

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
027 State Operations	3,124,155	38	2,985,476	38	3,195,480	38	3,325,792	40	3,426,918	40	3,426,918	40	3,325,792	40	3,479,649	40	3,479,649	40
1MV Investor Education	67,591	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	17,500,000	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	17,500,000	0
Total	3,191,746	38	20,563,976	38	20,773,980	38	20,904,292	40	21,005,418	40	21,005,418	40	20,904,292	40	21,058,149	40	21,058,149	40

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	8,280,394	87.7	6,252,004	25.1			4,338,028	16.7	4,338,028	18.1	4,338,028	18.1	5,083,736	19.0	2,982,610	13.2	2,982,610	13.2
Special Revenue 4000030	1,163,356	12.3	1,150,000	4.6			4,150,000	16.0	2,150,000	9.0	2,150,000	9.0	4,150,000	15.5	2,150,000	9.5	2,150,000	9.5
Cash Fund 4000045	0	0.0	17,500,000	70.3			17,500,000	67.3	17,500,000	73.0	17,500,000	73.0	17,500,000	65.5	17,500,000	77.3	17,500,000	77.3
Total Funds	9,443,750	100.0	24,902,004	100.0			25,988,028	100.0	23,988,028	100.0	23,988,028	100.0	26,733,736	100.0	22,632,610	100.0	22,632,610	100.0
Excess Appropriation/(Funding)	(6,252,004)		(4,338,028)				(5,083,736)		(2,982,610)		(2,982,610)		(5,829,444)		(1,574,461)		(1,574,461)	
Grand Total	3,191,746		20,563,976				20,904,292		21,005,418		21,005,418		20,904,292		21,058,149		21,058,149	

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 \$3,210,746 each year, with 38 positions authorized and budgeted.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum.

In addition to Base Level, the Department is requesting 2 new positions: A Securities Examiner to assist with the number of fraudulent offerings that are increasing along side less attractive legitimate investments available in the current market and a Senior Securities Examiner to assist with an anticipated increase in the number of state-registered investment advisors resulting from passage of the Dodd-Frank Act that raises state jurisdiction limits from \$25 million of assets under management to \$100 million. Total salary and matching costs are \$101,546 each year.

Also requested is Capital Outlay of \$13,500 each year for upgrading and replacement of technology equipment as indicated in the Department's Information Technology Plan.

The Executive Recommendation provides for the following:

Appropriation and positions recommended at Agency Request.

New special language amending Arkansas Code §19-6-475 and §23-42-211(a)(4) to provide special revenue funding of \$2,000,000 each year until July 1, 2013.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 027 - State Operations

Funding Sources: SDH - Securities Department Fund

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,910,569	1,932,401	1,906,680	1,997,606	2,084,729	2,084,729	1,997,606	2,128,777	2,128,777
#Positions		38	38	38	40	40	40	40	40	40
Extra Help	5010001	6,806	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	489,566	515,931	551,656	591,042	605,045	605,045	591,042	613,728	613,728
Operating Expenses	5020002	661,774	447,160	447,160	447,160	447,160	447,160	447,160	447,160	447,160
Conference & Travel Expenses	5050009	19,682	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	0	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	25,600	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Contingency	5130018	0	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Examination Travel	5900046	10,158	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total		3,124,155	2,985,476	3,195,480	3,325,792	3,426,918	3,426,918	3,325,792	3,479,649	3,479,649

Funding Sources										
Fund Balance	4000005	7,914,005	5,803,206		3,817,730	3,817,730	3,817,730	4,491,938	2,390,812	2,390,812
Special Revenue	4000030	1,013,356	1,000,000		4,000,000	2,000,000	2,000,000	4,000,000	2,000,000	2,000,000
Total Funding		8,927,361	6,803,206		7,817,730	5,817,730	5,817,730	8,491,938	4,390,812	4,390,812
Excess Appropriation/(Funding)		(5,803,206)	(3,817,730)		(4,491,938)	(2,390,812)	(2,390,812)	(5,166,146)	(911,163)	(911,163)
Grand Total		3,124,155	2,985,476		3,325,792	3,426,918	3,426,918	3,325,792	3,479,649	3,479,649

The FY11 Budget amount in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2009-2011 biennium.

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		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	60,232	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	7,359	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		67,591	78,500	78,500	78,500	78,500	78,500	78,500	78,500	78,500
Funding Sources										
Fund Balance	4000005	366,389	448,798		520,298	520,298	520,298	591,798	591,798	591,798
Special Revenue	4000030	150,000	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding		516,389	598,798		670,298	670,298	670,298	741,798	741,798	741,798
Excess Appropriation/(Funding)		(448,798)	(520,298)		(591,798)	(591,798)	(591,798)	(663,298)	(663,298)	(663,298)
Grand Total		67,591	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 Overpayments/Transfer to Treasury 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 \$17,500,000 each year will be sufficient to cover all transfers and refunds anticipated in the 2011-2013 biennium. Accordingly, the Department is requesting Base Level for this program.

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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements 5110014	0	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000
Total	0	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000
Funding Sources									
Cash Fund 4000045	0	17,500,000		17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000
Total Funding	0	17,500,000		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	17,500,000		17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000