

State of Alaska
FY2007 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 health, safety, and welfare of Alaskans by limiting the misuse of alcohol.

Core Services

- Regulate alcoholic beverage commerce.
- License qualified persons to sell alcoholic beverages.
- Liquor license and licensee information accurate and available to the public.
- Provide up-to-date local option status of Alaska communities and make available 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 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 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. • 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.

FY2007 Resources Allocated to Achieve Results							
<p>FY2007 Component Budget: \$1,264,200</p>	<p>Personnel:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">9</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;">9</td> </tr> </table>	Full time	9	Part time	0	Total	9
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.

% rate of compliance with law prohibiting sales to underage persons

Fiscal Year	YTD Total
FY 2004	96.28%
FY 2005	95%

Analysis of results and challenges: In FY2005, the ABC Board issued 20 Notices of Violation out of 396 compliance checks for the serving of alcohol to minors. This equaled a 95% 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 did not meet our goal in FY2005 due to the loss of the Alaska State Trooper corporal to National Guard service and the subsequent difficulty of rehiring for the position. Funding for the compliance check program remains constant and reliable at present levels.

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.

Target % of Liquor Licenses, 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%

Actual % of Liquor Licenses, by Region, Subjected to Annual Compliance Checks.

YEAR	MOA	FNSB	CBJ	SE	MSB/KPB	R-ON	R-OFF
2005	34%	57%	76%	0%	27%	12%	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 the 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.

Analysis of results and challenges: The number of compliance checks conducted was hampered due to the loss of the Alaska State Trooper corporal assigned this exclusive responsibility to National Guard service, and the difficulty in recruiting a replacement. Total compliance checks were conducted as follows: First Quarter-156, Second Quarter-217, Third Quarter-23, Fourth Quarter-0, for a total of 396 compliance checks. If the pace established in the second quarter were continued for the balance of the year, over 800 compliance checks would have been completed. Even with the loss of key personnel, targets were exceeded for the Fairbanks and Juneau area. In addition, when the compliance check program came to a close it had only 20 failures (instances where licensees sold to underage customers) out of 396 checks for a very respectable 95%

success rate.

It will be a continuing challenge to meet the targets for Anchorage and rural Alaska.

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.

The board plans to continue the collection and processing of fingerprint cards on all liquor license holders. This process began in FY2006 and this year's effort completes the collection process for persons holding a biennial liquor license. 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 liquor licenses.

The ABC Board will now license "Outdoor Recreation Lodges" as required by legislation enacted in 2005. This could include issuing as many as 400 new licenses for businesses located in remote parts of the state.

The ABC Board needs to maintain its system of receiving, tracking, and reconciling the revenue it collects for licenses, permits, penalties, and fines. This can only fully be addressed, given present staffing limitations, with a well maintained and fully integrated licensing data base.

Significant Changes in Results to be Delivered in FY2007

The ABC Board will finish the process it started in FY2006 of completing criminal background checks of its liquor licensees. Processing fingerprint cards for the second half of licensees in the biennial license cycle will improve public safety by providing more complete knowledge of its licensees.

The ABC Board, with installation of a new licensing data base in FY2006, 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.

Major Component Accomplishments in 2005

- Resolved 100 percent of civil accusations by imposing ABC Board sanctions.
- Conducted inspections in remote area of Alaska and conducted 583 premise inspections with limited travel and personnel resources.
- Successfully administered Enforcing Underage Drinking Laws Program grant.
- For one full year beginning July 1, 2004 through June 30, 2005, the ABC Board issued 35 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)	99.36 percent compliance – 9 violations
Serving drunken persons	99.57 percent compliance – 6 violations
Lack of server training	99.36 percent compliance – 9 violations

Statutory and Regulatory Authority

AS 04
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Contact Information

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**Alcoholic Beverage Control Board
Component Financial Summary**

All dollars shown in thousands

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	711.8	769.0	818.7
72000 Travel	15.9	28.3	28.3
73000 Services	152.5	357.3	397.3
74000 Commodities	6.2	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	886.4	1,174.5	1,264.2
Funding Sources:			
1004 General Fund Receipts	11.3	1.9	0.0
1005 General Fund/Program Receipts	782.6	1,015.1	1,106.7
1007 Inter-Agency Receipts	91.2	157.5	157.5
1061 Capital Improvement Project Receipts	1.3	0.0	0.0
Funding Totals	886.4	1,174.5	1,264.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Unrestricted Revenues				
General Fund Program Receipts	51060	987.1	0.0	0.0
Unrestricted Total		987.1	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	91.2	157.5	157.5
General Fund Program Receipts	51060	782.6	1,015.1	1,106.7
Capital Improvement Project Receipts	51200	1.3	0.0	0.0
Restricted Total		875.1	1,172.6	1,264.2
Total Estimated Revenues		1,862.2	1,172.6	1,264.2

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	1,017.0	0.0	157.5	1,174.5
Adjustments which will continue current level of service:				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	14.1	0.0	0.0	14.1
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	1.6	0.0	0.0	1.6
-FY 07 Retirement Systems Cost Increase	26.8	0.0	0.0	26.8
Proposed budget increases:				
-Migration and Further Development of Mission-Critical Licensing Database	40.0	0.0	0.0	40.0
-Risk Management Self-Insurance Funding Increase	7.2	0.0	0.0	7.2
FY2007 Governor	1,106.7	0.0	157.5	1,264.2

**Alcoholic Beverage Control Board
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	9	9	Annual Salaries	527,781
Part-time	0	0	COLA	14,324
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	286,940
			<i>Less 1.25% Vacancy Factor</i>	<i>(10,345)</i>
			Lump Sum Premium Pay	0
Totals	9	9	Total Personal Services	818,700

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