

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive/Legislative Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
027 State Operations	3,080,073	38	3,230,101	39	3,391,385	39	3,511,785	39	3,511,785	39	3,511,785	39	3,514,117	39	3,514,117	39	3,514,117	39
1MV Investor Education	84,634	0	113,500	0	113,500	0	113,500	0	113,500	0	113,500	0	113,500	0	113,500	0	113,500	0
C67 Refunds and Reimbursements	42,079	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
<b>Total</b>	<b>3,206,786</b>	<b>38</b>	<b>3,843,601</b>	<b>39</b>	<b>4,004,885</b>	<b>39</b>	<b>4,125,285</b>	<b>39</b>	<b>4,125,285</b>	<b>39</b>	<b>4,125,285</b>	<b>39</b>	<b>4,127,617</b>	<b>39</b>	<b>4,127,617</b>	<b>39</b>	<b>4,127,617</b>	<b>39</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	2,622,651	38.8	3,546,624	43.3			4,353,023	48.4	4,353,023	48.4	4,353,023	48.4	4,877,738	51.2	4,877,738	51.2	4,877,738	51.2
Special Revenue 4000030	4,083,820	60.5	4,150,000	50.6			4,150,000	46.1	4,150,000	46.1	4,150,000	46.1	4,150,000	43.6	4,150,000	43.6	4,150,000	43.6
Cash Fund 4000045	46,939	0.7	500,000	6.1			500,000	5.6	500,000	5.6	500,000	5.6	500,000	5.2	500,000	5.2	500,000	5.2
<b>Total Funds</b>	<b>6,753,410</b>	<b>100.0</b>	<b>8,196,624</b>	<b>100.0</b>			<b>9,003,023</b>	<b>100.0</b>	<b>9,003,023</b>	<b>100.0</b>	<b>9,003,023</b>	<b>100.0</b>	<b>9,527,738</b>	<b>100.0</b>	<b>9,527,738</b>	<b>100.0</b>	<b>9,527,738</b>	<b>100.0</b>
Excess Appropriation/(Funding)	(3,546,624)		(4,353,023)				(4,877,738)		(4,877,738)		(4,877,738)		(5,400,121)		(5,400,121)		(5,400,121)	
<b>Grand Total</b>	<b>3,206,786</b>		<b>3,843,601</b>				<b>4,125,285</b>		<b>4,125,285</b>		<b>4,125,285</b>		<b>4,127,617</b>		<b>4,127,617</b>		<b>4,127,617</b>	

## **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 Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY2015 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

Base Level Request is \$3,443,285 for FY2016 and \$3,445,617 for FY2017.

In addition to Base Level, the Department is requesting changes that total \$68,500 each year of the biennium as follows:

- Professional Fees of \$30,000 each year of the biennium to hire consultants to provide supporting expert testimony related to investigations conducted by the department.
- Capital Outlay of \$38,500 each year of the biennium to replace one vehicle each year according to the Arkansas Fleet Management Guidelines and for upgrades and replacement of technology equipment as indicated in the Department's Information Technology Plan.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,958,824	2,032,069	2,015,118	2,049,984	2,049,984	2,049,984	2,051,884	2,051,884	2,051,884
<b>#Positions</b>		<b>38</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>
Extra Help	5010001	9,750	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
<b>#Extra Help</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching	5010003	633,973	656,888	635,123	665,657	665,657	665,657	666,089	666,089	666,089
Operating Expenses	5020002	418,773	447,160	447,160	447,160	447,160	447,160	447,160	447,160	447,160
Conference & Travel Expenses	5050009	23,536	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	28,502	14,484	14,484	44,484	44,484	44,484	44,484	44,484	44,484
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	13,500	13,500	38,500	38,500	38,500	38,500	38,500	38,500
Contingency	5130018	0	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Examination Travel	5900046	6,715	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
<b>Total</b>		<b>3,080,073</b>	<b>3,230,101</b>	<b>3,391,385</b>	<b>3,511,785</b>	<b>3,511,785</b>	<b>3,511,785</b>	<b>3,514,117</b>	<b>3,514,117</b>	<b>3,514,117</b>

Funding Sources										
Fund Balance	4000005	1,905,488	2,758,764		3,528,663	3,528,663	3,528,663	4,016,878	4,016,878	4,016,878
Special Revenue	4000030	3,933,349	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
<b>Total Funding</b>		<b>5,838,837</b>	<b>6,758,764</b>		<b>7,528,663</b>	<b>7,528,663</b>	<b>7,528,663</b>	<b>8,016,878</b>	<b>8,016,878</b>	<b>8,016,878</b>
Excess Appropriation/(Funding)		(2,758,764)	(3,528,663)		(4,016,878)	(4,016,878)	(4,016,878)	(4,502,761)	(4,502,761)	(4,502,761)
<b>Grand Total</b>		<b>3,080,073</b>	<b>3,230,101</b>		<b>3,511,785</b>	<b>3,511,785</b>	<b>3,511,785</b>	<b>3,514,117</b>	<b>3,514,117</b>	<b>3,514,117</b>

FY15 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2013-2015 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.

The Agency Request provides for Base Level of \$113,500 each year of the biennium.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	9,145	36,000	36,000	36,000	36,000	36,000	36,000	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	6,398	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Grants and Aid	5100004	69,091	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>84,634</b>	<b>113,500</b>	<b>113,500</b>	<b>113,500</b>	<b>113,500</b>	<b>113,500</b>	<b>113,500</b>	<b>113,500</b>	<b>113,500</b>
<b>Funding Sources</b>										
Fund Balance	4000005	714,163	780,000		816,500	816,500	816,500	853,000	853,000	853,000
Special Revenue	4000030	150,471	150,000		150,000	150,000	150,000	150,000	150,000	150,000
<b>Total Funding</b>		<b>864,634</b>	<b>930,000</b>		<b>966,500</b>	<b>966,500</b>	<b>966,500</b>	<b>1,003,000</b>	<b>1,003,000</b>	<b>1,003,000</b>
Excess Appropriation/(Funding)		(780,000)	(816,500)		(853,000)	(853,000)	(853,000)	(889,500)	(889,500)	(889,500)
<b>Grand Total</b>		<b>84,634</b>	<b>113,500</b>		<b>113,500</b>	<b>113,500</b>	<b>113,500</b>	<b>113,500</b>	<b>113,500</b>	<b>113,500</b>

## **Analysis of Budget Request**

**Appropriation:** C67 - Refunds and Reimbursements

**Funding Sources:** 153 - Securities Department - Cash in Bank

The Securities Department's Refunds and Reimbursements appropriation is a Cash in Bank account that is used for transfer of fee collections to State Treasury fund accounts after necessary refunds have been made. Transfers to the Treasury do not appear as expenditures.

The Agency Request provides for Base Level of \$500,000 each year of the biennium.

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:** C67 - Refunds and Reimbursements  
**Funding Sources:** 153 - Securities Department - Cash in Bank

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements 5110014	42,079	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	42,079	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

  

Funding Sources									
Fund Balance 4000005	3,000	7,860		7,860	7,860	7,860	7,860	7,860	7,860
Cash Fund 4000045	46,939	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	49,939	507,860		507,860	507,860	507,860	507,860	507,860	507,860
Excess Appropriation/(Funding)	(7,860)	(7,860)		(7,860)	(7,860)	(7,860)	(7,860)	(7,860)	(7,860)
Grand Total	42,079	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Expenditure of appropriation is contingent upon available funding.