

DEPARTMENT OF COMMERCE - STATE SECURITIES DEPARTMENT

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2022

None

Employment Summary

	Male	Female	Total	%
White Employees	10	13	23	77 %
Black Employees	1	4	5	17 %
Other Racial Minorities	1	1	2	6 %
Total Minorities			7	23 %
Total Employees			30	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							
	2021-2022		2022-2023		2022-2023		2023-2024				2024-2025			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
027 State Operations	3,342,420	34	3,881,633	36	3,592,273	37	4,361,251	39	3,844,131	36	4,389,879	39	3,870,596	36
1MV Investor Education	153,658	0	193,500	0	193,500	0	193,500	0	193,500	0	193,500	0	193,500	0
C67 Refunds and Reimbursements	45,279	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
Total	3,541,357	34	4,125,133	36	3,835,773	37	4,604,751	39	4,087,631	36	4,633,379	39	4,114,096	36

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	4,348,055	54.5	4,438,893	42.7	6,270,760	50.9	6,270,760	50.9	7,703,009	56.1	8,220,129	57.7
Special Revenue	4000030	6,409,043	80.3	5,907,000	56.8	5,962,000	48.4	5,962,000	48.4	5,962,000	43.4	5,962,000	41.8
Cash Fund	4000045	45,279	0.6	50,000	0.5	75,000	0.6	75,000	0.6	70,000	0.5	70,000	0.5
Inter-agency Fund Transfer	4000316	6,563	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	2,051	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to General Revenue	4000635	(2,830,741)	(35.5)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		7,980,250	100.0	10,395,893	100.0	12,307,760	100.0	12,307,760	100.0	13,735,009	100.0	14,252,129	100.0
Excess Appropriation/(Funding)		(4,438,893)		(6,270,760)		(7,703,009)		(8,220,129)		(9,101,630)		(10,138,033)	
Grand Total		3,541,357		4,125,133		4,604,751		4,087,631		4,633,379		4,114,096	

FY23 Budget amount in FC 027 - State Operations exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium. Authorized position count varies from Agency Request count due to a surrender of 2 positions for 1 pool position.

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.

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 Ark. Code Ann. § 19-6-475.

With the exception of Regular Salaries and Personal Services Matching, continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting appropriation in the amount of \$4,361,251 in FY2024 and \$4,389,879 in FY2025.

The Agency Request includes the following changes:

- Three (3) new positions including Regular Salaries in the amount of \$195,591 in both years of the biennium and Personal Services Matching in the amount of \$63,880 in FY24 and \$65,860 in FY25, to assist with various areas within the Department, such as accounting, human resource, legal and operations.
- Increase of Regular Salaries and Personal Services Matching appropriation associated with various personnel changes which include reclassification and upgrades.
- Increase of \$12,000 in Extra Help and \$2,756 in Personal Services Matching for both years of the biennium to offer competitive pay rates for law clerks and to utilize temporary administrative staff due to the difficulty in hiring administrative personnel.
- Increase of \$20,000 in Capital Outlay to procure a document management system.

The Executive Recommendation provides for the Agency Request with the exception of various personnel changes, the new positions and the associated appropriation. These changes will be placed on hold for the new administration to review and recommend.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	2,059,210	2,444,470	2,229,477	2,771,314	2,367,266	2,773,514	2,369,466
#Positions		34	36	37	39	36	39	36
Extra Help	5010001	23,459	16,000	16,000	28,000	28,000	28,000	28,000
#Extra Help		2	2	2	2	2	2	2
Personal Services Matching	5010003	693,356	789,519	715,152	910,293	797,221	936,721	821,486
Operating Expenses	5020002	533,059	555,660	555,660	555,660	555,660	555,660	555,660
Conference & Travel Expenses	5050009	32,091	35,000	35,000	35,000	35,000	35,000	35,000
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	0	0	0	20,000	20,000	20,000	20,000
Examination Travel	5900046	1,245	20,000	20,000	20,000	20,000	20,000	20,000
Total		3,342,420	3,881,633	3,592,273	4,361,251	3,844,131	4,389,879	3,870,596

Funding Sources								
Fund Balance	4000005	3,592,273	3,590,790		5,521,157	5,521,157	6,971,906	7,489,026
Special Revenue	4000030	6,163,064	5,812,000		5,812,000	5,812,000	5,812,000	5,812,000
Inter-agency Fund Transfer	4000316	6,563	0		0	0	0	0
Other	4000370	2,051	0		0	0	0	0
Transfer to General Revenue	4000635	(2,830,741)	0		0	0	0	0
Total Funding		6,933,210	9,402,790		11,333,157	11,333,157	12,783,906	13,301,026
Excess Appropriation/(Funding)		(3,590,790)	(5,521,157)		(6,971,906)	(7,489,026)	(8,394,027)	(9,430,430)
Grand Total		3,342,420	3,881,633		4,361,251	3,844,131	4,389,879	3,870,596

FY23 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium. Authorized position count varies from Agency Request count due to a surrender of 2 positions for 1 pool position.

Analysis of Budget Request

Appropriation: 1MV - Investor Education

Funding Sources: SIE - Investor Education Fund

The Securities Department's Investor Education Program, as authorized by Ark. Code Ann. § 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.

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

Continuing level of appropriation is the FY2023 Authorized.

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

The Agency Request includes reallocation of (\$25,000) from Operating Expenses to Grants & Aid to partner with Economic Arkansas to support overall implementation of the stock market game in secondary schools in Arkansas.

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		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	10,867	61,000	61,000	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	7,173	7,500	7,500	7,500	7,500	7,500	7,500
Grants and Aid	5100004	135,618	125,000	125,000	150,000	150,000	150,000	150,000
Capital Outlay	5120011	0	0	0	0	0	0	0
Total		153,658	193,500	193,500	193,500	193,500	193,500	193,500
Funding Sources								
Fund Balance	4000005	709,669	801,990		703,490	703,490	659,990	659,990
Special Revenue	4000030	245,979	95,000		150,000	150,000	150,000	150,000
Total Funding		955,648	896,990		853,490	853,490	809,990	809,990
Excess Appropriation/(Funding)		(801,990)	(703,490)		(659,990)	(659,990)	(616,490)	(616,490)
Grand Total		153,658	193,500		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 FY2023 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	Historical Data			Agency Request and Executive Recommendation			
	2021-2022 Actual	2022-2023 Budget	2022-2023 Authorized	2023-2024		2024-2025	
				Agency	Executive	Agency	Executive
Refunds/Reimbursements 5110014	45,279	50,000	50,000	50,000	50,000	50,000	50,000
Total	45,279	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources							
Fund Balance 4000005	46,113	46,113		46,113	46,113	71,113	71,113
Cash Fund 4000045	45,279	50,000		75,000	75,000	70,000	70,000
Total Funding	91,392	96,113		121,113	121,113	141,113	141,113
Excess Appropriation/(Funding)	(46,113)	(46,113)		(71,113)	(71,113)	(91,113)	(91,113)
Grand Total	45,279	50,000		50,000	50,000	50,000	50,000