identified in the Number of Inspections Conducted by Enforcement Agents output measure for a reporting period, records pertaining only to primary license and permit types authorized to sell or serve alcoholic beverages directly to the public are extracted. The extracted records represent the inspected retailers and direct sale manufacturers. Other sources used to calculate this measure are the Number of Administrative Actions Initiated by Enforcement Agents explanatory measure and the Number of Criminal Cases Filed explanatory measure for the same period.	
Methodology: Numerator: The license and permit holders associated with the inspected retailers and direct sale manufacturers are compared to the license and permit holders associated with the Number of Administrative Actions Initiated by Enforcement Agents and the Number of Criminal Cases Filed for a reporting period. If the comparison results in a record common to an administrative or criminal case, the resulting number of records are those inspected retailers and direct sale manufacturers not in compliance during the reporting period. These records are subtracted from the number of inspected retailers and direct sale manufacturers for the same period to calculate how many inspections by enforcement agents did not result in the filing of a case for the reporting period. The denominator is the number of inspected retailers and direct sale manufacturers for the reporting period. The result is converted to a percentage.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Higher.

Outcome Measure 01-01-01-05 Public Safety Compliance of Priority Licensed Locations

Definition: The percentage of priority licensed locations associated with an investigative activity by enforcement staff during a reporting period that did not result in the filing of a criminal case or administrative action for a public safety violation during the same period. A priority licensed location is described by the Number of Priority Licensed Locations explanatory measure.	
Purpose: This outcome measure gauges the degree to which licensed businesses that meet the criteria for priority status and their customers complied with the public safety provisions of the Alcoholic Beverage Code and other laws.	
Data Source: Data sources used are the Number of Investigative Activities Conducted at Priority Licensed Locations output measure, the Number of Administrative Actions Initiated by Enforcement Agents explanatory measure, and the Number of Criminal Cases Filed explanatory measure.	
Methodology: To determine the license and permit holders associated with a priority location and an investigative activity during a reporting period that resulted in an administrative action or criminal case, compare the license and permit holders associated with the Number of Administrative Actions Initiated by Enforcement Agents and the Number of Criminal Cases Filed for the same period. If the comparison yields records in common, the resulting number is subtracted from the Number of Investigative Activities Conducted at Priority Licensed Locations for the same period. This number is the numerator and represents priority locations inspected that were in compliance. The denominator is the Number of Investigative Activities Conducted at Priority Licensed Locations. The result is converted to a percentage.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: Yes.	**Target Attainment:** Higher.

Outcome Measure 01-01-01-06 Recidivism Rate – Licensed Retailers

Definition: The percent of the licensed retailers that have received at least two administrative actions for a public safety violation in the last 12 months of the reporting period. The 12-month period for each licensed retailer is based on the date the last administrative action was initiated.	
Purpose: This outcome measures retailer recidivism with respect to public safety violations and provides a method of gauging the Enforcement department’s effectiveness in preventing subsequent public safety violations by the same retailer.	
Data Source: Every administrative action initiated by an agent and the date is recorded in the agency’s online business portal (Alcohol Industry Management System (AIMS)). AIMS also identifies certain license and permit types as retailers.	
Methodology: If a record is identified for a license or permit holder in the Number of Administrative Actions Initiated by Enforcement Agents explanatory measure for a reporting period, it is compared to any other record of an administrative action initiated by enforcement agents for the 12-month period prior to the license or permit holder’s last action in the current reporting period. Each matched record represents recidivism i.e., a license or permit holder with multiple public safety violations in the same 12-month period. These records are then filtered so only retailers are represented. This final number is the numerator. The records identified in the Number of Administrative Actions Initiated by Enforcement Agents for the reporting period are filtered so only licensed retailers are represented. These records represent the number of retailers with at least one violation for the reporting period and is the denominator. The result is converted to a percentage.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Lower.

Outcome Measure 01-01-01-07 Percentage of Priority Locations Relative to the Total Number of Licensed Locations

Definition: The percentage of priority or high-risk licensed establishments during a reporting period expressed as a ratio of the total number of licensed locations during the same period.

Purpose: This outcome is intended to measure the proportion of high-risk locations relative to all licensed locations subject to inspection by TABC. TABC uses a risk-based model to allocate Enforcement resources to high-risk (priority) locations.	
Data Source: Data sources used to calculate this measure are the Number of Licensed Locations Subject to Inspection explanatory measure and the Number of Priority Licensed Locations explanatory measure.	
Methodology: The measure is calculated by dividing the Number of Priority Licensed Locations by the Number of Licensed Locations Subject to Inspection during the same period. The result is converted to a percentage.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Lower.

Output Measure 01-01-01-01 (Key) Number of Undercover Operations Conducted

Definition: The number of undercover operations conducted by agency enforcement agents during a specified period of time. For the purpose of this measure, an undercover operation is an inspection conducted in a covert method for the purpose of determining compliance with the Alcoholic Beverage Code and other state laws.	
Purpose: Undercover operations are the agency's most effective method in confirming compliance with state laws. Counting undercover operations provides an accurate representation of the number of inspections of this nature that are being performed by enforcement agents in order to check compliance.	
Data Source: Inspections recorded as having used covert methods are noted in the agency's online business portal (Alcohol Industry Management System (AIMS)). When data from inspections are entered, an automated record summarizing each covert inspection is created. The values reported for this measure are taken from an automated agency report.	
Methodology: The measure is calculated by counting the number of inspection records conducted by means of a covert method that were originated for activity occurring during a reporting period. The calculation includes undercover operations conducted by specialized and non-specialized units.	
Data Limitations: None.	**Calculation Method:** Cumulative.
New Measure: No.	**Target Attainment:** Higher.

Output Measure 01-01-01-02 (Key) Number of Inspections Conducted by Enforcement Agents

Definition: Number of inspections of licensed premises conducted by agency enforcement agents during a reporting period. For the purpose of this measure, an inspection is an in-person visit to a licensed location, a proposed licensed location, or any other physical location to determine compliance with the Alcoholic Beverage Code and other state laws. Undercover operations and interior/exterior surveillance also fall within this definition.	
Purpose: Inspections are important activities in the agency's 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.	
Data Source: Each individual inspection made by an agent is noted in the agency's online business portal (Alcohol Industry Management System (AIMS)). 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.	
Methodology: A report is generated to count the number of inspections conducted by enforcement agents during a reporting period.	
Data Limitations: None.	**Calculation Method:** Cumulative.
New Measure: No.	**Target Attainment:** Higher.

Output Measure 01-01-01-03 (Key) Number of Enforcement Investigative Activities

Definition: The number of investigative activities conducted by enforcement agents and staff during a reporting period. An "investigative activity" may involve an inspection, preparing and serving subpoenas, conducting

interviews, gathering evidence, executing searches, surveillance, writing reports, analyzing data, and other activities to determine if a violation occurred.	
Purpose: This is a measure of the work conducted by agency enforcement agents and staff in specialized and non-specialized units. This measure assesses the impact enforcement has on confirming or enforcing compliance with state laws.	
Data Source: Enforcement agents and staff record the date of all investigative activities in the agency's online business portal (Alcohol Industry Management System (AIMS)).	
Methodology: A report is generated to count the number of investigative activities conducted by enforcement agents and staff during a reporting period.	
Data Limitations: None.	**Calculation Method:** Cumulative.
New Measure: No.	**Target Attainment:** Higher.

Output Measure 01-01-01-04 (Key) Number of Investigative Activities Targeting Organized Criminal Activity and Trafficking in Border Region

Definition: The number of investigative activities that target organized criminal activities (OCA) or trafficking conducted within a reporting period in the border region. These activities are most often conducted as part of a joint operation involving TABC and at least one other agency. For purposes of this measure, the Border Region is represented by counties along the US/Mexico border or adjacent to the Gulf Intracoastal Waterway.	
Purpose: The volume of operations targeting organized criminal activity, including human trafficking, demonstrates the degree to which the TABC is cooperating and sharing resources with other agencies that are also involved in the fight against organized crime, human trafficking, money laundering, and drug trafficking in the Border Region.	
Data Source: The information required to derive the reported value comes from investigative activity records in the agency's online business portal (Alcohol Industry Management System (AIMS)).	
Methodology: An agency automated report searches AIMS and finds all investigative activity records with the following characteristics: a designated activity class of "OCA/Trafficking Investigation"; a location address of the activity in a county in the Border Region; and an activity date that falls within the reporting period. The report then counts the records found. The total from that count becomes the value reported for the measure.	
Data Limitations: None.	**Calculation Method:** Cumulative.
New Measure: No.	**Target Attainment:** Higher.

Output Measure 01-01-01-05 Number of Investigative Activities Targeting Organized Criminal Activity and Trafficking Statewide

Definition: The number of investigative activities that target organized criminal activities (OCA) or trafficking conducted within a reporting period. These activities are most often conducted as part of a joint operation involving TABC and at least one other agency. An "investigative activity" may involve an inspection, preparing and serving subpoenas, conducting interviews, gathering evidence, executing searches, surveillance, writing reports, analyzing data, and other activities to determine if a violation occurred.	
Purpose: The volume of operations targeting organized criminal activity, including human trafficking, demonstrates the degree to which the TABC is cooperating and sharing resources with other agencies that are also involved in the fight against organized crime, human trafficking, money laundering, and drug trafficking.	
Data Source: The information required to derive the reported value comes from investigative activity records in the agency's online business portal (Alcohol Industry Management System (AIMS)).	
Methodology: An agency automated report searches AIMS and finds all investigative activity records with the following characteristics: a designated activity class of "OCA/Trafficking Investigation" and an activity date that falls within the specified date range. The report then counts the records found. The total from that count becomes the value reported for the measure.	
Data Limitations: None.	**Calculation Method:** Cumulative.
New Measure: Yes.	**Target Attainment:** Higher.

Output Measure 01-01-01-06 (Key) Number of Investigative Activities Conducted at Priority Licensed Locations

Definition: Number of investigative activities conducted at priority licensed locations (i.e., licensed locations previously determined to be at risk for future public safety violations) by enforcement agents and staff during a reporting period. An investigative activity is described in the Number of Enforcement Investigative Activities output measure, and a priority licensed location is described by the Number of Priority Licensed Locations explanatory measure.	
Purpose: This output measure provides a count of the number of investigative activities conducted by enforcement agents and staff at locations that pose the highest risk for public safety violations.	
Data Source: Data sources are the Number of Priority Licensed Locations explanatory measure and the Number of Enforcement Investigative Activities output measure for a reporting period. The values reported for this measure are taken from an automated agency report.	
Methodology: The records identified by the Number of Priority Licensed Locations for a reporting period are compared to the Number of Enforcement Investigative Activities for the same time period. Every investigative activity conducted at a priority location during the reporting period is counted and reported for this measure.	
Data Limitations: None.	**Calculation Method:** Cumulative.
New Measure: No.	**Target Attainment:** Higher.

Output Measure 01-01-01-07 (Key) Number of Investigations Closed Relating to Trafficking or Other Organized Criminal Activities

Definition: The number of investigations closed by enforcement agents during a specified time period that involved allegations of human trafficking, drug trafficking, money laundering, or any other organized criminal activities (OCA) related to a license or permit holder. An investigation is considered closed when the allegations have been disproved, 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.	
Purpose: Provides a count of the number of investigations closed by enforcement agents within a reporting period that involved allegations of organized criminal activity related to a license or permit holder. This measure assists with assessing the agency's impact on organized crime and trafficking activity in the state.	
Data Source: Enforcement agents maintain all investigations in the agency's online business portal (Alcohol Industry Management System (AIMS)), including the date the investigation is marked as closed.	
Methodology: All investigation records in AIMS with OCA/Trafficking allegations with a closed date falling within the reporting period are identified and counted. The total of that count is the value reported for this measure. This measure primarily represents work conducted by agents that specialize in long-term, in-depth investigations of OCA activities.	
Data Limitations: None.	**Calculation Method:** Cumulative.
New Measure: No.	**Target Attainment:** Higher.

Output Measure 01-01-01-08 Number of Investigations Closed by Enforcement Agents in the Field

Definition: Number of investigations closed by enforcement agents in the field during a reporting period that did not involve source (of alcohol) investigations or allegations of aggravated breach of the peace or human trafficking, drug trafficking, money laundering, or any other organized criminal activities (OCA) related to a license or permit holder. An investigation is considered closed when the allegations have been disproved, 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.
Purpose: This measure provides a count of the number of investigations closed by Enforcement agents in the field during a reporting period. That total is used in calculating the Average Number of Days to Close an Investigation by Enforcement Agents in the Field measure.

Data Source: Enforcement agents maintain all investigation records in the agency's online business portal (Alcohol Industry Management System (AIMS)), including the date the investigation is considered closed.	
Methodology:. A report is generated to calculate the total number of investigations closed by agents in the field during a reporting period. Contributions to this measure are primarily the result of agents in the field rather than agents focused on organized criminal activity and human trafficking, source (of alcohol), and aggravated breach of the peace investigations.	
Data Limitations: None.	**Calculation Method:** Cumulative.
New Measure: Yes.	**Target Attainment:** Higher.

Efficiency Measure 01-01-01-01 (Key) Average Cost Per Enforcement Investigative Activity

Definition: The cost of all investigative activities conducted by enforcement agents and staff during a reporting period.	
Purpose: This efficiency measure provides a unit cost figure for the core law enforcement activities.	
Data Source: For the calculation of the measure for the reporting period, the Number of Enforcement Investigative Activities outcome measure is used. Agency expenditures for salaries, travel, etc. for Enforcement agents and staff are tracked in the state's automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for the reporting period.	
Methodology: The total expenditures for all enforcement activities is divided by the total number of investigative activities conducted by enforcement agents and staff during the same period to derive a per investigative activity unit cost. The calculation for this measure includes investigative activities conducted by specialized and non-specialized units.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Lower.

Efficiency Measure 01-01-01-02 (Key) Average Cost Per Investigative Activity Targeting OCA and Trafficking Statewide

Definition: The cost of law enforcement investigative activities conducted targeting organized crime and trafficking allegations during a reporting period.	
Purpose: This efficiency measure provides a unit cost figure for law enforcement activities conducted to target organized crime and trafficking allegations.	
Data Source: The statewide totals for the reporting period for agent investigative activities conducted are reported in explanatory measures related to operations targeting organized crime and trafficking. Agency expenditures for salaries, travel, etc. for Enforcement staff in specialized units targeting OCA and trafficking are tracked in the state's automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for the reporting period.	
Methodology: The total expenditures for all enforcement investigative activities identified as targeting organized crime and/or trafficking allegations is divided by the total number of investigative activities identified as targeting organized crime and/or trafficking allegations conducted by enforcement agents during the same period to derive a per investigative activity unit cost. The calculation for this measure includes activities conducted by specialized and non-specialized units; the measure is predominantly carried out by agents assigned to specialized units.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Lower.

Explanatory Measure 01-01-01-01 Average Number of Days to Close an Investigation by Enforcement Agents in the Field

Definition: Average number of days for Enforcement agents in the field to close an investigation that did not involve source (of alcohol) investigations or allegations of aggravated breach of the peace or human trafficking,

drug trafficking, money laundering, or any other organized criminal activities (OCA) related to a license or permit holder. An investigation is defined in the Number of Investigations Closed by Enforcement Agents in the Field measure.	
Purpose: Provides an indication of the agency's efforts to close investigations conducted by agents in the field within a reasonable amount of time as defined in policy.	
Data Source: The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date each investigation was opened (received) and closed.	
Methodology: For each record applicable to the Number of Investigations Closed by Enforcement Agents in the Field measure for the reporting period, the received date is subtracted from the closed date to determine how many days each investigation lasted. The total number of days is the numerator. The denominator is the Number of Investigations Closed by Enforcement Agents in the Field measure for the same period.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Lower.

Explanatory Measure 01-01-01-02 Number of Licensed Locations Subject to Inspection

Definition: The number of licensed locations in Texas subject to inspection at the end of the reporting period. Applicable locations are those associated with license and permit types in the three-tier system.	
Purpose: This measure provides the total number of active licensed locations regulated by TABC in the state of Texas.	
Data Source: The status and location of each primary license and permit is recorded in the agency's online business portal (Alcohol Industry Management System (AIMS)).	
Methodology: If a primary license or permit is located in the state of Texas and was active at the end of the reporting period, the location is counted.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Higher.

Explanatory Measure 01-01-01-03 Number of Criminal Cases Filed

Definition: Number of criminal cases originated by enforcement agents during a reporting period. A criminal case is filed against an individual due to a violation of the Alcoholic Beverage Code, Penal Code, or other laws.	
Purpose: While compliance is the desired outcome of enforcement operations, it is not always the outcome obtained. This measure provides a count of criminal cases filed by enforcement agents against individuals when agents observe a person committing a criminal offense.	
Data Source: Every criminal case filed by an agent and the date is recorded in the agency's online business portal (Alcohol Industry Management System (AIMS)).	
Methodology: All criminal case records in AIMS with filing dates within the reporting period are found and counted. The total is the number of criminal cases filed by agents during the period.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Lower.

Explanatory Measure 01-01-01-04 Number of Administrative Actions Initiated by Enforcement Agents

Definition: Number of administrative actions filed by enforcement agents during a reporting period. An administrative action is initiated against a license/permit holder due to a violation of the Alcoholic Beverage Code or TABC Rules.
Purpose: While compliance is the desired outcome of enforcement operations, it is not always the outcome obtained. This measure provides a count of administrative actions initiated by enforcement agents when agents observe a license/permit holder or an employee of a license/permit holder committing a violation.
Data Source: Every administrative action initiated by an agent and the date is recorded in the agency's online business portal (Alcohol Industry Management System (AIMS)).

Methodology: All administrative actions in AIMS with issue dates falling within the reporting period are found and counted.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Lower.

Explanatory Measure 01-01-01-05 Number of Priority Licensed Locations

Definition: The number of licensed locations whose licenses or permits were active during the reporting period and that were determined by the agency to be especially "at risk" for future public safety violations. A licensed location may be deemed a priority licensed location if, at the end of the reporting period, (1) there is a recent (last six months) history of public safety violations occurring on its premises; (2) there is an open investigation involving the location and allegations of public safety violations; or (3) the business has been licensed for less than two years and has not yet been the target of an investigative activity and is either licensed to sell alcoholic beverages for off-premises consumption or is the holder of a late hours certificate.	
Purpose: This explanatory measure provides a count of the licensed locations that are the primary target of agency enforcement operations.	
Data Source: The agency's online business portal (Alcohol Industry Management System (AIMS)) maintains information on the license and permit types that sell for off-premises consumption, license and permit holders that hold a late hours certificate, and the date the license or permit was originally issued. AIMS also maintains the violation history of a license or permit holder and any investigative activities conducted on the premises. This measure uses data in the Number of Licensed Locations Subject to Inspection explanatory measure.	
Methodology: Licensing records identified in the Number of Licensed Locations Subject to Inspection are compared with data identifiers corresponding to the pre-set risk criteria to determine which locations are considered especially "at risk" for public safety violations. These priority licensed locations are then counted, and the total is the value reported.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Lower.

Goal 02 License, Permit, and Register Qualified Businesses and Products
Objective 01 Process Applications for Permits, Licenses and Product Registration In a Timely Manner
Strategy 01 Licensing

Outcome Measure 02-01-01-01 (Key) Average Number of Days to Approve an Original Primary License/Permit

Definition: The average number of days to process and approve a primary application for an original license/permit from receipt of a completed application to approval of the primary license/permit.	
Purpose: Provides an indication of the agency's efforts to get qualified applicants in business as soon as possible.	
Data Source: The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date each application for an original license/permit is received and the date on which each license/permit was approved by TABC. A report is generated to extract data for original primary licenses/permits approved during a reporting period.	
Methodology: The numerator is the total number of days to process all applications for an original license/permit approved during a reporting period. The denominator is the total number of original licenses/permits approved during the same period.	
Data Limitations: The ultimate number of original primary licenses/permits approved depends on the number of businesses or persons submitting an application, which is a circumstance beyond the agency's control.	
Calculation Method: Noncumulative.	
New Measure: No.	**Target Attainment:** Lower.

Outcome Measure 02-01-01-02 (Key) Average Number of Days to Approve a Product Registration Application

Definition: Average number of days to process and approve an application for product registration from receipt of a completed application to approval of the product registration application.	
Purpose: Provides an indication of the agency's efforts to approve product registrations in a timely manner.	
Data Source: The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date each application for product registration is received and the date on which each application was approved. A report is generated to extract data for registration applications approved during a reporting period.	
Methodology: The numerator is the total number of days to process all applications for product registrations approved during a reporting period. The denominator is the total from the Number of Product Registration Applications Approved output measure for the same period.	
Data Limitations: The ultimate number of product registration applications approved depends on the number of businesses submitting an application, which is a circumstance beyond the agency's control.	
Calculation Method: Noncumulative.	
New Measure: No.	**Target Attainment:** Lower.

Output Measure 02-01-01-01 Number of License/Permit Applications Processed

Definition: The total number of license/permit applications processed during a reporting period. For purposes of this measure, the term "application" includes original and renewal applications for primary and subordinate classes of licenses/permits, temporary events and permits, and changes to the business or persons associated with a license/permit (as defined in TABC Rules). Also, for the purposes of this measure, an application is considered "processed" on the date on which it is either approved, denied, or withdrawn.	
Purpose: This measure provides data on the total number of applications processed by the agency.	
Data Source: The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date each application is received and the date on which each application was approved, withdrawn, or denied. A report is generated to extract data for all applications not approved, withdrawn, or denied during a reporting period, resulting in the number of applications processed.	
Methodology: The total number of applications processed during a reporting period.	
Data Limitations: The ultimate number of applications processed depends on the number of businesses or persons submitting an application, which is a circumstance beyond the agency's control.	
Calculation Method: Cumulative.	
New Measure: No.	**Target Attainment:** Higher.

Output Measure 02-01-01-02 (Key) Number of Licenses/Permits Approved

Definition: This measure provides the number of licenses and permits approved by the agency in a reporting period. The count includes all original primary and subordinate licenses and permits approved for new businesses, all primary and subordinate licenses and permits approved for existing businesses renewing their licenses or permits, all temporary permits approved for qualified organizations for short-term special events, and all temporary authorizations approved for license and permit holders for short-term special events.
Purpose: This measure provides data on the total number of licenses and permits approved, which determines the revenue generated from license and permit fees.
Data Source: The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date each application or authorization is received and the date on which each license or permit or authorization was approved. A report is generated to extract data for licenses and permits and authorizations approved during a reporting period.
Methodology: The total number of licenses and permits and authorizations approved during a reporting period.
Data Limitations: The ultimate number of licenses and permits and authorizations approved depends on the number of businesses or persons submitting an application and meeting eligibility requirements in the Alcoholic Beverage Code.
Calculation Method: Cumulative.

New Measure: No.	**Target Attainment:** Higher.

Output Measure 02-01-01-03 (Key) Number of Product Registration Applications Approved

Definition: This measure provides the number of product registration applications approved in a reporting period.	
Purpose: This measure provides data on the total number of product registration applications approved so products can be shipped or imported into the state, manufactured and offered for sale, or distributed or sold in the state of Texas.	
Data Source: The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date each product registration application is received and the date on which each application was approved. A report is generated to extract data for product registration applications approved during a reporting period.	
Methodology: The total number of all product registration applications approved within a reporting period.	
Data Limitations: The ultimate number of product registration applications approved depends on the number of alcoholic beverage products intending to be sold in Texas, which is a circumstance beyond the agency's control.	
Calculation Method: Cumulative.	
New Measure: No.	**Target Attainment:** Higher.

Efficiency Measure 02-01-01-01 (Key) Average Cost Per License/Permit Application Processed

Definition: The average cost to process an application during a reporting period.	
Purpose: This measure reflects the efficient use of staff resources to process applications.	
Data Source: Agency expenditures for salaries, travel, etc. for Licensing staff are tracked in the state's automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for a reporting period. Other data used to calculate this measure is the Number of License/Permit Applications Processed output measure.	
Methodology: The numerator is the spending total attributed to all Licensing department activities in the automated report for a reporting period. The denominator is the Number of License/Permit Applications Processed output measure during the same period.	
Data Limitations: The ultimate number of applications processed depends on the number of businesses or persons submitting an application, which is a circumstance beyond the agency's control. When there are fewer applications to process but the spending total remains the same, the average cost per application processed will be higher than projected.	
Calculation Method: Noncumulative.	
New Measure: No.	**Target Attainment:** Lower.

Goal 03 Ensure Compliance with Fees & Taxes
Objective 01 Ensure Compliance with the Alcoholic Beverage Code
Strategy 01 Conduct Inspections and Monitor Compliance

Outcome Measure 03-01-01-01 (Key) Compliance Rate - Audits

Definition: The percentage of audits during which licensees and permittees were found to be in full compliance with the requirements of the Alcoholic Beverage Code and TABC Rules.
Purpose: This measure shows the degree to which agency compliance efforts have been successful and regulated businesses conform to the requirements of state law and applicable state regulations.
Data Source: Data sources used to calculate this measure are reported in the Number of Administrative Actions Initiated by Audit explanatory measure and the Number of Audits Conducted output measure for the same reporting period.

Methodology: The numerator is the Number of Audits Conducted output measure with no administrative violations and no delinquencies for a reporting period. The number of administrative actions identified in the Number of Administrative Actions Initiated by Audit explanatory measure that were the result of an audit is counted. This number is subtracted from the Number of Audits Conducted output measure in the same reporting period to determine how many audits did not result in an administrative action. The resulting number is part of the numerator. If an amount (of a delinquency) is not identified in the record of any of the (Number of) Audits Conducted output measure in the reporting period, the record is considered in compliance and counted as part of the numerator. The denominator is the Number of Audits Conducted output measure. The result is converted to a percentage.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Higher.

Outcome Measure 03-01-01-02 Compliance Rate - Wholesale and Manufacturing Reports

Definition: The percentage of wholesale and manufacturing reports analyzed during a reporting period in which the report was submitted by the due date, resulting in the report being in compliance. The due date is determined by submission on or before the 15th day of the month following each reporting period.	
Purpose: This measure shows the rate of compliance of certain license and permit holders with the reporting requirements of the Alcoholic Beverage Code and Rules.	
Data Source: Data sources used to calculate this measure are reported in the Number of Wholesale and Manufacturing Reports Analyzed output measure and the Number of Correction Notices Issued for Wholesale and Manufacturing Reports explanatory measure for a reporting period.	
Methodology: The number reported in the Number of Correction Notices Issued for Wholesale and Manufacturing Reports measure for a reporting period is subtracted from the number reported in the Number of Wholesale and Manufacturing Reports Analyzed output measure in the same period to determine how many reports did not result in a correction notice. This number is the numerator. The denominator is the Number of Wholesale and Manufacturing Reports Analyzed output measure for the same reporting period. The result is converted to a percentage.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: Yes.	**Target Attainment:** Higher.

Outcome Measure 03-01-01-03 (Key) Compliance Rate - Auditor Inspections

Definition: The percentage of inspections conducted by 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: This measure provides an indication of the effectiveness of the agency's efforts to communicate the requirements of state law and applicable state regulations to license and permit holders.	
Data Source: Data sources used to calculate this measure are reported in Number of Administrative Actions Initiated by Audit explanatory measure and the Number of Inspections Conducted by Auditors output measure for a reporting period.	
Methodology: The number of administrative actions identified in the Number of Administrative Actions Initiated by Audit explanatory measure for a reporting period that were the result of inspections conducted by auditors is counted. This number is subtracted from the Number of Inspections Conducted by Auditors output measure in the same period to determine how many inspections did not result in an administrative action. This number is the numerator. The denominator is the Number of Inspections Conducted by Auditors output measure for the same reporting period. The result is converted to a percentage.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Higher.

Outcome Measure 03-01-01-04 Compliance Rate - Auditor Investigations

Definition: The percentage of auditor-led investigations closed during a reporting period in which the license or permit holders investigated were found to be in full compliance with the Alcoholic Beverage Code and TABC Rules.	
Purpose: This measure shows the degree to which investigated license and permit holders were shown to be in full compliance with the Alcoholic Beverage Code and TABC Rules.	
Data Source: Data sources used to calculate this measure are reported in Number of Administrative Actions Initiated by Audit explanatory measure and the Number of Investigations Closed by Audit output measure for a reporting period.	
Methodology: The number of administrative actions identified in the Number of Administrative Actions Initiated by Audit explanatory measure for a reporting period that were the result of investigations conducted by auditors is counted. This number is subtracted from the Number of Investigations Closed by Audit in the same period to determine how many investigations did not result in an administrative action. This number is the numerator. The denominator is the Number of Investigations Closed by Audit output measure for the same reporting period. The result is converted to a percentage.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Higher.

Output Measure 03-01-01-01 Number of Wholesale and Manufacturing Reports Analyzed

Definition: The number of periodic reports received and analyzed from license and permit holders with manufacturing and wholesale authorities. The reported information pertains to the sale and shipment of alcoholic beverages into and within the State of Texas and alcoholic beverage products manufactured within the state. Included in the reported total for this measure are all excise tax reports received and analyzed by TABC Excise Tax staff.	
Purpose: The measure provides data on the total number of reports received from license and permit holders with manufacturing and wholesale authorities.	
Data Source: Reports are submitted to the agency's online business portal (Alcohol Industry Management System (AIMS)) by a license or permit holder or by an agency employee if the license or permit holder submitted the report on paper. AIMS records the date each report was received.	
Methodology: A report is generated that extracts the total number of reports analyzed in a reporting period.	
Data Limitations: None.	**Calculation Method:** Cumulative.
New Measure: No.	**Target Attainment:** Higher.

Output Measure 03-01-01-02 (Key) Number of Audits Conducted

Definition: The total number of audits conducted by auditors during a reporting period. The types of audits could be excise tax audits; records, fees, and operations audits targeting private clubs, local distributors, FB (food & beverage) certificate holders, and direct shippers; and other audits to evaluate compliance with the Alcoholic Beverage Code and TABC Rules.	
Purpose: This is a measure of work performed by auditors.	
Data Source: Auditors record the date of an audit in a designated electronic audit file on the agency's web-based hub.	
Methodology: A report is generated to extract the number of audits conducted during a reporting period.	
Data Limitations: None.	**Calculation Method:** Cumulative.
New Measure: No.	**Target Attainment:** Higher.

Output Measure 03-01-01-03 (Key) Number of Inspections Conducted by Auditors

Definition: The total number of inspections conducted during a reporting period. For the purpose of this measure, an inspection is a self-inspection (compliance) report submitted by a license or permit holder; a visit by

an auditor to a physical location to conduct an inspection for compliance reporting, an application for a license or permit, or any other physical location; or review of material or information related to a compliance report, application, or request.	
Purpose: This measure provides an assessment of compliance by license and permit holders with the Alcoholic Beverage Code and Texas Administrative Code based on inspections conducted by auditors for the agency.	
Data Source: License and permit holders submit self-inspection reports through the agency's online business portal (Alcohol Industry Management System (AIMS)) and auditors record inspections in AIMS. The submission date or inspection date, respectively, is recorded in AIMS.	
Methodology: A report is generated to extract the number of inspections conducted by auditors during a reporting period.	
Data Limitations: None.	**Calculation Method:** Cumulative.
New Measure: No.	**Target Attainment:** Higher.

Output Measure 03-01-01-04 (Key) Number of Investigations Closed by Audit

Definition: Number of investigations led by auditors that were closed during a reporting period. Investigations may involve analyses of license and permit holders and businesses for human trafficking and other organized criminal activity, cross-tier relationships, marketing and trade practices, contracts and agreements, and ownership issues to evaluate compliance with the Alcoholic Beverage Code and TABC Rules.	
Purpose: This measure provides a count of the number of investigations closed by Audit staff during a reporting period.	
Data Source: Auditors maintain all investigations in the agency's online business portal (Alcohol Industry Management System (AIMS)), including the date an investigation is considered closed.	
Methodology: A report is generated to calculate the total number of investigations closed by auditors during a reporting period.	
Data Limitations: None.	**Calculation Method:** Cumulative.
New Measure: No.	**Target Attainment:** Higher.

Efficiency Measure 03-01-01-01 (Key) Average Cost of Audits Conducted

Definition: The average cost of audits conducted during a reporting period.	
Purpose: This measure reflects the efficient use of staff resources to conduct audits.	
Data Source: Agency expenditures for salaries, travel, etc. for auditors are tracked in the state's automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for a reporting period. Other data used to calculate this measure is the Number of Audits Conducted output measure.	
Methodology: The numerator is the spending total attributed to all Audit department activities in the automated report for a reporting period. The denominator is the Number of Audits Conducted output measure during the same period.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Lower.

Efficiency Measure 03-01-01-02 Average Cost Per Auditor Inspection

Definition: The average cost of all auditor inspection activity during a reporting period.
Purpose: This measure reflects the efficient use of staff resources to conduct inspections.
Data Source: Agency expenditures for salaries, travel, etc. for auditors are tracked in the state's automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for a reporting period. Other data used to calculate this measure is the Number of Inspections Conducted by Auditors output measure.

Methodology: The numerator is the spending total attributed to all Audit department activities in the automated report for a reporting period. The denominator is the Number of Inspections Conducted by Auditors output measure during the same period.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Lower.

Efficiency Measure 03-01-01-03 Average Cost Per Wholesale and Manufacturing Report Analyzed

Definition: The average cost of analyzing excise tax reports received from license and permit holders with manufacturing and wholesale authorities during a reporting period.	
Purpose: This measure shows how efficiently staff resources are used to analyze excise tax reports from license and permit holders with manufacturing and wholesale authorities.	
Data Source: Agency expenditures for salaries, travel, etc. for Excise Tax staff are tracked in the state's automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for a reporting period. Other data used to calculate this measure is the Number of Wholesale and Manufacturing Reports Analyzed output measure.	
Methodology: The numerator is the spending total attributed to all Excise Tax bureau activities in the automated report for a reporting period. The denominator is the Number of Wholesale and Manufacturing Reports Analyzed output measure during the same period.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Lower.

Explanatory Measure 03-01-01-01 Number of Administrative Actions Initiated by Audit

Definition: The number of administrative actions filed by auditors during a reporting period. An administrative action is the issuance of a citation for violation(s) of the Alcoholic Beverage Code and TABC Rules.	
Purpose: The measure represents the number of times auditors found violations and took administrative action as the result of an inspection, audit, or investigation, or a violation of the Alcoholic Beverage Code or TABC Rules.	
Data Source: Every administrative action against a license or permit holder and the date the action was initiated by auditors are recorded in the agency's online business portal (Alcohol Industry Management System (AIMS)) .	
Methodology: A report is generated to extract the number of administrative actions initiated by auditors during a reporting period.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Lower.

Explanatory Measure 03-01-01-02 Number of Correction Notices Issued for Wholesale and Manufacturing Reports

Definition: Number of correction notices issued for late reports, reporting errors, or tax underpayments discovered by Excise Tax staff while analyzing wholesale and manufacturing reports. Correction notices are also issued when a license or permit holder submits an amended report that is approved by TABC staff.
Purpose: The measure provides a count of the number of times that manufacturers and wholesalers that submitted reports failed to meet agency tax payment and reporting requirements.
Data Source: Errors and discrepancies are noted in the record of the license or permit holder in the agency's online business portal (Alcohol Industry Management System (AIMS)) to issue correction notices. License and permit holders submit amended reports in AIMS and on paper (which is entered into AIMS by agency staff). AIMS records the date each amended report was approved and the correction notice was issued to the license or permit holder.

Methodology: An automated report generates the total number of correction notices issued during a reporting period.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Lower.

Explanatory Measure 03-01-01-03 Number of Seller/Server and Alcohol Delivery Driver Certificates Issued

Definition: The number of certificates issued to individuals completing a TABC-approved seller/server certification course or alcohol delivery training course during a reporting period.	
Purpose: This measure reflects the total number of certificates issued to provide individuals skills to avoid the most common alcohol service violations.	
Data Source: Upon an individual's completion of a course, a third-party vendor issues a certificate to that individual and records the date of issuance in the vendor's database.	
Methodology: A member of the agency's Training division accesses the vendor's portal and extracts data for all certificates issued for a reporting period.	
Data Limitations: Certification is not required under state law, but is recommended for bartenders, cashiers, servers and consumer delivery drivers. Certification educates the individual but also mitigates risks for license and permit holders employing those individuals. The agency has no control over the number of individuals seeking or completing certification.	
Calculation Method: Noncumulative.	
New Measure: No.	**Target Attainment:** Higher.

Explanatory Measure 03-01-01-04 Average Cost Per Seller/Server and Alcohol Delivery Driver Certificates Issued

Definition: The average cost to issue certificates to individuals who complete a seller/server or alcohol delivery training course during a reporting period.	
Purpose: The measure provides an average unit cost for seller/server and alcohol delivery driver course certification.	
Data Source: Agency expenditures for salaries, travel, etc. for Training staff are tracked in the state's automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for a reporting period. Other data used to calculate this measure is the Number of Seller/Server and Alcohol Delivery Driver Certificates Issued explanatory measure for the same period.	
Methodology: The numerator is the spending total attributed to all Training staff activities in the automated report for a reporting period. The denominator is the Number of Seller/Server and Alcohol Delivery Driver Certificates Issued explanatory measure during the same period.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Lower.

Goal 03 Ensure Compliance with Fees & Taxes
Objective 02 Ensure Maximum Compliance with Importation Laws at Ports of Entry
Strategy 01 Ports of Entry

Outcome Measure 03-02-01-01 Revenue as a Percent of Expenses

Definition: Revenue is derived from the taxes and fees collected for the personal importation of alcoholic beverages and cigarettes at ports of entry. Expenses relate to all expenditures associated with the ports of entry (POE) operations.
Purpose: This measure compares the revenue collected at ports of entry to operational costs.

Data Source: Revenue is collected via handheld devices and recorded in the agency online business portal (Alcohol Industry Management System (AIMS)). Agency expenditures related to POE staff salaries, travel, etc. are tracked in the state's accounting system (CAPPS). Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for the reporting period.	
Methodology: The revenues (numerator) for a reporting period are divided by the expenditure total for the same period. The result is expressed as a percentage.	
Data Limitations: None.	**Calculation Method:** Noncumulative.
New Measure: No.	**Target Attainment:** Higher.

Output Measure 03-02-01-01 (Key) Number of Alcoholic Beverage Containers Imported

Definition: The total number of containers of alcoholic beverages personally imported into Texas by persons paying the required taxes and fees during the reporting period at ports of entry monitored by the agency.	
Purpose: This measure provides data on the total number of the containers of alcoholic beverages personally imported into Texas.	
Data Source: The agency uses a point-of-sale system to calculate and collect taxes and fees on alcoholic beverage containers imported by individuals at ports of entry. The agency’s online business portal (Alcohol Industry Management System (AIMS)) records the date of each transaction. A report is generated to extract data for containers imported during the reporting period.	
Methodology: The total number of alcoholic beverage containers imported during the reporting period.	
Data Limitations: The number of individuals passing through the ports of entry varies during any given reporting period. Historically, there are high volumes in December and January. Additional factors beyond the agency’s control include weather conditions, health concerns, safety concerns, economic factors, etc. A contributing factor is the reliance on the individuals entering Texas to voluntarily declare possession of an alcoholic beverage container in order for agency staff to collect the required taxes and fees.	
Calculation Method: Cumulative.	
New Measure: No.	**Target Attainment:** Higher.

Output Measure 03-02-01-02 (Key) Number of Packages of Cigarettes Imported

Definition: The total number of cigarette packages personally imported into Texas by persons paying the required taxes during the reporting period at ports of entry monitored by the agency.	
Purpose: This measure provides data on the total number of the individual cigarette packages personally imported into Texas.	
Data Source: The agency uses a point-of-sale system to calculate and collect taxes and fees on cigarette packages imported by individuals at ports of entry. The agency’s online business portal (Alcohol Industry Management System (AIMS)) records the date of each transaction. A report is generated to extract data for packages imported during the reporting period.	
Methodology: The total number of cigarette packages imported during the reporting period.	
Data Limitations: The number of individuals passing through the ports of entry varies during any given reporting period. Historically, there are high volumes in December and January. Additional factors beyond the agency’s control include weather conditions, health concerns, safety concerns, economic factors, etc. A contributing factor is the reliance on the individuals entering Texas to voluntarily declare possession of cigarette packages in order for agency staff to collect the required tax.	
Calculation Method: Cumulative.	
New Measure: No.	**Target Attainment:** Higher.

Output Measure 03-02-01-03 Number of Alcoholic Beverage Containers Disallowed

Definition: The total number of alcoholic beverage containers disallowed for personal importation at ports of entry monitored by the agency during the reporting period. A container may not be permitted to be imported for personal consumption as defined by the Alcoholic Beverage Code or as determined by agency staff.	
Purpose: This measure represents the number of alcoholic beverage containers that did not enter the state of Texas through the efforts of TABC staff to fulfill its public safety and public health missions. Staff disallows any alcoholic beverage containers attempting to be imported by a minor or intoxicated person or in excess of the legal amount established by law. Disallowed containers may contain narcotics or materials unfit for human consumption, be illegal itself, or be counterfeit (i.e., not registered for sale in Texas).	
Data Source: The agency uses a point-of-sale system to record the number of alcoholic beverage containers disallowed at ports of entry. The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date of each record. A report is generated to extract data for containers disallowed during the reporting period.	
Methodology: The total number of alcoholic beverage containers disallowed at ports of entry during the reporting period.	
Data Limitations: The number of individuals passing through the ports of entry varies during any given reporting period. Historically, there are high volumes in December and January. Additional factors beyond the agency's control include weather conditions, health concerns, safety concerns, economic factors, etc.	
Calculation Method: Cumulative.	
New Measure: Yes.	**Target Attainment:** Higher.

Output Measure 03-02-01-04 Number of Cigarette Packages Disallowed

Definition: The total number of cigarette packages disallowed for personal importation at ports of entry monitored by the agency during the reporting period. A package may not be permitted to be imported for personal use as defined by the Texas Administrative Code.	
Purpose: This output is intended to measure the total number of cigarette packages whose importation is disallowed during a reporting period.	
Data Source: The agency uses a point-of-sale system to record the number of cigarette packages disallowed at ports of entry. The agency's online business portal (Alcohol Industry Management System (AIMS)) records the date of each record. A report is generated to extract data for containers disallowed during the reporting period.	
Methodology: The total number of cigarette packages disallowed at ports of entry during the reporting period.	
Data Limitations: The number of individuals passing through the ports of entry varies during any given reporting period. Historically, there are high volumes in December and January. Additional factors beyond the agency's control include weather conditions, health concerns, safety concerns, economic factors, etc.	
Calculation Method: Cumulative.	
New Measure: Yes.	**Target Attainment:** Higher.

Efficiency Measure 03-02-01-01 Average Cost Per Alcoholic Beverage Container/Cigarette Package Imported or Disallowed

Definition: The average cost of collecting taxes and fees on containers of alcoholic beverages and cigarette packages imported for personal consumption/use and disallowing containers and packages during a reporting period at ports of entry monitored by the agency.
Purpose: This measure reflects the efficient use of staff resources to process individuals attempting to import containers of alcoholic beverages and cigarette packages for personal consumption.
Data Source: Agency expenditures for salaries, travel, etc. for Ports of Entry (POE) staff are tracked in the state's automated accounting system. Some agency operating costs are allocated to various strategies. The combination of expenditures and allocated costs are reported in an expenditure report and used in the calculation of this measure for the reporting period. Other data used to calculate this measure are Number of Alcoholic

Beverage Containers Imported, Number of Cigarette Packages Imported, Number of Alcoholic Beverage Containers Disallowed, and Number of Cigarette Packages Disallowed measures.	
Methodology: Total expenditures for Ports of Entry is divided by the total number of alcoholic beverage containers and cigarette packages imported and disallowed.	
Data Limitations: The number of individuals passing through the ports of entry varies during any given reporting period. Historically, there are high volumes in December and January. Additional factors beyond the agency's control include weather conditions, health concerns, safety concerns, economic factors, etc. A contributing factor is the reliance on the individuals entering Texas to voluntarily declare possession of alcoholic beverage containers or cigarette packages in order for agency staff to collect the required taxes and fees. When foot traffic is slow but the spending total/expenditure rate remains the same, the average cost of items imported and disallowed will be higher than projected.	
Calculation Method: Noncumulative.	
New Measure: No.	**Target Attainment:** Lower.

Schedule C: Historically Underutilized Business Plan

TABC complies with the rules adopted by the Comptroller of Public Accounts (CPA) and Chapter 2161 of the Texas Government Code listing certain requirements when purchasing and contracting. The goal of this program is to promote full and equal business opportunities for all businesses with whom the agency engages for services.

The TABC Historically Underutilized Business policy incorporates the CPA's HUB rules to implement a meaningful program which ensures equal opportunities for Texas veterans and other eligible groups as defined by the Government Code. This ensures veterans and others are provided ample opportunity to bid on contracts for commodities, services, professional and consulting services, and special trades by contracting directly with the agency, as well as indirectly through subcontracting opportunities. Additionally, TABC will make a good faith effort to assist Veterans HUBS in receiving a portion of the total contract value of all contracts in the agency.

Schedule F: Agency Workforce Plan

SECTION 1: OVERVIEW

The mission of TABC is to serve the people of Texas and protect the public health and safety through consistent, fair, and timely administration of the Alcoholic Beverage Code (the Code).

TABC regulates all phases of the alcoholic beverage industry in Texas, including sales, taxation, importation, manufacturing, transportation, and advertising of alcoholic beverages. Of the 625 full-time equivalent (FTE) positions, approximately one-third, or 200, are commissioned peace officers (CPOs), known as TABC agents. Agents inspect businesses licensed or permitted by the agency and investigate alleged violations of the Alcoholic Beverage Code and other state laws. (TABC refers to entities which hold a license or permit to manufacture, distribute, or sell alcoholic beverages as “licensed businesses” when speaking generally.) Agents and auditors also provide a day-to-day public safety presence at more than 66,000 licensed businesses across the state. License and Permit Specialists (LPSs) work to ensure applicants for licenses and permits are properly vetted and have no disqualifying properties, such as prohibited ownership interest in another tier of the industry, criminal history, or indebtedness to the state for taxes. TABC auditors ensure compliance with regulatory and tax requirements authorized by the Code. Compliance analysts review and approve alcoholic beverage registrations for products sold in Texas. Regulatory Compliance Officers (RCOs) ensure persons importing alcoholic beverages and cigarettes at ports of entry along the Texas-Mexico border comply with importation laws and pay required taxes. RCOs are also responsible for stemming the illegal importation of hazardous alcoholic beverages through the ports of entry to ensure public health.

TABC’s operations typically result in the collection of approximately $300 million annually in taxes and fees, which aids in financing the state’s public schools, local governments, and health and human services programs.

The Code directs TABC to:

1. Protect the public safety by educating license and permit holders and investigating alleged public safety offenses in licensed locations.
2. Grant, deny, suspend, or cancel licenses and permits in all phases of the alcoholic beverage industry.
3. Supervise, inspect, and regulate the manufacturing, importation, exportation, transportation, sale, storage, distribution, and possession of alcoholic beverages.
4. Assess and collect fees and taxes.
5. Investigate potential violations of the Code and assist in the prosecution of violators.
6. Seize illicit beverages.
7. Adopt standards of quality and register alcoholic beverages to be sold in Texas.
8. Pass rules to assist TABC in all the aforementioned actions.

ORGANIZATIONAL STRUCTURE

The policymaking body of TABC is a five-member governing board appointed by the Governor with the advice and consent of the Senate. Commissioners hold office for staggered terms of six years, with the term of one or two members 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. Commissioners serve without salary.

The commission consists of Chairman Robert A. Eckels of Houston, Commissioner Deborah Gray Marino of San Antonio, Commissioner M. Scott Adkins of El Paso, Commissioner Hasan K. Mack of Austin, and Commissioner Chad M. Craycraft of Dallas.

Thomas W. Graham was appointed by the commission as TABC Executive Director in July 2022. The Executive Director directs the daily operations of TABC in a line-item exempt position and 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.

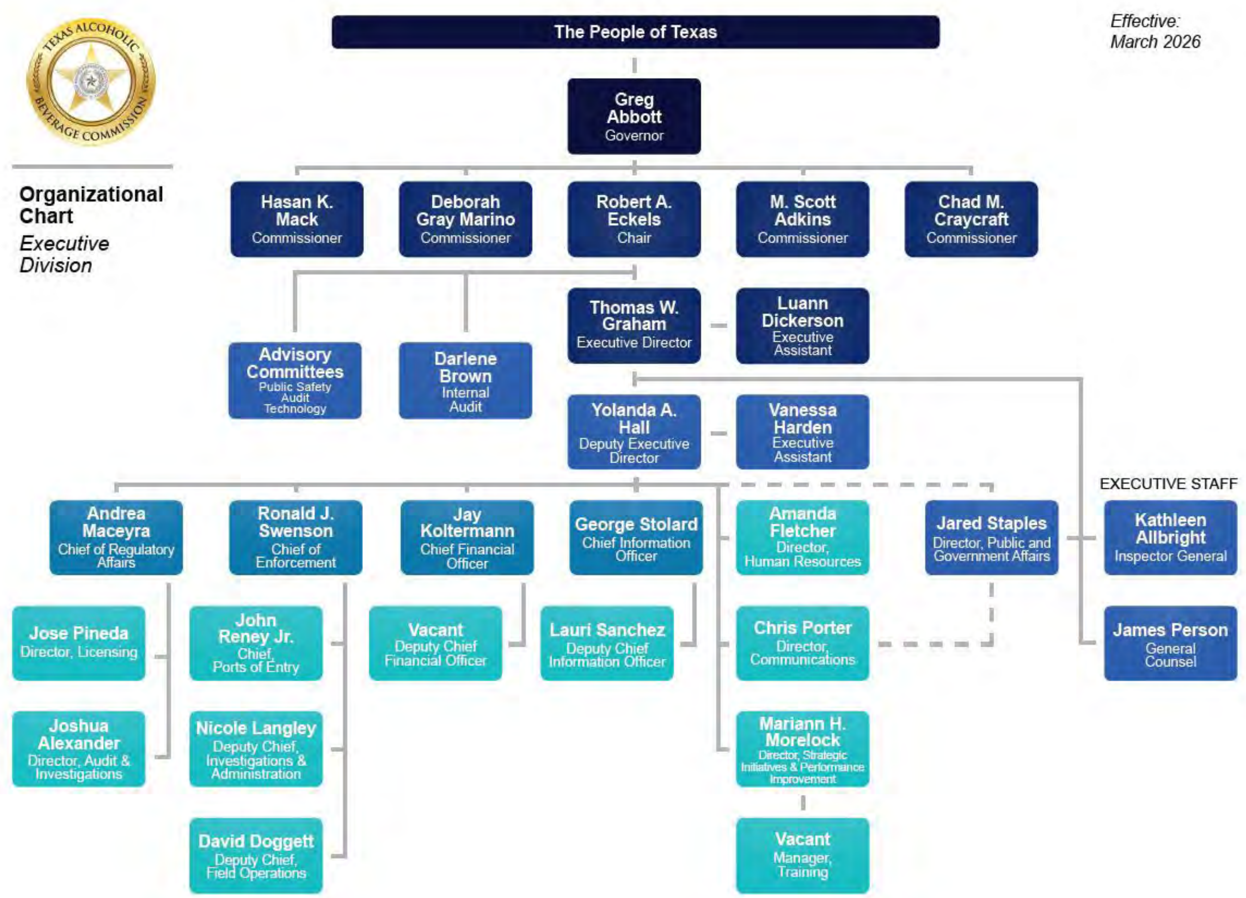
The executive management team consists of the:

- Deputy Executive Director
- General Counsel
- Chief of Enforcement
- Chief of Regulatory Affairs
- Inspector General

- Director of Public and Government Affairs

An independent audit firm performs internal audit functions for TABC, reporting directly to the commissioners. TABC's organizational structure is illustrated in Figure 1.

Figure 1. Organizational Chart



CORE BUSINESS FUNCTIONS

1. REGULATORY AFFAIRS DIVISION

The Regulatory Affairs Division assesses and collects approximately $300 million annually for the State of Texas. This division makes up 22 percent of the TABC workforce and includes Licensing, Excise Tax, Marketing Practices, and Audit personnel who are responsible for interfacing directly with tens of thousands of Texans doing business in the alcoholic beverage industry or applying for a TABC license or permit.

Licensing Department

The Licensing Department investigates and processes applications for all phases of the industry, including the manufacture, sale, purchase, transportation, storage, and distribution of alcoholic beverages. This department makes up 10 percent of the TABC workforce with employees stationed across Texas. Customer service is a priority for this department, as they are often the first point of contact between TABC and the public. Licensing staff must ensure that each applicant qualifies to hold a TABC license or permit and adheres to all applicable regulatory requirements. Licenses and permits are issued for a period of two years. On average, the Licensing Department approves more than 45,000 licenses and permits annually for businesses in Texas and abroad.

Audit and Investigations Department

The Audit and Investigations Department comprises 11 percent of the TABC workforce. Most employees are classified as auditors who conduct investigations, financial reviews, and regulatory inspections of licensed premises, in addition to subsequent audits (both routine and as part of larger investigations) which take place throughout the life of the permit. Auditing staff regularly assists the Law Enforcement Department with its investigations.

Auditors also provide training to permit holders and their employees by request and in response to violations by the permit holder. Presentations are also given to civic organizations to promote a better understanding of the law and TABC’s role and responsibilities. In addition, TABC is authorized to test any alcoholic beverage to prevent fraud and ensure public safety. TABC has a chemist and laboratory to conduct such examinations.

Product Registration, Excise Tax, and Marketing Practices

The Product Registration Bureau, Excise Tax Bureau, and Marketing Practices Office are charged with carrying out the agency's specialized authorities. Each are relatively small, with 13 total positions located at TABC's Austin headquarters. Tax staff receive, process, and audit monthly excise tax reports to ensure appropriate taxes have been paid and that other reporting requirements are met in accordance with the Code. Product registration staff are responsible for monitoring the advertising of alcoholic beverage products as well as the registration of those products. Marketing Practices promotes the alcoholic beverage industry's voluntary compliance with marketing practices regulations. This includes adopting and amending the official guidance of the agency, known as Marketing Practices Advisories, by soliciting feedback and making necessary changes.

2. ENFORCEMENT DIVISION

Texas has the largest alcohol law enforcement group in the nation and is recognized as a national leader of alcohol enforcement. TABC provides innovative programs to combat not only public safety issues but regulatory issues within the industry. The Enforcement Division is charged with executing the agency's law enforcement and investigations operations in support of public safety. The Ports of Entry Department also falls under the Enforcement Division with a focus on enforcing personal importation laws and collecting taxes and fees. Enforcement is TABC's largest division, totaling 56 percent of the workforce.

Law Enforcement Department

With a robust and growing alcoholic beverage industry, Enforcement constantly adapts as needed by reprioritizing, restructuring, and reorganizing. The Enforcement Division employs the majority of TABC's commissioned peace officers (CPOs) assigned to the Law Enforcement Department, which includes agents serving in the Operations and Investigations Bureaus. A third Administration Bureau captures the rest of the functions of the Enforcement Department.

Operations Bureau

Agents within the Operations Bureau perform both enforcement and compliance functions, which involve criminal and administrative enforcement of the state's alcoholic beverage laws. Agents inspect premises licensed by TABC and investigate alleged violations of the Code. Agents also provide training to permit holders and their employees by request and as a remedial measure in response to violations by permit holders. In addition, agents collaborate with and give presentations to other law enforcement agencies, municipalities, and government offices across the state to promote a better understanding of the law and the roles and responsibilities of TABC.

Investigations Bureau

The Investigations Bureau contains three separate units: the Special Investigations Unit (SIU), the Criminal Intelligence Unit (CIU), and the Financial Crimes Unit (FCU). The SIU, through undercover operations, identifies and investigates habitual patterns of at-risk behavior of people and entities with TABC-issued licenses or permits. The SIU exercises administrative and criminal powers to disrupt and dismantle organized criminal activity on licensed premises. This unit continues to see increased operations thanks to its skill in long-term investigations with a focus on organized criminal activity.

The FCU focuses on the detection, investigation, and prevention of finance-related crimes by people and entities with a TABC-issued license or permit. Investigations may focus on money laundering, prohibited tier relationships, tax fraud, business and corporate fraud, and other organized financial crimes. This unit is also responsible for gathering digital forensics and criminal intelligence and serves as a crucial tool for identifying human trafficking operations and related crimes. There are also two grant-funded FTEs who facilitate victim services.

CIU focuses on criminal intelligence research and analysis in support of both the Investigations and Operations Bureaus.

Administration Bureau

The Administration Bureau has oversight of the warehouse, honor guard, Special Response Team (SRT), performance measures, purchase requests and equipment ordering, case management system oversight and education, enforcement policies, agency CJIS management, agency Continuity of Operation Plan (COOP), the Target Responsibility for Alcohol-Connected Emergencies (TRACE) Unit and a Training and Recruiting Agent as a leadership development rotational assignment.

The TRACE Unit conducts investigations of alcohol-related incidents involving serious bodily injury or death when there is a reasonable expectation that evidence can be obtained as to the source of the alcohol. TRACE collaborates with local and state law enforcement agencies in these investigations. The most common investigations involve two types of incidents: Motor vehicle crashes and aggravated breaches of the peace.

Ports of Entry Department

The Ports of Entry Department makes up 17 percent of the TABC workforce. The department is responsible for overseeing more than 90 RCOs who are responsible for enforcing personal importation laws and collecting taxes and fees on alcoholic beverages and cigarettes brought into Texas from other countries. Cigarette taxes are collected on behalf of the Texas Comptroller of Public Accounts. In addition to tax collection, RCOs are critical in protecting public health and safety by stopping illicit products, some of which may be harmful for human consumption, from entering the Texas market. RCOs are strategically stationed at all major bridges along the Texas-Mexico border.

3. SUPPORT SERVICES

TABC’s indirect administration and support staff amount to about 22 percent of the workforce. Support divisions overseen by the Deputy Executive Director include Business Services, Human Resources, Innovation and Technology, Communications, and Strategic Initiatives and Performance Improvement (SIPI). Support divisions overseen by the Executive Director include General Counsel, Office of Inspector General and Public and Government Affairs. Employees in these divisions provide the support services necessary to ensure that the right people and resources are in place to accomplish TABC’s mission and ensure that licensed businesses adhere to the regulatory requirements of the Code.

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, research and planning, as well as preparation and oversight of TABC's legislative appropriations requests and annual financial report. The division is also responsible for contracting, purchasing, asset management, facilities leasing, fleet management, and mail center operations.

Human Resources

The Human Resources Division manages employment-related policies and programs, including recruitment, selection, benefits and compensation, classification, employee relations, and risk management. Human Resources also manages the equal employment opportunity programs.

Innovation and Technology

The Innovation and Technology Division (ITD) is responsible for developing and maintaining the core technology applications for the agency. ITD includes enterprise data solutions and establishes and supports the technology infrastructure to facilitate agency operations. ITD is charged with researching and analyzing new technologies to solve business problems and increase efficiencies across the agency. ITD is also responsible for ensuring the confidentiality, integrity, and availability of the agency's information assets. They are responsible for developing and implementing security policies, procedures, and controls to protect against cyber threats, comply with regulations, and mitigate risks to sensitive data and critical systems. Additionally, they oversee security awareness training, incident response, and continuous monitoring to safeguard the agency's digital infrastructure and maintain public trust in its operations.

Communications

The Communications Division provides robust, engaging, and informative internal and external communications to TABC’s wide-ranging audience — including industry members, agency staff, legislators, news media, and the general public. The department’s personnel provide agencywide support with editorial services, video production, graphic design, web development, and social media. The Director of Communications acts as the agency’s spokesperson and handles all media relations while managing the day-to-day operations of the department.

Strategic Initiatives and Performance Improvement

The Strategic Initiatives and Performance Improvement (SIPI) Division oversees and coordinates implementation of legislation, performance measures, strategic planning, policies and procedures, rule reviews, data governance efforts, external audit reviews, and management responses. SIPI evaluates structures, processes, and programs for efficiency and effectiveness. In FY2026, the Training Department was integrated into SIPI through a reorganization.

Training

The Training Department is charged with staff development for all TABC employees. The department provides required training in compliance with Texas Commission on

Law Enforcement (TCOLE) standards for commissioned peace officers, state-mandated training for all employees, and additional training to develop and enhance the skills of TABC employees. The department is also responsible for administering the TABC Law Enforcement Academy Advisory Board. The board is responsible for advising on curriculum development for the TABC Law Enforcement Academy, which provides training to TABC's authorized force of 220 Texas peace officers. The department also supports seller server training schools to ensure compliance with TABC standards and the Code.

Office of General Counsel

The Office of General Counsel provides legal counsel and leads prosecution efforts for violations of the Code. Legal staff represent TABC in administrative hearings, draft rules, and advise agency leadership on rule and policy making. The Office of General Counsel manages the agency's records management program and provides legal counsel on ethics and litigation for the agency.

Office of Inspector General

The Office of Inspector General (OIG) is responsible for ensuring fair and impartial investigations of alleged employee misconduct. In addition to investigating employee misconduct, the OIG conducts reviews aimed at assessing the efficiency and effectiveness of policies, procedures, directives, and processes. These evaluations may lead to recommendations for improvement to leadership.

Public and Government Affairs Division

The Public and Government Affairs division is responsible for managing industry relations, holding meetings, making presentations, and communicating key feedback from industry members and TABC stakeholders. This division is also the agency's liaison between agency leadership and the Texas Legislature and local governments.

SECTION II: CURRENT WORKFORCE PROFILE

EMPLOYEE DEMOGRAPHICS FISCAL YEAR 2024

TABC has 625 authorized FTE positions for the FY 2026-2027 biennium. Due to turnover, the agency's actual FTEs fluctuate. To illustrate, TABC's workforce as of February 28, 2026, had a total headcount of 542. This included four part-time employees and 538 full-time employees equaling 541.30 FTEs. TABC augments its workforce with contractors in the ITD division. The five commissioners and contractors are excluded from this headcount and resulting demographics data.

Gender and Age

As seen in Figure 2, the TABC workforce comprises 60 percent males and 40 percent females. Figure 3 shows the ages of TABC employees grouped in categories; 79 percent of the workforce is between the ages of 30 and 59. Age and gender statistics have remained stable with only a few percentages of variance since 2017.

Figure 2. Gender Profile, FY 2024

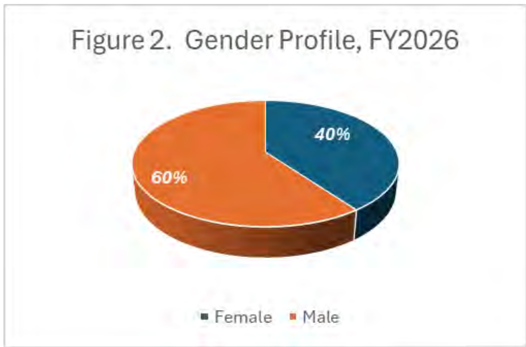
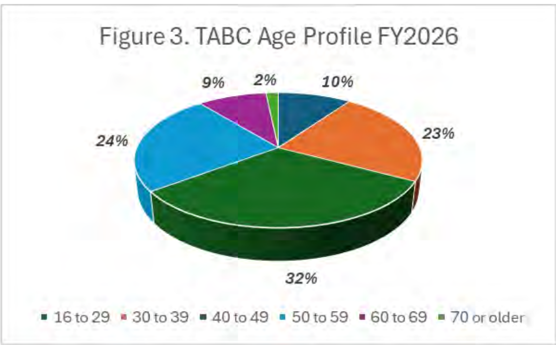


Figure 3. TABC Age Profile, FY 2024



Length of Service

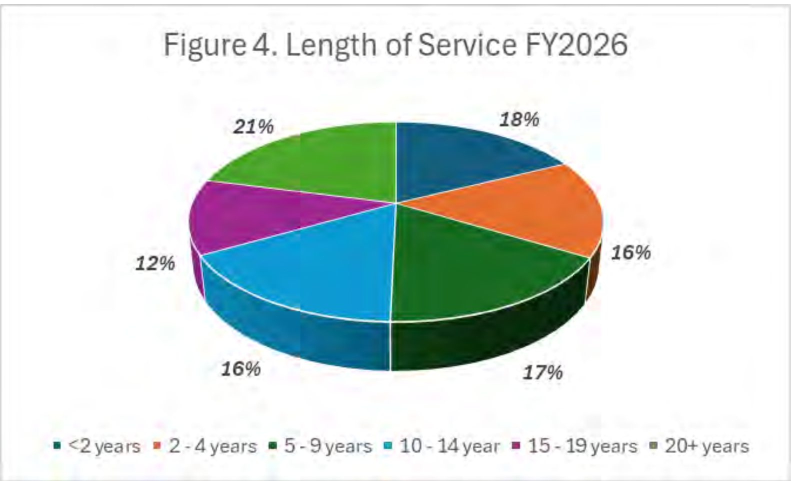


Figure 4 represents the workforce by length of service with TABC. The percentage of employees with 10-14 years of service has remained roughly the same while the percentage of new hires with less than two years of service has decreased by 5 percent, the percentage of employees with 5-9 years of service has decreased 8 percent and employees with 15-19 years of service has decreased by 5 percent over the past two years. In contrast, the percentage of employees with 2-4 years of service has doubled from 8 percent to 16 percent and most notably the number of employees with more than 20 years has increased from 11 to 21 percent over the past two years. This makes the 20+ years group who are potentially eligible for retirement the largest part of the TABC workforce. This differs from two years ago when new hires and employees with 5-9 years of service were the majority.

Ethnicity

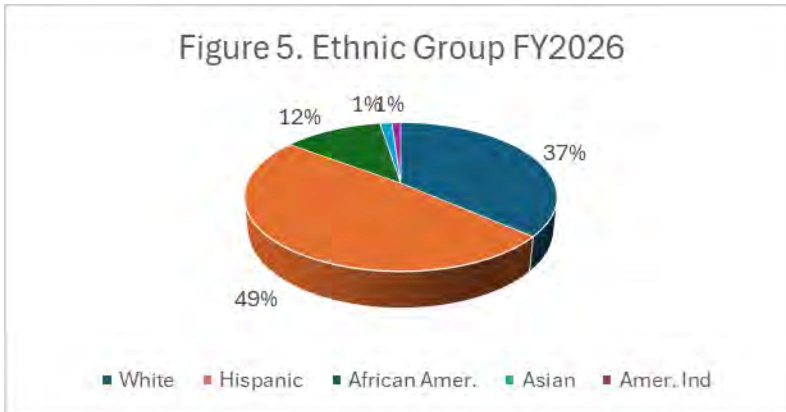
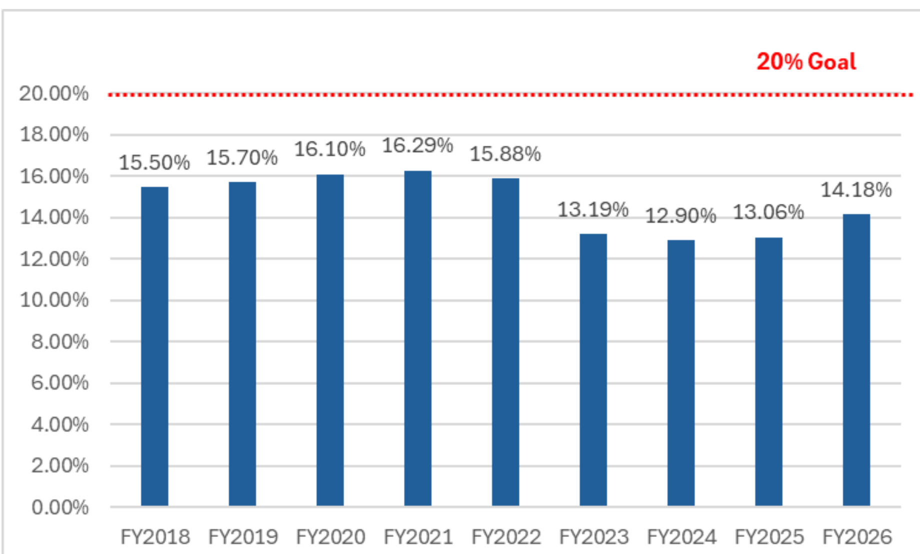


Figure 5 represents the workforce categorized by ethnicity. In FY 2026, 49 percent of the agency's workforce is Hispanic, an increase of one percent in the last two years. Asians and American Indians accounted for two percent, a one percent decrease in the last two years. The percentage of white and African American ethnic groups has remained the same since FY2024.

Figure 4. Veteran Employment



Veteran Representation

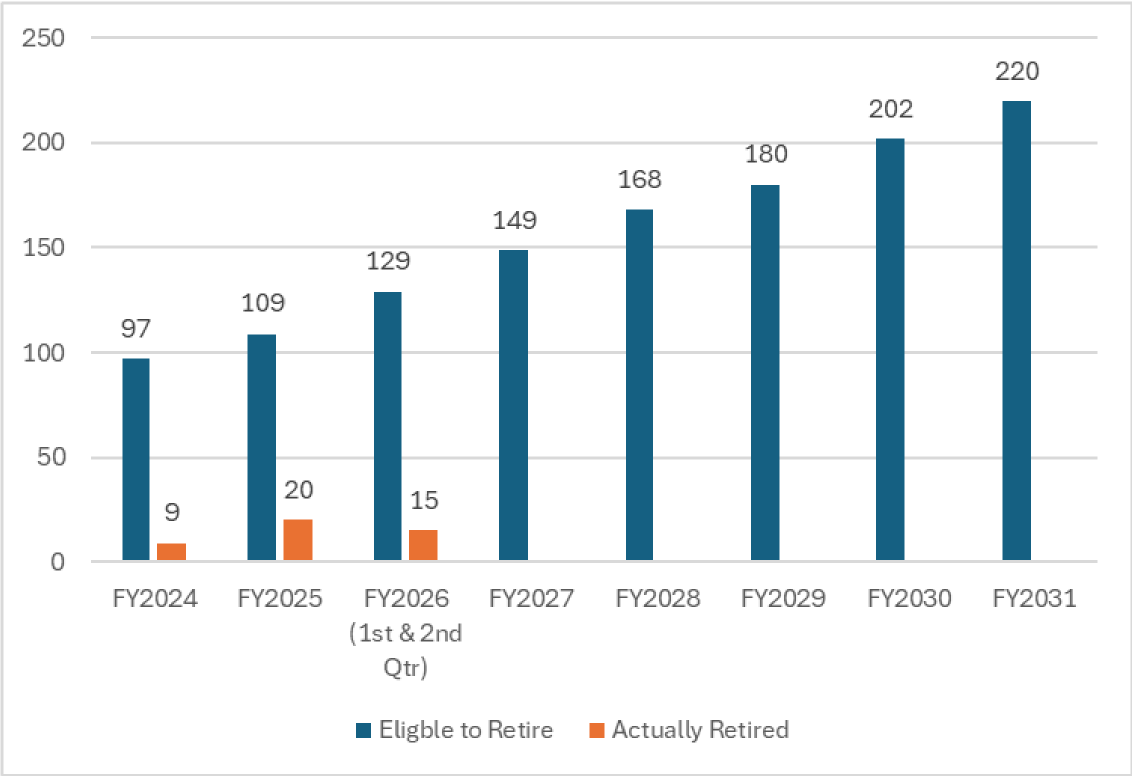
Section 657.004 of the Texas Government Code sets a goal for state agencies of employing veterans in full-time positions equal to at least 20 percent of the total workforce. As of the end of the second quarter of FY 2026, TABC employed 81 veterans, equaling 14.18% percent of the workforce. The statewide average percentage of veterans employed is approximately 6%. As illustrated in Figure 6, TABC's number of veterans is more than double the statewide average, although the agency still falls below the 20 percent goal set by the Legislature. TABC was awarded the "We Hire Vets" badge by the Texas Workforce Commission (TWC) in August 2025 in recognition of having veterans comprise more than 10 percent of the agency's workforce. To assist in the recruiting and hiring of veterans, TABC has a designated military liaison in Human Resources who partners with the Texas Veterans Commission's employment liaison to identify and participate in veteran hiring initiatives.

Retirees

Human Resources estimates that by FY 2031, 220 employees or about 40 percent of TABC's workforce will be eligible to retire. Figure 7 shows the forecast for the number of current TABC employees who are projected to be eligible for retirement over the next five years in addition to the actual retirements since FY2024 to current. In addition, as of February 28, 2026, the agency employed 10 return-to-work retirees who offer exceptional state and organizational knowledge and have subsequently resumed state service.

Until FY 2024, TABC saw a downward trend of retirements, however that shifted significantly by FY 2025. In FY 2024, 97 employees were eligible to retire and 9 actually retired. In FY 2025 the agency saw the highest number of retirements in years, with 20 employees retiring. By the end of the second quarter in FY 2026, TABC has already had 15 employees retire.

Figure 5. Projected Retirement Eligibility



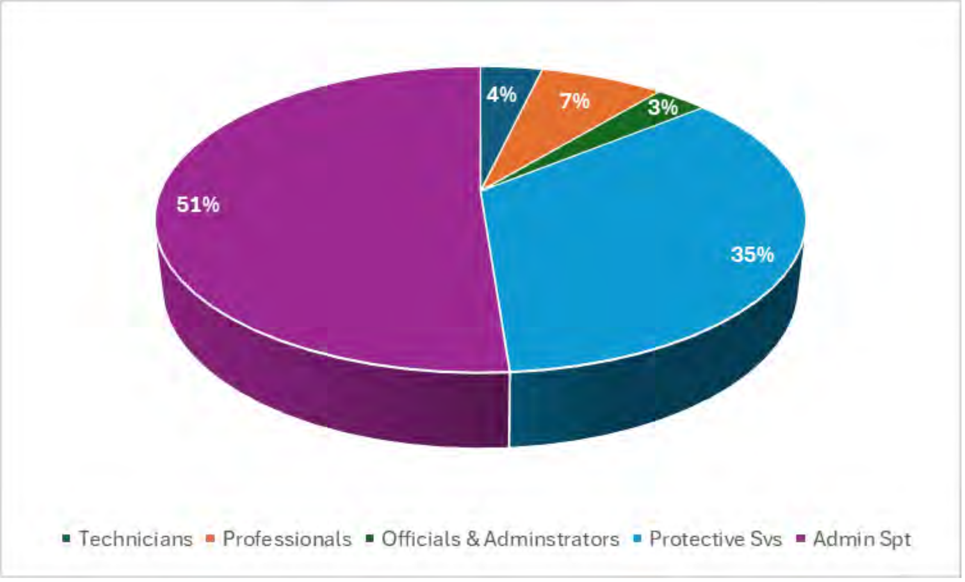
Licensing, Enforcement, Ports of Entry, Innovation & Technology, and the Office of General Counsel are projected to have the greatest loss of employees due to retirements. A large number of senior leaders in the Enforcement Division could retire in the next five years. Historically, TABC employees have continued to work well beyond their immediate retirement eligibility year. Recall the group of employees with 20+ years of service is now the largest percentage of the workforce. TABC expects the number of actual retirements to continue to increase, although as noted in the Survey of Employee Engagement results from February 2026, 15% of respondents indicated they will be eligible for retirement within the next two years, however only 4% of respondents said they intend to leave TABC soon. Refer to the Survey of Employee Engagement results at the end of this section for more information.

The agency is preparing for these retirements by identifying critical positions and preparing high performers and potential leaders for growth opportunities as they arise. Leaders recognize the need to ensure that critical knowledge and procedures are documented to avoid significant loss of historical and organizational knowledge.

POSITIONS BY EQUAL EMPLOYMENT OPPORTUNITY (EEO) JOB CATEGORY

Figure 8 illustrates positions within TABC by EEO job category as of February 2026.

Figure 6. Positions by EEO Job Category



Officials/administrators make up 3 percent of the workforce, including the Executive Director, Deputy Executive Director, General Counsel, as well as all other positions within the Director classification.

Approximately one-third of TABC's workforce is categorized as Protective Services, including the majority of the certified peace officers classified as Agent, Investigator, Sergeant, and Lieutenant.

The Professionals category is made up of Enforcement majors, attorneys, criminal intelligence and compliance analysts, purchasers, and one chemist position. Information technology positions make up the entire Technician category.

More than half of the positions at TABC are currently classified as Administrative Support, including most of the positions in support services divisions and in the Ports of Entry Department. Examples of classifications of these positions include accountant, human resources specialist, manager, management analyst, information specialist, auditor, licensing and permit specialist, program specialist, training specialist, administrative and executive assistant, and regulatory compliance officer.

Figure 9 shows TABC's workforce according to ethnicity and gender by EEO category compared to all state agencies. Note that someone who identifies with two or more races is captured in the "Other" category. Analysis indicates that TABC has underrepresentation of females and minorities in positions in the Professionals, Technical, and Protective Services EEO job categories.

Figure 7. EEO Category by Ethnicity and Gender, FY 2026

Texas Alcoholic Beverage Commission

EEO Category	African American	Hispanic	White	Other	Female	Male
Officials/Administrators	13%	20%	60%	8%	34%	68%
Professionals	15%	20%	65%	0%	35%	55%
Technician	18%	18%	52%	12%	18%	82%
Administrative Support	14%	55%	28%	3%	59%	41%
Protective Services	5%	52%	39%	4%	16%	84%

All state agencies

EEO Category	African American	Hispanic	White	Other	Female	Male
Officials/Administrators	13%	22%	59%	6%	56%	44%
Professionals	17%	26%	47%	105%	62%	48%
Technician	20%	36%	38%	6%	53%	47%
Administrative Support	20%	35%	38%	7%	83%	17%

Professionals and Technician positions require specialized education and skills and combined only make up 8 percent of TABC's workforce. Considering that one-third of TABC's workforce falls in the Protective Services EEO category, this group is at the highest risk of potential underutilization for females and minorities. Ensuring TABC has diversity in the Enforcement division is essential to maintaining effective undercover operations and carrying out TABC's mission and priorities. With the growing number of minority-owned businesses in the alcoholic beverage industry, TABC must continue to improve its recruiting efforts to mirror its workforce with the population it serves.

Figure 8. Protective Services EEO Job Category

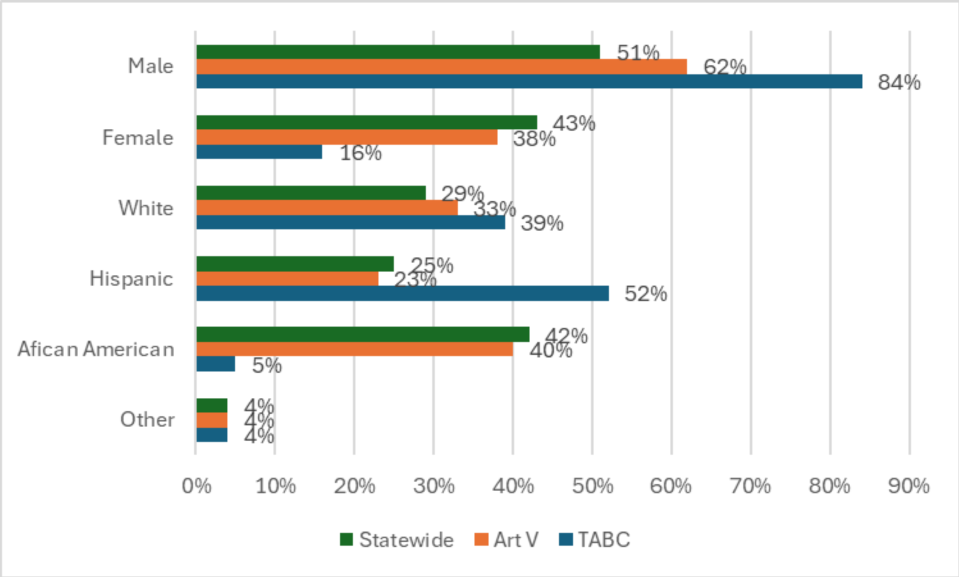
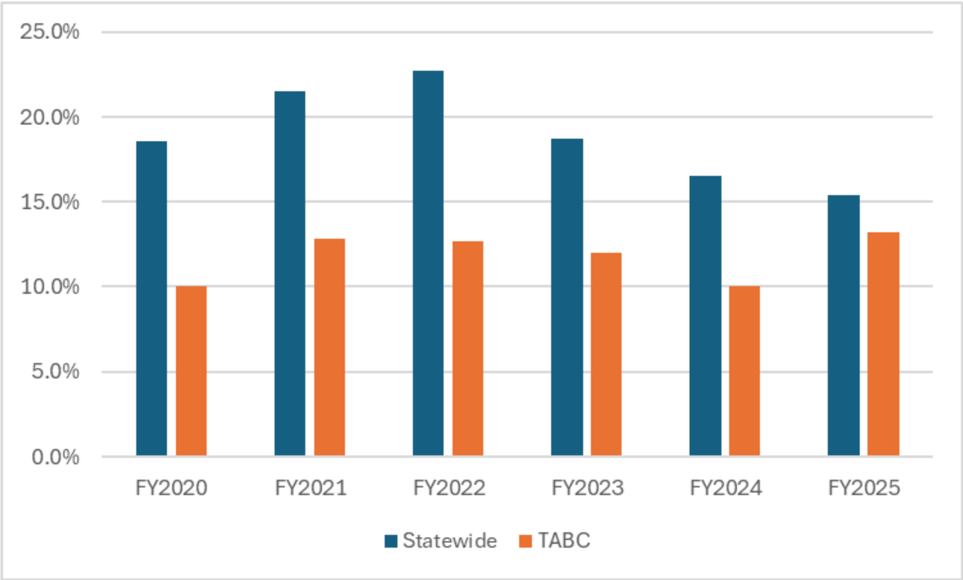


Figure 10 shows TABC's workforce by ethnicity and gender specific to the Protective Services EEO job category compared to all Public Safety and Criminal Justice (Article V) agencies and all agencies combined statewide. TABC employs almost double the percentage of Hispanic employees in Protective Services, while the amount of African American employees constitutes a significantly lower percentage of that category. The fact that TABC employs more than 50 percent fewer females in Protective Services compared to Article V agencies and even lower compared to the statewide percentage is an area needing particular attention.

TURNOVER

As illustrated in Figure 11, TABC's turnover rates remain lower than statewide turnover rates. The top reasons employees have reported leaving TABC include better pay and benefits including telework opportunities, issues with management, and retirement. In FY 2025, TABC experienced its highest turnover rate in the last several years. While statewide turnover rates have reduced since their peak in FY 2022, TABC is moving closer to the statewide average.

Figure 9. Turnover Comparison



FTEs and VACANCIES

The alcoholic beverage industry continues to grow at a rapid pace, and TABC will need to continue to grow in order to keep up with industry demands. The agency's appropriations cap of FTEs increased from 635 to 671 for the FY 2020-2021 biennium, the highest authorized number over the last decade. The agency dedicated 29 of these new FTEs to combating human trafficking and organized crime within the Enforcement Department. However, the agency's appropriations cap of FTEs decreased from 671 to 640 for the FY 2022-2023 biennium. TABC experienced a further decrease for the FY 2024-2025 biennium, as the 88th Legislature lowered the FTE cap from 640 to 620, resulting in the lowest authorized number over the last decade. The 89th Legislature increased TABC's FTEs by five for the FY 2026-2027 biennium, specifically authorizing five new FTEs to the Innovation and Technology division. As TABC's employee base number fluctuates, recruiting strategies and hiring managers must focus on sourcing quality candidates.

The number of filled positions decreased significantly over the FY 2020-2021 biennium in part due to the self-imposed internal hiring freeze while the agency continued to experience turnover. For example, as of April 30, 2022, TABC employed 532 FTEs with more than 100 vacancies. After the internal hiring freeze was lifted in FY 2022, TABC started to make progress filling vacancies. By the last quarter in FY 2023, TABC's new hire rate finally exceeded the turnover rate. By February 2026, 541.30 of the 625 FTEs were filled, leaving 83.7 FTEs, or 13.4% percent vacant.

SECTION III: FUTURE WORKFORCE PROFILE

LEGISLATIVE CHANGES

TABC is focusing on building its future workforce to better meet its mission. The alcoholic beverage industry has demonstrated remarkable growth and diversification in recent years while the scope of TABC's public safety responsibilities are expanding. The Governor issued Executive Order No. GA-56 in September 2025, relating to protecting minors from consumable hemp products and clarifying regulations pertaining to such products. GA-56 authorized TABC and the Department of State Health Services (DSHS) to adopt rules and collaborate to ensure compliance. Currently, TABC's scope is limited to enforcing age-gating requirements of consumable hemp products. This is essentially a new industry to regulate, and as such employees must gain new knowledge, skills and abilities and consult with or recruit subject matter expertise. TABC intends to meet the regulatory and enforcement needs of Texas to help ensure this growth continues in a responsible way and without undue hindrance. TABC expects to be better able to meet these challenges with a workforce that is both more diverse and more adept with contemporary information technology.

TECHNOLOGY CHANGES

AIMS is the online hub for businesses to complete common TABC activities, such as applying for, renewing, and managing licenses or permits; product registration (formerly called label approval); filing excise tax reports; and more. In the past biennium, the AIMS project focused on industry enhancements such as compliance reporting, payment cart, and updates to principal party functionality. Additional internal functions such as Enforcement updates and Legal case management were also implemented. FY 2027 will mark the completion of the buildout of AIMS which began in FY 2020. ITD is ready to begin monitoring the steady state of AIMS as it transitions from closing out the project to managing it as an agencywide program. This coincides with the overall enterprise readiness strategy to strengthen ITD's ability to support agencywide programs.

FY 2025 marked the end of the Enterprise Data Solution (EDS) project. EDS is the agency's data warehouse for business analytics and reporting. The EDS project will continue to support legacy data and AIMS data simultaneously.

TABC is developing and incorporating more information technology (IT) applications into its toolkit and working with the private sector to expand business operations.

GEOGRAPHIC CHANGES

TABC leases most of its facilities, partnering with other local, state, and federal governmental entities for shared office space. To be mindful of taxpayer money, TABC seizes opportunities to consolidate offices to conserve resources. Small outpost offices continue to merge with larger regional offices. Leadership is reassessing the physical presence of office locations, particularly in areas with larger numbers of licensed and permitted locations and along the southern border. In FY 2025, a Corpus Christi office was reopened, and plans are in place to open an office in McAllen in summer of 2026.

CRITICAL FUNCTIONS

The following critical functions have been identified in determining the agency's workforce needs:

- Conducting enforcement and compliance activities such as investigations, inspections, monitoring of human trafficking and organized crime, and public education programs.
- Processing and reviewing applications for all tiers of the alcoholic beverage industry including determining each applicant's eligibility to be issued permits, certificates, and approvals through stronger collaboration across the workforce.
- Maintaining complete and accurate information on all permit holders and providing this information in a timely manner to agency personnel, members of the industry, other law enforcement and state agencies, and the general public.
- Maintaining current tax security and performance bonds to avoid the potential loss of revenue due to nonpayment of taxes.
- Processing all financial transactions in an efficient and timely manner and preparing necessary reports for management and as statutorily required.
- Managing appropriations, budgets, and grant programs effectively.
- Attracting and retaining qualified and skilled applicants and employees.
- Developing and cross-training employees for growth and leadership opportunities.
- Continuing to explore and implement cost-effective changes using the most current technology platforms.

GAP ANALYSIS

An examination of the challenges in recruitment and retention of skilled employees revealed growing competition from the private sector and other state and local governmental agencies that offer more competitive salaries and expanded telework arrangements. With larger technology-focused and other global companies moving into Texas job markets, TABC is facing direct competition for highly qualified candidates who may find better financial incentives working in the private sector, particularly for information technology and attorney positions. Many private sector employers can offer higher salaries and more lucrative benefits. This, combined with a perceived lack of career advancement and development opportunities in the public sector, discourages many qualified and educated employees from making long-term commitments to the agency. Due to funding restraints, it can be difficult to offer the competitive pay needed to keep high-quality staff. TABC continues to seek additional legislative appropriations for salaries and wages to mitigate some of these concerns while also being creative in recruitment by highlighting non-fiscal benefits such as the fulfillment of public service, public service loan forgiveness, industry stability, flexible schedules, and teleworking arrangements.

ITD is leading a formal change management program and involving employees in the business process analysis, configuration, testing, and implementation of various new and upgraded systems. ITD and SIPI have also collaborated to formalize and enhance the TABC Data Governance Program, which promotes a data-centric approach that supports agency-wide initiatives to ensure data used for operations, analytics, reporting, and decision making is clearly defined, accurate, and of high quality. However, the agency must strengthen its skillset regarding data literacy, analysis, and data mining to prepare for maximizing technology innovations and the future state of machine and artificial intelligence.

Implementing the technology transformation initiative is ongoing and continues to cause significant changes to the way many employees perform their jobs. These system and process changes allow TABC to shift job tasks from heavy data entry to more automation, system analysis, and customer service centric. Changes will also elevate the complexity of the analysis and investigation skills required of employees in the Licensing Department. Other departments, such as Audit and Investigations, will require process changes resulting in more data analysis versus data entry skills of employees.

Although TABC has improved the knowledge base of its workforce to better adapt to these new technologies, leaders anticipate the need for further training and recruitment of employees who are technically proficient and can leverage information technology. While TABC maintains a skilled workforce, the critical skillsets and demands upon employees are evolving alongside changes and improvements in technology. Recognizing that employees will need training to operate the new systems, TABC is developing training programs for its current workforce as technology is acquired and deployed while also strengthening recruitment efforts to attract candidates who demonstrate technical and analytical competencies. Building and improving on processes for quality assurance and integrity of data in agency systems and ensuring new functionality and appropriate timing for transition from legacy systems are essential for continuity of operations.

The ITD, Training, Human Resources, and leadership teams are implementing training initiatives to develop employee skills for additional transitions in technology and to gain knowledge and subject-matter expertise. However, Human Resources anticipates a skills gap in technical and analytical competencies with the new systems and subject-matter expertise. Even though TABC has made progress in hiring candidates with strong information technology skills in key positions, supply has yet to catch up to demand and growth in the division. ITD supplements staff with contractors and management continues to have difficulty attracting and retaining skilled employees. The worldwide coronavirus pandemic forced many employees to become more technologically savvy and adept in video conferencing and online document collaboration, in turn enabling employees to be more technically proficient, but also increasing the demand for information technology support by the entire workforce.

The Enforcement Department has also identified a shortfall of agents to properly investigate complaints and conduct investigations. Although the agency has improved procedures to triage and prioritize locations based on their public safety risks, recruitment and retention of agents to minimize the agent vacancy levels is a priority for leadership.

As technology systems continue to transform and change the way TABC captures data and streamline processes to meet Legislative Budget Board (LBB) performance measures, leadership continues to evaluate the methodology for determining agent workload and future FTE needs. Historically, information from the agency's ARTS and AIMS databases has been used to project the workload for agents using the number of licensed locations and number of investigations conducted by region. Enforcement continues to evaluate workload and implement process improvements to meet goals outlined in LBB performance measures and keep up with population/industry growth.

A general lack of knowledge of the Code has always been a concern for new hires in many areas of the agency. Due to the complexity of the Code, competency usually does not come until year four with the agency. Therefore, it's essential to enhance the new employee onboarding program and in-service training for employees, especially those in the Regulatory Affairs and Enforcement divisions.

TABC is seeing the desired skillset of Enforcement employees evolve to focus more on undercover operations and criminal analysis to effectively combat organized criminal activity, including human trafficking. Maintaining employee diversity remains a priority to ensure successful undercover operations. In addition to diversity, Enforcement needs to recruit and hire more experienced certified peace officers.

Based on an exceptional item request to the 89th Legislature, TABC was appropriated funds that allowed leadership to make changes to the Salary Actions policy to apply up to four years of prior peace officer experience to be considered when determining starting pay. Instead of giving all new Agents entry-level starting pay of $65,851 annually, beginning in FY 2026 TABC hired experienced agents at a starting pay of $80,274 annually. This significant increase in starting pay for Agent positions, combined with the 89th Legislature doubling the amount of additional pay stipends Agents are eligible to receive, resulted in onboarding the largest New Agent School in February 2026 that TABC has seen in several years.

This change in new Agent pay achieved the goal of reducing barriers to recruitment and competitive pay. TABC continues to seek opportunities to remain competitive and attract qualified candidates which is vital to accomplishing the agency's public safety mission.

SECTION IV: STRATEGIC DEVELOPMENT

EMPLOYEE TRAINING AND EDUCATION

The Human Resources Division and Training Department provide employees with fundamental training, growth opportunities, and resources that allow them to perform their essential job functions and prepare them for advancement opportunities. The Survey of Employee Engagement conducted in February 2026 revealed that the employee development construct is an area of concern for TABC. The employee development construct captures employees' perceptions about the priority given to their personal and job growth needs. A lower score suggests that some employees feel stymied in their education and growth in job competence. Historically, changes to career ladders and the state classification plan have impacted employee perceptions about job growth while funding and travel limitations have been a hindrance to training opportunities. TABC is committed to improving employee development and TABC leaders continue to identify, provide, and encourage employee participation in training opportunities and continuing education courses required to maintain job-related licenses and certifications. Employees are encouraged to network with others in their profession and engage in professional organizations to stay informed of best practices and changing legal requirements.

TABC seeks to enhance the fundamental career readiness competencies as well as interpersonal and leadership skills of all employees. Leadership has identified the following competencies as most critical to employee success at TABC: communication, critical and strategic thinking, leadership, professionalism, teamwork, technology, collaboration, cultivation of innovation, customer-service focus, emotional intelligence, results-oriented, and solution-based.

Exceptional customer service is a leadership priority and critical soft skill that every employee must demonstrate, particularly in the Licensing, Ports of Entry, Training, and Human Resources areas. Employees and leaders need the flexibility to successfully adapt to an ever-changing work environment while making sound business decisions. TABC continues to ensure that leadership training is available to management teams and employees who have demonstrated leadership potential. TABC continues to enhance training offered to all employees to develop personal and professional skills and competencies and technical skills (e.g. report writing), as well as provide training focused on safety and mental health topics such as suicide awareness, alcohol and substance abuse awareness, active shooter response, and CPR.

TABC continues to provide annual in-service training programs for the Audit and Investigations, Licensing, Ports of Entry, and Law Enforcement departments. The in-service training curriculum is designed to address unique department needs by reinforcing core competencies and processes while emphasizing interpersonal skills. Training staff maintain a Learning Management System that serves as a library for on-demand, computer-based training and houses both mandatory and elective training content for all employees. The agency's Employee Assistance Program (EAP) vendor offers extensive personal and professional development resources to employees and managers.

TABC values higher education and there may be an opportunity to provide financial support to employees who want to further their education by re-establishing the Tuition Reimbursement Program. This program has not been utilized since FY 2019 due to funding limitations; however, TABC leadership intends to reevaluate funding options as the program could benefit retention and recruitment efforts.

TABC also ensures certified peace officers who hold a TABC commission meet their training requirements to maintain their commission based on TCOLE standards. Certified peace officers are provided salary supplements through stipends for holding varying degrees of higher education, TCOLE certificate levels, and dual-language skill abilities.

TABC's Training Advisory Board is established pursuant to Chapter 1701 of the Texas Occupations Code. This board is comprised of three TABC members, two public members, and at least four ex-officio non-voting members from the Training Department. The goal and responsibility as a TCOLE training provider is to conduct research, create curricula, coordinate, and facilitate effective training that will help develop TABC personnel and external law enforcement partners so that they may provide the best level of service to the citizens of Texas. Examples of training offered are the New Agent School and Undercover Schools for CPOs. In FY 2026, the Oklahoma Alcoholic Beverage Law Enforcement Commission sent agents to train in the Undercover School.

In order to continue meeting the needs of a complex and growing alcoholic beverage industry, TABC leverages the Training Department and broadens the scope of resources available to develop and retain a highly skilled workforce. In FY 2023 an E-Learning Developer position was established to support accessibility, scalability, and customization of training courses. Training efforts focus on improving communication and collaboration among employees at all levels throughout the organization, while leveraging technology to increase reach and maximize the return on investment.

EMPLOYEE RECOGNITION PROGRAMS

In recent years, TABC has implemented enhancements to its Employee Recognition Programs designed to express appreciation for employees' service to the state of Texas by recognizing service year milestones, outstanding performance, and leadership exhibited thought their career with the agency and honor the contributions and accomplishments of employees deemed worthy of recognition of valor and meritorious service.

Since 2021, the agency has inducted retired or deceased employees who represent the best of the agency's values to its Hall of Honor program. In 2023, Human Resources expanded the Employee Recognition Program beyond Service Awards to include a Peer-to-Peer Recognition Program and Employee of the Year Awards. Service awards are intended to recognize loyalty and dedication and are given to current employees to celebrate every five years of cumulative service. In FY 2025, TABC further expanded the service award program to recognize cumulative service with the state of Texas instead of just TABC service. The Peer-to-Peer Recognition Program is a way for an employee to publicly recognize another when they observe or experience a co-worker providing excellent customer service or collaborative support that is above and beyond what would normally be expected. The Employee of the Year Awards are designed to recognize employees for exceptional work, outstanding performance, and contributions toward TABC's mission and vision.

TABC recognizes that employee recognition programs can have significant value to and impact on organizational culture by boosting morale, enhancing retention, and improving motivation and performance. Employee recognition programs are intended to help foster a culture of appreciation and encourage innovation and creativity. Overall, employee recognition programs play a crucial role in shaping the organizational culture of excellence by promoting positivity, engagement, and a sense of belonging among employees. Leaders are evaluated on their ability and effectiveness in empowering employees to perform their job duties successfully and better themselves professionally, in recognizing the hard work and dedication of the team, and in making employees feel valued for their accomplishments and skill. TABC will continue to evaluate ways to recognize and award top performers and teams.

LEADERSHIP DEVELOPMENT

The Survey of Employee Engagement conducted in February 2026 revealed that the supervision construct is an area of strength for TABC. The supervision construct captures employees' perceptions of the nature of supervisory relationships within the organization. A high score suggests that employees view their supervisors as fair, helpful, and critical to the flow of their work. However, 12% of respondents feel there aren't enough opportunities to give supervisor feedback. TABC leadership is considering utilizing 360-degree leadership evaluations so supervisors can get feedback from their own supervisors, their peers, and direct reports.

TABC leadership evaluates opportunities to offer training and development through its Leadership Development Rotational Assignment (LDRA) Program established in 2022. Leaders are expected to identify opportunities that allow employees seeking new challenges and advancement to cross-train and work on stretch or developmental assignments. Employees are encouraged to network and seek mentorship and advice from leaders to help identify career goals and career development plans. Examples of LDRA opportunities include membership on the CARES Council and Critical Incident Review Unit and the Training and Recruitment Agent position in Enforcement. Training and development opportunities are selected and developed to emphasize building a culture of excellence.

TABC currently has a Basic Leadership Course that is a requirement for new supervisors and plans to expand the program to include intermediate and executive-level leadership courses. TABC supports employee participation in the Governor's Management Development Program, the Governor's Executive Development Program, and other local in-person and online training programs. Additionally, in FY 2026 TABC implemented a Mentorship Pilot Program with individuals handpicked by executive leadership. Management will continue to identify high performers with leadership potential and adequately train and prepare them to take on critical organizational and leadership roles.

WORKFORCE CONTUNITY PLANNING

The internal auditors conducted a Staffing Advisory in FY 2026 in coordination with HR and executive leadership which highlighted the importance of establishing a formal workforce continuity plan. This advisory identified critical leadership positions and competencies valued by executive leadership and provided guidance for establishing a workforce continuity plan. HR is evaluating best practices to establish a sustainable system for maintaining a workforce continuity plan that will assist leadership with identifying highly engaged individuals with great potential to prepare them for opportunities and build the bench for critical positions.

As highlighted previously, the agency may face the loss of significant institutional knowledge as more employees reach retirement eligibility over the next five years. TABC is fortunate to have many long-term employees with a great deal of institutional knowledge, much of which will be lost without effective workforce continuity planning, proper documentation, and improved employee developmental programs. TABC leaders recognize the need for workforce continuity planning to retain organizational knowledge in preparation for retirements. Institutional knowledge and lessons learned can be lost as employees retire or leave the agency. Documenting current and past practices, including the basis for decisions regarding policy and procedural changes, and cross training are a high priority.

HIRING AND RECRUITMENT

TABC maintains a Recruitment Plan and continues to explore ways to improve recruitment and retention of experienced and qualified candidates, particularly for positions in Enforcement.

The Recruitment Team was established in August 2024 to synchronize current resources to improve recruiting efforts statewide. Led by the Recruitment and Classification Specialist in HR, the team includes HR staff, Deputy Chiefs and Majors and the Training and Recruitment Agent from Enforcement, Deputy Directors from Regulatory Affairs and the Director of Communications. TABC is enhancing overall communication and branding efforts using the public website and social media outlets that support recruitment plan goals. Specific recruitment efforts will vary by job vacancy and TABC's current needs and resources. Human Resources collaborates with division management prior to posting job vacancies to ensure unique needs are considered and the best recruiting strategies are executed.

Recruitment is a leadership responsibility, however every TABC employee is a recruiter, and leadership believes that happy employees recruit by speaking highly of TABC. If employees are willing to recommend TABC as an employer to their friends and family, the agency is achieving its goal of establishing an environment that prioritizes people first. To encourage employee recruitment, beginning in November 2025 TABC established the Recruiting Referral Incentive Program. This program awards recruiting employees with eight hours of administrative leave once a referred applicant has been employed for six months. To date, 14 employees have received the reward for their outstanding job in recruiting.

INTERNSHIP PROGRAM

TABC leverages the mutual benefit of interns to supplement staffing needs and accomplish special assignments while allowing college or university students to gain a better understanding and appreciation for public service. Some employees currently serving in leadership and critical roles throughout TABC (including the agency's Executive Director) were first introduced to the organization through internship opportunities, demonstrating the potential return on investment an effective internship program can have.

In FY 2025, Human Resources established a formal internship program and Internship Program Coordinator with an overall goal is to establish a talent pipeline for TABC to identify and recruit promising candidates early in their careers. In FY 2026, TABC initiated a SkillBridge partnership with the Department of Defense to enhance the agency's internship program with qualified veteran candidates. SkillBridge is a program that allows transitioning active-duty service members to work with approved organizations for the last 180 days of their military service term. This pipeline will provide another avenue to recruit employees on a trial basis with the potential to convert them to FTEs under the military direct hire program. TABC will initially focus on the Enforcement division to fill vacant agent positions along with other hard-to-fill positions.

NEW EMPLOYEE ONBOARDING

Effective onboarding processes are essential for fostering a strong organizational culture. Setting clear expectations, integrating new hires into the team, and immersing them into the TABC culture will improve relationships and help with retention, engagement, and performance. TABC has implemented surveys to gather new hire perceptions and experiences and a TABC Essentials Training Course was established in 2024 that is routinely offered for new hires to further improve the onboarding process. In FY 2026 HR is focusing on developing manager training and process improvements to enhance the hiring and onboarding processes. By investing resources to improve onboarding, TABC expects to achieve outcomes that align with having a more engaged, motivated, and equipped workforce that contributes to TABC's success.

CULTURE

CARES Council
Culture Ambassadors Reinventing Excellence and Service

The leadership team is devoted to fostering an employee-centric culture that ensures staff have the resources needed to perform their essential job functions. In FY 2025, the TABC CARES Council was established to support leadership in fostering an environment that prioritizes people first and promoting a culture of excellence. As shown in the logo above, CARES stands for Culture Ambassadors Reinventing Excellence and Service. The council focuses on initiatives that improve the employee experience, job satisfaction, and overall engagement. By strengthening and supporting a highly skilled, effective, accountable, and motivated workforce, TABC will achieve a culture of excellence.

The agency is committed to improving work/life balance; strengthening communication and transparency; being deliberate, strategic and innovative; and remaining focused on industry-friendly compliance approaches and heightened public safety enforcement efforts.

SURVEY OF EMPLOYEE ENGAGEMENT (SEE), FY 2026 SUMMARY

The last Survey of Employee Engagement was administered in February 2026. The summary survey results begin on the following page.

Employee Engagement

69.2%

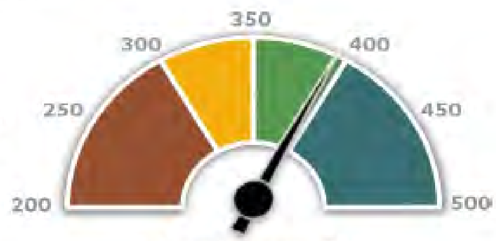
Down 4.4%

Response Rate

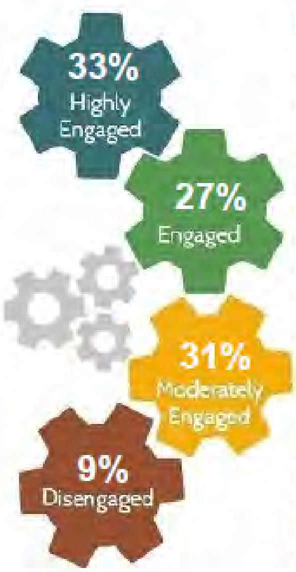
The response rate to the survey is your first indication of the level of employee engagement in your organization. Of the 530 employees invited to take the survey, 367 responded for a response rate of 69.2%. As a general rule, rates higher than 50% suggest soundness, while rates lower than 30% may indicate problems. At 69.2%, your response rate is considered high. High rates mean that employees have an investment in the organization and are willing to contribute towards making improvements within the workplace. With this level of engagement, employees have high expectations from leadership to act upon the survey results.

Overall Score

The overall score is a broad indicator for comparison purposes with other entities. Scores above 350 are desirable, and when scores dip below 300, there should be cause for concern. Scores above 400 are the product of a highly engaged workforce. **Your Overall Score from last time was 385.**



Overall Score: 394



Levels of Employee Engagement

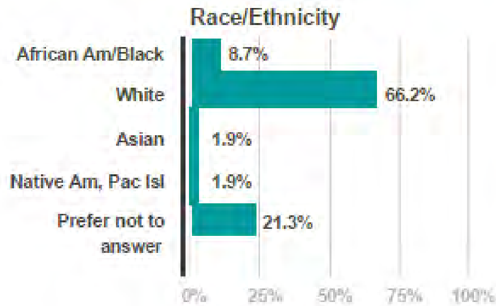
Twelve items crossing several survey constructs have been selected to assess the level of engagement among individual employees. For this organization, 33% of employees are Highly Engaged, 27% are Engaged, 31% are Moderately Engaged, and 9% are Disengaged.

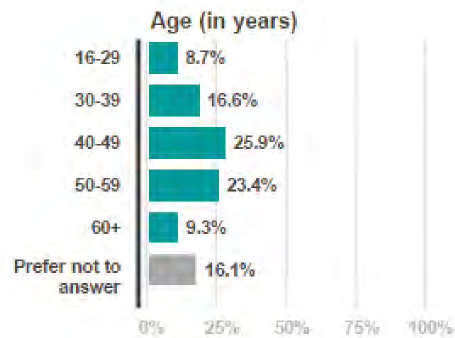
Highly Engaged employees are willing to go above and beyond in their employment. Engaged employees are more present in the workplace and show an effort to help out. Moderately Engaged employees are physically present, but put minimal effort towards accomplishing the job. Disengaged employees are disinterested in their jobs and may be actively working against their coworkers.

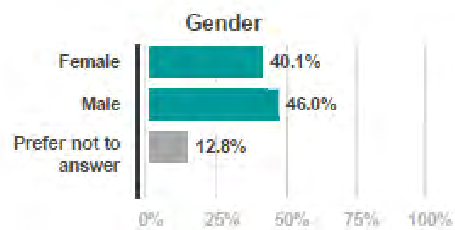
For comparison purposes, according to nationwide polling data, about 30% of employees are Highly Engaged or Engaged, 50% are Moderately Engaged, and 20% are Disengaged. While these numbers may seem intimidating, they offer a starting point for discussions on how to further engage employees. Focus on building trust, encouraging the expression of ideas, and providing employees with the resources, guidance, and training they need to do their best work.

People

Reviewing workforce demographics helps provide a clearer picture of who responded to the survey, the organization's composition, and the range of perspectives within it. For example, if we know 25% of the workforce is in the age range of 16-29 years, but the responses only show 2%, 16-29 year olds are under-represented in the results of the survey. Factors such as years of service, retirement eligibility, gender, background, and age can offer useful context for understanding the workforce.







YEARS OF SERVICE With this Organization

20% New Hires (0-2 years)
32% Experienced (3-10 years)
36% Very Experienced (11+ years)
13% Prefer not to answer

Each figure represents about 4.1 employees.

FOCUS FORWARD ›››

4% INTEND TO LEAVE

Understand why people are leaving your organization by examining retention factors such as working conditions, market competitiveness, or upcoming retirement.

15% CAN RETIRE

This percentage of respondents indicated that they are or will be eligible for retirement within two years.

Constructs

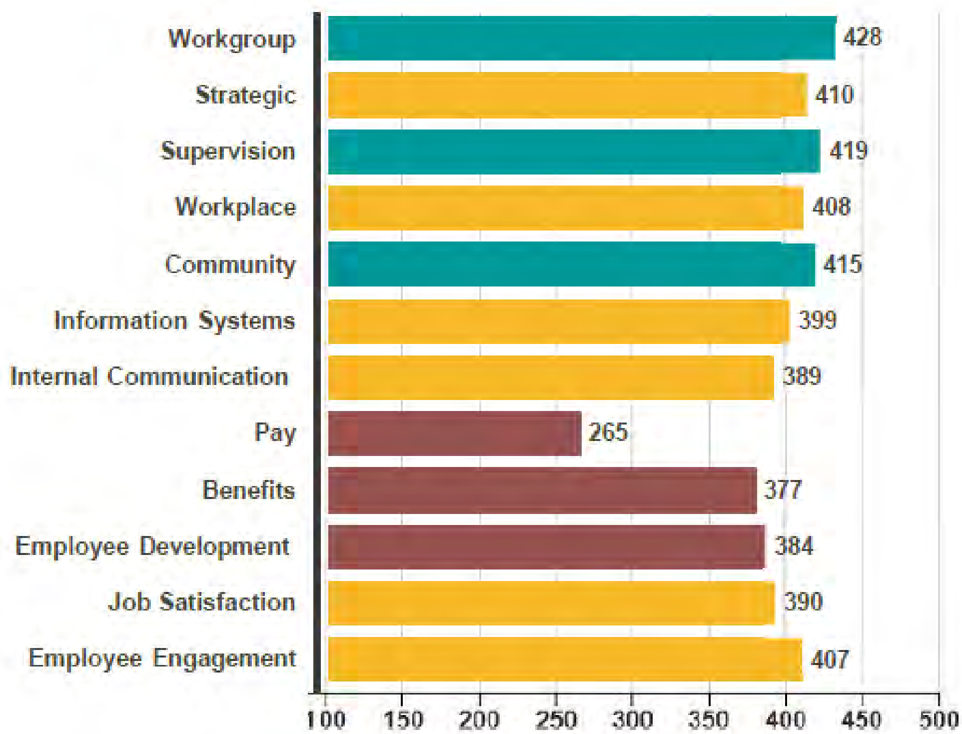
Similar items are grouped together and their scores are averaged and multiplied by 100 to produce 12 construct measures. These constructs capture the concepts most utilized by leadership and drive organizational performance and engagement.

Each construct is displayed below with its corresponding score. Constructs have been coded below to highlight the organization's areas of strength and concern. The three highest are green, the three lowest are red, and all others are yellow. Scores typically range from 300 to 400, and 350 is a tipping point between positive and negative perceptions. The lowest score for a construct is 100, while the highest is 500.

FOCUS FORWARD ›››

Every organization faces different challenges depending on working conditions, resources, and job characteristics. On the next page, we highlight the constructs that are relative strengths and concerns for your organization. While it is important to examine areas of concern, this is also an opportunity to recognize and celebrate areas that employees have judged to be strengths. All organizations start in a different place, and there is always room for improvement within each area.

Construct Scores



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Constructs Over Time

One of the benefits of continuing to participate in the survey is that over time data shows how employees' views have changed as a result of implementing efforts suggested by previous survey results.

Positive changes indicate that employees perceive the issue as having improved since the previous survey.

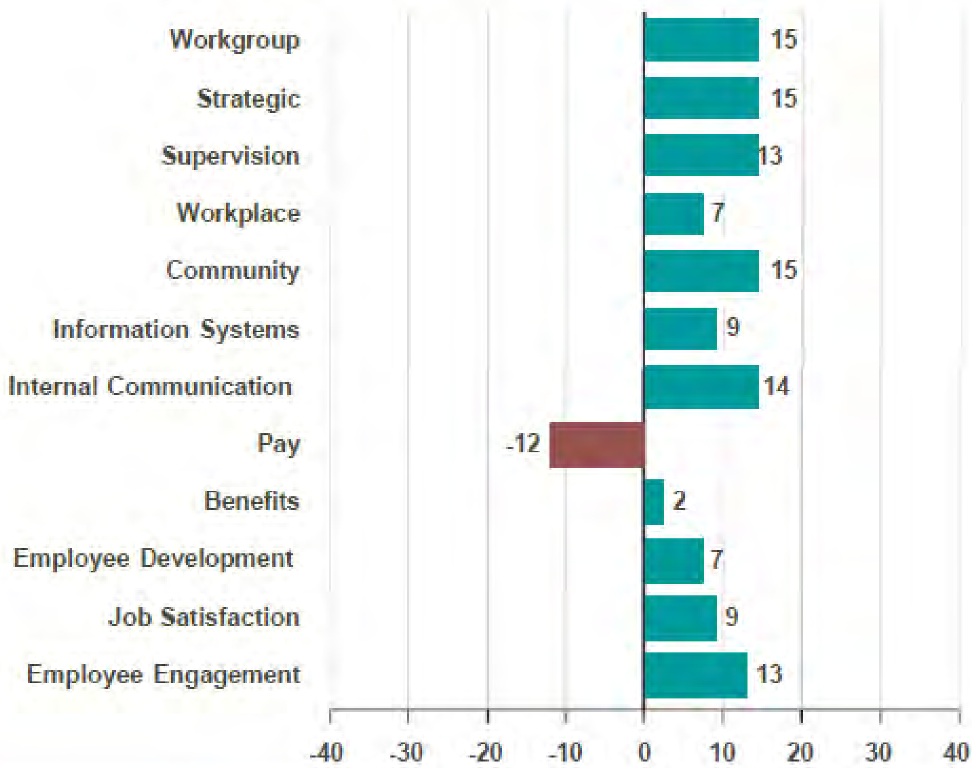
Negative changes indicate that the employees perceive that the issue has worsened since the previous survey. Negative changes of greater than 40 points and having 8 or more negative construct changes should be a source of concern for the organization and should be discussed with employees and organizational leadership.

Has Change Occurred?

Variation in scores from year to year is normal, even when nothing has changed. Analyzing trend data requires a bringing patterns into focus, digging deeper into data, and asking questions about issues surrounding the workplace.

Pay close attention to changes of more than 15 points in either direction. Were there any new policies or organizational changes that might have affected the scores? Were these areas a point of focus for your change initiatives?

Constructs Scores Over Time



EMPLOYEE ENGAGEMENT
INSTITUTE FOR ORGANIZATIONAL EXCELLENCE

6

Areas of Strength and Concern

Areas of Strength

Workgroup **Score: 428**
The workgroup construct captures employees' perceptions of the people they work with on a daily basis and their effectiveness. Higher scores suggest that employees view their workgroup as effective, cohesive and open to the opinions of all members.

Supervision **Score: 419**
The supervision construct captures employees' perceptions of the nature of supervisory relationships within the organization. Higher scores suggest that employees view their supervisors as fair, helpful and critical to the flow of work.

Community **Score: 415**
The community construct captures employees' perceptions of the relationships between employees in the workplace, including the level of trust, mutual respect, and support among colleagues. This construct measures how connected and valued employees feel within their teams and the strength of their professional relationships. Higher scores suggest that employees feel respected, cared for, and have established trust with their colleagues.

Areas of Concern

Pay **Score: 265**
The pay construct captures employees' perceptions about how well the compensation package offered by the organization holds up when compared to similar jobs in other organizations. Lower scores suggest that pay is a central concern or reason for discontent and is not comparable to similar organizations.

Benefits **Score: 377**
The benefits construct captures employees' perceptions about how the benefits package compares to packages at similar organizations and how flexible it is. Lower scores suggest that employees perceive benefits as less than needed or unfair in comparison to similar jobs in the community.

Employee Development **Score: 384**
The employee development construct captures employees' perceptions about the priority given to their personal and job growth needs. Lower scores suggest that employees feel stymied in their education and growth in job competence.

Climate

The climate in which employees work does, to a large extent, determine the efficiency and effectiveness of an organization. The appropriate climate is a combination of a safe, non-harassing environment with ethical abiding employees who treat each other with fairness and respect. Moreover, it is an organization with proactive management that communicates and has the capability to make thoughtful decisions. Below are the percentages of employees who marked disagree or strongly disagree for each of the 6 climate items.

17.6%

believe the **information from this survey** will go unused.

Conducting the survey creates momentum and interest in organizational improvement, so it's critical that leadership acts upon the data and keeps employees informed of changes as they occur.

15.6%

feel there aren't enough opportunities to give **supervisor feedback**.

Leadership skills should be evaluated and sharpened on a regular basis. Consider implementing 360 Degree Leadership Evaluations so supervisors can get feedback from their boss, peers, and direct reports.

12.6%

feel that **upper management** should communicate better.

Upper management should make efforts to be visible and accessible, as well as utilize intranet/internet sites, email, and social media as appropriate to keep employees informed.

4.6%

feel they are **not treated fairly** in the workplace.

Favoritism can negatively affect morale and cause resentment among employees. When possible, ensure responsibilities and opportunities are being shared evenly and appropriately.

4.1%

feel **workplace harassment** is not adequately addressed.

While no amount of harassment is desirable within an organization, percentages **above 5%** would benefit from a serious look at workplace culture and the policies for dealing with harassment.

3.0%

feel there are **issues with ethics** in the workplace.

An ethical climate is the foundation of building trust within an organization. Reinforce the importance of ethical behavior to employees, and ensure there are appropriate channels to handle ethical violations.

Schedule H: Report on Customer Service

Pursuant to the requirements of Texas Government Code, Section 2114.002, TABC submits this report on customer service. This report is based on feedback collected from customers of TABC's numerous public-facing departments — including Enforcement, Audit and Investigations, and Licensing — and from users of TABC's website.

Created by the Texas Legislature in 1935, TABC regulates all aspects of the alcoholic beverage industry, including (but not limited to) the manufacture, distribution, and retail sales of alcoholic products. Working under the laws set by the Texas Alcoholic Beverage Code (Code), the agency's mission includes both regulatory and law enforcement elements. With more than 50,000 active alcohol licenses in Texas, TABC employees are in frequent contact with customers across the state every day.

TABC remains committed to continuously providing outstanding customer service. Throughout its 90-year history, the agency has worked to set high standards of customer service. Through feedback collected via surveys and face-to-face discussions, TABC employees work to identify customer concerns and set action plans toward ensuring the highest levels of service.

The services TABC provides its customers include:

- Issuing 37 types of alcoholic beverage licenses and permits (collectively referred to as "licenses") to businesses in Texas and around the world, allowing them to produce, transport, distribute, import, sell, and serve alcoholic beverages in Texas.
- Inspecting TABC-licensed premises to ensure compliance with the Alcoholic Beverage Code and TABC Rules.
- Conducting source investigations following alcohol-related incidents involving serious injury or death.
- Conducting investigations into organized criminal activities tied to a TABC-licensed location, including those involving prostitution, gambling, narcotics, weapons, and human trafficking.
- Collecting excise taxes from manufacturing and distributing tiers when alcoholic beverages are sold to retailers or consumers.

- Providing instruction to license holders and their employees, local law enforcement, and members of civic groups to promote a better understanding of and voluntary compliance with the Code.
- Overseeing the labeling, bottling, and promotion of alcoholic beverage products.
- Conducting audits to ensure adherence to the Code and ensure proper taxes are reported and paid.
- Ensuring compliance with and collecting taxes and fees on personal importations of alcoholic beverages and cigarettes at international borders.
- Reviewing and prosecuting violations of the Alcoholic Beverage Code.

INVENTORY OF EXTERNAL CUSTOMERS BY STRATEGY

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

An inventory of external customers served by each strategy is as follows:

ENFORCEMENT

The Enforcement Department is responsible for the criminal and administrative enforcement of the Alcoholic Beverage Code. As public safety is a major statewide concern affecting all Texas residents, every person in the state is considered a primary customer.

TABC agents, who are commissioned peace officers, both inspect TABC-licensed premises and investigate any alleged violation of the Code and other state laws. While many investigations involve relatively straightforward violations of state alcoholic beverage laws, some involve much more complex situations such as human trafficking, organized crime, or narcotics. TABC agents work with local, state, and federal law enforcement officials on these investigations, making those agencies secondary customers.

LICENSING

The Licensing Department issues all TABC licenses, permits, and certificates thereby ensuring certain criteria are met including local government certification, tax security, and other regulations. A license is required for all segments of the alcoholic beverage industry, making its members the primary customers of TABC’s Licensing Department.

Additionally, by ensuring each license holder meets the qualifications required by law, the department's secondary customers include the general public and local agencies.

AUDIT AND INVESTIGATIONS

TABC's Audit and Investigations Department is charged with ensuring compliance with the Code and TABC Rules. Auditors:

- Conduct tax, financial, and investigative audits.
- Conduct open compliance inspections of licensed locations and new location inspections during the licensing application process.
- Assist with various types of investigations.
- Monitor and regulate cash/credit law.
- Deal with marketing practices issues.

The department also initiates administrative action when a Code violation occurs.

As with Enforcement, the general public is considered a primary customer when it comes to ensuring compliance with the Code. Secondary customers include the license holders who receive training and education designed to promote voluntary compliance with the Code.

PORTS OF ENTRY

The Ports of Entry Department ensures the proper taxation of alcoholic beverages brought into the state by individuals for personal consumption via land ports on the Texas/Mexico border. The department is charged with identifying high-traffic loads and strategically positioning personnel to collect tax payments as required by law. Primary customers are the individuals paying these taxes and fees.

Through an arrangement with the Texas Comptroller of Public Accounts, TABC Ports of Entry employees also collect taxes on cigarettes brought into the state. As such, the Comptroller is considered a secondary customer of the department.

Ports of Entry personnel are also charged with ensuring any illicit beverages, or beverages deemed dangerous for public consumption, are not brought into the state. This function serves to uphold the health of the Texas public, making all citizens and visitors primary customers of the department.

CUSTOMER SATISFACTION SURVEYS

To evaluate the level of customer satisfaction, TABC collected data via a Customer Satisfaction Survey as well as a survey provided to customers of the Licensing Department. The Licensing Survey is provided to customers via the Alcohol Industry Management System (AIMS), a software solution which allows users to conduct their TABC business entirely online. Customers of the Licensing Department (including business entities who have recently completed their application or renewal processes) receive a link to the Licensing Survey as part of an auto-generated confirmation email at the end of the application process.

The Customer Satisfaction Survey is available to all users of the TABC internet website via a link that is provided on the TABC main homepage. For both surveys, users are taken to an online form which records the data for analysis by TABC's Communications Department.

Over the next biennium, TABC expects to administer a similar survey for customers of the agency's Law Enforcement Department; TABC's Communications Department is working with the Law Enforcement Department to identify the most effective methods for delivering this survey. This collaboration will ensure that TABC collects accurate and meaningful data, ultimately enhancing services and meeting the needs of the community more effectively.

CUSTOMER STATISFACTION SURVEY

The agency administers the Customer Satisfaction Survey, with questions determined by the Legislative Budget Board and Office of the Governor, available on the TABC public website. To reach additional individuals, TABC periodically distributes the survey to subscribers of the agency's industry notifications mailing list. In FY 2024-2025, the agency received 15 survey responses. For purposes of the following data, responses marked "N/A" were not calculated as part of the overall satisfaction percentage.

Table 1. Customer Satisfaction Survey Results, FY 2024-2025

Question	Satisfied	N/A	Unsatisfied/ Neutral	Total	% Satisfied
How satisfied are you with the agency's facilities, including your ability to access the agency, the office location, signs, and cleanliness?	8	4	4	15	73%
How satisfied are you with agency staff, including employee courtesy, friendliness, and knowledgeability, and whether staff members adequately identify themselves to customers by name, including the use of name plates or tags for accountability?	8	4	3	15	73%
How satisfied are you with agency communications, including toll-free telephone access, the average time you spend on hold, call transfers, access to a live person, letters, electronic mail, and any applicable text messaging or mobile applications?	9	1	5	15	64%
How satisfied are you with the agency's Internet site, including the ease of use of the site, mobile access to the site, information on the location of the site and the agency, and information accessible through the site such as a listing of services and programs and whom to contact for further information or to complain?	8	1	6	15	57%
How satisfied are you with the agency's complaint handling process, including whether it is easy to file a complaint and whether responses are timely?	8	2	5	15	62%
How satisfied are you with the agency's ability to timely serve you, including the amount of time you wait for service in person?	8	2	5	15	62%
How satisfied are you with any agency brochures or other printed information, including the accuracy of that information?	7	3	5	15	58%
Please rate your overall satisfaction with the agency.	9	-	6	15	60%

LICENSING

The Licensing Department provides surveys to retailers, distributors, and manufacturers who have applied for an original license or permit. The survey was last revised in 2022 to allow for a new online-only process. This survey is intended to make it easier for license or permit holders to provide feedback to TABC regarding the licensing process. The survey process is voluntary, with users being provided a survey link alongside any AIMS-generated emails they receive via their primary AIMS account.

During FY 2024-2025, a total of 101 surveys were returned to TABC. These surveys indicate an approximate 71% satisfaction rate with TABC's licensing service. For purposes of this tabulation, responses marked "N/A" were not included in the overall satisfaction calculation.

Table 2. Licensing Survey Results, FY 2024-2025

Question	Satisfied	Neutral/ Unsatisfied	Total	% Satisfied
How satisfied are you with your interactions with TABC staff during your application process, including the staff's courtesy, friendliness, and knowledgeability?	72	25	97	74%
How satisfied are you with the agency's ability to timely serve you?	70	30	99	71%
Please rate your overall satisfaction with your customer service experience	69	30	97	71%
Please rate your overall satisfaction with TABC.	68	32	99	69%

The 2024-2025 biennium marks the first time the digital survey method has returned more than a handful of results. That said, TABC is committed to increasing survey participation in order to collect a more diverse array of results. In the coming biennium, the agency will explore additional methods of collecting survey data beyond the AIMS emails with the intent of gaining a clearer understanding of customer sentiment across the alcoholic beverage industry.

CONCLUSION

Based on the survey results from the Licensing department, there is evidence of customer satisfaction among those who engage with this TABC program. However, given the very limited sample size, these findings should be viewed with caution. A more comprehensive understanding of customer satisfaction can only be achieved through greater participation in the surveys. In the upcoming biennium, TABC will collaborate with internal and external stakeholders to explore more effective methods for increasing survey participation.

Table 3. Customer-Related Performance Measures

Outcome Measures	FY 2026 (Estimated)	FY 2027 (Expected)
Percentage of Surveyed Customer Respondents Expressing Overall Satisfaction with Services Received[1]	70%	70%
Average Number of Days to Approve an Original Primary License/Permit[2]	29	31
Average Number of Days to Approve a Product Registration Application[3]	26	16
Output Measures		
Total Customers Surveyed	114	500
Response Rate	<1%	<1%
Total Customers Served[4]	2,514,587	2,600,000
Efficiency Measure		
Cost per Customer Surveyed	<$.01	<$.01
Explanatory Measures		
Total Customers Identified[5]	31,928,500	32,211,000
Total Customer Groups Inventoried	3	3
Average Number of Days to Close an Investigation by Enforcement[6]	142	142

[1] Estimate is based on limited survey responses collected during Fiscal Years 2024-2025. TABC is working with agency leadership and internal stakeholders to devise methods for increasing survey participation in the coming biennium.

[2] Represents a TABC performance measure.

[3] Represents a TABC performance measure.

[4] Represents the approximate number of licensed businesses inspected, audited, or investigated; seller/server training certificates issued; license/permit applications processed; and transactions at ports of entry based on performance measures.

[5] State Population. Appendix 9, *Economic and Population Forecast in Instructions for Preparing and Submitting Agency Strategic Plans (Fiscal Years 2027 to 2031)*. Legislative Budget Board Staff and Office of the Governor, Budget and Policy Division. April 2026.

[6] Represents a TABC performance measure.

TABC Compact with Texans

Originally created in 1935, 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.

At TABC, we realize the great responsibility the state of Texas has placed on our agency, and we are committed to providing the best services possible to the people of Texas. We pledge to:

- Apply the Alcoholic Beverage Code in a fair, consistent, and timely manner.
- Exemplify courteous, ethical, and professional behavior.
- Be fiscally responsible and accountable.
- Be accessible, transparent, efficient, and effective.

Mission

TABC's mission is to serve the people of Texas and protect public health and safety through consistent, fair and timely administration of the Alcoholic Beverage Code.

Vision

A safe and healthy Texas served by an innovative Alcoholic Beverage Commission regulating a responsible and compliant alcoholic beverage industry.

Guiding Principles

- We empower our employees to respond effectively to challenges.
- We recruit, develop, retain, and value a highly competent and diverse workforce that will successfully execute our mission.
- We strive to be a competitive employer.
- We expect ethical and professional behavior of ourselves.
- We exercise discretion in our authority when making decisions based on ethical and legal principles.
- We do the right thing, and not just what we have the right to do.
- We work together to achieve goals and solve problems.
- We put responsible people into business and promote good business practices through open communication.

- We foster voluntary compliance through education.
- We provide the highest level of public safety by assessing and analyzing at-risk behavior and taking action against unlawful conduct.

Customer Service Standards

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

- Treat you with professional courtesy and respect at all times.
- Provide you with accurate, timely and complete information.
- Respond to all inquiries as soon as possible within five working days of receipt.
- Process new (unprotested) applications within 60 calendar days.
- Acknowledge receipt of complaints within three working days.
- Resolve complaints within 60 working days and notify the complainant if any situations arise that may require additional time for complaint resolution.
- Provide helpful and up-to-date information on our website.
- Ensure our facilities are easily accessible and clean.
- Provide you with our Compact with Texans Customer Satisfaction Survey results and continually strive to improve our services.

Public Information Officer

TABC's public information officer (PIO) (or their designee) is responsible for responding to any concerns regarding the agency. You can contact the PIO at:

Texas Alcoholic Beverage Commission
P.O. Box 13127
Austin, Texas 78711
questions@tabc.texas.gov
512-206-3462

Complaint-Handling Process

Report Violations of the Alcoholic Beverage Code

You can file a complaint about violations of the Alcoholic Beverage Code, including establishments and people who sell or give alcoholic beverages to minors.

- You may file a complaint through the Alcohol Industry Management System, which can be accessed via TABC's public website, or other means as noted in Rule 31.10 (Texas Administrative Code, Title 16, Part 3).
- If TABC has jurisdiction over the complaint, you will be informed an investigation has been initiated.
- We will make every effort to resolve your complaint within 60 working days.
- We will notify you of the final disposition of the complaint.

Complaints Against TABC Personnel

In order to file a complaint against the agency or a TABC employee, complete an online form or use other means noted on TABC's public website. Upon receipt the Office of Inspector General will:

- Notify you in writing, whenever possible, confirming that your complaint was received.
- Conduct interviews of involved parties and collect evidentiary materials.
- Prepare a report with the investigative findings and conclusions.
- Notify you of the results when the investigation has been completed.

License and Permit Process

The Alcohol Industry Management System (AIMS) is the primary means for Texas residents to apply for, track, and maintain an application for a TABC license or permit to sell, manufacture, or distribute alcoholic beverages. AIMS can be accessed via the TABC website, www.tabc.texas.gov, using the Google Chrome or Microsoft Edge internet browsers.

State law requires most applicants to display a sign for at least 60 days at the business location before a TABC license or permit can be issued. **Please contact your local TABC office as soon as possible to obtain a 60-day sign or download it from the TABC website to print yourself.**

Complete and correct applications can take up to 30 days for TABC to process once they're received by the agency along with any required application fees. All applications must first be certified by a local government (city and/or county, depending on where the business is located) before they can be accepted for processing by TABC.

If a completed renewal application and all required fees have been submitted online through AIMS before the expiration date of the permit or license, the license/permit holder may operate under the expired license or permit until the renewal application is denied or issued. Paper renewal applications may be submitted but are not encouraged.

If you have any questions or comments about our license and permit application process, contact:

Licensing Division
Texas Alcoholic Beverage Commission
P.O. Box 13127
Austin, TX 78711
licensing@tabc.texas.gov
512-206-3490
Fax: 512-206-3399

Questions, Comments, Suggestions and Requests for Information

TABC values your comments and will use them to measure our performance and improve our service. Communication of information and ideas provides an understanding and shared commitment toward achieving common goals. We will make every effort to respond to your inquiries within five working days of receiving them.

Your Satisfaction Is Important to Us!

Please take a few minutes to complete our Customer Satisfaction Survey. It will help us evaluate the services we provide and determine how they can be improved. We want to make this agency more responsive to the needs of the public, but we need your help to make it happen.

Schedule I: Certification of Compliance with Cybersecurity Training

CERTIFICATE

Texas Alcoholic Beverage Commission

Pursuant to the Texas Government Code, Section 2056.002(b)(12), this is to certify that the agency has complied with the cybersecurity training required pursuant to the Texas Government Code, Sections 2063.103 and 2063.104.

Executive Director	**Commission Chair**
Signature	*Signature*
Thomas W. Graham	Robert A. Eckels
Printed Name	*Printed Name*
Executive Director	Chairman
Title	*Title*
June 1, 2026	June 1, 2026
Date	*Date*

Schedule J: Certification of Compliance with Artificial Intelligence Training

CERTIFICATE

Texas Alcoholic Beverage Commission

Pursuant to the Texas Government Code, Section 2056.002(b)(12), this is to certify that the agency has complied with the artificial intelligence training required pursuant to the Texas Government Code, Sections 2063.103 and 2063.104.

Executive Director

Signature

Thomas W. Graham
Printed Name

Executive Director
Title

June 1, 2026
Date

Commission Chair

Signature

Robert A. Eckels
Printed Name

Chairman
Title

June 1, 2026
Date