



Commonwealth of Virginia

General Assembly
RICHMOND

April 1, 2024

The Hon. Timothy D. Hugo
Chair, Virginia Alcoholic Beverage Control Authority Board
P.O. Box 3250
Mechanicsville, VA 23116

Dear Chairman Hugo,

We have been following the news regarding the Alcohol Beverage Control Authority's revenue projections for the 2024-2026 biennium budget with growing concern.

At both the March 19th and March 27th meetings of the Authority Board, Authority staff presented an updated financial outlook suggesting that both revenues and profits are falling far short of those assumed in the Governor's introduced budget. According to Authority staff presentations, anticipated net profit transfers are now projected to be more than \$110 million less than previously expected for the 2022-2024 biennium. However, at both meetings, the Board declined to adopt a revised revenue forecast for the upcoming biennium. We find this omission to be alarming and problematic.

The Authority's expected revenue and profit shortfalls are unprecedented and these shortfalls should be acknowledged. By not adopting revised financial estimates, the Authority is undermining the ability of the Commonwealth to create a balanced and fiscally sound budget. We urge you and other members of the Board to adopt a revised revenue forecast that meets the standards of good budgeting practices at your next meeting, currently scheduled for April 17th.

If we can be of assistance, please do not hesitate to contact us. Thank you for your attention to this important matter.

Sincerely,

Handwritten signature of Paul Krizek in black ink.

Delegate Paul Krizek (District 16)

Handwritten signature of Barbara Favola in black ink.

Senator Barbara Favola (District 40)

cc: Governor Glenn Youngkin
Chair, Senate Finance, Senator Louise Lucas
Chair, House Appropriations, Delegate Luke E. Torian
Chair, House General Laws, Delegate David Bulova
Interim Chief Executive Officer, ABC, Thomas Kirby