

DFA - ABC ADMINISTRATION

Enabling Laws

Act 798 of 2007
A.C.A. §3-2-101 - §3-2-412

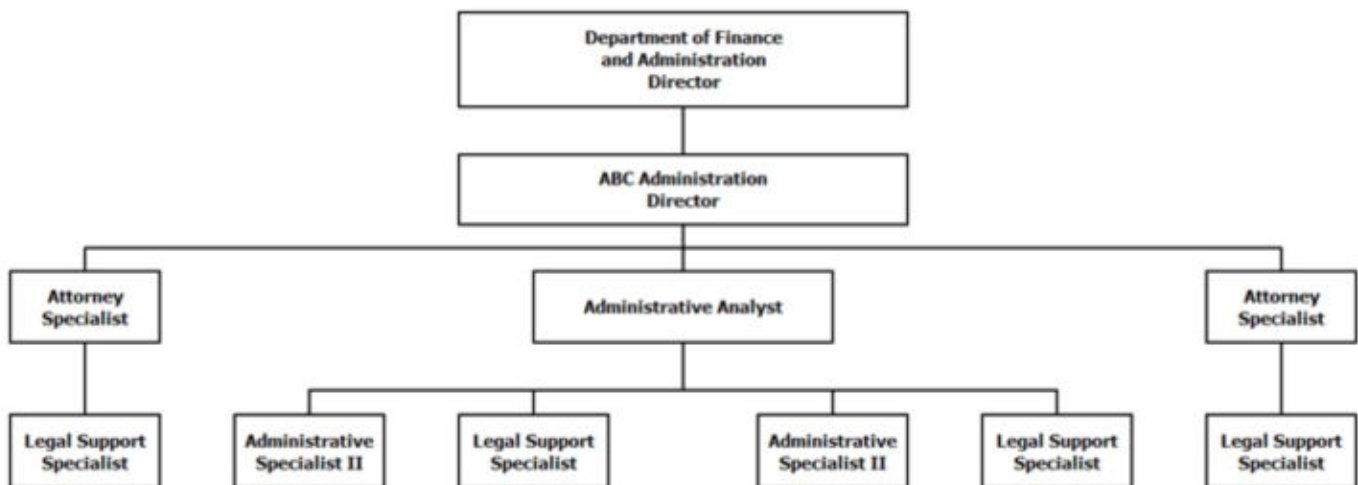
History and Organization

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 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 is funded from general revenue. The agency is requesting a change over base level in the amount of \$46,598 for FY10 and \$37,321 for FY11. Of this amount, \$10,000 is for Maintenance & Operation to purchase new office furniture and dictation/transcription equipment. The remaining amount is for an additional position, Legal Support Specialist, due to an increase in applications for permits.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF FINANCE AND ADMINISTRATION
ALCOHOLIC BEVERAGE CONTROL – ADMINISTRATION DIVISION

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	3	5	8	89 %
Black Employees	0	1	1	11 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			1	11 %
Total Employees			9	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 Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	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	681,070	10	688,740	10	688,740	10	716,930	10	763,528	11	719,630	10	729,189	10	766,510	11	729,189	10
911 ABC Administration - Cash Operations	388	0	10,964	0	10,964	0	10,964	0	10,964	0	10,964	0	10,964	0	10,964	0	10,964	0
Total	681,458	10	699,704	10	699,704	10	727,894	10	774,492	11	730,594	10	740,153	10	777,474	11	740,153	10

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance 4000005	5,069	0.7	5,867	0.8		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
General Revenue 4000010	681,070	99.1	688,740	98.4		716,930	98.5	763,528	98.6	719,630	98.5	729,189	98.5	766,510	98.6	729,189	98.5		
Cash Fund 4000045	960	0.1	5,097	0.7		10,964	1.5	10,964	1.4	10,964	1.5	10,964	1.5	10,964	1.4	10,964	1.5		
Interest 4000300	226	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	687,325	100.0	699,704	100.0		727,894	100.0	774,492	100.0	730,594	100.0	740,153	100.0	777,474	100.0	740,153	100.0		
Excess Appropriation/(Funding)	(5,867)		0			0		0		0		0		0		0			
Grand Total	681,458		699,704			727,894		774,492		730,594		740,153		777,474		740,153			

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	
10	10	0	10	0	0.00 %	10	9	1	10	0	10.00 %	10	9	1	10	0	10.00 %

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% of the Agency's budget is personnel related costs with the remaining 13% maintenance and operating expenses.

The FY09 budget amount of \$688,740 consists of Regular Salaries and Personal Services Matching for ten positions, Extra Help, Operating Expenses and Conference and Travel Expenses.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study as well as the recommendation for the ABC Director transition from an unclassified to a classified position. Salaries are adjusted accordingly. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency is requesting additional appropriation and general revenue funding over Base Level for the following:

- One (1) additional position, Legal Support Specialist and related Personal Services Matching, due to an increase in applications for permit and the added responsibility of criminal background checks on all applicants;
- Additional Maintenance & Operation in the amount of \$10,000 for FY2010;
 - \$2,700 is needed to purchase dictation and transcription equipment used in the ABC hearings;
 - \$1,400 to replace seven (7) secretarial chairs;
 - and the remaining \$5,900 to purchase new office furniture for the director's office

The Executive Recommendation provides for the Agency Request of additional appropriation and general revenue funding over Base Level in the amount of \$2,700 for the dictation & transcription equipment.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	474,596	467,660	457,468	479,493	506,024	479,493	489,819	516,960	489,819
#Positions		10	10	10	10	11	10	10	11	10
Extra Help	5010001	2,184	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	113,631	124,394	134,586	140,751	150,818	140,751	142,684	152,864	142,684
Operating Expenses	5020002	85,673	88,100	88,100	88,100	98,100	90,800	88,100	88,100	88,100
Conference & Travel Expenses	5050009	4,986	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		681,070	688,740	688,740	716,930	763,528	719,630	729,189	766,510	729,189
Funding Sources										
General Revenue	4000010	681,070	688,740		716,930	763,528	719,630	729,189	766,510	729,189
Total Funding		681,070	688,740		716,930	763,528	719,630	729,189	766,510	729,189
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		681,070	688,740		716,930	763,528	719,630	729,189	766,510	729,189

Actual and Budget amounts in Regular Salaries exceed authorized amount due to salary adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 261 - ABC Administration - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	716,930	10	716,930	100.0	729,189	10	729,189	100.0
C01	Existing Program	46,598	1	763,528	106.5	37,321	1	766,510	105.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	716,930	10	716,930	100.0	729,189	10	729,189	100.0
C01	Existing Program	2,700	0	719,630	100.4	0	0	729,189	100.0

Justification

C01	The agency is requesting one (1) additional position, Legal Support Specialist, due to a significant increase in applications for permit, and the added responsibility of criminal background checks on all applicants. This additional position would help to distribute the workload more evenly. Additional Maintenance & Operation in the amount of \$10,000 is being requested for FY10. Approximately \$2,700 is needed to purchase dictation and transcription equipment used in the ABC hearings; \$1,400 to replace seven (7) secretarial chairs; and the remaining \$5,900 to purchase new office furniture for the director's office which would include a desk, credenza, conference table and chairs and 2 side chairs.
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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.

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 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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	388	10,964	10,964	10,964	10,964	10,964	10,964	10,964	10,964
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		388	10,964	10,964	10,964	10,964	10,964	10,964	10,964	10,964
Funding Sources										
Fund Balance	4000005	5,069	5,867		0	0	0	0	0	0
Cash Fund	4000045	960	5,097		10,964	10,964	10,964	10,964	10,964	10,964
Interest	4000300	226	0		0	0	0	0	0	0
Total Funding		6,255	10,964		10,964	10,964	10,964	10,964	10,964	10,964
Excess Appropriation/(Funding)		(5,867)	0		0	0	0	0	0	0
Grand Total		388	10,964		10,964	10,964	10,964	10,964	10,964	10,964