

State of Alaska FY2002 Governor's Operating Budget

Department of Revenue
Alcohol Beverage Control Board
BRU/Component

Component: Alcohol Beverage Control Board

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Component Mission

To ensure compliance with the state's liquor laws.

Component Services Provided

ENFORCE ALCOHOLIC BEVERAGE LAWS.

- License those engaged in the legal manufacture and sale of alcoholic beverages.
- Conduct investigations and background reviews of liquor licensees.
- Accredite statutorily required alcohol server training.
- Provide information on alcoholic beverage laws and the liquor licensing process.

Component Goals and Strategies

1. REDUCE UNDERAGE ACCESS TO ALCOHOLIC BEVERAGES

- Partner with local police departments to share information and perform inspections so underage consumption can be intercepted and prosecuted.
- Disseminate information to local governments and community councils regarding ways to communicate concerns and activities regarding underage alcohol consumption.
- Perform "sting" operations in response to complaints where underage patrons are alleged to be buying alcohol.
- Oversee training of alcohol servers so underage patrons are denied access to alcohol.
- Partner with the Department of Public Safety to publicize consequences of underage purchase, use and possession of alcohol.
- Enforce laws through spot inspections of bars and cite bar owners and underage patrons for violations.
- Perform routine inspections to assure servers are trained and liquor licenses are current.
- Promote and increase safety when licensing premises by encouraging and considering citizen and local government comments regarding location, background and character of owners, and history of alcohol consumption in vicinity of proposed premises.
- Help dry communities develop strategies to curb bootlegging.
- Help damp communities develop strategies to prevent and control alcohol abuse.

2. REDUCE ALCOHOL RELATED ACCIDENTS AND DEATHS

- Partner with state troopers and local police departments to curb alcohol shipping to dry communities.
- Oversee training of bartenders to assure that drunken patrons are not served.
- Attend community council and other public meetings to publicize alcohol beverage laws and strategies to reduce alcohol abuse.

Key Component Issues for FY2001 – 2002

- Investigator staffing remains at levels below what was available prior to the construction of the Trans-Alaska Pipeline. Inadequate staffing increases the chances of underage drinking and alcohol related accidents and deaths.
- Funding for required formal hearings to address serious violations is inadequate. This places pressure on the ABC Board to settle actions against licensees to avoid the cost of the formal hearing. This pressure to settle may not always be in the public interest.

Major Component Accomplishments for FY2000

1. Resolved 100% of civil accusations by imposing ABC Board sanctions.
2. Conducted inspections in remote area of Alaska and conducted 244 premise inspections with limited travel and personnel resources.
3. Processed license applications within the 90-day statutory window 100% of the time.
4. Prepared Policy and Procedures Manual for ABC Enforcement operations.
5. For one full year beginning July 1, 1998 through June 30, 1999, the Alcoholic Beverage Control Board issued 50 Notices of Violation which produced the following compliance rates for beverage dispensary, restaurant, club, and package store licensees (total of 1,371 licenses of these types) of the following types of violations:

Serving underage (minors)	98.61% compliance - 19 violations
Serving drunken persons	99.71% compliance - 4 violations
Lack of server training	99.42% compliance - 8 violations

Percentage of servers trained in compliance for one year: 98.32% - 23 violations

Statutory and Regulatory Authority

AS 04
15 AAC 104

Key Performance Measures for FY2002

Measure: In FY2001, we project there will be 50 Notices of Violation (NOVs) for sale of alcoholic beverages to underage persons.

This translates to a compliance rate of 96.35%.
(Not yet addressed by Legislature.)

Background and Strategies:

The ABC Board is measuring its performance by tracking compliance of its liquor licensee's key behaviors that protect public safety and health. Statistics are kept on a calendar year basis, but for purposes of this comparison the data reflects the FY1999 year beginning July 1, 1998 through June 30, 1999.

By measuring the number of violations recorded for Alaska liquor law infractions, the data can give us a sense of how well liquor licensees are doing in complying with the law. The four key categories of violations being measured include sale of alcoholic beverages to underage persons, sale of alcoholic beverages to drunken persons, service of alcoholic beverages beyond legal hours of operation, and lack of approved training for alcoholic beverage servers. For more accurate comparison purposes only those types of licenses with violations of (beverage dispensary, package store, club, and restaurants) are divided into the violations.

The number of violations for these serious offenses is a direct function of the time and effort spent on field enforcement. The total number of violations measures this level of activity. During FY1999 and the current budget year, enforcement activity has been curtailed due to unanticipated legal constraints on investigator authority and safety. If these issues can be resolved in FY2000, the number of NOVs should increase, as investigators become more active. With sustained enforcement, NOVs should decline as compliance increases.

Measure: In FY2001, we project there will be 20 licensees issued NOVs for service to drunken persons.

The compliance rate is 98.54%.
(Not yet addressed by Legislature.)

Measure: In FY2001, there will be 24 licensees issued NOVs for operating beyond legal hours of operation.

The compliance rate is 98.25%.
(Not yet addressed by Legislature.)

Measure: In FY2001, there will be 12 licensees issued NOVs for failure to have staff legally trained.

The compliance rate is 99.12%.
(Not yet addressed by Legislature.)

Measure: The total number of NOVs for FY2001 will be 135.
(Not yet addressed by Legislature.)

Background and Strategies:

The increase in enforcement activity assumes that unanticipated legal delays in establishing clear and safe enforcement authority for ABC investigators will be resolved in the current year.

Measure: The cost of providing compliance services compared to the number of licenses per year.
(Developed jointly with Legislature in FY2000.)

Current Status:

FY2000 - Cost of Compliance Services=\$290,500.00 compared to 1,825 liquor licenses (Compliance costs or \$159 per license).

Measure: The cost of certifying or providing training services compared to the number of servers trained per year.
(Developed jointly with Legislature in FY2000.)

Current Status:

FY 2000-Cost of certifying or providing training services=\$700.00 compared to 6,569 servers trained (\$.11 per server trained).

Measure: The percentage of noncompliant licenses compared to the number of licenses held per year.
(Developed jointly with Legislature in FY2000.)

Current Status:

FY2000-5.5% noncompliant licenses compared to 1,825 licenses.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> In FY2001, we project there will be 50 Notices of Violation (NOVs) for sale of alcoholic beverages to underage persons. This translates to a compliance rate of 96.35%. 			X		

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
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			X		
			X		
			X		
			X		
			X		

Alcohol Beverage Control Board
Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	543.4	571.9	577.6
72000 Travel	23.0	25.1	25.1
73000 Contractual	108.5	96.1	87.9
74000 Supplies	10.5	4.1	4.1
75000 Equipment	29.0	1.3	1.3
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	714.4	698.5	696.0
Funding Sources:			
1005 General Fund/Program Receipts	630.4	684.6	696.0
1007 Inter-Agency Receipts	84.0	0.0	0.0
1053 Investment Loss Trust Fund	0.0	13.9	0.0
Funding Totals	714.4	698.5	696.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
Unrestricted Fund	68515	1,285.0	1,761.5	1,761.5	1,761.5	1,761.5
Unrestricted Total		1,285.0	1,761.5	1,761.5	1,761.5	1,761.5
Restricted Revenues						
Interagency Receipts	51015	84.0	0.0	0.0	0.0	0.0
General Fund Program Receipts	51060	630.4	684.6	684.6	696.0	684.5
Investment Loss Trust Fund	51393	0.0	13.9	13.9	0.0	0.0
Restricted Total		714.4	698.5	698.5	696.0	684.5
Total Estimated Revenues		1,999.4	2,460.0	2,460.0	2,457.5	2,446.0

Alcohol Beverage Control Board**Proposed Changes in Levels of Service for FY2002**

No anticipated service changes

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	698.5	0.0	0.0	698.5
Adjustments which will continue current level of service:				
-Year 2 Labor Costs - Net Change from FY2001	-2.5	0.0	0.0	-2.5
FY2002 Governor	696.0	0.0	0.0	696.0

Alcohol Beverage Control Board

Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	9	9	Annual Salaries	444,660
Part-time	0	0	COLA	7,452
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	143,320
			<i>Less 2.99% Vacancy Factor</i>	(17,824)
			Lump Sum Premium Pay	0
Totals	9	9	Total Personal Services	577,608

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	0	0	1
Administrative Clerk III	2	0	0	0	2
Division Director	1	0	0	0	1
Investigator III	1	1	1	0	3
Investigator IV	1	0	0	0	1
Records & Licensing Spvr	1	0	0	0	1
Totals	7	1	1	0	9