

# DFA - ABC ENFORCEMENT

## **Enabling Laws**

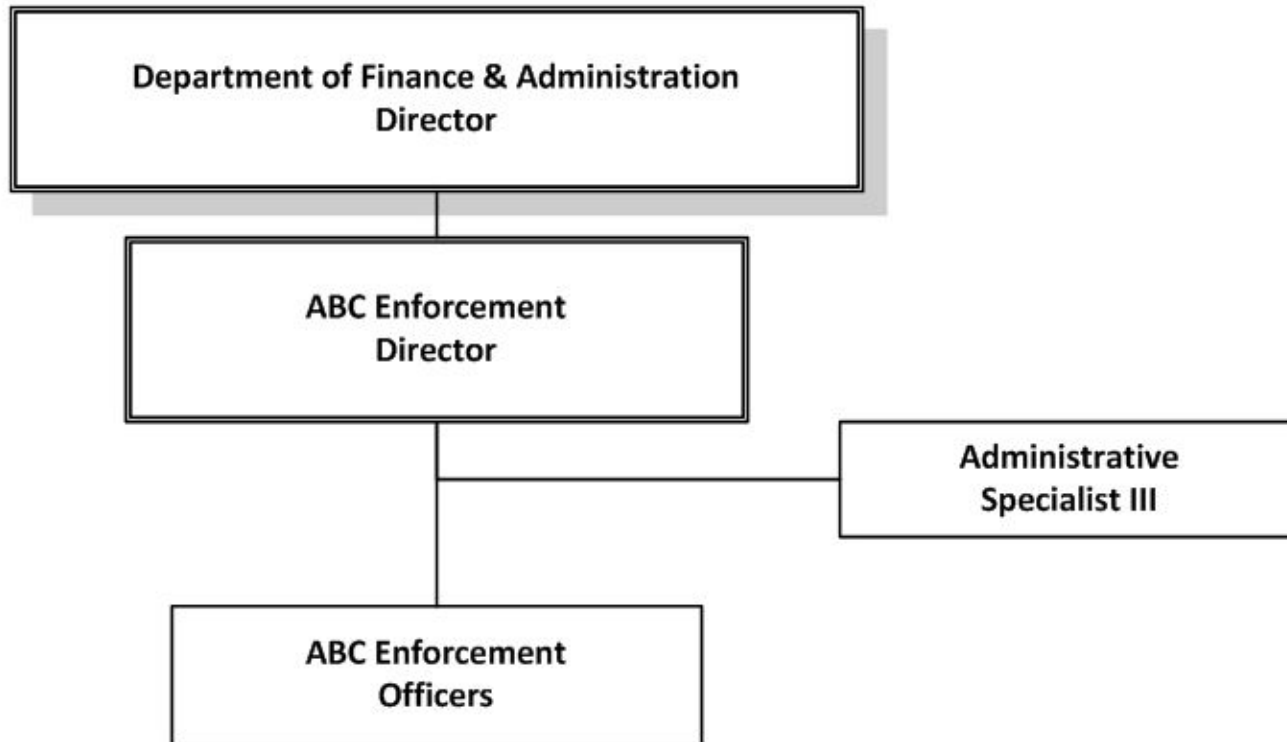
Act 102 of 2014  
ACA §3-2-101 - §3-2-412

## **History and Organization**

The mission of the Alcoholic Beverage Control Enforcement Division is to enforce all Arkansas Code Annotated Laws of the State Control Act, cigarette, sales, Rules and Regulations adopted by the Alcoholic Beverage Control Board, and the training and assistance for all law enforcement agencies as well as other organizations regarding alcoholic beverages.

Alcoholic Beverage Control Enforcement Division was established with the creation of the Alcoholic Beverage Control Department of 1935. The head of the Alcoholic Beverage Control Enforcement Division is appointed by the Director of the Department of Finance and Administration with the approval of the Governor.

In addition to enforcement, the Alcoholic Beverage Control Enforcement Division conducts background investigations of those persons, businesses and organizations who apply for licenses under the Alcoholic Beverage Control Act. The Alcoholic Beverage Control agents conduct inspections and report on permit applications in addition to the investigations of violations and apprehensions of violators. The agents also investigate and inspect the damaged shipments of any controlled beverages which have been involved in a fire, wreck, or other casualty to certify the extent and the amount of damage for the purpose of returning any taxes which have been paid to the State. The agents also answer complaints, confiscate moonshine and perform other special assignments; such as food stamp fraud when used to purchase alcoholic beverages. All Alcoholic Beverage Control Enforcement agents must be certified law enforcement officers.



## **Agency Commentary**

The Alcoholic Beverage Control Enforcement Division is responsible for enforcement of alcoholic beverage control laws and regulations within the State. ABC Enforcement agents are certified law enforcement officers.

The ABC Enforcement Division is funded from general revenue. The agency is requesting a change over base level (funding and appropriation) in the amount of \$3,600 for FY16 and FY17.

- Capital Outlay in the amount of \$2,600 each fiscal year, is requested to pay Sales & Use Tax for the replacement of vehicles each year. Several of the current vehicles have over 100,000 miles.
- Operations \$1,000 each year for rent increase; ABA will implement a three percent (3%) increase to all ABA leases beginning in FY16.

ABC Enforcement administered a federally funded program for Combating Underage Drinking that funding levels were put on hold as the Federal Government used the funds for their own internal programs. Restoration of previously authorized appropriation in the amount of \$484,754 is requested in the event the program funding is reinstated for FY16 and FY17.

## **Audit Findings**

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

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Findings

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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	14	2	16	80 %
Black Employees	3	1	4	20 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	20 %
Total Employees			20	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				
None	N/A	N	N	0	N/A	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
1SQ ABC Enforcement - Federal Operations	92,163	0	0	0	484,754	0	0	0	484,754	0	484,754	0	0	0	484,754	0	484,754	0
217 ABC Enforcement - State Operations	1,297,111	19	1,307,253	20	1,312,439	20	1,310,053	20	1,313,653	20	1,313,653	20	1,310,817	20	1,314,417	20	1,314,417	20
Total	1,389,274	19	1,307,253	20	1,797,193	20	1,310,053	20	1,798,407	20	1,798,407	20	1,310,817	20	1,799,171	20	1,799,171	20

Funding Sources			%		%			%		%		%		%		%		%
General Revenue	4000010	1,261,243	90.8	1,307,253	100.0		1,310,053	100.0	1,313,653	73.0	1,311,053	73.0	1,310,817	100.0	1,314,417	73.1	1,311,817	73.0
Federal Revenue	4000020	92,163	6.6	0	0.0		0	0.0	484,754	27.0	484,754	27.0	0	0.0	484,754	26.9	484,754	27.0
Merit Adjustment Fund	4000055	15,848	1.1	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DFA Motor Vehicle Acquisition	4000184	20,020	1.4	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		1,389,274	100.0	1,307,253	100.0		1,310,053	100.0	1,798,407	100.0	1,795,807	100.0	1,310,817	100.0	1,799,171	100.0	1,796,571	100.0
Excess Appropriation/(Funding)		0		0			0		0		2,600		0		0		2,600	
Grand Total		1,389,274		1,307,253			1,310,053		1,798,407		1,798,407		1,310,817		1,799,171		1,799,171	

## 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		
20	20	0	20	0	0.00 %	20	20	0	20	0	0.00 %	20	20	0	20	0	0.00 %

## **Analysis of Budget Request**

**Appropriation:** 1SQ - ABC Enforcement - Federal Operations

**Funding Sources:** FFC - ABC Enforcement Federal

This federally funded appropriation provides operations for the Department of Finance and Administration - Alcoholic Beverage Control (ABC) Enforcement Division, Combating Underage Drinking Program. The Program helps to reduce the availability of alcoholic beverages to minors and the consumption of alcoholic beverages by minors. Activities of the program include targeting establishments suspected of a pattern of violations of State laws governing the sale and consumption of alcohol by minors, public advertising programs to educate establishments about prohibitions and sanctions, and innovative programs to prevent and combat underage drinking.

The Agency's Change Level request of \$484,754 each year of the 2015-2017 Biennium reflects restoration of previously authorized appropriation in the event federal funding is restored and consists of the following:

- Operating Expenses of \$100,754
- Conference and Travel of \$10,000
- Grants and Aid of \$374,000

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 1SQ - ABC Enforcement - Federal Operations

**Funding Sources:** FFC - ABC Enforcement Federal

### 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	38,731	0	100,754	0	100,754	100,754	0	100,754	100,754
Conference & Travel Expenses	5050009	187	0	10,000	0	10,000	10,000	0	10,000	10,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	53,245	0	374,000	0	374,000	374,000	0	374,000	374,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		92,163	0	484,754	0	484,754	484,754	0	484,754	484,754
<b>Funding Sources</b>										
Federal Revenue	4000020	92,163	0		0	484,754	484,754	0	484,754	484,754
Total Funding		92,163	0		0	484,754	484,754	0	484,754	484,754
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		92,163	0		0	484,754	484,754	0	484,754	484,754



## **Change Level by Appropriation**

**Appropriation:** 1SQ - ABC Enforcement - Federal Operations  
**Funding Sources:** FFC - ABC Enforcement Federal

### **Agency Request**

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C01	Existing Program	484,754	0	484,754	100.0	484,754	0	484,754	100.0

### **Executive Recommendation**

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C01	Existing Program	484,754	0	484,754	100.0	484,754	0	484,754	100.0

### **Justification**

C01	This federally funded appropriation provides operations for the DFA - Alcoholic Beverage Control (ABC) Enforcement Division, Combating Underage Drinking Program. Restoration of previously authorized appropriation is requested in the event the program funding is reinstated.
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## **Analysis of Budget Request**

**Appropriation:** 217 - ABC Enforcement - State Operations

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

The Department of Finance and Administration - Alcoholic Beverage Control (ABC) Enforcement Division is responsible for enforcement of alcoholic beverage control laws and regulations within the State. All ABC Enforcement agents are certified law enforcement officers and cover approximately 5,000 permitted outlets.

General revenue funds 100% of the Alcoholic Beverage Control Enforcement's operating budget. Currently 88% of the Agency's budget is personnel related costs with the remaining 12% being 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 \$1,310,053 in FY16 and \$1,310,817 for FY17.

The Agency's Change Level request of \$3,600 each year of the biennium in appropriation and general revenue funding reflects the following:

- Operating Expenses of \$1,000 each year to cover rent increases beginning in FY16.
- Capital Outlay of \$2,600 each year to pay the Sales and Use Tax on replacement vehicles that are purchased through DFA Motor Vehicle Acquisition Fund. Replacement of aging, high mileage vehicles will be determined in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

The Executive Recommendation provides for the Agency Request with the exception of the \$2,600 in Capital Outlay which is recommended as appropriation only.

## Appropriation Summary

**Appropriation:** 217 - ABC Enforcement - 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	829,988	828,077	840,325	830,236	830,236	830,236	830,836	830,836	830,836
<b>#Positions</b>		<b>19</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
Personal Services Matching	5010003	323,184	325,376	318,314	328,617	328,617	328,617	328,781	328,781	328,781
Operating Expenses	5020002	122,555	151,200	151,200	151,200	152,200	152,200	151,200	152,200	152,200
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	21,384	2,600	2,600	0	2,600	2,600	0	2,600	2,600
<b>Total</b>		<b>1,297,111</b>	<b>1,307,253</b>	<b>1,312,439</b>	<b>1,310,053</b>	<b>1,313,653</b>	<b>1,313,653</b>	<b>1,310,817</b>	<b>1,314,417</b>	<b>1,314,417</b>
<b>Funding Sources</b>										
General Revenue	4000010	1,261,243	1,307,253		1,310,053	1,313,653	1,311,053	1,310,817	1,314,417	1,311,817
Merit Adjustment Fund	4000055	15,848	0		0	0	0	0	0	0
DFA Motor Vehicle Acquisition	4000184	20,020	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>1,297,111</b>	<b>1,307,253</b>		<b>1,310,053</b>	<b>1,313,653</b>	<b>1,311,053</b>	<b>1,310,817</b>	<b>1,314,417</b>	<b>1,311,817</b>
Excess Appropriation/(Funding)		0	0		0	0	2,600	0	0	2,600
<b>Grand Total</b>		<b>1,297,111</b>	<b>1,307,253</b>		<b>1,310,053</b>	<b>1,313,653</b>	<b>1,313,653</b>	<b>1,310,817</b>	<b>1,314,417</b>	<b>1,314,417</b>

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

FY14 Actual amount in Capital Outlay exceeds authorized amount due to transfer of appropriation and funding from DFA Motor Vehicle Acquisition.

## Change Level by Appropriation

**Appropriation:** 217 - ABC Enforcement - State Operations  
**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,310,053</b>	<b>20</b>	<b>1,310,053</b>	<b>100.0</b>	<b>1,310,817</b>	<b>20</b>	<b>1,310,817</b>	<b>100.0</b>
C01	Existing Program	3,600	0	1,313,653	100.3	3,600	0	1,314,417	100.3

### Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,310,053</b>	<b>20</b>	<b>1,310,053</b>	<b>100.0</b>	<b>1,310,817</b>	<b>20</b>	<b>1,310,817</b>	<b>100.0</b>
C01	Existing Program	3,600	0	1,313,653	100.3	3,600	0	1,314,417	100.3

### Justification

C01	\$1,000 each year in operations (appropriation and funding); ABA will implement a three percent (3%) increase to all ABA leases beginning in FY16. \$2,600 each year in Capital Outlay (appropriation and funding), is requested to pay Sales & Use Tax for the replacement of vehicles each year.								
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