

Oklahoma Department of Securities 630

Irving Faught, Administrator

FY'17 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Administration			\$323,125			\$323,125
Regulation			\$551,327			\$551,327
Registration of Securities			\$814,424			\$814,424
Regis of Firms/Agents			\$874,368			\$874,368
Investigation & Enforc.			\$2,553,536			\$2,553,536
Investor Education			\$615,151			\$615,151
Information Technology			\$805,126			\$805,126
Total		\$0	\$6,537,057	\$0	\$0	\$6,537,057

*Source of "Other" and % of "Other" total for each.

FY'16 Carryover and Refund by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'16 Carryover			\$ 1,003,478.95			1,003,478.95
FY'16 GR Refund**						\$0

*Source of "Other" and % of "Other" total for each.
 **Indicate how the FY'16 General Revenue refund was budgeted
 N/A

What Changes did the Agency Make between FY'16 and FY'17?

1.) Are there any services no longer provided because of budget cuts? No

2.) What services are provided at a higher cost to the user? None

3.) What services are still provided but with a slower response rate? None

4.) Did the agency provide any pay raises that were not legislatively/statutorily required? If so, please provide a detailed description in a separate document.
 Yes: Two employees who took on additional responsibilities were given 15% raises from \$8,006.64 to \$9,206.50 per month.

FY'18 Expected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Other	Total	% Change
Administration			\$323,057		\$323,057	-0.02%
Regulation			\$532,963		\$532,963	-3.33%
Registration of Securities			\$815,022		\$815,022	0.07%
Regis of Firms/Agents			\$874,288		\$874,288	-0.01%
Investigation & Enforc.			\$2,553,446		\$2,553,446	0.00%
Investor Education			\$615,151		\$615,151	0.00%
Information Technology			\$842,895		\$842,895	4.69%
Total		\$0	\$6,556,822	\$0	\$6,556,822	0.30%

*Source of "Other" and % of "Other" total for each.

FY'18 Top Five Budget Adjustments		
Request 1: Description	\$ Amount	
General operation cost increases due to inflation and increased contract costs	\$19,918	
Total	19,918	

How would the agency handle a 5% appropriation reduction in FY'18?

How would the agency handle a 7.5% appropriation reduction in FY'18?

How would the agency handle a 10% appropriation reduction in FY'18?

Is the agency seeking any fee increases for FY'18?	
	\$ Amount
None	\$0

- What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?**
1. ODS Database conversion and update – this includes our revenue collection system = \$200,000
 2. Web Server and Intranet upgrades (virtual/physical) – including software development costs = \$80,000
 3. Veritas Enterprise Vault - file system and archiving = \$40,000

Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?

N/A

2.) Are any of those funds inadequate to pay for the federal mandate?

N/A

3.) What would the consequences be of ending all of the federal funded programs for your agency?

N/A

4.) How will your agency be affected by federal budget cuts in the coming fiscal year?

N/A

5.) Has the agency requested any additional federal earmarks or increases?

N/A

Division and Program Descriptions

Administrative Services

Administration is responsible for setting the Department's mission and goals, and providing financial management and legal guidance. This program includes support services from the Administrator, Deputy Administrator, Information Systems Administrator, General Counsel, Business Manager and Receptionist. Administration strives as a team to achieve a streamlined, efficient and defined system in which day to day processes will meet or exceed internal and external expectations.

Registration of Securities

The purpose of this program is to see that all applications for registration of securities, sub-divided land sales, and business opportunities, as well as applications for exemptions, no-action letters and interpretive opinions, are reviewed for compliance with applicable disclosure standards and other regulatory requirements. This program requires a comprehensive, timely and responsive review of the documentation submitted with all applications; negotiation with the issuer or its representatives for compliance and full disclosure of material considerations in offerings; and referral of suspected fraudulent offerings to the Enforcement Division.

Regis of Firms/Agents

A. REGISTRATION

One of the purposes of this program is to ensure that broker-dealers, agents, investment advisers and investment adviser representatives transacting business in Oklahoma meet applicable registration criteria at the time of registration.

B. EXAMINATIONS

The second purpose of this program is to oversee continuing compliance with regulatory requirements by registered securities professionals to enhance investor protection and investor confidence in the securities marketplace.

Investigation & Enforcement

The program strives to deter the defrauding of the investing public through investigations of suspected violations, and where warranted, through appropriate administrative or civil remedial actions for the imposition of sanctions. Program staff aggressively investigates suspected violations and brings the proper legal action. The staff works closely with local, state and federal prosecutors and other regulatory and law enforcement officials to ensure that appropriate enforcement action is taken, including criminal referrals, indictments, and convictions.

Investor Education

To further protect investors through education and research.

Information Technology

Supports the technology needs of each division.

FY'17 Budgeted FTE

	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Administration	0.7		1.5			1.5
Regulation	0.2		2.9			2.9
Registration of Securities	2.05		4.65			4.65
Regis of Firms/Agents	1		5.2		1	4.2
Investigation & Enforc.	2.3		14	0.8	1	12.2
Investor Education	0.8		2.15		0.8	1.35
Total	7.05	0	30.4	0.8	2.8	26.8

FTE History

	2017 Budgeted	2016	2013	2010	2006
Administration	1.5	1.5	1.2	1.4	1.2
Regulation	2.9	2.1	2.0	2.9	3.5
Registration of Securities	4.65	4.65	2.3	2.0	2.1
Regis of Firms/Agents	5.2	5.2	4.7	3.9	4.4
Investigation & Enforc.	14.0	12.2	13.2	11.9	11.95
Investor Education	2.15	2.15	0.8	0.9	0.6
Data Processing			1.8	1.8	2.0
Total	30.4	27.8	26.0	24.75	26

Revolving Funds

	FY'14-16 Avg. Revenues	FY'14-16 Avg. Expenditures	June '16 Balance
Okla Securities Dept Revolving Fund 20000 Statutory Authority? Title 71, Sec. 1-612E Source of Funds: Fees and other charges collected by the Administrator What is the fund spent on? Operations Is there a cap on the fund? No	\$5,121,332	\$4,237,839	\$8,955,866 \$ 5,055,866 Adjusted balance after transfer to GR per SB 1616 Sec. 175
Investor Education Revolving Fund 20500 Statutory Authority? Title 71, Sec. 1-612F Source of Funds: Court orders, judgements and settlements What is the fund spent on? Research for education & investor protection education Is there a cap on the fund? No	\$139,153	\$366,131	\$496,348