

State of Alaska
FY2009 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

Protect the public from alcoholic beverage abuse by enforcing state laws regulating alcoholic beverage commerce.

Core Services

- Regulate alcoholic beverage commerce.
- License qualified persons to sell alcoholic beverages.
- Provide accurate liquor license and licensee information to the public.
- Provide up-to-date local option status of Alaska communities to the public.
- Enforce state laws governing alcoholic beverage commerce.
- Assist and train municipal police and Alaska State Troopers in alcoholic beverage law enforcement.

End Result	Strategies to Achieve End Result
<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 less than 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 the following percentages of annual compliance checks for all areas of beverage dispensary, restaurant, club, and package store licensees on schedule: MOA-75%, FNSB-50%, CBJ-50%, SE-35%, MSB/KPB-50%, R-ON-35%, R-OFF-25%.</p> <p><u>Measure #1:</u> % of liquor licensees, by region, subjected to annual compliance checks.</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. • Communicate 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. • Suspend liquor licenses and levy fines on licenses convicted of selling alcohol to underage persons and other related Title 4 violations.

FY2009 Resources Allocated to Achieve Results									
<p>FY2009 Component Budget: \$1,420,900</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Personnel:</td> </tr> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">10</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right; border-top: 1px solid black;">10</td> </tr> </table>	Personnel:		Full time	10	Part time	0	Total	10
Personnel:									
Full time	10								
Part time	0								
Total	10								

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 less than 21 years of age.

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

% rate of compliance with law prohibiting sales to underage persons (fiscal year)

Fiscal Year	YTD
FY 2004	96.28%
FY 2005	95%
FY 2006	87.56%
FY 2007	84.35%

Source: ABC Board

Analysis of results and challenges: In FY2007, the ABC Board issued 224 Notices of Violation for Serving Minors due to its vigorous Underage Compliance Check Program. (Under supervision of an Alaska State Trooper, an underage person is sent onto liquor-licensed premises to test server/clerk on whether the sale of alcohol is made to someone who is obviously under the age of 21.) The program operated at a high level of activity for eleven months. These 224 violations among the 1,431 beverage dispensary, restaurant, club, and package store licenses equal an 84.35% compliance rate. This represents a compliance rate more than 10% below the ABC Board target of 95%. This decline in compliance rate is due to the increased number of compliance checks conducted and an increased concentration on bars, restaurants, and clubs. The failure rate is higher for licensed premises that have historically not been tested at such a high rate.

Funding for compliance checks is limited and restricts the ability of the program to check rural parts of the state due to the expense of time and travel to check the relatively few licenses located in outlying areas. As staff continues the compliance check program, it is hoped that the failure rate will decline due to increased care and diligence on behalf of licensees and their employees to refuse alcohol service to underage persons.

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

Target #1: Conduct the following percentages of annual compliance checks for all areas of beverage dispensary, restaurant, club, and package store licensees on schedule: MOA-75%, FNSB-50%, CBJ-50%, SE-35%, MSB/KPB-50%, R-ON-35%, R-OFF-25%.

Measure #1: % of liquor licensees, by region, subjected to annual compliance checks.

YEAR	MOA	FNSB	CBJ	SE	MSB/KPB	R-ON	R-OFF
	75%	50%	50%	35%	50%	35%	25%

YEAR	MOA	FNSB	CBJ	SE	MSB/KPB	R-ON	R-OFF
2005	34.0%	57.0%	76.0%	0.0%	27.0%	12.0%	0.0%
2006	63.3%	78.9%	98.6%	19.8%	44.9%	17.7%	12.6%
2007	113.0%	40.5%	105.7%	50.0%	55.4%	43.3%	28.0%

MOA – Municipality of Anchorage

FNSB – Fairbanks North Star Borough and the cities within the borough

CBJ – City and Borough of Juneau

SE – Southeast Alaska, except Juneau

MSB/KPB – Matanuska-Susitna and Kenai Peninsula Boroughs, and the cities within the boroughs

R-ON – Rural communities on the road system

R-OFF – Rural communities off the road system

Source: ABC Board

Analysis of results and challenges: During FY2007, the compliance check program showed continued improvement due to the retention of a state trooper running the program. The number of compliance checks depends on adequate funding for staff and travel to pay for an aggressive enforcement effort.

Key Component Challenges

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

Implementation of a database to track alcohol sales by written order to rural Alaska involves increased regulating oversight and record keeping of legal alcoholic beverage sales. This increased governmental regulation is of concern to Alaskans who value their privacy and fear excessive exercise of government power. This program is designed to reduce alcoholic beverages flowing into Alaskan villages that have restricted alcohol sales, importation, and possession by local option election. If alcohol abuse can be reduced in rural Alaska, crime can be reduced in this part of the state.

New licenses for “outdoor recreation lodges” resulting from legislation passed in 2005 are presenting new challenges for the board. Many of these lodges are located in rural parts of the state and board staff are balancing concerns from nearby communities, many of which restrict alcohol possession by local option, with the right of lodge owners to acquire and operate lodge licenses that allow service only to their guests and off-duty staff.

Significant Changes in Results to be Delivered in FY2009

The ABC Board should be able to provide more access to information regarding liquor licenses on its web site. This will provide the public, local governments, and law enforcement agencies much more useful information regarding the sale of alcohol in Alaska by listing liquor licensees and providing more information about persons engaged in the sale of alcohol.

Enforcement of underage drinking laws will continue as a priority as long as staffing of the program remains stable. It is hoped that increased enforcement will encourage those selling alcohol to take more care to ensure underage persons

are not served. This will result in a drop in the failure rate.

The ABC Board, with installation of an improved database, will be able to do a better job of keeping track of liquor licensee activity, changes in ownership and location of licenses, tracking receipt of money and reconciling funds received, and providing useful information regarding liquor licenses.

The ABC Board will be able to begin accepting payment for services by credit card. This will be a convenience for the public.

Major Component Accomplishments in 2007

- Resolved 100 percent of civil accusations and local government protests of licenses by imposing ABC Board sanctions.
- Conducted inspections in remote areas of Alaska and conducted 1,395 premise inspections.
- Successfully administered Enforcing Underage Drinking Laws Program grant conducting 1,031 compliance checks throughout the state.

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

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	782.5	867.1	904.2
72000 Travel	44.0	35.9	35.9
73000 Services	290.0	653.0	459.9
74000 Commodities	9.5	7.6	4.6
75000 Capital Outlay	0.0	16.3	16.3
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,126.0	1,579.9	1,420.9
Funding Sources:			
1004 General Fund Receipts	0.0	1.7	0.0
1005 General Fund/Program Receipts	1,026.0	1,420.7	1,263.4
1007 Inter-Agency Receipts	100.0	157.5	157.5
Funding Totals	1,126.0	1,579.9	1,420.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
General Fund Program Receipts	51060	749.3	0.0	0.0
Unrestricted Total		749.3	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	100.0	157.5	157.5
General Fund Program Receipts	51060	1,026.0	1,420.7	1,263.4
Restricted Total		1,126.0	1,578.2	1,420.9
Total Estimated Revenues		1,875.3	1,578.2	1,420.9

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	1,422.4	0.0	157.5	1,579.9
Adjustments which will continue current level of service:				
-Ch 25 SLA 2007 (SB 128) Alcohol Local Option Provisions - Delete One-time Costs	-198.0	0.0	0.0	-198.0
-FY 09 Health Insurance Increases for Exempt Employees	0.2	0.0	0.0	0.2
-FY 09 Bargaining Unit Contract Terms: General Government Unit	36.9	0.0	0.0	36.9
Proposed budget increases:				
-Increased Vehicle Costs	1.9	0.0	0.0	1.9
FY2009 Governor	1,263.4	0.0	157.5	1,420.9

**Alcoholic Beverage Control Board
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2008</u>	<u>FY2009</u>		
	<u>Management</u>	<u>Governor</u>		
	<u>Plan</u>			
Full-time	10	10	Annual Salaries	565,882
Part-time	0	0	COLA	34,234
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	318,620
			<i>Less 1.58% Vacancy Factor</i>	<i>(14,536)</i>
			Lump Sum Premium Pay	0
Totals	10	10	Total Personal Services	904,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	0	0	1
Administrative Assistant II	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	8	1	1	0	10