

**State of Alaska
FY2006 Governor's Operating Budget**

**Department of Public Safety
Alcoholic Beverage Control Board
Component Budget Summary**

Component: Alcoholic Beverage Control Board

Contribution to Department's Mission

To protect the health, safety, and welfare of Alaskans by limiting the misuse of alcohol.

Core Services

ENFORCE ALCOHOLIC BEVERAGE LAWS.

- 1) License those engaged in the legal manufacture and sale of alcoholic beverages.
- 2) Conduct investigations and criminal background reviews of liquor licensees.
- 3) Accredit statutorily required alcohol server training.
- 4) 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 concerned public.

End Results	Strategies to Achieve Results
<p>A: Eliminate harm to the public from underage access to alcoholic beverages.</p> <p><u>Target #1:</u> Attain a rate of 95% compliance by liquor licensees statewide with law prohibiting the sale of alcoholic beverages to persons under 21 years of age</p> <p><u>Measure #1:</u> Rate of compliance with law prohibiting sale of alcoholic beverages to underage persons.</p>	<p>A1: Have ABC Board investigators and law enforcement conduct compliance checks statewide.</p> <p><u>Target #1:</u> Conduct annual compliance checks in all areas of beverage dispensary, restaurant, club, and package store licensees based on the schedule listed in the details:</p> <p><u>Measure #1:</u> % of liquor licensees, per area, subjected to annual compliance checks in each region of the state.</p> <p><u>Target #2:</u> Conduct 90% of follow-up compliance checks within one month on any licensees that sell to underage persons.</p> <p><u>Measure #2:</u> % of follow-up compliance checks conducted within one month on licensees that sell to underage persons.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Increase deterrence for selling to young-looking persons. • Recruit, hire, and train ABC Investigators. Recruit and train underage "assets" for compliance checks. • Send out/leave communication regarding success or failure with compliance check. • Notice of violations for licensees failing compliance checks. 	<ul style="list-style-type: none"> • Criminal citation for clerks/servers selling to underage persons. • Follow-up checks timely for licensees that fail compliance check. • Accusations against serial failures of compliance checks.

FY2006 Resources Allocated to Achieve Results

FY2006 Component Budget: \$1,141,300	Personnel:	
	Full time	9
	Part time	0
	Total	9

Performance Measure Detail

A: Result - Eliminate harm to the public from underage access to alcoholic beverages.

Target #1: Attain a rate of 95% compliance by liquor licensees statewide with law prohibiting the sale of alcoholic beverages to persons under 21 years of age

Measure #1: Rate of compliance with law prohibiting sale of alcoholic beverages to underage persons.

Analysis of results and challenges: In FY2004, the ABC Board issued 52 Notices of Violation for Serving Minors equaling a 96.28% compliance rate among the 1,398 beverage dispensary, restaurant, club, and package store licensees where this offense is most likely to occur. The number of these licensees varies by only 1-2% each year. The number of compliance checks depends largely on additional funding; some interagency funding is expected in FY2005 to allow this enforcement work to be expanded.

A1: Strategy - Have ABC Board investigators and law enforcement conduct compliance checks statewide.

Target #1: Conduct annual compliance checks in all areas of beverage dispensary, restaurant, club, and package store licensees based on the schedule listed in the details:

Measure #1: % of liquor licensees, per area, subjected to annual compliance checks in each region of the state.

Analysis of results and challenges: TARGET: Conduct annual compliance checks in all areas of beverage dispensary, restaurant, club, and package store licensees based on the following schedule:

- Municipality of Anchorage: 75% of listed types of licensees
- Fairbanks North Star Borough and cities within FNSB: 50% of listed types of licensees
- City and Borough of Juneau: 50% of listed types of licensees
- Remainder of Southeast Alaska: 35% of listed types of licensees
- Matanuska-Susitna and Kenai Peninsula Boroughs and cities within these boroughs: 50% of listed types of licensees
- Rural communities on road system: 35% of listed types of licensees
- Rural communities off road system: 25% of listed types of licensees

The number of compliance checks depends on staff, travel funding, and overall enforcement approach. ABC investigators respond to complaints, conduct routine inspections, and have been assisted by state and local law enforcement following up on complaints. Travel funds are needed to conduct compliance checks off the road system or away from major urban areas where ABC investigators are stationed. Inspection approach varies to increase deterrence value of enforcement effort. In FY2005, interagency funds will be used differently to greatly increase the number of compliance checks.

Target #2: Conduct 90% of follow-up compliance checks within one month on any licensees that sell to underage persons.

Measure #2: % of follow-up compliance checks conducted within one month on licensees that sell to underage persons.

Analysis of results and challenges: Follow-up compliance checks should be prompt to ensure that licensees have remedied violations. When traveling off the road system or away from major urban areas, prompt follow-up

is not always practical. In FY2003, all licensees cited for selling to minors were revisited within one week and no repeat Notice of Violations were issued. Data is not available for prior years.

Key Component Challenges

Investigator staffing remains at levels below that which existed prior to the construction of the Trans-Alaska Pipeline. Inadequate staffing increases the chances of underage drinking and alcohol-related accidents and deaths.

The board plans to collect and process fingerprint cards on all liquor license holders due for renewal in FY2006 and FY2007. Right now, criminal background checks are only performed when a new license is issued, or a license is transferred to a new owner, and these criminal history background checks were not required prior to FY2002. When completed, this will allow the ABC Board to be notified of instances when liquor licensees have a substantive contact with the criminal justice system and ensure that only people who are fully qualified hold licenses.

Significant Changes in Results to be Delivered in FY2006

The Governor's budget includes additional funding to allow the ABC Board to require approximately half (700) of all licensees to submit fingerprint cards for a complete criminal history background. The other half of licensees will be checked in FY2007. This will allow the ABC Board to monitor all licensees in the future and be alerted when they have significant contact with the criminal justice system.

Major Component Accomplishments in 2004

Resolved 100 percent of civil accusations by imposing ABC Board sanctions.

Conducted inspections in remote area of Alaska and conducted 791 premise inspections with limited travel and personnel resources.

Successfully administered the Enforcing Underage Drinking Laws Program Grant.

For one full year beginning July 1, 2003 through June 30, 2004, the Alcoholic Beverage Control Board issued 91 Notices of Violation which produced the following compliance rates for beverage dispensary, restaurant, club, and package store licensees (total of 1,398 licenses of these types) of the following types of violations:

Serving underage (minors)	96.28 percent compliance – 52 violations
Serving drunken persons	99.78 percent compliance – 3 violations
Lack of server training	99.42 percent compliance – 8 violations

Statutory and Regulatory Authority

AS 04
13 AAC 104

Contact Information
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**Alcoholic Beverage Control Board
Component Financial Summary**

All dollars shown in thousands

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	686.1	714.3	737.7
72000 Travel	18.1	28.3	28.3
73000 Services	156.8	173.4	355.4
74000 Commodities	10.3	6.6	6.6
75000 Capital Outlay	0.0	13.3	13.3
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	871.3	935.9	1,141.3
Funding Sources:			
1004 General Fund Receipts	16.3	0.0	0.0
1005 General Fund/Program Receipts	755.0	778.4	983.8
1007 Inter-Agency Receipts	100.0	157.5	157.5
Funding Totals	871.3	935.9	1,141.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	100.0	157.5	157.5
General Fund Program Receipts	51060	755.0	778.4	983.8
Restricted Total		855.0	935.9	1,141.3
Total Estimated Revenues		855.0	935.9	1,141.3

**Summary of Component Budget Changes
From FY2005 Management Plan to FY2006 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2005 Management Plan	778.4	0.0	157.5	935.9
Adjustments which will continue current level of service:				
-FY 05 Bargaining Unit Contract Terms: GGU	4.2	0.0	0.0	4.2
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	19.2	0.0	0.0	19.2
Proposed budget increases:				
-Continuation of ABC Board Activities	47.0	0.0	0.0	47.0
-Criminal Background Checks for Liquor Licensees at Time of Renewal (FY06/FY07)	135.0	0.0	0.0	135.0
FY2006 Governor	983.8	0.0	157.5	1,141.3

**Alcoholic Beverage Control Board
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2005</u> <u>Management</u> <u>Plan</u>	<u>FY2006</u> <u>Governor</u>		
Full-time	9	9	Annual Salaries	511,102
Part-time	0	0	COLA	5,643
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	246,890
			<i>Less 0.38% Vacancy Factor</i>	<i>(2,935)</i>
			Lump Sum Premium Pay	0
Totals	9	9	Total Personal Services	760,700

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	0	0	1
Business Reg Examiner	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