

**Securities Board
Summary of Budget Recommendations - House**

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Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$18,327,594	\$18,620,852	\$293,258	1.6%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$18,327,594</i>	<i>\$18,620,852</i>	<i>\$293,258</i>	<i>1.6%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$18,327,594	\$18,620,852	\$293,258	1.6%

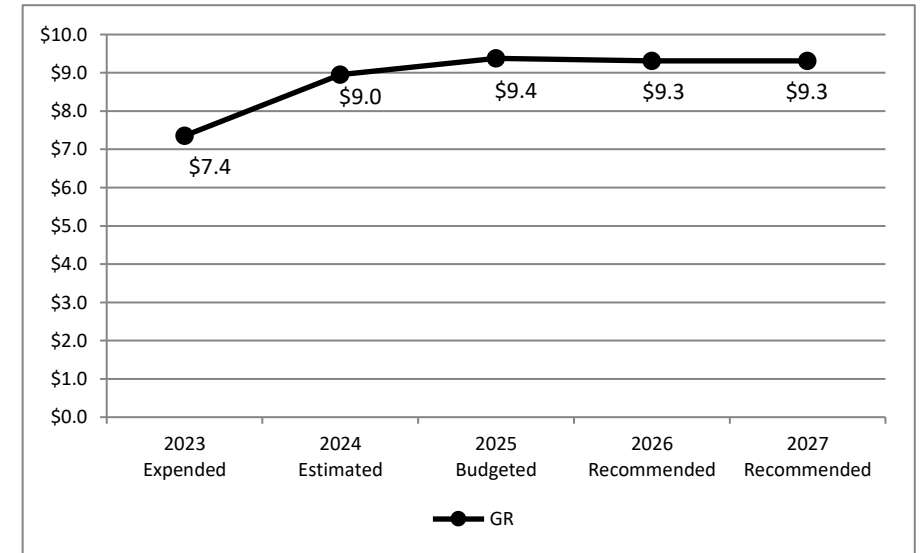
	FY 2025 Budgeted	FY 2027 Recommended	Biennial Change	Percent Change
FTEs	93.0	93.0	0.0	0.0%

Agency Budget and Policy Issues and/or Highlights

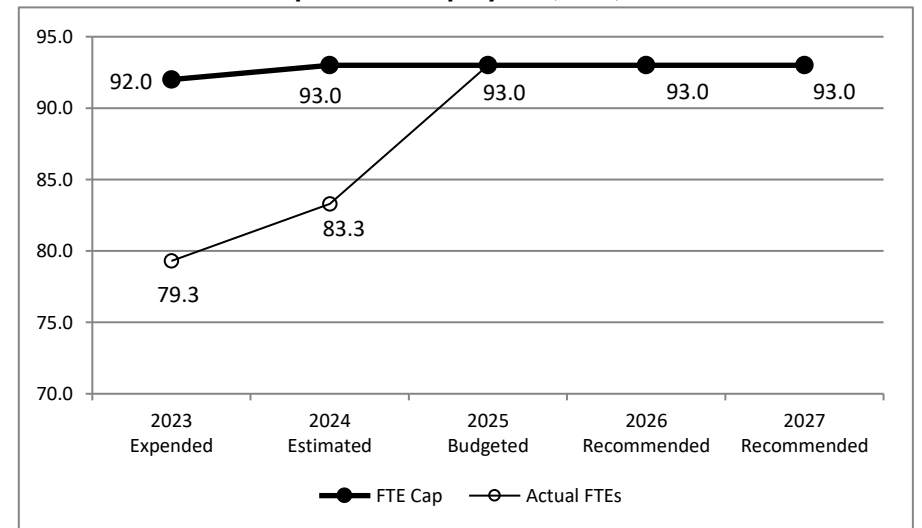
The Texas State Securities Board protects Texas investors through ensuring a free and competitive securities market in the state. It pursues this mission by registering securities and the firms and individuals who sell them, examination of registered firms, and enforcement of the Texas Securities Act through administrative, civil and criminal actions.

The bill pattern for this agency (2026-27 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2026-27 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Securities Board
Summary of Funding Changes and Recommendations - House

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
A)	Increase in funding to biennialize the statewide salary adjustments included in the 2024-25 appropriations	\$345,450	\$0	\$0	\$0	\$345,450	Several strategies
B)	Decrease for removal of one-time costs related to IT modernization and cybersecurity	(\$52,192)	\$0	\$0	\$0	(\$52,192)	Several strategies
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations		\$293,258	\$0	\$0	\$0	\$293,258	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$345,450	\$0	\$0	\$0	\$345,450	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$52,192)	\$0	\$0	\$0	(\$52,192)	As Listed

NOTE: Totals may not sum due to rounding.

**Securities Board
Selected Fiscal and Policy Issues - House**

- Staff Retention.** Recommendations maintain \$970,482 in General Revenue for the statewide salary increase and \$1,466,289 in General Revenue for merit-based salary increases and to fund vacant FTE positions provided for the 2024–25 biennium. This includes \$345,450 to biennialize the 2024–25 statewide salary adjustment.

The agency traditionally will lapse any unused salary funds due to vacant positions in the first year of the current biennium and will subsequently request these funds in its Legislative Appropriations Request. Recommendations do not include a similar request of \$477,848 to reinstate funds lapsed in fiscal year 2024, reflecting 5% of the agency’s fiscal year 2024 appropriations. The agency has communicated that these funds would be used to increase agency staff salaries.

The agency maintains that turnover remains an issue, particularly among its financial examiner positions. These positions have traditionally comprised approximately 30% of the agency’s workforce. In fiscal year 2024 the agency’s turnover rate was 16.7%, slightly lower than the statewide rate of 18.3%. However, the turnover rate among the financial examiners position has consistently been much higher with almost all terminations being staff that have left state employment. The agency attributes this issue to an inability to provide salaries that are competitive with the private financial industry. The table below provides a comparison of the turnover rate the agency’s financial examiner position as compared to statewide amounts.

Fiscal Year	Securities Board Financial Examiner Positions			Statewide Financial Examiner Position Turnover
	Headcount	Terminations	Turnover Rate	
2020	36	6	17%	14%
2021	34	8	24%	10%
2022	33	10	30%	18%
2023	35	8	23%	14%
2024	35.5	9	25%	12%
5-Year Turnover Rate:			24%	14%

**Securities Board
Rider Highlights – House**

Deleted Rider

Former 3. **Appropriations for FTEs.** Recommendations delete this rider, which was originally adopted in the 87th regular session to ensure that one-time lapsed funds would be spent in accordance with the intentions of the Legislature. As the original conditions which gave rise to the rider are no longer in effect, the rider is not necessary.

Securities Board
Items Not Included in Recommendations - House

	2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	General Revenue funding to recover lapsed appropriations from prior fiscal years to fund current staff salaries and efforts to retain experienced staff.	\$477,848	\$477,848	0.0	No	No	\$477,848
2)	Authority to increase the Security Commissioner's annual salary by \$49,202 from \$177,836 within Group 5 to \$227,038 within Group 6.	\$0	\$0	0.0	No	No	\$0
3)	General Revenue funding to maintain licenses for two software applications that the agency is currently piloting to more effectively investigate fraudulent digital asset schemes.	\$168,000	\$168,000	0.0	Yes	Yes	\$168,000
4)	General Revenue funding to establish reserve funds to be used in the event of staff departure to pay lump sum termination payments.	\$434,606	\$434,606	0.0	No	No	\$0
5)	General Revenue funding to provide for digital wallets to support investigation of potentially fraudulent digital asset promotions.	\$40,000	\$40,000	0.0	No	No	\$40,000

TOTAL Items Not Included in Recommendations		\$1,120,454	\$1,120,454	0.0			\$685,848
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**Securities Board
Appendices - House**

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* Appendix is not included - no significant information to report

Securities Board
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
LAW ENFORCEMENT A.1.1	\$6,874,246	\$6,982,938	\$108,692	1.6%	Agency-wide recommendations across all strategies include an increase of \$293,258 in General Revenue due to a \$345,450 increase associated with biennialization of the statewide salary increase and removal of \$52,192 for one-time IT expenses. Recommendations include an increase to all strategies by a proportional amount of the biennial salary increase.
SECURITIES REGISTRATION A.2.1	\$1,019,428	\$1,035,512	\$16,084	1.6%	
DEALER REGISTRATION A.3.1	\$1,014,790	\$1,030,786	\$15,996	1.6%	
INSPECT RECORDS A.4.1	\$4,459,132	\$4,529,612	\$70,480	1.6%	
Total, Goal A, PROTECT INVESTORS	\$13,367,596	\$13,578,848	\$211,252	1.6%	
CENTRAL ADMINISTRATION B.1.1	\$3,877,956	\$3,939,568	\$61,612	1.6%	
INFORMATION TECHNOLOGY B.1.2	\$1,082,042	\$1,102,436	\$20,394	1.9%	
Total, Goal B, INDIRECT ADMINISTRATION	\$4,959,998	\$5,042,004	\$82,006	1.7%	
Grand Total, All Strategies	\$18,327,594	\$18,620,852	\$293,258	1.6%	

**Securities Board
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2023	Estimated 2024	Budgeted 2025	Recommended 2026	Recommended 2027
Cap	92.0	93.0	93.0	93.0	93.0
Actual/Budgeted	79.3	83.3	93.0	NA	NA

Schedule of Exempt Positions (Cap)					
Securities Commissioner, Group 5	\$172,087	\$177,836	\$177,836	\$177,836	\$177,836

Note:

The State Auditor's Office Report, *Executive Compensation at State Agencies* (Report 25-702, October 2024), indicates a market average salary of \$180,852 for the Securities Commissioner position at the State Securities Board. The agency is requesting authority to raise the salary to the Group 6 cap of \$227,038 with no request for additional funding.