

State of Alaska FY2004 Governor's Operating Budget

Department of Public Safety ABC Board Component Budget Summary

Component: ABC Board

Contact: Doug Griffin, Director

Tel: (907) 269-0350 **Fax:** (907) 272-9412 **E-mail:** Doug_Griffin@revenue.state.ak.us

Component Mission

The mission of the Alcoholic Beverage Control Board is 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 criminal background reviews of liquor licensees.
- Accredit statutorily required alcohol server training.
- Provide information on alcoholic beverage laws and the liquor licensing process to local governments, police departments, Alaska State Troopers, community councils, hospitality industry trade groups and the public.

Component Goals and Strategies

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.
- Administer law enforcement component of Enforcing Underage Drinking Laws Program Grants (EUDL) to insure liquor licensees are complying with law prohibiting underage access to alcohol.
- Support "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 state troopers 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.

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.
- Help state troopers and police departments respond to complaints of liquor licensed establishments serving drunken patrons.
- Cite liquor licensees with "Notices of Violations" and "Accusations" to foster increased compliance with Alaska's liquor laws.

Key Component Issues for FY2003 – 2004

- 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. The ABC Board has requested supplemental funding to pay for hearings in FY2003.
- Funding needs to be secured to address issues raised in the preliminary Legislative Audit to upgrade the ABC Board data base.

Major Component Accomplishments in 2002

- Resolved 100% of civil accusations by imposing ABC Board sanctions.
- Conducted inspections in remote area of Alaska and conducted 240 premise inspections with limited travel and personnel resources.
- Successfully administered Enforcing Underage Drinking Laws Program Grant.
- For one full year beginning July 1, 2001 through June 30, 2002, the Alcoholic Beverage Control Board issued 84 Notices of Violation which produced the following compliance rates for beverage dispensary, restaurant, club, and package store licensees (total of 1,395 licenses of these types) of the following types of violations:

| | |
|---------------------------|-----------------------------------|
| Serving underage (minors) | 99.98% compliance – 24 violations |
| Serving drunken persons | 99.98% compliance – 24 violations |
| Lack of server training | 99.99% compliance – 13 violations |

Statutory and Regulatory Authority

AS 04.06.010-110
15 AAC 104

ABC Board
Component Financial Summary

All dollars in thousands

| | FY2002 Actuals | FY2003 Authorized | FY2004 Governor |
|------------------------------------|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 0.0 | 0.0 | 665.1 |
| 72000 Travel | 0.0 | 0.0 | 28.3 |
| 73000 Contractual | 0.0 | 0.0 | 192.1 |
| 74000 Supplies | 0.0 | 0.0 | 6.6 |
| 75000 Equipment | 0.0 | 0.0 | 13.3 |
| 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 | 0.0 | 0.0 | 905.4 |
| Funding Sources: | | | |
| 1005 General Fund/Program Receipts | 0.0 | 0.0 | 747.9 |
| 1007 Inter-Agency Receipts | 0.0 | 0.0 | 157.5 |
| Funding Totals | 0.0 | 0.0 | 905.4 |

ABC Board

Proposed Changes in Levels of Service for FY2004

- The Alcohol Beverage Control Board will be transferred in FY2004 from Department of Revenue to Department of Public Safety. The ABC Board's mission is to ensure compliance with the state's liquor laws. As a compliance and enforcement agency, the ABC can better serve that mission as a member of the Public Safety team. It is more appropriate for ABC investigation and licensing staff to reside within Public Safety, where trained personnel are available to assist with enforcement work.
- A reimbursable services' agreement (RSA) from Department of Health and Social Services, Division of Juvenile Justice, for enforcement of underage drinking laws is included in the FY2004 Governor's budget, for \$157.5 I/A Receipts. There is no change in service level with this technical transaction, since the services have previously been provided under an unbudgeted RSA.
- An increment has been requested for \$35.8 in general fund program receipts to cover the cost of the increase in variable benefit rates between Department of Revenue's FY2003 rates, and Department of Public Safety's FY2004 rates.

Summary of Component Budget Changes

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2003 Authorized | 0.0 | 0.0 | 0.0 | 0.0 |
| Adjustments which will continue current level of service: | | | | |
| -Transfer Alcohol Beverage Control Board from Revenue | 711.2 | 0.0 | 0.0 | 711.2 |
| -\$75 per Month Health Insurance Increase for Non-covered Staff | 0.9 | 0.0 | 0.0 | 0.9 |
| Proposed budget increases: | | | | |
| -Increased I/A Authority for Underage Drinking Program | 0.0 | 0.0 | 157.5 | 157.5 |
| -Increased Variable Benefit Costs: Working Reserve, PERS, and Worker's Comp Rates | 35.8 | 0.0 | 0.0 | 35.8 |
| FY2004 Governor | 747.9 | 0.0 | 157.5 | 905.4 |

ABC Board

Personal Services Information

| | Authorized Positions | | Personal Services Costs | |
|---------------|------------------------------------|----------------------------------|----------------------------------|----------------|
| | <u>FY2003</u> <u>Authorized</u> | <u>FY2004</u> <u>Governor</u> | | |
| Full-time | 0 | 9 | Annual Salaries | 482,593 |
| Part-time | 0 | 0 | Premium Pay | 0 |
| Nonpermanent | 0 | 0 | Annual Benefits | 190,747 |
| | | | <i>Less 1.22% Vacancy Factor</i> | (8,240) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 0 | 9 | Total Personal Services | 665,100 |

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 |