



**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT**



Employment First State for Individuals with Disabilities

JOSH STEIN
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

September 5, 2025

TO: Joint Legislative Commission on Governmental Operations

FROM: Kristin Walker *Kristin Walker*
State Budget Director

SUBJECT: Deviation Request from Department of Public Safety, ABC Commission Online Permitting Phase II

Pursuant to G.S. 143C-6-4(b1), prior consultation with Joint Legislative Commission on Governmental Operations is required when the over expenditure would cause a department's total requirements for a fund to exceed the department's certified budget for a fiscal year for that fund by more than three percent (3%) prior to authorizing the over expenditures.

The North Carolina Department of Public Safety, Alcoholic Beverage Control Commission is requesting to budget over realized receipts in the amount of \$1,500,000.00 to provide additional budgeted amounts required for Phase II of a contract with SAS. Phase II involves SAS developing programs to extract inventory and sales data from all ABC stores, so that the ABC Commission public website will show up to date product inventory.

Please see the attached Deviation Exception Request Form.

If you have questions or concerns, please contact Budget Analyst, Sarah Grimsrud, at sarah.grimsrud@osbm.nc.gov.

REQUEST TO DEVIATE UNDER G.S. 143C-6-4:

(b1) Prior consultation with Governmental Operations is required when the overexpenditure would cause a department's total requirements for a fund to exceed the department's certified budget for a fiscal year for that fund by more than three percent (3%) prior to authorizing the overexpenditures.

DEPARTMENT: Public Safety
FISCAL YEAR: 2025-2026
Date: 3/25/2025
Budget Revision #: 1

| Internal Service Budget Code | Certified Requirements | 3% Deviation Threshold | Amount of the Overexpenditure Request | Amount the Request Exceeds the Deviation Threshold |
|---------------------------------|---------------------------|---------------------------|--|---|
| 54551 | \$ 30,018,684 | \$ 900,561 | \$ 1,500,000 | \$ 599,439 |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| Fund Type Total | \$ 30,018,684 | \$ 900,561 | \$ 1,500,000 | \$ 599,439 |

JUSTIFICATION FOR REQUEST:

The ABC Commission is requesting \$ 1,500,000 of its reserve funding for Phase II of the SAS project. This project will involve SAS developing programs to extract inventory and sales data from all ABC Stores, so that the ABC Commission public website will show up to date product inventory. This is a complex process because ABC Boards are using several different POS stations for operating their inventory and sales. SAS will work closely with DIT and ABCC management in developing and impementing phase II. The cost is estimated at 1,300,000 to 1,500,000 for SAS to complete phase II.

G.S. 143C-6-4.(b1) requires reporting an overexpenditure that would cause a department's total requirements for a fund to exceed the department's certified budget by 3% for a fiscal year.



North Carolina Financial System

Office of State Controller

NC Budget to Actual (701) Certified Report (RPT-BE-006)

08/28/2025 01:40:01 PM

Parameters

| Agency | Budget Code | Period | Report Mode |
|----------------------------------|--------------------------|--------|--------------|
| 1900-DEPARTMENT OF PUBLIC SAFETY | 54551-DPS-ABC COMMISSION | Aug-25 | All Sections |

| 1900-DEPARTMENT OF PUBLIC SAFETY | Certified Date |
|----------------------------------|----------------|
| 54551-DPS-ABC COMMISSION | N/A |

| *** Budget Code Recap *** | | | | | | | | | | |
|---------------------------|-------------------------------------|---------------|---------------|---------------|---------------|-----------------------|---------------|-----------------|---|----------|
| Account | Description | Budgeted | | Actual | | Unexpended/Unrealized | | Encumbrances | | Rate |
| | | Certified | Authorized | Current-Month | Year-To-Date | Certified | Authorized | Obligations | Unpaid Invoices + Inventory Receipts | |
| | Expenditures | 30,018,684.00 | 30,018,684.00 | 2,814,303.36 | 5,672,540.17 | 24,346,143.83 | 24,346,143.83 | 28,377,549.09 | 2,112,820.40 | 7.23 |
| | Revenues | 29,835,856.00 | 29,835,856.00 | 1,902,189.60 | 5,459,949.86 | 24,375,906.14 | 24,375,906.14 | 0.00 | 0.00 | 1.10 |
| | | | | | | | | | | |
| | Increase/(Decrease) in Fund Balance | (182,828.00) | (182,828.00) | (912,113.76) | (212,590.31) | 29,762.31 | 29,762.31 | (28,377,549.09) | (2,112,820.40) | 1,007.60 |
| | | | | | | | | | | |
| Cash Analysis | | | | | | | | | | |
| | Beginning Balance | | | | 27,348,126.71 | | | | | |
| | + Allotments | | | | 0.00 | | | | | |
| | + Cash Receipts | | | | 5,459,949.86 | | | | | |
| | - Cash Disbursements | | | | 5,672,540.17 | | | | | |
| | + Assets | | | | 0.00 | | | | | |
| | + Liability | | | | 0.00 | | | | | |
| | + Equity | | | | 0.00 | | | | | |
| | = Ending Balance | | | | 27,135,536.40 | | | | | |
| | | | | | | | | | | |
| Additional Assets | | | | | | | | | | |
| | 11210100 NON-TREAS-US GOV SEC | | | | 40,599.75 | | | | | |
| | Total Availability | | | | 27,176,136.15 | | | | | |