

DEPARTMENT OF SECURITIES (410) - 2009-11 BIENNIUM

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The purpose of the Arkansas Securities Department is to enforce statutes against fraudulent and misleading sales of securities and monetary transactions by entities within its jurisdiction. These range from credit unions, mortgage companies, and check cashing companies. The Department registers companies and individuals, performs examinations and audits, conducts investigations, and disseminates information to provide assistance and protection to the general public.

TOTAL BIENNIAL BUDGET

The total budget for the 2009-11 biennium is \$21,016,250 the first year and \$20,773,980 the second year. (\$17.5 million each year is to transfer revenue receipts to the State Treasury and for making refunds.)

FUNDING SOURCES

The Securities Department collects fees from security dealers, credit unions, mortgage loan companies, and check and money order sellers. The Department then deposits the money in the State Treasury as Special Revenues.

II) SIGNIFICANT CHANGES

- The **State Operations** appropriation, funded by Special Revenues, provides a total appropriation of \$3,437,750 the first year and \$3,195,480 the second year with change levels of:
 1. Operating Expenses increased by \$36,400 the first year and \$42,400 the second year for postage, network services, vehicle maintenance, rent, equipment leases, membership dues, courier services, fuel, and subscriptions.
 2. Conference & Travel Expense increased by \$7,400 each year to allow examiners and attorneys to attend training sessions.
 3. Professional Fees increased by \$275,000 the first year only to upgrade the Securities Tracking and Registration (STAR) database used for licensing, registration, and complaint tracking.
 4. Capital Outlay increased by \$33,500 the first year and \$13,500 the second year to replace one (1) vehicle (\$20,000 the first year only) and replace and upgrade IT equipment (\$13,500 each year) as specified in the Department's IT plan.
 5. Examination Travel increased by \$7,500 each year to reimburse examiners for additional compliance and for-cause audits in the field.
- The **Refunds and Transfers** appropriation, funded by Cash Funds, provides a total appropriation of \$17,500,000 each year with a change level of \$2,500,000 each year to enable the transfer of revenue receipts to the State Treasury and to ensure that all transactions are processed.
- The **Investor Education** appropriation, funded by Special Revenues, provides a total Base Level appropriation of \$78,500 each fiscal year.

III) ADDITIONAL POSITIONS

Total Positions for FY 2009-11: 38

Total Budgeted Positions for FY 2009: 38

Increase/(Decrease): 0

IV) SPECIAL LANGUAGE

- CONTINGENCY RESTRICTION: If it becomes necessary the Securities Commissioner is authorized to request the approval from the Legislative Council or JBC, Governor and the Chief Fiscal Officer of the State to transfer appropriations in the Contingency line item to other line items within the same Section.