

DFA - ABC ADMINISTRATION

Enabling Laws

Act 143 of 2016
ACA §3-2-101 - §3-2-412
ACA §3-2-403; §3-4-608; §19-6-819

History and Organization

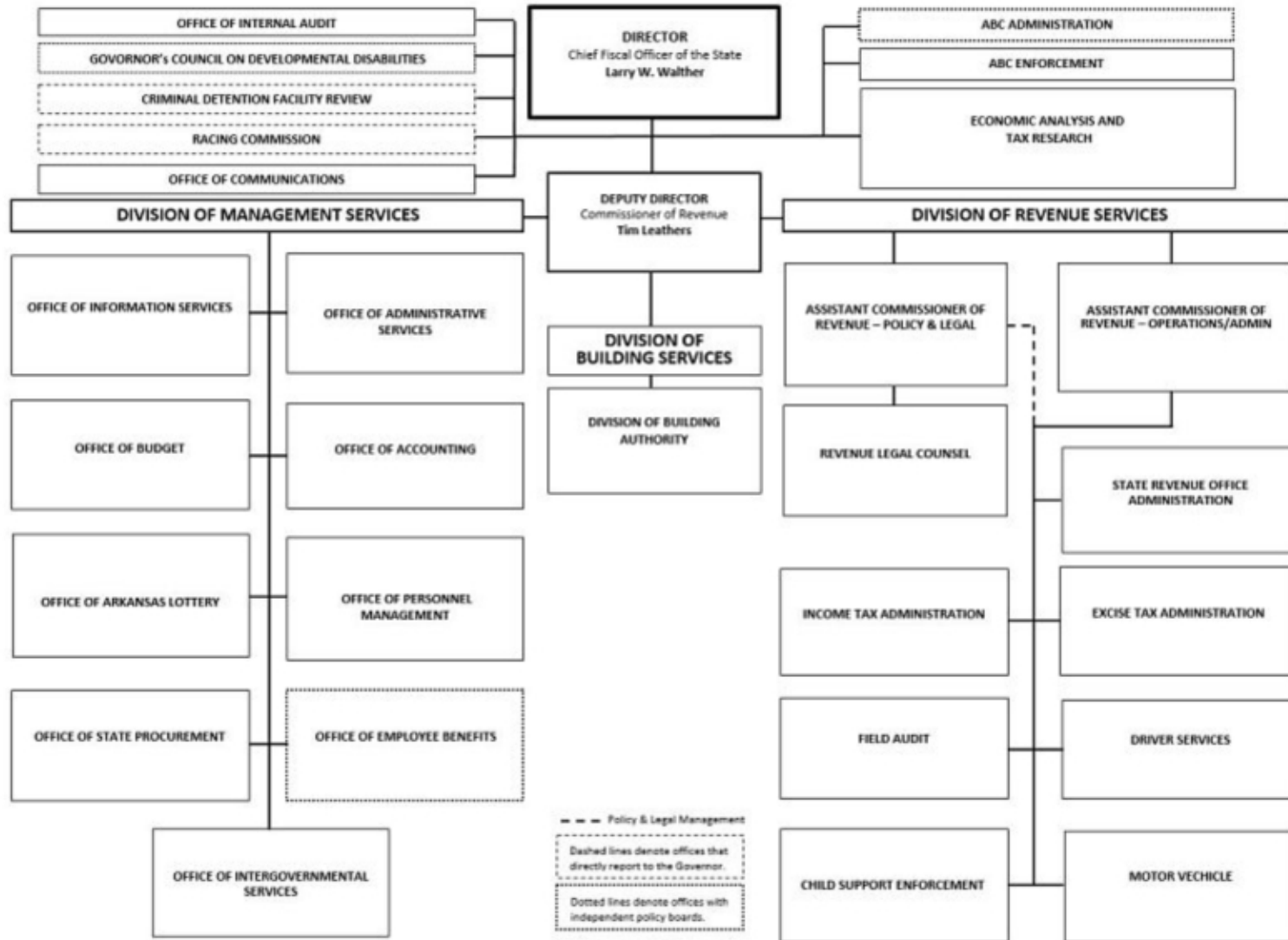
The Alcoholic Beverage Control Division has as its mission, such duties and assignments as have been given to it by the Arkansas General Assembly over the years. Those powers and duties can be briefly described as being the regulation, supervision and control of the manufacture, distribution and sale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

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION



Agency Commentary

The Alcoholic Beverage Control Administration Division (ABC) 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 State Operations appropriation (261) is funded from general revenue. The agency is requesting to transfer the E038C Education & Instruction Analyst, Grade C118, to the ABC Enforcement Division to be utilized as a X085C DFA ABC Enforcement Officer, Grade C118. The request reduces general revenue appropriation and funding in the amount of \$46,590 for FY18 and FY19. Personnel related line items make up 87.94% of the state operations general revenue appropriation.

The current Base Level for ABC Administration Cash Operations (911) and Special Revenue appropriation (F93) is sufficient for FY18 and FY19.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DFA - ABC ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

Audit findings are reported under DFA-Administrative Services.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

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				
ABC Rules and Regulations	None	N	N	600	To provide ABC Rules and Regulations information to customers with ABC permits. Also available for download on website.	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	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	803,056	11	857,694	12	886,062	12	829,787	12	783,197	11	783,197	11	829,787	12	783,197	11	783,197	11
911 ABC Administration - Cash Operations	0	0	7,000	0	7,000	0	7,000	0	7,000	0	7,000	0	7,000	0	7,000	0	7,000	0
F93 Spirituous & Vinous Beverages	61,302	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0
Total	864,358	11	1,164,694	12	1,193,062	12	1,136,787	12	1,090,197	11	1,090,197	11	1,136,787	12	1,090,197	11	1,090,197	11

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	352,709	26.7	458,346	31.8		278,346	22.1	278,346	22.9	278,346	22.9	128,297	11.6	128,297	12.1	128,297	12.1
General Revenue	4000010	803,056	60.7	857,694	59.4		829,787	65.8	783,197	64.5	783,197	64.5	829,787	74.7	783,197	73.6	783,197	73.6
Special Revenue	4000030	165,996	12.5	125,000	8.7		150,000	11.9	150,000	12.4	150,000	12.4	150,000	13.5	150,000	14.1	150,000	14.1
Cash Fund	4000045	870	0.1	2,000	0.1		2,000	0.2	2,000	0.2	2,000	0.2	2,000	0.2	2,000	0.2	2,000	0.2
Interest	4000300	73	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		1,322,704	100.0	1,443,040	100.0		1,260,133	100.0	1,213,543	100.0	1,213,543	100.0	1,110,084	100.0	1,063,494	100.0	1,063,494	100.0
Excess Appropriation/(Funding)		(458,346)		(278,346)			(123,346)		(123,346)		(123,346)		26,703		26,703		26,703	
Grand Total		864,358		1,164,694			1,136,787		1,090,197		1,090,197		1,136,787		1,090,197		1,090,197	

Variance in fund balance is due to unfunded appropriation in (911) ABC Administration - Cash Operations.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
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	
12	11	1	12	0	8.33 %	12	10	2	12	0	16.67 %	12	10	2	12	0	16.67 %

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 87.94% of the Agency's budget is personnel related costs with the remaining 12.06% maintenance and operating expenses.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level for the biennium is \$829,787 in appropriation and general revenue funding each year of the 2017-2019 Biennium.

The agency is requesting to transfer an E038C Education & Instruction Analyst, Grade C118, to the ABC Enforcement Division to be utilized as a X085C DFA ABC Enforcement Officer, Grade C118. This request reduces general revenue in the amount of \$46,590 each year.

The Executive Recommendation provides for the Agency Request.

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		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	533,859	572,803	594,398	547,470	513,609	513,609	547,470	513,609	513,609
#Positions		11	12	12	12	11	11	12	11	11
Extra Help	5010001	1,968	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
#Extra Help		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	181,613	186,805	193,578	184,231	171,502	171,502	184,231	171,502	171,502
Operating Expenses	5020002	85,616	89,500	89,500	89,500	89,500	89,500	89,500	89,500	89,500
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
Total		803,056	857,694	886,062	829,787	783,197	783,197	829,787	783,197	783,197
Funding Sources										
General Revenue	4000010	803,056	857,694		829,787	783,197	783,197	829,787	783,197	783,197
Total Funding		803,056	857,694		829,787	783,197	783,197	829,787	783,197	783,197
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		803,056	857,694		829,787	783,197	783,197	829,787	783,197	783,197

Change Level by Appropriation

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

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	829,787	12	829,787	100.0	829,787	12	829,787	100.0
C07	Agency Transfer	(46,590)	(1)	783,197	94.4	(46,590)	(1)	783,197	94.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	829,787	12	829,787	100.0	829,787	12	829,787	100.0
C07	Agency Transfer	(46,590)	(1)	783,197	94.4	(46,590)	(1)	783,197	94.4

Justification

C07	The agency is requesting to transfer the E038C Education & Instruction Analyst, Grade C118, to the ABC Enforcement Division to be utilized as a X085C DFA ABC Enforcement Officer, Grade C118.
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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 \$7,000 each year of the 2017-2019 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			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
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		0	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Funding Sources										
Fund Balance	4000005	4,106	5,049		49	49	49	0	0	0
Cash Fund	4000045	870	2,000		2,000	2,000	2,000	2,000	2,000	2,000
Interest	4000300	73	0		0	0	0	0	0	0
Total Funding		5,049	7,049		2,049	2,049	2,049	2,000	2,000	2,000
Excess Appropriation/(Funding)		(5,049)	(49)		4,951	4,951	4,951	5,000	5,000	5,000
Grand Total		0	7,000		7,000	7,000	7,000	7,000	7,000	7,000

Analysis of Budget Request

Appropriation: F93 - Spirituous & Vinous Beverages

Funding Sources: SSV - Alcoholic Beverage Control Fund

This appropriation is used by the Alcoholic Beverage Control (ABC) Administration Division for the general operations that involve the promotion, education, training, alcohol safety awareness and enforcement activities. The special revenues that fund this appropriation are from the registration fees paid to ABC - Administration by manufacturers, importers, or producers of spirituous and vinous beverages for each different alcoholic beverage product label.

The Agency is requesting Base Level of \$300,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: F93 - Spirituous & Vinous Beverages

Funding Sources: SSV - Alcoholic Beverage Control Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Promotion, Education, Training S 5900046	61,302	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total	61,302	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Funding Sources									
Fund Balance 4000005	348,603	453,297		278,297	278,297	278,297	128,297	128,297	128,297
Special Revenue 4000030	165,996	125,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding	514,599	578,297		428,297	428,297	428,297	278,297	278,297	278,297
Excess Appropriation/(Funding)	(453,297)	(278,297)		(128,297)	(128,297)	(128,297)	21,703	21,703	21,703
Grand Total	61,302	300,000		300,000	300,000	300,000	300,000	300,000	300,000