



Terry E. Branstad *Governor of Iowa*
Kim Reynolds *Lieutenant Governor*
Stephen Larson *Administrator*

Responses to 2015 Budget Subcommittee Questions

PROGRAM PERFORMANCE:

- a. *Do you have defined outcomes or measurements for your programs? What are they and are these measures listed somewhere so the public can see them?*

Yes. The Alcoholic Beverages Division (Division) maintains a library of Annual Reports on its website, dating back to FY2010. Also on the site are analyses for Liquor Sales (dollars); Liquor Sales (gallons); Beer Excise tax; and Wine excise tax. Additionally, the Division maintains a robust accounting of activities involved with enforcement of tobacco laws and the Smoke Free Air Act.

Data is also maintained on a multitude of business metrics, including distribution/fulfillment and efficiency of delivery. Much of this is included in the annual report. Licensing, regulation and compliance information is available on our website as well as updates on hearings and complaint reports.

- b. *What data is available to show Iowans that your program(s) are an effective investment of taxpayer dollars? Where can Iowans find this data?*

Much of this data is available at the ABD website at www.iowaabd.com. Additionally, program information is available upon request.

- c. *Can you provide the committee with performance data for your programs over the last 5 or 10 years?*

Yes. Performance data was provided in the handout for the committee. Additionally, the Division is providing a report of reversion levels for the last 10 years to the committee.

PROGRAM EFFICIENCY

- a. *Have you examined what other states are doing to improve performance and reduce costs?*

The Division works closely with alcohol control entities in other states. We are a member of various organizations, including the National Alcohol Beverage Control Association (NABCA) and the National Conference of State Liquor Administrators (NCSLA). Stephen Larson, Administrator, is to assume the role of Chairman of NABCA in 2015. These organizations maintain robust calendars related to regulation and control in the alcohol beverages arena and share best practices on a regular basis.

- b. *Can you share with the committee what other states are doing?*

Alcoholic beverages regulators in every state must follow the same federal rules pertaining to trade practices and adherence to the three tier system of liquor distribution.

Iowa ABD monitors best practices of these other state administrations closely and assesses what programs and practices are suitable for our state, particularly related to compliance and enforcement.

c. ***Which of these ideas are you considering for implementation here in Iowa?***

The Division is moving forward with two major initiatives in calendar year 2015. The first involves shifting all purchasing and ordering processes to a web-based enterprise where brokers, suppliers and customers (liquor stores) will be able to conduct their businesses online. This system will be fully engaged by September 1. The second is an in-depth analysis of the Division's fulfillment and delivery processes by Johnson Stephens Consulting, a nationally known supply chain consulting company. This information will be integrated into the Division's operations to ensure the highest possible level of efficiency and effectiveness.

d. ***Are there websites or organizations we could go to obtain more information on what other states' programs are doing to provide more efficient services?***

The national and trade organizations of which Iowa ABD is a part are listed on our website under the tab "Links."

e. ***Do you have an email address or a comment section on your website where Iowans can suggest improvements to your program or agency?***

Yes.

PROGRAM DUPLICATION

a. ***Are there any other programs that are providing the same or similar services?***

No.

b. ***Is there a reason why we need more than one program providing the same or similar service?***

No.

c. ***Have you had any discussions with the other agencies or programs to find ways to maximize the use of the taxpayer's dollars?***

The Division engages with the Departments of Public Health and Safety on various initiatives, including tobacco enforcement and other educational initiatives.

d. ***Are there any laws or administrative rules that would limit your ability to work with the other programs or departments?***

No.

e. ***Are there any laws or administrative rules that could be changed to make your program or agency work better?***

The Division is currently engaged with industry stakeholders and the Legislature in revising administrative rules pertaining to trade practices. The purpose of this initiative is

to clarify and reorganize the rules so that industry members can better understand and adhere to the laws. In the past, these rules have led to confusion and contradiction.

OTHER

- a. *Would it be a burden to your agency to ask that your presentation be delivered to the Legislative Services Agency 48 hours in advance of your appearance before the committee?*

Materials were delivered 48 hours prior to the Division's appearance before the committee.

- b. *If you are required to reduce your budget by 1 percent, 5 percent or 10 percent, where would you suggest we focus our attention?*

The Division is currently operating under a directive from the Administrator to lower overall operating expenses 15 percent over the next 2-3 years. The Division is achieving this goal by:

- Investing in technology to provide greater efficiency throughout the ordering and fulfillment process
- Flattening the organizational structure by eliminating several mid-management positions through attrition
- Leasing a new fleet rather than purchasing to facilitate greater flexibility and responsiveness to various industry dynamics.