



---

# ***New Hampshire Liquor Commission***

**FY2024/2025 Budget**

**HOUSE DIVISION I**

**February 16, 2023**



# Introduction

---

**The Liquor Commission is self funded.  
In a separate liquor fund outside of the general fund.  
No General Fund appropriations are used to maintain operations.**

The Commission generated over \$771.1 million in net sales in FY22 through the operation of 67 retail outlets (9 state-owned and 58 leased), with product shipped through two warehouses; one is state-owned and the other contracted with DHL.

Liquor revenue is transferred to the New Hampshire General Fund and Other Funds in support of state programs. The amount transferred to the General Fund is net of administration costs and transfers to the Alcohol Abuse, Prevention and Treatment Fund and the Granite Advantage Health Care Trust Fund.

Beer tax & permits revenue is transferred in a separate line item to the General Fund.

The budget presented is the level of funding necessary to accomplish the Commission's legislative duties, under RSA 176:3, which is to:

- I. Optimize the profitability of the commission.
- II. Maintain proper controls.
- III. Assume responsibility for the effective and efficient operation of the commission. And
- IV. Provide service to the customers of the commission.



# Revenue Trends & Transfer Language

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
Cash Basis (In Millions)	FY 2020	FY 2021	FY21 vs FY20		FY 2022	FY22 vs FY21		FY 2023	FY23 vs FY22		FY 2023	FY 2024	FY24 vs FY23		FY 2024	FY 2025	FY25 vs FY24		FY 2025
	Actual	Actual	\$	%	Actual	\$	%	Estimates	\$	%	Gov. Rec	Estimates	\$	%	Gov. Rec	Estimates	\$	%	Gov. Rec
1 Net Sales	739.6	786.4	46.8	6.3%	755.2	(31.2)	-4.0%	752.5	(2.7)	-0.4%	752.5	784.7	32.2	4.3%	784.7	800.3	15.6	2.0%	800.3
2 Total Goods For Resale	532.7	555.6	22.9	4.3%	534.1	(21.5)	-3.9%	531.7	(2.4)	-0.4%	531.7	554.4	22.8	4.3%	554.4	565.8	11.3	2.0%	565.8
3 Gross Profit from Sales	206.9	230.8	23.9	11.6%	221.2	(9.6)	-4.2%	220.8	(0.3)	-0.2%	220.8	230.3	9.4	4.3%	230.3	234.5	4.3	1.8%	234.5
GP from Sales	28.0%	29.3%		0.0%	29.3%		0.0%	29.3%	0.0	0.2%	29.3%	29.3%	(0.0)	0.0%	29.3%	29.3%	(0.0)	-0.1%	29.3%
4 Other Revenue	5.8	8.4	2.6	45.1%	7.0	(1.4)	-17.0%	7.1	0.1	1.3%	7.1	7.4	0.3	4.9%	7.4	7.6	0.2	2.2%	7.6
5 Total Expenses	(70.8)	(72.5)	(1.7)	2.3%	(76.0)	(3.5)	4.8%	(79.2)	(3.1)	4.1%	(79.2)	(87.1)	(7.9)	10.0%	(91.6)	(90.9)	(3.8)	4.4%	(95.4)
6 Net Revenue	141.8	166.7	24.9	17.5%	152.1	(14.6)	-8.7%	148.7	(3.4)	-2.2%	148.7	150.6	1.9	1.2%	146.1	151.2	0.6	0.4%	146.7
7 5% of prior year gross profit transfer to Alcohol abuse prevention & treatment fund	(10.0)	(10.3)	(0.3)	2.9%	(10.3)	-	0.0%	(11.5)	(1.2)	11.7%	(11.5)	(11.1)	0.5	-4.1%	(11.1)	(11.0)	0.0	-0.2%	(11.0)
8 Revenue based on plan	131.8	156.4	24.6	18.7%	141.8	(14.6)	-9.3%	137.2	(4.6)	-3.2%	137.2	139.5	2.3	1.7%	135.0	140.1	0.6	0.4%	135.7
9 Additional transfer to Granite Advantage	-	(8.2)	(8.2)		(8.8)	(0.6)	7.0%	(7.2)	1.5	-17.4%	(7.2)	-			-	-			-
10 REVISED: Liquor Transfer to General Fund	131.8	148.2	16.4		133.0	(15.1)	-10.2%	130.0	(3.1)	-2.3%	130.0	139.5	9.6		135.0	140.1	0.6	0.4%	135.7
11 Beer Tax	13.2	13.7	0.5	3.8%	13.2	(0.5)	-3.8%	13.2	-	0.0%	13.2	13.2	-	0.0%	13.2	13.2	-	0.0%	13.2
12 Total Transfer to General Fund	145.0	161.9	16.9	11.7%	146.2	(15.7)	-9.7%	143.1	(3.1)	-2.1%	143.1	152.7	9.6	6.7%	148.2	153.3	0.6	0.4%	148.8
13 Revenue Plan	132.8	133.8	1.0	0.8%	137.6	3.8	2.8%	137.2	(0.4)	-0.3%	135.0	139.5	2.3	1.7%	135.0	140.1	0.6	0.4%	135.0
14 Plan vs. Actual or Current Estimates (line 8)	(1.0)	22.6			4.2			(0.0)			2.2				0.0				0.7

\* The total expense numbers in the Governor's recommended columns above include estimates for the proposed pay raise to factor in the impact to net revenue and revenue estimates.

## Transfer language:

### Section 176:16 Funds.

III. Five percent of the previous fiscal year gross profits derived by the commission from the sale of liquor shall be deposited into the alcohol abuse prevention and treatment fund established by RSA 176-A:1. For the purpose of this section, gross profit shall be defined as total operating revenue minus the cost of sales and services as presented in the state of New Hampshire comprehensive annual financial report, statement of revenues, expenses, and changes in net position for proprietary funds.

RSA 126-AA:3, The Commissioner of the Department of Health and Human Services, is responsible for determining quarterly whether there is sufficient non-federal funding in the Fund to cover projected program costs for the following 6-month period. If at any time the Commissioner determines that a projected shortfall exists, then the sum necessary to cover such shortfall shall be transferred to the fund from the Liquor Commission Fund established in RSA 176:16.



# Major Budget Categories

1. Salary & Benefits decreasing in FY24 even with 28 new positions from reductions in overtime and part-time budgets and changes in positions as a result of turn over; FY25 increases are a result of salary steps and benefit increases.
2. Current Expense includes \$3.0M for our advertising contract. The FY24 increase is a result of adding consultant funding to support systems and price increases for other items such as office and cleaning supplies, paper bags and receipt rolls for our outlet locations.
3. Rents & Leases is the funding needed for current rent obligations and expanding square footage for new outlet locations.
4. Utilities increases in FY24 & FY25 are based on current trends and projected increases.
5. Contracts for operations includes our maintenance contracts such as Electrical, HVAC, security systems, plumbing, signs, floor cleanings, automatic door, forklift repairs, smart safes and armored car service. Funding is based on current contracts and projected needs.
6. Technology Hardware & Software FY24 & FY25 increases are to support the NextGen system new point-of-sale and back office financial system. The additional prioritized needs is the funding necessary for subscriptions, cloud services and existing support and maintenance contracts.
7. DoIT is the funding needed to maintain current POS and back-office systems with additional funds to support the new D365 software platform such as licenses, cloud services and other annual software requirements. The Additional prioritized needs are related to NextGen system for two new positions, hosting services, handheld devices, and additional licenses. The Governor's budget only includes \$420k for Microsoft Azure hosted services costs.
8. Equipment includes the increased cost for items such as shelving, checkouts and security cameras for new & updated outlets and a rotation plan for replacing existing equipment such as vehicles, floor cleaners and forklifts.
9. Travel funding level is primarily to support outlet moves and shifting staffing in retail outlets.
10. Other Expenses primary change is from Debt Services which is based on the current bond schedule and estimates for new debt; and funding Workers' Compensation based on historical trends.



# FY2024 – 2025 Budget Requests



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	FY 2022	FY 2023	FY 2024	FY 2024	FY 2024	FY24 vs FY23		FY24 Governor's Recomm		FY 2025	FY 2025	FY 2025	FY25 vs FY24		FY25 Governor's Recomm	
	Expenses	Adj Auth.	Efficiency	APN	Budget	\$	%	\$	Difference	Efficiency	APN	Budget	\$	%	\$	Difference
<b>Salary &amp; Benefit Expenses:</b>																
Personnel Services - Full time	17,147,676	20,317,392	20,040,201	-	20,040,201	(277,191)	-1.4%	20,040,191	(10)	20,513,021	-	20,513,021	472,820	2.4%	20,513,021	-
Benefits	10,930,018	13,113,503	13,490,088	-	13,490,088	376,585	2.9%	13,270,863	(219,225)	14,157,458	-	14,157,458	667,370	4.9%	13,928,841	(228,617)
Other Personnel - Part time	9,429,222	11,830,166	10,622,500	-	10,622,500	(1,207,666)	-10.2%	10,622,500	-	11,238,000	-	11,238,000	615,500	5.8%	11,238,000	-
Retiree Pension Benefit Health Ins.	1,078,295	1,572,000	1,334,700	-	1,334,700	(237,300)	-15.1%	1,332,700	(2,000)	1,494,116	148,860	1,642,976	308,276	23.1%	1,476,400	(166,576)
<b>1 Total Salary &amp; Benefits</b>	<b>38,585,211</b>	<b>46,833,061</b>	<b>45,487,489</b>	<b>-</b>	<b>45,487,489</b>	<b>(1,345,572)</b>	<b>-2.9%</b>	<b>45,266,254</b>	<b>(221,235)</b>	<b>47,402,595</b>	<b>148,860</b>	<b>47,551,455</b>	<b>2,063,966</b>	<b>4.5%</b>	<b>47,156,262</b>	<b>(395,193)</b>
% of Total Budget	50.8%	56.4%	54.8%	0.0%	54.8%					57.1%	0.2%	57.3%				
<b>Current Expenses:</b>																
2 Current Expenses	4,394,890	4,275,459	4,737,857	200,000	4,937,857	662,398	15.5%	4,937,857	-	4,847,717	200,000	5,047,717	109,860	2.2%	5,047,717	-
3 Rents & Leases	9,932,304	10,079,768	10,635,050	-	10,635,050	555,282	5.5%	10,635,050	-	10,961,250	-	10,961,250	326,200	3.1%	10,961,250	-
4 Utilities - Heat, Elec, Water & Telec	2,511,350	2,328,400	2,936,070	-	2,936,070	609,670	26.2%	2,936,070	-	3,087,725	-	3,087,725	151,655	5.2%	3,087,725	-
5 Contracts for Operational Services	4,898,225	4,346,500	5,123,100	-	5,123,100	776,600	17.9%	5,123,100	-	5,422,000	-	5,422,000	298,900	5.8%	5,422,000	-
6 Technology - Hardware & Software	1,724,239	1,140,680	1,008,400	1,984,054	2,992,454	1,851,774	162.3%	2,992,454	-	1,103,200	1,531,054	2,634,254	(358,200)	-12.0%	2,634,254	-
<b>23,461,008</b>	<b>22,168,807</b>	<b>24,440,477</b>	<b>2,184,054</b>	<b>26,624,531</b>	<b>4,455,724</b>	<b>20.1%</b>	<b>26,624,531</b>	<b>-</b>	<b>25,421,892</b>	<b>1,731,054</b>	<b>27,152,946</b>	<b>528,415</b>	<b>2.0%</b>	<b>27,152,946</b>	<b>-</b>	
% of Total Budget	30.9%	26.7%	29.4%	2.6%	32.1%					30.6%	2.1%	32.7%				
<b>7 DoIT - Information Technology</b>	<b>3,194,266</b>	<b>4,927,973</b>	<b>4,764,197</b>	<b>1,147,871</b>	<b>5,912,068</b>	<b>984,095</b>	<b>20.0%</b>	<b>5,184,197</b>	<b>(727,871)</b>	<b>4,837,176</b>	<b>1,145,369</b>	<b>5,982,545</b>	<b>70,477</b>	<b>1.2%</b>	<b>5,257,176</b>	<b>(725,369)</b>
% of Total Budget	4.2%	5.9%	5.7%	1.4%	7.1%					5.8%	1.4%	7.2%				
<b>8 Equipment:</b>	<b>1,949,209</b>	<b>761,200</b>	<b>1,036,700</b>	<b>-</b>	<b>1,036,700</b>	<b>275,500</b>	<b>36.2%</b>	<b>1,036,700</b>	<b>-</b>	<b>1,237,700</b>	<b>-</b>	<b>1,237,700</b>	<b>201,000</b>	<b>19.4%</b>	<b>1,237,700</b>	<b>-</b>
% of Total Budget	2.6%	0.9%	1.2%	0.0%	1.2%					1.5%	0.0%	1.5%				
<b>9 Travel Expenses:</b>	<b>200,762</b>	<b>268,401</b>	<b>236,710</b>	<b>-</b>	<b>236,710</b>	<b>(31,691)</b>	<b>-11.8%</b>	<b>236,710</b>	<b>-</b>	<b>251,210</b>	<b>-</b>	<b>251,210</b>	<b>14,500</b>	<b>6.1%</b>	<b>251,210</b>	<b>-</b>
% of Total Budget	0.2%	0.3%	0.3%	0.0%	0.3%					0.3%	0.0%	0.3%				
<b>10 Other Expenses</b>																
Audit Funds	121,897	131,000	131,000	-	131,000	-	0.0%	131,000	-	131,000	-	131,000	-	0.0%	131,000	-
Debt Services	4,972,807	4,764,567	5,500,000	-	5,500,000	735,433	15.4%	5,500,000	-	5,700,000	-	5,700,000	200,000	3.6%	5,700,000	-
Indirect Costs to Admin Svcs	1,889,562	1,870,828	2,048,060	-	2,048,060	177,232	9.5%	2,048,060	-	2,048,060	-	2,048,060	-	0.0%	2,048,060	-
Workers & Unempl Comp.	1,259,180	651,250	1,190,335	-	1,190,335	539,085	82.8%	1,190,335	-	1,246,191	-	1,246,191	55,856	4.7%	1,246,191	-
<b>8,243,446</b>	<b>7,417,645</b>	<b>8,869,395</b>	<b>-</b>	<b>8,869,395</b>	<b>1,451,750</b>	<b>19.6%</b>	<b>8,869,395</b>	<b>-</b>	<b>9,125,251</b>	<b>-</b>	<b>9,125,251</b>	<b>255,856</b>	<b>2.9%</b>	<b>9,125,251</b>	<b>-</b>	
% of Total Budget	10.8%	8.9%	10.7%	0.0%	10.7%					11.0%	0.0%	11.0%				
<b>LIQUOR TOTAL:</b>	<b>75,633,902</b>	<b>82,377,087</b>	<b>84,834,968</b>	<b>3,331,925</b>	<b>88,166,893</b>	<b>5,789,806</b>	<b>7.0%</b>	<b>87,217,787</b>	<b>(949,106)</b>	<b>88,275,824</b>	<b>3,025,283</b>	<b>91,301,107</b>	<b>3,134,214</b>	<b>3.6%</b>	<b>90,180,545</b>	<b>(1,120,562)</b>
<b>Grants &amp; Other Funds</b>	<b>371,851</b>	<b>649,564</b>	<b>810,546</b>	<b>-</b>	<b>610,546</b>	<b>(39,018)</b>	<b>-6.0%</b>	<b>610,002</b>	<b>(544)</b>	<b>609,072</b>	<b>-</b>	<b>609,072</b>	<b>(1,474)</b>	<b>-0.2%</b>	<b>608,509</b>	<b>(563)</b>
<b>TOTAL:</b>	<b>76,005,753</b>	<b>83,026,651</b>	<b>85,445,514</b>	<b>3,331,925</b>	<b>88,777,439</b>	<b>5,750,788</b>	<b>6.9%</b>	<b>87,827,789</b>	<b>(949,650)</b>	<b>88,884,896</b>	<b>3,025,283</b>	<b>91,910,179</b>	<b>3,132,740</b>	<b>3.5%</b>	<b>90,789,054</b>	<b>(1,121,125)</b>
% Increase over prior year			2.8%		6.9%			5.8%		3.9%		3.5%			3.4%	
Estimate for proposed 10% pay raise								3,650,000							4,457,000	
Total								91,477,789							95,246,054	



# Additional Prioritized Needs

Class	Description	FY24	FY25	Justification
38	NextGen Technology - Software for existing maintenance and support contracts 38-A-CMC-1030 NextGen Software (1030-038)	1,984,054	1,531,054	The funding is for subscriptions and existing fully executed maintenance and service contracts to support the new NextGen System. If the funding is not approved the Commission will be unable to collect and transfer projected revenue.
20	NextGen Marketing / Advertising to communicate and market to licensee through new platform	200,000	200,000	The new system will include a platform for licensee that currently does not exist. This funding will give the Commission the ability to send communications and target marketing to our new on-line business partners in the new NextGen system.
64	Additional Retiree Health		148,860	Additional Funds for Retiree Health provided by Risk Management
27	077 - NHLC -- Microsoft Azure Hosted Services	420,000	420,000	Microsoft Azure hosted services costs for NextGen system. Without this funding, the agency would be unable to sell liquor.
27	003 - DoIT -- New 7D Position - TSS IV (in Support of NHLC-NextGen)	95,782	100,293	With the implementation of the Liquor NextGen system, an additional resource is required to setup the new training stations and registers prior to GO LIVE, along with new Zebra inventory scanners and Verifone pin pad systems. Once the new environment goes live, on going support will be required to support store operations and assist with additional/new stores builds, in collaboration with our outsourced partner(s). Without this additional position to support the new technology systems in stores, issues that arise will take longer to address, causing loss of sales and customer good will.
27	003 - DoIT -- New 7D Position - TSS VI (in Support of NHLC-NextGen)	113,741	119,323	With the implementation of the Liquor NextGen system, there is a need for an Enterprise Architect/TSS VI resource with knowledge of the cloud based ERP applications and the various integration methods to operate as a high level bridge between DoIT and the vendor (BHS) entrusted with the actual modernization. Once D365 is deployed, it is crucial to have someone with experience to be part of the permanent IT staff supporting NHLC. Without this additional position to support the new technology cloud based systems being implemented in stores, issues that arise will take longer to address, causing loss of sales and customer good will.
27	077 - NHLC -- Store Handheld PCs	200,000	200,000	Procurement of additional store handheld PC's. Without these handheld devices, the agency would likely be unable to keep up with need to maintain a supported Windows environment.
27	077 - NHLC -- POS Equipment Maintenance	125,000	125,000	Increase in YoY maintenance on Point of Sale equipment. If not funded, the agency would likely be unable to keep up with the need to maintain a supported Windows environment.
27	077 - NHLC -- M365 F3 - Cloud Only with Security	45,100	45,100	Without these additional M365 licenses, the agency's after-hours/weekend staff would be unable to perform their duties as assigned.
27	077 - NHLC -- M365 F3 - Cloud Only with Security - Addtl Software	17,425	17,425	Without these additional M365 licenses, the agency's after-hours/weekend staff would be unable to perform their duties as assigned.
27	077 - NHLC -- Office Supplies/Equipment/Laptop/SW/Data Charges (2) 7Ds in support of NHLC	11,302	1,500	This is to support the 7D positions requested for FY24-25 which provides much necessary in-store support for all 65 liquor stores, headquarters, and warehouse.
27	NHLC Shared Services portion	119,521	116,728	Amount changed in Governor's Budget to \$93,997 & \$91,199 as a result of other reductions in DoIT's additional prioritized needs.
	Sub-Total of DoIT (class 27) items	1,147,871	1,145,369	
	<b>Total Additional Prioritized Needs Requests:</b>	<b>3,331,925</b>	<b>3,025,283</b>	
	Total of Items included in Governor's budget	2,698,051	2,242,253	
	Difference	(633,874)	(783,030)	

\* Items in green are included in the Governor's recommended budget, the other items are not included.

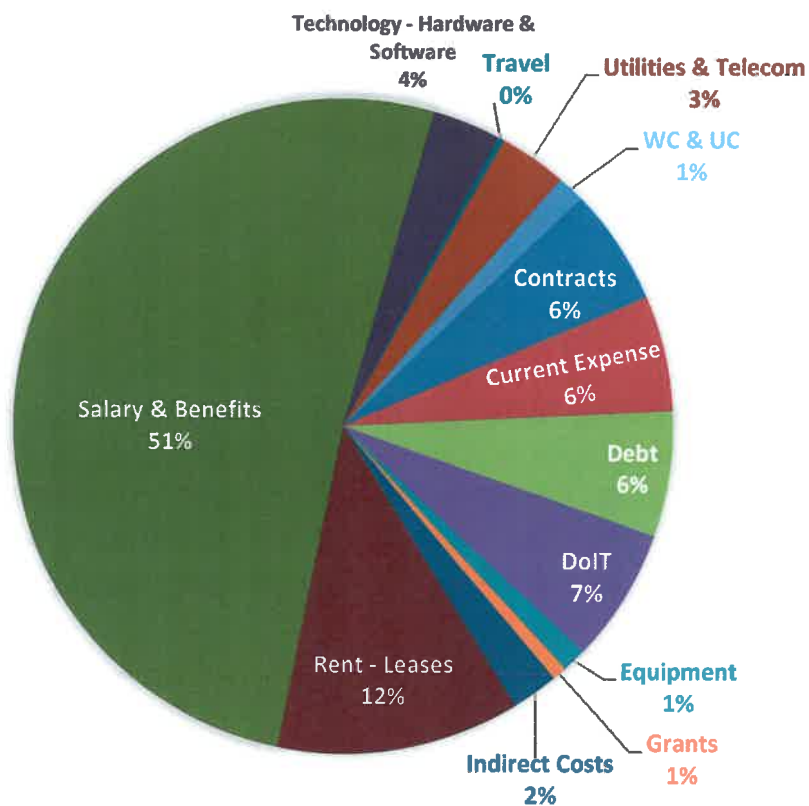


# FY2024 Budget Breakdown

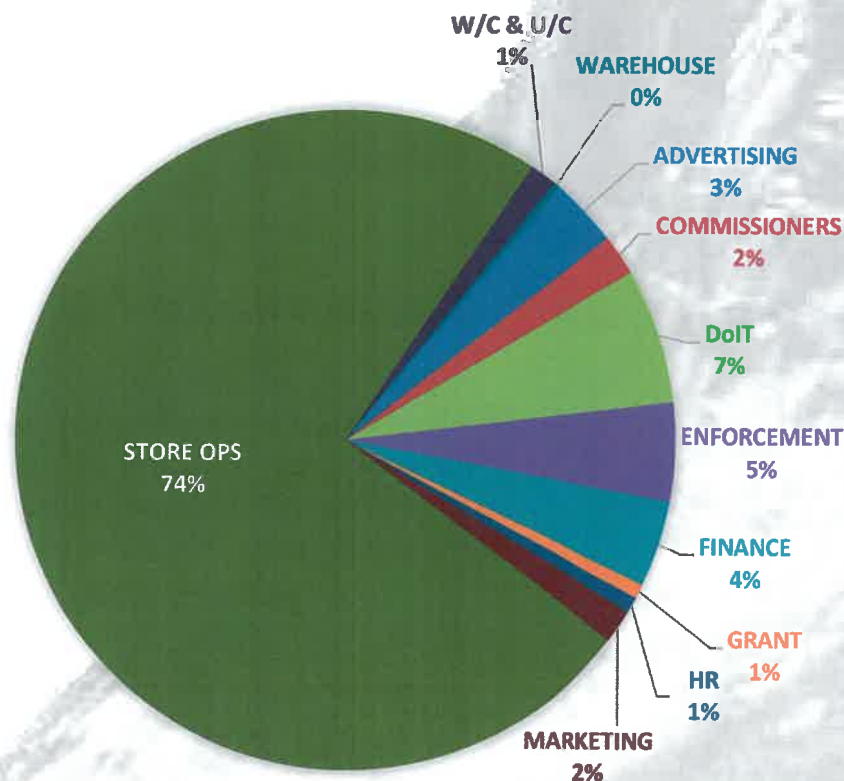
**FY24 Efficiency budget is \$2.4M or 2.9% more than FY23 adjusted authorized budget with a \$3.3M increase for Additional Prioritized Needs for a total increase of \$5.7M or 6.9%.**

Salary & benefits and travel decreased while all other categories increased due to the cost of inflation and projected needs such as utilities, equipment, debt, rents, contracts and the increase for the NextGen D365 software platform under DoIT and technology – hardware & software.

## By Class



## By Accounting Unit



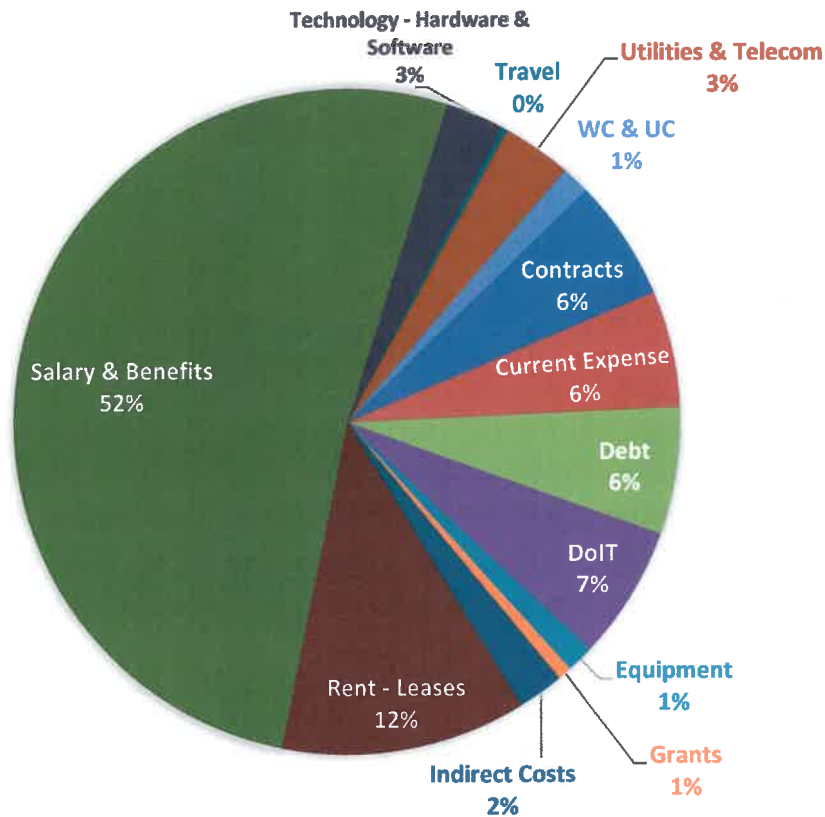


# FY2025 Budget Breakdown

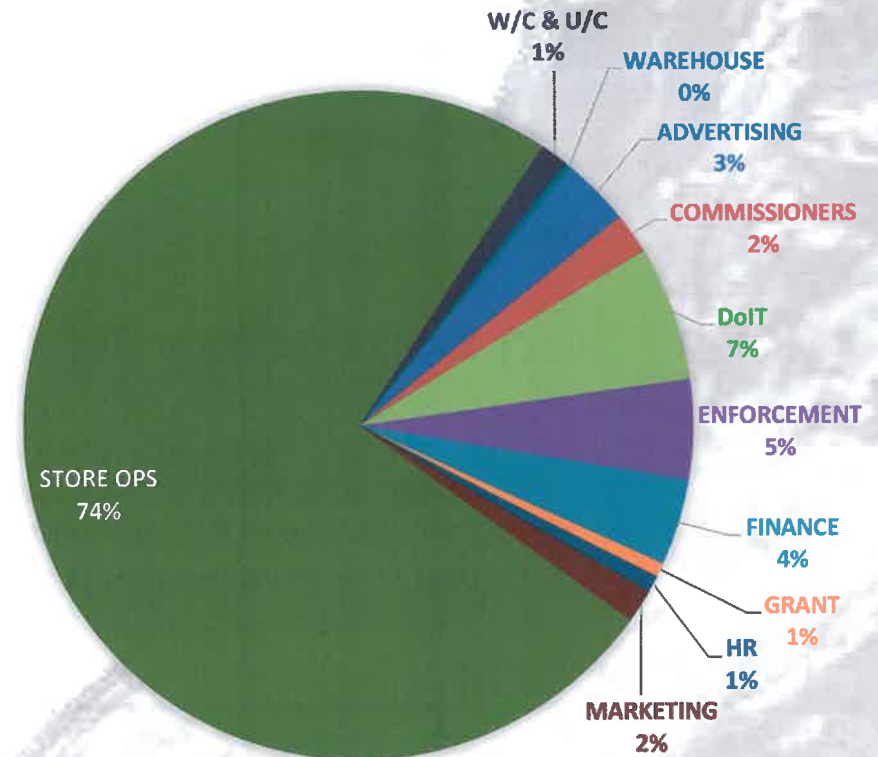
**FY25 Total budget is \$3.1M or a 3.5% increase over FY24 Total budget**

Salary & Benefits are increasing as a result of step increases and benefits, continuing operations increases in contracts, rents, utilities, and equipment. Also included are the additional prioritized needs in technology - hardware and software and DoIT primarily to support the NextGen D365 software platform for cloud storage, licenses, new positions and maintenance and support contracts.

### By Class



### By Accounting Unit

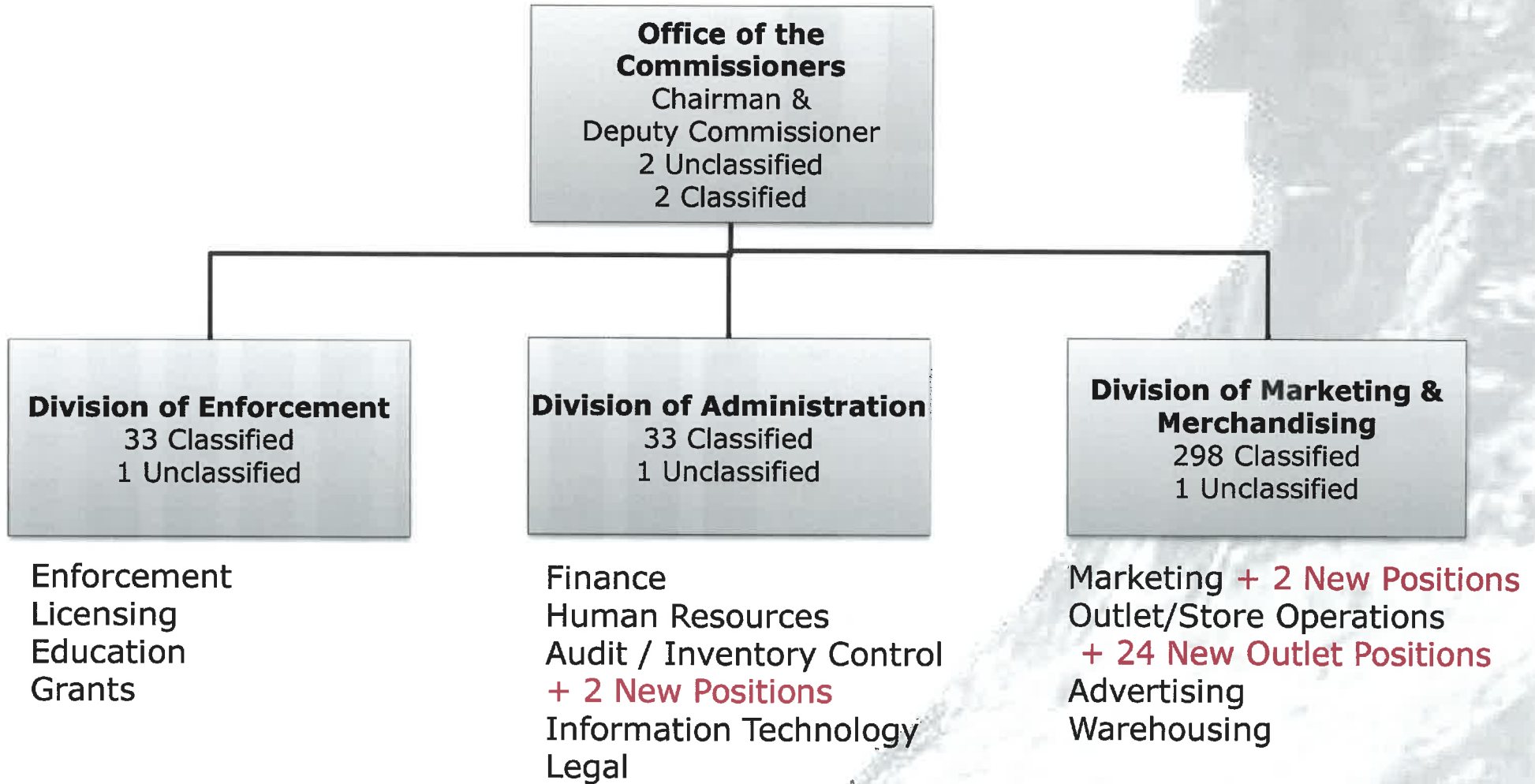






# Organizational Structure

The Commission is made up of 3 Division that report to the Chairman and Deputy Commissioner  
Below are the divisions with the area of responsibilities listed and the number of unclassified and classified positions assigned to each.

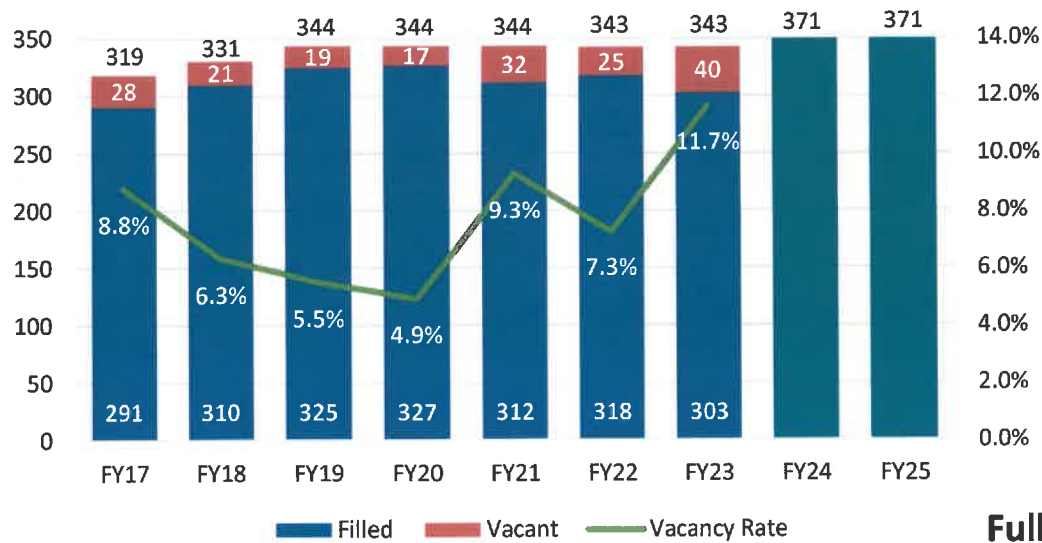


\*Important to note even with adding 28 new positions salary & benefits are decreasing in FY24 as a result of reductions in part-time and overtime budgets. FY23 Authorized positions 343 plus 28 new positions for a total of 371 positions

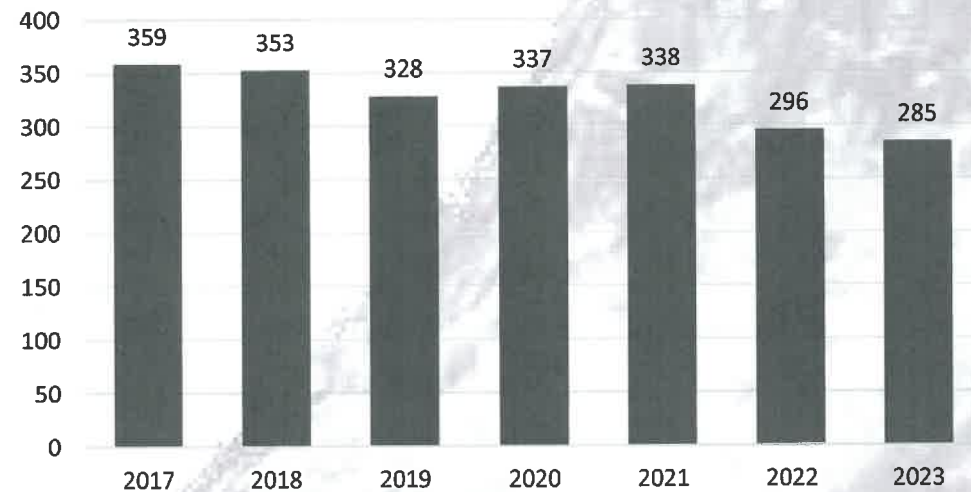


# Full Time and Part-Time Positions

### Authorized FT Positions and Vacancy Rate



### Full Time Equivalent based on Part-time Hours



\*FY23 is six months



# Office of the Commissioners



## FY2024 & 2025 Budget

Office of the Commissioners  
(770012 – Budget Book Page 325)

FY24 increase 21% or \$307k  
FY25 increase 1% or \$23k

### Summary of Changes:

#### Salaries & Benefits:

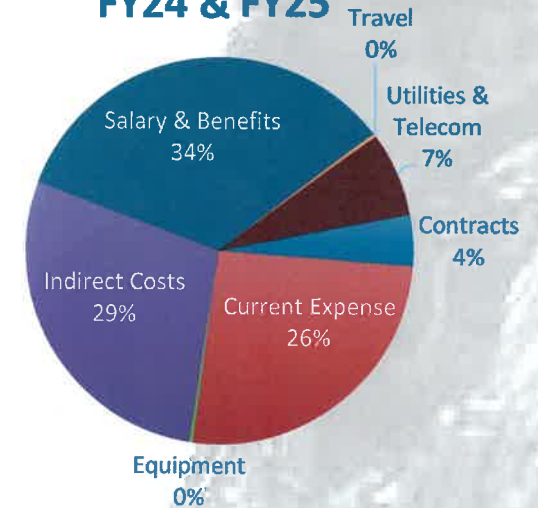
\$22k decrease in FY24  
\$9k increase in FY25

#### Operating:

\$329 increase in FY24 to add consultant line to support DoIT with NextGen system  
\$14k increase in FY25 increase to cover rising costs in contracts and utilities

## Budget Breakdown from Liquor Funds

### FY24 & FY25



Authorized Full-Time Positions:  
2 Unclassified  
2 Classified



# Division of Enforcement



## FY2024 & 2025 Budget

Enforcement, Licensing, & Education  
(770512 – Budget Book Page 326-331)

FY24 decrease -6.6% or -\$304k  
FY25 increase 3.4% or \$144k

### Summary of Changes:

#### Salaries & Benefits:

FY24 -\$368k decrease from positions changes  
FY25 \$117k increase for salary steps and benefits

#### Operating:

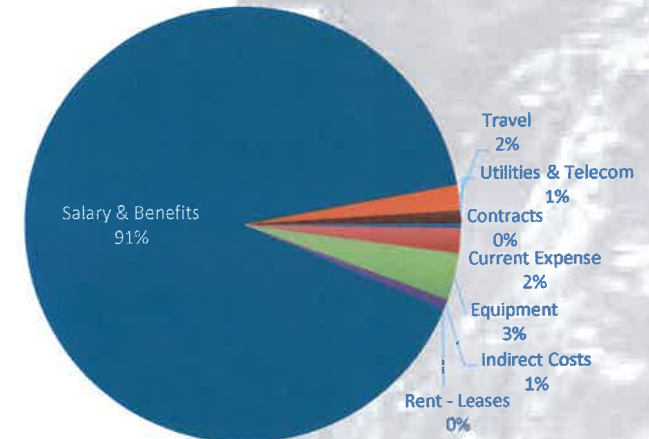
FY24 \$64k increase to cover rising costs  
FY25 \$27k increase to cover rising costs

#### Grants:

\$15k increase in FY24  
\$1k decrease in FY25

## Budget Breakdown from Liquor Funds

### FY24 & FY25



### Authorized Full-Time Positions:

1 Unclassified  
20 Sworn  
13 Civilian



# Division of Administration



## FY2024 & 2025 Budget

Financial Management Div., DoIT, and Human Resources  
(771012 – Budget Book Page 332-334)

FY24 increase 20.1% or \$1.7M

FY25 increase 1.8% or \$188k

### Salaries & Benefits:

FY24 \$278k increase; 2 new positions and positions changes

FY25 \$119k increase for salary steps and benefits

### Operating:

\$472k increase in FY24 to fund indirect cost allocation

\$1k decrease in FY25

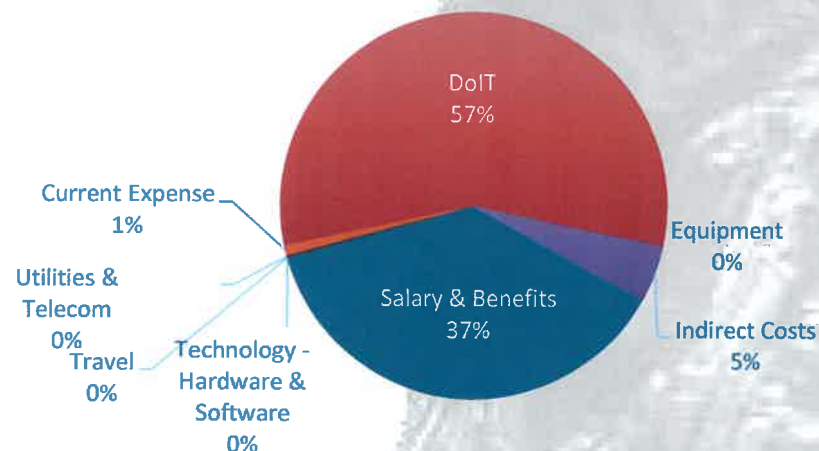
### DoIT:

\$984k increase in FY24 from APN for NextGen system

\$70k increase in FY25

## Budget Breakdown from Liquor Funds

### FY24 & FY25



### Authorized Full-Time Positions:

- 1 Unclassified
- 15 Finance
- 7 Human Resources
- 5 Outlet Auditors
- 3 Inventory Control
- 3 Legal
- DoIT – Class 27



# Division of Marketing & Merchandising



## FY2024 & 2025 Budget

Marketing & Merchandising, Store Ops, Advertising and Warehouse  
(771512 – Budget Book Page 335-338)

FY24 increase 5.2% or \$3.5M

FY25 increase 3.9% or \$2.7M

### Summary of Changes:

#### Salaries & Benefits:

FY24 -\$1.2M decrease from position changes and reduction in PT & OT

FY25 \$1.8M increase for salary steps and benefits

(Includes 24 new Retail Store Clerk II positions,  
Beverage Marketing Specialist & Program Assistant II)

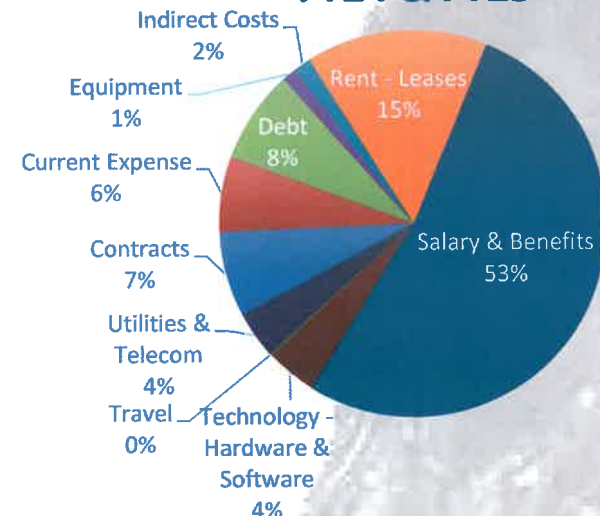
#### Operating:

\$4.7M increase in FY24 \$1.8M additional prioritized needs, continuing operations for contracts, debt, rent, equipment, supplies and utilities

\$900k increase in FY25 for continuing operations for contracts, debt, rent, equipment supplies and utilities

### Budget Breakdown from Liquor Funds

#### FY24 & FY25



### Authorized Full-Time Positions:

- 1 Unclassified
- 14 Marketing & Merchandising
- 281 Outlet/Store Operations
- 3 Warehouse



# Workers & Unemployment Comp.



## **FY2024 & 2025 Budget**

Workers Compensation

(772012 – Budget Book Page 339-340)

FY24 increase 70% or 440k provided by Risk Management and based on historical trends

FY25 increase 5% or \$54k

## **FY2024 & 2025 Budget**

Unemployment Compensation

(772512 – Budget Book Page 96-98)

FY24 & FY25 Budgets are level funded



# HB 2 Liquor Commission Request

## Establish Funding for Retail Employee Incentive Program

**PURPOSE:** The Liquor Commission requests the language below to be included in HB 2 for the 2023 legislative session to establish authorization to transfer money from the liquor fund to other accounts to pay employees who qualify for payments under the rules established for the retail employee incentive program.

**SCOPE OF THE PROBLEM:** Over the past few years the Liquor Commission has witnessed a steady decline in the number of applicants for positions in our retail outlets. Combined with the Covid 19 pandemic and a vastly smaller workforce, businesses raised their pay scales to attract people to vacant positions. The loss of part time personnel has certainly had an impact on the Liquor Commission retail operations as we struggle to compete for, and retain, employees to staff our retail operations.

On October 20, 2022, the Joint Legislative Committee on Administrative Rules adopted the Liq 800 rules, which allows the New Hampshire Liquor Commission to start the process of implementing the Employee Incentive Program (EIP).

For background, the EIP program was authorized by HB 2, 2011, 224:91, which established that the Commission may develop and implement an employee incentive program, but required the Commission to implement the program via rules adopted through RSA 541:1.1 The Chapter law also requires the Commission to issue a report to the General Court each quarter.

Since the Liq. 800 rules were adopted, Human Resources has worked with the Department of Administrative Services to provide a report through NHFIRST to categorize/determine eligibility—as noted in the rules, full time employees must work 40 hours and part time employees must work at least 21 hours a week per quarter. The EIP is schedule for implementation in January 2023.

Money paid to eligible employees are not considered wages; therefore, the Commission would not pay eligible employees from the current class of funds for salary and benefits.





# HB 2 Liquor Commission Request

**REMEDY:** The Liquor Commission requests that the General Court provide the Commission with flexibility to transfer funds, as needed, from accounts within the Commission's budget to separate budget classifications from which to make payments to eligible personnel qualifying for incentive payments as established in the Laws of 2011, Chapter, 224:91, HB2 and established in Liq. Rule Series 800.

Authorization to transfer funds to pay eligible employees will enable the Commission to implement procedures to move funding as needed and establish distinguishable records for the program.

Purpose - Amend RSA 176:16 by inserting new paragraphs VI to allow the Liquor Commission to transfer money from the liquor fund to other accounts to pay employees who qualify for payments under the rules established for the retail employee incentive program.

## DRAFT STATUTORY LANGUAGE:

New language is bold and italicized.

176:16 Funds.

***VI. The Commission shall be authorized to transfer funds for its employee incentive program from the liquor commission fund to such accounts as required to compensate qualifying employees as provided in the Liq 800 rules.***

Note: The HB 2 request for authority to pay retail employees amends RSA 176:16 by adding new sections VI and VII. If that effort is unsuccessful, this separate proposal to amend RSA 176:16 to allow the transfer of funds would add the amended language and the new section would be VI. If both are successful, then this amendment would be VIII.