

# DFA - ABC ADMINISTRATION

## Enabling Laws

Act 13 of 2010  
A.C.A. §3-2-101 - §3-2-412

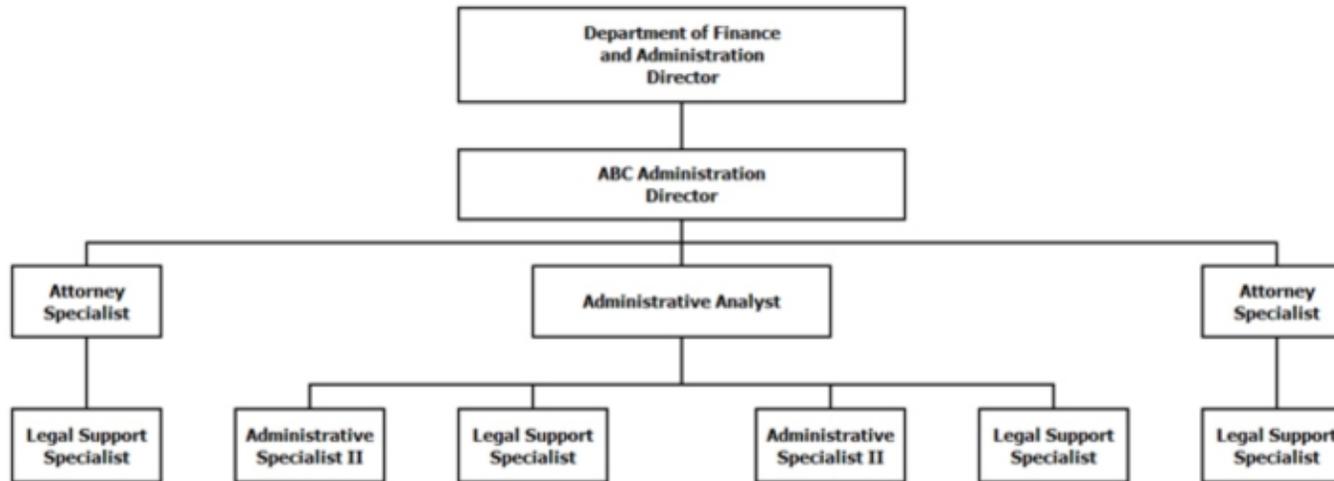
## History and Organization

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 in the amount of \$88,348 for FY12 and FY13 for two additional positions.

The Legislature passed fee increases across the board for ABC permits. The increased revenue from these fees were to be used to implement an education program for all law enforcement and all servers at permitted outlets within the State of Arkansas. In order to implement this program an ABC Deputy Director of Education position is requested to create, organize, implement and oversee the program. Thousands of people must be trained and certified to reduce the over service of intoxicated persons in public places and on the roads. In addition, sales to minors should go down significantly as a result of this training. The individual needs to be a certified law enforcement officer for the purpose of classroom and real world training and be able to operate as an ABC Enforcement Officer at times when Agency is shorthanded.

An additional Legal Support Specialist is essential due to the current two Legal Support Specialists already handle approximately 3,800 permits across the State of Arkansas. Current staff is overwhelmed by the increased amount of taxpayers applying for permits and increased workload. This position would absorb some current job duties to allow the Agency to meet all time requirements and stay within the legal

boundaries of the Agency. Duties include, but are not restricted to: processing applications for ABC permits, entering data into the database, handling FBI results and reports, retaining criminal background information on applicants, processing monies taken for application fees, assisting at renewal time (April - October) annually.

ABC Administration Cash Operations appropriation level is sufficient for FY12 and FY13.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DFA - ABC ADMINISTRATION

Findings

A separate report for this Agency was not issued. However, financial activity for the Agency was included in the audit of the State's CAFR for the year ended June 30, 2009.

Recommendations

## Employment Summary

	Male	Female	Total	%
White Employees	3	4	7	78 %
Black Employees	0	2	2	22 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	22 %
Total Employees			9	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	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
261 ABC Administration - State Operations	696,114	10	718,040	10	729,189	10	742,326	10	830,674	12	822,741	12	742,326	10	830,674	12	822,741	12
911 ABC Administration - Cash Operations	2,085	0	10,964	0	10,964	0	10,964	0	10,964	0	10,964	0	10,964	0	10,964	0	10,964	0
<b>Total</b>	<b>698,199</b>	<b>10</b>	<b>729,004</b>	<b>10</b>	<b>740,153</b>	<b>10</b>	<b>753,290</b>	<b>10</b>	<b>841,638</b>	<b>12</b>	<b>833,705</b>	<b>12</b>	<b>753,290</b>	<b>10</b>	<b>841,638</b>	<b>12</b>	<b>833,705</b>	<b>12</b>

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	7,234	1.0	6,200	0.9	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
General Revenue	4000010	696,114	98.8	718,040	98.5	742,326	98.5	830,674	98.7	822,741	98.7	742,326	98.5	830,674	98.7	822,741	98.7		
Cash Fund	4000045	931	0.1	4,764	0.7	10,964	1.5	10,964	1.3	10,964	1.3	10,964	1.5	10,964	1.3	10,964	1.3		
Interest	4000300	120	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
<b>Total Funds</b>		<b>704,399</b>	<b>100.0</b>	<b>729,004</b>	<b>100.0</b>	<b>753,290</b>	<b>100.0</b>	<b>841,638</b>	<b>100.0</b>	<b>833,705</b>	<b>100.0</b>	<b>753,290</b>	<b>100.0</b>	<b>841,638</b>	<b>100.0</b>	<b>833,705</b>	<b>100.0</b>		
Excess Appropriation/(Funding)		(6,200)		0		0		0		0		0		0		0			
<b>Grand Total</b>		<b>698,199</b>		<b>729,004</b>		<b>753,290</b>		<b>841,638</b>		<b>833,705</b>		<b>753,290</b>		<b>841,638</b>		<b>833,705</b>			

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	9	1	10	0	10.00 %	10	9	1	10	0	10.00 %

## **Analysis of Budget Request**

**Appropriation:** 261 - ABC Administration - State Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

ABC administers the regulation, supervision and control of the manufacture, distribution and sale of all alcoholic beverages and the issuance of permits, and the regulation thereof.

General revenue funds 100% of the Alcoholic Beverage Control Administration's operating budget. Currently 87% of the Agency's budget is personnel related costs with the remaining 13% maintenance and operating expenses.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. Base Level is \$742,326 each year of the 2011-2013 biennium.

The Agency is requesting a Change Level increase of \$88,348 each year in Regular Salaries and Personal Services Matching for the addition of two new positions:

- ABC Deputy Director of Education, Grade C121
- Legal Support Specialist, Grade C113

The ABC Deputy Director of Education position is needed to implement an education program for all law enforcement and all servers at permitted outlets within the State of Arkansas. The ABC Deputy Director of Education will create, organize, implement and oversee the program. This individual should be a certified law enforcement officer for the purpose of real world and classroom training and should be able to operate as an ABC enforcement officer when needed.

A new ABC Legal Support Specialist is needed to assist current staff with increasing workload, due to increased amount of taxpayers applying for permits. Duties include, but are not restricted to: processing applications for new ABC permits, entering the data into the database, handling FBI results and reports, retaining criminal background information on applicants, processing monies taken for application fees, assisting during renewal period of April through October annually.

The Executive Recommendation provides for additional appropriation and general revenue funding over Base Level in the amount of \$80,415 for two new positions:

- Education and Instruction Analyst, Grade C118
- Administrative Specialist III, Grade C112

# Appropriation Summary

**Appropriation:** 261 - ABC Administration - State Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	503,892	504,267	489,819	498,367	564,097	557,496	498,367	564,097	557,496
<b>#Positions</b>		<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>12</b>	<b>12</b>	<b>10</b>	<b>12</b>	<b>12</b>
Extra Help	5010001	2,296	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
<b>#Extra Help</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	115,384	117,087	142,684	147,273	169,891	168,559	147,273	169,891	168,559
Operating Expenses	5020002	74,542	88,100	88,100	88,100	88,100	88,100	88,100	88,100	88,100
Conference & Travel Expenses	5050009	0	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
<b>Total</b>		<b>696,114</b>	<b>718,040</b>	<b>729,189</b>	<b>742,326</b>	<b>830,674</b>	<b>822,741</b>	<b>742,326</b>	<b>830,674</b>	<b>822,741</b>
<b>Funding Sources</b>										
General Revenue	4000010	696,114	718,040		742,326	830,674	822,741	742,326	830,674	822,741
Total Funding		696,114	718,040		742,326	830,674	822,741	742,326	830,674	822,741
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>696,114</b>	<b>718,040</b>		<b>742,326</b>	<b>830,674</b>	<b>822,741</b>	<b>742,326</b>	<b>830,674</b>	<b>822,741</b>

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.

## Change Level by Appropriation

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

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>742,326</b>	<b>10</b>	<b>742,326</b>	<b>100.0</b>	<b>742,326</b>	<b>10</b>	<b>742,326</b>	<b>100.0</b>
C01	Existing Program	88,348	2	830,674	111.9	88,348	2	830,674	111.9

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>742,326</b>	<b>10</b>	<b>742,326</b>	<b>100.0</b>	<b>742,326</b>	<b>10</b>	<b>742,326</b>	<b>100.0</b>
C01	Existing Program	80,415	2	822,741	110.8	80,415	2	822,741	110.8

### Justification

C01	To implement an education program for all law enforcement and all servers at permitted outlets within the State of Arkansas, an ABC Deputy Director of Education position is needed to create, organize, implement and oversee the program. The individual needs to be a certified law enforcement officer for the purpose of classroom and real world training and be able to operate as an ABC Enforcement Officer when shorthanded. Thousands of people must be trained and certified to reduce the over service of intoxicated persons in public places and on the roads. In addition, sales to minors should go down significantly as a result of training. The Legislature passed fee increases across the board for ABC permits. An additional Legal Support Specialist is absolutely essential due to the current two Legal Support Specialists already handle approximately 3,800 permits across the State of Arkansas. Current staff is overwhelmed by the increased amount of taxpayers applying for permits and increased workload. This position would absorb some current job duties to allow the Agency to meet all time requirements and stay within the legal boundaries of the Agency. Duties include, but are not restricted to: processing applications for ABC permits, entering data into the database, handling FBI results and reports, retaining criminal background information on applicants, processing monies taken for application fees, assisting at renewal time (April – October) annually.
-----	--

## **Analysis of Budget Request**

**Appropriation:** 911 - ABC Administration - Cash Operations

**Funding Sources:** NAB - ABC Administration - Cash in Treasury

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.

The Agency is requesting Base Level of \$10,964 each year of the 2011-2013 biennium.

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

## Appropriation Summary

**Appropriation:** 911 - ABC Administration - Cash Operations

**Funding Sources:** NAB - ABC Administration - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	2,085	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
<b>Total</b>		<b>2,085</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>
<b>Funding Sources</b>										
Fund Balance	4000005	7,234	6,200		0	0	0	0	0	0
Cash Fund	4000045	931	4,764		10,964	10,964	10,964	10,964	10,964	10,964
Interest	4000300	120	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>8,285</b>	<b>10,964</b>		<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>
Excess Appropriation/(Funding)		(6,200)	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>2,085</b>	<b>10,964</b>		<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>