

DFA - ABC ADMINISTRATION

Enabling Laws

Act 2018 of 2005
AR Code §3-2-101 - §3-2-412

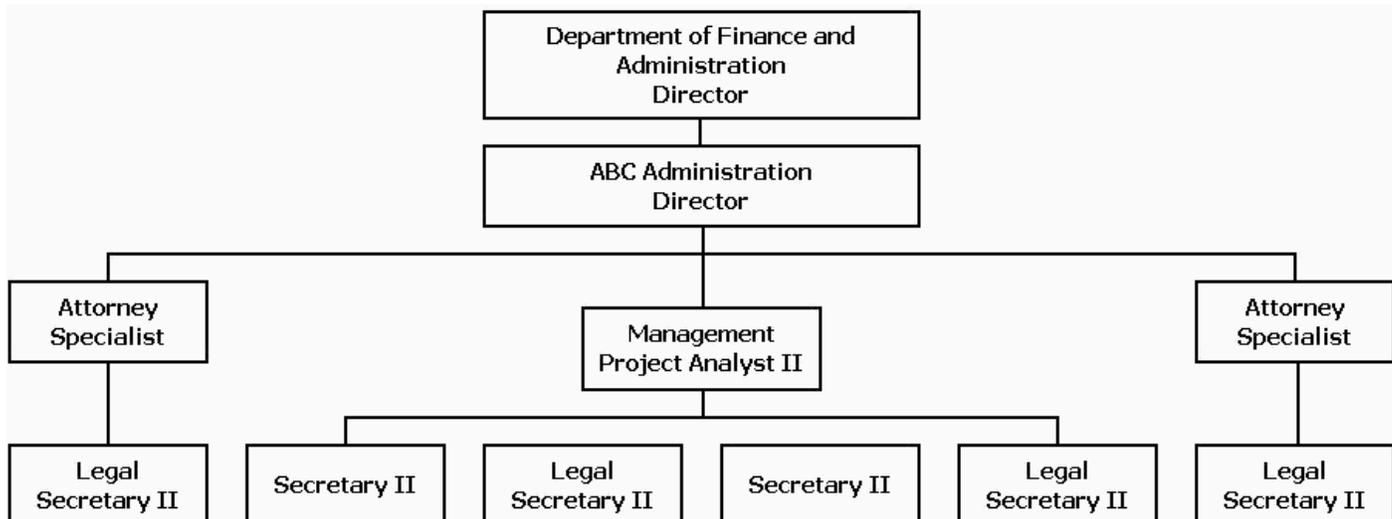
History and Organization

The Alcoholic Beverage Control Division has as its mission, such duties and assignments as have been given to it by the Arkansas General Assembly over the years. Those powers and duties can be briefly described as being the regulation, supervision and control of the manufacture, distribution and sale of all alcoholic beverages and the issuance of permits, and the regulation thereof, in pursuit of those duties and powers.

Established with the creation of the Department of Alcoholic Beverage Control (Act 159 of 1951) the Alcoholic Beverage Control Board originally consisted of three members appointed by the Governor to serve a six year term. Membership on the Board was increased to five members with the passage of Act 343 of 1971. The Board did have statutory authority to hire the Director of the Alcoholic Beverage Control Administration Division. Since 1971, the Director has been appointed by the Director of Department of Finance and Administration with the approval of the Governor.

The Alcoholic Beverage Control Division has adopted, through statutory processes, rules and regulations which compliment, but do not contradict, laws provided by the Arkansas General Assembly. The Alcoholic Beverage Control Division receives applications, processes those applications and, depending upon whether the qualifications are met as established by law and by regulation, the permit may be issued to the applicant.

In summary, the mission of the Alcoholic Beverage Control Division is to exercise supervision and control over a system which allows for the legal distribution of alcoholic beverage products in the State of Arkansas.



Agency Commentary

The Alcoholic Beverage Control Administration Division of the Department of Finance and Administration supervises, regulates and controls the manufacture, transportation, dispensing, sale and consumption of alcoholic beverages in the State of Arkansas.

The Alcoholic Beverage Control Administration Division is funded from general revenue. The Agency is requesting a change over Base Level for Extra Help appropriation in the amount of \$1,000 each year of the biennium to allow for the minimum wage increase and \$77 for related Personal Services Matching. This request will also provide adequate appropriation during renewal season.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ALCOHOLIC BEVERAGE CONTROL – ADMINISTRATION DIVISION
FOR THE YEAR ENDED JUNE 30, 2005

| Findings | Recommendations |
|----------|-----------------|
| None | None |

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 3 | 6 | 9 | 90 % |
| Black Employees | 0 | 1 | 1 | 10 % |
| Other Racial Minorities | 0 | 0 | 0 | 0 % |
| Total Minorities | | | 1 | 10% |
| Total Employees | | | 10 | 100 % |

Publications

A.C.A 25-1-204

| Name | Statutory Authorization | Required for | | # Of Copies | Reason (s) for Continued Publication and Distribution |
|---------------------------|-------------------------|--------------|------------------|-------------|---|
| | | Governor | General Assembly | | |
| ABC Rules and Regulations | None | N | N | 600 | To provide ABC Rules and Regulations information to customers with ABC permits. |

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

| Appropriation | 2005-2006 | | 2006-2007 | | 2006-2007 | | 2007-2008 | | | | 2008-2009 | | | |
|--------------------------------|-----------|-----|-----------|-----|------------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|
| | Actual | Pos | Budget | Pos | Authorized | Pos | Agency | Pos | Executive | Pos | Agency | Pos | Executive | Pos |
| 261 ABC Administration - State | 628,365 | 10 | 657,690 | 10 | 662,490 | 10 | 667,514 | 10 | 667,514 | 10 | 667,514 | 10 | 667,514 | 10 |
| 911 ABC Administration - Cash | 1,631 | 0 | 10,964 | 0 | 10,964 | 0 | 10,964 | 0 | 10,964 | 0 | 10,964 | 0 | 10,964 | 0 |
| Total | 629,996 | 10 | 668,654 | 10 | 673,454 | 10 | 678,478 | 10 | 678,478 | 10 | 678,478 | 10 | 678,478 | 10 |

| Funding Sources | | % | | % | | % | | % | | % | | % | |
|--------------------------------|---------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|
| Fund Balance | 4000005 | 5,499 | 0.9 | 6,055 | 0.9 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| General Revenue | 4000010 | 628,365 | 98.8 | 657,690 | 98.4 | 667,514 | 98.4 | 667,514 | 98.4 | 667,514 | 98.4 | 667,514 | 98.4 |
| Cash Fund | 4000045 | 2,010 | 0.3 | 4,909 | 0.7 | 10,964 | 1.6 | 10,964 | 1.6 | 10,964 | 1.6 | 10,964 | 1.6 |
| Interest | 4000300 | 193 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Service Charges | 4000447 | (16) | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Funds | | 636,051 | 100.0 | 668,654 | 100.0 | 678,478 | 100.0 | 678,478 | 100.0 | 678,478 | 100.0 | 678,478 | 100.0 |
| Excess Appropriation/(Funding) | | (6,055) | | 0 | | 0 | | 0 | | 0 | | 0 | |
| Grand Total | | 629,996 | | 668,654 | | 678,478 | | 678,478 | | 678,478 | | 678,478 | |

Agency Position Usage Report

| FY2004-2005 | | | | | | FY2005-2006 | | | | | | FY2006-2007 | | | | | |
|-------------------|----------|----------|-------|------------|------------------------|-------------------|----------|----------|-------|------------|------------------------|-------------------|----------|----------|-------|------------|------------------------|
| Authorized in Act | Budgeted | | | Unbudgeted | % of Authorized Unused | Authorized in Act | Budgeted | | | Unbudgeted | % of Authorized Unused | Authorized in Act | Budgeted | | | Unbudgeted | % of Authorized Unused |
| | Filled | Unfilled | Total | Total | | | Filled | Unfilled | Total | Total | | | Filled | Unfilled | Total | Total | |
| 10 | 10 | 0 | 10 | 0 | 0.00% | 10 | 10 | 0 | 10 | 0 | 0.00% | 10 | 10 | 0 | 10 | 0 | 0.00% |

Analysis of Budget Request

Appropriation: 261 - ABC Administration - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Operations of the Alcoholic Beverage Control (ABC) Administration Division are provided for in this general revenue funded appropriation. ABC administers laws governing the sale and consumption of alcoholic beverages in Arkansas.

The FY07 budgeted amount of \$657,690 consists of Regular Salaries and Personal Services Matching for ten positions, Extra Help, Operating Expenses and Conference and Travel Expenses.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. The Base Level request of \$439,815 for FY08 and FY09 for Regular Salaries does include board member Stipend payments. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Base Level request for this appropriation is \$666,437 for both years of the biennium. The Agency is requesting additional appropriation and general revenue funding over Base Level for Extra Help and related Personal Services Matching in the amount of \$1,077 each year of the biennium to allow for the increase in minimum wage and adequate appropriation during the license renewal season. Currently there are approximately 5,500 permits issued yearly.

The Executive Recommendation provides for the Agency Request of additional appropriation and general revenue funding over Base Level in the amount of \$1,077.

Appropriation Summary

Appropriation: 261 ABC Administration - State
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2005-2006 | 2006-2007 | 2006-2007 | 2007-2008 | | | 2008-2009 | | |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries 5010000 | 430,956 | 439,815 | 444,615 | 439,815 | 439,815 | 439,815 | 439,815 | 439,815 | 439,815 |
| #Positions | 10 |
| Extra Help 5010001 | 2,142 | 2,600 | 2,600 | 2,600 | 3,600 | 3,600 | 2,600 | 3,600 | 3,600 |
| #Extra Help | 1 |
| Personal Services Matching 5010003 | 105,855 | 122,189 | 122,189 | 130,936 | 131,013 | 131,013 | 130,936 | 131,013 | 131,013 |
| Operating Expenses 5020002 | 84,668 | 88,100 | 88,100 | 88,100 | 88,100 | 88,100 | 88,100 | 88,100 | 88,100 |
| Conference & Travel Expenses 5050009 | 4,744 | 4,986 | 4,986 | 4,986 | 4,986 | 4,986 | 4,986 | 4,986 | 4,986 |
| Professional Fees 5060010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 628,365 | 657,690 | 662,490 | 666,437 | 667,514 | 667,514 | 666,437 | 667,514 | 667,514 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 628,365 | 657,690 | | 666,437 | 667,514 | 667,514 | 666,437 | 667,514 | 667,514 |
| Total Funding | 628,365 | 657,690 | | 666,437 | 667,514 | 667,514 | 666,437 | 667,514 | 667,514 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 628,365 | 657,690 | | 666,437 | 667,514 | 667,514 | 666,437 | 667,514 | 667,514 |

Change Level by Appropriation

Appropriation: 261-ABC Administration - State
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| BL | Base Level | 666,437 | 10 | 666,437 | 100.0 | 666,437 | 10 | 666,437 | 100.0 |
| C01 | Existing Program | 1,077 | 0 | 667,514 | 100.1 | 1,077 | 0 | 667,514 | 100.1 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| BL | Base Level | 666,437 | 10 | 666,437 | 100.0 | 666,437 | 10 | 666,437 | 100.0 |
| C01 | Existing Program | 1,077 | 0 | 667,514 | 100.1 | 1,077 | 0 | 667,514 | 100.1 |

Justification

| | |
|-----|--|
| C01 | Additional extra help appropriation is needed due to the increase in minimum wage. This increase will also allow for adequate appropriation during renewal season. |
|-----|--|

Analysis of Budget Request

Appropriation: 911 - ABC Administration - Cash

Funding Sources: NAB - Cash in Treasury - ABC Administration

This appropriation is used by the Alcoholic Beverage Control (ABC) Administration Division for Operating Expenses associated with publishing the ABC "Rules, Regulations and Decisions" handbook. Cash funds received from the sale of ABC handbooks provide funding for the appropriation.

Base Level for this appropriation is \$10,964 each year and represents the Agency Request.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 911 ABC Administration - Cash
Funding Sources: NAB - Cash in Treasury - ABC Administration

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | 2005-2006 | 2006-2007 | 2006-2007 | 2007-2008 | | | 2008-2009 | | |
|--------------------------------|---------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Operating Expenses | 5020002 | 1,631 | 10,964 | 10,964 | 10,964 | 10,964 | 10,964 | 10,964 | 10,964 | 10,964 |
| Conference & Travel Expenses | 5050009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional Fees | 5060010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 1,631 | 10,964 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 5,499 | 6,055 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Fund | 4000045 | 2,010 | 4,909 | | 10,964 | 10,964 | 10,964 | 10,964 | 10,964 | 10,964 |
| Interest | 4000300 | 193 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Service Charges | 4000447 | (16) | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | | 7,686 | 10,964 | | 10,964 | 10,964 | 10,964 | 10,964 | 10,964 | 10,964 |
| Excess Appropriation/(Funding) | | (6,055) | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 1,631 | 10,964 | | 10,964 | 10,964 | 10,964 | 10,964 | 10,964 | 10,964 |