

**Legislative Appropriations Request
for Fiscal Years 2018 and 2019**

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

by the

State Securities Board

August 5, 2016

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Administrator's Statement

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ADMINISTRATOR'S STATEMENT

August 5, 2016

I. Background

Pursuant to the requirements of The Securities Act, Tex. Rev. Civ. Stat. Ann. arts. 581-1 to 581-44, the mission of the State Securities Board is to protect investors. Consistent with that mission, the agency seeks to encourage capital formation, job formation, free and competitive securities markets and to minimize burdens on issuers and persons subject to the Act, especially small businesses.

To implement the requirements of 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.

Texas is an exceptionally large and growing capital market. In the last fiscal year the State Securities Board processed and analyzed 310,807 applications and renewals of registration for securities dealers, agents, investment advisers and investment adviser representatives and 61,865 filings to authorize securities to be sold in the state. Changes in federal law that shifted responsibility to the agency for oversight and inspection of certain investment advisers in Texas have increased the population of these firms to more than 1,350. These firms are located in every region of the state and collectively manage more than \$23 billion in investor funds.

Unfortunately, Texas also represents a large target for promoters of fraudulent investment schemes. Because these schemes divert capital that would otherwise be available for legitimate economic development and adversely affect investor confidence, the State Securities Board's law enforcement strategy places significant emphasis on proactively identifying fraudulent offerings and coordinating work with other state and federal law enforcement and regulatory agencies to effectively leverage limited investigative resources and ensure that appropriate administrative, civil, or criminal law enforcement actions are taken.

Through the agency's registration strategies, applications for registration of securities are analyzed and notice filings for offerings in Texas are reviewed for compliance with the Act and Board Rules. The agency also evaluates applications filed with the agency for registration of dealers, agents, investment advisers, and investment adviser representatives to ensure that only qualified firms and individuals are authorized to deal with the investing public in Texas.

Through the inspections and compliance strategy, the agency inspects the records of registered dealers and investment advisers, ensures that these registrants are conducting business in compliance with the Act and Board Rules, and requires implementation of corrective measures when necessary.

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

In every region of Texas, the State Securities Board provides services to investors, applicants, registrants, and issuers seeking to raise capital to expand their businesses. To effectively meet the service requirements of these customers and to help facilitate the law enforcement and inspections strategies of the agency, the State Securities Board maintains branch offices in Austin, Dallas, Houston, San Antonio, Corpus Christi, and Lubbock.

Nearly 80% of the staff of the State Securities Board are attorneys, financial examiners, accountants, information technology specialists, and other professionals. In order to effectively protect Texas investors without unduly inhibiting the ability of legitimate issuers and dealers to raise capital, agency employees must be well-educated, knowledgeable, and adequately trained to make prompt and accurate assessments and recommendations concerning complex plans of business, illegal sales practices, and compliance with regulatory requirements. The agency expends significant resources to ensure that employees receive adequate training and have the necessary ongoing support to effectively perform the agency's work.

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Securities regulation in the United States is comprised of federal, state and self-regulatory entities employing legal, analytical, inspection and investigation professionals. This regulatory structure lends itself to movement of staff to positions in the industry and between regulators based on compensation packages. Although salaries for professional positions at the State Securities Board are not competitive with those of individuals performing related work in the private sector, the agency seeks to maintain a salary structure that is at least competitive with similar positions for other state and federal regulators. However, the agency loses qualified, experienced staff to other regulators based on salary levels. This is directly attributable to deficiencies in the agency’s appropriations, making it impossible for it to compete with the salaries offered by other regulators.

Continued growth in the workload of the State Securities Board 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. Because much of the information received by the State Securities Board, including evidence obtained in connection with investigations and inspections, is in electronic format, the agency must maintain modern equipment, software, and methodologies to effectively process and analyze this information. The State Securities Board continuously seeks to take advantage of new technologies to enhance workplace productivity and collaboration, reduce technology operating costs, and improve redundancy of critical information.

II. Governing Board

The governing board of the agency is composed of five members appointed by the Governor, with concurrence of the Senate, for six-year overlapping terms.

The members of the Board are:

NAME	DATES OF TERM	HOMETOWN
Beth Ann Blackwood, Chair	4/2013 - 1/2019	Dallas
E. Wally Kinney, Member	3/2013 - 1/2019	Dripping Springs
David A. Appleby, Member	5/2011 – 1/2017	El Paso
Alan Waldrop, Member	6/2011 – 1/2017	Austin
Miguel Romano, Jr.	9/2015 – 1/2021	Austin

The Board members review, approve, and periodically update rules to ensure that investors remain adequately protected and that unreasonable burdens on registrants and legitimate capital-raising activities are avoided.

III. Issues Fundamental to the Budget Request

Section 35.A of the Securities Act requires the State Securities Board to set fees in amounts sufficient to cover the costs of administering and enforcing the Securities Act. Section 35.C of the Act requires that the fees set by the Board must be reasonable and necessary to defray the agency’s costs. The agency is also required by the Government Code, Section 316.045, to reduce its fees on a biennial basis if those fees produce revenue that exceeds the agency’s costs.

Compliance with these provisions requires that a reduction must be made in the fees set, collected, and deposited to the General Revenue Fund by the State Securities Board to correspond with reductions in appropriations made to the agency.

The directive to limit the 2018-2019 baseline request to 96 percent of the 2016-2017 General Revenue Funds and General Revenue-Dedicated Funds expenditures will result in a funding cut to the State Securities Board of \$292,466.00 in each year of the biennium and, pursuant to statutory requirements, a corresponding loss of revenue

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to the State in the fees set, collected, and deposited by the agency to the General Revenue Fund.

To achieve these funding cuts, the State Securities Board will reduce spending for the Law Enforcement strategy by \$172,555.00 in FY 2018 and \$172,555.00 in FY 2019 and will reduce spending for the Inspections strategy by \$119,911.00 in FY 2018 and \$119,911.00 in FY 2019.

The 10 percent funding cut referenced in the instructions for the Legislative Appropriations Request, will result in a reduction to the State Securities Board of \$701,920.00 in each year of the biennium and, pursuant to statutory requirements, a corresponding loss of revenue to the State in the fees set, collected, and deposited by the agency to the General Revenue Fund.

To achieve a 10 percent funding cut, the State Securities Board will reduce spending for the Law Enforcement strategy by \$414,133.00 in FY 2018 and \$414,133.00 in FY 2019 and will reduce spending for the Inspections strategy by \$287,787.00 in FY 2018 and \$287,787.00 in FY 2019.

The Law Enforcement and Inspections strategies account for nearly 67% of the State Securities Board's cost of operations. Unlike other strategies of the agency, the Law Enforcement and Inspections strategies employ a range of methodologies and incur case-dependent variable expenses as part of the complex work necessary to accomplish their objectives -- providing somewhat greater management flexibility in reducing costs. For these strategies, a reduction in force of mission-critical professionals and administrative support personnel can be balanced with proportional measures to narrow investor protection and inspection priorities, reduce amounts expended for travel for investigations and inspections, reduce assistance provided to prosecutors for trials of securities fraud cases, and limit resources available to obtain evidentiary information.

The impact on the agency's performance in each year of the biennium is estimated to include the following:

4% Reduction

- Decrease of 76 investigations during the biennium;
- Decrease of 4 administrative, civil and criminal enforcement actions during the biennium;
- Decrease of 57 inspections of investment advisers during biennium;
- Decrease from 50% to 36% of registered investment advisers that are inspected during the biennium.

10% Reduction

- Decrease of 190 investigations during the biennium;
- Decrease of 18 administrative, civil and criminal enforcement actions during the biennium;
- Decrease of 170 inspections of investment advisers during biennium;
- Decrease from 50% to 14% of registered investment advisers that are inspected during the biennium.

The negative cumulative effect of the stated budgetary cuts on investors, investor confidence generally, or on customers of investment advisers regulated by the State Securities Board is unknown.

IV. RECENT SIGNIFICANT DEVELOPMENTS

Recent changes in federal law have preempted state securities registration requirements for certain offerings and enabled securities issuers to make unregistered sales to the public through general solicitation. A result is that the agency is required to expend additional resources to promptly identify fraudulent offerings made to the public.

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Federal budget requests continue to seek authorization for the U.S. Securities and Exchange Commission to hire additional examiners to inspect investment advisers subject to federal oversight (firms having more than \$100 million of investor funds under management). When such authorization is approved, the State Securities Board's most experienced and capable financial examiners are likely to be recruited by the federal regulator -- an agency that is currently able to pay salaries much higher than those paid by the State Securities Board for the same work.

V. REDUCTION IN AGENCY FEES

The review required by Government Code Section 316.045 of amounts charged as fees by the State Securities Board indicates that a reduction in fees set by the agency's Board under Section 35.A of the Securities Act may be appropriate to more closely align fee revenue with the costs of administering and enforcing the Securities Act. Because such a large percentage of fee revenue is received at the beginning of the calendar year as part of the registration renewal process for securities dealers, agents, investment advisers and investment adviser representatives, more specific information on the amount of reduction in agency fees is expected to be available shortly after the beginning of the legislative session.

VI. NEW FUNDING REQUESTED

In this Legislative Appropriations Request the State Securities Board is requesting additional funding for certain targeted salary increases for key front-line professional positions in the agency – particularly in enforcement, inspections, and registration. These targeted increases seek to address continuous challenges in hiring and retaining qualified professional staff and to help create a viable career ladder going forward for these key positions based on increasing responsibility, training, and experience. The increased funding will be for salaries for existing positions set at a midpoint of the salary range for existing financial examiner and attorney job classifications in the General Appropriations Act.

VII. EXEMPT POSITION

The only exempt position allocated to the State Securities Board is that of Securities Commissioner. The maximum salary for this position should be increased to correspond with the findings of the State Auditor's Office in its report on executive compensation required by Article IX, Section 3.08 of the General Appropriations Act (84th Legislature.) An appropriate salary increase for this position will provide flexibility to the governing board of the agency to address pay compression issues within the State Securities Board and to improve the Board's ability to select the best candidate for the position of the Securities Commissioner when that position becomes vacant in the future. The Board of the agency currently does not have an ability to increase the salary for this position because of the not-to-exceed rate set for the position in the General Appropriations Act.

VIII. BACKGROUND CHECKS

Pursuant to the authority of the Texas Government Code, Section 411.139, the State Securities Board obtains criminal history record information to evaluate the qualifications of applicants for registration under the Texas Securities Act, evaluate the conduct of persons registered pursuant to 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 user names and passwords allocated by DPS. Access is restricted to certain employees within the agency having specific job duties related to the evaluation of application and registration information. Information obtained pursuant to this procedure is fully protected from disclosure to unauthorized personnel or to the public in accordance with state law.

IX. STATEWIDE ERP (CAPPS) SYSTEM

The Comptroller of Public Accounts has identified the State Securities Board as an agency that will transition to the Centralized Accounting and Payroll/Personnel

Administrator's Statement

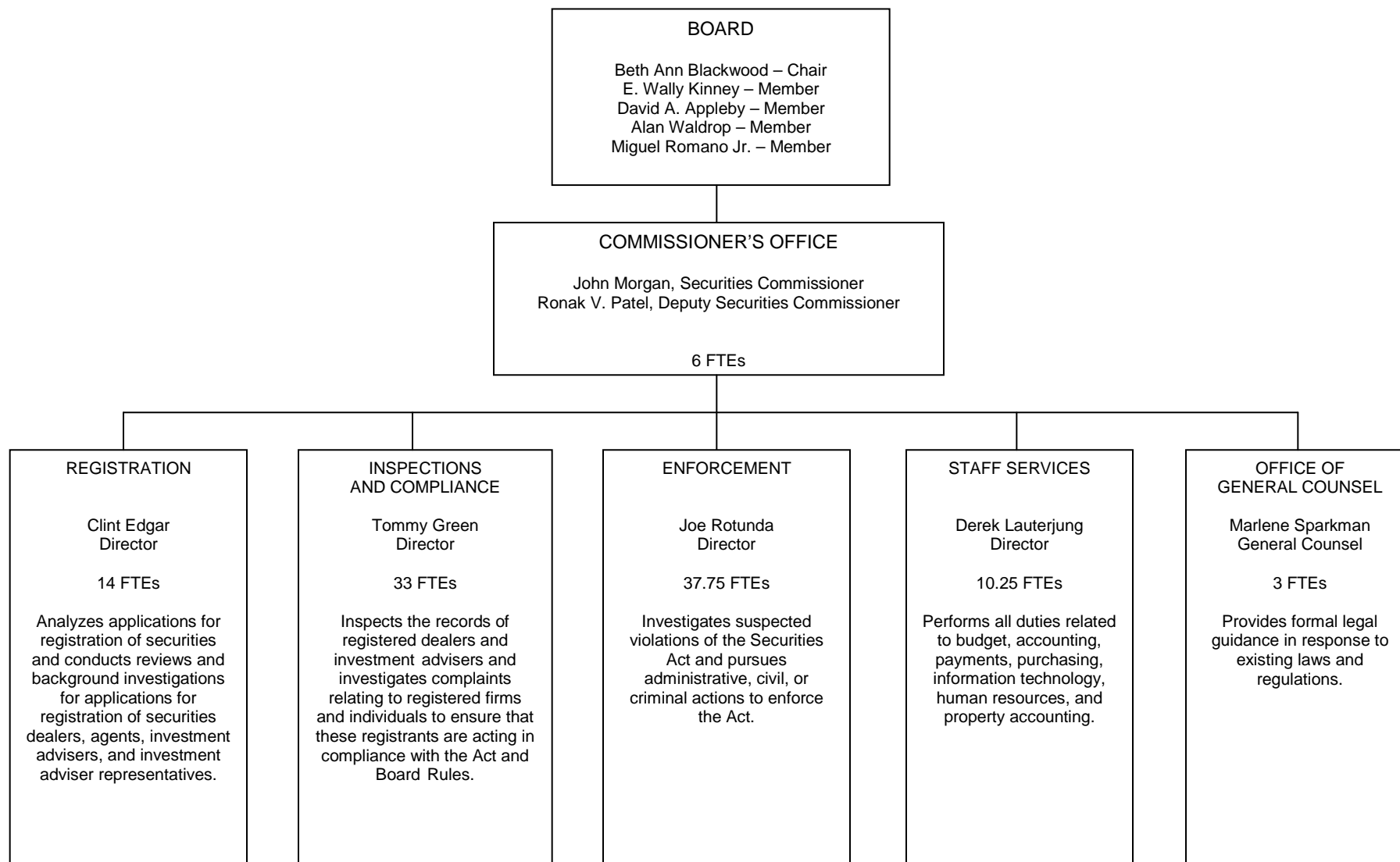
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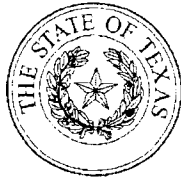
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System (CAPPS) and the agency anticipates doing so during the upcoming biennium. There is no indication that additional appropriations will be required to convert to this system.

State Securities Board Organizational Chart





CERTIFICATE

Agency Name State Securities Board

This is to certify that the information contained in the agency Legislative Appropriation Request filed with the Legislative Budget Board (LBB) and the Office of the Governor, Budget Division, 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.

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 (2016-17 GAA).

Chief Executive Officer or Presiding Judge

[Signature]
Signature

JOHN MORGAN
Printed Name

SECURITIES COMMISSIONER
Title

8-3-2016
Date

Board or Commission Chair

[Signature]
Signature

Beth Ann Blackwell
Printed Name

Chair
Title

8/3/2016
Date

Chief Financial Officer

[Signature]
Signature

DEREK LAUTERJUNG
Printed Name

DIRECTOR OF STAFF SERVICES
Title

8/3/16
Date

Budget Overview - Biennial Amounts
85th Regular Session, Agency Submission, Version 1
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312 Securities Board
Appropriation Years: 2018-19

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2018-19
Goal: 1. Protect Investors and Assure Access to Capital for Business											
1.1.1. Law Enforcement	5,721,090	5,379,519					3		5,721,093	5,379,519	2,219,726
1.2.1. Securities Registration	816,667	813,356					1,226		817,893	813,356	70,974
1.3.1. Dealer Registration	917,091	914,492							917,091	914,492	54,708
1.4.1. Inspect Records	3,949,210	3,713,022							3,949,210	3,713,022	1,165,262
Total, Goal	11,404,058	10,820,389					1,229		11,405,287	10,820,389	3,510,670
Goal: 2. Indirect Administration											
2.1.1. Central Administration	2,728,947	2,742,402					46		2,728,993	2,742,402	51,510
2.1.2. Information Technology	490,329	475,610							490,329	475,610	
Total, Goal	3,219,276	3,218,012					46		3,219,322	3,218,012	51,510
Total, Agency	14,623,334	14,038,401					1,275		14,624,609	14,038,401	3,562,180
Total FTEs									104.0	104.0	0.0

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Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
1 <i>Protect Investors and Assure Access to Capital for Business</i>					
1 <i>Bring Law Enforcement Actions Against Violators</i>					
1 LAW ENFORCEMENT	2,858,925	2,864,473	2,856,620	2,689,760	2,689,759
2 <i>Guarantee Registered Securities Offerings Are Fair to Investors</i>					
1 SECURITIES REGISTRATION	385,533	411,216	406,677	406,677	406,679
3 <i>Guarantee That Persons Registered or Authorized are Qualified</i>					
1 DEALER REGISTRATION	420,606	459,845	457,246	457,246	457,246
4 <i>Inspect Registered Dealers and Investment Advisers</i>					
1 INSPECT RECORDS	1,918,293	1,976,745	1,972,465	1,856,511	1,856,511
TOTAL, GOAL 1	\$5,583,357	\$5,712,279	\$5,693,008	\$5,410,194	\$5,410,195
2 <i>Indirect Administration</i>					
1 <i>Indirect Administration</i>					
1 CENTRAL ADMINISTRATION	1,342,811	1,357,792	1,371,201	1,371,201	1,371,201

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
2 INFORMATION TECHNOLOGY	230,184	252,524	237,805	237,805	237,805
TOTAL, GOAL 2	\$1,572,995	\$1,610,316	\$1,609,006	\$1,609,006	\$1,609,006
TOTAL, AGENCY STRATEGY REQUEST	\$7,156,352	\$7,322,595	\$7,302,014	\$7,019,200	\$7,019,201
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$7,156,352	\$7,322,595	\$7,302,014	\$7,019,200	\$7,019,201
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	7,155,234	7,321,320	7,302,014	7,019,200	7,019,201
SUBTOTAL	\$7,155,234	\$7,321,320	\$7,302,014	\$7,019,200	\$7,019,201
Other Funds:					
666 Appropriated Receipts	1,118	1,275	0	0	0
SUBTOTAL	\$1,118	\$1,275	\$0	\$0	\$0
TOTAL, METHOD OF FINANCING	\$7,156,352	\$7,322,595	\$7,302,014	\$7,019,200	\$7,019,201

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

2.B. Summary of Base Request by Method of Finance
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Agency code: **312** Agency name: **Securities Board**

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2014-2015 GAA)

\$6,986,591	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2016-2017 GAA)

\$0	\$7,739,912	\$7,819,249	\$0	\$0
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Regular Appropriations from MOF Table (2018-19 GAA)

\$0	\$0	\$0	\$7,019,200	\$7,019,201
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RIDER APPROPRIATION

UB Rider 3-GAA 2014-2015 Agency Bill Pattern-Regular

\$266,128	\$0	\$0	\$0	\$0
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TRANSFERS

Art IX, Sec 18.02, Salary Increase for General State Employees (2016-2017 GAA)

\$0	\$138,760	\$119,453	\$0	\$0
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Art IX, Sec 17.06, Salary Increases for General State Employees (2014-2015 GAA)

2.B. Summary of Base Request by Method of Finance
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Agency code: 312		Agency name: Securities Board				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE</u>		\$167,305	\$0	\$0	\$0	\$0
<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>						
Governor's Veto (2016-17 GAA)		\$0	\$(557,352)	\$(636,688)	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2014-2015 GAA)		\$(264,790)	\$0	\$0	\$0	\$0
Comments: Additional appropriations were lapsed post operating budget.						
TOTAL,	General Revenue Fund	\$7,155,234	\$7,321,320	\$7,302,014	\$7,019,200	\$7,019,201
TOTAL, ALL	GENERAL REVENUE	\$7,155,234	\$7,321,320	\$7,302,014	\$7,019,200	\$7,019,201

OTHER FUNDS

666 Appropriated Receipts
RIDER APPROPRIATION

Art IX, Sec 12.02, Publications or Sales of Records (2014-2015 GAA)		\$1,118	\$0	\$0	\$0	\$0
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2.B. Summary of Base Request by Method of Finance
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Agency code: 312		Agency name: Securities Board				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>OTHER FUNDS</u>						
Art IX, Sec 12.02, Publications or Sales of Records (2016-2017 GAA)		\$0	\$1,275	\$0	\$0	\$0
TOTAL, Appropriated Receipts		\$1,118	\$1,275	\$0	\$0	\$0
TOTAL, ALL OTHER FUNDS		\$1,118	\$1,275	\$0	\$0	\$0
GRAND TOTAL		\$7,156,352	\$7,322,595	\$7,302,014	\$7,019,200	\$7,019,201
FULL-TIME-EQUIVALENT POSITIONS						
REGULAR APPROPRIATIONS						
Regular Appropriations from MOF Table (2014-2015 GAA)		104.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2016-2017 GAA)		0.0	104.0	104.0	0.0	0.0
Regular Appropriations from MOF Table (2018-19 GAA)		0.0	0.0	0.0	104.0	104.0
LAPSED APPROPRIATIONS						
Regular Appropriations from MOF Table (2014-2015 GAA)		(6.6)	0.0	0.0	0.0	0.0
TOTAL, ADJUSTED FTES		97.4	104.0	104.0	104.0	104.0

2.B. Summary of Base Request by Method of Finance

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Agency code: **312**

Agency name: **Securities Board**

METHOD OF FINANCING

Exp 2015

Est 2016

Bud 2017

Req 2018

Req 2019

**NUMBER OF 100% FEDERALLY
FUNDED FTEs**

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

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OBJECT OF EXPENSE	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1001 SALARIES AND WAGES	\$5,854,492	\$5,810,466	\$5,993,475	\$5,755,671	\$5,755,668
1002 OTHER PERSONNEL COSTS	\$354,535	\$500,518	\$438,286	\$436,329	\$436,329
2001 PROFESSIONAL FEES AND SERVICES	\$27,566	\$32,262	\$37,528	\$37,528	\$37,528
2003 CONSUMABLE SUPPLIES	\$38,394	\$39,757	\$38,800	\$38,800	\$38,800
2004 UTILITIES	\$36,766	\$58,328	\$94,444	\$92,284	\$92,284
2005 TRAVEL	\$166,999	\$188,908	\$179,200	\$168,686	\$168,686
2006 RENT - BUILDING	\$154,520	\$168,030	\$172,886	\$150,516	\$150,516
2007 RENT - MACHINE AND OTHER	\$23,321	\$25,449	\$25,390	\$22,540	\$22,541
2009 OTHER OPERATING EXPENSE	\$358,831	\$428,877	\$252,005	\$316,846	\$316,849
5000 CAPITAL EXPENDITURES	\$140,928	\$70,000	\$70,000	\$0	\$0
OOE Total (Excluding Riders)	\$7,156,352	\$7,322,595	\$7,302,014	\$7,019,200	\$7,019,201
OOE Total (Riders)					
Grand Total	\$7,156,352	\$7,322,595	\$7,302,014	\$7,019,200	\$7,019,201

2.D. Summary of Base Request Objective Outcomes
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312 Securities Board					
Goal/ Objective / Outcome	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1 Protect Investors and Assure Access to Capital for Business					
1 Bring Law Enforcement Actions Against Violators					
1 Number of Law Enforcement Actions Taken	996.00	1,238.00	1,238.00	1,145.00	1,145.00
2 Dollar Amount Involved in Law Enforcement Actions	1,715,234.00	110,764,320.00	110,764,320.00	102,427,221.00	102,427,221.00
3 Percentage of Law Enforcement Actions Successful	100.00%	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	5.63	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	2.78	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	19.20%	25.00%	25.00%	18.00%	18.00%
KEY 2 % of Inspected Dealers/Investment Advisers Requiring Corrective Action	82.75%	80.00%	80.00%	80.00%	80.00%

2.E. Summary of Exceptional Items Request
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DATE: 8/5/2016
 TIME : 11:20:28AM

Agency code: 312

Agency name: **Securities Board**

Priority	Item	2018			2019			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Return 4% Reduction	\$292,466	\$292,466		\$292,466	\$292,466		\$584,932	\$584,932
2	Targeted Salary Increases	\$1,488,624	\$1,488,624		\$1,488,624	\$1,488,624		\$2,977,248	\$2,977,248
Total, Exceptional Items Request		\$1,781,090	\$1,781,090		\$1,781,090	\$1,781,090		\$3,562,180	\$3,562,180
Method of Financing									
	General Revenue	\$1,781,090	\$1,781,090		\$1,781,090	\$1,781,090		\$3,562,180	\$3,562,180
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		\$1,781,090	\$1,781,090		\$1,781,090	\$1,781,090		\$3,562,180	\$3,562,180

Full Time Equivalent Positions

Number of 100% Federally Funded FTEs

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/5/2016
 TIME : 11:20:29AM

Agency code: 312 Agency name: Securities Board

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
1 Protect Investors and Assure Access to Capital for Business						
1 <i>Bring Law Enforcement Actions Against Violators</i>						
1 LAW ENFORCEMENT	\$2,689,760	\$2,689,759	\$1,109,863	\$1,109,863	\$3,799,623	\$3,799,622
2 <i>Guarantee Registered Securities Offerings Are Fair to Investors</i>						
1 SECURITIES REGISTRATION	406,677	406,679	35,487	35,487	442,164	442,166
3 <i>Guarantee That Persons Registered or Authorized are Qualified</i>						
1 DEALER REGISTRATION	457,246	457,246	27,354	27,354	484,600	484,600
4 <i>Inspect Registered Dealers and Investment Advisers</i>						
1 INSPECT RECORDS	1,856,511	1,856,511	582,631	582,631	2,439,142	2,439,142
TOTAL, GOAL 1	\$5,410,194	\$5,410,195	\$1,755,335	\$1,755,335	\$7,165,529	\$7,165,530

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/5/2016
 TIME : 11:20:29AM

Agency code: 312 Agency name: Securities Board

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
2 Indirect Administration						
1 Indirect Administration						
1 CENTRAL ADMINISTRATION	\$1,371,201	\$1,371,201	\$25,755	\$25,755	\$1,396,956	\$1,396,956
2 INFORMATION TECHNOLOGY	237,805	237,805	0	0	237,805	237,805
TOTAL, GOAL 2	\$1,609,006	\$1,609,006	\$25,755	\$25,755	\$1,634,761	\$1,634,761
TOTAL, AGENCY STRATEGY REQUEST	\$7,019,200	\$7,019,201	\$1,781,090	\$1,781,090	\$8,800,290	\$8,800,291
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$7,019,200	\$7,019,201	\$1,781,090	\$1,781,090	\$8,800,290	\$8,800,291

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/5/2016
 TIME : 11:20:29AM

Agency code: 312 Agency name: Securities Board

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
General Revenue Funds:						
1 General Revenue Fund	\$7,019,200	\$7,019,201	\$1,781,090	\$1,781,090	\$8,800,290	\$8,800,291
	\$7,019,200	\$7,019,201	\$1,781,090	\$1,781,090	\$8,800,290	\$8,800,291
Other Funds:						
666 Appropriated Receipts	0	0	0	0	0	0
	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCING	\$7,019,200	\$7,019,201	\$1,781,090	\$1,781,090	\$8,800,290	\$8,800,291
FULL TIME EQUIVALENT POSITIONS	104.0	104.0	0.0	0.0	104.0	104.0

2.G. Summary of Total Request Objective Outcomes
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/5/2016
 Time: 11:20:30AM

Agency code: 312

Agency name: Securities Board

Goal/ Objective / Outcome

	BL 2018	BL 2019	Excp 2018	Excp 2019	Total Request 2018	Total Request 2019
1	Protect Investors and Assure Access to Capital for Business					
1	<i>Bring Law Enforcement Actions Against Violators</i>					
	1 Number of Law Enforcement Actions Taken					
	1,145.00	1,145.00	1,238.00	1,238.00	1,238.00	1,238.00
	2 Dollar Amount Involved in Law Enforcement Actions					
	102,427,221.00	102,427,221.00	110,764,320.00	110,764,320.00	110,764,320.00	110,764,320.00
	3 Percentage of Law Enforcement Actions Successful					
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2	<i>Guarantee Registered Securities Offerings Are Fair to Investors</i>					
	1 Average Time (Days) for Deficiency Letters Issuance on Securities Apps					
	7.00	7.00	7.00	7.00	7.00	7.00
3	<i>Guarantee That Persons Registered or Authorized are Qualified</i>					
	1 Average Time (Days) for Def. Letters on Dealer & Invest. Adviser Apps					
	14.00	14.00	14.00	14.00	14.00	14.00
4	<i>Inspect Registered Dealers and Investment Advisers</i>					
KEY	1 Percentage of Texas Dealers and Investment Advisers Inspected					
	18.00%	18.00%	25.00%	25.00%	25.00%	25.00%
KEY	2 % of Inspected Dealers/Investment Advisers Requiring Corrective Action					
	80.00%	80.00%	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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	Number of Investigations Opened	444.00	414.00	414.00	376.00	376.00
2	Number of Criminal and Civil Referrals	17.00	14.00	14.00	12.00	12.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,264,032	\$2,261,728	\$2,244,389	\$2,110,412	\$2,110,411
1002	OTHER PERSONNEL COSTS	\$138,761	\$142,002	\$168,932	\$167,514	\$167,514
2001	PROFESSIONAL FEES AND SERVICES	\$3,522	\$12,441	\$15,097	\$15,097	\$15,097
2003	CONSUMABLE SUPPLIES	\$17,760	\$13,835	\$18,000	\$18,000	\$18,000
2004	UTILITIES	\$24,517	\$36,025	\$49,130	\$46,970	\$46,970
2005	TRAVEL	\$81,452	\$87,189	\$83,000	\$83,000	\$83,000
2006	RENT - BUILDING	\$89,341	\$101,484	\$101,942	\$79,572	\$79,572
2007	RENT - MACHINE AND OTHER	\$12,551	\$12,871	\$13,500	\$10,649	\$10,649
2009	OTHER OPERATING EXPENSE	\$169,360	\$167,827	\$133,559	\$158,546	\$158,546
5000	CAPITAL EXPENDITURES	\$57,629	\$29,071	\$29,071	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$2,858,925	\$2,864,473	\$2,856,620	\$2,689,760	\$2,689,759
Method of Financing:						
1	General Revenue Fund	\$2,858,925	\$2,864,470	\$2,856,620	\$2,689,760	\$2,689,759

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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,858,925	\$2,864,470	\$2,856,620	\$2,689,760	\$2,689,759
Method of Financing:						
666	Appropriated Receipts	\$0	\$3	\$0	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$0	\$3	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,689,760	\$2,689,759
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,858,925	\$2,864,473	\$2,856,620	\$2,689,760	\$2,689,759
FULL TIME EQUIVALENT POSITIONS:		36.5	37.8	37.8	37.8	37.8

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.

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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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 are able to use boiler rooms, telemarketing firms, free lunch seminars, and other means of public solicitation to broadly recruit greater numbers of victims under the color of law. 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: 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$5,721,093	\$5,379,519	\$(341,574)	\$(345,110)	Contribute to 4% reduction in baseline.
			\$5,216	Salary increase funds from staff members that left in FY16. Received from Sec, Dlr, & Admin.
			\$(1,680)	FY17 was allocated \$1,680 less than FY16. This \$1,680 was continued in both FY18 and FY19.
			\$(341,574)	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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	Number of Securities Filings and Submissions Processed	61,865.00	52,200.00	52,200.00	52,200.00	52,200.00
Explanatory/Input Measures:						
KEY 1	Revenues Deposited to the State Treasury from Securities Applications	142,269,821.00	102,000,000.00	102,000,000.00	102,000,000.00	102,000,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$332,523	\$326,715	\$348,376	\$348,375	\$348,376
1002	OTHER PERSONNEL COSTS	\$24,204	\$50,065	\$26,222	\$26,222	\$26,222
2001	PROFESSIONAL FEES AND SERVICES	\$157	\$1,879	\$3,180	\$3,180	\$3,180
2003	CONSUMABLE SUPPLIES	\$1,773	\$1,014	\$2,000	\$2,000	\$2,000
2004	UTILITIES	\$26	\$1,440	\$2,300	\$2,300	\$2,300
2005	TRAVEL	\$3,162	\$6,265	\$6,000	\$6,000	\$6,000
2006	RENT - BUILDING	\$2,391	\$2,581	\$3,000	\$3,000	\$3,000
2007	RENT - MACHINE AND OTHER	\$497	\$829	\$660	\$660	\$660
2009	OTHER OPERATING EXPENSE	\$14,015	\$16,633	\$11,144	\$14,940	\$14,941
5000	CAPITAL EXPENDITURES	\$6,785	\$3,795	\$3,795	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$385,533	\$411,216	\$406,677	\$406,677	\$406,679

312 Securities Board

GOAL: 1 Protect Investors and Assure Access to Capital for Business
 OBJECTIVE: 2 Guarantee Registered Securities Offerings Are Fair to Investors
 STRATEGY: 1 Review Security Documentation for Conformity

Service Categories:
 Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Method of Financing:						
1	General Revenue Fund	\$384,656	\$409,990	\$406,677	\$406,677	\$406,679
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$384,656	\$409,990	\$406,677	\$406,677	\$406,679
Method of Financing:						
666	Appropriated Receipts	\$877	\$1,226	\$0	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$877	\$1,226	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$406,677	\$406,679
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$385,533	\$411,216	\$406,677	\$406,677	\$406,679
FULL TIME EQUIVALENT POSITIONS:		5.5	5.5	7.0	7.0	7.0
STRATEGY DESCRIPTION AND JUSTIFICATION:						

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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$817,893	\$813,356	\$(4,537)	\$(1,226)	Appropriated receipts received in FY16 that are not planned for FY18-19.
			\$(3,311)	Salary increase funds from staff members that left in FY16. Applied to Enf and I&C.
			\$(4,537)	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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	Number of Dealers, Agents, IA, & IAR Applications and Submissions Proc	389,614.00	342,000.00	342,000.00	342,000.00	342,000.00
Explanatory/Input Measures:						
KEY 1	# of Dealers, Agents, Invest Advisers & Reps Licensed or Authorized	389,614.00	320,000.00	320,000.00	320,000.00	320,000.00
2	Revenues Deposited to State Treasury from Applications and Submissions	83,426,692.00	80,600,000.00	80,600,000.00	80,600,000.00	80,600,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$371,864	\$368,310	\$397,584	\$397,583	\$397,582
1002	OTHER PERSONNEL COSTS	\$24,708	\$50,805	\$29,926	\$29,926	\$29,926
2001	PROFESSIONAL FEES AND SERVICES	\$287	\$1,904	\$3,180	\$3,180	\$3,180
2003	CONSUMABLE SUPPLIES	\$1,658	\$1,360	\$2,000	\$2,000	\$2,000
2004	UTILITIES	\$62	\$338	\$2,520	\$2,520	\$2,520
2005	TRAVEL	\$1,515	\$7,882	\$4,000	\$4,000	\$4,000
2006	RENT - BUILDING	\$2,390	\$2,596	\$3,000	\$3,000	\$3,000
2007	RENT - MACHINE AND OTHER	\$607	\$885	\$660	\$660	\$660
2009	OTHER OPERATING EXPENSE	\$11,435	\$21,533	\$10,144	\$14,377	\$14,378

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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
5000	CAPITAL EXPENDITURES	\$6,080	\$4,232	\$4,232	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$420,606	\$459,845	\$457,246	\$457,246	\$457,246
Method of Financing:						
1	General Revenue Fund	\$420,606	\$459,845	\$457,246	\$457,246	\$457,246
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$420,606	\$459,845	\$457,246	\$457,246	\$457,246
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$457,246	\$457,246
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$420,606	\$459,845	\$457,246	\$457,246	\$457,246
FULL TIME EQUIVALENT POSITIONS:		8.5	8.5	7.0	7.0	7.0

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.

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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2016 + Bud 2017)</u>	<u>Baseline Request (BL 2018 + BL 2019)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$917,091	\$914,492	\$(2,599)	\$(2,599)	Salary increase funds from staff members that left in FY16. Applied to Enf and I&C.
			\$(2,599)	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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	Number of Inspections Conducted	270.00	340.00	340.00	311.00	312.00
2	Number of Referrals for Administrative or Law Enforcement Action	5.00	8.00	8.00	7.00	7.00
3	Number of Administrative Actions Taken by Inspections and Compliance	5.00	24.00	24.00	22.00	22.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,511,256	\$1,480,067	\$1,577,033	\$1,473,208	\$1,473,206
1002	OTHER PERSONNEL COSTS	\$89,255	\$147,920	\$118,702	\$118,163	\$118,163
2001	PROFESSIONAL FEES AND SERVICES	\$22,999	\$9,513	\$9,810	\$9,810	\$9,810
2003	CONSUMABLE SUPPLIES	\$11,683	\$19,879	\$12,000	\$12,000	\$12,000
2004	UTILITIES	\$10,881	\$17,947	\$33,114	\$33,114	\$33,114
2005	TRAVEL	\$67,318	\$67,712	\$80,000	\$69,486	\$69,486
2006	RENT - BUILDING	\$50,109	\$59,288	\$64,208	\$64,208	\$64,208
2007	RENT - MACHINE AND OTHER	\$5,770	\$6,429	\$6,500	\$6,501	\$6,502
2009	OTHER OPERATING EXPENSE	\$97,418	\$148,640	\$51,748	\$70,021	\$70,022
5000	CAPITAL EXPENDITURES	\$51,604	\$19,350	\$19,350	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$1,918,293	\$1,976,745	\$1,972,465	\$1,856,511	\$1,856,511

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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Method of Financing:						
1	General Revenue Fund	\$1,918,293	\$1,976,745	\$1,972,465	\$1,856,511	\$1,856,511
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,918,293	\$1,976,745	\$1,972,465	\$1,856,511	\$1,856,511
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,856,511	\$1,856,511
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,918,293	\$1,976,745	\$1,972,465	\$1,856,511	\$1,856,511
FULL TIME EQUIVALENT POSITIONS:		28.7	33.0	33.0	33.0	33.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

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:

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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$3,949,210	\$3,713,022	\$(236,188)	\$(239,823)	4% reduction in baseline.
			\$3,635	Salary increase funds from staff members that left in FY16. Received from Sec, Dlr, & Admin.
			\$(236,188)	Total of Explanation of Biennial Change

312 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	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,164,860	\$1,142,697	\$1,195,144	\$1,195,144	\$1,195,144
1002	OTHER PERSONNEL COSTS	\$59,465	\$90,507	\$89,957	\$89,957	\$89,957
2001	PROFESSIONAL FEES AND SERVICES	\$601	\$6,525	\$6,261	\$6,261	\$6,261
2003	CONSUMABLE SUPPLIES	\$5,520	\$3,669	\$4,800	\$4,800	\$4,800
2004	UTILITIES	\$1,280	\$2,578	\$7,380	\$7,380	\$7,380
2005	TRAVEL	\$13,552	\$19,860	\$6,200	\$6,200	\$6,200
2006	RENT - BUILDING	\$10,289	\$2,081	\$736	\$736	\$736
2007	RENT - MACHINE AND OTHER	\$3,896	\$4,435	\$4,070	\$4,070	\$4,070
2009	OTHER OPERATING EXPENSE	\$64,518	\$71,888	\$43,101	\$56,653	\$56,653
5000	CAPITAL EXPENDITURES	\$18,830	\$13,552	\$13,552	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$1,342,811	\$1,357,792	\$1,371,201	\$1,371,201	\$1,371,201
Method of Financing:						
1	General Revenue Fund	\$1,342,570	\$1,357,746	\$1,371,201	\$1,371,201	\$1,371,201
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,342,570	\$1,357,746	\$1,371,201	\$1,371,201	\$1,371,201
Method of Financing:						
666	Appropriated Receipts	\$241	\$46	\$0	\$0	\$0

312 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	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
SUBTOTAL, MOF (OTHER FUNDS)		\$241	\$46	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,371,201	\$1,371,201
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,342,811	\$1,357,792	\$1,371,201	\$1,371,201	\$1,371,201
FULL TIME EQUIVALENT POSITIONS:		15.2	16.2	16.2	16.2	16.2

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
 STRATEGY: 1 Central Administration

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$2,728,993	\$2,742,402	\$13,409	\$14,000	Funds were transferred into Information Technology from Central Administration in FY16 in order to provide staff members with one-time merit bonuses. Similar bonuses are not included in BL18-19.
			\$1,200	Funds were transferred into Information Technology from Central Administration in FY16 in order to cover an increase in longevity payments. FY17 was allocated \$1,200 more than FY16. This \$1,200 was continued in both FY18 and FY19.
			\$(47)	Appropriated receipts received in FY16 that are not planned for FY18-19.
			\$(2,944)	Salary increase funds from staff members that left in FY16. Applied to Enf and I&C.
			\$13,409	Total of Explanation of Biennial Change

312 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	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$209,957	\$230,949	\$230,949	\$230,949	\$230,949
1002	OTHER PERSONNEL COSTS	\$18,142	\$19,219	\$4,547	\$4,547	\$4,547
2009	OTHER OPERATING EXPENSE	\$2,085	\$2,356	\$2,309	\$2,309	\$2,309
TOTAL, OBJECT OF EXPENSE		\$230,184	\$252,524	\$237,805	\$237,805	\$237,805
Method of Financing:						
1	General Revenue Fund	\$230,184	\$252,524	\$237,805	\$237,805	\$237,805
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$230,184	\$252,524	\$237,805	\$237,805	\$237,805
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$237,805	\$237,805
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$230,184	\$252,524	\$237,805	\$237,805	\$237,805
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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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.

312 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	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$490,329	\$475,610	\$(14,719)	\$(14,000)	Funds were transferred into Information Technology from Central Administration in FY16 in order to provide staff members with one-time merit bonuses. Similar bonuses are not included in BL18-19.
			\$(1,200)	Funds were transferred into Information Technology from Central Administration in FY16 in order to cover an increase in longevity payments.
			\$481	FY17 was allocated \$481 more than FY16 in order to cover increases in longevity. This \$481 was continued in both FY18 and FY19.
			\$(14,719)	Total of Explanation of Biennial Change

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$7,156,352	\$7,322,595	\$7,302,014	\$7,019,200	\$7,019,201
METHODS OF FINANCE (INCLUDING RIDERS):				\$7,019,200	\$7,019,201
METHODS OF FINANCE (EXCLUDING RIDERS):	\$7,156,352	\$7,322,595	\$7,302,014	\$7,019,200	\$7,019,201
FULL TIME EQUIVALENT POSITIONS:	97.4	104.0	104.0	104.0	104.0

3.A.1. PROGRAM-LEVEL REQUEST SCHEDULE
85th Regular Session, Agency Submission, Version 1

Agency Code: 312		Agency: State Securities Board				Prepared By: Derek Lauterjung					
Date: 8/5/2016						16-17 Base	Requested 2018	Requested 2019	Biennial Total 18-19	Biennial Difference	
Goal	Goal Name	Strategy	Strategy Name	Program	Program Name					\$	%
A	Protect Investors	A.1.1.	Law Enforcement	A.1.1.1.	Law Enforcement	\$5,721,093	\$3,799,623	\$3,799,622	\$7,599,245	\$1,878,152	32.8%
A	Protect Investors	A.2.1.	Securities Registration	A.2.1.1.	Securities Registration	\$817,893	\$442,164	\$442,166	\$884,330	\$66,437	8.1%
A	Protect Investors	A.3.1.	Dealer Registration	A.3.1.1.	Dealer Registration	\$917,091	\$484,600	\$484,600	\$969,200	\$52,109	5.7%
A	Protect Investors	A.4.1.	Inspect Records	A.4.1.1.	Inspect Records	\$3,949,210	\$2,439,142	\$2,439,142	\$4,878,284	\$929,074	23.5%
B	Indirect Administration	B.1.1.	Central Administration	B.1.1.1.	Central Administration	\$2,728,993	\$1,396,956	\$1,396,956	\$2,793,912	\$64,919	2.4%
B	Indirect Administration	B.1.2.	Information Technology	B.1.2.1.	Information Technology	\$490,329	\$237,805	\$237,805	\$475,610	(\$14,719)	-3.0%
						\$14,624,609	\$8,800,290	\$8,800,291	\$17,600,581		

**Requested amounts shown for 2018-19 include exceptional item requests.

3.B. Rider Revisions and Additions Request

Agency Code: 312	Agency Name: State Securities Board	Prepared By: Derek Lauterjung	Date: 8/5/16	Request Level:
Current Rider Number	Page Number in 2016-17 GAA	Proposed Rider Language		

2

VIII-58

~~**Capital Budget.** None of the funds appropriated may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.~~

	<u>2016</u>	<u>2017</u>
a. Acquisition of Information Resource Technologies		
(1) Purchase of Information Technologies	\$70,000	\$70,000
Total, Capital Budget	<u>\$70,000</u>	<u>\$70,000</u>
Method of Financing (Capital Budget):		
General Revenue Fund	\$70,000	\$70,000
Total, Method of Financing	<u>\$70,000</u>	<u>\$70,000</u>

New

VIII

Appropriation of Unexpended Balances Within the Biennium. The unobligated and unexpended balances of appropriations to the Securities Board for the fiscal year ending August 31, 2018, are hereby appropriated to the Securities Board for the same purposes for the fiscal year ending August 31, 2019.

4.A. Exceptional Item Request Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/5/2016
 TIME: 11:20:39AM

Agency code: 312 Agency name: Securities Board

CODE	DESCRIPTION	Excp 2018	Excp 2019
	Item Name: Return 4% Reduction 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 01-04-01 Inspect Dealer & Investment Adviser Records for Regulatory Compliance		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	247,452	247,452
1002	OTHER PERSONNEL COSTS	1,957	1,957
2004	UTILITIES	2,160	2,160
2005	TRAVEL	10,513	10,513
2006	RENT - BUILDING	22,370	22,370
2007	RENT - MACHINE AND OTHER	2,851	2,851
2009	OTHER OPERATING EXPENSE	5,163	5,163
TOTAL, OBJECT OF EXPENSE		\$292,466	\$292,466
METHOD OF FINANCING:			
1	General Revenue Fund	292,466	292,466
TOTAL, METHOD OF FINANCING		\$292,466	\$292,466

DESCRIPTION / JUSTIFICATION:

This exceptional item request would permit the agency to retain its current level of funding and avoid a funding cut of \$292,466.00 in each year of the biennium that would have the effect of a reduction in force of mission-critical professionals and administrative support personnel, narrowed investor protection and inspection priorities, reduced ability to travel for investigations and inspections, reduced assistance provided to prosecutors for trials of securities fraud cases, and reduced resources available to obtain evidentiary information.

Funding of the exceptional item would have no net effect on the State's overall budget. Section 35.A of the Securities Act requires the State Securities Board to set fees in amounts sufficient to cover the costs of its operations. Section 35.C of the Act requires that the fees set by the Board must be reasonable and necessary to defray such costs. Government Code, Section 316.045, requires the agency to reduce its fees on a biennial basis if those fees produce revenue that exceeds the agency's costs. Compliance with these provisions requires that a reduction or increase must be made in the fees set, collected, and deposited to the General Revenue Fund by the State Securities Board to correspond with appropriations made to the agency.

4.A. Exceptional Item Request Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/5/2016
TIME: 11:20:39AM

Agency code: 312

Agency name:
Securities Board

CODE	DESCRIPTION	Excp 2018	Excp 2019
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EXTERNAL/INTERNAL FACTORS:

The Agency is required by law to match a certain portion of its fee revenue to its appropriations.

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Out-year costs would be needed to continue the salaries of those that were not subject to layoffs.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2020	2021	2022
\$292,466	\$292,466	\$292,466

4.A. Exceptional Item Request Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/5/2016
 TIME: 11:20:39AM

Agency code: 312

Agency name:
Securities Board

CODE	DESCRIPTION	Excp 2018	Excp 2019
	Item Name: Targeted Salary Increases 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	1,466,623	1,466,623
1002	OTHER PERSONNEL COSTS	7,333	7,333
2009	OTHER OPERATING EXPENSE	14,668	14,668
TOTAL, OBJECT OF EXPENSE		\$1,488,624	\$1,488,624
METHOD OF FINANCING:			
1	General Revenue Fund	1,488,624	1,488,624
TOTAL, METHOD OF FINANCING		\$1,488,624	\$1,488,624

DESCRIPTION / JUSTIFICATION:

This exceptional item will provide additional funding for targeted salary increases for key front-line professional positions in the agency – particularly in enforcement, inspections, and registration. These targeted increases seek to address continuous challenges in hiring and retaining qualified professional staff and to help create a viable career ladder going forward for these key positions based on increasing responsibility, training, and experience. The increased funding will be for salaries for existing positions set at a midpoint of the salary range for existing financial examiner and attorney job classifications in the General Appropriations Act.

Funding of the exceptional item would have no net effect on the State’s overall budget. Section 35.A of the Securities Act requires the State Securities Board to set fees in amounts sufficient to cover the costs of its operations. Section 35.C of the Act requires that the fees set by the Board must be reasonable and necessary to defray such costs. Government Code, Section 316.045, requires the agency to reduce its fees on a biennial basis if those fees produce revenue that exceeds the agency’s costs. Compliance with these provisions requires that a reduction or increase must be made in the fees set, collected, and deposited to the General Revenue Fund by the State Securities Board to correspond with appropriations made to the agency.

4.A. Exceptional Item Request Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/5/2016**
 TIME: **11:20:39AM**

Agency code: **312**

Agency name:
Securities Board

CODE	DESCRIPTION	Excp 2018	Excp 2019
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EXTERNAL/INTERNAL FACTORS:

The salaries for professional positions at the State Securities Board are not competitive with those performing the same or similar work in the private sector, or with other state and federal regulators in Texas.

Federal budget requests continue to seek authorization for the U.S. Securities and Exchange Commission to hire additional examiners to inspect investment advisers subject to federal oversight (firms having more than \$100 million of investor funds under management). When such authorization is approved, the State Securities Board's most experienced and capable financial examiners are likely to be recruited by the federal regulator -- an agency that is currently able to pay salaries much higher than those paid by the State Securities Board for the same work.

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Out-year costs would be needed to continue the salary increases in future years.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2020	2021	2022
\$1,488,624	\$1,488,624	\$1,488,624

Agency code: 312 Agency name: Securities Board

Code	Description	Excp 2018	Excp 2019
Item Name:	Return 4% Reduction		
Allocation to Strategy:	1-1-1 Investigate Violations, Coordinate Appropriate Action by Authorities		
STRATEGY IMPACT ON OUTCOME MEASURES:			
<u>1</u>	Number of Law Enforcement Actions Taken	1,238.00	1,238.00
<u>2</u>	Dollar Amount Involved in Law Enforcement Actions	110,764,320.00	110,764,320.00
<u>3</u>	Percentage of Law Enforcement Actions Successful	100.00%	100.00%
OUTPUT MEASURES:			
<u>1</u>	Number of Investigations Opened	38.00	38.00
<u>2</u>	Number of Criminal and Civil Referrals	2.00	2.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	139,671	139,671
1002	OTHER PERSONNEL COSTS	1,418	1,418
2004	UTILITIES	2,160	2,160
2006	RENT - BUILDING	22,370	22,370
2007	RENT - MACHINE AND OTHER	2,851	2,851
2009	OTHER OPERATING EXPENSE	4,085	4,085
TOTAL, OBJECT OF EXPENSE		\$172,555	\$172,555
METHOD OF FINANCING:			
	1 General Revenue Fund	172,555	172,555
TOTAL, METHOD OF FINANCING		\$172,555	\$172,555

Agency code: 312 Agency name: Securities Board

Code	Description	Excp 2018	Excp 2019
Item Name: Return 4% Reduction			
Allocation to Strategy: 1-4-1 Inspect Dealer & Investment Adviser Records for Regulatory Compliance			
STRATEGY IMPACT ON OUTCOME MEASURES:			
<u>1</u>	Percentage of Texas Dealers and Investment Advisers Inspected	25.00%	25.00%
<u>2</u>	% of Inspected Dealers/Investment Advisers Requiring Corrective Action	80.00%	80.00%
OUTPUT MEASURES:			
<u>1</u>	Number of Inspections Conducted	28.00	29.00
<u>2</u>	Number of Referrals for Administrative or Law Enforcement Action	1.00	1.00
<u>3</u>	Number of Administrative Actions Taken by Inspections and Compliance	2.00	2.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	107,781	107,781
1002	OTHER PERSONNEL COSTS	539	539
2005	TRAVEL	10,513	10,513
2009	OTHER OPERATING EXPENSE	1,078	1,078
TOTAL, OBJECT OF EXPENSE		\$119,911	\$119,911
METHOD OF FINANCING:			
1	General Revenue Fund	119,911	119,911
TOTAL, METHOD OF FINANCING		\$119,911	\$119,911

Agency code: 312 Agency name: Securities Board

Code	Description	Excp 2018	Excp 2019
Item Name: Targeted Salary Increases			
Allocation to Strategy: 1-1-1 Investigate Violations, Coordinate Appropriate Action by Authorities			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	923,456	923,456
1002	OTHER PERSONNEL COSTS	4,617	4,617
2009	OTHER OPERATING EXPENSE	9,235	9,235
TOTAL, OBJECT OF EXPENSE		\$937,308	\$937,308
METHOD OF FINANCING:			
1 General Revenue Fund		937,308	937,308
TOTAL, METHOD OF FINANCING		\$937,308	\$937,308

Agency code: 312 Agency name: Securities Board

Code	Description	Excp 2018	Excp 2019
Item Name: Targeted Salary Increases			
Allocation to Strategy: 1-2-1 Review Security Documentation for Conformity			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	34,962	34,962
1002	OTHER PERSONNEL COSTS	175	175
2009	OTHER OPERATING EXPENSE	350	350
TOTAL, OBJECT OF EXPENSE		\$35,487	\$35,487
METHOD OF FINANCING:			
1 General Revenue Fund		35,487	35,487
TOTAL, METHOD OF FINANCING		\$35,487	\$35,487

Agency code: 312 Agency name: Securities Board

Code	Description	Excp 2018	Excp 2019
Item Name:			
	Targeted Salary Increases		
Allocation to Strategy:			
	1-3-1 Perform Extensive Review of Applications and Submissions		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	26,949	26,949
1002	OTHER PERSONNEL COSTS	135	135
2009	OTHER OPERATING EXPENSE	270	270
TOTAL, OBJECT OF EXPENSE		\$27,354	\$27,354
METHOD OF FINANCING:			
	1 General Revenue Fund	27,354	27,354
TOTAL, METHOD OF FINANCING		\$27,354	\$27,354

Agency code: 312 Agency name: Securities Board

Code	Description	Excp 2018	Excp 2019
Item Name: Targeted Salary Increases			
Allocation to Strategy: 1-4-1 Inspect Dealer & Investment Adviser Records for Regulatory Compliance			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	455,882	455,882
1002	OTHER PERSONNEL COSTS	2,279	2,279
2009	OTHER OPERATING EXPENSE	4,559	4,559
TOTAL, OBJECT OF EXPENSE		\$462,720	\$462,720
METHOD OF FINANCING:			
1	General Revenue Fund	462,720	462,720
TOTAL, METHOD OF FINANCING		\$462,720	\$462,720

Agency code: 312 Agency name: Securities Board

Code	Description	Excp 2018	Excp 2019
Item Name:		Targeted Salary Increases	
Allocation to Strategy:		2-1-1	Central Administration
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	25,374	25,374
1002	OTHER PERSONNEL COSTS	127	127
2009	OTHER OPERATING EXPENSE	254	254
TOTAL, OBJECT OF EXPENSE		\$25,755	\$25,755
METHOD OF FINANCING:			
1 General Revenue Fund		25,755	25,755
TOTAL, METHOD OF FINANCING		\$25,755	\$25,755

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/5/2016
TIME: 11:20:40AM

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
 STRATEGY: 1 Investigate Violations, Coordinate Appropriate Action by Authorities

Service Categories:
 Service: 16 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2018	Exp 2019
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u> Number of Law Enforcement Actions Taken	1,238.00	1,238.00
<u>2</u> Dollar Amount Involved in Law Enforcement Actions	110,764,320.00	110,764,320.00
<u>3</u> Percentage of Law Enforcement Actions Successful	100.00 %	100.00 %

OUTPUT MEASURES:

<u>1</u> Number of Investigations Opened	414.00	414.00
<u>2</u> Number of Criminal and Civil Referrals	14.00	14.00

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	1,063,127	1,063,127
1002 OTHER PERSONNEL COSTS	6,035	6,035
2004 UTILITIES	2,160	2,160
2006 RENT - BUILDING	22,370	22,370
2007 RENT - MACHINE AND OTHER	2,851	2,851
2009 OTHER OPERATING EXPENSE	13,320	13,320
Total, Objects of Expense	\$1,109,863	\$1,109,863

METHOD OF FINANCING:

1 General Revenue Fund	1,109,863	1,109,863
Total, Method of Finance	\$1,109,863	\$1,109,863

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Return 4% Reduction
 Targeted Salary Increases

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/5/2016
TIME: 11:20:40AM

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
 STRATEGY: 1 Review Security Documentation for Conformity

Service Categories:
 Service: 16 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2018	Excp 2019
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u> Average Time (Days) for Deficiency Letters Issuance on Securities Apps	7.00	7.00
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OUTPUT MEASURES:

<u>1</u> Number of Securities Filings and Submissions Processed	52,200.00	52,200.00
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EXPLANATORY/INPUT MEASURES:

<u>1</u> Revenues Deposited to the State Treasury from Securities Applications	102,000,000.00	102,000,000.00
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	34,962	34,962
1002 OTHER PERSONNEL COSTS	175	175
2009 OTHER OPERATING EXPENSE	350	350
Total, Objects of Expense	\$35,487	\$35,487

METHOD OF FINANCING:

1 General Revenue Fund	35,487	35,487
Total, Method of Finance	\$35,487	\$35,487

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Targeted Salary Increases

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/5/2016
TIME: 11:20:40AM

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
 STRATEGY: 1 Perform Extensive Review of Applications and Submissions

Service Categories:
 Service: 16 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2018	Exp 2019
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u> Average Time (Days) for Def. Letters on Dealer & Invest. Adviser Apps	14.00	14.00
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OUTPUT MEASURES:

<u>1</u> Number of Dealers, Agents, IA, & IAR Applications and Submissions Proc	342,000.00	342,000.00
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EXPLANATORY/INPUT MEASURES:

<u>1</u> # of Dealers, Agents, Invest Advisers & Reps Licensed or Authorized	320,000.00	320,000.00
<u>2</u> Revenues Deposited to State Treasury from Applications and Submissions	80,600,000.00	80,600,000.00

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	26,949	26,949
1002 OTHER PERSONNEL COSTS	135	135
2009 OTHER OPERATING EXPENSE	270	270
Total, Objects of Expense	\$27,354	\$27,354

METHOD OF FINANCING:

1 General Revenue Fund	27,354	27,354
Total, Method of Finance	\$27,354	\$27,354

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Targeted Salary Increases

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
 STRATEGY: 1 Inspect Dealer & Investment Adviser Records for Regulatory Compliance

Service Categories:
 Service: 16 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2018	Excp 2019
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u> Percentage of Texas Dealers and Investment Advisers Inspected	25.00 %	25.00 %
<u>2</u> % of Inspected Dealers/Investment Advisers Requiring Corrective Action	80.00 %	80.00 %

OUTPUT MEASURES:

<u>1</u> Number of Inspections Conducted	340.00	340.00
<u>2</u> Number of Referrals for Administrative or Law Enforcement Action	8.00	8.00
<u>3</u> Number of Administrative Actions Taken by Inspections and Compliance	24.00	24.00

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	563,663	563,663
1002 OTHER PERSONNEL COSTS	2,818	2,818
2005 TRAVEL	10,513	10,513
2009 OTHER OPERATING EXPENSE	5,637	5,637
Total, Objects of Expense	\$582,631	\$582,631

METHOD OF FINANCING:

1 General Revenue Fund	582,631	582,631
Total, Method of Finance	\$582,631	\$582,631

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Return 4% Reduction
 Targeted Salary Increases

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/5/2016
TIME: 11:20:40AM

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	Exp 2018	Exp 2019
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	25,374	25,374
1002 OTHER PERSONNEL COSTS	127	127
2009 OTHER OPERATING EXPENSE	254	254
Total, Objects of Expense	\$25,755	\$25,755

METHOD OF FINANCING:

1 General Revenue Fund	25,755	25,755
Total, Method of Finance	\$25,755	\$25,755

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Targeted Salary Increases

5.A. Capital Budget Project Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/5/2016**
 TIME : **11:20:41AM**

Agency code: **312**

Agency name: **Securities Board**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE			Est 2016	Bud 2017	BL 2018	BL 2019	
5005 Acquisition of Information Resource Technologies							
<i>1/1 PC Replacement</i>							
OBJECTS OF EXPENSE							
<u>Capital</u>							
General	2009	OTHER OPERATING EXPENSE	\$6,890	\$64,088	\$0	\$0	
Capital Subtotal OOE, Project			1	\$6,890	\$64,088	\$0	\$0
Subtotal OOE, Project			1	\$6,890	\$64,088	\$0	\$0
TYPE OF FINANCING							
<u>Capital</u>							
General	CA	1 General Revenue Fund	\$6,890	\$64,088	\$0	\$0	
Capital Subtotal TOF, Project			1	\$6,890	\$64,088	\$0	\$0
Subtotal TOF, Project			1	\$6,890	\$64,088	\$0	\$0
<i>2/2 Purchase of Information Technologies</i>							
OBJECTS OF EXPENSE							
<u>Capital</u>							
General	2009	OTHER OPERATING EXPENSE	\$47,810	\$5,912	\$0	\$0	
General	5000	CAPITAL EXPENDITURES	\$15,300	\$0	\$0	\$0	
Capital Subtotal OOE, Project			2	\$63,110	\$5,912	\$0	\$0
Subtotal OOE, Project			2	\$63,110	\$5,912	\$0	\$0
TYPE OF FINANCING							
<u>Capital</u>							
General	CA	1 General Revenue Fund	\$63,110	\$5,912	\$0	\$0	

5.A. Capital Budget Project Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/5/2016**
 TIME : **11:20:41AM**

Agency code: **312**

Agency name: **Securities Board**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2016

Bud 2017

BL 2018

BL 2019

Capital Subtotal TOF, Project	2	\$63,110	\$5,912	\$0	\$0
Subtotal TOF, Project	2	\$63,110	\$5,912	\$0	\$0
Capital Subtotal, Category	5005	\$70,000	\$70,000	\$0	\$0
Informational Subtotal, Category	5005				
Total, Category	5005	\$70,000	\$70,000	\$0	\$0

7000 Data Center Consolidation

4/4 Microsoft Office 365 purchased using an interagency contract with the DIR Datacenter Services Program.

OBJECTS OF EXPENSE

Informational

General	2009	OTHER OPERATING EXPENSE	\$0	\$0	\$28,000	\$28,000
Informational Subtotal OOE, Project	4		\$0	\$0	\$28,000	\$28,000
Subtotal OOE, Project	4		\$0	\$0	\$28,000	\$28,000

TYPE OF FINANCING

Informational

General	CA	1	General Revenue Fund	\$0	\$0	\$28,000	\$28,000
Informational Subtotal TOF, Project	4			\$0	\$0	\$28,000	\$28,000
Subtotal TOF, Project	4			\$0	\$0	\$28,000	\$28,000
Capital Subtotal, Category	7000					\$0	\$0
Informational Subtotal, Category	7000			\$0	\$0	\$28,000	\$28,000
Total, Category	7000			\$0	\$0	\$28,000	\$28,000

5.A. Capital Budget Project Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/5/2016**
 TIME : **11:20:41AM**

Agency code: **312**

Agency name: **Securities Board**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2016

Bud 2017

BL 2018

BL 2019

8000 Centralized Accounting and Payroll/Personnel System (CAPPS)

3/3 CAPPS Implementation Starting FY19

OBJECTS OF EXPENSE

Informational

General	1001	SALARIES AND WAGES		\$0	\$0	\$0	\$40,000
		Informational Subtotal OOE, Project	3	\$0	\$0	\$0	\$40,000
		Subtotal OOE, Project	3	\$0	\$0	\$0	\$40,000

TYPE OF FINANCING

Informational

General	CA	1	General Revenue Fund	\$0	\$0	\$0	\$40,000
			Informational Subtotal TOF, Project	3	\$0	\$0	\$40,000
			Subtotal TOF, Project	3	\$0	\$0	\$40,000

			Capital Subtotal, Category	8000		\$0	\$0
			Informational Subtotal, Category	8000	\$0	\$0	\$40,000
			Total, Category	8000	\$0	\$0	\$40,000

			AGENCY TOTAL -CAPITAL		\$70,000	\$70,000	\$0	\$0
			AGENCY TOTAL -INFORMATIONAL		\$0	\$0	\$28,000	\$68,000
			AGENCY TOTAL		\$70,000	\$70,000	\$28,000	\$68,000

5.A. Capital Budget Project Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/5/2016**
 TIME : **11:20:41AM**

Agency code: **312**

Agency name: **Securities Board**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2016

Bud 2017

BL 2018

BL 2019

METHOD OF FINANCING:

Capital

General	1	General Revenue Fund	\$70,000	\$70,000	\$0	\$0
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Total, Method of Financing-Capital

\$70,000	\$70,000	\$0	\$0
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Informational

General	1	General Revenue Fund	\$0	\$0	\$28,000	\$68,000
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Total, Method of Financing-Informational

\$0	\$0	\$28,000	\$68,000
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Total, Method of Financing

\$70,000	\$70,000	\$28,000	\$68,000
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TYPE OF FINANCING:

Capital

General	CA	CURRENT APPROPRIATIONS	\$70,000	\$70,000	\$0	\$0
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Total, Type of Financing-Capital

\$70,000	\$70,000	\$0	\$0
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Informational

General	CA	CURRENT APPROPRIATIONS	\$0	\$0	\$28,000	\$68,000
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Total, Type of Financing-Informational

\$0	\$0	\$28,000	\$68,000
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Total, Type of Financing

\$70,000	\$70,000	\$28,000	\$68,000
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Agency code: 312 Agency name: Securities Board

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019	
5005 Acquisition of Information Resource Technologies						
<i>1/1 PC Replacement</i>						
<u>GENERAL BUDGET</u>						
Capital	1-1-1	LAW ENFORCEMENT	0	29,071	\$0	\$0
	1-2-1	SECURITIES REGISTRATION	0	1,252	0	0
	1-3-1	DEALER REGISTRATION	0	1,252	0	0
	1-4-1	INSPECT RECORDS	6,890	19,350	0	0
	2-1-1	CENTRAL ADMINISTRATION	0	13,163	0	0
TOTAL, PROJECT			\$6,890	\$64,088	\$0	\$0

<i>2/2 Purchase of Information Technology</i>						
<u>GENERAL BUDGET</u>						
Capital	1-1-1	LAW ENFORCEMENT	29,071	0	0	0
	1-2-1	SECURITIES REGISTRATION	3,795	2,543	0	0
	1-3-1	DEALER REGISTRATION	4,232	2,980	0	0
	1-4-1	INSPECT RECORDS	12,460	0	0	0
	2-1-1	CENTRAL ADMINISTRATION	13,552	389	0	0
TOTAL, PROJECT			\$63,110	\$5,912	\$0	\$0

7000 Data Center Consolidation

4/4 MS Office 365 Purch Thru DCS

<u>GENERAL BUDGET</u>						
Informational	1-1-1	LAW ENFORCEMENT	0	0	11,106	11,106

Agency code: 312 Agency name: Securities Board

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
Informational 1-2-1	SECURITIES REGISTRATION	0	0	\$1,679	\$1,679
1-3-1	DEALER REGISTRATION	0	0	1,888	1,888
1-4-1	INSPECT RECORDS	0	0	7,665	7,665
2-1-1	CENTRAL ADMINISTRATION	0	0	5,662	5,662
TOTAL, PROJECT		\$0	\$0	\$28,000	\$28,000

8000 Centralized Accounting and Payroll/Personnel System (CAPPS)

3/3 CAPPS

GENERAL BUDGET

Informational 2-1-1	CENTRAL ADMINISTRATION	0	0	0	40,000
TOTAL, PROJECT		\$0	\$0	\$0	\$40,000
TOTAL CAPITAL, ALL PROJECTS		\$70,000	\$70,000	\$0	\$0
TOTAL INFORMATIONAL, ALL PROJECTS		\$0	\$0	\$28,000	\$68,000
TOTAL, ALL PROJECTS		\$70,000	\$70,000	\$28,000	\$68,000

312 Securities Board

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
5005 Acquisition of Information Resource Technologies					
1 PC Replacement					
OOE					
Capital					
1-1-1 LAW ENFORCEMENT					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	29,071	0	0
1-2-1 SECURITIES REGISTRATION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	1,252	0	0
1-3-1 DEALER REGISTRATION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	1,252	0	0
1-4-1 INSPECT RECORDS					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	6,890	19,350	0	0
2-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	13,163	0	0
TOTAL, OOE's		\$6,890	\$64,088	0	0
MOF					
GENERAL REVENUE FUNDS					

312 Securities Board

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
1 PC Replacement					
Capital					
1-1-1 LAW ENFORCEMENT					
<u>General Budget</u>					
1	General Revenue Fund	0	29,071	0	0
1-2-1 SECURITIES REGISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	0	1,252	0	0
1-3-1 DEALER REGISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	0	1,252	0	0
1-4-1 INSPECT RECORDS					
<u>General Budget</u>					
1	General Revenue Fund	6,890	19,350	0	0
2-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	0	13,163	0	0
	TOTAL, GENERAL REVENUE FUNDS	\$6,890	\$64,088	0	0
	TOTAL, MOFs	\$6,890	\$64,088	0	0

312 Securities Board

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
2 Purchase of Information Technology					
OOE					
Capital					
1-1-1 LAW ENFORCEMENT					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	22,023	0	0	0
5000	CAPITAL EXPENDITURES	7,048	0	0	0
1-2-1 SECURITIES REGISTRATION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	2,875	2,543	0	0
5000	CAPITAL EXPENDITURES	920	0	0	0
1-3-1 DEALER REGISTRATION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	3,206	2,980	0	0
5000	CAPITAL EXPENDITURES	1,026	0	0	0
1-4-1 INSPECT RECORDS					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	9,439	0	0	0
5000	CAPITAL EXPENDITURES	3,021	0	0	0
2-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					

312 Securities Board

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
2 Purchase of Information Technology					
2009	OTHER OPERATING EXPENSE	10,267	389	0	0
5000	CAPITAL EXPENDITURES	3,285	0	0	0
	TOTAL, OOE's	\$63,110	\$5,912	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
1-1-1 LAW ENFORCEMENT					
<u>General Budget</u>					
1	General Revenue Fund	29,071	0	0	0
1-2-1 SECURITIES REGISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	3,795	2,543	0	0
1-3-1 DEALER REGISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	4,232	2,980	0	0
1-4-1 INSPECT RECORDS					
<u>General Budget</u>					
1	General Revenue Fund	12,460	0	0	0
2-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	13,552	389	0	0
	TOTAL, GENERAL REVENUE FUNDS	\$63,110	\$5,912	0	0
	TOTAL, MOF's	\$63,110	\$5,912	0	0

312 Securities Board

Category Code/Name

Project Sequence/Name

Goal/Obj/Str Strategy Name

Est 2016

Bud 2017

BL 2018

BL 2019

7000 Data Center Consolidation

312 Securities Board

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
4 MS Office 365 Purch Thru DCS					
OOE					
Informational					
1-1-1 LAW ENFORCEMENT					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	11,106	11,106
1-2-1 SECURITIES REGISTRATION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	1,679	1,679
1-3-1 DEALER REGISTRATION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	1,888	1,888
1-4-1 INSPECT RECORDS					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	7,665	7,665
2-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	5,662	5,662
TOTAL, OOE's		\$0	\$0	28,000	28,000
MOF					
GENERAL REVENUE FUNDS					
Informational					

312 Securities Board

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
4 MS Office 365 Purch Thru DCS					
1-1-1 LAW ENFORCEMENT					
<u>General Budget</u>					
1	General Revenue Fund	0	0	11,106	11,106
1-2-1 SECURITIES REGISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	0	0	1,679	1,679
1-3-1 DEALER REGISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	0	0	1,888	1,888
1-4-1 INSPECT RECORDS					
<u>General Budget</u>					
1	General Revenue Fund	0	0	7,665	7,665
2-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	0	0	5,662	5,662
TOTAL, GENERAL REVENUE FUNDS		\$0	\$0	28,000	28,000
TOTAL, MOFs		\$0	\$0	28,000	28,000

8000 Centralized Accounting and Payroll/Personnel System (CAPPS)

312 Securities Board

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
3 CAPPS					
OOE					
Informational					
2-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
1001	SALARIES AND WAGES	0	0	0	40,000
TOTAL, OOE's		\$0	\$0	0	40,000
MOF					
GENERAL REVENUE FUNDS					
Informational					
2-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	0	0	0	40,000
TOTAL, GENERAL REVENUE FUNDS		\$0	\$0	0	40,000
TOTAL, MOFs		\$0	\$0	0	40,000

312 Securities Board

	Est 2016	Bud 2017	BL 2018	BL 2019
CAPITAL				
<u>General Budget</u>				
GENERAL REVENUE FUNDS	\$70,000	\$70,000	0	0
TOTAL, GENERAL BUDGET	70,000	70,000	0	0
INFORMATIONAL				
<u>General Budget</u>				
GENERAL REVENUE FUNDS	\$0	\$0	28,000	68,000
TOTAL, GENERAL BUDGET	0	0	28,000	68,000
TOTAL, ALL PROJECTS	\$70,000	\$70,000	28,000	68,000

6.A. Historically Underutilized Business Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/5/2016**
 Time: **11:20:42AM**

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2014 - 2015 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2014			Total Expenditures FY 2014		HUB Expenditures FY 2015			Total Expenditures FY 2015	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	% Goal	% Actual	Diff
11.2%	Heavy Construction	11.2 %	0.0%	-11.2%	\$0	\$0	11.2 %	0.0%	-11.2%	\$0	\$0	
21.1%	Building Construction	21.1 %	0.0%	-21.1%	\$0	\$0	21.1 %	0.0%	-21.1%	\$0	\$0	
32.9%	Special Trade	32.7 %	0.0%	-32.7%	\$0	\$0	32.9 %	0.0%	-32.9%	\$0	\$0	
23.7%	Professional Services	23.6 %	100.0%	76.4%	\$19,900	\$19,900	23.7 %	100.0%	76.3%	\$21,890	\$21,890	
26.0%	Other Services	24.6 %	22.9%	-1.7%	\$30,840	\$134,826	26.0 %	12.4%	-13.6%	\$19,729	\$158,900	
21.1%	Commodities	21.0 %	91.9%	70.9%	\$125,829	\$136,884	21.1 %	50.1%	29.0%	\$46,224	\$92,246	
	Total Expenditures		60.5%		\$176,569	\$291,610		32.2%		\$87,843	\$273,036	

B. Assessment of Fiscal Year 2014 - 2015 Efforts to Meet HUB Procurement Goals

Attainment:

The Agency exceeded the HUB procurement goals in the areas of professional services and commodities for FY2014 and FY 2015. 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 under statewide contracts over which the Agency has no control. Commodities and professional services are the categories over which the Agency has the most control. Examples of items in the Other Services category for which the Agency does not have the ability to choose a HUB vendor are communication services, delivery services, and telecommunications.

"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 within state purchasing rules to choose a HUB vendor, they do so.

6.E. Estimated Revenue Collections Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
<u>1</u> General Revenue Fund					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3001 Fed Receipts Matched-Transport Pgm	0	2	0	0	0
3103 Limited Sales & Use Tax-State	17	4	0	0	0
3171 Prof-Fees-HB11, GR Increase	59,953,700	103,200	0	0	0
3175 Professional Fees	23,437,499	7,900,000	8,000,000	8,000,000	8,000,000
3186 Securities Fees	142,211,302	120,000,000	120,000,000	120,000,000	120,000,000
3719 Fees/Copies or Filing of Records	517	2,000	0	0	0
3727 Fees - Administrative Services	300	200	0	0	0
3770 Administrative Penalties	339,530	572,847	0	0	0
Subtotal: Actual/Estimated Revenue	225,942,865	128,578,253	128,000,000	128,000,000	128,000,000
Total Available	\$225,942,865	\$128,578,253	\$128,000,000	\$128,000,000	\$128,000,000
Ending Fund/Account Balance	\$225,942,865	\$128,578,253	\$128,000,000	\$128,000,000	\$128,000,000

REVENUE ASSUMPTIONS:

\$103,200 in professional fees, Fund/Account 3171, were received in 2016. This fee type was discontinued by the Legislature in the 84th Session. These funds were submitted to the Agency, despite being discontinued, because they were late payments applicable to years prior to the 84th Legislative session.

CONTACT PERSON:

Derek Lauterjung

6.E. Estimated Revenue Collections Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
<u>666</u> Appropriated Receipts					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3719 Fees/Copies or Filing of Records	856	0	0	0	0
3752 Sale of Publications/Advertising	262	0	0	0	0
Subtotal: Actual/Estimated Revenue	1,118	0	0	0	0
Total Available	\$1,118	\$0	\$0	\$0	\$0
DEDUCTIONS:					
Cost recovery	(1,118)	0	0	0	0
Total, Deductions	\$(1,118)	\$0	\$0	\$0	\$0
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Derek Lauterjung

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/5/2016
Time: 11:20:42AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
1 Staff Reduction (First 5% Increment)							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: This reduction would eliminate 6 full-time equivalent positions. It would reduce the number of new Enforcement investigations by approximately 76 during the biennium. It would reduce the number of criminal, civil and administrative actions for securities fraud and related offenses by approximately 7 during the biennium. The reduction would lower the number of inspections on registrants subject to the sole regulatory oversight of the Agency by approximately 85 during the biennium. Because the Agency is required by law to reduce fees if certain revenues exceed the Agency's costs, this reduction in appropriations would also cause the need to decrease fees for a similar amount. This equates to a loss in revenue equal to this reduction. There is no gain to the state as a result of this reduction.							
Strategy: 1-1-1 Investigate Violations, Coordinate Appropriate Action by Authorities							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$211,085	\$211,085	\$422,170	\$211,085	\$211,085	\$422,170	
General Revenue Funds Total	\$211,085	\$211,085	\$422,170	\$211,085	\$211,085	\$422,170	
Strategy: 1-4-1 Inspect Dealer & Investment Adviser Records for Regulatory Compliance							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$139,875	\$139,875	\$279,750	\$139,875	\$139,875	\$279,750	
General Revenue Funds Total	\$139,875	\$139,875	\$279,750	\$139,875	\$139,875	\$279,750	
Item Total	\$350,960	\$350,960	\$701,920	\$350,960	\$350,960	\$701,920	
FTE Reductions (From FY 2018 and FY 2019 Base Request)				6.0	6.0		

2 Staff Reduction (Second 5% Increment)

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/5/2016
Time: 11:20:42AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
<p>Item Comment: The reduction would eliminate 7 full-time equivalent positions. It would reduce the number of new Enforcement investigations by approximately 114 during the biennium. It would reduce the number of criminal, civil and administrative actions for securities fraud and related offenses by approximately 11 during the biennium. The reduction would lower the number of inspections on registrants subject to the sole regulatory oversight of the Agency by approximately 85 during the biennium. Because the Agency is required by law to reduce fees if certain revenues exceed the Agency's costs, this reduction in appropriations would also cause the need to decrease fees for a similar amount. This equates to a loss in revenue equal to this reduction. There is no gain to the state as a result of this reduction.</p> <p>Strategy: 1-1-1 Investigate Violations, Coordinate Appropriate Action by Authorities</p>							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$203,048	\$203,048	\$406,096	\$203,048	\$203,048	\$406,096	
General Revenue Funds Total	\$203,048	\$203,048	\$406,096	\$203,048	\$203,048	\$406,096	
<p>Strategy: 1-4-1 Inspect Dealer & Investment Adviser Records for Regulatory Compliance</p>							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$147,912	\$147,912	\$295,824	\$147,912	\$147,912	\$295,824	
General Revenue Funds Total	\$147,912	\$147,912	\$295,824	\$147,912	\$147,912	\$295,824	
Item Total	\$350,960	\$350,960	\$701,920	\$350,960	\$350,960	\$701,920	
FTE Reductions (From FY 2018 and FY 2019 Base Request)				7.0	7.0		
AGENCY TOTALS							
General Revenue Total	\$701,920	\$701,920	\$1,403,840	\$701,920	\$701,920	\$1,403,840	\$1,403,840
Agency Grand Total	\$701,920	\$701,920	\$1,403,840	\$701,920	\$701,920	\$1,403,840	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2018 and FY 2019 Base Request)				13.0	13.0		

7.A. Indirect Administrative and Support Costs

8/5/2016 11:20:43AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

312 Securities Board

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-1-1	Investigate Violations, Coordinate Appropriate Action by Authorities					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$637,844	\$ 637,591	\$ 634,328	\$ 627,642	\$ 627,642
1002	OTHER PERSONNEL COSTS	39,093	40,031	47,745	49,819	49,819
2001	PROFESSIONAL FEES AND SERVICES	992	3,507	4,267	4,490	4,490
2003	CONSUMABLE SUPPLIES	5,004	3,900	5,087	5,353	5,353
2004	UTILITIES	6,907	10,156	13,886	13,969	13,969
2005	TRAVEL	22,947	24,579	23,458	24,685	24,685
2006	RENT - BUILDING	25,170	28,609	28,812	23,665	23,665
2007	RENT - MACHINE AND OTHER	3,536	3,628	3,815	3,167	3,167
2009	OTHER OPERATING EXPENSE	47,714	47,311	37,748	47,152	47,152
5000	CAPITAL EXPENDITURES	16,236	8,195	8,216	0	0
Total, Objects of Expense		\$805,443	\$807,507	\$807,362	\$799,942	\$799,942
METHOD OF FINANCING:						
1	General Revenue Fund	805,202	807,461	807,362	799,942	799,942
666	Appropriated Receipts	241	46	0	0	0
Total, Method of Financing		\$805,443	\$807,507	\$807,362	\$799,942	\$799,942
FULL TIME EQUIVALENT POSITIONS		9.3	9.6	9.6	9.5	9.5

7.A. Indirect Administrative and Support Costs

8/5/2016 11:20:43AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

312 Securities Board

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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1-1-1 Investigate Violations, Coordinate Appropriate Action by Authorities

Method of Allocation

Costs were allocated based on budget size.

7.A. Indirect Administrative and Support Costs

8/5/2016 11:20:43AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

312 Securities Board

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-2-1 Review Security Documentation for Conformity					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$93,682	\$ 92,102	\$ 98,461	\$ 103,608	\$ 103,608
1002 OTHER PERSONNEL COSTS	6,819	14,114	7,411	7,799	7,799
2001 PROFESSIONAL FEES AND SERVICES	44	530	899	946	946
2003 CONSUMABLE SUPPLIES	499	286	565	595	595
2004 UTILITIES	7	406	650	684	684
2005 TRAVEL	891	1,766	1,696	1,784	1,784
2006 RENT - BUILDING	673	728	848	892	892
2007 RENT - MACHINE AND OTHER	140	233	186	196	196
2009 OTHER OPERATING EXPENSE	3,949	4,689	3,150	4,443	4,443
5000 CAPITAL EXPENDITURES	1,912	1,070	1,072	0	0
Total, Objects of Expense	\$108,616	\$115,924	\$114,938	\$120,947	\$120,947
METHOD OF FINANCING:					
1 General Revenue Fund	108,616	115,924	114,938	120,947	120,947
Total, Method of Financing	\$108,616	\$115,924	\$114,938	\$120,947	\$120,947
FULL TIME EQUIVALENT POSITIONS	1.3	1.4	1.4	1.4	1.4

Method of Allocation

7.A. Indirect Administrative and Support Costs

8/5/2016 11:20:43AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

312 Securities Board

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-2-1 Review Security Documentation for Conformity					

Costs were allocated based on budget size.

7.A. Indirect Administrative and Support Costs

8/5/2016 11:20:43AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

312 Securities Board

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-3-1 Perform Extensive Review of Applications and Submissions					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$104,765	\$ 103,828	\$ 112,369	\$ 118,242	\$ 118,242
1002 OTHER PERSONNEL COSTS	6,961	14,322	8,458	8,900	8,900
2001 PROFESSIONAL FEES AND SERVICES	81	537	899	946	946
2003 CONSUMABLE SUPPLIES	467	384	565	595	595
2004 UTILITIES	17	95	712	749	749
2005 TRAVEL	427	2,222	1,130	1,190	1,190
2006 RENT - BUILDING	673	732	848	892	892
2007 RENT - MACHINE AND OTHER	171	249	187	196	196
2009 OTHER OPERATING EXPENSE	3,222	6,070	2,867	4,276	4,276
5000 CAPITAL EXPENDITURES	1,713	1,193	1,196	0	0
Total, Objects of Expense	\$118,497	\$129,632	\$129,231	\$135,986	\$135,986
METHOD OF FINANCING:					
1 General Revenue Fund	118,497	129,632	129,231	135,986	135,986
Total, Method of Financing	\$118,497	\$129,632	\$129,231	\$135,986	\$135,986
FULL TIME EQUIVALENT POSITIONS	1.4	1.5	1.5	1.6	1.6

Method of Allocation

7.A. Indirect Administrative and Support Costs

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85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

312 Securities Board

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-3-1 Perform Extensive Review of Applications and Submissions					

Costs were allocated based on budget size.

7.A. Indirect Administrative and Support Costs

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85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

312 Securities Board

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-4-1	Inspect Dealer & Investment Adviser Records for Regulatory Compliance					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$425,765	\$ 417,237	\$ 445,715	\$ 438,136	\$ 438,136
1002	OTHER PERSONNEL COSTS	25,146	41,699	33,548	35,142	35,142
2001	PROFESSIONAL FEES AND SERVICES	6,480	2,682	2,773	2,918	2,918
2003	CONSUMABLE SUPPLIES	3,291	5,604	3,392	3,569	3,569
2004	UTILITIES	3,066	5,059	9,359	9,848	9,848
2005	TRAVEL	18,965	19,089	22,610	20,665	20,665
2006	RENT - BUILDING	14,117	16,714	18,147	19,096	19,096
2007	RENT - MACHINE AND OTHER	1,626	1,812	1,837	1,933	1,933
2009	OTHER OPERATING EXPENSE	27,445	41,902	14,625	20,824	20,824
5000	CAPITAL EXPENDITURES	14,538	5,455	5,469	0	0
Total, Objects of Expense		\$540,439	\$557,253	\$557,475	\$552,131	\$552,131
METHOD OF FINANCING:						
1	General Revenue Fund	540,439	557,253	557,475	552,131	552,131
Total, Method of Financing		\$540,439	\$557,253	\$557,475	\$552,131	\$552,131
FULL TIME EQUIVALENT POSITIONS		6.3	6.6	6.7	6.6	6.6

Method of Allocation

7.A. Indirect Administrative and Support Costs

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

312 Securities Board

Exp 2015

Est 2016

Bud 2017

BL 2018

BL 2019

Costs were allocated based on budget size.

7.A. Indirect Administrative and Support Costs

8/5/2016 11:20:43AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

		312 Securities Board				
		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
GRAND TOTALS						
Objects of Expense						
1001	SALARIES AND WAGES	\$1,262,056	\$1,250,758	\$1,290,873	\$1,287,628	\$1,287,628
1002	OTHER PERSONNEL COSTS	\$78,019	\$110,166	\$97,162	\$101,660	\$101,660
2001	PROFESSIONAL FEES AND SERVICES	\$7,597	\$7,256	\$8,838	\$9,300	\$9,300
2003	CONSUMABLE SUPPLIES	\$9,261	\$10,174	\$9,609	\$10,112	\$10,112
2004	UTILITIES	\$9,997	\$15,716	\$24,607	\$25,250	\$25,250
2005	TRAVEL	\$43,230	\$47,656	\$48,894	\$48,324	\$48,324
2006	RENT - BUILDING	\$40,633	\$46,783	\$48,655	\$44,545	\$44,545
2007	RENT - MACHINE AND OTHER	\$5,473	\$5,922	\$6,025	\$5,492	\$5,492
2009	OTHER OPERATING EXPENSE	\$82,330	\$99,972	\$58,390	\$76,695	\$76,695
5000	CAPITAL EXPENDITURES	\$34,399	\$15,913	\$15,953	\$0	\$0
Total, Objects of Expense		\$1,572,995	\$1,610,316	\$1,609,006	\$1,609,006	\$1,609,006
Method of Financing						
1	General Revenue Fund	\$1,572,754	\$1,610,270	\$1,609,006	\$1,609,006	\$1,609,006
666	Appropriated Receipts	\$241	\$46	\$0	\$0	\$0
Total, Method of Financing		\$1,572,995	\$1,610,316	\$1,609,006	\$1,609,006	\$1,609,006
Full-Time-Equivalent Positions (FTE)		18.3	19.1	19.2	19.1	19.1