

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
027 State Operations	2,846,049	38	2,915,700	38	2,932,688	38	3,437,750	38	3,437,750	38	3,437,750	38	3,195,480	38	3,195,480	38	3,195,480	38
1MV Investor Education	64,805	0	78,500	0	78,500	0	78,500	0	78,500	0	78,500	0	78,500	0	78,500	0	78,500	0
867 Refunds and Transfers	0	0	15,000,000	0	15,000,000	0	17,500,000	0	17,500,000	0	17,500,000	0	17,500,000	0	17,500,000	0	17,500,000	0
NOT REQUESTED FOR THE BIENNIUM																		
34H Investor Protection	63,175	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2,974,029	38	17,994,200	38	18,011,188	38	21,016,250	38	21,016,250	38	21,016,250	38	20,773,980	38	20,773,980	38	20,773,980	38

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	11,966,856	91.5	10,106,969	38.5	8,262,769	30.7	8,262,769	30.7	8,262,769	30.7	5,896,519	24.0	5,896,519	24.0	5,896,519	24.0
Special Revenue	4000030	1,050,967	8.0	1,150,000	4.4	1,150,000	4.3	1,150,000	4.3	1,150,000	4.3	1,150,000	4.7	1,150,000	4.7	1,150,000	4.7
Cash Fund	4000045	63,175	0.5	15,000,000	57.1	17,500,000	65.0	17,500,000	65.0	17,500,000	65.0	17,500,000	71.3	17,500,000	71.3	17,500,000	71.3
Total Funds		13,080,998	100.0	26,256,969	100.0	26,912,769	100.0	26,912,769	100.0	26,912,769	100.0	24,546,519	100.0	24,546,519	100.0	24,546,519	100.0
Excess Appropriation/(Funding)		(10,106,969)		(8,262,769)		(5,896,519)		(5,896,519)		(5,896,519)		(3,772,539)		(3,772,539)		(3,772,539)	
Grand Total		2,974,029		17,994,200		21,016,250		21,016,250		21,016,250		20,773,980		20,773,980		20,773,980	

Analysis of Budget Request

Appropriation: 027 - State Operations

Funding Sources: SDH - Securities Department Fund

The State Operations appropriation is funded by special revenue fees that are authorized by A.C.A. §19-6-475. Administrative fines collected by the Agency are also designated as special revenues. Base Level is \$3,077,950 for FY10 and \$3,124,680 for FY11, with 38 positions authorized and budgeted.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Additional resources requested include increases in Operating Expenses of \$36,400 in the first year and \$42,400 in the second year itemized as follows: \$1,000 for additional postage, \$10,000 for services provided by the Department of Information Systems, \$6,000 for a new copier lease, \$15,000 for increased rent in FY10 and \$21,000 in FY11, \$500 for monitoring the security of office space, \$1,000 for increasing fuel costs, \$900 for vehicle maintenance, \$1,000 for additional Westlaw subscriptions for legal research, and \$1,000 for a membership in the Conference of State Banking Supervisors for training in the mortgage loan area.

Also requested are increases of \$7,400 each year in Conference and Travel Expenses for additional training for examiners and attorneys.

\$275,000 for FY10 is requested in Professional Fees to contract for upgrading of the Securities Tracking And Registration (STAR) database used by the Department for licensing, registration, and complaint tracking.

Capital Outlay of \$20,000 for FY10 is requested to replace one vehicle that meets the time and mileage requirements for replacement; \$13,500 each year is requested for upgrading and replacement of technology equipment as indicated in the Department's Information Technology Plan.

Additionally, \$7,500 each year is requested in the Examination Travel line item to reimburse travel expenses incurred by examiners performing audits in the field.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 027 - State Operations

Funding Sources: SDH - Securities Department Fund

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,620,308	1,782,956	1,749,722	1,867,319	1,867,319	1,867,319	1,906,680	1,906,680	1,906,680
#Positions		38	38	38	38	38	38	38	38	38
Extra Help	5010001	4,320	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
#Extra Help		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	445,950	452,900	503,122	544,287	544,287	544,287	551,656	551,656	551,656
Operating Expenses	5020002	678,384	404,760	404,760	441,160	441,160	441,160	447,160	447,160	447,160
Conference & Travel Expenses	5050009	21,923	22,600	22,600	30,000	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	14,429	14,484	14,484	289,484	289,484	289,484	14,484	14,484	14,484
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	53,798	13,500	13,500	33,500	33,500	33,500	13,500	13,500	13,500
Contingency	5130018	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Examination Travel	5900046	6,937	12,500	12,500	20,000	20,000	20,000	20,000	20,000	20,000
Total		2,846,049	2,915,700	2,932,688	3,437,750	3,437,750	3,437,750	3,195,480	3,195,480	3,195,480

Funding Sources										
Fund Balance	4000005	11,572,369	9,712,881		7,797,181	7,797,181	7,797,181	5,359,431	5,359,431	5,359,431
Special Revenue	4000030	986,561	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funding		12,558,930	10,712,881		8,797,181	8,797,181	8,797,181	6,359,431	6,359,431	6,359,431
Excess Appropriation/(Funding)		(9,712,881)	(7,797,181)		(5,359,431)	(5,359,431)	(5,359,431)	(3,163,951)	(3,163,951)	(3,163,951)
Grand Total		2,846,049	2,915,700		3,437,750	3,437,750	3,437,750	3,195,480	3,195,480	3,195,480

Budget for Regular Salaries exceeds Authorized due to salary adjustments made during the 2007-2009 Biennium.
For FY08, the Operating Expenses line item was authorized at \$679,950 and Capital Outlay was authorized at \$54,500.

Analysis of Budget Request

Appropriation: 1MV - Investor Education

Funding Sources: SDH - Investor Education Fund

The Securities Department's Investor Education Program was established by Act 759 of 2003 (A.C.A. §23-42-213) and is funded by administrative fines levied by the Department. The Program is designed to work in conjunction with various non-profit economic education, religious, civic, and community groups to provide economic and financial education primarily to junior high through first year college students and senior citizen groups and to inform the investing public of investment schemes and unlawful, fraudulent conduct.

Base Level is \$78,500 each year and reflects the Department's request.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1MV - Investor Education

Funding Sources: SDH - Investor Education Fund

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	57,608	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Promotional Items	5090028	7,197	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		64,805	78,500	78,500	78,500	78,500	78,500	78,500	78,500	78,500

Funding Sources										
Fund Balance	4000005	394,487	394,088		465,588	465,588	465,588	537,088	537,088	537,088
Special Revenue	4000030	64,406	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding		458,893	544,088		615,588	615,588	615,588	687,088	687,088	687,088
Excess Appropriation/(Funding)		(394,088)	(465,588)		(537,088)	(537,088)	(537,088)	(608,588)	(608,588)	(608,588)
Grand Total		64,805	78,500		78,500	78,500	78,500	78,500	78,500	78,500

Analysis of Budget Request

Appropriation: 867 - Refunds and Transfers

Funding Sources: NSD - Securities Department - Cash in Treasury

The Securities Department's Refunds and Transfers appropriation is a Cash in Treasury account that is used for transfer of fee collections to other State Treasury fund accounts after necessary refunds have been made. The Department indicates that the current Base Level of \$15,000,000 each year is not sufficient to cover all transfers and refunds anticipated in the 2009-2011 Biennium. Accordingly, an additional \$2,500,000 each year is requested to assure that all anticipated transactions can be processed.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 867 - Refunds and Transfers

Funding Sources: NSD - Securities Department - Cash in Treasury

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements 5110014	0	15,000,000	15,000,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000
Total	0	15,000,000	15,000,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000

Funding Sources									
Cash Fund 4000045	0	15,000,000		17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000
Total Funding	0	15,000,000		17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	15,000,000		17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000