

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

A Bill

HOUSE BILL 1096

5 By: Joint Budget Committee
6

For An Act To Be Entitled

8 AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES
9 AND OPERATING EXPENSES FOR THE STATE SECURITIES
10 DEPARTMENT FOR THE FISCAL YEAR ENDING JUNE 30, 2018;
11 AND FOR OTHER PURPOSES.
12
13

Subtitle

14 AN ACT FOR THE STATE SECURITIES
15 DEPARTMENT APPROPRIATION FOR THE 2017-
16 2018 FISCAL YEAR.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. REGULAR SALARIES - OPERATIONS. There is hereby established
23 for the State Securities Department for the 2017-2018 fiscal year, the
24 following maximum number of regular employees.
25

Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2017-2018
30	(1) U040U	SECURITIES COMMISSIONER	1	\$107,045
31	(2) N137N	SECURITIES DEPUTY COMMISSIONER	1	GRADE N902
32	(3) G004C	MANAGING ATTORNEY	1	GRADE C129
33	(4) G025C	ATTORNEY SUPERVISOR	1	GRADE C127
34	(5) G047C	ATTORNEY SPECIALIST	6	GRADE C126
35	(6) X008C	SECURITIES CHIEF EXAMINER	2	GRADE C126
36	(7) X015C	SECURITIES EXAMINER SUPERVISOR	3	GRADE C124



1	(8)	X032C	SENIOR SECURITIES EXAMINER	10	GRADE C122
2	(9)	A052C	ACCOUNTING COORDINATOR	1	GRADE C121
3	(10)	D051C	SYSTEMS APPLICATIONS SUPERVISOR	1	GRADE C121
4	(11)	X061C	SECURITIES EXAMINER	4	GRADE C119
5	(12)	C037C	ADMINISTRATIVE ANALYST	1	GRADE C115
6	(13)	C046C	LEGAL SUPPORT SPECIALIST	2	GRADE C113
7	(14)	C056C	ADMINISTRATIVE SPECIALIST III	3	GRADE C112
8	(15)	A098C	FISCAL SUPPORT SPECIALIST	<u>1</u>	GRADE C112
9			MAX. NO. OF EMPLOYEES	38	

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11 SECTION 2. EXTRA HELP - OPERATIONS. There is hereby authorized, for
 12 the State Securities Department for the 2017-2018 fiscal year, the following
 13 maximum number of part-time or temporary employees, to be known as "Extra
 14 Help", payable from funds appropriated herein for such purposes: two (2)
 15 temporary or part-time employees, when needed, at rates of pay not to exceed
 16 those provided in the Uniform Classification and Compensation Act, or its
 17 successor, or this act for the appropriate classification.

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19 SECTION 3. APPROPRIATION - OPERATIONS. There is hereby appropriated,
 20 to the State Securities Department, to be payable from the Securities
 21 Department Fund, for personal services and operating expenses of the State
 22 Securities Department for the fiscal year ending June 30, 2018, the
 23 following:

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25	ITEM	FISCAL YEAR
26	<u>NO.</u>	<u>2017-2018</u>
27	(01) REGULAR SALARIES	\$1,976,402
28	(02) EXTRA HELP	16,000
29	(03) PERSONAL SERVICES MATCHING	641,596
30	(04) MAINT. & GEN. OPERATION	
31	(A) OPER. EXPENSE	470,660
32	(B) CONF. & TRAVEL	30,000
33	(C) PROF. FEES	20,984
34	(D) CAP. OUTLAY	35,000
35	(E) DATA PROC.	0
36	(05) EXAMINATION TRAVEL	<u>20,000</u>

1 TOTAL AMOUNT APPROPRIATED \$3,210,642

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3 SECTION 4. APPROPRIATION - REFUNDS AND REIMBURSEMENTS. There is hereby
 4 appropriated, to the State Securities Department, to be payable from cash
 5 funds as defined by Arkansas Code 19-4-801 of the State Securities
 6 Department, for refunds and reimbursements of the State Securities Department
 7 for the fiscal year ending June 30, 2018, the following:

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9 ITEM	FISCAL YEAR
10 <u>NO.</u>	<u>2017-2018</u>
11 (01) REFUNDS/REIMBURSEMENTS	<u>\$500,000</u>

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13 SECTION 5. APPROPRIATION - INVESTOR EDUCATION FUND. There is hereby
 14 appropriated, to the State Securities Department, to be payable from the
 15 Investor Education Fund, for operating expenses, promotional items and grants
 16 of the State Securities Department for the fiscal year ending June 30, 2018,
 17 the following:

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19 ITEM	FISCAL YEAR
20 <u>NO.</u>	<u>2017-2018</u>
21 (01) MAINT. & GEN. OPERATION	
22 (A) OPER. EXPENSE	\$36,000
23 (B) CONF. & TRAVEL	0
24 (C) PROF. FEES	0
25 (D) CAP. OUTLAY	0
26 (E) DATA PROC.	0
27 (02) GRANTS AND AID	125,000
28 (03) PROMOTIONAL ITEMS	<u>7,500</u>
29 TOTAL AMOUNT APPROPRIATED	<u>\$168,500</u>

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31 SECTION 6. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
 32 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
 33 CONTINGENCY RESTRICTION. In the event additional appropriations become
 34 necessary that are not authorized or contemplated in the Operations
 35 appropriation of this Act and specific cases, situations, and/or programs
 36 make it necessary that the State Securities Department receives additional

1 appropriations to carry out the objectives of the agency, the Securities
2 Commissioner is hereby authorized to request the approval of the Governor,
3 the Chief Fiscal Officer of the State and prior approval by the Arkansas
4 Legislative Council or Joint Budget Committee for transfers of the
5 appropriations provided in the Contingency line item of the Operations
6 appropriation of this Act to other line items within the Operations
7 appropriation. In no event shall the transfers in any fiscal year exceed the
8 appropriations provided in the Contingency line item of the Operations
9 appropriation of this Act. The Governor may approve or modify such request
10 for transfer of appropriations as in his judgment he deems necessary, and
11 shall inform the Chief Fiscal Officer of the State and receive review and
12 prior approval by the Arkansas Legislative Council or Joint Budget Committee.
13 Upon notification, the Chief Fiscal Officer of the State shall direct the
14 State Auditor to process said transfer upon his books in accordance with the
15 provisions as set out herein.

16 Determining the maximum number of employees and the maximum amount of
17 appropriation and general revenue funding for a state agency each fiscal year
18 is the prerogative of the General Assembly. This is usually accomplished by
19 delineating such maximums in the appropriation act(s) for a state agency and
20 the general revenue allocations authorized for each fund and fund account by
21 amendment to the Revenue Stabilization law. Further, the General Assembly has
22 determined that the State Securities Department may operate more efficiently
23 if some flexibility is provided to the State Securities Department
24 authorizing broad powers under this section. Therefore, it is both necessary
25 and appropriate that the General Assembly maintain oversight by requiring
26 prior approval of the Legislative Council or Joint Budget Committee as
27 provided by this section. The requirement of approval by the Legislative
28 Council or Joint Budget Committee is not a severable part of this section. If
29 the requirement of approval by the Legislative Council or Joint Budget
30 Committee is ruled unconstitutional by a court of competent jurisdiction,
31 this entire section is void.

32 The provisions of this section shall be in effect only from July 1, ~~2016~~
33 2017 through June 30, ~~2017~~ 2018.

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35 SECTION 7. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
36 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. QUARTERLY

1 REPORTS. The State Securities Department shall on a quarterly basis provide
2 to the Arkansas Legislative Council or Joint Budget committee a report of all
3 funds received or any external fund transactions recognized or required
4 through court orders or settlement agreements. The report shall include:

5 a) The case name of the court order or settlement agreement.

6 b) The amount of funds received or transaction recognized or required by
7 the State Securities Department for each court order or settlement agreement.

8 c) A plan for disbursement of the received funds. If funds received from
9 a court order or settlement agreement are expended for any purpose, including
10 investor education and enforcement activities, the report must itemize
11 specific activities subject to the exclusions provided in Ark. Code Ann. 25-
12 1-403(1)(B). The report shall also itemize the specific investor education
13 and enforcement activities funded for the State Securities Department.

14 d) An explanation of whether the funds received or transactions
15 recognized or required from a court order or settlement are directed to a
16 specific entity, and if so, the State Securities Department shall provide a
17 summary of input regarding the drafting of the court order or settlement
18 agreement.

19 e) A report of the rationale for disbursing funds to a specific entity if
20 the State Securities Department receives funds from a court order or
21 settlement agreement that does not require disbursement of funds to a
22 specific entity.

23 f) A report of current balances of all unappropriated fund holdings
24 received by court order or settlement agreement by the State Securities
25 Department.

26 g) The quarterly reports shall be provided no later than the 15th day of
27 the month immediately following the end of each quarter.

28 The provisions of this section shall be in effect only from July 1, ~~2016~~
29 2017 through June 30, ~~2017~~ 2018.

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31 SECTION 8. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
32 authorized by this act shall be limited to the appropriation for such agency
33 and funds made available by law for the support of such appropriations; and
34 the restrictions of the State Procurement Law, the General Accounting and
35 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
36 Procedures and Restrictions Act, or their successors, and other fiscal

1 control laws of this State, where applicable, and regulations promulgated by
 2 the Department of Finance and Administration, as authorized by law, shall be
 3 strictly complied with in disbursement of said funds.

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 5 SECTION 9. LEGISLATIVE INTENT. It is the intent of the General
 6 Assembly that any funds disbursed under the authority of the appropriations
 7 contained in this act shall be in compliance with the stated reasons for
 8 which this act was adopted, as evidenced by the Agency Requests, Executive
 9 Recommendations and Legislative Recommendations contained in the budget
 10 manuals prepared by the Department of Finance and Administration, letters, or
 11 summarized oral testimony in the official minutes of the Arkansas Legislative
 12 Council or Joint Budget Committee which relate to its passage and adoption.

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 14 SECTION 10. EMERGENCY CLAUSE. It is found and determined by the
 15 General Assembly, that the Constitution of the State of Arkansas prohibits
 16 the appropriation of funds for more than a one (1) year period; that the
 17 effectiveness of this Act on July 1, 2017 is essential to the operation of
 18 the agency for which the appropriations in this Act are provided, and that in
 19 the event of an extension of the legislative session, the delay in the
 20 effective date of this Act beyond July 1, 2017 could work irreparable harm
 21 upon the proper administration and provision of essential governmental
 22 programs. Therefore, an emergency is hereby declared to exist and this Act
 23 being necessary for the immediate preservation of the public peace, health
 24 and safety shall be in full force and effect from and after July 1, 2017.