

DFA - ABC ADMINISTRATION

Enabling Laws

Act 1312 of 2003
AR Code §3-2-101 - §3-2-412

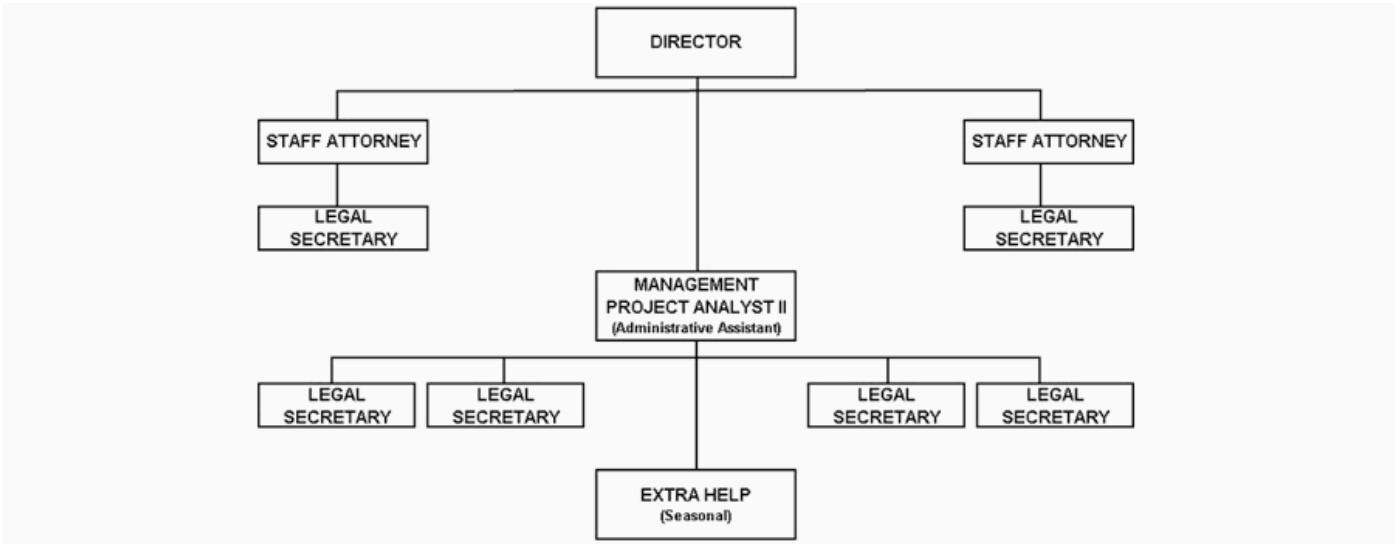
History and Organization

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 DFA with the approval of the Governor.

The ABC 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 Operating Expenses in the amount of \$14,000 each year of the biennium to allow for the purchase of file cabinets, office supplies, postage and lodging expenses of Alcoholic Beverage Control Board Members.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ALCOHOLIC BEVERAGE CONTROL – ADMINISTRATION DIVISION
 FOR THE YEAR ENDED JUNE 30, 2003

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 / Program Summary

Historical Data						Agency Request and Executive Recommendation								
Appropriation / Program	2003-2004		2004-2005		2004-2005		2005-2006				2006-2007			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
261 ABC Admin - State Operations	591,246	10	605,418	10	611,243	10	636,642	10	636,642	10	650,867	10	650,867	10
911 ABC Admin - Cash Operations	3,956	0	10,964	0	10,964	0	10,964	0	10,964	0	10,964	0	10,964	0
Total	595,202	10	616,382	10	622,207	10	647,606	10	647,606	10	661,831	10	661,831	10

Funding Sources			%		%		%		%		%		%		
Fund Balance	4000005	8,167	1.4	5,890	1.0			2,036	0.3	2,036	0.3	1,072	0.2	1,072	0.2
General Revenue	4000010	582,607	96.9	600,343	97.1			636,642	98.1	636,642	98.1	650,867	98.3	650,867	98.3
Cash Fund	4000045	1,762	0.3	7,110	1.1			10,000	1.6	10,000	1.6	10,000	1.5	10,000	1.5
Merit Adjustment Fund	4000055	8,639	1.4	5,075	0.8			0	0.0	0	0.0	0	0.0	0	0.0
Interest	4000300	44	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0
Service Charges	4000447	(127)	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		601,092	100.0	618,418	100.0			648,678	100.0	648,678	100.0	661,939	100.0	661,939	100.0
Excess Appropriation/(Funding)		(5,890)		(2,036)				(1,072)		(1,072)		(108)		(108)	
Grand Total		595,202		616,382				647,606		647,606		661,831		661,831	

Analysis of Budget Request

Appropriation / Program: 261 - ABC Admin - State Operations

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 FY05 budgeted amount of \$605,418 consists of Regular Salaries and Personal Services Matching for ten positions, Extra Help, Operating Expenses and Conference Fees and Travel.

Base Level request of \$622,642 for FY06 and \$636,867 for FY07 includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for ten Base Level positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Agency is requesting a change over Base Level for Operating Expenses in the amount of \$14,000 each year of the biennium to allow for the purchase of file cabinets, office supplies, postage, as well as business travel expenses the ABC Board Members need to attend meetings and/or hearings.

The Executive Recommendation provides for the Agency Request for appropriation and additional General Revenue funding.

Appropriation / Program Summary

Appropriation / Program: 261 ABC Admin - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2003-2004 Actual	2004-2005 Budget	2004-2005 Authorized	2005-2006			2006-2007		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	414,838	411,174	411,908	422,858	422,858	422,858	434,831	434,831	434,831
#Positions	10	10	10	10	10	10	10	10	10
Extra Help 5010001	1,232	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
#Extra Help	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	107,473	112,558	106,749	118,098	118,098	118,098	120,350	120,350	120,350
Operating Expenses 5020002	65,191	74,100	85,000	74,100	88,100	88,100	74,100	88,100	88,100
Travel-Conference Fees 5050009	2,512	4,986	4,986	4,986	4,986	4,986	4,986	4,986	4,986
Professional Fees and Services 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	591,246	605,418	611,243	622,642	636,642	636,642	636,867	650,867	650,867
Funding Sources									
General Revenue 4000010	582,607	600,343		622,642	636,642	636,642	636,867	650,867	650,867
Merit Adjustment Fund 4000055	8,639	5,075		0	0	0	0	0	0
Total Funding	591,246	605,418		622,642	636,642	636,642	636,867	650,867	650,867
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	591,246	605,418		622,642	636,642	636,642	636,867	650,867	650,867

The FY04 Actual and FY05 Budgeted amounts in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2003-2005 biennium.

Change Level by Appropriation

Appropriation / Program: 261-ABC Admin - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	622,642	10	622,642	100.0	636,867	10	636,867	100.0
C01	Existing Program	14,000	0	636,642	102.2	14,000	0	650,867	102.2

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	622,642	10	622,642	100.0	636,867	10	636,867	100.0
C01	Existing Program	14,000	0	636,642	102.2	14,000	0	650,867	102.2

Justification

C01	Additional maintenance and operation of \$14,000 each year is needed to purchase file cabinets, office supplies, postage and lodging expenses of ABC Board Members.
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Analysis of Budget Request

Appropriation / Program: 911 - ABC Admin - Cash Operations

Funding Sources: NAB - Cash in Treasury - ABC Admin

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 / Program Summary

Appropriation / Program: 911 ABC Admin - Cash Operations
Funding Sources: NAB - Cash in Treasury - ABC Admin

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2003-2004	2004-2005	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	3,956	10,964	10,964	10,964	10,964	10,964	10,964	10,964	10,964
Travel-Conference Fees 5050009	0	0	0	0	0	0	0	0	0
Professional Fees and Services 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	3,956	10,964	10,964	10,964	10,964	10,964	10,964	10,964	10,964
Funding Sources									
Fund Balance 4000005	8,167	5,890		2,036	2,036	2,036	1,072	1,072	1,072
Cash Fund 4000045	1,762	7,110		10,000	10,000	10,000	10,000	10,000	10,000
Interest 4000300	44	0		0	0	0	0	0	0
Service Charges 4000447	(127)	0		0	0	0	0	0	0
Total Funding	9,846	13,000		12,036	12,036	12,036	11,072	11,072	11,072
Excess Appropriation/(Funding)	(5,890)	(2,036)		(1,072)	(1,072)	(1,072)	(108)	(108)	(108)
Grand Total	3,956	10,964		10,964	10,964	10,964	10,964	10,964	10,964