Legislative Appropriations Request

for Fiscal Years 2024 and 2025

Submitted to the
Office of the Governor, Budget Division,
and the Legislative Budget Board

by the

State Securities Board

Revised: August 18, 2022

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I. Agency Overview

Governing Board

The Texas State Securities Board is considered by many as a preeminent state securities regulator and law enforcement agency. We place a premium on what is important – results for our constituents. This sentiment is attributed in no small part to the dedicated staff's commitment to serving our investors, businesses, and licensees – doing so in a fair and thoughtful; aggressive, when appropriate[1]; accessible; and transparent way.

The Securities Board was created with the Texas Securities Act (or the Act) by the 55th Legislature in 1957. The agency is overseen by a governing board comprised of five members appointed by Governor Abbott, with the advice and consent of the Senate, for six-year staggered terms. The Board establishes the policies of the agency and meets periodically to update agency rules to ensure that investors remain adequately protected while preventing unreasonable burdens or barriers on legitimate capital formation.

The Board appoints a Securities Commissioner who serves at the pleasure of the Board and is charged with the administration of the Act and management of the day-to-day operations of the agency. Travis J. Iles was appointed as the Securities Commissioner in 2017 and has served Texas investors and businesses in various capacities across agency programs for the past 21 years.

Members of the Board serving Texas as of July 29, 2022:

Board Member	City	Term Expiry
E. Wally Kinney, Chair	Comfort	January, 2025
Kenny Koncaba	Friendswood	January, 2023
Robert R. Belt	Houston	January, 2023
Melissa Tyroch	Belton	January, 2025
Ejike E. Okpa II	Dallas	January, 2027

Statute

Under the requirements of The Securities Act, Tex. Gov't Code §§ 4001.001- 4008.105 (formerly Tex. Rev. Civ. Stat. Ann. arts. 581-1 to 581- 45), the mission of the State Securities Board is to protect investors.[2] Consistent with that mission, the agency seeks to encourage

[1] Frisco Real Estate Developer Sentenced to Serve 45 Years in Prison, Pay $30 Million in Restitution for Fraudulent Investment Scheme – https://www.ssb.texas.gov/news-publications/frisco-real-estate-developer-sentenced-serve-45-years-prison-pay-30-million.

[2] The Texas Legislative Council completed a non-substantive revision of the Texas Securities Act pursuant to Tex. Gov't Code § 323.007. The agency greatly appreciates the Council's diligence and good work on the multi-year project. The expertise of the agency's General Counsel, Marlene Sparkman (the agency's Library of Congress), was also instrumental in effectuating the codification of the Texas Securities Act. The codification became effective January 1, 2022.

capital formation, job formation, free and competitive securities markets and to minimize burdens on issuers and persons subject to the Act, especially our small businesses.

A healthy and productive capital market requires the agency maintain a carefully balanced and measured regulatory approach. A harsh and unyielding regulatory system limits incentives for businesses to raise capital in Texas and creates barriers for Texas businesses to access funds necessary to grow their businesses and create new jobs. Conversely, an overly lenient regulatory system fosters an environment in which unscrupulous promoters can damage investor confidence, inhibit investments in the state, and erode legitimate businesses' access to needed capital.

Texas is an exceptionally large and robust market for securities issuers, securities dealers, agents, and investment advisers. Long-term customer demands for the services provided by the State Securities Board continue to increase, due to the strength of the Texas economy and its growing population.

The public's dependence on the securities markets to meet personal financial goals is continuing a trend of increasing numbers of firms and individuals seeking registration. The great majority of firm and individual registrants are not in Texas but seek registration to access Texas' vibrant economy and investors.

As Comptroller Hegar reported to the Committee on House Appropriations in July 2022, the Texas economy is doing well, particularly so when compared to other states. "The state's rate of job growth was the highest among the 10 most populous and the second highest among all states."[3]

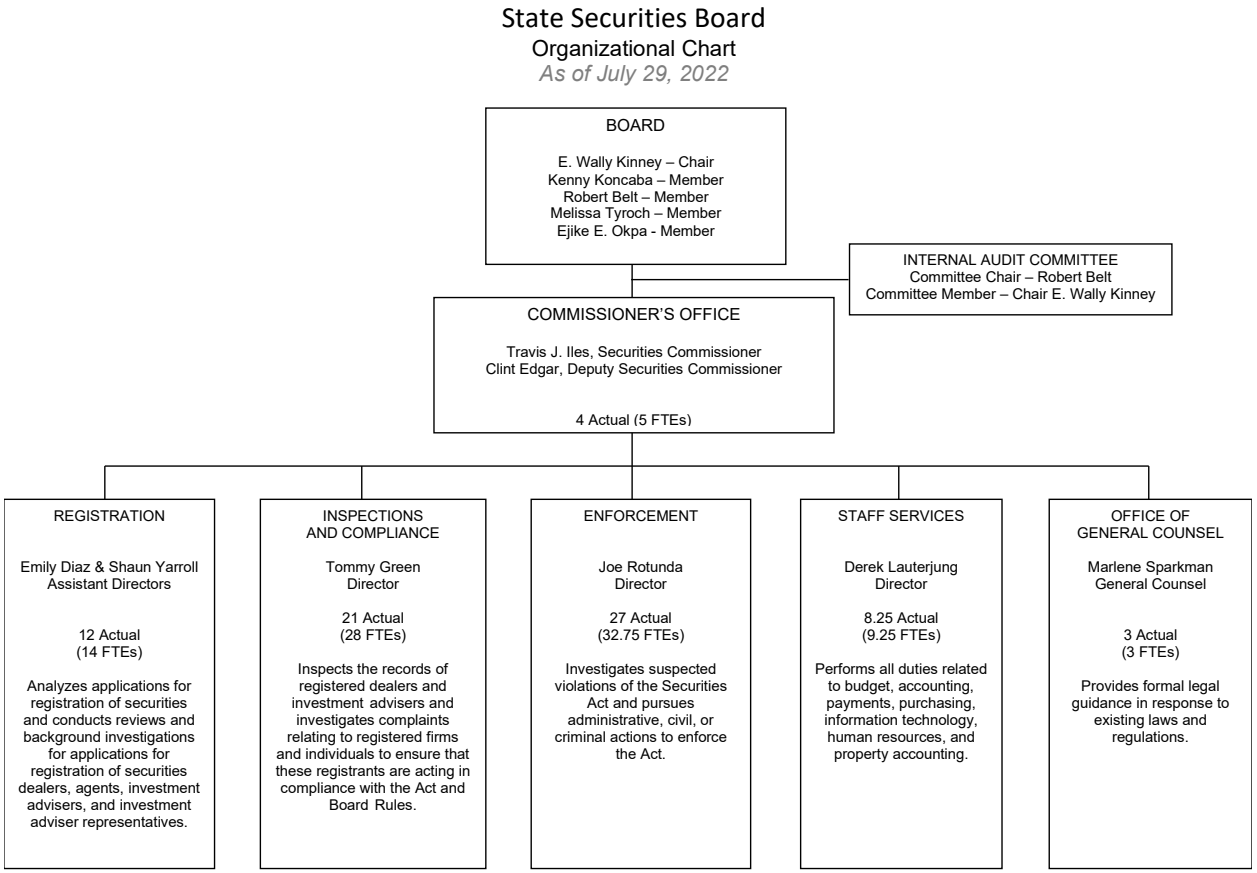
The Texas economy also makes Texas investors an attractive target for promoters of fraudulent investment schemes. These contrivances divert capital that would otherwise be available for legitimate economic development and threaten public confidence in securities markets and securities professionals.

Banks are robbed – it's where the money is. The same holds true as to why so many criminal opportunists flock to the Lone Star State to prey upon Texas investors. The ability of legitimate Texas businesses seeking capital to grow their businesses and create Texas jobs is held back by such criminal activity. Unscrupulous promoters recognize economic uncertainty and market losses as a "business

[3] Source – Texas Comptroller of Public Accounts, *2022-2023 Certification Revenue Estimate* – Revised July 2022.

opportunity," making many investors more vulnerable to their schemes. Bad actors are adept at following media headlines and exploiting investor emotion and fear.

The following chart sets forth the organizational composition of the agency:



Maximum allotted FTEs for the 2022-2023 Biennium – 92 (actual **75**).

Programs

To implement the Securities Act, the State Securities Board maintains strategies for: 1) Law enforcement; 2) Registration of securities; 3) Registration of securities dealers, agents, investment advisers, and investment adviser representatives; and 4) Inspections of registered dealers and investment advisers.

The Texas Department of Public Safety and the Federal Bureau of Investigation have decades-long recognized our law enforcement program as a "criminal justice agency;" it maintains a primary focus on investigating unregistered criminal opportunists who all too often stalk our retirees and elderly.

The agency's registration and inspections and compliance programs provide key gatekeeper and ongoing oversight functions for our registered community.

The Law Enforcement Program

Since 1957, the State Securities Board has placed a premium on proactive efforts to detect and prevent violations of the Act, including fraud committed in connection with the sale of securities by unregistered dealers. The agency aggressively pursues administrative, civil, or criminal actions against firms or individuals who have violated provisions of the Act.

In assessing the need for and type of enforcement action, consideration is given to several factors, including the offense, violation, or deficiency; the extent and persistence of the conduct; the harm to the public; cooperation in resolving the matter; efforts to mitigate harm; the history of previous violations; the need to deter similar conduct; and the ability to restore investor status quo and provide justice. The same assessments are made in our other vital programs.

The agency allocates significant resources to the criminal prosecution of individuals who engage in fraud in connection with the sale of securities, while continuing to effectively execute its other regulatory responsibilities.

In the Sunset Advisory Commission's Staff Report for the 86th Legislature, the agency was found to dedicate "appropriated resources in a responsible manner that supports prosecution of securities crimes while being mindful of its other statutory responsibilities."

The agency refers criminal matters to district attorneys and United States attorneys in Texas. Agency attorneys are routinely appointed as special prosecutors to assist in drafting indictments, present cases to grand juries, and conduct felony trials for securities fraud and related penal offenses.

Agency financial examiners and accountants regularly perform source and use analyses of voluminous and complex financial records and testify as fact, expert, and summary witnesses in these prosecutions as a matter of course. But for the work of the law enforcement program, many criminal opportunists would never be brought to justice.

The Act provides the agency with valuable tools – administrative, civil, and criminal – to effectively redress any number of schemes, no matter the form they take. The agency continues its effective use of these tools.

Scams run the gamut – oil & gas pipe dreams, real estate subterfuges; hollow promissory notes, precious metals skullduggery[4], bunco equities, and myriad sham promotions tied to digital assets – to name but a few.

Much of the good enforcement work of the agency is circulated in news release content. These releases not only speak to the agency's effectiveness in protecting our investors but also reflect the leadership role the Texas State Securities Board plays among its state and federal regulatory counterparts.[5]

The Registration Program

The agency's registration staff reviews all applications to register securities for sale in Texas. The primary function of this review is to ensure that investors have access to full and fair disclosure of all material investment information to inform the investor's decision-making process; the issuer and investor share in the results of the venture; prices being asked for the securities are reasonable; conflicts of interest are minimized; and promotional expenses are reasonable. For issuers seeking a multi-state registration of securities, the agency participates in a coordinated review program administered by the North American Securities Administrators Association (NASAA). Besides establishing uniform review standards, coordinated review expedites the registration process, saving time and money for the issuer. The agency also processes a much larger volume of filings to permit securities to be sold in Texas where registration is

[4] Don't Mess with Texas, She Has a Lot of Friends – The CFTC, Texas, and 29 Other States Join Forces to Stop $185 Million Precious Metals IRA and Bullion Coin Scheme Targeting Seniors – https://www.ssb.texas.gov/news-publications/don%25E2%2580%2599t-mess-texas-she-has-lot-friends-%25E2%2580%2593-cftc-texas-and-29-other-states-join-0.
[5] Agency News Release content – https://www.ssb.texas.gov/news-publications/news-releases?page=0.

not required under the Act. Throughout agency programs, staff provide leadership roles within NASAA, and the agency maximizes resources through its active participation in the association, which provides numerous training and educational opportunities for agency staff at little to no taxpayer cost.

Besides reviewing securities registrations and filings, the registration program also reviews and processes the applications for registration and renewal for firms and individuals selling securities or rendering investment advice in Texas. This process includes a thorough examination of each application with an emphasis on the proposed plan of business, financial condition, and disciplinary history of the applicants. For the agency to maintain proper oversight, each registrant must timely amend its registration information when an event occurs that causes a previous response provided on the application to become inaccurate, disclosure of investor-initiated complaints against the registrant.

The agency participates in the Central Registration Depository and Investment Adviser Registration Depository systems. Together, these systems, developed by NASAA, the U.S. Securities and Exchange Commission, and the Financial Industry Regulatory Authority (FINRA), allow dealers and investment advisers to apply electronically for registration of their agents and representatives in all desired states via a single form filed at a central location. Texas was a leader in developing these systems and Texas registrants benefit greatly by having access to the systems, including the ability to pay registration and renewal-related fees electronically.

The Inspections & Compliance Program

Financial examiners in the agency's inspections program conduct periodic compliance examinations of the activities and books and records of registered firms. The primary focus of this important work is conducted on firms not subject to oversight by other regulatory authorities, which are approximately 1550 state-registered investment advisers (those having up to $100 million in investor assets under management), with main offices in Texas, and securities dealers who are not members of FINRA.

While the majority of Texas registrants work for the benefit of their clients, registrants who act to their clients' detriment harm not only those investors but also foster a disparate competitive playing field for other registrants. Indeed, there are instances, albeit rare, where registrant misconduct necessitates the revocation of their license.[6]

[6] See https://www.ssb.texas.gov/sites/default/files/2021-06/IC21_REV_02.pdf & https://www.ssb.texas.gov/sites/default/files/2022-06/IC22_REV_01.pdf.

Agency Performance - Fiscal Year 2021:

Enforcement	**449** law enforcement investigations opened **92.85%** of law enforcement actions successful
Registration	**66,097** securities registration and notice filings reviewed (FY 20 - 63,496) **527,678** securities dealer, agent, investment adviser, and investment adviser representative registration and notice filings reviewed (FY 20 - 493,397)
Inspections	**313** registered securities dealers and investment advisers examined **1550+** securities dealers and investment advisers examined solely by agency [as of August 31, 2021]
Deposits made to General Revenue Fund	**~$191,610,086.51 [+$14M from fiscal 2020]**[7]
Expenditures in administering and enforcing the Act	**~$7,298,680.48**

Licensing Structure & Fees

The agency deposits substantial funds to the General Revenue Fund (GR) yearly. The Board has also been ever diligent in monitoring and reducing the fees assessed to its registrants. The Act's five § 4006.001, Tex. Gov't Code (formerly § 35.A of the Act), fees must offset funds appropriated for the administration and enforcement of the Act. Texas Gov't Code, Section 316.045.

Since 2015, the Board has been proactive in reducing fees paid by its occupational licensees. The § 4006.001.(2), (3), (4), and (5) fees, our fees pertaining to registered dealers, investment advisers, and their agents and representatives, are at their statutory minimums. The remaining § 4006.001.(1) fee was reduced by Board action in May 2018 by 30%.

[7] Fiscal year 2022 is projected to meet or exceed fiscal year 2021's record deposits to the General Revenue Fund.

Registrant Original & Renewal Fees[8]

Fee Description / Registrant Type / Statutory Citation	Current Fee / Statutory Maximum	Fee Revenue Deposit – 100%
Original Dealer/Investment Adviser Application: Act § 4006.001.(2)	**$75 / $100**	General Revenue Fund
Dealer/Investment Adviser *Renewal*: Act § 4006.001.(3)	**$40 / $100**	General Revenue Fund
Original Agent / Investment Adviser Representative Application: Act § 4006.001.(4)	**$35 / $100**	General Revenue Fund
Agent / Investment Adviser Representative *Renewal*: Act § 4006.001.(5)	**$20 / $100**	General Revenue Fund

A measured and fair regulatory approach also requires the fees for occupational licensees be fair and measured. Each of these registrant fees are not only at their statutory minimum, as set by the 77th Legislature in 2001, but also reflect 1991 registrant fee levels.

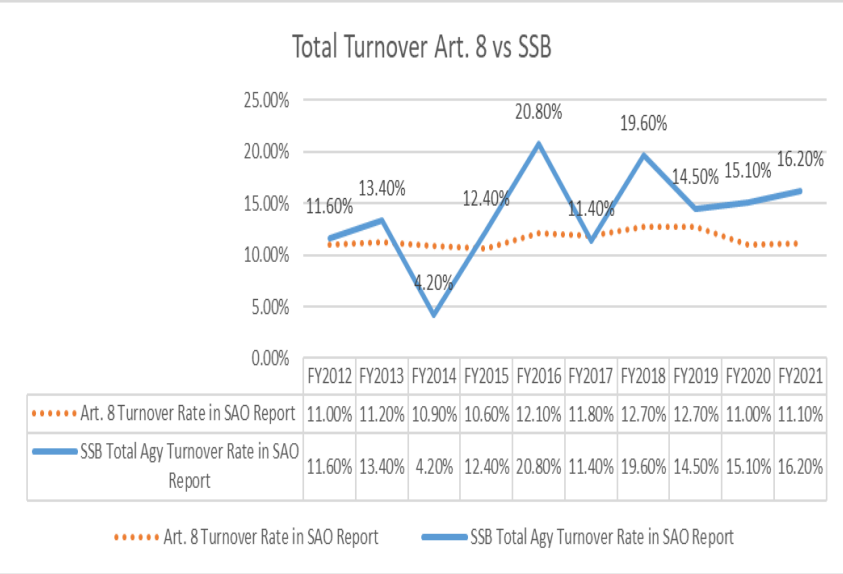
The agency is proud to count its fees for securities industry professionals amongst the very lowest and fairest in the country.

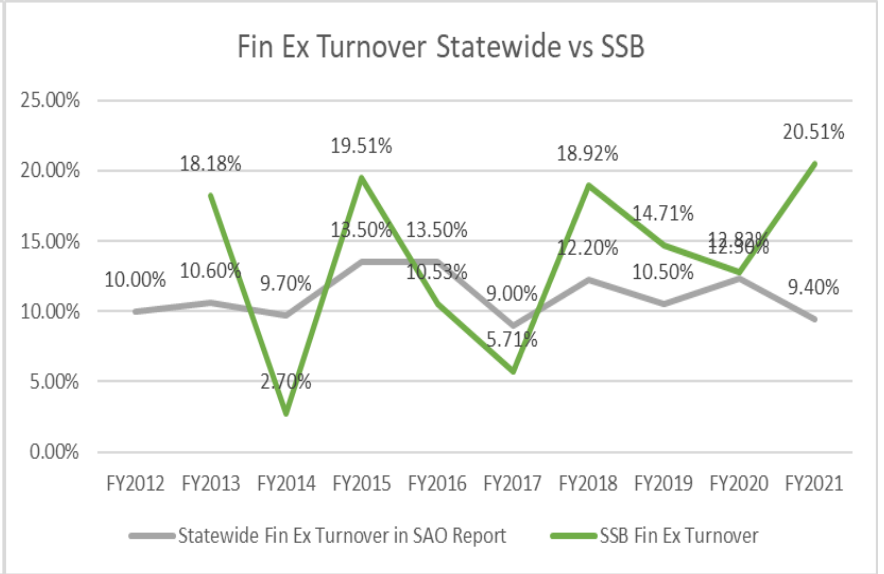
[8] More detailed information on the agency's licensing fees is contained in the agency's *Report on Occupational-Licensing Rules* to Governor Abbott's office, dated November 26, 2019 – available on request.

Turnover

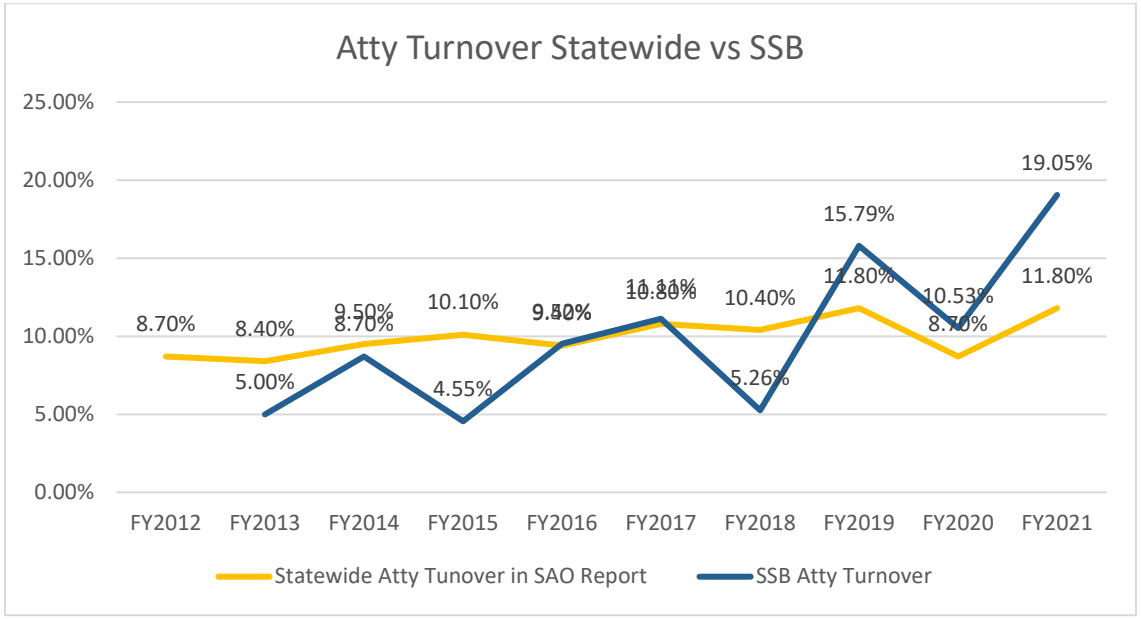
The State Auditor's Office turnover analyses for agencies have shown continued attrition over a number of years, specific to the agency. The following tables and charts reflect the challenges faced by the agency due to continued turnover and ever-increasing difficulties in attracting new team members.

Employee Turnover	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Statewide Turnover Rate in SAO Report	17.30%	17.60%	17.50%	18.00%	17.60%	18.60%	19.30%	20.30%	18.60%	21.50%
Art. 8 Turnover Rate in SAO Report	11.00%	11.20%	10.90%	10.60%	12.10%	11.80%	12.70%	12.70%	11.00%	11.10%
SSB Total Agy Turnover Rate in SAO Report	**11.60%**	**13.40%**	**4.20%**	**12.40%**	**20.80%**	**11.40%**	**19.60%**	**14.50%**	**15.10%**	**16.20%**
SSB Fin Ex Turnover		**18.18%**	**2.70%**	**19.51%**	**10.53%**	**5.71%**	**18.92%**	**14.71%**	**12.82%**	**20.51%**
SSB Atty Turnover		**5.00%**	**8.70%**	**4.55%**	**9.52%**	**11.11%**	**5.26%**	**15.79%**	**10.53%**	**19.05%**
Statewide Fin Ex Turnover in SAO Report	10.00%	10.60%	9.70%	13.50%	13.50%	9.00%	12.20%	10.50%	12.30%	9.40%
Statewide Atty Tunover in SAO Report	8.70%	8.40%	9.50%	10.10%	9.40%	10.80%	10.40%	11.80%	8.70%	11.80%





The turnover obstacle is stark. In fact, since fiscal year 2021, the inspections program has realized over 50% in actual turnover. Legal profession turnover is on the uptick as well.



Current staffing levels are at approximately **75** full-time employees. In May 2020, the agency was staffed with **86** FTEs. For further comparison, in August 1998, the agency had 80 FTEs. The following chart provides additional context to a trend that, if continued, will imperil the agency's ability to effectively execute its core responsibilities.

Agency FTE Count Summary - Source – SAO Reports

FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
92.8	96.4	96.9	**97.4**	92.1	88.1	82.1	83	**86.6**	**80.6**

Comptroller Hegar identified in his July comments to the Committee on House Appropriations the need to address state employee salaries and retention. While it is incumbent on the agency to continue to think "creatively" to address the problem, meaningful inroads start with appropriations that make our playing field less disparate to our federal and industry counterparts in the financial services sector.

40-year inflationary records exacerbate staffing difficulties, particularly in Austin where lucky few can afford to reside near their workplace.

To compound present circumstances, ~20% of our team is or will become eligible for retirement by August 31, 2024 (~73% of these retirement eligible team members have over 20 or 30 years of public service under their belts). Some of these retirements are imminent and will wash out institutional knowledge.

Securities Board Deposits to the General Revenue Fund

FY18	FY19	FY20	FY21
$157,101,461.40	$163,943,000.94	$177,539,059.55	$191,610,086.51

The agency's YTD FY22 deposits to the General Revenue Fund (GR) are **+$2.8M** as compared to YTD FY21. As of June 30, 2022, YTD deposits to GR were **$168,767,711.06**.

Sunset Advisory Commission

Work began on the agency's Sunset Advisory Commission review in 2017. The agency was pleased to report fulsome implementation of Sunset management action items and statutory changes during the 87th Legislature.

While we are well removed from the economic concerns and uncertainty that shrouded the 87th's appropriations process, the Sunset Advisory Commission's identification of the agency's resource needs in their report to the 86th Legislature remain and have been exacerbated by current challenges in retaining and attracting staff, as well as combatting rampant inflation.

The agency's need for increased funding and the importance of the agency's work was recognized by Sunset Advisory Commission Staff in their report:

- *[T]he State Securities Board plays a critical role in protecting Texas residents from fraudulent or negligent practices by securities professionals and criminal opportunists.*

- *The agency is the state's expert on enforcing state and federal securities laws and it cannot easily or quickly replace the expertise of seasoned financial examiners and attorneys.*

- *[A]s the agency's workload increases and criminals constantly create new schemes to defraud the public, the agency and the state could feel the effects of the agency's struggle to retain qualified staff.*

- *While the board is a well-run agency that contributes $150 million in excess fee revenue to the state through its regulation, its greatest long-term challenge is…the loss of the staff's cultivated expertise to higher paying national regulators.*[9]

II. Adjusted 2024/2025 Baseline Reconciliation
The SSB maintains no programs meeting a baseline request exception in the LBB and Governor's Office policy letter dated June 30, 2022.

III. No Significant Changes to SSB Policy
The agency is pleased to report there have been no significant changes to policy. The agency has effectively transitioned over the past couple years with new Board Members replacing valued prior leadership and/or assuming new roles.

The Board continues its good work in stewarding the agency staff through thoughtful policy direction under Chair Kinney's leadership. The entire Board's engagement, oversight, and enthusiasm for the agency's important work is deeply appreciated.

IV. Significant Changes in Service Delivery
The SSB reports no substantive changes to its performance of statutory responsibilities. The agency's scope of work across programs has continued to increase, and the agency continues to leverage and enhance the use of technology to enhance efficiencies.

<u>Workload</u>
As reflected above, the agency's deposits to GR continue to exceed prior year-over-year deposits. The agency's workload similarly exceeds prior years in both volume and complexity.

[9] *State Securities Board Staff Report – June 2019,* Summary of Sunset Staff Recommendations, Page 1 (pdf pg. 17) https://www.sunset.texas.gov/public/uploads/files/reports/State%20Securities%20Board%20Staff%20Report%20with%20Final%20Results.pdf.

Economic uncertainty and market losses have made many investors across demographics more susceptible to bad actors and their nefarious schemes.

V. Other Significant Externalities

An increase in long-term customer demands for the State Securities Board's services is expected to continue, driven by the strength of the Texas economy, population growth, and the increasing public participation in the securities markets to help meet personal savings, retirement, or other financial goals.

Governor Abbott and the 85th Legislature enacted important legislation establishing Section 45 of the Securities Act (presently § 4004, Tex. Gov't Code), effective September 1, 2017, designed to enhance protections for vulnerable victims. It was widely supported by industry stakeholders and their regulatory counterparts. Implementing this legislation has, however, strained agency resources in unanticipated but welcomed ways. The number of reports submitted in fiscal 2018 – **128**; 2019 – **212**; 2020 – **332**; 2021 – **415**; and YTD 2022 – **423**.

Fraudulent securitized digital asset schemes promoted to the Texas investing public emerged in significant fashion during fiscal 2018 and have continued in an elevated way to present day. The Texas Securities Board was the first state securities regulator to enter an enforcement action against a cryptocurrency firm in December 2017 and has initiated in excess of **50** emergency actions since then, with the overwhelming majority of those actions designed to halt fraudulent schemes.[10]

In addition to these emergency actions, the agency has identified and pursued administrative remedies through the State Office of Administrative Hearings to address registration infirmities, to state matters politely, within the securitized digital asset space, e.g., interest-bearing digital asset accounts.[11]

The initial peril was re-invigorated by the economic disruption arising from the pandemic and other economic uncertainties. Social media has fostered a boon or blight for folks and their interactivity with others – it is a boon for criminals reaching millions of prospective investors with a click of a button rather than by "dialing for dollars."

[10] A roster of securitized digital asset actions - https://www.ssb.texas.gov/cryptocurrency-enforcement.
[11] See generally BlockFi Lending, LLC, 2022 - https://www.ssb.texas.gov/news-publications/texas-state-securities-board-joins-other-state-regulators-settle-digital-asset, & https://www.ssb.texas.gov/sites/default/files/2021-07/Blockfi_NOH_final.pdf; Voyager Digital LTD., et al., 2022 - https://www.ssb.texas.gov/sites/default/files/2022-04/20220412_FINAL_Voyager_NOH_312-22-2244.pdf; & Celsius Network, Inc., et al., 2021 - https://www.ssb.texas.gov/sites/default/files/2021-09/20210917_FINAL_Celsius_NOH_js_signed.pdf.

The sustained volatility in the digital marketplace coupled with promises of overnight riches has continued to fuel the threat to an ever-increasing expanse of retail investors – the blight.

The convergence of bad actors in this market and the successful implementation of vulnerable victim reporting requirements taxes agency resources, while more traditional investment scams effort to keep pace. As the price for oil has markedly increased since 2020, we anticipate the existence of increased fraudulent activity in the oil patch.

VI. New Funding Requests

The SSB understood the 87th Legislative Session required "all hands-on deck" from an agency appropriations perspective and was conscious of our role during those interesting times. The agency also appreciates Governor Abbott and the 86th Legislature's work in taking meaningful steps towards improving the agency's budgetary posture by appropriating much needed resources.

The purpose of the agency's funding requests is to ensure the agency is well-positioned going forward to continue its top shelf results for our constituents and to ensure our statutory responsibilities are maintained in a fulsome and exemplary way. The agency respectfully submits the following exceptional item requests for the upcoming biennium:

Item No.1 – Recover lapsed funds and additional funding to support current staffing levels and posted, open positions. **Request Amount – $2,436,773.**

Continued success in achieving the agency's mission is dependent upon the experienced and knowledgeable staff members of the Securities Board. Historically, approximately 85% of the agency's budget has been deployed for staff salaries. Therefore, lost appropriations have a direct effect on the agency's ability to maintain its most valued resource – highly skilled, professional team members.

External factors like inflation, higher costs of housing, and a very competitive job market significantly compound the need for salary increases, as does the historical disparity between agency compensation levels and those of others in the financial services industry.

Recovering appropriations lost in prior years and adding funds needed to reach more competitive salaries for high performing staff members will allow the agency to make a genuine effort to retain the experienced staff needed to meet its important objectives. This

request is not intended to achieve parity with our financial services industry counterparts, but rather to narrow the gap in a small but meaningful way.

Item No. 2 – Funding to support additional FTEs across programs. **Request Amount – $609,000.**

The staffing needs for each agency strategy are beyond the current number of FTE's. This exceptional item request will provide five new staff members to address this FTE shortage. The new staff members will be distributed across strategies and assigned to tasks prioritizing the law enforcement work of the agency for registered and unregistered activities harmful to Texas investors and legitimate Texas businesses.

This request will not increase the maximum FTE number allotted for the Agency (currently 92 FTEs). The overall FTE count for the agency has decreased steadily over recent years. This request will provide the funds for the agency to recapture five of those FTE's.

Item No. 3 – Funding to support Information Technology improvement and modernization as contemplated by HB 4018 (87th Leg.). **Request Amount – $706,158.**

There are eight components in this Item. Each designed to modernize the agency's technological abilities and equipment and comply with the goals of the State Strategic Plan for Information Resources Management ("SSP"). Goal 1 of the SSP, Secure IT Service Delivery, is addressed by this Item's request for additional managed security services and a network micro-segmentation program. Goal 2 of the SSP, Advanced Data Management, is addressed by this Item's request for Microsoft's Azure FileShare cloud storage and data management. The design of which is compliant with the Criminal Justice Information Services (CJIS) Data Standards. Goal 3 of the SSP, Strategic Digital Transformation, is addressed by this Item's request for an improved backup solution, updated on premise network equipment, and an increase in bandwidth for the Austin office. Goal 4, Proactive Approach to Emerging Technologies, is addressed by this Item's request for upgraded Microsoft365 licenses and three additional IT staff members. The new staff members will include a cybersecurity analyst, a network specialist, and a systems support specialist.

Item No. 4 – Contingent funding for lump sum payments as employees separate from the agency. **Request Amount – $370,339.**

As staff members leave the agency, the agency is required to pay large lump sum amounts for the annual leave accrued by the departing staff member. The agency has many staff members with leave balances high enough to require payments that could cause substantial disruption to the agency budget as we effort to attract new staff.

For this reason, the agency must reserve funds to be used for lump sum payouts. In effect, the funds appropriated to the agency are reduced and effectively unusable for pursuing the agency's work.

Funding this item will allow the agency to use its full appropriation amount for the accomplishment of its mission and address one of its paramount needs – attracting new, quality team members. Since the need for the funds is dependent upon a circumstance that may not occur, the agency requests that the funding be contingent upon a staff member departure occurring.

The funds will need to be available in both years of the biennium so unexpended balance (UB) transfer authority to transfer the unused appropriations from FY2024 to FY2025 is requested along with the contingent funding. In the best-case scenario, these funds will largely expire and be returned.

Top 10 Article VIII Agencies – Appropriations/GR Deposits Comparison

Article VIII Agencies	2021 Appropriations (All Funds)	2021 Total Revenue	Rev Minus Appns	Rev vs Appn %
Securities Board	$7,797,290.00	$191,308,949.00	$183,511,659.00	2453.53%
Racing Commission	$7,321,823.00	$33,953,011.00	$26,631,188.00	463.72%
Executive Council of Physical Therapy & Occupational Therapy Examiners	$1,422,475.00	$5,477,849.79	$4,055,374.79	385.09%
Optometry Board	$508,268.00	$1,689,722.00	$1,181,454.00	332.45%
Texas Medical Board	$14,583,695.00	$35,554,354.00	$20,970,659.00	243.80%
Texas State Board of Dental Examiners	$4,569,985.00	$9,950,560.00	$5,380,575.00	217.74%
Behavioral Health Executive Council	$3,745,905.00	$8,033,157.00	$4,287,252.00	214.45%
Funeral Service Commission	$858,367.00	$1,785,448.00	$927,081.00	208.01%
Department of Insurance	$143,719,887.00	$279,273,297.00	$135,553,410.00	194.32%
Board of Plumbing Examiners	$2,914,356.00	$5,366,301.00	$2,451,945.00	184.13%

Source of appropriation numbers: General Appropriations Act.
Source of revenue numbers: CPA Transparency website - departmental transfers were removed from the revenue numbers.

VII. Administrator Statement Miscellanea Items

Exempt Position

The agency has one exempt position: Securities Commissioner, Group 5. The most recent report from the State Auditor's Office on executive compensation at state agencies was dated August 2020.[12] The report found the market average for this position to be $172,087 and recommended a salary range of $122,500 - $197,415. The Securities Commissioner is currently compensated at $172,087, the maximum amount set for the 2022/2023 biennium in the General Appropriations Act for the exempt position.

Consideration is requested to increasing the maximum amount authorized for the exempt position within the Group 5 salary range established for the upcoming legislative session. Consideration could also be given to the designation for the position as Group 6, all subject to the Board's consideration, recommendation, and approval during the 88th Biennium for exempt position compensation.

The agency does ***not*** request additional funding for its exempt position.

Background Checks

Under the authority of the Texas Government Code, Section 411.139, the State Securities Board is authorized to obtain criminal history record information to evaluate the qualifications of applicants for registration under the Texas Securities Act, evaluate the conduct of persons registered under the Texas Securities Act, and evaluate the qualifications of applicants for employment.

The agency obtains such information directly from the Texas Department of Public Safety (DPS) through a secure DPS website using usernames and passwords allocated by DPS. Access is restricted to certain employees within the agency having specific job duties related to evaluating application and registration information. Information obtained under this procedure is protected from disclosure to unauthorized personnel or to the public under state law.

Pursuant to changes to Chapter 53, Texas Occupations Code (Consequences of Criminal Conviction) agency rules were amended, and a link was placed on the agency's website for the SAO Applicant Best Practices Guide.[13]

[12] http://www.sao.texas.gov/Reports/Main/20-706.pdf.
[13] Agency info on the consequences of criminal convictions – https://www.ssb.texas.gov/securities-professionals/dealer-adviser-registration.

Statewide ERP (CAPPS) System

The State Securities Board completed its transition to the Centralized Accounting and Payroll/Personnel System (CAPPS) in fiscal year 2022. This complete transition includes the Financials module as well as the Human Resources module. Costs associated with the CAPPS conversion were absorbed by the agency with no additional appropriations previously requested.

However, the CAPPS system has increased many staff responsibilities for processes related to payroll processing, staff new-hires, staff terminations, accounts payables, purchasing, budgeting, financial accounting, and asset management. To help manage the increased workload to complete tasks using CAPPS, this Legislative Appropriations Request includes an exceptional item request for an additional staff services officer (a component of Exceptional Item Request No. 2).

HB 4018 (87th Leg.) – IT Improvement & Modernization

The agency has reached a point of critical need for information technology modernization. For more than 20 years the agency has maintained its information technology needs with a mere three IT staff members.

The tremendous growth in the use of information technology over that period has created a dire need for additional IT staff members. The technological advances in cybersecurity, computer networking, and cloud computing have also heightened the need for the agency to modernize its legacy systems. There is a clear need for additional IT staff, improved cybersecurity, and modern computing systems, as well as the opportunity to create improved efficiencies for the agency's substantive work.

This Legislative Appropriations Request includes Exceptional Item Request No. 3 designed to specifically address the important IT improvement and modernization objectives envisioned by HB 4018 (87th Leg.).

VIII. Coda

In closing, it would appear a great many have taken to heart Davy Crockett's famous quote on his relocation to the Lone Star State. We respectfully make our requests for additional resources to ensure the agency's commitment to serving our Texas investors, businesses, and registered financial professionals (old and new) is not hamstrung and to address real resource issues and needs before they manifest into palpable and tangible Texas problems.

As stated above, the Act's five § 4006.001, Tex. Gov't Code (formerly § 35.A of the Act), fees must offset funds appropriated for the administration and enforcement of the Act – Texas Gov't Code, Section 316.045. The agencies exceptional item requests would ***not*** require an increase in these 1991-level fees based upon recent years' deposits to GR.

The agency's funding requests for the upcoming biennium, if met with leadership approval, would make great strides in averting an agency tipping point detrimental to all of our Texas stakeholders.

The State Securities Board appreciates the time, consideration, and service of state leadership during these exciting times as Texas continues to provide an exemplar to sister states.

For additional information:

Travis J. Iles
Securities Commissioner
512-305-8341
tiles@ssb.texas.gov

Derek Lauterjung
Director, Staff Services, CFO
512-305- 8321
dlauterjung@ssb.texas.gov

CERTIFICATE

Agency Name State Securities Board, Agency No. 312

This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Governor's Office Budget Division (Governor's Office) is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical in all substantive respects. Certain charts, graphs, tables, or footnotes may not be supported in the ABEST system. The Administrator Statement in the PDF document submission includes these items.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Governor's Office will be notified in writing in accordance with Article IX, Section 7.01 (2022–23 GAA).

Chief Executive Officer or Presiding Judge

/s/ Travis J. Iles
Signature

Travis J. Iles
Printed Name

Securities Commissioner
Title

July 29, 2022
Date

Board or Commission Chair

/s/ E. Wally Kinney
Signature

E. Wally Kinney
Printed Name

Chair
Title

July 29, 2022
Date

Chief Financial Officer

/s/ Derek Lauterjung
Signature

Derek Lauterjung
Printed Name

Staff Services Director, CFO
Title

July 29, 2022
Date

312 Securities Board

Appropriation Years: 2024-25

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2022-23	2024-25	2022-23	2024-25	2022-23	2024-25	2022-23	2024-25	2022-23	2024-25	2024-25
Goal: 1. Protect Investors and Assure Access to Capital for Business											
1.1.1. Law Enforcement	5,976,959	5,976,959							5,976,959	5,976,959	1,285,173
1.2.1. Securities Registration	837,380	837,380					54		837,434	837,380	207,893
1.3.1. Dealer Registration	828,672	828,672							828,672	828,672	200,491
1.4.1. Inspect Records	3,878,620	3,878,620							3,878,620	3,878,620	720,610
Total, Goal	**11,521,631**	**11,521,631**					**54**		**11,521,685**	**11,521,631**	**2,414,167**
Goal: 2. Indirect Administration											
2.1.1. Central Administration	2,904,920	2,900,920							2,904,920	2,900,920	1,208,549
2.1.2. Information Technology	615,464	619,464							615,464	619,464	499,554
Total, Goal	**3,520,384**	**3,520,384**							**3,520,384**	**3,520,384**	**1,708,103**
Total, Agency	**15,042,015**	**15,042,015**					**54**		**15,042,069**	**15,042,015**	**4,122,270**
Total FTEs									**84.3**	**92.0**	**0.0**

312 Securities Board

Goal / *Objective* / STRATEGY	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
1 Protect Investors and Assure Access to Capital for Business					
1 *Bring Law Enforcement Actions Against Violators*					
1 LAW ENFORCEMENT	3,026,993	2,952,965	3,023,994	2,988,479	2,988,480
2 *Guarantee Registered Securities Offerings Are Fair to Investors*					
1 SECURITIES REGISTRATION	371,251	412,242	425,192	418,690	418,690
3 *Guarantee That Persons Registered or Authorized are Qualified*					
1 DEALER REGISTRATION	378,594	410,334	418,338	414,336	414,336
4 *Inspect Registered Dealers and Investment Advisers*					
1 INSPECT RECORDS	1,899,929	1,832,551	2,046,069	1,939,310	1,939,310
TOTAL, GOAL 1	**$5,676,767**	**$5,608,092**	**$5,913,593**	**$5,760,815**	**$5,760,816**
2 Indirect Administration					
1 *Indirect Administration*					
1 CENTRAL ADMINISTRATION	1,346,309	1,449,703	1,455,217	1,450,460	1,450,460

312 Securities Board

Goal / *Objective* / STRATEGY	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
2 INFORMATION TECHNOLOGY	271,753	305,732	309,732	309,732	309,732
TOTAL, GOAL 2	**$1,618,062**	**$1,755,435**	**$1,764,949**	**$1,760,192**	**$1,760,192**
TOTAL, AGENCY STRATEGY REQUEST	**$7,294,829**	**$7,363,527**	**$7,678,542**	**$7,521,007**	**$7,521,008**
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				**$0**	**$0**
GRAND TOTAL, AGENCY REQUEST	**$7,294,829**	**$7,363,527**	**$7,678,542**	**$7,521,007**	**$7,521,008**

312 Securities Board

Goal / *Objective* / STRATEGY	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
METHOD OF FINANCING:					
General Revenue Funds:					
1 General Revenue Fund	7,285,583	7,363,473	7,678,542	7,521,007	7,521,008
SUBTOTAL	**$7,285,583**	**$7,363,473**	**$7,678,542**	**$7,521,007**	**$7,521,008**
Federal Funds:					
325 Coronavirus Relief Fund	8,720	0	0	0	0
SUBTOTAL	**$8,720**	**$0**	**$0**	**$0**	**$0**
Other Funds:					
666 Appropriated Receipts	526	54	0	0	0
SUBTOTAL	**$526**	**$54**	**$0**	**$0**	**$0**
TOTAL, METHOD OF FINANCING	**$7,294,829**	**$7,363,527**	**$7,678,542**	**$7,521,007**	**$7,521,008**

*Rider appropriations for the historical years are included in the strategy amounts.

Agency code: **312** Agency name: **Securities Board**

METHOD OF FINANCING	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
GENERAL REVENUE					
1 General Revenue Fund					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2020-21 GAA)	$7,797,290	$0	$0	$0	$0
Regular Appropriations from MOF Table (2022-23 GAA)	$0	$7,653,507	$7,653,508	$0	$0
Regular Appropriations from MOF Table (2024-25 GAA)	$0	$0	$0	$7,521,007	$7,521,008
SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS					
HB 2, 87th Leg, Regular Session	$(306,174)	$0	$0	$0	$0
Comments: Reduction in appropriations for FY21 as required by HB2.					
LAPSED APPROPRIATIONS					
Regular Appropriations from MOF Table (2020-21 GAA)	$(205,533)	$0	$0	$0	$0

Agency code: **312** Agency name: **Securities Board**

METHOD OF FINANCING	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
GENERAL REVENUE					
Comments: Salary dollars accrued as open positions were vacant during the hiring process. In addition, travel expenses were depressed due to pandemic concerns. The Agency is currently in the process of returning to pre-pandemic travel schedules. The lapse from regular appropriations, as opposed to the HB2 reduction, is lower than the Operating Budget submitted in November of 2021 by about $14,000 because actual expenses invoiced after Operating Budget submission exceeded expectations.					
Regular Appropriations from MOF Table (2022-23 GAA)	$0	$(265,000)	$0	$0	$0
Comments: The Agency has experienced difficulty filling open positions. The unused salary amounts that accrue while positions remain open will result in a lapse for FY22. In addition, travel expenses were depressed during the early portion of the fiscal year. The Agency is currently in the process of returning to pre-pandemic travel schedules.					
UNEXPENDED BALANCES AUTHORITY					
Transfer capital budget UB from AY22 to AY23. 87th Leg, RS, SB1 (GAA), Art. IX, Sec. 14.03(i)	$0	$(19,944)	$19,944	$0	$0
Comments: An unexpended balance developed in the capital budget dedicated to Managed Security Services (MSS) due to changes in the pricing of the MSS on DIR contract. The biggest contributing change was related to endpoint protection being provided by DIR at no cost to the Agency.					
Transfer capital budget UB from AY22 to AY23. 87th Leg, RS, SB1 (GAA), Art. IX, Sec. 14.03(i)					

Agency code: **312** Agency name: **Securities Board**

METHOD OF FINANCING	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
GENERAL REVENUE					
	$0	$(5,090)	$5,090	$0	$0
Comments: An unexpended balance developed in the capital budget dedicated to Microsoft365 (M365) due to changes in the pricing of M365 on DIR contract. In prior years G5 licensing was provided at a discount. The elimination of the discount caused the Agency to change most licenses to G3.					
TOTAL, General Revenue Fund	**$7,285,583**	**$7,363,473**	**$7,678,542**	**$7,521,007**	**$7,521,008**
TOTAL, ALL GENERAL REVENUE	**$7,285,583**	**$7,363,473**	**$7,678,542**	**$7,521,007**	**$7,521,008**
FEDERAL FUNDS					
325 Coronavirus Relief Fund					
SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS					
CRF Grant - Laptop Reimbursement Program	$8,720	$0	$0	$0	$0
TOTAL, Coronavirus Relief Fund	**$8,720**	**$0**	**$0**	**$0**	**$0**
TOTAL, ALL FEDERAL FUNDS	**$8,720**	**$0**	**$0**	**$0**	**$0**
OTHER FUNDS					
666 Appropriated Receipts					

Agency code: **312** Agency name: **Securities Board**

METHOD OF FINANCING	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
OTHER FUNDS					
RIDER APPROPRIATION					
Art IX, Sec 12.02, Publications or Sales of Records (2020-21 GAA)	$526	$0	$0	$0	$0
Art IX, Sec 12.02, Publications or Sales of Records (2022-23 GAA)	$0	$54	$0	$0	$0
TOTAL, Appropriated Receipts	**$526**	**$54**	**$0**	**$0**	**$0**
TOTAL, ALL OTHER FUNDS	**$526**	**$54**	**$0**	**$0**	**$0**
GRAND TOTAL	**$7,294,829**	**$7,363,527**	**$7,678,542**	**$7,521,007**	**$7,521,008**

Agency code: **312** Agency name: **Securities Board**

METHOD OF FINANCING	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2020-21 GAA)	97.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2022-23 GAA)	0.0	92.0	92.0	0.0	0.0
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	0.0	0.0	92.0	92.0
LAPSED APPROPRIATIONS					
Regular Appropriations from MOF Table (2020-21 GAA)	(16.4)	0.0	0.0	0.0	0.0
Comments: The Agency has adopted a strategy of increasing staff salaries to address problems with high turnover rates in certain positions. Setting salaries at these levels, which still remain below commonly accepted market level salaries, creates a situation where the Agency's budget will not support full staffing at the maximum FTEs allowed.					
Regular Appropriations from MOF Table (2022-23 GAA)	0.0	(17.0)	(7.7)	0.0	0.0
Comments: This lapse represents the number of FTE's below the agency's allowed maximum that the agency cannot fill due to an imbalance between market level salaries and agency funding.					
TOTAL, ADJUSTED FTES	**80.6**	**75.0**	**84.3**	**92.0**	**92.0**

Agency code: **312** Agency name: **Securities Board**

METHOD OF FINANCING	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
NUMBER OF 100% FEDERALLY FUNDED FTEs					

2.C. Summary of Base Request by Object of Expense

88th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

312 Securities Board

OBJECT OF EXPENSE	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
1001 SALARIES AND WAGES	$5,847,381	$5,988,508	$6,453,304	$6,331,284	$6,331,284
1002 OTHER PERSONNEL COSTS	$563,262	$391,021	$274,541	$274,541	$274,541
2001 PROFESSIONAL FEES AND SERVICES	$247,624	$331,488	$272,767	$272,767	$272,767
2003 CONSUMABLE SUPPLIES	$10,124	$11,480	$22,125	$22,125	$22,125
2004 UTILITIES	$38,665	$38,472	$45,066	$45,066	$45,066
2005 TRAVEL	$9,102	$33,345	$42,000	$42,000	$42,000
2006 RENT - BUILDING	$146,313	$147,606	$129,917	$129,917	$129,917
2007 RENT - MACHINE AND OTHER	$19,664	$21,891	$22,800	$22,800	$22,800
2009 OTHER OPERATING EXPENSE	$412,694	$399,716	$416,022	$380,507	$380,508
OOE Total (Excluding Riders)	**$7,294,829**	**$7,363,527**	**$7,678,542**	**$7,521,007**	**$7,521,008**
OOE Total (Riders)					
Grand Total	**$7,294,829**	**$7,363,527**	**$7,678,542**	**$7,521,007**	**$7,521,008**

312 Securities Board

Goal/ *Objective* / **Outcome**	**Exp 2021**	**Est 2022**	**Bud 2023**	**BL 2024**	**BL 2025**
1 Protect Investors and Assure Access to Capital for Business					
1 Bring Law Enforcement Actions Against Violators					
1 Number of Law Enforcement Actions Taken	935.00	900.00	1,145.00	1,145.00	1,145.00
2 Dollar Amount Involved in Law Enforcement Actions	23,718,414.69	80,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00
3 Percentage of Law Enforcement Actions Successful	92.86%	100.00%	100.00%	100.00%	100.00%
2 Guarantee Registered Securities Offerings Are Fair to Investors					
1 Average Time (Days) for Deficiency Letters Issuance on Securities Apps	2.98	3.90	7.00	7.00	7.00
3 Guarantee That Persons Registered or Authorized are Qualified					
1 Average Time (Days) for Def. Letters on Dealer & Invest. Adviser Apps	5.45	5.00	14.00	14.00	14.00
4 Inspect Registered Dealers and Investment Advisers					
KEY 1 Percentage of Texas Dealers and Investment Advisers Inspected	20.57%	16.00%	18.00%	18.00%	18.00%
KEY 2 % of Inspected Dealers/Investment Advisers Requiring Corrective Action	79.09%	85.00%	80.00%	80.00%	80.00%

Agency code: **312** Agency name: **Securities Board**

Priority	Item	2024 GR and GR/GR Dedicated	2024 All Funds	2024 FTEs	2025 GR and GR Dedicated	2025 All Funds	2025 FTEs	Biennium GR and GR Dedicated	Biennium All Funds
1	Approp Recovery & Salary Support	$1,218,386	$1,218,386	0.0	$1,218,387	$1,218,387	0.0	$2,436,773	$2,436,773
2	New FTE's Across Programs	$304,500	$304,500	0.0	$304,500	$304,500	0.0	$609,000	$609,000
3	IT Modernization Plan	$379,175	$379,175	0.0	$326,983	$326,983	0.0	$706,158	$706,158
4	Contingency For Lump Sum Payouts	$370,339	$370,339	0.0	$0	$0	0.0	$370,339	$370,339
Total, Exceptional Items Request		**$2,272,400**	**$2,272,400**	**0.0**	**$1,849,870**	**$1,849,870**	**0.0**	**$4,122,270**	**$4,122,270**
Method of Financing									
	General Revenue	$2,272,400	$2,272,400		$1,849,870	$1,849,870		$4,122,270	$4,122,270
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		$2,272,400	**$2,272,400**		**$1,849,870**	**$1,849,870**		**$4,122,270**	**$4,122,270**
Full Time Equivalent Positions				**0.0**			**0.0**		
Number of 100% Federally Funded FTEs									

Agency code: **312** Agency name: **Securities Board**

Goal/*Objective*/**STRATEGY**	**Base 2024**	**Base 2025**	**Exceptional 2024**	**Exceptional 2025**	**Total Request 2024**	**Total Request 2025**
1 Protect Investors and Assure Access to Capital for Business						
1 *Bring Law Enforcement Actions Against Violators*						
1 LAW ENFORCEMENT	$2,988,479	$2,988,480	$710,280	$574,893	$3,698,759	$3,563,373
2 *Guarantee Registered Securities Offerings Are Fair to Investors*						
1 SECURITIES REGISTRATION	418,690	418,690	115,409	92,484	534,099	511,174
3 *Guarantee That Persons Registered or Authorized are Qualified*						
1 DEALER REGISTRATION	414,336	414,336	101,811	98,680	516,147	513,016
4 *Inspect Registered Dealers and Investment Advisers*						
1 INSPECT RECORDS	1,939,310	1,939,310	399,365	321,245	2,338,675	2,260,555
TOTAL, GOAL 1	**$5,760,815**	**$5,760,816**	**$1,326,865**	**$1,087,302**	**$7,087,680**	**$6,848,118**

Agency code: **312** Agency name: **Securities Board**

Goal/*Objective*/**STRATEGY**	**Base 2024**	**Base 2025**	**Exceptional 2024**	**Exceptional 2025**	**Total Request 2024**	**Total Request 2025**
2 Indirect Administration						
1 *Indirect Administration*						
1 CENTRAL ADMINISTRATION	$1,450,460	$1,450,460	$664,134	$544,415	$2,114,594	$1,994,875
2 INFORMATION TECHNOLOGY	309,732	309,732	281,401	218,153	591,133	527,885
TOTAL, GOAL 2	**$1,760,192**	**$1,760,192**	**$945,535**	**$762,568**	**$2,705,727**	**$2,522,760**
TOTAL, AGENCY STRATEGY REQUEST	**$7,521,007**	**$7,521,008**	**$2,272,400**	**$1,849,870**	**$9,793,407**	**$9,370,878**
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	**$7,521,007**	**$7,521,008**	**$2,272,400**	**$1,849,870**	**$9,793,407**	**$9,370,878**

Agency code: **312** Agency name: **Securities Board**

Goal/*Objective*/**STRATEGY**	**Base 2024**	**Base 2025**	**Exceptional 2024**	**Exceptional 2025**	**Total Request 2024**	**Total Request 2025**
General Revenue Funds:						
1 General Revenue Fund	$7,521,007	$7,521,008	$2,272,400	$1,849,870	$9,793,407	$9,370,878
	$7,521,007	**$7,521,008**	**$2,272,400**	**$1,849,870**	**$9,793,407**	**$9,370,878**
Federal Funds:						
325 Coronavirus Relief Fund	0	0	0	0	0	0
	$0	**$0**	**$0**	**$0**	**$0**	**$0**
Other Funds:						
666 Appropriated Receipts	0	0	0	0	0	0
	$0	**$0**	**$0**	**$0**	**$0**	**$0**
TOTAL, METHOD OF FINANCING	**$7,521,007**	**$7,521,008**	**$2,272,400**	**$1,849,870**	**$9,793,407**	**$9,370,878**
FULL TIME EQUIVALENT POSITIONS	**92.0**	**92.0**	**0.0**	**0.0**	**92.0**	**92.0**

Agency code: **312** Agency name: **Securities Board**

Goal/ *Objective* / **Outcome**

		BL 2024	BL 2025	Excp 2024	Excp 2025	Total Request 2024	Total Request 2025
1	Protect Investors and Assure Access to Capital for Business						
1	*Bring Law Enforcement Actions Against Violators*						
	1 Number of Law Enforcement Actions Taken	1,145.00	1,145.00			1,145.00	1,145.00
	2 Dollar Amount Involved in Law Enforcement Actions	50,000,000.00	50,000,000.00			50,000,000.00	50,000,000.00
	3 Percentage of Law Enforcement Actions Successful	100.00%	100.00%			100.00%	100.00%
2	*Guarantee Registered Securities Offerings Are Fair to Investors*						
	1 Average Time (Days) for Deficiency Letters Issuance on Securities Apps	7.00	7.00			7.00	7.00
3	*Guarantee That Persons Registered or Authorized are Qualified*						
	1 Average Time (Days) for Def. Letters on Dealer & Invest. Adviser Apps	14.00	14.00			14.00	14.00
4	*Inspect Registered Dealers and Investment Advisers*						
KEY	**1 Percentage of Texas Dealers and Investment Advisers Inspected**	18.00%	18.00%			18.00%	18.00%
KEY	**2 % of Inspected Dealers/Investment Advisers Requiring Corrective Action**	80.00%	80.00%			80.00%	80.00%

312 Securities Board

GOAL: 1 Protect Investors and Assure Access to Capital for Business

OBJECTIVE: 1 Bring Law Enforcement Actions Against Violators — Service Categories:

STRATEGY: 1 Investigate Violations, Coordinate Appropriate Action by Authorities — Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Output Measures:						
KEY 1	Number of Investigations Opened	449.00	440.00	376.00	376.00	376.00
2	Number of Criminal and Civil Referrals	13.00	10.00	12.00	12.00	12.00
Objects of Expense:						
1001	SALARIES AND WAGES	$2,395,586	$2,315,812	$2,476,000	$2,476,000	$2,476,000
1002	OTHER PERSONNEL COSTS	$206,842	$162,570	$72,352	$72,352	$72,352
2001	PROFESSIONAL FEES AND SERVICES	$100,683	$138,633	$116,054	$116,054	$116,054
2003	CONSUMABLE SUPPLIES	$2,485	$2,697	$5,500	$5,500	$5,500
2004	UTILITIES	$21,576	$22,058	$25,000	$25,000	$25,000
2005	TRAVEL	$8,656	$19,347	$25,000	$25,000	$25,000
2006	RENT - BUILDING	$82,365	$83,083	$64,957	$64,957	$64,957
2007	RENT - MACHINE AND OTHER	$6,864	$7,696	$8,400	$8,400	$8,400
2009	OTHER OPERATING EXPENSE	$201,936	$201,069	$230,731	$195,216	$195,217
TOTAL, OBJECT OF EXPENSE		**$3,026,993**	**$2,952,965**	**$3,023,994**	**$2,988,479**	**$2,988,480**
Method of Financing:						
1	General Revenue Fund	$3,026,993	$2,952,965	$3,023,994	$2,988,479	$2,988,480
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$3,026,993**	**$2,952,965**	**$3,023,994**	**$2,988,479**	**$2,988,480**

312 Securities Board

GOAL: 1 Protect Investors and Assure Access to Capital for Business

OBJECTIVE: 1 Bring Law Enforcement Actions Against Violators — Service Categories:

STRATEGY: 1 Investigate Violations, Coordinate Appropriate Action by Authorities — Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$2,988,479**	**$2,988,480**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$3,026,993**	**$2,952,965**	**$3,023,994**	**$2,988,479**	**$2,988,480**
FULL TIME EQUIVALENT POSITIONS:		**31.0**	**28.0**	**30.0**	**32.7**	**32.7**

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Securities Commissioner is required by Tex. Rev. Civ. Stat. Ann. art. 581-3 to ensure that the provisions of the Securities Act are at all times obeyed and to take such measures and to make such investigations as will prevent or detect any violation of the Act. The Agency seeks to maximize its effectiveness by maintaining information-sharing procedures and close coordination of activities between enforcement investigators, securities analysts, registration examiners, and inspections and compliance personnel within the Agency as well as with other local, state, and federal regulatory and law enforcement agencies. The Agency aggressively investigates suspected violations of the Act and promptly pursues appropriate civil, criminal, or administrative action against business entities or individuals found to have violated any provision of the Act. Coordinated, efficient and effective enforcement of the Act is an integral part of a system that protects Texas investors, promotes investor confidence in the securities markets and Texas businesses, and encourages capital formation.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

312 Securities Board

GOAL: 1 Protect Investors and Assure Access to Capital for Business

OBJECTIVE: 1 Bring Law Enforcement Actions Against Violators — Service Categories:

STRATEGY: 1 Investigate Violations, Coordinate Appropriate Action by Authorities — Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025

The public continues to be solicited to invest in securities offerings through the Internet. The instant and world-wide reach of this medium, with few barriers to entry, has led to its common use by promoters of fraudulent investment schemes. These developments have required the Agency to become proficient in monitoring public solicitation in order to act quickly to stop offerings made in violation of the Act. Because much of the evidence in modern white collar crimes resides on computers and other electronic storage devices, the Agency has also been required to maintain up-to-date equipment, software, and methodologies to effectively obtain and analyze this information. Recent federal legislative changes have lowered the regulatory standards associated with what has traditionally been referred to as “private offerings”, and new laws and regulations may further reduce the regulatory standards associated with offerings made to the public. Unscrupulous parties that typically ignore securities statutes and regulations have historically used boiler rooms, telemarketing firms, free lunch seminars, radio advertisements, and other means of public solicitation to broadly recruit greater numbers of victims under the color of law. These bad actors embrace newer technology too, such as social media, to reach thousands or more prospective victims with the push of a button. Funding and other limitations that impair the ability of the Agency to hire, support, and retain qualified employees present potential obstacles to achieving the strategy's objective.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2022 + Bud 2023)	Baseline Request (BL 2024 + BL 2025)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$5,976,959	$5,976,959	$0		
			$0	**Total of Explanation of Biennial Change**

312 Securities Board

GOAL: 1 Protect Investors and Assure Access to Capital for Business

OBJECTIVE: 2 Guarantee Registered Securities Offerings Are Fair to Investors — Service Categories:

STRATEGY: 1 Review Security Documentation for Conformity — Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Output Measures:						
KEY 1	Number of Securities Filings and Submissions Processed	66,097.00	68,000.00	52,200.00	52,200.00	52,200.00
Explanatory/Input Measures:						
KEY 1	Revenues Deposited to the State Treasury from Securities Applications	181,911,821.88	184,000,000.00	115,000,000.00	115,000,000.00	115,000,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	$298,852	$330,868	$354,000	$347,498	$347,498
1002	OTHER PERSONNEL COSTS	$36,680	$41,479	$36,183	$36,183	$36,183
2001	PROFESSIONAL FEES AND SERVICES	$14,496	$20,290	$16,879	$16,879	$16,879
2003	CONSUMABLE SUPPLIES	$1,160	$1,361	$2,000	$2,000	$2,000
2004	UTILITIES	$98	$242	$0	$0	$0
2005	TRAVEL	$0	$0	$0	$0	$0
2006	RENT - BUILDING	$1,804	$2,112	$2,200	$2,200	$2,200
2007	RENT - MACHINE AND OTHER	$947	$1,077	$1,200	$1,200	$1,200
2009	OTHER OPERATING EXPENSE	$17,214	$14,813	$12,730	$12,730	$12,730
TOTAL, OBJECT OF EXPENSE		**$371,251**	**$412,242**	**$425,192**	**$418,690**	**$418,690**

Method of Financing:

312 Securities Board

GOAL: 1 Protect Investors and Assure Access to Capital for Business

OBJECTIVE: 2 Guarantee Registered Securities Offerings Are Fair to Investors — Service Categories:

STRATEGY: 1 Review Security Documentation for Conformity — Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
1	General Revenue Fund	$367,455	$412,188	$425,192	$418,690	$418,690
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$367,455**	**$412,188**	**$425,192**	**$418,690**	**$418,690**
Method of Financing:						
325	Coronavirus Relief Fund					
21.019.119	COV19 Coronavirus Relief Fund	$3,270	$0	$0	$0	$0
CFDA Subtotal, Fund 325		$3,270	$0	$0	$0	$0
SUBTOTAL, MOF (FEDERAL FUNDS)		**$3,270**	**$0**	**$0**	**$0**	**$0**
Method of Financing:						
666	Appropriated Receipts	$526	$54	$0	$0	$0
SUBTOTAL, MOF (OTHER FUNDS)		**$526**	**$54**	**$0**	**$0**	**$0**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$418,690**	**$418,690**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$371,251**	**$412,242**	**$425,192**	**$418,690**	**$418,690**
FULL TIME EQUIVALENT POSITIONS:		**6.0**	**6.0**	**6.0**	**7.0**	**7.0**

312 Securities Board

GOAL:	1	Protect Investors and Assure Access to Capital for Business			
OBJECTIVE:	2	Guarantee Registered Securities Offerings Are Fair to Investors	Service Categories:		
STRATEGY:	1	Review Security Documentation for Conformity	Service: 16	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Securities Act, Tex. Rev. Civ. Stat. Ann. art 581-1 et seq. requires prior approval by the Securities Commissioner of all non-exempt securities offerings. In addition to registering appropriate offerings and preventing fraudulent offerings from being registered, notice filings for securities offerings in Texas are reviewed to ensure that they are made in compliance with the Securities Act and Board Rules. Financial Examiners assigned to this strategy also support the maintenance of investor confidence and the capital formation process by providing information to small business owners regarding exemptions, private placements, public offerings, and the securities registration requirements. The maintenance of investor confidence through analysis, review, and screening of securities offerings is a primary concern of the Agency and is critical to a healthy capital market in Texas.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The volume of applications and filings processed by the Agency's securities registration strategy is affected year-to-year by prevailing economic conditions and strengths or weaknesses in the capital markets. Over time, individual participation in the securities markets has grown as the prevalence of defined benefit retirement plans for workers has declined and the need for persons to provide for their own retirement has increased.

Continued growth in the workload of the Agency and the increasing complexity of investment schemes offered to the public will require that the Agency continue to improve its methods of processing and evaluating information. The Agency seeks new opportunities to develop and use technologies to achieve the efficiencies that are necessary to effectively carry out its mission. Funding and other limitations that impair the ability of the Agency to hire, support, and retain qualified employees present potential obstacles to achieving the strategy's objective.

312 Securities Board

GOAL:	1	Protect Investors and Assure Access to Capital for Business			
OBJECTIVE:	2	Guarantee Registered Securities Offerings Are Fair to Investors	Service Categories:		
STRATEGY:	1	Review Security Documentation for Conformity	Service: 16	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2022 + Bud 2023)	Baseline Request (BL 2024 + BL 2025)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$837,434	$837,380	$(54)	$(54)	The Agency received $54 in cost recovery appropriated receipts in AY2022. Appropriated receipts are generated by document requests from members of the public and cannot be predicted in future years.
			$(54)	**Total of Explanation of Biennial Change**

312 Securities Board

GOAL: 1 Protect Investors and Assure Access to Capital for Business

OBJECTIVE: 3 Guarantee That Persons Registered or Authorized are Qualified — Service Categories:

STRATEGY: 1 Perform Extensive Review of Applications and Submissions — Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Output Measures:						
KEY 1	# of Dealers, Agents, Invest Advisers & Reps Apps and Submissions Proc	527,678.00	555,000.00	342,000.00	342,000.00	342,000.00
Explanatory/Input Measures:						
KEY 1	# of Dealers, Agents, Invest Advisers & Reps Licensed or Authorized	410,798.00	411,000.00	320,000.00	320,000.00	320,000.00
2	Revenues Deposited to State Treasury from Applications and Submissions	9,246,742.86	9,700,000.00	8,000,000.00	8,000,000.00	8,000,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	$294,811	$329,118	$354,000	$349,998	$349,998
1002	OTHER PERSONNEL COSTS	$39,500	$31,527	$22,050	$22,050	$22,050
2001	PROFESSIONAL FEES AND SERVICES	$16,912	$20,446	$16,879	$16,879	$16,879
2003	CONSUMABLE SUPPLIES	$1,494	$1,448	$2,000	$2,000	$2,000
2004	UTILITIES	$202	$231	$0	$0	$0
2005	TRAVEL	$0	$0	$0	$0	$0
2006	RENT - BUILDING	$1,804	$2,012	$1,800	$1,800	$1,800
2007	RENT - MACHINE AND OTHER	$947	$1,077	$1,200	$1,200	$1,200
2009	OTHER OPERATING EXPENSE	$22,924	$24,475	$20,409	$20,409	$20,409

312 Securities Board

GOAL: 1 Protect Investors and Assure Access to Capital for Business

OBJECTIVE: 3 Guarantee That Persons Registered or Authorized are Qualified — Service Categories:

STRATEGY: 1 Perform Extensive Review of Applications and Submissions — Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
TOTAL, OBJECT OF EXPENSE		**$378,594**	**$410,334**	**$418,338**	**$414,336**	**$414,336**
Method of Financing:						
1	General Revenue Fund	$375,324	$410,334	$418,338	$414,336	$414,336
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$375,324**	**$410,334**	**$418,338**	**$414,336**	**$414,336**
Method of Financing:						
325	Coronavirus Relief Fund					
21.019.119	COV19 Coronavirus Relief Fund	$3,270	$0	$0	$0	$0
CFDA Subtotal, Fund 325		$3,270	$0	$0	$0	$0
SUBTOTAL, MOF (FEDERAL FUNDS)		**$3,270**	**$0**	**$0**	**$0**	**$0**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$414,336**	**$414,336**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$378,594**	**$410,334**	**$418,338**	**$414,336**	**$414,336**
FULL TIME EQUIVALENT POSITIONS:		**6.0**	**6.0**	**6.0**	**7.0**	**7.0**

312 Securities Board

GOAL:	1	Protect Investors and Assure Access to Capital for Business			
OBJECTIVE:	3	Guarantee That Persons Registered or Authorized are Qualified	Service Categories:		
STRATEGY:	1	Perform Extensive Review of Applications and Submissions	Service: 16	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Securities Act, Tex. Rev. Civ. Stat. Ann. art. 581-1 et seq., requires individuals and firms to register with the Securities Commissioner in order to deal in securities and/or render investment advice in the State. Review of applications for such registration, including relevant criminal and disciplinary history, is necessary in order to ensure that qualified individuals and firms are authorized to deal with the investing public. The strategy supports the market infrastructure by promoting investor confidence in market participants and in the markets themselves.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Over time, individual participation in the securities markets has grown as the prevalence of defined benefit retirement plans for workers has declined and the need for persons to provide for their own retirement has increased. This trend has resulted in an increase in the number of market professionals who advise individual investors.

Continued growth in the workload of the Agency and the increasing complexity of investment schemes offered to the public will require that the Agency continue to improve its methods of processing and evaluating information. The Agency seeks new opportunities to develop and use technologies to achieve the efficiencies that are necessary to effectively carry out its mission. Funding and other limitations that impair the ability of the Agency to hire, support, and retain qualified employees present potential obstacles to achieving the strategy's objective.

312 Securities Board

GOAL:	1	Protect Investors and Assure Access to Capital for Business			
OBJECTIVE:	3	Guarantee That Persons Registered or Authorized are Qualified	Service Categories:		
STRATEGY:	1	Perform Extensive Review of Applications and Submissions	Service: 16	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2022 + Bud 2023)	Baseline Request (BL 2024 + BL 2025)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$828,672	$828,672	$0		
			$0	**Total of Explanation of Biennial Change**

312 Securities Board

GOAL: 1 Protect Investors and Assure Access to Capital for Business

OBJECTIVE: 4 Inspect Registered Dealers and Investment Advisers — Service Categories:

STRATEGY: 1 Inspect Dealer & Investment Adviser Records for Regulatory Compliance — Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Output Measures:						
KEY 1	Number of Inspections Conducted	313.00	265.00	312.00	312.00	312.00
2	Number of Referrals for Administrative or Law Enforcement Action	2.00	2.00	7.00	7.00	7.00
3	Number of Administrative Actions Taken by Inspections and Compliance	13.00	0.00	22.00	22.00	22.00
Objects of Expense:						
1001	SALARIES AND WAGES	$1,503,087	$1,489,139	$1,719,720	$1,612,961	$1,612,961
1002	OTHER PERSONNEL COSTS	$145,118	$83,687	$69,613	$69,613	$69,613
2001	PROFESSIONAL FEES AND SERVICES	$66,728	$89,306	$72,271	$72,271	$72,271
2003	CONSUMABLE SUPPLIES	$3,393	$2,986	$8,004	$8,004	$8,004
2004	UTILITIES	$14,830	$15,763	$18,000	$18,000	$18,000
2005	TRAVEL	$446	$9,110	$14,000	$14,000	$14,000
2006	RENT - BUILDING	$59,510	$59,459	$60,000	$60,000	$60,000
2007	RENT - MACHINE AND OTHER	$5,420	$6,210	$6,000	$6,000	$6,000
2009	OTHER OPERATING EXPENSE	$101,397	$76,891	$78,461	$78,461	$78,461
TOTAL, OBJECT OF EXPENSE		**$1,899,929**	**$1,832,551**	**$2,046,069**	**$1,939,310**	**$1,939,310**

Method of Financing:

312 Securities Board

GOAL: 1 Protect Investors and Assure Access to Capital for Business

OBJECTIVE: 4 Inspect Registered Dealers and Investment Advisers — Service Categories:

STRATEGY: 1 Inspect Dealer & Investment Adviser Records for Regulatory Compliance — Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
1	General Revenue Fund	$1,897,749	$1,832,551	$2,046,069	$1,939,310	$1,939,310
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$1,897,749**	**$1,832,551**	**$2,046,069**	**$1,939,310**	**$1,939,310**
Method of Financing:						
325	Coronavirus Relief Fund					
21.019.119	COV19 Coronavirus Relief Fund	$2,180	$0	$0	$0	$0
CFDA Subtotal, Fund 325		$2,180	$0	$0	$0	$0
SUBTOTAL, MOF (FEDERAL FUNDS)		**$2,180**	**$0**	**$0**	**$0**	**$0**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$1,939,310**	**$1,939,310**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$1,899,929**	**$1,832,551**	**$2,046,069**	**$1,939,310**	**$1,939,310**
FULL TIME EQUIVALENT POSITIONS:		**24.0**	**20.0**	**27.0**	**28.0**	**28.0**

STRATEGY DESCRIPTION AND JUSTIFICATION:

312 Securities Board

GOAL:	1	Protect Investors and Assure Access to Capital for Business			
OBJECTIVE:	4	Inspect Registered Dealers and Investment Advisers	Service Categories:		
STRATEGY:	1	Inspect Dealer & Investment Adviser Records for Regulatory Compliance	Service: 16	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025

The Securities Act, Tex. Rev. Civ. Stat. Ann. art. 581-13-1, authorizes the Securities Commissioner to inspect registered dealers and investment advisers as necessary to ensure compliance with the Securities Act and Board Rules. Inspections are generally conducted on firms not regularly inspected by other regulatory authorities. Inspections and compliance personnel conduct inspections, analyze records obtained in connection with the inspections, investigate complaints from investors filed against firms and/or their employees, and review disciplinary information filed with the Agency on a continuous basis. These duties are carried out to ensure that registered firms and their employees remain in compliance with the law and that investors are protected from fraud.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Growth in the workload of the State Securities Board will require that the Agency continue to improve its methods of processing and evaluating information. The Agency seeks new opportunities to develop and use technologies to achieve the efficiencies that are necessary to effectively carry out its mission. Funding and other limitations that impair the ability of the Agency to hire, support, and retain qualified employees present obstacles to achieving this objective.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2022 + Bud 2023)	Baseline Request (BL 2024 + BL 2025)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$3,878,620	$3,878,620	$0		
			$0	**Total of Explanation of Biennial Change**

312 Securities Board

GOAL: 2 Indirect Administration

OBJECTIVE: 1 Indirect Administration — Service Categories:

STRATEGY: 1 Central Administration — Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Objects of Expense:						
1001	SALARIES AND WAGES	$1,123,152	$1,227,809	$1,249,009	$1,244,252	$1,244,252
1002	OTHER PERSONNEL COSTS	$98,662	$66,161	$69,695	$69,695	$69,695
2001	PROFESSIONAL FEES AND SERVICES	$48,805	$62,813	$50,684	$50,684	$50,684
2003	CONSUMABLE SUPPLIES	$1,592	$2,988	$4,621	$4,621	$4,621
2004	UTILITIES	$1,959	$178	$2,066	$2,066	$2,066
2005	TRAVEL	$0	$4,888	$3,000	$3,000	$3,000
2006	RENT - BUILDING	$830	$940	$960	$960	$960
2007	RENT - MACHINE AND OTHER	$5,486	$5,831	$6,000	$6,000	$6,000
2009	OTHER OPERATING EXPENSE	$65,823	$78,095	$69,182	$69,182	$69,182
TOTAL, OBJECT OF EXPENSE		**$1,346,309**	**$1,449,703**	**$1,455,217**	**$1,450,460**	**$1,450,460**
Method of Financing:						
1	General Revenue Fund	$1,346,309	$1,449,703	$1,455,217	$1,450,460	$1,450,460
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$1,346,309**	**$1,449,703**	**$1,455,217**	**$1,450,460**	**$1,450,460**

312 Securities Board

GOAL: 2 Indirect Administration
OBJECTIVE: 1 Indirect Administration — Service Categories:
STRATEGY: 1 Central Administration — Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$1,450,460**	**$1,450,460**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$1,346,309**	**$1,449,703**	**$1,455,217**	**$1,450,460**	**$1,450,460**
FULL TIME EQUIVALENT POSITIONS:		**10.6**	**12.0**	**12.3**	**14.3**	**14.3**

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Securities Commissioner, directly and through delegation of authority to the Deputy Commissioner and Division Directors, oversees the enforcement of the Securities Act, registration of dealers, agents, investment advisers, and investment adviser representatives, registration of securities offerings sold in Texas; inspections of registered dealers and investment advisers; investor education initiatives; and management of the fiscal affairs, budgeting, purchasing and information technology functions of the Agency.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Long term customer demands for the Agency's services are predicted to continue to increase in the future. Projected growth in the economy and population of the state coupled with increased dependence by Texans on the securities markets to help meet personal financial goals, such as providing for a child's college education and ensuring that adequate funds are available for retirement, indicate an increase in the workload of the Agency in securities registration filings; dealer, agent, investment adviser, and investment adviser representative registration filings; required inspections of securities dealers and investment advisers; and matters requiring investigation and enforcement action by the Agency.

312 Securities Board

GOAL: 2 Indirect Administration

OBJECTIVE: 1 Indirect Administration — Service Categories:

STRATEGY: 1 Central Administration — Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2022 + Bud 2023)	Baseline Request (BL 2024 + BL 2025)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$2,904,920	$2,900,920	$(4,000)	$(4,000)	$4,000 was transferred from the Central Admin strategy to the Info Tech strategy to cover ongoing salary increases for IT staff members.
			$(4,000)	**Total of Explanation of Biennial Change**

312 Securities Board

GOAL: 2 Indirect Administration

OBJECTIVE: 1 Indirect Administration — Service Categories:

STRATEGY: 2 Information Technology — Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Objects of Expense:						
1001	SALARIES AND WAGES	$231,893	$295,762	$300,575	$300,575	$300,575
1002	OTHER PERSONNEL COSTS	$36,460	$5,597	$4,648	$4,648	$4,648
2009	OTHER OPERATING EXPENSE	$3,400	$4,373	$4,509	$4,509	$4,509
TOTAL, OBJECT OF EXPENSE		**$271,753**	**$305,732**	**$309,732**	**$309,732**	**$309,732**
Method of Financing:						
1	General Revenue Fund	$271,753	$305,732	$309,732	$309,732	$309,732
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$271,753**	**$305,732**	**$309,732**	**$309,732**	**$309,732**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$309,732**	**$309,732**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$271,753**	**$305,732**	**$309,732**	**$309,732**	**$309,732**
FULL TIME EQUIVALENT POSITIONS:		**3.0**	**3.0**	**3.0**	**3.0**	**3.0**

STRATEGY DESCRIPTION AND JUSTIFICATION:

312 Securities Board

GOAL:	2	Indirect Administration			
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Information Technology	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025

The Agency has databases, computer networks, and equipment that are critical to its law enforcement, inspections and compliance, and registration strategies. It is critical that the Agency be able to continue to maintain these technologies to regulate one of the most technologically advanced industries in the world. The Information Technology section of the Agency is directly responsible for the maintenance and security of all its computer hardware, software and electronic data. This section maintains compliance with all state purchasing statutes and rules related to the purchase of information technology. Also included in the responsibilities are the maintenance of existing in-house data programs, as well as the creation of new programs to migrate current programs onto newer and more efficient platforms.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Continued growth in the workload of the Agency and the increasing complexity of investment schemes offered to the public will require the Agency to continue to improve its methods of processing and evaluating information. Information technology is key in those efforts. The Agency continually seeks new opportunities to develop and use technologies to achieve the efficiencies that are necessary to effectively carry out its mission. Funding and other limitations that impair the ability of the Agency to hire, support, and retain qualified employees present potential obstacles to achieving this objective.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2022 + Bud 2023)	Baseline Request (BL 2024 + BL 2025)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$615,464	$619,464	$4,000	$4,000	$4,000 was transferred from the Central Admin strategy to the Info Tech strategy to cover ongoing salary increases for IT staff members.
			$4,000	**Total of Explanation of Biennial Change**

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	**$7,294,829**	**$7,363,527**	**$7,678,542**	**$7,521,007**	**$7,521,008**
METHODS OF FINANCE (INCLUDING RIDERS):				**$7,521,007**	**$7,521,008**
METHODS OF FINANCE (EXCLUDING RIDERS):	**$7,294,829**	**$7,363,527**	**$7,678,542**	**$7,521,007**	**$7,521,008**
FULL TIME EQUIVALENT POSITIONS:	**80.6**	**75.0**	**84.3**	**92.0**	**92.0**

Agency code: **312** Agency name: **Securities Board**

CODE	DESCRIPTION			Excp 2024	Excp 2025
	Item Name:	Appropriation Recovery and Salary Support			
	Item Priority:	1			
	IT Component:	No			
	Anticipated Out-year Costs:	Yes			
	Involve Contracts > $50,000:	No			
	Includes Funding for the Following Strategy or Strategies:	01-01-01	Investigate Violations, Coordinate Appropriate Action by Authorities		
		01-02-01	Review Security Documentation for Conformity		
		01-03-01	Perform Extensive Review of Applications and Submissions		
		01-04-01	Inspect Dealer & Investment Adviser Records for Regulatory Compliance		
		02-01-01	Central Administration		
		02-01-02	Information Technology		
OBJECTS OF EXPENSE:					
1001	SALARIES AND WAGES			955,011	955,011
2009	OTHER OPERATING EXPENSE			263,375	263,376
	TOTAL, OBJECT OF EXPENSE			**$1,218,386**	**$1,218,387**
METHOD OF FINANCING:					
1	General Revenue Fund			1,218,386	1,218,387
	TOTAL, METHOD OF FINANCING			**$1,218,386**	**$1,218,387**

DESCRIPTION / JUSTIFICATION:

Successfully achieving the Agency's mission is dependent upon the experienced and knowledgeable staff members of the Securities Board. Historically, approximately 85% of the Agency's budget has been used for staff salaries. Therefore, lost appropriations have a direct effect on funds available to the Agency for maintaining highly skilled staff members. Furthermore, external factors like inflation, higher cost of housing, and a very competitive job market significantly increase the amount of salary increases needed to retain staff. Recovering appropriations lost in prior years and adding funds needed to reach competitive salaries for high performing staff members will allow the Agency to make a genuine effort to retain the experienced staff needed to achieve its mission.

EXTERNAL/INTERNAL FACTORS:

External factors like inflation, higher cost of housing, and a very competitive job market significantly increase the amount of salary increases needed to retain staff.

PCLS TRACKING KEY:

Agency code: **312** Agency name: **Securities Board**

CODE	DESCRIPTION	Excp 2024	Excp 2025

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

This funding will be used to increase salaries for high performing staff members. The salary increase will exist in future years.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2026	2027	2028
$1,218,387	$1,218,387	$1,218,387

Agency code: **312** Agency name: **Securities Board**

CODE	DESCRIPTION	Excp 2024	Excp 2025
	Item Name: New FTE's Across Programs		
	Item Priority: 2		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > $50,000: No		
	Includes Funding for the Following Strategy or Strategies: 01-01-01 Investigate Violations, Coordinate Appropriate Action by Authorities		
	01-02-01 Review Security Documentation for Conformity		
	01-03-01 Perform Extensive Review of Applications and Submissions		
	01-04-01 Inspect Dealer & Investment Adviser Records for Regulatory Compliance		
	02-01-01 Central Administration		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	300,000	300,000
2009	OTHER OPERATING EXPENSE	4,500	4,500
	TOTAL, OBJECT OF EXPENSE	**$304,500**	**$304,500**
METHOD OF FINANCING:			
1	General Revenue Fund	304,500	304,500
	TOTAL, METHOD OF FINANCING	**$304,500**	**$304,500**

DESCRIPTION / JUSTIFICATION:

The staffing needs for each Agency strategy are beyond the current number of FTE's. This exception item request will provide five new staff members to address this FTE shortage. The new staff members will be distributed across strategies and assigned duties that support the law enforcement duties of the Agency. This request will not increase the maximum FTE number for the Agency. The overall FTE count for the Agency has decreased steadily over recent years. This request will provide the funds for the Agency to recapture five of those FTE's.

EXTERNAL/INTERNAL FACTORS:

The Agency has reduced its FTE count in recent years but workload has increased. Additional staff are needed to allow all staff a healthy and manageable workload that will provide the best service to those served by the Agency.

PCLS TRACKING KEY:

Agency code: **312** Agency name: **Securities Board**

CODE	DESCRIPTION	Excp 2024	Excp 2025

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

This funding will be used for salaries for five new staff members. The salaries will exist in future years.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2026	2027	2028
$304,500	$304,500	$304,500

Agency code: **312** Agency name: **Securities Board**

CODE	DESCRIPTION			Excp 2024	Excp 2025
	Item Name:	Information Technology Modernization and Cybersecurity Plan			
	Item Priority:	3			
	IT Component:	Yes			
	Anticipated Out-year Costs:	Yes			
	Involve Contracts > $50,000:	No			
	Includes Funding for the Following Strategy or Strategies:	01-01-01	Investigate Violations, Coordinate Appropriate Action by Authorities		
		01-02-01	Review Security Documentation for Conformity		
		01-03-01	Perform Extensive Review of Applications and Submissions		
		01-04-01	Inspect Dealer & Investment Adviser Records for Regulatory Compliance		
		02-01-01	Central Administration		
		02-01-02	Information Technology		
OBJECTS OF EXPENSE:					
1001	SALARIES AND WAGES			195,000	195,000
2001	PROFESSIONAL FEES AND SERVICES			52,393	48,993
2009	OTHER OPERATING EXPENSE			131,782	82,990
	TOTAL, OBJECT OF EXPENSE			**$379,175**	**$326,983**
METHOD OF FINANCING:					
1	General Revenue Fund			379,175	326,983
	TOTAL, METHOD OF FINANCING			**$379,175**	**$326,983**

DESCRIPTION / JUSTIFICATION:

There are eight components in this Item. Each designed to modernize the Agency's technological abilities and equipment and comply with the goals of the State Strategic Plan for Information Resources Management ("SSP"). Goal 1 of the SSP, Secure IT Service Delivery, is addressed by this Item's request for additional managed security services and a network micro-segmentation program. Goal 2 of the SSP, Advanced Data Management, is addressed by this Item's request for Microsoft's Azure FileShare cloud storage and data management. The design of which is compliant with the Criminal Justice Information Services (CJIS) Data Standards. Goal 3 of the SSP, Strategic Digital Transformation, is addressed by this Item's request for an improved backup solution, updated on premise network equipment, and an increase in bandwidth for the Austin office. Goal 4, Proactive Approach to Emerging Technologies, is addressed by this Item's request for upgraded Microsoft365 licenses and three additional IT staff members. The new staff members will include a cybersecurity analyst, a network specialist, and a systems support specialist.

EXTERNAL/INTERNAL FACTORS:

The need for additional IT related resources is created by the growth in the use of technology, the complexity of technology, the rapid evolution of technology, and increase in cyber-crime.

Agency code: **312** Agency name: **Securities Board**

CODE	DESCRIPTION	Excp 2024	Excp 2025

PCLS TRACKING KEY:
PCLS_88R_312_1107443

DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:

This project modernizes the Agency's cybersecurity, network infrastructure, and cloud computing and adds three information technology staff members. There are eight components in this Item. Each designed to modernize the Agency's technological abilities and equipment and comply with the goals of the State Strategic Plan for Information Resources Management ("SSP"). Goal 1 of the SSP, Secure IT Service Delivery, is addressed by this Item's request for additional managed security services and a network micro-segmentation program. Goal 2 of the SSP, Advanced Data Management, is addressed by this Item's request for Microsoft's Azure FileShare cloud storage and data management. The design of which is compliant with the Criminal Justice Information Services (CJIS) Data Standards. Goal 3 of the SSP, Strategic Digital Transformation, is addressed by this Item's request for an improved backup solution, updated on premise network equipment, and an increase in bandwidth for the Austin office. Goal 4, Proactive Approach to Emerging Technologies, is addressed by this Item's request for upgraded Microsoft365 licenses and three additional IT staff members. The new staff members will include a cybersecurity analyst, a network specialist, and a systems support specialist.
Funding request from GR: 1) Microsoft Azure Fileshare - $20,913 each year ongoing, 2) Upgrade M365 Licenses - $15,351 each year ongoing, 3) Three additional IT staff - $197,925 each year ongoing, 4) Additional Managed Security Services - $8,066 each year ongoing, 5) Improved Backup Solution - $13,264 in AY24 and then $8,064 each year ongoing thereafter, 6) Refresh On-Premises Network Equipment - $43,594 in AY24, no ongoing cost thereafter, 7) Increase Austin Office Bandwidth - $72,000 per year ongoing, 8) Network Micro-Segmentation Program - $8,064 in AY24 and then $4,664 each year thereafter.

IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?
NEW

STATUS:
The funding requested by this exceptional item will allow the agency to procure new network communication abilities, hardware, software, and cybersecurity controls. The modernization projects that make up this request will not be possible without this additional funding. The Agency has researched each component an developed implementation plans but cannot continue without this funding.

OUTCOMES:
Successful implementation of this request's components will result in a dramatic improvement in the Agency's cybersecurity, continuity of operations plan, disaster recovery, network reliability & stability, and secure remote work capabilities.

OUTPUTS:
Successful implementation of this request's components will result in a dramatic improvement in the Agency's cybersecurity, continuity of operations plan, disaster recovery, network reliability & stability, and secure remote work capabilities.

TYPE OF PROJECT
Legacy Application

ALTERNATIVE ANALYSIS
The funding requested by this exceptional item will allow the agency to procure new network communication abilities, hardware, software, and cybersecurity controls. The modernization projects that make up this request will not be possible without this additional funding. The Agency has researched each component an developed implementation plans but cannot continue without this funding.

Agency code: **312** Agency name: **Securities Board**

CODE **DESCRIPTION** **Excp 2024** **Excp 2025**

ESTIMATED IT COST

2022	2023	2024	2025	2026	2027	2028	Total Over Life of Project
$0	$0	$379,175	$326,983	$326,983	$326,983	$326,983	$1,687,107

SCALABILITY

2022	2023	2024	2025	2026	2027	2028	Total Over Life of Project
$0	$0	$0	$0	$0	$0	$0	$0

FTE

2022	2023	2024	2025	2026	2027	2028
0.0	0.0	3.0	3.0	3.0	3.0	3.0

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

The following components of this IT Modernization plan will continue on an on-going basis: Microsoft Azure FileShare, upgraded Microsoft365 licenses, three additional IT staff members, managed security services, improved backup solution, increased bandwidth, and Akamai Guardicore. The Agency's ability to minimize out-year costs is diminished by the trend in the IT industry to provide licensing and services on a subscription basis, as opposed to a one-time purchase.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2026	2027	2028
$326,983	$326,983	$326,983

Agency code: **312** Agency name: **Securities Board**

CODE	DESCRIPTION	Excp 2024	Excp 2025
	Item Name: Contingency Funding for Lump Sum Payouts of Annual Leave		
	Item Priority: 4		
	IT Component: No		
	Anticipated Out-year Costs: No		
	Involve Contracts > $50,000: No		
	Includes Funding for the Following Strategy or Strategies: 01-01-01 Investigate Violations, Coordinate Appropriate Action by Authorities		
	01-02-01 Review Security Documentation for Conformity		
	01-04-01 Inspect Dealer & Investment Adviser Records for Regulatory Compliance		
	02-01-01 Central Administration		
	02-01-02 Information Technology		
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	370,339	0
	TOTAL, OBJECT OF EXPENSE	**$370,339**	**$0**
METHOD OF FINANCING:			
1	General Revenue Fund	370,339	0
	TOTAL, METHOD OF FINANCING	**$370,339**	**$0**

DESCRIPTION / JUSTIFICATION:

As staff members leave the Agency, the Agency is required to pay large lump sum amounts for the annual leave accrued by the departing staff member. The Agency has many staff members with leave balances high enough to require payments that could cause substantial disruption of the Agency budget. For this reason, the Agency must reserve funds to be used for lump sum payouts. In effect, the funds appropriated to the Agency are reduced and deemed unusable for pursuing the mission of the Agency. Funding this Item will allow the Agency to use its full appropriation amount for the accomplishment of its mission. Since the need for the funds is dependent upon a circumstance that may not occur, the Agency requests that the funding be contingent upon a staff member departure occurring. The funds will need to be available in both years of the biennium so unexpended balance (UB) transfer authority to transfer the unused appropriations from FY2024 to FY2025 is requested along with the contingent funding.

EXTERNAL/INTERNAL FACTORS:

The Agency has many staff members with annual leave balances high enough to require lump-sum termination payments that could cause substantial disruption of the Agency budget.

PCLS TRACKING KEY:

Agency code: **312** Agency name: **Securities Board**

CODE	DESCRIPTION	Excp 2024	Excp 2025

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Appropriation Recovery and Salary Support		
Allocation to Strategy:	1-1-1 Investigate Violations, Coordinate Appropriate Action by Authorities		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Number of Law Enforcement Actions Taken	0.00	0.00
2	Dollar Amount Involved in Law Enforcement Actions	0.00	0.00
OUTPUT MEASURES:			
1	Number of Investigations Opened	0.00	0.00
2	Number of Criminal and Civil Referrals	0.00	0.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	455,537	455,537
2009	OTHER OPERATING EXPENSE	6,833	6,833
TOTAL, OBJECT OF EXPENSE		**$462,370**	**$462,370**
METHOD OF FINANCING:			
1	General Revenue Fund	462,370	462,370
TOTAL, METHOD OF FINANCING		**$462,370**	**$462,370**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Appropriation Recovery and Salary Support		
Allocation to Strategy:	1-2-1 Review Security Documentation for Conformity		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Average Time (Days) for Deficiency Letters Issuance on Securities Apps	0.00	0.00
OUTPUT MEASURES:			
1	Number of Securities Filings and Submissions Processed	0.00	0.00
EXPLANATORY/INPUT MEASURES:			
1	Revenues Deposited to the State Treasury from Securities Applications	0.00	0.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	53,488	53,488
2009	OTHER OPERATING EXPENSE	802	802
TOTAL, OBJECT OF EXPENSE		**$54,290**	**$54,290**
METHOD OF FINANCING:			
1	General Revenue Fund	54,290	54,290
TOTAL, METHOD OF FINANCING		**$54,290**	**$54,290**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Appropriation Recovery and Salary Support		
Allocation to Strategy:	1-3-1 Perform Extensive Review of Applications and Submissions		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Average Time (Days) for Def. Letters on Dealer & Invest. Adviser Apps	0.00	0.00
OUTPUT MEASURES:			
1	# of Dealers, Agents, Invest Advisers & Reps Apps and Submissions Proc	0.00	0.00
EXPLANATORY/INPUT MEASURES:			
1	# of Dealers, Agents, Invest Advisers & Reps Licensed or Authorized	0.00	0.00
2	Revenues Deposited to State Treasury from Applications and Submissions	0.00	0.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	59,592	59,592
2009	OTHER OPERATING EXPENSE	894	894
TOTAL, OBJECT OF EXPENSE		**$60,486**	**$60,486**
METHOD OF FINANCING:			
1	General Revenue Fund	60,486	60,486
TOTAL, METHOD OF FINANCING		**$60,486**	**$60,486**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Appropriation Recovery and Salary Support		
Allocation to Strategy:	1-4-1 Inspect Dealer & Investment Adviser Records for Regulatory Compliance		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Percentage of Texas Dealers and Investment Advisers Inspected	0.00%	0.00%
OUTPUT MEASURES:			
1	Number of Inspections Conducted	0.00	0.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	221,620	221,620
2009	OTHER OPERATING EXPENSE	3,324	3,324
TOTAL, OBJECT OF EXPENSE		**$224,944**	**$224,944**
METHOD OF FINANCING:			
1	General Revenue Fund	224,944	224,944
TOTAL, METHOD OF FINANCING		**$224,944**	**$224,944**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Appropriation Recovery and Salary Support		
Allocation to Strategy:	2-1-1 Central Administration		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	144,845	144,845
2009	OTHER OPERATING EXPENSE	251,223	251,224
TOTAL, OBJECT OF EXPENSE		**$396,068**	**$396,069**
METHOD OF FINANCING:			
1	General Revenue Fund	396,068	396,069
TOTAL, METHOD OF FINANCING		**$396,068**	**$396,069**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Appropriation Recovery and Salary Support		
Allocation to Strategy:	2-1-2 Information Technology		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	19,929	19,929
2009	OTHER OPERATING EXPENSE	299	299
TOTAL, OBJECT OF EXPENSE		**$20,228**	**$20,228**
METHOD OF FINANCING:			
1	General Revenue Fund	20,228	20,228
TOTAL, METHOD OF FINANCING		**$20,228**	**$20,228**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	New FTE's Across Programs		
Allocation to Strategy:	1-1-1 Investigate Violations, Coordinate Appropriate Action by Authorities		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Number of Law Enforcement Actions Taken	3.00	3.00
2	Dollar Amount Involved in Law Enforcement Actions	0.00	0.00
3	Percentage of Law Enforcement Actions Successful	0.00%	0.00%
OUTPUT MEASURES:			
1	Number of Investigations Opened	12.00	12.00
2	Number of Criminal and Civil Referrals	3.00	3.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	60,000	60,000
2009	OTHER OPERATING EXPENSE	900	900
TOTAL, OBJECT OF EXPENSE		**$60,900**	**$60,900**
METHOD OF FINANCING:			
1	General Revenue Fund	60,900	60,900
TOTAL, METHOD OF FINANCING		**$60,900**	**$60,900**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	New FTE's Across Programs		
Allocation to Strategy:	1-2-1 Review Security Documentation for Conformity		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Average Time (Days) for Deficiency Letters Issuance on Securities Apps	0.00	0.00
OUTPUT MEASURES:			
1	Number of Securities Filings and Submissions Processed	0.00	0.00
EXPLANATORY/INPUT MEASURES:			
1	Revenues Deposited to the State Treasury from Securities Applications	0.00	0.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	30,000	30,000
2009	OTHER OPERATING EXPENSE	450	450
TOTAL, OBJECT OF EXPENSE		**$30,450**	**$30,450**
METHOD OF FINANCING:			
1	General Revenue Fund	30,450	30,450
TOTAL, METHOD OF FINANCING		**$30,450**	**$30,450**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	New FTE's Across Programs		
Allocation to Strategy:	1-3-1 Perform Extensive Review of Applications and Submissions		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Average Time (Days) for Def. Letters on Dealer & Invest. Adviser Apps	0.00	0.00
OUTPUT MEASURES:			
1	# of Dealers, Agents, Invest Advisers & Reps Apps and Submissions Proc	0.00	0.00
EXPLANATORY/INPUT MEASURES:			
1	# of Dealers, Agents, Invest Advisers & Reps Licensed or Authorized	0.00	0.00
2	Revenues Deposited to State Treasury from Applications and Submissions	0.00	0.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	30,000	30,000
2009	OTHER OPERATING EXPENSE	450	450
TOTAL, OBJECT OF EXPENSE		**$30,450**	**$30,450**
METHOD OF FINANCING:			
1	General Revenue Fund	30,450	30,450
TOTAL, METHOD OF FINANCING		**$30,450**	**$30,450**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	New FTE's Across Programs		
Allocation to Strategy:	1-4-1 Inspect Dealer & Investment Adviser Records for Regulatory Compliance		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Percentage of Texas Dealers and Investment Advisers Inspected	1.00%	1.00%
2	% of Inspected Dealers/Investment Advisers Requiring Corrective Action	0.00%	0.00%
OUTPUT MEASURES:			
1	Number of Inspections Conducted	36.00	36.00
2	Number of Referrals for Administrative or Law Enforcement Action	0.00	0.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	60,000	60,000
2009	OTHER OPERATING EXPENSE	900	900
TOTAL, OBJECT OF EXPENSE		**$60,900**	**$60,900**
METHOD OF FINANCING:			
1	General Revenue Fund	60,900	60,900
TOTAL, METHOD OF FINANCING		**$60,900**	**$60,900**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	New FTE's Across Programs		
Allocation to Strategy:	2-1-1 Central Administration		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	120,000	120,000
2009	OTHER OPERATING EXPENSE	1,800	1,800
TOTAL, OBJECT OF EXPENSE		**$121,800**	**$121,800**
METHOD OF FINANCING:			
1	General Revenue Fund	121,800	121,800
TOTAL, METHOD OF FINANCING		**$121,800**	**$121,800**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Information Technology Modernization and Cybersecurity Plan		
Allocation to Strategy:	1-1-1 Investigate Violations, Coordinate Appropriate Action by Authorities		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Number of Law Enforcement Actions Taken	0.00	0.00
2	Dollar Amount Involved in Law Enforcement Actions	0.00	0.00
3	Percentage of Law Enforcement Actions Successful	0.00%	0.00%
OUTPUT MEASURES:			
1	Number of Investigations Opened	0.00	0.00
2	Number of Criminal and Civil Referrals	0.00	0.00
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	20,958	19,597
2009	OTHER OPERATING EXPENSE	51,543	32,026
TOTAL, OBJECT OF EXPENSE		**$72,501**	**$51,623**
METHOD OF FINANCING:			
1	General Revenue Fund	72,501	51,623
TOTAL, METHOD OF FINANCING		**$72,501**	**$51,623**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Information Technology Modernization and Cybersecurity Plan		
Allocation to Strategy:	1-2-1 Review Security Documentation for Conformity		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Average Time (Days) for Deficiency Letters Issuance on Securities Apps	0.00	0.00
OUTPUT MEASURES:			
1	Number of Securities Filings and Submissions Processed	0.00	0.00
EXPLANATORY/INPUT MEASURES:			
1	Revenues Deposited to the State Treasury from Securities Applications	0.00	0.00
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	3,144	2,940
2009	OTHER OPERATING EXPENSE	7,731	4,804
TOTAL, OBJECT OF EXPENSE		**$10,875**	**$7,744**
METHOD OF FINANCING:			
1	General Revenue Fund	10,875	7,744
TOTAL, METHOD OF FINANCING		**$10,875**	**$7,744**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Information Technology Modernization and Cybersecurity Plan		
Allocation to Strategy:	1-3-1 Perform Extensive Review of Applications and Submissions		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Average Time (Days) for Def. Letters on Dealer & Invest. Adviser Apps	0.00	0.00
OUTPUT MEASURES:			
1	# of Dealers, Agents, Invest Advisers & Reps Apps and Submissions Proc	0.00	0.00
EXPLANATORY/INPUT MEASURES:			
1	# of Dealers, Agents, Invest Advisers & Reps Licensed or Authorized	0.00	0.00
2	Revenues Deposited to State Treasury from Applications and Submissions	0.00	0.00
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	3,144	2,940
2009	OTHER OPERATING EXPENSE	7,731	4,804
TOTAL, OBJECT OF EXPENSE		**$10,875**	**$7,744**
METHOD OF FINANCING:			
1	General Revenue Fund	10,875	7,744
TOTAL, METHOD OF FINANCING		**$10,875**	**$7,744**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Information Technology Modernization and Cybersecurity Plan		
Allocation to Strategy:	1-4-1 Inspect Dealer & Investment Adviser Records for Regulatory Compliance		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Percentage of Texas Dealers and Investment Advisers Inspected	0.00%	0.00%
2	% of Inspected Dealers/Investment Advisers Requiring Corrective Action	0.00%	0.00%
OUTPUT MEASURES:			
1	Number of Inspections Conducted	0.00	0.00
2	Number of Referrals for Administrative or Law Enforcement Action	0.00	0.00
3	Number of Administrative Actions Taken by Inspections and Compliance	0.00	0.00
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	15,467	14,584
2009	OTHER OPERATING EXPENSE	33,503	20,817
TOTAL, OBJECT OF EXPENSE		**$48,970**	**$35,401**
METHOD OF FINANCING:			
1	General Revenue Fund	48,970	35,401
TOTAL, METHOD OF FINANCING		**$48,970**	**$35,401**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Information Technology Modernization and Cybersecurity Plan		
Allocation to Strategy:	2-1-1 Central Administration		
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	9,680	8,932
2009	OTHER OPERATING EXPENSE	28,349	17,614
TOTAL, OBJECT OF EXPENSE		**$38,029**	**$26,546**
METHOD OF FINANCING:			
1	General Revenue Fund	38,029	26,546
TOTAL, METHOD OF FINANCING		**$38,029**	**$26,546**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Information Technology Modernization and Cybersecurity Plan		
Allocation to Strategy:	2-1-2 Information Technology		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	195,000	195,000
2009	OTHER OPERATING EXPENSE	2,925	2,925
TOTAL, OBJECT OF EXPENSE		**$197,925**	**$197,925**
METHOD OF FINANCING:			
1	General Revenue Fund	197,925	197,925
TOTAL, METHOD OF FINANCING		**$197,925**	**$197,925**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Contingency Funding for Lump Sum Payouts of Annual Leave		
Allocation to Strategy:	1-1-1 Investigate Violations, Coordinate Appropriate Action by Authorities		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Number of Law Enforcement Actions Taken	0.00	0.00
2	Dollar Amount Involved in Law Enforcement Actions	0.00	0.00
3	Percentage of Law Enforcement Actions Successful	0.00%	0.00%
OUTPUT MEASURES:			
1	Number of Investigations Opened	0.00	0.00
2	Number of Criminal and Civil Referrals	0.00	0.00
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	114,509	0
TOTAL, OBJECT OF EXPENSE		**$114,509**	**$0**
METHOD OF FINANCING:			
1	General Revenue Fund	114,509	0
TOTAL, METHOD OF FINANCING		**$114,509**	**$0**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Contingency Funding for Lump Sum Payouts of Annual Leave		
Allocation to Strategy:	1-2-1 Review Security Documentation for Conformity		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Average Time (Days) for Deficiency Letters Issuance on Securities Apps	0.00	0.00
OUTPUT MEASURES:			
1	Number of Securities Filings and Submissions Processed	0.00	0.00
EXPLANATORY/INPUT MEASURES:			
1	Revenues Deposited to the State Treasury from Securities Applications	0.00	0.00
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	19,794	0
TOTAL, OBJECT OF EXPENSE		**$19,794**	**$0**
METHOD OF FINANCING:			
1	General Revenue Fund	19,794	0
TOTAL, METHOD OF FINANCING		**$19,794**	**$0**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Contingency Funding for Lump Sum Payouts of Annual Leave		
Allocation to Strategy:	1-4-1 Inspect Dealer & Investment Adviser Records for Regulatory Compliance		
STRATEGY IMPACT ON OUTCOME MEASURES:			
1	Percentage of Texas Dealers and Investment Advisers Inspected	0.00%	0.00%
2	% of Inspected Dealers/Investment Advisers Requiring Corrective Action	0.00%	0.00%
OUTPUT MEASURES:			
1	Number of Inspections Conducted	0.00	0.00
2	Number of Referrals for Administrative or Law Enforcement Action	0.00	0.00
3	Number of Administrative Actions Taken by Inspections and Compliance	0.00	0.00
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	64,551	0
TOTAL, OBJECT OF EXPENSE		**$64,551**	**$0**
METHOD OF FINANCING:			
1	General Revenue Fund	64,551	0
TOTAL, METHOD OF FINANCING		**$64,551**	**$0**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Contingency Funding for Lump Sum Payouts of Annual Leave		
Allocation to Strategy:	2-1-1 Central Administration		
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	108,237	0
TOTAL, OBJECT OF EXPENSE		**$108,237**	**$0**
METHOD OF FINANCING:			
1	General Revenue Fund	108,237	0
TOTAL, METHOD OF FINANCING		**$108,237**	**$0**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **312** Agency name: **Securities Board**

Code	Description	Excp 2024	Excp 2025
Item Name:	Contingency Funding for Lump Sum Payouts of Annual Leave		
Allocation to Strategy:	2-1-2 Information Technology		
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	63,248	0
TOTAL, OBJECT OF EXPENSE		**$63,248**	**$0**
METHOD OF FINANCING:			
1	General Revenue Fund	63,248	0
TOTAL, METHOD OF FINANCING		**$63,248**	**$0**
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency Code: **312** Agency name: **Securities Board**

GOAL: 1 Protect Investors and Assure Access to Capital for Business

OBJECTIVE: 1 Bring Law Enforcement Actions Against Violators Service Categories:

STRATEGY: 1 Investigate Violations, Coordinate Appropriate Action by Authorities Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Excp 2024	Excp 2025
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	515,537	515,537
1002	OTHER PERSONNEL COSTS	114,509	0
2001	PROFESSIONAL FEES AND SERVICES	20,958	19,597
2009	OTHER OPERATING EXPENSE	59,276	39,759
	Total, Objects of Expense	**$710,280**	**$574,893**
METHOD OF FINANCING:			
1	General Revenue Fund	710,280	574,893
	Total, Method of Finance	**$710,280**	**$574,893**

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Appropriation Recovery and Salary Support

New FTE's Across Programs

Information Technology Modernization and Cybersecurity Plan

Contingency Funding for Lump Sum Payouts of Annual Leave

Agency Code: **312** Agency name: **Securities Board**

GOAL: 1 Protect Investors and Assure Access to Capital for Business

OBJECTIVE: 2 Guarantee Registered Securities Offerings Are Fair to Investors Service Categories:

STRATEGY: 1 Review Security Documentation for Conformity Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Excp 2024	Excp 2025
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	83,488	83,488
1002	OTHER PERSONNEL COSTS	19,794	0
2001	PROFESSIONAL FEES AND SERVICES	3,144	2,940
2009	OTHER OPERATING EXPENSE	8,983	6,056
	Total, Objects of Expense	**$115,409**	**$92,484**
METHOD OF FINANCING:			
1	General Revenue Fund	115,409	92,484
	Total, Method of Finance	**$115,409**	**$92,484**

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Appropriation Recovery and Salary Support

New FTE's Across Programs

Information Technology Modernization and Cybersecurity Plan

Contingency Funding for Lump Sum Payouts of Annual Leave

Agency Code: **312** Agency name: **Securities Board**

GOAL: 1 Protect Investors and Assure Access to Capital for Business

OBJECTIVE: 3 Guarantee That Persons Registered or Authorized are Qualified Service Categories:

STRATEGY: 1 Perform Extensive Review of Applications and Submissions Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Excp 2024	Excp 2025
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	89,592	89,592
2001	PROFESSIONAL FEES AND SERVICES	3,144	2,940
2009	OTHER OPERATING EXPENSE	9,075	6,148
	Total, Objects of Expense	**$101,811**	**$98,680**
METHOD OF FINANCING:			
1	General Revenue Fund	101,811	98,680
	Total, Method of Finance	**$101,811**	**$98,680**

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Appropriation Recovery and Salary Support

New FTE's Across Programs

Information Technology Modernization and Cybersecurity Plan

Agency Code: **312** Agency name: **Securities Board**

GOAL: 1 Protect Investors and Assure Access to Capital for Business

OBJECTIVE: 4 Inspect Registered Dealers and Investment Advisers Service Categories:

STRATEGY: 1 Inspect Dealer & Investment Adviser Records for Regulatory Compliance Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Excp 2024	Excp 2025
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	281,620	281,620
1002	OTHER PERSONNEL COSTS	64,551	0
2001	PROFESSIONAL FEES AND SERVICES	15,467	14,584
2009	OTHER OPERATING EXPENSE	37,727	25,041
	Total, Objects of Expense	**$399,365**	**$321,245**
METHOD OF FINANCING:			
1	General Revenue Fund	399,365	321,245
	Total, Method of Finance	**$399,365**	**$321,245**

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Appropriation Recovery and Salary Support

New FTE's Across Programs

Information Technology Modernization and Cybersecurity Plan

Contingency Funding for Lump Sum Payouts of Annual Leave

Agency Code: **312** Agency name: **Securities Board**

GOAL: 2 Indirect Administration

OBJECTIVE: 1 Indirect Administration

STRATEGY: 1 Central Administration

Service Categories:
Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Excp 2024	Excp 2025
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	264,845	264,845
1002	OTHER PERSONNEL COSTS	108,237	0
2001	PROFESSIONAL FEES AND SERVICES	9,680	8,932
2009	OTHER OPERATING EXPENSE	281,372	270,638
	Total, Objects of Expense	**$664,134**	**$544,415**
METHOD OF FINANCING:			
1	General Revenue Fund	664,134	544,415
	Total, Method of Finance	**$664,134**	**$544,415**

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Appropriation Recovery and Salary Support

New FTE's Across Programs

Information Technology Modernization and Cybersecurity Plan

Contingency Funding for Lump Sum Payouts of Annual Leave

Agency Code: **312** Agency name: **Securities Board**

GOAL: 2 Indirect Administration

OBJECTIVE: 1 Indirect Administration

STRATEGY: 2 Information Technology

Service Categories:
Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Excp 2024	Excp 2025
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	214,929	214,929
1002	OTHER PERSONNEL COSTS	63,248	0
2009	OTHER OPERATING EXPENSE	3,224	3,224
	Total, Objects of Expense	**$281,401**	**$218,153**
METHOD OF FINANCING:			
1	General Revenue Fund	281,401	218,153
	Total, Method of Finance	**$281,401**	**$218,153**

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Appropriation Recovery and Salary Support

Information Technology Modernization and Cybersecurity Plan

Contingency Funding for Lump Sum Payouts of Annual Leave

Agency code: **312** Agency name: **Securities Board**

Category Code / Category Name *Project Sequence/Project Id/ Name* OOE / TOF / MOF CODE	Est 2022	Bud 2023	BL 2024	BL 2025
7000 Data Center/Shared Technology Services				
1/1 DIR DCS Managed Security Services				
OBJECTS OF EXPENSE				
Capital				
General 2001 PROFESSIONAL FEES AND SERVICES	$119,843	$159,730	$139,787	$139,787
Capital Subtotal OOE, Project 1	$119,843	$159,730	$139,787	$139,787
Subtotal OOE, Project 1	**$119,843**	**$159,730**	**$139,787**	**$139,787**
TYPE OF FINANCING				
Capital				
General CA 1 General Revenue Fund	$119,843	$159,730	$139,787	$139,787
Capital Subtotal TOF, Project 1	$119,843	$159,730	$139,787	$139,787
Subtotal TOF, Project 1	**$119,843**	**$159,730**	**$139,787**	**$139,787**
2/2 Microsoft Office 365 purchased using an interagency contract with the DIR Datacenter Services Program.				
OBJECTS OF EXPENSE				
Capital				
General 2001 PROFESSIONAL FEES AND SERVICES	$39,660	$49,922	$44,832	$44,832
Capital Subtotal OOE, Project 2	$39,660	$49,922	$44,832	$44,832
Subtotal OOE, Project 2	**$39,660**	**$49,922**	**$44,832**	**$44,832**
TYPE OF FINANCING				
Capital				
General CA 1 General Revenue Fund	$39,660	$49,922	$44,832	$44,832

Agency code: **312** Agency name: **Securities Board**

Category Code / Category Name *Project Sequence/Project Id/ Name* OOE / TOF / MOF CODE	Est 2022	Bud 2023	BL 2024	BL 2025
Capital Subtotal TOF, Project 2	$39,660	$49,922	$44,832	$44,832
Subtotal TOF, Project 2	**$39,660**	**$49,922**	**$44,832**	**$44,832**
Capital Subtotal, Category 7000	$159,503	$209,652	$184,619	$184,619
Informational Subtotal, Category 7000				
Total, Category 7000	**$159,503**	**$209,652**	**$184,619**	**$184,619**
9500 Legacy Modernization				
3/3 IT Modernization Plan				
OBJECTS OF EXPENSE				
Capital				
General 2001 PROFESSIONAL FEES AND SERVICES	$0	$0	$0	$0
General 2009 OTHER OPERATING EXPENSE	$0	$0	$0	$0
Capital Subtotal OOE, Project 3	$0	$0	$0	$0
Subtotal OOE, Project 3	**$0**	**$0**	**$0**	**$0**
TYPE OF FINANCING				
Capital				
General CA 1 General Revenue Fund	$0	$0	$0	$0
Capital Subtotal TOF, Project 3	$0	$0	$0	$0
Subtotal TOF, Project 3	**$0**	**$0**	**$0**	**$0**

Agency code: **312** Agency name: **Securities Board**

Category Code / Category Name *Project Sequence/Project Id/ Name* OOE / TOF / MOF CODE	Est 2022	Bud 2023	BL 2024	BL 2025
Capital Subtotal, Category 9500	$0	$0	$0	$0
Informational Subtotal, Category 9500				
Total, Category 9500	**$0**	**$0**	**$0**	**$0**
AGENCY TOTAL -CAPITAL	**$159,503**	**$209,652**	**$184,619**	**$184,619**
AGENCY TOTAL -INFORMATIONAL				
AGENCY TOTAL	**$159,503**	**$209,652**	**$184,619**	**$184,619**
METHOD OF FINANCING:				
Capital				
General 1 General Revenue Fund	$159,503	$209,652	$184,619	$184,619
Total, Method of Financing-Capital	$159,503	$209,652	$184,619	$184,619
Total, Method of Financing	**$159,503**	**$209,652**	**$184,619**	**$184,619**
TYPE OF FINANCING:				
Capital				
General CA CURRENT APPROPRIATIONS	$159,503	$209,652	$184,619	$184,619
Total, Type of Financing-Capital	$159,503	$209,652	$184,619	$184,619
Total,Type of Financing	**$159,503**	**$209,652**	**$184,619**	**$184,619**

Agency Code:	**312**	Agency name:	**Securities Board**
Category Number:	**7000**	Category Name:	**Data Center/Shared Technology Svcs**
Project number:	**1**	Project Name:	**DIR DCS Managed Security Services**

PROJECT DESCRIPTION

General Information

The Agency has subscribed to managed cybersecurity services provided by DIR's Managed Security Services (MSS) program. This is done in partnership with DIR and their existing Data Center Services contracts. Specifically, the services include intrusion prevention and detection, host intrusion protection, firewall management, and SIEM log monitoring.

PLCS Tracking Key	PCLS_88R_312_1110501
Number of Units / Average Unit Cost	N/A
Estimated Completion Date	N/A

Additional Capital Expenditure Amounts Required	**2026**	**2027**
	147,853	147,853

Type of Financing	CA CURRENT APPROPRIATIONS
Projected Useful Life	Ongoing
Estimated/Actual Project Cost	$147,853
Length of Financing/ Lease Period	N/A

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2024	**2025**	**2026**	**2027**	**Total over project life**
0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

REVENUE_COST_FLAG	**MOF_CODE**	**AVERAGE_AMOUNT**

Explanation: The Agency has subscribed to managed cybersecurity services provided by DIR's Managed Security Services (MSS) program. This is done in partnership with DIR and their existing Data Center Services contracts. Specifically, the services include intrusion prevention and detection, host intrusion protection, firewall management, and SIEM log monitoring.

Project Location: All Agency office locations as well as Agency devices being used remotely.

Beneficiaries: This project benefits all those that would be harmed by a loss of Agency data or successful malicious cyber-attack on the Agency's information technology resources.

Frequency of Use and External Factors Affecting Use:

The protections involved in this project are used constantly. The cybersecurity protections are in place at all times. The need is created by the high risk of malicious cyber-attacks against state agencies.

Agency Code:	**312**	Agency name:	**Securities Board**
Category Number:	**7000**	Category Name:	**Data Center/Shared Technology Svcs**
Project number:	**2**	Project Name:	**MS Office 365 Purch Thru DCS**

PROJECT DESCRIPTION

General Information

The Agency subscribes to Microsoft 365 using DIR's Data Center Services contract.

PLCS Tracking Key	PCLS_88R_312_1110502
Number of Units / Average Unit Cost	N/A
Estimated Completion Date	N/A

Additional Capital Expenditure Amounts Required	**2026**	**2027**
	60,182	60,182

Type of Financing	CA CURRENT APPROPRIATIONS
Projected Useful Life	Ongoing
Estimated/Actual Project Cost	$60,182
Length of Financing/ Lease Period	N/A

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2024	**2025**	**2026**	**2027**	**Total over project life**
0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

REVENUE_COST_FLAG	**MOF_CODE**	**AVERAGE_AMOUNT**

Explanation: The Agency subscribes to Microsoft 365 using DIR's Data Center Services contract.

Project Location: All Agency office locations as well as all Agency devices being used remotely.

Beneficiaries: Agency staff.

Frequency of Use and External Factors Affecting Use:

The staff of the agency uses Microsoft 365 to complete its mission on a daily basis. Using the DCS contract for this purchase provides a lower cost to the agency and State.

Agency Code:	**312**	Agency name:	**Securities Board**
Category Number:	**9500**	Category Name:	**Legacy Modernization**
Project number:	**3**	Project Name:	**IT Modernization Plan**

PROJECT DESCRIPTION

General Information

Four of the components from exceptional item 3 are included in this capital project. Each component is designed to modernize the agency's technological abilities and equipment and comply with the goals of the State Strategic Plan for Information Resources Management. The following components from exceptional item 3 are included in this capital project: a) a network micro-segmentation program, b) Microsoft Azure FileShare cloud storage and data management, c).an improved backup solution, and d) updated on premise network equipment.

PLCS Tracking Key	PCLS_88R_312_1107443
Number of Units / Average Unit Cost	N/A
Estimated Completion Date	Ongoing

Additional Capital Expenditure Amounts Required	**2026**	**2027**
	37,041	37,041

Type of Financing	CA CURRENT APPROPRIATIONS
Projected Useful Life	Ongoing
Estimated/Actual Project Cost	$85,835
Length of Financing/ Lease Period	N/A

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2024	**2025**	**2026**	**2027**	**Total over project life**
0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

REVENUE_COST_FLAG	**MOF_CODE**	**AVERAGE_AMOUNT**

Explanation: The four components of this capital project will modernize the Agency's information technology resources.

Project Location: This capital project affect all Agency offices as well as devices used to work remotely.

Beneficiaries: All that receive services from the Agency or rely on the security of data in the Agency's possession.

Frequency of Use and External Factors Affecting Use:

Ongoing

Agency code: **312** Agency name: **Securities Board**

Category Code/Name

Project Sequence/Project Id/Name

	Goal/Obj/Str	Strategy Name	Est 2022	Bud 2023	BL 2024	BL 2025
7000 Data Center/Shared Technology Services						
1/1	***DIR DCS Managed Security Services***					
GENERAL BUDGET						
Capital	1-1-1	LAW ENFORCEMENT	50,334	67,086	$58,710	$58,710
	1-2-1	SECURITIES REGISTRATION	7,191	9,584	8,387	8,387
	1-3-1	DEALER REGISTRATION	7,191	9,584	8,387	8,387
	1-4-1	INSPECT RECORDS	32,357	43,127	37,743	37,743
	2-1-1	CENTRAL ADMINISTRATION	22,770	30,349	26,560	26,560
		TOTAL, PROJECT	$119,843	$159,730	$139,787	$139,787
2/2	***MS Office 365 Purch Thru DCS***					
GENERAL BUDGET						
Capital	1-1-1	LAW ENFORCEMENT	16,657	20,968	18,829	18,829
	1-2-1	SECURITIES REGISTRATION	2,380	2,995	2,690	2,690
	1-3-1	DEALER REGISTRATION	2,380	2,995	2,690	2,690
	1-4-1	INSPECT RECORDS	10,708	13,479	12,105	12,105
	2-1-1	CENTRAL ADMINISTRATION	7,535	9,485	8,518	8,518
		TOTAL, PROJECT	$39,660	$49,922	$44,832	$44,832
9500 Legacy Modernization						
3/3	***IT Modernization Plan***					
GENERAL BUDGET						
Capital	1-1-1	LAW ENFORCEMENT	0	0	0	0

Agency code: **312** Agency name: **Securities Board**

Category Code/Name

Project Sequence/Project Id/Name

	Goal/Obj/Str	Strategy Name	Est 2022	Bud 2023	BL 2024	BL 2025
Capital	1-2-1	SECURITIES REGISTRATION	0	0	$0	$0
	1-3-1	DEALER REGISTRATION	0	0	0	0
	1-4-1	INSPECT RECORDS	0	0	0	0
	2-1-1	CENTRAL ADMINISTRATION	0	0	0	0
		TOTAL, PROJECT	$0	$0	$0	$0
		TOTAL CAPITAL, ALL PROJECTS	**$159,503**	**$209,652**	**$184,619**	**$184,619**
		TOTAL INFORMATIONAL, ALL PROJECTS				
		TOTAL, ALL PROJECTS	**$159,503**	**$209,652**	**$184,619**	**$184,619**

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Category Code / Category Name *Project Number / Name* OOE / TOF / MOF CODE	Excp 2024	Excp 2025
7000 Data Center/Shared Technology Services		
1 DIR DCS Managed Security Services		
Objects of Expense		
2001 PROFESSIONAL FEES AND SERVICES	8,066	8,066
Subtotal OOE, Project 1	**8,066**	**8,066**
Type of Financing		
CA 1 General Revenue Fund	8,066	8,066
Subtotal TOF, Project 1	**8,066**	**8,066**
2 MS Office 365 Purch Thru DCS		
Objects of Expense		
2001 PROFESSIONAL FEES AND SERVICES	15,350	15,350
Subtotal OOE, Project 2	**15,350**	**15,350**
Type of Financing		
CA 1 General Revenue Fund	15,350	15,350
Subtotal TOF, Project 2	**15,350**	**15,350**
Subtotal Category 7000	**23,416**	**23,416**
9500 Legacy Modernization		
3 IT Modernization Plan		
Objects of Expense		
2001 PROFESSIONAL FEES AND SERVICES	28,975	25,576
2009 OTHER OPERATING EXPENSE	56,859	8,064
Subtotal OOE, Project 3	**85,834**	**33,640**
Type of Financing		
CA 1 General Revenue Fund	85,834	33,640

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Category Code / Category Name *Project Number / Name* OOE / TOF / MOF CODE		Excp 2024	Excp 2025
Subtotal TOF, Project	3	**85,834**	**33,640**
Subtotal Category	**9500**	**85,834**	**33,640**
AGENCY TOTAL		**109,250**	**57,056**
METHOD OF FINANCING:			
1 General Revenue Fund		109,250	57,056
Total, Method of Financing		**109,250**	**57,056**
TYPE OF FINANCING:			
CA CURRENT APPROPRIATIONS		109,250	57,056
Total,Type of Financing		**109,250**	**57,056**

312 Securities Board

Category Code/Name

Project Number/Name

Goal/Obj/Str			Strategy Name	Excp 2024	Excp 2025
7000 Data Center/Shared Technology Services					
1 DIR DCS Managed Security Services					
1	1	1	LAW ENFORCEMENT	3,227	3,227
1	2	1	SECURITIES REGISTRATION	484	484
1	3	1	DEALER REGISTRATION	484	484
1	4	1	INSPECT RECORDS	3,494	3,494
2	1	1	CENTRAL ADMINISTRATION	377	377
			TOTAL, PROJECT	8,066	8,066
2 MS Office 365 Purch Thru DCS					
1	1	1	LAW ENFORCEMENT	6,140	6,140
1	2	1	SECURITIES REGISTRATION	921	921
1	3	1	DEALER REGISTRATION	921	921
1	4	1	INSPECT RECORDS	4,439	4,439
2	1	1	CENTRAL ADMINISTRATION	2,929	2,929
			TOTAL, PROJECT	15,350	15,350
9500 Legacy Modernization					
3 IT Modernization Plan					
1	1	1	LAW ENFORCEMENT	11,590	10,230
1	1	1	LAW ENFORCEMENT	22,743	3,225
1	2	1	SECURITIES REGISTRATION	1,739	1,535
1	2	1	SECURITIES REGISTRATION	3,412	484
1	3	1	DEALER REGISTRATION	1,739	1,535
1	3	1	DEALER REGISTRATION	3,412	484
1	4	1	INSPECT RECORDS	7,533	6,650

312 Securities Board

Category Code/Name

Project Number/Name

Goal/Obj/Str			Strategy Name	Excp 2024	Excp 2025
1	4	1	INSPECT RECORDS	14,783	2,097
2	1	1	CENTRAL ADMINISTRATION	6,374	5,626
2	1	1	CENTRAL ADMINISTRATION	12,509	1,774
			TOTAL, PROJECT	85,834	33,640
			TOTAL, ALL PROJECTS	**109,250**	**57,056**

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Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2022	Bud 2023	BL 2024	BL 2025
7000	**Data Center/Shared Technology Services**				
1 DIR DCS Managed Security Services					
OOE					
Capital					
1-1-1 LAW ENFORCEMENT					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	50,334	67,086	58,710	58,710
1-2-1 SECURITIES REGISTRATION					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	7,191	9,584	8,387	8,387
1-3-1 DEALER REGISTRATION					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	7,191	9,584	8,387	8,387
1-4-1 INSPECT RECORDS					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	32,357	43,127	37,743	37,743
2-1-1 CENTRAL ADMINISTRATION					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	22,770	30,349	26,560	26,560
	TOTAL, OOEs	**$119,843**	**$159,730**	**139,787**	**139,787**
MOF					
GENERAL REVENUE FUNDS					

312 Securities Board

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2022	Bud 2023	BL 2024	BL 2025
1 DIR DCS Managed Security Services					
Capital					
1-1-1 LAW ENFORCEMENT					
General Budget					
1	General Revenue Fund	50,334	67,086	58,710	58,710
1-2-1 SECURITIES REGISTRATION					
General Budget					
1	General Revenue Fund	7,191	9,584	8,387	8,387
1-3-1 DEALER REGISTRATION					
General Budget					
1	General Revenue Fund	7,191	9,584	8,387	8,387
1-4-1 INSPECT RECORDS					
General Budget					
1	General Revenue Fund	32,357	43,127	37,743	37,743
2-1-1 CENTRAL ADMINISTRATION					
General Budget					
1	General Revenue Fund	22,770	30,349	26,560	26,560
	TOTAL, GENERAL REVENUE FUNDS	**$119,843**	**$159,730**	**139,787**	**139,787**
	TOTAL, MOFs	**$119,843**	**$159,730**	**139,787**	**139,787**

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Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2022	Bud 2023	BL 2024	BL 2025
2 MS Office 365 Purch Thru DCS					
OOE					
Capital					
1-1-1 LAW ENFORCEMENT					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	16,657	20,968	18,829	18,829
1-2-1 SECURITIES REGISTRATION					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	2,380	2,995	2,690	2,690
1-3-1 DEALER REGISTRATION					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	2,380	2,995	2,690	2,690
1-4-1 INSPECT RECORDS					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	10,708	13,479	12,105	12,105
2-1-1 CENTRAL ADMINISTRATION					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	7,535	9,485	8,518	8,518
	TOTAL, OOEs	**$39,660**	**$49,922**	**44,832**	**44,832**
MOF					
GENERAL REVENUE FUNDS					
Capital					

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Category Code/Name

Project Sequence/Name

Goal/Obj/Str Strategy Name	Est 2022	Bud 2023	BL 2024	BL 2025
2 MS Office 365 Purch Thru DCS				
1-1-1 LAW ENFORCEMENT				
General Budget				
1 General Revenue Fund	16,657	20,968	18,829	18,829
1-2-1 SECURITIES REGISTRATION				
General Budget				
1 General Revenue Fund	2,380	2,995	2,690	2,690
1-3-1 DEALER REGISTRATION				
General Budget				
1 General Revenue Fund	2,380	2,995	2,690	2,690
1-4-1 INSPECT RECORDS				
General Budget				
1 General Revenue Fund	10,708	13,479	12,105	12,105
2-1-1 CENTRAL ADMINISTRATION				
General Budget				
1 General Revenue Fund	7,535	9,485	8,518	8,518
TOTAL, GENERAL REVENUE FUNDS	**$39,660**	**$49,922**	**44,832**	**44,832**
TOTAL, MOFs	**$39,660**	**$49,922**	**44,832**	**44,832**

9500 Legacy Modernization

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Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2022	Bud 2023	BL 2024	BL 2025
3 IT Modernization Plan					
OOE					
Capital					
1-1-1 LAW ENFORCEMENT					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
2009	OTHER OPERATING EXPENSE	0	0	0	0
1-2-1 SECURITIES REGISTRATION					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
2009	OTHER OPERATING EXPENSE	0	0	0	0
1-3-1 DEALER REGISTRATION					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
2009	OTHER OPERATING EXPENSE	0	0	0	0
1-4-1 INSPECT RECORDS					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
2009	OTHER OPERATING EXPENSE	0	0	0	0
2-1-1 CENTRAL ADMINISTRATION					
General Budget					

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Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2022	Bud 2023	BL 2024	BL 2025
3 IT Modernization Plan					
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
2009	OTHER OPERATING EXPENSE	0	0	0	0
	TOTAL, OOEs	**$0**	**$0**	**0**	**0**
MOF					
GENERAL REVENUE FUNDS					
Capital					
1-1-1 LAW ENFORCEMENT					
General Budget					
1	General Revenue Fund	0	0	0	0
1-2-1 SECURITIES REGISTRATION					
General Budget					
1	General Revenue Fund	0	0	0	0
1-3-1 DEALER REGISTRATION					
General Budget					
1	General Revenue Fund	0	0	0	0
1-4-1 INSPECT RECORDS					
General Budget					
1	General Revenue Fund	0	0	0	0
2-1-1 CENTRAL ADMINISTRATION					
General Budget					
1	General Revenue Fund	0	0	0	0
	TOTAL, GENERAL REVENUE FUNDS	**$0**	**$0**	**0**	**0**
	TOTAL, MOFs	**$0**	**$0**	**0**	**0**

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		Est 2022	Bud 2023	BL 2024	BL 2025
CAPITAL					
General Budget					
GENERAL REVENUE FUNDS		$159,503	$209,652	184,619	184,619
	TOTAL, GENERAL BUDGET	159,503	209,652	184,619	184,619
	TOTAL, ALL PROJECTS	**$159,503**	**$209,652**	**184,619**	**184,619**

Agency Code: **312** Agency: **Securities Board**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year - HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2020 % Actual	Diff	Actual $	Total Expenditures FY 2020	% Goal	HUB Expenditures FY 2021 % Actual	Diff	Actual $	Total Expenditures FY 2021
23.7%	Professional Services	23.7 %	100.0%	76.3%	$25,000	$25,000	23.7 %	100.0%	76.3%	$30,920	$30,920
26.0%	Other Services	26.0 %	16.4%	-9.6%	$26,277	$160,123	26.0 %	7.5%	-18.5%	$14,738	$195,763
21.1%	Commodities	31.1 %	65.0%	33.9%	$75,515	$116,215	21.1 %	26.1%	5.0%	$20,131	$77,156
	Total Expenditures		**42.1%**		**$126,792**	**$301,338**		**21.7%**		**$65,789**	**$303,839**

B. Assessment of Attainment of HUB Procurement Goals

Attainment:

The Agency exceeded the HUB procurement goals in the areas of professional services and commodities for FY 2020 and FY 2021. However, the Agency missed the other services goal. There was no purchasing activity within the heavy construction, building construction, or special trade categories

Applicability:

The procurement categories that apply to the Agency are professional services, other services, and commodities. The various construction categories do not apply to the Agency.

Factors Affecting Attainment:

Most of the Agency's expenditures were processed using statewide contracts over which the Agency has no control. Commodities and professional services are the categories over which the Agency has most control. Examples of items in the others services category for which the Agency does not have the ability to choose a HUB vendor are communication services, delivery services, and telecommunications.

C. Good-Faith Efforts to Increase HUB Participation

Outreach Efforts and Mentor-Protégé Programs:

The Agency's purchaser is an active participant in annual HUB purchasing events.

HUB Program Staffing:

The Agency has one purchaser that is responsible for seeking out HUB vendors offering the goods and services needed by the Agency.

Current and Future Good-Faith Efforts:

The Agency has established and implemented policies for purchasing that call for meaningful and substantive inclusion of HUB vendors . When Agency staff has the ability with state purchasing rules to choose a HUB vendor, they do so.

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CFDA NUMBER/ STRATEGY	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
21.019.119 COV19 Coronavirus Relief Fund					
1 - 2 - 1 SECURITIES REGISTRATION	3,270	0	0	0	0
1 - 3 - 1 DEALER REGISTRATION	3,270	0	0	0	0
1 - 4 - 1 INSPECT RECORDS	2,180	0	0	0	0
TOTAL, ALL STRATEGIES	**$8,720**	**$0**	**$0**	**$0**	**$0**
ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
TOTAL, FEDERAL FUNDS	**$8,720**	**$0**	**$0**	**$0**	**$0**
ADDL GR FOR EMPL BENEFITS	**$0**	**$0**	**$0**	**$0**	**$0**

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CFDA NUMBER/ STRATEGY	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS					
21.019.119 COV19 Coronavirus Relief Fund	8,720	0	0	0	0
TOTAL, ALL STRATEGIES	$8,720	$0	$0	$0	$0
TOTAL , ADDL FED FUNDS FOR EMPL BENEFITS	0	0	0	0	0
TOTAL, FEDERAL FUNDS	**$8,720**	**$0**	**$0**	**$0**	**$0**
TOTAL, ADDL GR FOR EMPL BENEFITS	**$0**	**$0**	**$0**	**$0**	**$0**

SUMMARY OF SPECIAL CONCERNS/ISSUES

Assumptions and Methodology:

Potential Loss:

6.E. Estimated Revenue Collections Supporting Schedule
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **312** Agency name: **Securities Board**

FUND/ACCOUNT		Act 2021	Exp 2022	Est 2023	Est 2024	Est 2025
1	**General Revenue Fund**					
	Beginning Balance (Unencumbered):	$0	$0	$0	$0	$0
	Estimated Revenue:					
3175	Professional Fees	9,246,523	10,000,000	8,500,000	8,500,000	8,500,000
3186	Securities Fees	181,911,822	180,000,000	150,000,000	150,000,000	150,000,000
3719	Fees/Copies or Filing of Records	195	0	0	0	0
3727	Fees - Administrative Services	300	0	0	0	0
3770	Administratve Penalties	130,321	256,179	0	0	0
	Subtotal: Actual/Estimated Revenue	191,289,161	190,256,179	158,500,000	158,500,000	158,500,000
	Total Available	**$191,289,161**	**$190,256,179**	**$158,500,000**	**$158,500,000**	**$158,500,000**
Ending Fund/Account Balance		**$191,289,161**	**$190,256,179**	**$158,500,000**	**$158,500,000**	**$158,500,000**

REVENUE ASSUMPTIONS:

CONTACT PERSON:
Derek Lauterjung