

# ARKANSAS TOBACCO CONTROL

## Enabling Laws

Act 124 of 2012  
A.C.A. §26-57-255 et seq.

## History and Organization

The Arkansas Tobacco Control Board was created by Act 1337 of 1997 by the Legislature, who authorized an eight (8) member Board appointed by the Governor. The Board is constituted as follows: Two (2) members of the Board shall be tobacco products wholesalers; two (2) members shall be tobacco products retailers; and four (4) members shall be members of the public-at-large who are not public employees or officials, at least one of which shall be an African American, and two (2) of whom shall be selected from a list of at least eight (8) candidates supplied to the Governor by the Arkansas Medical Society. Our mission is to enforce the state laws and regulations pertaining to tobacco sales for the protection of the citizens of Arkansas.

The Board authorizes the issuance of permits for all retail, wholesale, and sales representatives dealing in cigarette or tobacco products in the State of Arkansas as well as ruling on applications to sell cigarettes with a lower than the statutorily presumed cost of doing business. The Board acts as a quasi-judicial body, sitting as both judge and jury in disciplinary proceedings against permit holders and other individuals who have been cited for violating Arkansas tobacco laws or regulations by the agency, Arkansas Tobacco Control (ATC). The Director of Arkansas Tobacco Control is appointed by, and serves at the pleasure of, the Governor.

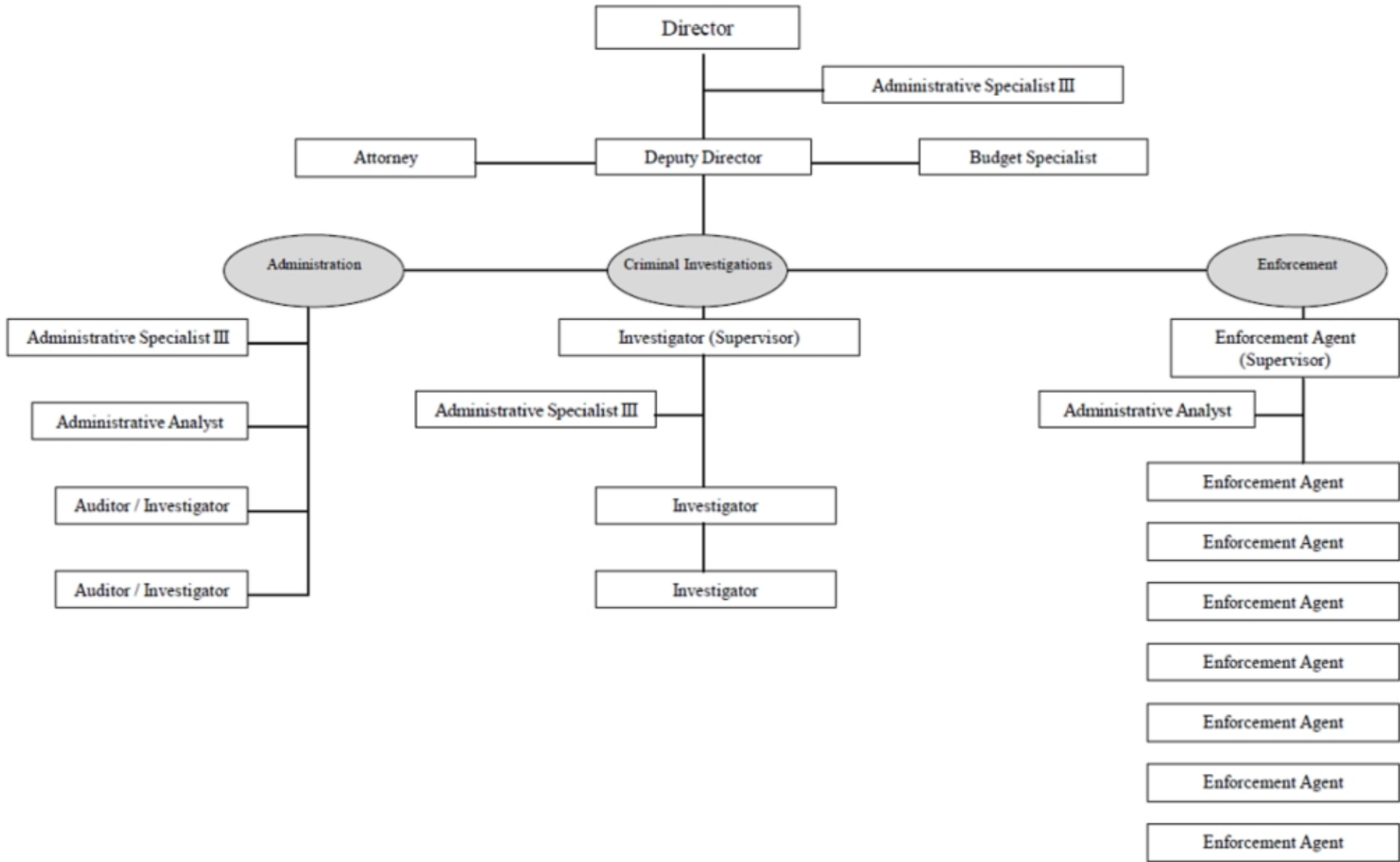
Under Act 1699 of 2001, the Director was authorized to appoint agents as specialized law enforcement officers for the purpose of conducting investigations pertaining to violations of tobacco laws in this state. On July 19, 2001, the Agency entered into a sub-recipient contractual agreement with the Arkansas Department of Health to receive monies from the Master Tobacco Settlement Fund for the enforcement of youth access laws.

ATC is tasked with enforcing the Board's regulations and all of Arkansas' tobacco laws. Designated as a law enforcement agency by Act 785 of 2009, ATC agents are law enforcement officers who can bring both administrative charges and initiate criminal investigations for violations of Arkansas' tobacco laws. Criminal offenses are then prosecuted by the local prosecuting attorney. Among the statutes enforced by ATC are: A.C.A. §26-57-213 Invoices, A.C.A. §26-57-214 Registration and licensing required prior to doing business, A.C.A. §26-57-219, Permits and licenses -- Annual privilege tax, A.C.A. §26-57-225 Failure to secure permit unlawful, A.C.A. §26-57-226 Sale, delivery, etc., without license - Penalty, A.C.A. §26-57-228 Purchases from unregistered, unlicensed dealers unlawful, A.C.A. §26-57-231 Failure to allow inspection

unlawful, A.C.A. §26-57-240 Counterfeiting of stamps unlawful - Penalty, A.C.A. §26-57-245 Unstamped products or products with unpaid taxes -- Purchase, sale, receipt, etc., a criminal offense, A.C.A. §26-57-262 Sale of export cigarettes, A.C.A. §26-57-1303 Certifications - Directory - Tax stamps, A.C.A. §26-57-1306 Penalties and other remedies, A.C.A. §5-27-227 Providing minors with tobacco products and cigarette papers - Purchase, use, or possession prohibited - Self-service displays prohibited - Placement of tobacco vending machines, A.C.A. §5-78-102 Confiscation of tobacco products authorized, A.C.A. §4-75-701 et seq. The Unfair Cigarette Sales Act. The ATC also works closely with other local, state and federal law enforcement agencies.

Act 697 of 2009, "An Act To Create The Arkansas Cigarette Fire Safety Standard Act; Concerning The Reduced Ignition Propensity Standards For Cigarettes Sold In The State Of Arkansas; To Create The Cigarette Fire Safety Standard Fund; And For Other Purposes" required that all cigarettes sold in Arkansas after January 1, 2010 to comply with the Act's reduced ignition propensity standards and added the enforcement A.C.A. §20-27-2101 et seq. The Act also placed the Cigarette Fire Safety Standard Fund under the ATC Director's control to support fire safety and prevention programs.

Act 939 of 2009, "An Act To Establish A Forfeiture Procedure For Tobacco Products; To Establish A Tobacco Control Fund; And For Other Purposes" in an effort to combat the growing problem of smuggled untaxed tobacco, created a forfeiture procedure modeled on Arkansas' drug forfeiture procedure, for use by local prosecuting attorneys and local and state law enforcement agencies to divest smugglers of property used to facilitate their illegal activities. Tobacco forfeitures are reported to the Director of Arkansas Tobacco Control who compiles same for use by Legislative Audit.



## **Agency Commentary**

The Arkansas Tobacco Control Board was created by Act 1337 of 1997 to regulate any individual or entity, other than a manufacturer, who deals in cigarettes or other tobacco products in the State of Arkansas by ensuring that said individual or entity is duly permitted by ATC, and that all individuals or entities that deal in cigarettes or tobacco in Arkansas, comply with all tobacco laws and regulations of the state. In accordance with Act 785 of 2009, the Arkansas Tobacco Control Board was designated as a law enforcement agency and was given the name Arkansas Tobacco Control (ATC).

### **Fund Center 2EH - Sales to Minors Enforcement**

ATC - Sales to Minors Enforcement requests appropriation in Char. 11, Capital Outlay, in the amount of \$6,375 in FY2014 and FY2015 to cover the cost of sales tax for three (3) vehicles each fiscal year. Appropriation for these vehicles will be provided by DF&A, and therefore is not included in the request. These vehicles also have mileage ranging from 75,000 to 100,000 miles. Once vehicles reach the 75,000 mile mark or above, maintenance costs begin to rise making it cost prohibitive for the agency to retain.

### **Fund Center 85C - ATC Cigarette Fire Safety**

The Agency is requesting Base Level for each of the biennium.

### **Fund Center 85N - Tobacco Inspection Program**

ATC - FDA Program requests to establish three (3) ATC Enforcement Agent positions. The Family Smoking Prevention and Tobacco Control Act of 2009 (Tobacco Control Act), which amends the Federal Food, Drug, and Cosmetic Act (FD&C Act), was enacted on June 22, 2009, and it provides the Food and Drug Administration (FDA) with authority to regulate "tobacco products." Arkansas Tobacco Control was awarded a grant in FY10 which allowed ATC to assist the U.S. Food and Drug Administration (FDA) in inspecting retail establishments that sell cigarettes and/or smokeless tobacco products and in surveillance of other entities that fall under the scope of the FDA. Based on the positive performance in federal FY10, ATC was awarded another contract for federal FY11 to continue its efforts in the above capacity. Additionally, the FDA substantially increased the award to allow for facilities, training, and equipment for current and additional federal agent slots to intensify efforts in with a large number of permits or high violations rates.

### **Fund Center 983 - Tobacco Control Board Operations**

ATC is requesting reclassifications due to a contract for services with the federal government. ATC has developed a new federal regulatory division which may only enforce federal mandates.

Due to separation of powers and regulations, ATC has restructured and, in turn, requested the following reclassifications: Managing Attorney, ATC Branch Manager, Senior Enforcement Agent, and Executive Assistant to the Director. Each of these reclassifications comes with an increase in job duties to support the growth of the organization.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 ARKANSAS TOBACCO CONTROL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

None

None

## State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

## Employment Summary

	Male	Female	Total	%
White Employees	11	11	22	88 %
Black Employees	0	3	3	12 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			3	12 %
Total Employees			25	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		
None	N/A	N	N	0	N/A

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2EH Sales to Minors Enforcement - Cash	745,922	10	841,701	12	1,076,839	12	845,229	12	851,604	12	851,604	12	845,961	12	852,336	12	852,336	12
85C ATC Cigarette Fire Safety	30,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
85N Tobacco Insp Prog	321,250	9	1,057,944	9	473,838	6	429,899	6	825,183	9	814,488	9	429,899	6	861,325	9	850,630	9
983 Tobacco Control Board Operations	794,162	10	881,604	10	888,598	10	882,395	10	888,097	10	882,395	10	882,395	10	888,097	10	882,395	10
<b>Total</b>	<b>1,891,334</b>	<b>29</b>	<b>2,831,249</b>	<b>31</b>	<b>2,489,275</b>	<b>28</b>	<b>2,207,523</b>	<b>28</b>	<b>2,614,884</b>	<b>31</b>	<b>2,598,487</b>	<b>31</b>	<b>2,208,255</b>	<b>28</b>	<b>2,651,758</b>	<b>31</b>	<b>2,635,361</b>	<b>31</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	221,156	10.3	256,731	8.3		268,630	10.2	268,630	8.8	268,630	8.9	436,133	16.1	436,133	13.8	436,133	13.9
General Revenue	4000010	794,162	37.0	875,129	28.2		882,395	33.4	888,097	29.1	882,395	29.1	882,395	32.5	888,097	28.2	882,395	28.1
Federal Revenue	4000020	321,250	15.0	1,057,944	34.1		429,899	16.3	825,183	27.0	814,488	26.8	429,899	15.9	861,325	27.3	850,630	27.1
Special Revenue	4000030	4,917	0.2	0	0.0		100,000	3.8	100,000	3.3	100,000	3.3	0	0.0	0	0.0	0	0.0
Cash Fund	4000045	806,580	37.5	903,600	29.1		962,732	36.4	969,107	31.8	969,107	31.9	962,732	35.5	969,107	30.7	969,107	30.9
Merit Adjustment Fund	4000055	0	0.0	6,475	0.2		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Funds</b>		<b>2,148,065</b>	<b>100.0</b>	<b>3,099,879</b>	<b>100.0</b>		<b>2,643,656</b>	<b>100.0</b>	<b>3,051,017</b>	<b>100.0</b>	<b>3,034,620</b>	<b>100.0</b>	<b>2,711,159</b>	<b>100.0</b>	<b>3,154,662</b>	<b>100.0</b>	<b>3,138,265</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(256,731)		(268,630)			(436,133)		(436,133)		(436,133)		(502,904)		(502,904)		(502,904)	
<b>Grand Total</b>		<b>1,891,334</b>		<b>2,831,249</b>			<b>2,207,523</b>		<b>2,614,884</b>		<b>2,598,487</b>		<b>2,208,255</b>		<b>2,651,758</b>		<b>2,635,361</b>	

Budget exceeds Authorized Appropriation for fund (85N) due to a transfer from the Miscellaneous Federal Grant Holding Account. Variances in Fund Balance due to unfunded appropriation from (85N) - Tobacco Insp Prog

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
22	20	8	28	-6	9.09 %	28	26	5	31	-3	7.14 %	28	25	6	31	-3	10.71 %

Total Budgeted positions exceed Authorized due to positions authorized through the Miscellaneous Federal Grant process.

## **Analysis of Budget Request**

**Appropriation:** 2EH - Sales to Minors Enforcement - Cash

**Funding Sources:** NTC - Cash in Treasury

Arkansas Tobacco Control administers the Sales to Minors program. This program is responsible for executing the sales to minors checks and enforcing any violations that result from these checks. Funding for this program is made available through a grant from the Arkansas Department of Health using Master Tobacco Settlement funds.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level Request totaling \$6,375 for each year of the biennium reflects the following:

- \$6,375 increase in Capital Outlay for each of the biennium to cover the cost of sales tax for three (3) vehicles each fiscal year.
- Reclassification of the ATC Deputy Director C120 to the ATC Branch Manger C125.

The Executive Recommendation provides for the Agency Request except the reclassification of the ATC Deputy Director C120 position which was recommended for reclassification as ATC Branch Manger C123. Expenditure of appropriation is contingent upon available funding.



## Appropriation Summary

**Appropriation:** 2EH - Sales to Minors Enforcement - Cash

**Funding Sources:** NTC - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	433,897	470,186	533,491	470,486	470,486	470,486	471,086	471,086	471,086
<b>#Positions</b>		<b>10</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
Personal Services Matching	5010003	143,055	159,083	167,558	162,311	162,311	162,311	162,443	162,443	162,443
Operating Expenses	5020002	149,417	190,732	244,285	190,732	190,732	190,732	190,732	190,732	190,732
Conference & Travel Expenses	5050009	0	0	8,005	0	0	0	0	0	0
Professional Fees	5060010	19,553	21,700	37,500	21,700	21,700	21,700	21,700	21,700	21,700
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	86,000	0	6,375	6,375	0	6,375	6,375
<b>Total</b>		<b>745,922</b>	<b>841,701</b>	<b>1,076,839</b>	<b>845,229</b>	<b>851,604</b>	<b>851,604</b>	<b>845,961</b>	<b>852,336</b>	<b>852,336</b>
<b>Funding Sources</b>										
Fund Balance	4000005	99,016	159,674		221,573	221,573	221,573	339,076	339,076	339,076
Cash Fund	4000045	806,580	903,600		962,732	969,107	969,107	962,732	969,107	969,107
<b>Total Funding</b>		<b>905,596</b>	<b>1,063,274</b>		<b>1,184,305</b>	<b>1,190,680</b>	<b>1,190,680</b>	<b>1,301,808</b>	<b>1,308,183</b>	<b>1,308,183</b>
Excess Appropriation/(Funding)		(159,674)	(221,573)		(339,076)	(339,076)	(339,076)	(455,847)	(455,847)	(455,847)
<b>Grand Total</b>		<b>745,922</b>	<b>841,701</b>		<b>845,229</b>	<b>851,604</b>	<b>851,604</b>	<b>845,961</b>	<b>852,336</b>	<b>852,336</b>

## Change Level by Appropriation

**Appropriation:** 2EH - Sales to Minors Enforcement - Cash  
**Funding Sources:** NTC - Cash in Treasury

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>845,229</b>	<b>12</b>	<b>845,229</b>	<b>100.0</b>	<b>845,961</b>	<b>12</b>	<b>845,961</b>	<b>100.0</b>
C01	Existing Program	6,375	0	851,604	100.8	6,375	0	852,336	100.8
C10	Reclass	0	0	851,604	100.8	0	0	852,336	100.8

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>845,229</b>	<b>12</b>	<b>845,229</b>	<b>100.0</b>	<b>845,961</b>	<b>12</b>	<b>845,961</b>	<b>100.0</b>
C01	Existing Program	6,375	0	851,604	100.8	6,375	0	852,336	100.8
C10	Reclass	0	0	851,604	100.8	0	0	852,336	100.8

### Justification

C01	\$6,375 increase in Capital Outlay for each of the biennium to cover the cost of sales tax for three (3) vehicles each fiscal year.
C10	Reflects Change Level associated with requested reclassifications.

## **Analysis of Budget Request**

**Appropriation:** 85C - ATC Cigarette Fire Safety

**Funding Sources:** SFS - Cigarette Fire Safety Standard Fund

The Arkansas Cigarette Fire Safety Standard Act (A.C.A. 20-27-2101) was established by Act 697 of 2009 to set ignition propensity standards for cigarettes sold in Arkansas to be uniform with other states with enacted reduced cigarette ignition propensity laws. This appropriation is funded by special revenues from cigarette certification fees and civil penalties.

The Agency requests Base Level for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 85C - ATC Cigarette Fire Safety  
**Funding Sources:** SFS - Cigarette Fire Safety Standard Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Fire Safety & Prevention 5900046	30,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total</b>	30,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources									
Fund Balance 4000005	122,140	97,057		47,057	47,057	47,057	97,057	97,057	97,057
Special Revenue 4000030	4,917	0		100,000	100,000	100,000	0	0	0
<b>Total Funding</b>	127,057	97,057		147,057	147,057	147,057	97,057	97,057	97,057
<b>Excess Appropriation/(Funding)</b>	(97,057)	(47,057)		(97,057)	(97,057)	(97,057)	(47,057)	(47,057)	(47,057)
<b>Grand Total</b>	30,000	50,000		50,000	50,000	50,000	50,000	50,000	50,000

## **Analysis of Budget Request**

**Appropriation:** 85N - Tobacco Insp Prog

**Funding Sources:** FCT - Tobacco Inspection Program - Federal

Arkansas Tobacco Control was awarded a grant in FY10 which allowed ATC to assist the U.S. Food and Drug Administration (FDA) in inspecting retail establishments that sell cigarettes and/or smokeless tobacco products and in surveillance of other entities that fall under the scope of the FDA.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Change Level request totaling \$395,284 for FY14 and \$431,426 for FY15 reflects the following:

- Regular Salaries and Personal Services Matching increase of \$151,106 for FY14 and FY15 which includes the cost of
  - Restoration - (3) ATC Enforcement Agent (C116) position
  - Reclassifications
    - (3) ATC Enforcement Agent (C116) to FDA Senior Enforcement Agent (C119).
    - Quality Assurance Coordinator (C119) to ATC Branch Manager (C125)
    - Deputy Director (C120) to Managing Attorney (C129)
- Overtime increase of \$17,041 to cover cost associated with the expanded enforcement efforts required under the newly expanded FDA contract.
- Operating Expenses increase of \$222,137 to cover the increase in cost associated with new agent slots, facilities and training.
- Conferences & Travel Expenses increase of \$5,000 to cover increase cost of training and professional development.

The Executive Recommendation provides for the Agency's Request except for the following modifications to the Agency's Request:

- (3) ATC Enforcement Agent (C116) position recommended for reclassification as FDA Senior Enforcement Agent (C118)
- Quality Assurance Coordinator (C119) position recommended for reclassification as Branch Manager (C123)
- Deputy Director (C120) position recommended for reclassification as Attorney Supervisor (C127).

## Appropriation Summary

**Appropriation:** 85N - Tobacco Insp Prog  
**Funding Sources:** FCT - Tobacco Inspection Program - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	167,029	558,048	277,025	231,106	339,842	331,072	231,106	339,842	331,072
<b>#Positions</b>	<b>9</b>	<b>9</b>	<b>6</b>	<b>6</b>	<b>9</b>	<b>9</b>	<b>6</b>	<b>9</b>	<b>9</b>
Personal Services Matching 5010003	65,077	180,397	78,267	80,247	122,617	120,692	80,247	122,617	120,692
Overtime 5010006	12,797	17,041	0	0	17,041	17,041	0	17,041	17,041
Operating Expenses 5020002	61,397	241,901	87,304	87,304	309,441	309,441	87,304	345,583	345,583
Conference & Travel Expenses 5050009	0	20,896	0	0	5,000	5,000	0	5,000	5,000
Professional Fees 5060010	14,950	39,661	31,242	31,242	31,242	31,242	31,242	31,242	31,242
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>321,250</b>	<b>1,057,944</b>	<b>473,838</b>	<b>429,899</b>	<b>825,183</b>	<b>814,488</b>	<b>429,899</b>	<b>861,325</b>	<b>850,630</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	321,250	1,057,944		429,899	825,183	814,488	429,899	861,325	850,630
Total Funding	321,250	1,057,944		429,899	825,183	814,488	429,899	861,325	850,630
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	321,250	1,057,944		429,899	825,183	814,488	429,899	861,325	850,630

FY13 Budget amount and Budget Positions exceeds Authorized due to a transfer from the Miscellaneous Federal Grant Holding Account.

## Change Level by Appropriation

**Appropriation:** 85N - Tobacco Insp Prog  
**Funding Sources:** FCT - Tobacco Inspection Program - Federal

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>429,899</b>	<b>6</b>	<b>429,899</b>	<b>100.0</b>	<b>429,899</b>	<b>6</b>	<b>429,899</b>	<b>100.0</b>
C01	Existing Program	247,919	0	677,818	157.7	284,061	0	713,960	166.1
C06	Restore Position/Approp	127,125	3	804,943	187.2	127,125	3	841,085	195.6
C10	Reclass	20,240	0	825,183	191.9	20,240	0	861,325	200.4

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>429,899</b>	<b>6</b>	<b>429,899</b>	<b>100.0</b>	<b>429,899</b>	<b>6</b>	<b>429,899</b>	<b>100.0</b>
C01	Existing Program	247,919	0	677,818	157.7	284,061	0	713,960	166.1
C06	Restore Position/Approp	127,125	3	804,943	187.2	127,125	3	841,085	195.6
C10	Reclass	9,545	0	814,488	189.5	9,545	0	850,630	197.9

### Justification

C01	Reflect increases in Operating Expenses and Conference & Travel and Overtime associated with the expanded enforcement activities under the Agency's newly expanded FDA contract.
C06	Reflects increases in Regular Salaries and Personal Services Matching associated with the requested restoration of three (3) positions.
C10	Reflects increases in Regular Salaries associated with requested position reclassifications.

## **Analysis of Budget Request**

**Appropriation:** 983 - Tobacco Control Board Operations

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

Arkansas Tobacco Control was established by Act 1337 of 1997 to regulate and issue permits and licenses to any person (except manufacturers) handling, receiving, processing, storing, distributing, taking orders for, soliciting orders of, selling, offering for sale or dealing in, through sale, barter or exchange, any cigarettes or other tobacco products in the State of Arkansas. This appropriation is funded by general revenues.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Change Level request reflects Regular Salaries and Personal Services Matching increase of \$5,702 associated with the reclassification of the Administrative Specialist III (C112) to the Executive Assistant to the Director (C118).

The Executive Recommendation provides for the reclassification of the Administrative Specialist III (C112) position to Administrative Analyst (C115).



## Appropriation Summary

**Appropriation:** 983 - Tobacco Control Board Operations

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	410,533	445,115	388,433	445,215	449,782	445,215	445,215	449,782	445,215
<b>#Positions</b>		<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Personal Services Matching	5010003	137,888	144,235	120,024	146,926	148,061	146,926	146,926	148,061	146,926
Operating Expenses	5020002	237,743	270,254	358,141	270,254	270,254	270,254	270,254	270,254	270,254
Conference & Travel Expenses	5050009	6,638	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	1,360	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	2,000	2,000	0	0	0	0	0	0
<b>Total</b>		<b>794,162</b>	<b>881,604</b>	<b>888,598</b>	<b>882,395</b>	<b>888,097</b>	<b>882,395</b>	<b>882,395</b>	<b>888,097</b>	<b>882,395</b>
<b>Funding Sources</b>										
General Revenue	4000010	794,162	875,129		882,395	888,097	882,395	882,395	888,097	882,395
Merit Adjustment Fund	4000055	0	6,475		0	0	0	0	0	0
<b>Total Funding</b>		<b>794,162</b>	<b>881,604</b>		<b>882,395</b>	<b>888,097</b>	<b>882,395</b>	<b>882,395</b>	<b>888,097</b>	<b>882,395</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>794,162</b>	<b>881,604</b>		<b>882,395</b>	<b>888,097</b>	<b>882,395</b>	<b>882,395</b>	<b>888,097</b>	<b>882,395</b>

FY13 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2011-2013 Biennium.

## Change Level by Appropriation

**Appropriation:** 983 - Tobacco Control Board Operations  
**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>882,395</b>	<b>10</b>	<b>882,395</b>	<b>100.0</b>	<b>882,395</b>	<b>10</b>	<b>882,395</b>	<b>100.0</b>
C10	Reclass	5,702	0	888,097	100.6	5,702	0	888,097	100.6

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>882,395</b>	<b>10</b>	<b>882,395</b>	<b>100.0</b>	<b>882,395</b>	<b>10</b>	<b>882,395</b>	<b>100.0</b>
C10	Reclass	0	0	882,395	100.0	0	0	882,395	100.0

### Justification

C10	\$5,702 increase in Regular Salaries due to the reclassification associated with federally mandated restructuring and increased job duties.
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