



MEMORANDUM

TO: The Alcoholic Beverage Control Board

DATE: March 3, 2023

FROM: Joan M. Wilson

RE: Director's Report

Introduction

This report details AMCO activities from the last regular meeting of the ABC Board on December 15, 2023, to the present.

Staff Updates

Carrie Craig will update the ABC Board on changes to Licensing staff, and Maya Ali will do the same with changes in the Administration team.

In the meanwhile, I am happy to announce formally three changes that will enhance AMCO, our services, and our responsiveness to licensees,

Jane Sawyer is formerly appointed as Program Coordinator I for AMCO. That leaves the regulations specialist position now open, but Kristina Serezhenkov applied for, was offered, and graciously agreed to serve as AMCO's Acting Regulations Specialist. We are currently recruiting candidates for the full-time position. Last, most of you met Gabriel Gonzales at the Board's special meeting in January, but I am happy to officially announce his appointment as Local Government Specialist to you today. With Janyce Ibele, the Project Assistant for the Title 4 Rewrite, AMCO's Education and Outreach Team is fully staffed. Mr. Gonzales has actively begun his outreach to local governments, which I will discuss later in this report.

Gov2Biz Selected As Online Licensing System Vendor

After a competitive bid process that brought a number of proposals, I am also happy to announce that Gov2Biz is the successful bidder for the online licensing system contract. Gov2Biz recently

designed and successfully implemented a new online licensing system for the Texas Alcoholic Beverage Control Commission.

We welcome them to our team. Our contract is signed. AMCO's held its kick-off meeting with Gov2Biz on Tuesday, February 28, 2023 and followed that up with a series of system immersion meetings on alcoholic beverage licensing, marijuana licensing, and enforcement.

Enforcement

Chief Hoelscher will provide this report. Based on enforcement efforts and the recommendations of this Board at the December meeting, I have issued accusations against three licensees.

Licensing Queue and Renewals

Ms. Craig will address the status of the alcoholic beverage licensing queue and renewals in her report.

Title 4 Rewrite Education and Outreach

In conjunction with industry and public health advocates, AMCO continues to provide public education on the Title 4 Rewrite. Presentations since the Board's last meeting include:

- An in-person presentation in Ketchikan to alcoholic beverage licensees
- An in-person meeting in Juneau to alcoholic beverage licensees
- The Alaska Municipal League
- An in-person meeting in Fairbanks to alcoholic beverage licensees

Our Title 4 Rewrite Team is next scheduling Zoom and in-person meetings for the various classes of licensees within Alaska's four regions. By way of example, we will schedule an education session with all beverage dispensary licensees in Southeast Alaska. This will permit us to address license type and regional concerns. Our frequently asked questions for our website are also being developed and will be in place by the close of March. At the same time, we will have a new bail schedule for Title 4 Offenses to the Alaska Court System to implement the new fine system.

Local Government Education and Outreach

Gabriel Gonzales has begun his outreach to local governments. To date he has addressed for them expected changes under the Title 4 Rewrite and how to receive shared revenues from alcoholic beverage licensing fees. The latter focus has been twofold: (1) to reach out to cities that may be entitled to shared revenues but have not filed quarterly Title 4 enforcement reports; and (2) to begin discussions on how AMCO may request the Commissioner of Commerce to deny the refunds if the local government is not "actively enforcing" Title 4 and related alcoholic beverage control laws. Mr. Gonzales is also reaching out to community councils to explain their roles in licensing questions. Because community councils are volunteer based, it is not uncommon for the

knowledge base of community council’s roles in licensing to be lost. This position also provides support to communities desiring to exercising local options on the control of alcoholic beverages.

FY 2024 Proposed Budget

In House Bill 39, the Governor has proposed for Fiscal Year 2024 an operating budget of \$4,469,600. The total amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2023, not to exceed the amount appropriated for the fiscal year ending on June 30, 2024, of program receipts from the alcoholic beverage and marijuana application and licensing fees.

Budget request increases are as follows.

FY2024 Operating Budget Changes	Amount (\$)	Funding Source	Impacts
Replace critical office equipment	+\$20,000.00	1005 GF Program Receipts (DGF)	Replace aging copier and add scanners to advance electronic file retention.
Training from national alcohol and cannabis regulatory organizations	+20,000.00	1005 GF Program Receipts (DGF)	Industry-standard training and information sharing to ensure Alaska’s alcohol and marijuana regulation and oversight is appropriate, efficient, and on-pace with current industry activity.
Year 2 Fiscal Note for SB9 Alcohol Regulation	+\$175,200.00 +1 PFT	1005 GF Program Receipts (DGF)	Continued implementation of the SB9 (2022’s Title 4 rewrite), including one Special Investigator position.
Total FY2024 Operating Budget Changes		+\$21,200.00 +1 PFT	

I attached the breakdown of the Fiscal Year 2023 budget for comparison.

I will discuss with the Board the proposals that this Legislature will not be considering at this time and address how we might better support these proposals going forward.

Conclusion and Next Meeting

The next regularly scheduled meeting of the ABC Board meeting is May 30th and potentially the 31st in Anchorage, Alaska. This Board will also discuss whether a special meeting shall occur prior to the regular board meeting to address the Title 4 Rewrite regulations you will be considering on the second day of this Board meeting.

2023 Legislature - Operating Budget Transaction Change Detail - Governor Structure

Agency: Department of Commerce, Community and Economic Development

Numbers and Language

Appropriation: Alcohol and Marijuana Control Office
Allocation: Alcohol and Marijuana Control Office

Transaction Title	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
* * * FY23 Conference Committee * * *												
FY23 Conference Committee	ConfCom	3,991.4	2,503.9	135.0	1,236.8	115.7	0.0	0.0	0.0	22	0	0
1004 Gen Fund (UGF)		38.1										
1005 GF/Prgm (DGF)		3,953.3										
FY23 Conference Committee Total		3,991.4	2,503.9	135.0	1,236.8	115.7	0.0	0.0	0.0	22	0	0
* * * Changes from FY23 Conference Committee to FY23 Authorized * * *												
Alcoholic Beverage Control: Alcohol Reg Ch8 SLA2022 (SB9) (Sec2 Ch11 SLA2022 P48 L25 (HB281))	FisNot23	244.9	158.1	8.8	58.0	20.0	0.0	0.0	0.0	1	0	1
1005 GF/Prgm (DGF)		244.9										
FY2023 Exempt 5% COLA	SalAdj	8.7	8.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF)		8.7										
Transfer Unallocated Rate Adjustments to Alcohol and Marijuana Control Office	Unalloc	9.4	0.2	0.0	9.2	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)		0.2										
1005 GF/Prgm (DGF)		9.2										
FY23 Authorized Total		4,254.4	2,670.9	143.8	1,304.0	135.7	0.0	0.0	0.0	23	0	1
* * * Changes from FY23 Authorized to FY23 Management Plan * * *												
Align Authority with Anticipated Expenditures	LIT	0.0	70.0	-8.8	-41.2	-20.0	0.0	0.0	0.0	0	0	0
FY23 Management Plan Total		4,254.4	2,740.9	135.0	1,262.8	115.7	0.0	0.0	0.0	23	0	1
* * * Changes from FY23 Management Plan to FY24 Adjusted Base * * *												
Align Authority with Anticipated Personal Services Costs	LIT	0.0	99.8	0.0	-99.8	0.0	0.0	0.0	0.0	0	0	0
FY24 Adjusted Base Total		4,254.4	2,840.7	135.0	1,163.0	115.7	0.0	0.0	0.0	23	0	1
* * * Changes from FY24 Adjusted Base to 24Gov * * *												
Year 2 Alcoholic Beverage Control: Alcohol Reg Ch8 SLA2022 (SB9) (Sec2 Ch11 SLA2022 P48 L25 (HB281))	Inc	175.2	109.2	10.0	41.0	-10.0	25.0	0.0	0.0	1	0	0
1005 GF/Prgm (DGF)		175.2										
National Training from Cannabis Regulators Association and National Conference of State Liquor Administrators (NCSLA)	Inc	20.0	0.0	0.0	20.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF)		20.0										
Replace Critical Office Equipment	IncOTI	20.0	0.0	0.0	0.0	20.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF)		20.0										
24Gov Total		4,469.6	2,949.9	145.0	1,224.0	125.7	25.0	0.0	0.0	24	0	1