

DEPARTMENT OF COMMERCE - STATE SECURITIES DEPARTMENT

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2020

None

Employment Summary

	Male	Female	Total	%
White Employees	15	11	26	90 %
Black Employees	0	2	2	7 %
Other Racial Minorities	1	0	1	3 %
Total Minorities			3	10 %
Total Employees			29	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							
	2019-2020		2020-2021		2020-2021		2021-2022				2022-2023			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
027 State Operations	3,221,411	36	3,484,343	37	3,548,953	37	3,592,273	37	3,592,273	37	3,592,273	37	3,592,273	37
1MV Investor Education	127,366	0	168,500	0	168,500	0	193,500	0	193,500	0	193,500	0	193,500	0
C67 Refunds and Reimbursements	11,050	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
Total	3,359,827	36	3,702,843	37	3,767,453	37	3,835,773	37	3,835,773	37	3,835,773	37	3,835,773	37

Funding Sources			%		%		%		%		%		%		
Fund Balance	4000005	4,421,301	57.6	4,315,242	61.5			3,312,399	55.6	3,312,399	55.6	2,121,626	44.5	2,121,626	44.5
Special Revenue	4000030	5,464,572	71.2	2,650,000	37.8			2,595,000	43.6	2,595,000	43.6	2,595,000	54.4	2,595,000	54.4
Cash Fund	4000045	11,050	0.1	50,000	0.7			50,000	0.8	50,000	0.8	50,000	1.0	50,000	1.0
Other	4000370	34,079	0.4	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0
Transfer to General Revenue	4000635	(2,255,933)	(29.4)	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		7,675,069	100.0	7,015,242	100.0			5,957,399	100.0	5,957,399	100.0	4,766,626	100.0	4,766,626	100.0
Excess Appropriation/(Funding)		(4,315,242)		(3,312,399)				(2,121,626)		(2,121,626)		(930,853)		(930,853)	
Grand Total		3,359,827		3,702,843				3,835,773		3,835,773		3,835,773		3,835,773	

Analysis of Budget Request

Appropriation: 027 - State Operations

Funding Sources: SDH - Securities Department Fund

The Arkansas Securities Department was created by Act 254 of 1959 - the Arkansas Securities Act for implementing rules and regulation regarding investments in securities. Act 910 of 2019 transferred the Securities Department to the Department of Commerce.

With the exception of Personal Services Matching, continuing level of appropriation is the FY2021 Authorized.

This appropriation provides for the state operations of the Securities Department. Funding for this appropriation comes from special revenues consisting of filing fees, application fees, and renewal registration for broker-dealers, agents, and investment advisers, as authorized by A.C.A. §19-6-475.

The Agency is requesting appropriation in the amount of \$3,592,273 in each year of the biennium.

The Agency Request includes the following changes:

- Increase of \$25,000 in Operating Expenses appropriation for additional resources to combat and pursue investment scammers as a result of the pandemic.
- Increase of \$5,000 in Conference & Travel Expenses appropriation for additional training for both current and incoming employees missed due to the pandemic.

The Executive Recommendation provides for the Agency Request and title changes for 20 positions.

Appropriation Summary

Appropriation: 027 - State Operations
Funding Sources: SDH - Securities Department Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2019-2020	2020-2021	2020-2021	2021-2022		2022-2023	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	2,050,073	2,178,576	2,229,477	2,229,477	2,229,477	2,229,477	2,229,477
#Positions		36	37	37	37	37	37	37
Extra Help	5010001	12,871	16,000	16,000	16,000	16,000	16,000	16,000
#Extra Help		2	2	2	2	2	2	2
Personal Services Matching	5010003	651,761	688,123	701,832	715,152	715,152	715,152	715,152
Operating Expenses	5020002	478,520	530,660	530,660	555,660	555,660	555,660	555,660
Conference & Travel Expenses	5050009	12,133	30,000	30,000	35,000	35,000	35,000	35,000
Professional Fees	5060010	12,000	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	0	0	0	0	0	0	0
Examination Travel	5900046	4,053	20,000	20,000	20,000	20,000	20,000	20,000
Total		3,221,411	3,484,343	3,548,953	3,592,273	3,592,273	3,592,273	3,592,273
Funding Sources								
Fund Balance	4000005	3,561,687	3,538,703		2,554,360	2,554,360	1,462,087	1,462,087
Special Revenue	4000030	5,420,281	2,500,000		2,500,000	2,500,000	2,500,000	2,500,000
Other	4000370	34,079	0		0	0	0	0
Transfer to General Revenue	4000635	(2,255,933)	0		0	0	0	0
Total Funding		6,760,114	6,038,703		5,054,360	5,054,360	3,962,087	3,962,087
Excess Appropriation/(Funding)		(3,538,703)	(2,554,360)		(1,462,087)	(1,462,087)	(369,814)	(369,814)
Grand Total		3,221,411	3,484,343		3,592,273	3,592,273	3,592,273	3,592,273

Analysis of Budget Request

Appropriation: 1MV - Investor Education

Funding Sources: SIE - Investor Education Fund

The Securities Department's Investor Education Program, as authorized by A.C.A. §23-42-213, 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.

Continuing level of appropriation is the FY2021 Authorized.

The program is funded by fines and penalties levied by the Department.

The Agency is requesting appropriation in the amount of \$193,500 in each year of the biennium.

The Agency Request includes an increase of \$25,000 in Operating Expenses appropriation for public outreach and education to raise Arkansas investors' awareness of potential scams and pitfalls.

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		2019-2020	2020-2021	2020-2021	2021-2022		2022-2023	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	2,653	36,000	36,000	61,000	61,000	61,000	61,000
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	0	7,500	7,500	7,500	7,500	7,500	7,500
Grants and Aid	5100004	124,713	125,000	125,000	125,000	125,000	125,000	125,000
Capital Outlay	5120011	0	0	0	0	0	0	0
Total		127,366	168,500	168,500	193,500	193,500	193,500	193,500
Funding Sources								
Fund Balance	4000005	856,614	773,539		755,039	755,039	656,539	656,539
Special Revenue	4000030	44,291	150,000		95,000	95,000	95,000	95,000
Total Funding		900,905	923,539		850,039	850,039	751,539	751,539
Excess Appropriation/(Funding)		(773,539)	(755,039)		(656,539)	(656,539)	(558,039)	(558,039)
Grand Total		127,366	168,500		193,500	193,500	193,500	193,500

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 refunding filing fees.

Continuing level of appropriation is the FY2021 Authorized.

The Agency is requesting to continue appropriation of \$50,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2019-2020	2020-2021	2020-2021	2021-2022		2022-2023	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Refunds/Reimbursements 5110014	11,050	50,000	50,000	50,000	50,000	50,000	50,000
Total	11,050	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources							
Fund Balance 4000005	3,000	3,000		3,000	3,000	3,000	3,000
Cash Fund 4000045	11,050	50,000		50,000	50,000	50,000	50,000
Total Funding	14,050	53,000		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	11,050	50,000		50,000	50,000	50,000	50,000