

# DFA - ABC ADMINISTRATION

## Enabling Laws

Act 2018 of 2005  
AR Code §3-2-101 - §3-2-412

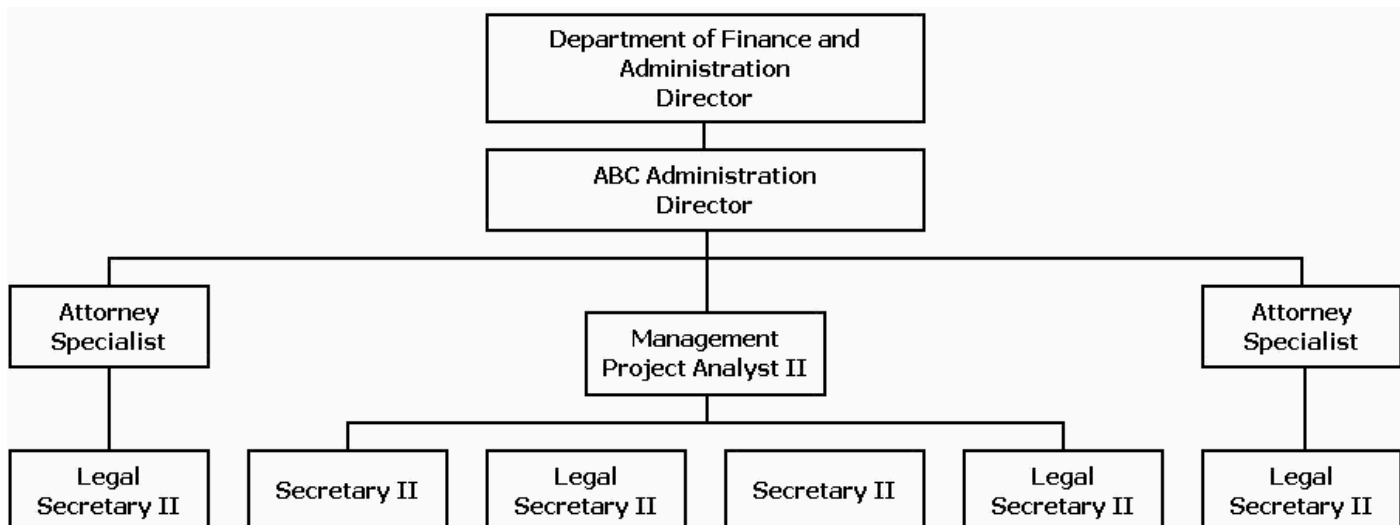
## History and Organization

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 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 for Extra Help appropriation in the amount of \$1,000 each year of the biennium to allow for the minimum wage increase and \$77 for related Personal Services Matching. This request will also provide adequate appropriation during renewal season.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ALCOHOLIC BEVERAGE CONTROL – ADMINISTRATION DIVISION  
FOR THE YEAR ENDED JUNE 30, 2005

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 Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
261 ABC Administration - State	628,365	10	657,690	10	662,490	10	667,514	10	667,514	10	667,514	10	667,514	10
911 ABC Administration - Cash	1,631	0	10,964	0	10,964	0	10,964	0	10,964	0	10,964	0	10,964	0
Total	629,996	10	668,654	10	673,454	10	678,478	10	678,478	10	678,478	10	678,478	10

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	5,499	0.9	6,055	0.9	0	0.0	0	0.0	0	0.0	0	0.0
General Revenue	4000010	628,365	98.8	657,690	98.4	667,514	98.4	667,514	98.4	667,514	98.4	667,514	98.4
Cash Fund	4000045	2,010	0.3	4,909	0.7	10,964	1.6	10,964	1.6	10,964	1.6	10,964	1.6
Interest	4000300	193	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Service Charges	4000447	(16)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		636,051	100.0	668,654	100.0	678,478	100.0	678,478	100.0	678,478	100.0	678,478	100.0
Excess Appropriation/(Funding)		(6,055)		0		0		0		0		0	
Grand Total		629,996		668,654		678,478		678,478		678,478		678,478	

**Agency Position Usage Report**

FY2004-2005						FY2005-2006						FY2006-2007					
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			Total	Total	Filled	Unfilled			Total	Total	Filled	Unfilled	
10	10	0	10	0	0.00%	10	10	0	10	0	0.00%	10	10	0	10	0	0.00%

## **Analysis of Budget Request**

**Appropriation:** 261 - ABC Administration - State

**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 FY07 budgeted amount of \$657,690 consists of Regular Salaries and Personal Services Matching for ten positions, Extra Help, Operating Expenses and Conference and Travel Expenses.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. The Base Level request of \$439,815 for FY08 and FY09 for Regular Salaries does include board member Stipend payments. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Base Level request for this appropriation is \$666,437 for both years of the biennium. The Agency is requesting additional appropriation and general revenue funding over Base Level for Extra Help and related Personal Services Matching in the amount of \$1,077 each year of the biennium to allow for the increase in minimum wage and adequate appropriation during the license renewal season. Currently there are approximately 5,500 permits issued yearly.

The Executive Recommendation provides for the Agency Request of additional appropriation and general revenue funding over Base Level in the amount of \$1,077.

## Appropriation Summary

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	430,956	439,815	444,615	439,815	439,815	439,815	439,815	439,815	439,815
<b>#Positions</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Extra Help 5010001	2,142	2,600	2,600	2,600	3,600	3,600	2,600	3,600	3,600
<b>#Extra Help</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching 5010003	105,855	122,189	122,189	130,936	131,013	131,013	130,936	131,013	131,013
Operating Expenses 5020002	84,668	88,100	88,100	88,100	88,100	88,100	88,100	88,100	88,100
Conference & Travel Expenses 5050009	4,744	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
<b>Total</b>	<b>628,365</b>	<b>657,690</b>	<b>662,490</b>	<b>666,437</b>	<b>667,514</b>	<b>667,514</b>	<b>666,437</b>	<b>667,514</b>	<b>667,514</b>
<b>Funding Sources</b>									
General Revenue 4000010	628,365	657,690		666,437	667,514	667,514	666,437	667,514	667,514
<b>Total Funding</b>	<b>628,365</b>	<b>657,690</b>		<b>666,437</b>	<b>667,514</b>	<b>667,514</b>	<b>666,437</b>	<b>667,514</b>	<b>667,514</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>628,365</b>	<b>657,690</b>		<b>666,437</b>	<b>667,514</b>	<b>667,514</b>	<b>666,437</b>	<b>667,514</b>	<b>667,514</b>

## Change Level by Appropriation

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

### Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	666,437	10	666,437	100.0	666,437	10	666,437	100.0
C01	Existing Program	1,077	0	667,514	100.1	1,077	0	667,514	100.1

### Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	666,437	10	666,437	100.0	666,437	10	666,437	100.0
C01	Existing Program	1,077	0	667,514	100.1	1,077	0	667,514	100.1

### Justification

C01	Additional extra help appropriation is needed due to the increase in minimum wage. This increase will also allow for adequate appropriation during renewal season.
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## **Analysis of Budget Request**

**Appropriation:** 911 - ABC Administration - Cash

**Funding Sources:** NAB - Cash in Treasury - ABC Administration

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  
**Funding Sources:** NAB - Cash in Treasury - ABC Administration

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	1,631	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
<b>Total</b>	<b>1,631</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>
<b>Funding Sources</b>									
Fund Balance 4000005	5,499	6,055		0	0	0	0	0	0
Cash Fund 4000045	2,010	4,909		10,964	10,964	10,964	10,964	10,964	10,964
Interest 4000300	193	0		0	0	0	0	0	0
Service Charges 4000447	(16)	0		0	0	0	0	0	0
<b>Total Funding</b>	<b>7,686</b>	<b>10,964</b>		<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>
Excess Appropriation/(Funding)	(6,055)	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>1,631</b>	<b>10,964</b>		<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>	<b>10,964</b>