

**SUMMARY BUDGET INFORMATION**  
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**ARKANSAS TOBACCO CONTROL BOARD**

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# ARKANSAS TOBACCO CONTROL

## State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

### Employment Summary

	Male	Female	Total	%
White Employees	16	8	24	86 %
Black Employees	0	4	4	14 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	14 %
Total Employees			28	100 %

### Publications

#### A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
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## Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
2EH Sales to Minors Enforcement - Cash	1,030,045	13	1,027,601	13	992,998	13	935,732	12	935,732	12	935,856	12	935,856	12
85C ATC Cigarette Fire Safety	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
85N Tobacco Insp Prog	545,658	7	887,360	8	868,639	8	885,189	8	689,606	8	885,189	8	689,606	8
983 Tobacco Control Board Operations	718,539	9	804,770	10	804,770	10	678,889	8	678,889	8	679,012	8	679,012	8
U68 ATC Revenue Enforcement	105,569	0	16,270	0	16,270	0	311,078	3	311,078	3	311,078	3	311,078	3
<b>Total</b>	<b>2,399,811</b>	<b>29</b>	<b>2,786,001</b>	<b>31</b>	<b>2,732,677</b>	<b>31</b>	<b>2,860,888</b>	<b>31</b>	<b>2,665,305</b>	<b>31</b>	<b>2,861,135</b>	<b>31</b>	<b>2,665,552</b>	<b>31</b>

  

Funding Sources			%		%		%		%		%		%
Fund Balance	4000005	1,803,679	39.6	2,157,434	42.8	2,257,261	45.0	2,257,261	46.8	2,159,149	43.9	2,159,149	45.7
General Revenue	4000010	718,539	15.8	804,770	16.0	678,889	13.5	678,889	14.1	679,012	13.8	679,012	14.4
Federal Revenue	4000020	545,658	12.0	887,360	17.6	885,189	17.6	689,606	14.3	885,189	18.0	689,606	14.6
Special Revenue	4000030	489,421	10.7	300,000	5.9	305,000	6.1	305,000	6.3	305,000	6.2	305,000	6.5
Cash Fund	4000045	999,948	21.9	893,698	17.7	893,698	17.8	893,698	18.5	893,698	18.2	893,698	18.9
Total Funds		4,557,245	100.0	5,043,262	100.0	5,020,037	100.0	4,824,454	100.0	4,922,048	100.0	4,726,465	100.0
Excess Appropriation/(Funding)		(2,157,434)		(2,257,261)		(2,159,149)		(2,159,149)		(2,060,913)		(2,060,913)	
Grand Total		2,399,811		2,786,001		2,860,888		2,665,305		2,861,135		2,665,552	

## **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.

The Agency's Change Level request is a reduction of (\$86,462) each year of the Biennium and includes:

- Regular Salaries decrease of (\$66,164) each year, and
- Personal Services Matching decrease of (\$20,298) each year to reallocate one (1) position, GS08 Senior Auditor to Appropriation U68-ATC Revenue Enforcement.

The Agency's Request to maintain appropriation above 10% of their FY18 actual expenditures include the following justification:

- To provide enforcement activities throughout the state with a focus on preventing youth access to tobacco and vapor products. A federal mandate, the Synar Amendment, requires each state to do a random sample of inspections across the state each year to determine the state's rate of compliance. Without enforcement, the Board risks losing up to 40% of its Substance Abuse Block Grant funds.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

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

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	505,309	588,200	561,202	517,212	517,212	517,312	517,312	
<b>#Positions</b>		<b>13</b>	<b>13</b>	<b>13</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	
Personal Services Matching	5010003	177,009	200,629	193,024	179,748	179,748	179,772	179,772	
Operating Expenses	5020002	347,250	232,072	232,072	232,072	232,072	232,072	232,072	
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	
Professional Fees	5060010	477	1,700	1,700	1,700	1,700	1,700	1,700	
Data Processing	5090012	0	0	0	0	0	0	0	
Promotional Items	5090028	0	5,000	5,000	5,000	5,000	5,000	5,000	
Capital Outlay	5120011	0	0	0	0	0	0	0	
<b>Total</b>		<b>1,030,045</b>	<b>1,027,601</b>	<b>992,998</b>	<b>935,732</b>	<b>935,732</b>	<b>935,856</b>	<b>935,856</b>	
<b>Funding Sources</b>									
Fund Balance	4000005	812,609	782,512		648,609	648,609	606,575	606,575	
Cash Fund	4000045	999,948	893,698		893,698	893,698	893,698	893,698	
<b>Total Funding</b>		<b>1,812,557</b>	<b>1,676,210</b>		<b>1,542,307</b>	<b>1,542,307</b>	<b>1,500,273</b>	<b>1,500,273</b>	
<b>Excess Appropriation/(Funding)</b>		<b>(782,512)</b>	<b>(648,609)</b>		<b>(606,575)</b>	<b>(606,575)</b>	<b>(564,417)</b>	<b>(564,417)</b>	
<b>Grand Total</b>		<b>1,030,045</b>	<b>1,027,601</b>		<b>935,732</b>	<b>935,732</b>	<b>935,856</b>	<b>935,856</b>	

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

## **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 is requesting the FY19 Authorized Appropriation level of \$50,000 each year of the Biennium.

The Agency's Request to maintain appropriation above 10% of their FY18 actual expenditures includes the following justification:

- To establish a grant process that will allow fire departments and others to receive grants to help with fire prevention and fire safety in their areas.

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	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Fire Safety & Prevention 5900046	0	50,000	50,000	50,000	50,000	50,000	50,000
Total	0	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources							
Fund Balance 4000005	253,973	268,740		218,740	218,740	168,740	168,740
Special Revenue 4000030	14,767	0		0	0	0	0
Total Funding	268,740	268,740		218,740	218,740	168,740	168,740
Excess Appropriation/(Funding)	(268,740)	(218,740)		(168,740)	(168,740)	(118,740)	(118,740)
Grand Total	0	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 Fiscal Year 2010 which allowed ATC to assist the U.S. Food and Drug Administration (FDA) in inspecting retail establishments that sell cigarettes and/or smoke less tobacco products and in surveillance of other entities that fall under the scope of the FDA.

The Agency is requesting a total appropriation of \$885,189 each year of the Biennium.

The Agency's Request to maintain appropriation above 10% of their FY18 actual expenditures includes the following justification:

- This appropriation is for the Federal Tobacco Inspection Program which is a Contract for Services with the Federal Food and Drug Administration, Center for Tobacco Products. The Federal guidelines and the terms of the contract with the State of Arkansas and Arkansas Tobacco Control allow the Agency to operate the Federal Tobacco program at zero cost to the state. The Contract for Services with the FDA solely provides funding for all aspects of the operation and the appropriation budget is locked into the said contract.

The Executive Recommendation provides for the Agency Request, with the exception of the Operating Expenses line item, reducing it to \$150,000 each year based on the five year actual expenditures.



## Appropriation Summary

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	321,515	361,275	346,790	359,234	359,234	359,234	359,234
<b>#Positions</b>		<b>7</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Personal Services Matching	5010003	112,498	127,219	122,983	127,089	127,089	127,089	127,089
Overtime	5010006	0	17,041	17,041	17,041	17,041	17,041	17,041
Operating Expenses	5020002	111,645	345,583	345,583	345,583	150,000	345,583	150,000
Conference & Travel Expenses	5050009	0	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees	5060010	0	31,242	31,242	31,242	31,242	31,242	31,242
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>545,658</b>	<b>887,360</b>	<b>868,639</b>	<b>885,189</b>	<b>689,606</b>	<b>885,189</b>	<b>689,606</b>
<b>Funding Sources</b>								
Federal Revenue	4000020	545,658	887,360		885,189	689,606	885,189	689,606
Total Funding		545,658	887,360		885,189	689,606	885,189	689,606
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>545,658</b>	<b>887,360</b>		<b>885,189</b>	<b>689,606</b>	<b>885,189</b>	<b>689,606</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

## **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.

The Agency's Change Level request is a reduction of (\$208,347) each year of the Biennium and includes the following:

- Regular Salaries and Personal Services Matching decrease of (\$125,300) each year to reallocate two (2) positions, one (1) GS04 Administrative Specialist III and one (1) GS08 Senior Auditor to Appropriation U68- ATC Revenue Enforcement to reduce general revenue appropriation and funding.
- Operating Expenses decrease of (\$78,047) each year to reallocate appropriation to U68-ATC Revenue Enforcement to reduce general revenue appropriation and funding.
- Conference and Travel decrease of (\$5,000) each year to reallocate appropriation to U68-ATC Revenue Enforcement to reduce general revenue appropriation and funding.

The Agency's Request to maintain appropriation above 10% of their FY18 actual expenditures includes the following justification:

- Professional Fees for investigating tobacco smuggling cases and other related criminal activity.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

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

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	432,451	514,327	445,952	418,121	418,121	418,221	418,221
<b>#Positions</b>		<b>9</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Personal Services Matching	5010003	146,428	167,659	150,853	135,850	135,850	135,873	135,873
Operating Expenses	5020002	139,660	119,918	197,965	119,918	119,918	119,918	119,918
Conference & Travel Expenses	5050009	0	0	5,000	0	0	0	0
Professional Fees	5060010	0	2,866	5,000	5,000	5,000	5,000	5,000
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>718,539</b>	<b>804,770</b>	<b>804,770</b>	<b>678,889</b>	<b>678,889</b>	<b>679,012</b>	<b>679,012</b>
<b>Funding Sources</b>								
General Revenue	4000010	718,539	804,770		678,889	678,889	679,012	679,012
<b>Total Funding</b>		<b>718,539</b>	<b>804,770</b>		<b>678,889</b>	<b>678,889</b>	<b>679,012</b>	<b>679,012</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>718,539</b>	<b>804,770</b>		<b>678,889</b>	<b>678,889</b>	<b>679,012</b>	<b>679,012</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

## **Analysis of Budget Request**

**Appropriation:** U68 - ATC Revenue Enforcement

**Funding Sources:** STR - ATC Revenue Fund

This appropriation covers operating expenses of the Arkansas Tobacco Control Board Enforcement. The Arkansas Tobacco Control Revenue Fund was established by A.C.A. §19-6-831.

The Agency's Change Level request is a total of \$294,808 each year of the Biennium and includes the following:

- Regular Salaries and Personal Services Matching increase of \$211,761 due to the reallocation of three (3) positions; one (1) position from Appropriation 2EH Sales to Minors Enforcement and two (2) positions from Appropriation 983 Tobacco Control Board Operations,
- Operating Expenses increase of \$78,047 due to reallocation of appropriation from 983 Tobacco Control Board Operations related to the positions, and
- Conference and Travel increase of \$5,000 due to reallocation of appropriation from 983 Tobacco Control Board Operations to cover the cost of attending the annual Federation of Tax Administrators conference and the National Synar Conference and other out-of-state training.

The Agency's Request to maintain appropriation above 10% of their FY18 actual expenditures includes the following justification:

- Professional Fees for investigating tobacco smuggling cases and other related criminal activity.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** U68 - ATC Revenue Enforcement

**Funding Sources:** STR - ATC Revenue Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	0	0	0	159,793	159,793	159,793	159,793
<b>#Positions</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Personal Services Matching	5010003	0	0	0	51,968	51,968	51,968	51,968
Operating Expenses	5020002	15,735	15,770	15,770	93,817	93,817	93,817	93,817
Conference & Travel Expenses	5050009	0	0	0	5,000	5,000	5,000	5,000
Professional Fees	5060010	0	500	500	500	500	500	500
Capital Outlay	5120011	89,834	0	0	0	0	0	0
<b>Total</b>		<b>105,569</b>	<b>16,270</b>	<b>16,270</b>	<b>311,078</b>	<b>311,078</b>	<b>311,078</b>	<b>311,078</b>
<b>Funding Sources</b>								
Fund Balance	4000005	737,097	1,106,182		1,389,912	1,389,912	1,383,834	1,383,834
Special Revenue	4000030	474,654	300,000		305,000	305,000	305,000	305,000
Total Funding		1,211,751	1,406,182		1,694,912	1,694,912	1,688,834	1,688,834
Excess Appropriation/(Funding)		(1,106,182)	(1,389,912)		(1,383,834)	(1,383,834)	(1,377,756)	(1,377,756)
<b>Grand Total</b>		<b>105,569</b>	<b>16,270</b>		<b>311,078</b>	<b>311,078</b>	<b>311,078</b>	<b>311,078</b>