

Board Meeting Minutes

Virginia Alcoholic Beverage Control Authority Board Meeting

April 20, 2022 – 9:00am

Call Meeting to Order

Authority Board Chair Maria J.K. Everett called the Board Meeting to order at 9:10 am.

Attendance

Board Chair Maria Everett *
Board Vice-Chair Beth Hungate-Noland
Board Member Greg Holland
Board Member William Euille
Board Member Mark Rubin **
Chief Executive Officer, Travis Hill
Chief Government Affairs Officer, John Daniel
Chief Information Officer, Paul Williams
Chief of Law Enforcement, Tom Kirby
Chief Retail Operations Officer, Mark Dunham
Director of Education and Prevention, Katie Crumble
Attorney General's Office Representative, Elizabeth Myers
Hearing & Appeals Legal Counsel, Rachel Yates
Deputy Secretary, Chris Curtis
Executive Assistant, Kathleen LaMotte

Not in Attendance

Chief Transformation Officer, Elizabeth Chu

* Ms. Everett departed the meeting after completion of the closed sessions

** Mr. Rubin appeared telephonically

Moved Into Closed Session

At 9:10 a.m., Board Chair Everett moved that the Board enter closed session to discuss compensation of the CEO pursuant to 2.2-37.11(A)(1). Board member Holland seconded, and the motion passed 5 – 0 on a roll-call vote. Attending the closed session in full were Maria Everett, Beth Hungate-Noland, Greg Holland, Mark Rubin and William Euille.

When the Board returned from Closed session, Board Vice Chair Hungate-Noland moved to certify that to the best of her knowledge nothing was discussed in the closed sessions but personnel matters pursuant to 2.2-37.11(A)(1), and only public business matters lawfully exempted from open meeting requirements was discussed. Board Member Euille seconded; the motion passed on a roll-call vote of 5 - 0.

Board Chair Everett then motioned to re-convene in a close session to discuss compensation of the CEO pursuant to 2.2-37.11(A)(9) to discuss public safety data concerning telecom data processing. Board member Holland seconded, and the motion passed 5 – 0 on a roll-call vote. Attending the closed session

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in full were Maria Everett, Beth Hungate-Noland, Greg Holland, Mark Rubin, William Euille, Tom Kirby, Elizabeth Myers and Travis Hill.

When the Board returned from Closed session, Board Member Euille moved to certify that to the best of her knowledge nothing was discussed in the closed sessions but matters of public safety pursuant to 2.2-37.11(A)(9), and only public business matters lawfully exempted from open meeting requirements was discussed. Board Member Holland seconded; the motion passed on a roll-call vote of 4 - 0.

Approval of Minutes

Board Member Euille moved to approve the minutes from the March 22, 2022, Board meeting. Board Member Rubin seconded the motion and with all in agreement, the minutes were approved through a roll-call vote of 4 – 0.

NEW BUSINESS

Approve recommendations of Real Estate Committee (REC)

- Board Member Euille moved to accept the REC’s recommendations for three renewals, Store 285 (Amherst), Store 245 (Fredericksburg), and Store 267 (Berryville). Board Member Holland seconded the motion, and the Board adopted the recommendations of the REC on a roll-call vote 4– 0.

Authority Updates

Katie Crumble, Director of Education and Prevention reported that:

- Ms. Crumble provided an update on projects attached to these minutes as Appendix- A
- Efforts launched with Digital Operations to place the presented dashboards on the Authority’s website for use by the general public. Education and Prevention is working with Research and Prevention, Legal, and IT to validate data sources and undergo legal review.
- Data will be refreshed every six months

Board member Rubin suggested the creation of a map to show grants distributed throughout the state. Ms. Crumble replied that participation maps for training and grants are created and used for planning purposes, will ask team to think of ways to share this information internally and externally.

Mr. Hill advised the Authority has efforts underway to review data management.

Regulatory Review Update (John Daniel)

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- The regulatory review process has begun. About 70 stakeholders have volunteered to assist in this process. The Authority hopes to create as much consensus as possible. The Board is invited to all regulatory review meetings and it would be helpful to have their participation if possible. The Authority will be led by Tonya Hucks-Watkins.
- The first meeting will be held on May 11. These meetings will be virtual, as many participants are from outside of Virginia.

Old Business

Discussion of Mission Statement

Mission Statement discussion –

Board Member Holland moved to approve the Authority's proposed Mission Statement "To strengthen the Commonwealth through public safety, education and revenue from the responsible regulation and sale of alcoholic beverages". Mr. Euille seconded the motion, and the mission statement was approved by a roll-call vote of 4 – 0.

Authority Reports continued

Change Management – Tracey Lorraine for Elizabeth Chu

Ms. Lorraine reported that:

- Introduced herself to the board and reviewed her background and priorities for the Change Management Office
- Ms. Lorraine shared an update to the Board, attached to these minutes as Appendix B

John Daniel, GAO reported that:

- The Board's binder contains the usual reports, while there are not many cases listed, Hearings is working with Enforcement to process cases in the new VAL system through to hearings
- Budget negotiations are ongoing at the General Assembly, there are over 90 conference committee reports to review.
- There is an upcoming trial regarding skill games, it is anticipated that Chief Kirby will need to be a witness again.

Tom Kirby, Chief of Law Enforcement reported that:

- VAL continues to go forward. A new search engine was placed on the Authority's website to better serve the needs of the users.
- Renewal letters have been sent to licensees. Future months will go more smoothly.

Mark Dunham, Chief Retail and Operations Officer reported that:

- Mr. Dunham introduced Tyler Moore, the new Warehouse Manager, to the Board.
- Through April 16th, year over year retail sales are up 4.2% or \$44.5ml compared to last year or 2.2% above plan with sales totaling over \$1,094,135,503.

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- Regarding Out of Stocks (OOS), the Distribution Center (DC) OOS continue to be an issue as of today the DC is at 230 OOS vs. 199 last year vs. 64 previous year.
- The Supplier Scorecard was revitalized last month, this has prompted several of the Authority's top suppliers to go back to their carriers as the carriers are not meeting their expected performance levels. Nor were they communicating shortfalls back to the supplier. The Authority will begin assessing violation fees in May.
- Retail OOS continue to be higher than historical averages with 376 stores below 94% in stock. Taking supplier OOS into account this would be reduced to 59. Roughly 93% of OOS are supplier related, 1% DC operations and 6% forecasting as of our Monday dashboard report.
- In April, The DC has shipped roughly 24,534 compared to last month 28,759 cases daily, peak-day of 30,011 vs LM 36,566. LY avg 22,769, peak-day of 26,950. Outbound for the month of March is currently running 10% over LY.
- Drivers, appears workforce has stabilized after implementing a competitive pay increase. All outbound loads have been covered since 03/26
- Hiring efforts are underway for some key warehouse positions. The Authority still has quite a bit of runway to create long-term sustainable consistency with the DC team. This requires consistent coaching and accountability for all levels to team members in the DC.
- Tracey Lorraine our new Director of change mgt has hit the ground running. We have a documented road map to build and implement a robust training plan for new and existing DC team members to ready the workforce for OND 2022.
- Hermitage Road warehouse is empty, final billings to store should be completed by this Friday.
- The Marketing Department visited Kentucky distilleries week of 3/28 and selected 51 private barrels.
- Operational Units (Retail, Marketing, Real Estate and Logistics) are actively working with HR on a team building exercise along with the five disfunctions of a team model.

Paul Williams, Chief Information Officer, Reported that:

- The IT Monthly report is in the Board's packet.
- The POS system is running well.

Doug Robinson, Director of Financer, Reported that:

For the month of March vs budget:

- Store sales were 2.9% below budget at \$112M.
- The Cost of Goods Sold (COGS) variance is favorable, due to lower than budgeted sales. COGS is consistent as a % of store revenues at approx. 48%.
- Variable costs were \$1.4M above budget largely due to unfavorable supplies and material costs (\$600k) due to the large purchase of reusable bags expensed in March, higher building rentals (\$500k) due to unbudgeted short-term operating lease costs and increased personal services costs (\$300k) due to the higher utilization of unfilled positions.
- The total Contribution margin was \$01.7M unfavorable at \$24.6M.
- Fixed administrative costs were below budget by \$1.3M due to lower personal services (\$500k) due to unfilled budgeted positions, favorable network computer costs (\$400k) due to supply

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chain issues and a favorable leave liability adjustment (\$300k). Regulatory costs were \$0.5M below budget largely from lower personal services costs (\$600k) due to vacancies.

- Overall, we ended the month \$0.1M favorable at a net profit of \$16.5M, or 0.7% above budget.

For the March fiscal year to date period vs budget

- Store sales were up by 2.3% at \$1.031 Billion
- Net revenue was 2.5% above budget at \$876.7M.
- While the COGS variance is negative, that is due to higher sales. COGS is consistent as a % of store revenues.
- Variable expenses were higher by \$7.0M due to increased manual labor services (\$3.1M) related to repalletizing in the warehouse and temporary labor needs as part-time employees max out on allowed hours, unfavorable building rentals (\$3.1M) due to unbudgeted short-term operating lease costs, higher personnel services expenses (\$2.0M) and higher credit card fees (\$800k) in line with higher sales, partially offset by favorable supplies and materials costs (\$1.0M) due to purchase of reusable bags lagging the expected budgeted purchases and lower equipment costs (\$900K) due to the capitalization of store shelving.
- The contribution margin was positive by \$5.5M or 2.4% above budget for a total of \$235.2M.
- Fixed administrative costs were \$13.6M favorable largely from lower personal services costs due to vacancies (\$4.7M), favorable telecom costs (\$1.6M), favorable network server software and equipment costs (\$1.6M), favorable skilled services costs (\$1.6M) due to hard to fill IT contract positions, unfulfilled computer software costs (\$1.6M), a net favorable year-to-date leave liability adjustment of (\$1.2M) and lower training/travel costs due to Covid (\$1.0M)
- Regulatory costs were \$4.3M favorable principally in personal services due to vacancies.
- After adjusting for the positive variances in fixed costs, we come up with a net profit of \$169.8M which is \$23.4M above budget, 16.0% ahead of budget.

Travis Hill, CEO Reported that:

- The Authority has plenty of headroom headed into last quarter of year and well on target to deliver expected profits.
- The Press releases and FOIA request reports provided to the board contains nothing of note.
- Several bonus actions for employees are included in the HR report provided the the Board.
- The KPI report demonstrates that retail in-stock position starting to climb again due to efforts of retail and logistics, and employee turnover being reduced, reflective of labor market and pay-action impacts.
- The Authority is working on examining vision and values, sessions completed with research and planning. Mr. Hill will update the board on this progress
- An effort is underway to review the prioritization of projects and efforts – 181 efforts that had been documented, some are complete and being removed, some running at a divisional level, some being de-prioritized, some identified for focus. Placing emphasis on divisional KPI as well as Authority KPI.
- The Governor's office requested the Authority's Objectives and Key Results (OKR), the Authority provided metrics that support their efforts.

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- VCU is scheduled to do a walk-through at Hermitage Road next month.
- Forecasting is a challenge without a budget from the General Assembly. Anticipates looking at what is coming down the pike, there is a small unassigned MEL count, DPB asked for information on that.

Comments from the Board

None

Public Comments

Michael Grasso expressed appreciation for letting him sit in and listen to how the Authority Operates at the leadership level.

Meeting adjourned at 11:50

Education & Prevention Updates

White Papers, Community Dashboards and
Community Engagement

APPENDIX A



White Papers



What is a White Paper?

A report or guide that informs readers concisely about a complex issue and presents the issuing body's philosophy on the matter. It is meant to help readers understand an issue, solve a problem, or make a decision.

The Three-Tier System

Understanding the THREE-TIER SYSTEM

When the 21st Amendment was adopted in 1933, it not only repealed the 18th Amendment, which prohibited the production, transport and sale of alcohol at the federal level, but it also gave states the right to regulate the sale and distribution of alcohol.¹ Shortly thereafter, a new regulatory mechanism known as the three-tier system emerged. This structure was intended to prevent a single company from managing multiple levels of the supply chain (known as vertical integration). It also provided an efficient way to collect state excise taxes and track alcohol through the middle, wholesaler tier. Virginia's three-tier system is guided by Code of Virginia 4.1-215, which states Virginia finds it necessary and proper to separate interests between manufacturers, wholesalers and retailers in order to prevent manufacturers from dominating local markets and to prevent excessive alcoholic beverage sales resulting from aggressive marketing techniques.²

The three-tier system represents the relationship between manufacturers, wholesalers and retailers of alcoholic beverages. The system emphasizes checks and balances, allowing states to ensure the process in which alcohol is produced, distributed and sold to consumers is done so in a safe manner. Manufacturers, wholesalers and retailers all have separate, independent roles in the process to make sure alcoholic beverages are checked for safety several times before being purchased by a consumer. Each tier must obtain a license to operate in the state. In general, a single entity cannot hold licenses across more than one tier, however there are exceptions. One exception is that a manufacturer can hold a retail license but cannot sell their products under that license unless both licenses are located contiguous to one another (e.g., brewpubs).

The Virginia Alcoholic Beverage Control Authority (Virginia ABC) provides licenses at the manufacturer, wholesaler and retailer levels of the three-tier system. Manufacturers include distilleries, breweries and wineries that produce alcoholic beverages. Once beverages are produced by the manufacturer, they are then distributed by wholesalers. In Virginia, wine and beer beverages are

distributed by wholesalers with Virginia ABC retail license. Because Virginia is a controlled state, Virginia ABC serves as the state distributor of spirits, controlling volume of sales in state revenue which goes to the commonwealth's general fund, helping fund education, health and human resources, public safety and more. For more information on current status, see Virginia ABC's "Control State Budget" white paper. For local use, see 2015 Virginia ABC national BPA and website in the general fund.³

From the wholesaler, alcoholic beverages are then passed to the retailer. Retail is the point at which alcoholic beverages can be sold to consumers. As a result, manufacturers and wholesalers are prohibited to sell to consumers directly. In Virginia, wine and beer are sold by private retail businesses of Virginia ABC. Spirits are sold either "by the glass" or as samples for on-premise consumption by retail beverage retail facilities, such as bars and restaurants, or they are also sold "by the bottle" for off-premise consumption by Virginia ABC and Outlets of Virginia ABC.

The Three Tier System



BENEFITS OF THE THREE-TIER SYSTEM

The three-tier system provides a wide range of benefits, including the protection of alcoholic beverage retail premises to create a balanced marketplace. According to the National Alcoholic Beverage Control Association, before Prohibition, one factory could run every business in a city or town, only selling its liquor in its own saloons.⁴ Large manufacturers that could afford distributing and sales could run smaller manufacturers out of business. The current three-tier system prevents the form of major concentration by spreading checks and balances of power within the three-tier system. Other economic benefits include the assurance of tax collection. Economies estimate that alcohol taxes generate over \$1.1 billion in revenue for federal, state and local governments in Virginia. Referees and retailers are strictly retail businesses located within the state, making these groups easier to regulate and ensuring that products sold in Virginia pay their share of excise taxes.⁵

In addition to fair accounting, the three-tier system also helps promote public health by preventing excessive alcoholic beverage sales. Because products are tracked from production to retail sale through the wholesaler, the sale of tainted and counterfeit alcohol that can harm the health of consumers is limited to the U.S. compared to other countries where a three-tier system for alcohol distribution does not exist. For example, three dozen deaths and several hundred injuries linked to tainted spirits were reported in the Czech Republic in 2012, and Honduras, India, Russia, China and the United Kingdom all reported similar occurrences in the early 2010s. Because the three-tier system regulates the alcohol products produced, public health and safety from the moment an alcoholic product is manufactured to the moment it is sold to a consumer, emphasizing the quality of alcoholic beverages while promoting economic opportunities.

80%
of respondents express support for continuing regulation using a three-tier system according to a 2020 national poll by the Center for Alcohol Policy.

\$616.4M
contributed to the commonwealth's general fund from Virginia ABC sales and taxes during Fiscal Year 2021.

THREATS TO THE THREE-TIER SYSTEM

There are several threats to the three-tier system, including the potential for degradation of alcoholic beverage production. There is a growing concern that others to compete alcoholic sales every 1/2 will undermine the three-tier system. However, once a person understands the value of the system and the consumer protection it affords to the public, there is widespread support for the system, as evidenced by a national poll conducted by the Center for Alcohol Policy. About 80% of respondents agree that support for continuing to use the three-tier system a percentage that has been consistent over the last 10 years.⁶ The support for alcohol regulation remains consistent across political party lines. As well, in 2016, 88% of Republicans, 81% of Democrats and 82% of Independents favored alcohol being regulated by the state.⁷

Another threat to the system lies with craft producers that are competing within the manufacturing tier and the retail tier. Some state court cases have allowed for greater competition of these producers, or other states have permitted craft producers to sell their own products directly to the public, without a tier. In Virginia, every manufacturer has a retail privilege; production can always be sold with retail manufacturers. This can allow when a manufacturer can hold an on-premise or retail beverage retail license. However, the products must be sold on the same property as manufactured. This typically, the manufacturer for beverages are an exception to the on-site rule, as they can have retail and off-premise privileges with their manufacturing.⁸

A major threat to the three-tier system has emerged with the rise of direct-to-consumer shipping of alcohol. The process of allowing manufacturers to ship directly to consumers or other retail locations disrupts the entire system. Encouraging the wholesale tier of the three-tier system through direct-to-consumer channels could also lead to fewer checks and balances, undermining the quality control concerning how long spirits are aged in the U.S. alcohol marketplace. Further, it can be challenging for small distillers to compete with established wineries, breweries, distillers or producers that are able to establish the for companies in different states.⁹ If a small craft manufacturer cannot take a distribution to retail, the products to shipping, then they are forced to ship out profit, as manufacturers with large distribution networks can.

CONCLUSION OF REFERENCES

Manufacturers, wholesalers and retailers all work together to ensure quality products for consumers. The three-tier system provides a balanced marketplace, and the three-tier system remains a standard tool for regulation that is not only supported by the public, but is effective in regulating the economy and maintaining public health and safety.

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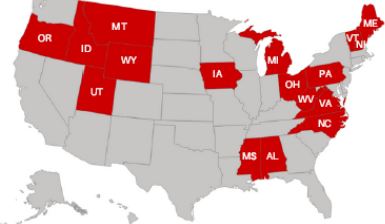
Control State System



Understanding the CONTROL STATE SYSTEM

A control system jurisdiction establishes the government as a market participant, selling alcoholic beverages at wholesale and/or retail levels within its borders. Control jurisdictions typically sell spirits at the wholesale level, however in some cases, jurisdictions may also sell wine and beer. In the United States, there are 17 states and several local jurisdictions in Alaska, Maryland, Minnesota and South Dakota, that operate under the control model (see figure 1).¹ The control system model was first recommended in the wake of Prohibition, when the 18th Amendment prevented the manufacture, sale and transportation of alcoholic beverages in the United States from 1920 to 1933. In 1933, a study commissioned by businessman and philanthropist John D. Rockefeller to address the ills the country experienced prior to Prohibition produced a report, **Toward Liquor Control**, which served as a blueprint for states recently granted the authority over regulating alcohol sales within their borders. The report recommended several strategies, with one being the adoption of restrictions for high alcohol by volume (ABV) products, such as spirits. The control system model was one mechanism to mitigate consumption of higher ABV products, along with higher taxes and more restrictions on where they could be sold.²

Figure 1: States Operating Under a Control System Model



¹ There are 17 states that follow a control model: Alabama (AL), Idaho (ID), Iowa (IA), Maine (ME), Michigan (MI), Minnesota (MN), Montana (MT), New Hampshire (NH), North Carolina (NC), Ohio (OH), Oregon (OR), Pennsylvania (PA), Utah (UT), Virginia (VA), West Virginia (WV) and Wyoming (WY).



In the Commonwealth of Virginia, spirits are sold by the Virginia Alcoholic Beverage Control Authority (Virginia ABC), operating as the exclusive wholesaler and retailer of spirits in the state and following the guidance of the three-tier system. Virginia ABC, acting as the wholesaler, ships spirits to its stores, and those with proper licenses to sell alcohol in Virginia purchase from Virginia ABC stores. Beer and wine, on the other hand, are distributed and sold by private wholesalers and retailers who are licensed by Virginia ABC.³ (For more information on relationship between wholesalers and retailers, see Virginia ABC's "Three Tier System" white paper.)

In recent years, there has been mounting pressure to privatize jurisdictions operating under the control system model, calling for the removal of government from the marketplace whereby all products are sold by the private sector. Privatization is one of several forms of deregulatory efforts of the U.S. alcohol marketplace. In Virginia, there was an attempt by then-Governor Bob McDonnell to privatize the system in 2011, but it was met with strong opposition from lawmakers who thought the proposal would triple the number of retailers selling alcohol. Worries about an increase in alcohol consumption, loss of state revenue and spikes in liquor prices led to decreased support for the measure to the point where the proposal died without a vote nor hearing.⁴

Based on strong evidence that privatization leads to an increase in per capita alcohol consumption, as lawmakers in 2011 feared, the Community Preventive Services Task Force (CPSTF), a nonpartisan, nonfederal panel of public health experts, recommends against the privatization of alcohol sales in areas with current control of retail sales.⁵ The CPSTF found that **privatization does not lead to effective prevention of diseases and injuries that can arise from excessive drinking.** Under the control model, jurisdictions can regulate the number of alcohol outlets in given areas, however switching control to private businesses leads to increases in the number of outlet stores seen in jurisdictions. This, in turn, is associated with increases in suicide, assault and violence and a decrease in annual revenue.⁶ An increase in the number of stores that sell alcohol does not equate to an increased profit control states often collect revenue per gallon of spirits that is **more than three times higher** than of non-control states.⁷

THE COMMUNITY PREVENTIVE SERVICES TASK FORCE
was established by the U.S. Department of Health and Human Services to identify public health interventions that are proven to save lives, increase lifespans and improve quality of life.⁸



There are many other public health and social benefits to operating as a control state, including better regulation of products in order to protect consumers. A retailer operating a control system may ban or restrict products, such as high alcohol or alcoholic energy drinks, for several reasons, including the need of making these products harder to consume or promoting social responsibility. Further, a recent study that looked at control state alcohol policy environments found that states with higher alcohol policy scores (APSS) have lower alcohol-related deaths.⁹ Those living in control states also have decreased odds of drinking and more controlled alcohol policies are associated with decreased odds of individuals experiencing consequences of alcohol, including vehicle crashes.¹⁰ The more controlled a state's alcohol policies are, the lower the behavioral odds of alcohol being involved in a fatal or crash. Additionally, these policies, including the control system, may help in protecting adults from alcohol-related health outcomes, in which higher alcohol control levels are linked to CVD¹¹ for children, adolescents and young adults, control policies on alcohol are similarly associated with fewer crop fatalities.¹²

Alcohol sales third of states operate a control model system, which helps uphold the three-tier system, an essential regulatory tool to promote a balanced and fair marketplace. The benefits afforded to residents of states that operate the control model are central to its continued success. These benefits not only include increased public health and safety, but also an increase in revenue for jurisdictions. In Virginia, ABC provides enforcement, education and prevention programs and other efforts that are easily executed due to its ability to monitor the sale of alcohol statewide. Each year, per the Code of Virginia, Virginia ABC delivers revenue to the commonwealth's general fund for designated state education, health, human resources and public safety programs and services for residents. During Fiscal Year 2023, ABC contributed a total of \$878.4 million, an increase of \$71.1 million over the previous year, bringing the total contribution to Virginia's general fund to more than \$2.8 billion in the last two years.



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Effectiveness of Drunk Goggles

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Understanding the Effectiveness of **DRUNK GOGGLES**

Driving under the influence of alcohol remains a common traffic safety issue seen by law enforcement in Virginia. Although the legal blood alcohol concentration (BAC) level is 0.08, **impairments caused by drinking alcohol can occur at any BAC level and to any demographic group.**¹ Alcohol affects an individual's attitude, judgment, perception, reaction and control, making it especially dangerous to operate a vehicle under such conditions.² According to the Virginia State Police, officers arrested over 17,000 people in 2020 for driving under the influence.³ Data from the Virginia Department of Motor Vehicles indicate the total number of vehicle crashes involving those who drove under the influence of alcohol in 2020 was 6,624, with 3,986 crashes involving injuries and 272 crashes leading to fatalities.⁴ Although the frequency of arrests for driving under the influence and alcohol-related crashes has decreased over the last few years (See Table 1.), much work remains in preventing and educating drivers on the impacts of alcohol on the ability to drive safely.

Table 1: Frequency of Driving Under the Influence in Virginia

	2018	2019	2020
Arrests for driving under the influence	21,362	21,272	17,028
Number of alcohol-related vehicle crashes	7,181	7,048	6,824
Number of alcohol-related vehicle fatalities	278	264	272
Number of alcohol-related vehicle injuries	4,475	4,402	3,986

One popular tactic used by education and prevention professionals to address the frequency of drinking and driving is incorporating **drunk goggles** into education activities. Drunk goggles, also known as **beer goggles**, are intended to educate users on the harmful consequences of alcohol impairment. The goggles are typically worn by a handful of people who then participate in activities that simulate drinking and driving while an audience observes to see how alcohol

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EVIDENCE-BASED RESEARCH

affects participants' movements. Observers are asked to draw conclusions on how alcohol can affect driving abilities.⁵ Activities involving drunk goggles are often used with middle school, high school and college student audiences, as professionals often wish to aim traffic safety messages at younger populations.

17,028 arrests occurred in Virginia in 2020 for driving under the influence

6,624 alcohol-related vehicle crashes occurred in 2020 in Virginia

The few studies that have explored the use of drunk goggles on prevention have shown some short-term attitude changes yet no effects on behavior changes. Although immediate **changes in attitudes** toward drinking and driving are significant between those participating in the use of drunk goggles and onlookers, **this difference fades after four weeks and is not accompanied by a decrease in drinking and driving.**⁶ Changes in attitudes toward drinking and driving are more significant with groups of college students that experience wearing drunk goggles compared to groups overseeing the use of drunk goggles, as **onlooker effects are no more impactful than watching a five-minute educational video.**⁷ Those who tend to drink more in social settings, and those less likely to drive as a means of independence or autonomy show reduced intentions of drinking and driving after participating in a traffic simulator activity using drunk goggles. When interventions using drunk goggles are implemented with middle school populations, middle school students **do not show significant changes in attitudes** towards drinking and driving, suggesting attitude change more likely happens when the intervention is aimed at an older target audience.^{9,10}

2

VIRGINIA ABC | EDUCATION AND PREVENTION

CONCLUSION & REFERENCES

Although evidence exists to support the effectiveness of using drunk goggles to create attitude change regarding drinking and driving, attitude changes are not significant beyond immediate effects and do not lead to a behavior change. **No supportive evidence exists** regarding the impact of drunk goggles on various audiences longitudinally and whether there is a difference in effectiveness regarding the type of activity participants complete while using the drunk goggles. Because there is no evidence to support behavior change and little evidence exists to support a significant attitude change, **Virginia ABC does not recommend the use of drunk goggles as an effective prevention strategy.** However, if drunk goggles are used, they should be utilized in an environment in which every member of the audience can experience wearing the goggles to ensure the best chance at creating an attitude change for everyone involved.

For ideas on effective, evidence-based prevention strategies, check out the recommendations provided by the **Community Preventive Services Task Force:** <https://www.thecomunityguide.org/topic/excessive-alcohol-consumption>.

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3



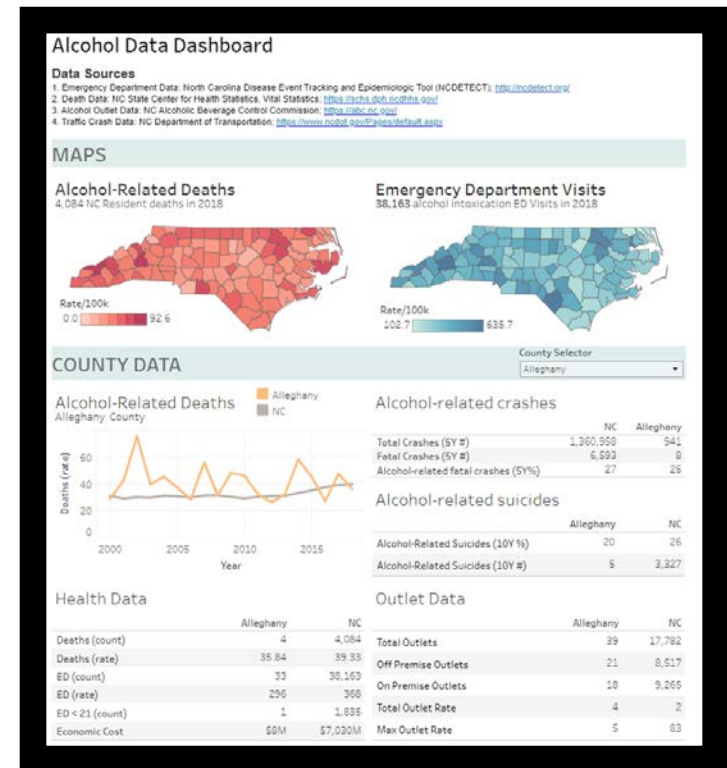
Alcohol Health & Safety Community Dashboards



What are Community Dashboards?

- Interactive data visuals
- Users:
 - Prevention Professionals
 - Government Affairs & Legislators
 - State Agencies
 - Virginia ABC divisions

North Carolina Dept. of Health & Human Services
Injury & Violence Prevention Department



https://dashboards.ncdhhs.gov/t/DPH/views/AlcoholDashboard_2020Update_04042021/Story?%3Aembed=y&%3AisGuestRedirectFromVizportal=y



Purpose

Provide Virginia community members, state organizations and Virginia ABC with state and local alcohol-related data and trends in order to inform community and state-wide policies, projects and initiatives aimed at addressing alcohol use.



Inputs

Phase 1 (March 2022)	Phase 2 (June 2022)	Phase 3 (TBD)
Demographics	Licensee sales*	Store hours*
Retail sales*	Licensee type and locations*	Tax data*
Retail locations*	Store/licensee compliance rates*	Alcohol-related hospitalizations
Excessive drinking rates	Number of violations*	Alcohol-related EMS calls
Alcohol-related crashes	School alcohol offenses	College campus liquor law violations
DUI data	School locations	

*data provided by ABC



The Dashboards

High Level Virginia Population Overview



**ALCOHOL HEALTH & SAFETY
COMMUNITY DASHBOARDS** 

Year 2022	Population 8.5M	Select one City/County to filter dashboard view. To select multiple, hold the ctrl button while selecting. <input type="text" value="All"/>
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2020 City/County Demographic Information

City/County	Population	% Non-Hispanic White	% Non-Hispanic Black	% Hispanic	Median Household Income	High School Graduation Rate	% Less Than 18 Years of Age
Virginia	8,535,519	61.25	19.12	9.78	76,471	87.69	21.80
Fairfax, Virginia	1,147,532	50.05	9.94	16.52	127,898	86.00	23.25
Prince William, Virginia	470,335	41.51	20.66	24.49	106,208	88.00	26.85
Virginia Beach City, Virginia	449,974	61.07	19.08	8.50	78,491	90.00	22.00
Loudoun, Virginia	413,538	54.78	7.51	13.91	151,806	93.00	27.87
Chesterfield, Virginia	352,802	60.62	23.56	9.46	81,641	88.00	23.53
Henrico, Virginia	330,818	52.15	30.20	5.97	68,975	89.00	22.42
Chesapeake City, Virginia	244,835	56.70	29.66	6.63	77,361	90.00	24.14
Norfolk City, Virginia	242,742	43.32	40.57	8.46	52,437	78.00	19.37
Arlington, Virginia	236,842	61.35	9.07	15.60	118,986	85.00	18.14
Richmond City, Virginia	230,436	42.21	45.93	7.29	50,949	66.00	17.22
Newport News City, Virginia	179,225	42.25	40.93	9.42	53,022	88.00	23.15
Alexandria City, Virginia	159,428	52.23	21.83	16.61	102,589	75.00	18.00
Stafford, Virginia	152,882	59.31	18.79	14.18	109,090	92.00	25.93
Sentinel, Virginia	126,245	66.50	16.47	10.72	60,262	88.00	24.54

(1)



The Dashboards

Retail Locations and Sales

2021 Retail Sales
1.36B

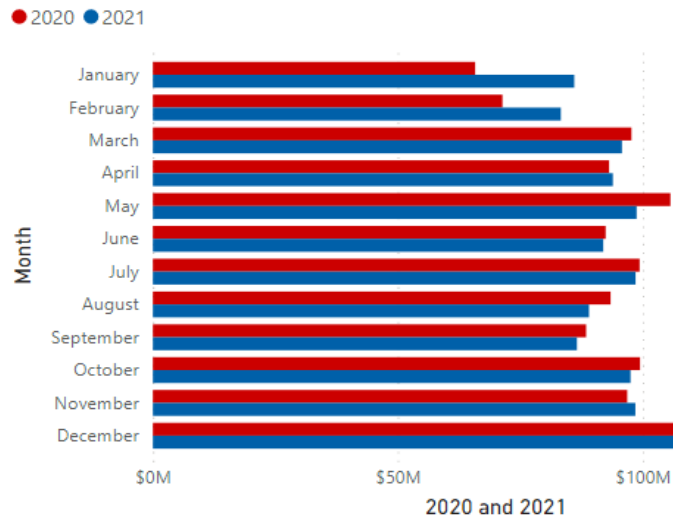
Highest One-Month Sales
1.33M

Total Retail Stores
396



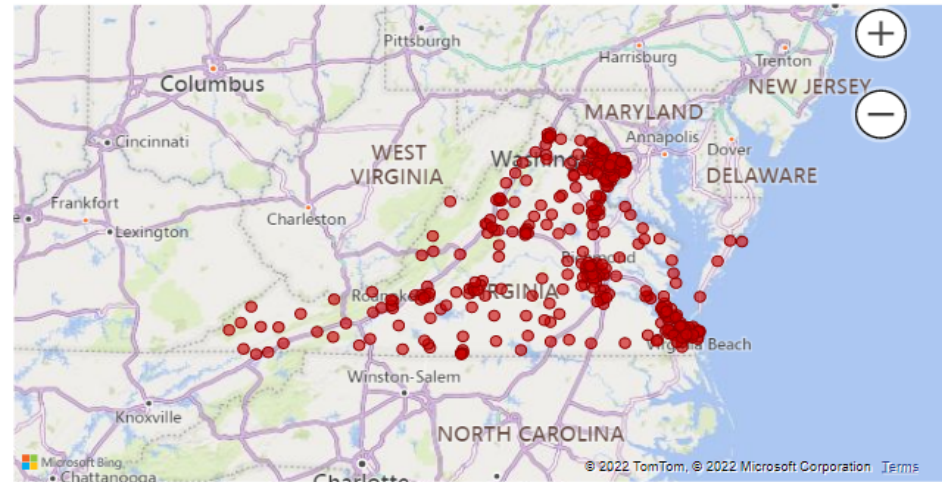
ALCOHOL HEALTH & SAFETY
COMMUNITY DASHBOARDS

Retail Dollars by Year



(2)

Virginia ABC Retail Locations

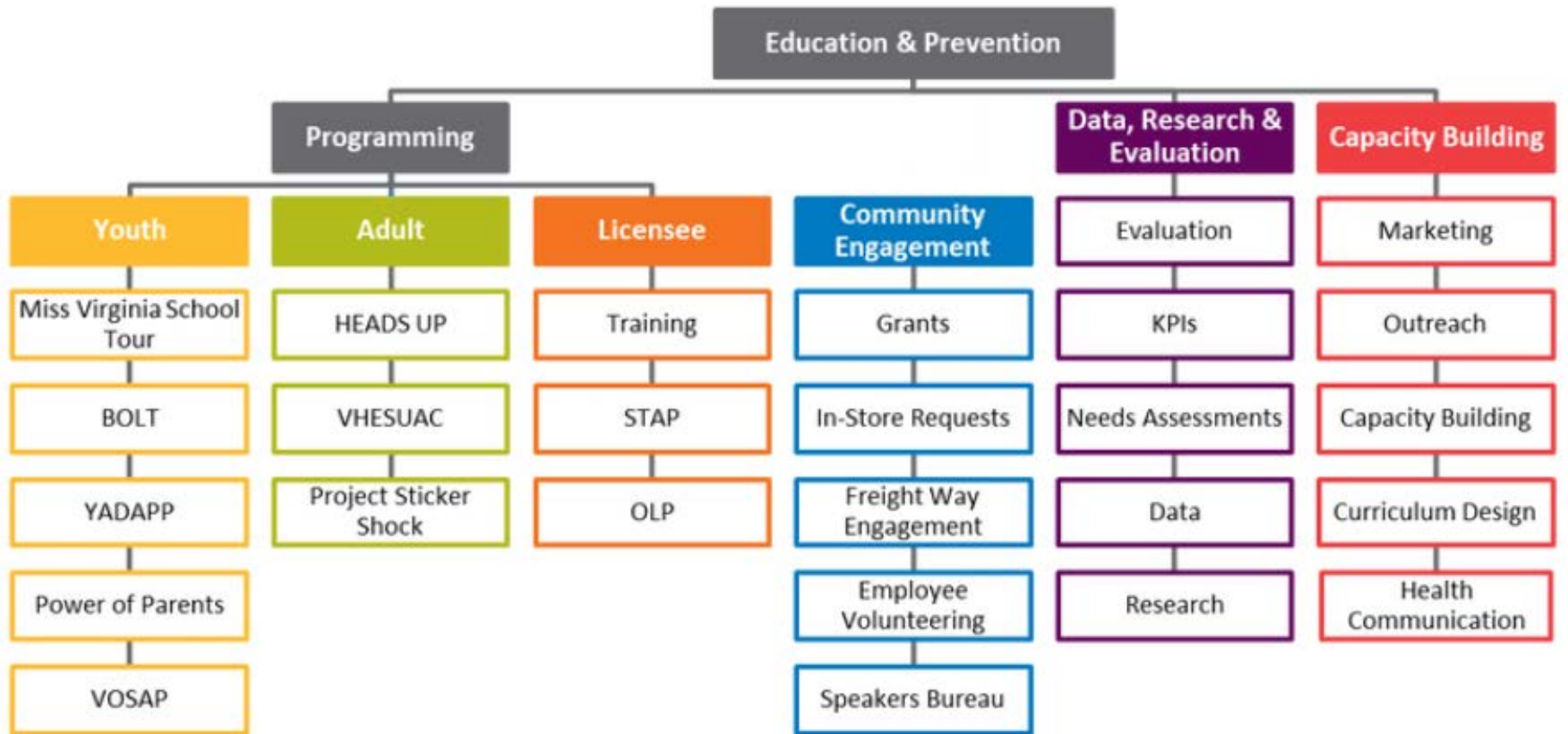


(2)



Community Engagement





Purpose

Virginia ABC believes in the importance of communities across the commonwealth being safe and healthy. The purpose of Virginia ABC's Community Engagement Program is **to strengthen communication and engagement with the communities we work in** by providing a variety of accessible and meaningful ways for employees to engage in their communities and ways for communities to engage with Virginia ABC.

Virginia ABC is currently known for the regulation of alcohol, sale and distribution of spirits and alcohol education and prevention in the commonwealth, **our hope is that Virginia ABC may also be associated with partnership, service and community engagement.**



Benefits

- Employee engagement
- Corporate social responsibility
- Teambuilding opportunities
- Service to the communities we work in
- Tangible display of Mission, Vision, Values for employees & general public
- Cohesive structure to organize requests that are already occurring

Timeline

2013

- Alcohol Education & Prevention Grant program launched

2020

- In-Store Request program launched

2022

- Freight Way engagement launching
- Employee Volunteering launching

2023

- Speakers Bureau launching





CTO Board Update 4/20/22

Appendix B



www.abc.virginia.gov



Change Management Office

Holistic CMO Priorities

- **Short-term:** Align on **Strategic Objectives** & initial **efforts to support** (prioritization)
- **Over time:** Change Capability & Competencies across the enterprise
 - **Equip, Energize and Empower** leaders of all levels to deliver and sustain successful results
 - Front-end **change analysis and reporting; customized solutions** by stakeholder; **holistic tapestry** (people, process, technology) coming together to deliver on ABC commitments
- **Outcomes: Expedite Excellence, Minimize Risks, and Create and sustain a productive & positive work environment**
 - Investing time to ensure the what, why and how of changes are clear;
 - Proactive, transparent communications and training
 - Aligned performance requirements, accountability, recognition, sustainability practices
- **VAL**
 - 6 licensee and PST Learning Modules on track for completion by months' end
 - Continuing to build out change management, training and communications
- **Warehouse Operations**
 - Partnership with CROO; Warehouse Optimization Workgroup launching in early May
 - Initial focus on short term-delivery (holiday readiness), followed by sustainability planning
 - **Additional work on the Horizon:** Staffing, Customer Support, eCommerce transformations to come



Project Management Office

- In addition to the regular updates PMO has distributed, recruiting is underway
 - [PMO Manager & Senior PM](#)
 - [2nd interviews next week for each](#)



Diversity, Equity and Inclusion Office

- DEI Director – 5 candidates going through screening process
- Survey results distributed
 - Should have received weekly communications with DEI survey results
 - Week 1: General Overview
 - Week 2: Belonging and Fairness
 - Week 3: Growth Mindset and Professional Development
 - Week 4: DEI and Accessibility
 - Week 5: Next Steps and Performance Indicators



Research and Planning Office

- **Strategic Planning**
 - Vision and Values work is underway with leadership team
 - SP - Meeting with each division to solidify strategic objectives, KPIs over the next 3 years
 - Designing to ensure effective monitoring and measurement; scalable, adaptable
- **Project Prioritization**
 - Program/project recommendations have been shared with C-suite for input and approval
 - Data-driven process; evaluated on impact, strategic value and implementation viability
 - Prioritization will be ongoing @ completion of key efforts + in response to new mandates
- **Data Management**
 - Data management business case being developed in conjunction with IT
 - Data publishing process and guidelines drafted