

DFA - ABC ADMINISTRATION

Enabling Laws

Act 160 of 2014
ACA §3-2-101 - §3-2-412
ACA §3-2-403; §3-4-608; §19-6-819

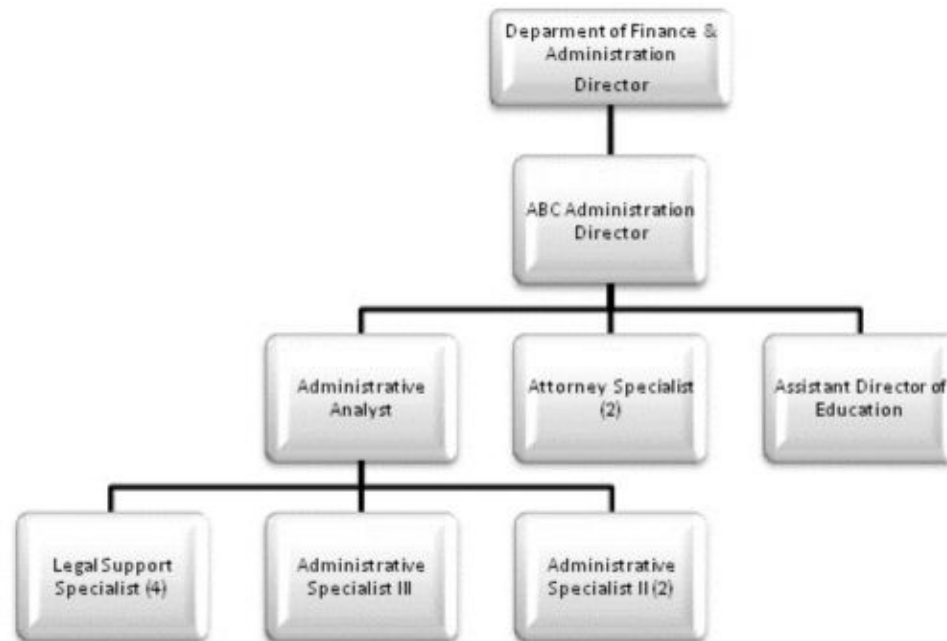
History and Organization

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.



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 State Operations appropriation (261) is funded from general revenue. The agency is requesting a change over Base Level (funding and appropriation) in the amount of \$1,400 each year for rent increase; ABA will implement a three percent (3%) increase to all ABA leases beginning in FY16.

The current Base Level for ABC Administration Cash Operations (911) and Special Revenue appropriation (F93) is sufficient for FY16 and FY17.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DFA - ABC ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2012

Findings

Recommendations

Audit findings are reported under DFA-Administrative Services.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	3	7	10	83 %
Black Employees	0	2	2	17 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	17 %
Total Employees			12	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				
ABC Rules and Regulations	None	N	N	725	To provide ABC Rules and Regulations information to customers with ABC permits.	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		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	860,538	12	875,958	12	871,772	12	884,539	12	885,939	12	885,939	12	884,662	12	886,062	12	886,062	12
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	2,457	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		862,995	12	1,182,958	12	1,178,772	12	1,191,539	12	1,192,939	12	1,192,939	12	1,191,662	12	1,193,062	12	1,193,062	12

Funding Sources		%		%			%		%		%		%		%		%
Fund Balance 4000005	2,699	0.3	185,973	14.7		82,593	6.5	82,593	6.5	82,593	6.5	82,593	6.5	82,593	6.5	82,593	6.5
General Revenue 4000010	860,538	82.0	875,958	69.2		884,539	69.6	885,939	69.6	885,939	69.6	884,662	69.6	886,062	69.6	886,062	69.6
Special Revenue 4000030	185,050	17.6	200,000	15.8		300,000	23.6	300,000	23.6	300,000	23.6	300,000	23.6	300,000	23.6	300,000	23.6
Cash Fund 4000045	650	0.1	3,620	0.3		3,700	0.3	3,700	0.3	3,700	0.3	3,700	0.3	3,700	0.3	3,700	0.3
Interest 4000300	31	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	1,048,968	100.0	1,265,551	100.0		1,270,832	100.0	1,272,232	100.0	1,272,232	100.0	1,270,955	100.0	1,272,355	100.0	1,272,355	100.0
Excess Appropriation/(Funding)	(185,973)		(82,593)			(79,293)		(79,293)		(79,293)		(79,293)		(79,293)		(79,293)	
Grand Total	862,995		1,182,958			1,191,539		1,192,939		1,192,939		1,191,662		1,193,062		1,193,062	

FY15 Budget amount exceeds the authorized amount in (261) ABC Administration - State Operations due to salary and matching rate adjustments during the 2013-2015 Biennium.

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

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
12	10	2	12	0	16.67 %	12	12	0	12	0	0.00 %	12	12	0	12	0	0.00 %

Analysis of Budget Request

Appropriation: 261 - ABC Administration - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Alcoholic Beverage Control 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 89.4% of the Agency's budget is personnel related costs with the remaining 10.6% maintenance and operating expenses.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in 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 Merit Pay Increases.

Base Level for the Biennium is \$884,539 in FY16 and \$884,662 for FY17.

The Agency's Change Level Request for appropriation and general revenue funding of \$1,400 in Operating Expenses each year provides for rent increases beginning in FY16.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	587,757	588,755	587,522	594,298	594,298	594,298	594,398	594,398	594,398
#Positions		12	12	12	12	12	12	12	12	12
Extra Help	5010001	2,547	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	191,624	190,517	187,564	193,555	193,555	193,555	193,578	193,578	193,578
Operating Expenses	5020002	77,761	88,100	88,100	88,100	89,500	89,500	88,100	89,500	89,500
Conference & Travel Expenses	5050009	849	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		860,538	875,958	871,772	884,539	885,939	885,939	884,662	886,062	886,062
Funding Sources										
General Revenue	4000010	860,538	875,958		884,539	885,939	885,939	884,662	886,062	886,062
Total Funding		860,538	875,958		884,539	885,939	885,939	884,662	886,062	886,062
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		860,538	875,958		884,539	885,939	885,939	884,662	886,062	886,062

FY15 Budget amounts in Regular Salaries and Personal Services Matching exceed the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	884,539	12	884,539	100.0	884,662	12	884,662	100.0
C01	Existing Program	1,400	0	885,939	100.2	1,400	0	886,062	100.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	884,539	12	884,539	100.0	884,662	12	884,662	100.0
C01	Existing Program	1,400	0	885,939	100.2	1,400	0	886,062	100.2

Justification

C01	ABA will implement a three percent (3%) increase to all ABA leases beginning in FY16.
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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 2015-2017 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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	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	2,699	3,380		0	0	0	0	0	0
Cash Fund	4000045	650	3,620		3,700	3,700	3,700	3,700	3,700	3,700
Interest	4000300	31	0		0	0	0	0	0	0
Total Funding		3,380	7,000		3,700	3,700	3,700	3,700	3,700	3,700
Excess Appropriation/(Funding)		(3,380)	0		3,300	3,300	3,300	3,300	3,300	3,300
Grand Total		0	7,000		7,000	7,000	7,000	7,000	7,000	7,000

Expenditure of appropriation is contingent upon available funding.

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 2015-2017 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	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Promotion, Education, Training S 5900046	2,457	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total	2,457	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Funding Sources									
Fund Balance 4000005	0	182,593		82,593	82,593	82,593	82,593	82,593	82,593
Special Revenue 4000030	185,050	200,000		300,000	300,000	300,000	300,000	300,000	300,000
Total Funding	185,050	382,593		382,593	382,593	382,593	382,593	382,593	382,593
Excess Appropriation/(Funding)	(182,593)	(82,593)		(82,593)	(82,593)	(82,593)	(82,593)	(82,593)	(82,593)
Grand Total	2,457	300,000		300,000	300,000	300,000	300,000	300,000	300,000