

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
027 State Operations	3,066,413	40	3,093,893	38	3,479,649	40	3,348,475	39	3,390,529	39	3,390,529	39	3,349,331	39	3,391,385	39	3,391,385	39
1MV Investor Education	60,985	0	78,500	0	78,500	0	113,500	0	113,500	0	113,500	0	113,500	0	113,500	0	113,500	0
867 Refunds and Transfers	11,320	0	17,500,000	0	17,500,000	0	17,500,000	0	500,000	0	500,000	0	17,500,000	0	500,000	0	500,000	0
Total	3,138,718	40	20,672,393	38	21,058,149	40	20,961,975	39	4,004,029	39	4,004,029	39	20,962,831	39	4,004,885	39	4,004,885	39

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	4,500,981	67.7	3,506,160	15.1			2,483,767	9.9	2,483,767	34.8	2,483,767	34.8	4,021,792	15.2	3,129,738	40.2	3,129,738	40.2
Special Revenue	4000030	2,132,577	32.1	2,150,000	9.3			5,000,000	20.0	4,150,000	58.2	4,150,000	58.2	5,000,000	18.9	4,150,000	53.3	4,150,000	53.3
Cash Fund	4000045	11,320	0.2	17,500,000	75.6			17,500,000	70.0	500,000	7.0	500,000	7.0	17,500,000	66.0	500,000	6.4	500,000	6.4
Total Funds		6,644,878	100.0	23,156,160	100.0			24,983,767	100.0	7,133,767	100.0	7,133,767	100.0	26,521,792	100.0	7,779,738	100.0	7,779,738	100.0
Excess Appropriation/(Funding)		(3,506,160)		(2,483,767)				(4,021,792)		(3,129,738)		(3,129,738)		(5,558,961)		(3,774,853)		(3,774,853)	
Grand Total		3,138,718		20,672,393				20,961,975		4,004,029		4,004,029		20,962,831		4,004,885		4,004,885	

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 \$3,243,618 for FY14 and \$3,244,474 for FY15, with 38 positions budgeted from a total authorization of 40.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of the unclassified Director's position reflects the FY13 line item maximum.

In addition to Base Level, the Department is requesting changes that total \$104,857 each year. These are as follows:

- One new position is requested: A Securities Deputy Commissioner to assume jurisdiction over mortgage loan, money services, perpetual care cemeteries, and state-chartered savings and loan associations and credit unions to relieve an Attorney Specialist to return to enforcement cases and legal matters. Two unfilled administrative positions are being discontinued to offset part of the increase requested. Total salary and matching costs for this change are \$87,051 each year.
- An increase in Extra Help of \$4,000 each year, including \$306 in matching costs, is requested to extend the time worked by interns who assist with investigations, registrations, examinations, and legal research.
- 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 Agency Request and also recommends that A.C.A. §19-6-475 and §23-42-211(a)(4) be amended to allow the Department to receive a maximum of \$4,000,000 each year from special revenue fees.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 027 - State Operations

Funding Sources: SDH - Securities Department Fund

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	2,031,907	1,943,253	2,128,777	1,979,933	2,014,418	2,014,418	1,980,633	2,015,118	2,015,118
#Positions		40	38	40	39	39	39	39	39	39
Extra Help	5010001	11,278	12,000	12,000	16,000	16,000	16,000	16,000	16,000	16,000
#Extra Help		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	598,562	613,496	613,728	627,398	634,967	634,967	627,554	635,123	635,123
Operating Expenses	5020002	387,202	447,160	447,160	447,160	447,160	447,160	447,160	447,160	447,160
Conference & Travel Expenses	5050009	20,374	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	6,850	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	10,240	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total		3,066,413	3,093,893	3,479,649	3,348,475	3,390,529	3,390,529	3,349,331	3,391,385	3,391,385

Funding Sources										
Fund Balance	4000005	3,966,334	2,879,912		1,786,019	1,786,019	1,786,019	3,287,544	2,395,490	2,395,490
Special Revenue	4000030	1,979,991	2,000,000		4,850,000	4,000,000	4,000,000	4,850,000	4,000,000	4,000,000
Total Funding		5,946,325	4,879,912		6,636,019	5,786,019	5,786,019	8,137,544	6,395,490	6,395,490
Excess Appropriation/(Funding)		(2,879,912)	(1,786,019)		(3,287,544)	(2,395,490)	(2,395,490)	(4,788,213)	(3,004,105)	(3,004,105)
Grand Total		3,066,413	3,093,893		3,348,475	3,390,529	3,390,529	3,349,331	3,391,385	3,391,385

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.

In addition to the Base Level of \$78,500 each year, the Agency is requesting an increase of \$35,000 each year in Operating Expenses to conduct more investor education programs around the State and to provide for additional grants to allow for the purchase of research and educational materials for teachers and students.

The Executive Recommendation provides for the Agency Request and also recommends that \$70,000 each year be reallocated from Operating Expenses to the Grants and Aid line item for proper accounting of disbursements of grants to schools and civic organizations for the purchase of research and educational materials.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1MV - Investor Education

Funding Sources: SDH - Investor Education Fund

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	53,863	71,000	71,000	106,000	36,000	36,000	106,000	36,000	36,000
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	7,122	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Grants and Aid	5100004	0	0	0	0	70,000	70,000	0	70,000	70,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		60,985	78,500	78,500	113,500	113,500	113,500	113,500	113,500	113,500
Funding Sources										
Fund Balance	4000005	534,647	626,248		697,748	697,748	697,748	734,248	734,248	734,248
Special Revenue	4000030	152,586	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding		687,233	776,248		847,748	847,748	847,748	884,248	884,248	884,248
Excess Appropriation/(Funding)		(626,248)	(697,748)		(734,248)	(734,248)	(734,248)	(770,748)	(770,748)	(770,748)
Grand Total		60,985	78,500		113,500	113,500	113,500	113,500	113,500	113,500

Analysis of Budget Request

Appropriation: 867 - Refunds and Transfers

Funding Sources: 153 - Securities Department - Cash in Bank

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 2013-2015 Biennium. Accordingly, the Department is requesting Base Level for this program.

The Executive Recommendation provides for appropriation of \$500,000 each year and that this program be changed to a Cash in Bank account for refunds and reimbursements. Transfers to the Treasury do not appear as expenditures, so a larger amount of appropriation is not necessary. 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: 153 - Securities Department - Cash in Bank

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements 5110014	11,320	17,500,000	17,500,000	17,500,000	500,000	500,000	17,500,000	500,000	500,000
Total	11,320	17,500,000	17,500,000	17,500,000	500,000	500,000	17,500,000	500,000	500,000
Funding Sources									
Cash Fund 4000045	11,320	17,500,000		17,500,000	500,000	500,000	17,500,000	500,000	500,000
Total Funding	11,320	17,500,000		17,500,000	500,000	500,000	17,500,000	500,000	500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	11,320	17,500,000		17,500,000	500,000	500,000	17,500,000	500,000	500,000