

**SUMMARY BUDGET INFORMATION**

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**SECURITIES DEPARTMENT**

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# STATE SECURITIES DEPARTMENT

## State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

### Employment Summary

	Male	Female	Total	%
White Employees	14	15	29	88 %
Black Employees	1	1	2	6 %
Other Racial Minorities	2	0	2	6 %
Total Minorities			4	12 %
Total Employees			33	100 %

### Publications

#### A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	None	N	N	0	None	0	0.00

## Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
027 State Operations	3,215,129	37	3,594,628	37	3,209,670	37	3,547,475	37	3,547,475	37	3,548,953	37	3,548,953	37
1MV Investor Education	136,400	0	168,500	0	168,500	0	168,500	0	168,500	0	168,500	0	168,500	0
C67 Refunds and Reimbursements	24,159	0	500,000	0	500,000	0	50,000	0	50,000	0	50,000	0	50,000	0
<b>Total</b>	<b>3,375,688</b>	<b>37</b>	<b>4,263,128</b>	<b>37</b>	<b>3,878,170</b>	<b>37</b>	<b>3,765,975</b>	<b>37</b>	<b>3,765,975</b>	<b>37</b>	<b>3,767,453</b>	<b>37</b>	<b>3,767,453</b>	<b>37</b>

  

Funding Sources		%		%		%		%		%		%
Fund Balance 4000005	5,917,404	69.3	5,158,758	62.1	4,045,630	52.2	4,045,630	60.0	3,979,655	51.8	2,979,655	52.5
Special Revenue 4000030	2,592,883	30.4	2,650,000	31.9	3,650,000	47.1	2,650,000	39.3	3,650,000	47.5	2,650,000	46.7
Cash Fund 4000045	24,159	0.3	500,000	6.0	50,000	0.6	50,000	0.7	50,000	0.7	50,000	0.9
<b>Total Funds</b>	<b>8,534,446</b>	<b>100.0</b>	<b>8,308,758</b>	<b>100.0</b>	<b>7,745,630</b>	<b>100.0</b>	<b>6,745,630</b>	<b>100.0</b>	<b>7,679,655</b>	<b>100.0</b>	<b>5,679,655</b>	<b>100.0</b>
Excess Appropriation/(Funding)	(5,158,758)		(4,045,630)		(3,979,655)		(2,979,655)		(3,912,202)		(1,912,202)	
<b>Grand Total</b>	<b>3,375,688</b>		<b>4,263,128</b>		<b>3,765,975</b>		<b>3,765,975</b>		<b>3,767,453</b>		<b>3,767,453</b>	

FY19 Budget amount in Appropriation 027 exceeds the authorized amount due to salary and matching rate adjustments

## **Analysis of Budget Request**

**Appropriation:** 027 - State Operations

**Funding Sources:** SDH - Securities Department Fund

The Arkansas Securities Department was created by The Arkansas Securities Act for implementing rules and regulation regarding investment in securities. Funding derives from Special Revenues that are authorized by A.C.A. §19-6-475, filing fees, fees for application for initial and renewal registration for broker-dealer, agent, investment adviser.

The Agency is requesting \$3,547,475 in FY20 and \$3,548,983 in FY21.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Extra Help - The Agency has two extra help positions. Only one position was filled during FY18.
- Operating Expenses - The Agency is expecting an increase in Operating Expenses due to additional costs that were previously paid by the Cemetery Board, which is now part of the Insurance Department.
- Conference & Travel Expenses - Travel cost will increase in FY20-21 due to number of anticipated retirements, which will result in training of new employees.
- Professional Fees - The Agency is planning to hire an independent hearing officer, which will result in increase in expenditures. During FY18 The Agency didn't have their own judge and invited an administrative law judge from another agency, when needed.
- Examination Travel - covers the costs associated with performing compliance and for cause examinations of registrants. The Agency is expecting an increase in expenditures, since the Agency will need to purchase their own educational materials. In a past, several regulatory agencies donated educational materials used for the exams.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 027 - State Operations

**Funding Sources:** SDH - Securities Department Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	2,070,506	2,239,798	1,930,704	2,228,277	2,228,277	2,229,477	2,229,477
<b>#Positions</b>		<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>
Extra Help	5010001	7,827	16,000	16,000	16,000	16,000	16,000	16,000
<b>#Extra Help</b>		<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching	5010003	655,963	702,186	626,322	701,554	701,554	701,832	701,832
Operating Expenses	5020002	449,067	530,660	530,660	530,660	530,660	530,660	530,660
Conference & Travel Expenses	5050009	17,360	30,000	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	0	20,984	20,984	20,984	20,984	20,984	20,984
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	10,914	35,000	35,000	0	0	0	0
Examination Travel	5900046	3,492	20,000	20,000	20,000	20,000	20,000	20,000
<b>Total</b>		<b>3,215,129</b>	<b>3,594,628</b>	<b>3,209,670</b>	<b>3,547,475</b>	<b>3,547,475</b>	<b>3,548,953</b>	<b>3,548,953</b>

Funding Sources								
Fund Balance	4000005	5,052,804	4,314,109		3,219,481	3,219,481	3,172,006	2,172,006
Special Revenue	4000030	2,476,434	2,500,000		3,500,000	2,500,000	3,500,000	2,500,000
<b>Total Funding</b>		<b>7,529,238</b>	<b>6,814,109</b>		<b>6,719,481</b>	<b>5,719,481</b>	<b>6,672,006</b>	<b>4,672,006</b>
Excess Appropriation/(Funding)		(4,314,109)	(3,219,481)		(3,172,006)	(2,172,006)	(3,123,053)	(1,123,053)
<b>Grand Total</b>		<b>3,215,129</b>	<b>3,594,628</b>		<b>3,547,475</b>	<b>3,547,475</b>	<b>3,548,953</b>	<b>3,548,953</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 1MV - Investor Education

**Funding Sources:** SIE - 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 is requesting \$168,500 in each year of the 2019-2021 Biennium.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Operating Expenses for contingency purposes.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 1MV - Investor Education

**Funding Sources:** SIE - Investor Education Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Operating Expenses 5020002	4,974	36,000	36,000	36,000	36,000	36,000	36,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0
Promotional Items 5090028	6,957	7,500	7,500	7,500	7,500	7,500	7,500
Grants and Aid 5100004	124,469	125,000	125,000	125,000	125,000	125,000	125,000
Capital Outlay 5120011	0	0	0	0	0	0	0
<b>Total</b>	<b>136,400</b>	<b>168,500</b>	<b>168,500</b>	<b>168,500</b>	<b>168,500</b>	<b>168,500</b>	<b>168,500</b>
<b>Funding Sources</b>							
Fund Balance 4000005	861,600	841,649		823,149	823,149	804,649	804,649
Special Revenue 4000030	116,449	150,000		150,000	150,000	150,000	150,000
Total Funding	978,049	991,649		973,149	973,149	954,649	954,649
Excess Appropriation/(Funding)	(841,649)	(823,149)		(804,649)	(804,649)	(786,149)	(786,149)
<b>Grand Total</b>	<b>136,400</b>	<b>168,500</b>		<b>168,500</b>	<b>168,500</b>	<b>168,500</b>	<b>168,500</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 is requesting an Authorized Appropriation of \$50,000 for each year of the biennium.

The Agency requested a reduction of (\$450,000) of Refunds and Reimbursements by Change Level Request for both years of biennium.

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



## Appropriation Summary

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Refunds/Reimbursements 5110014	24,159	500,000	500,000	50,000	50,000	50,000	50,000	
Total	24,159	500,000	500,000	50,000	50,000	50,000	50,000	
<b>Funding Sources</b>								
Fund Balance 4000005	3,000	3,000		3,000	3,000	3,000	3,000	
Cash Fund 4000045	24,159	500,000		50,000	50,000	50,000	50,000	
Total Funding	27,159	503,000		53,000	53,000	53,000	53,000	
Excess Appropriation/(Funding)	(3,000)	(3,000)		(3,000)	(3,000)	(3,000)	(3,000)	
Grand Total	24,159	500,000		50,000	50,000	50,000	50,000	