

2180 Department of Corporations

The Department of Corporations, under the direction of the California Corporations Commissioner, provides consumer and investor protections by regulating the conduct of a variety of businesses, including securities brokers and dealers, investment advisers and financial planners, and certain fiduciaries and lenders. The Department also oversees the offer and sale of securities, franchises and off-exchange commodities.

The mission of the Department of Corporations is to:

- Ensure an orderly and transparent marketplace for investors, borrowers and industry through licensure and oversight.
- Promote financial literacy and educate the public about the risks and rewards in investing and borrowing.
- Foster a professional and innovative working environment.
- Protect the public from fraud and abuse through enforcing California's financial services laws.

3-YR EXPENDITURES AND PERSONNEL YEARS

	Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
10 Investment Program	140.5	160.1	160.5	\$16,072	\$24,018	\$23,234
20 Lender-Fiduciary Program	134.9	153.7	154.2	16,056	22,827	22,098
50.01 Administration	52.1	64.4	65.3	5,551	6,713	6,375
50.02 Distributed Administration	-52.1	-64.4	-65.3	-5,551	-6,713	-6,375
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	275.4	313.8	314.7	\$32,128	\$46,845	\$45,332
FUNDING				2010-11*	2011-12*	2012-13*
0067 State Corporations Fund				\$32,128	\$46,695	\$45,182
0995 Reimbursements				-	150	150
TOTALS, EXPENDITURES, ALL FUNDS				\$32,128	\$46,845	\$45,332

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Corporations Code, Section 25600.

PROGRAM AUTHORITY

10-Investment Program:

Corporations Code Sections 25000-25707, 28000-28958, 29000-29201, 29500-29567, 31000-31516; Title 10, California Code of Regulations, Sections 250.1-250.70, 260.000-260.617, 280.100-280.700, 290.570-290.571, and 310.000-310.505.

20-Lender-Fiduciary Program:

Financial Code Sections 4050-4060, 4970-4979.8, 12000-12404, 17000-17703, 22000-22780, 23000-23106, 30000-30704, and 50000-50706; Title 10, California Code of Regulations, Sections 1400-1596, 1700-1769, 1772-1799.1, 1805.001-1805.213.1, 1950.003-1950.317, and 2020-2031.10.

DETAILED BUDGET ADJUSTMENTS

	2011-12*			2012-13*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
Workload Budget Adjustments						
Workload Budget Change Proposals						
• Information Technology Quality Network Replacement	\$-	\$-	-	\$-	\$4,297	6.6
Totals, Workload Budget Change Proposals	\$-	\$-	-	\$-	\$4,297	6.6
Other Workload Budget Adjustments						
• Employee Compensation Adjustments	\$-	-\$410	-	\$-	\$123	-
• Retirement Rate Adjustment	-	138	-	-	138	-
• One Time Cost Reduction for Information Technology Quality Network Replacement	-	-	-	-	-6,420	-5.7
• Operational Efficiency Plan	-	-263	-	-	-263	-
• Cell Phone Reductions	-	-17	-	-	-17	-

* Dollars in thousands, except in Salary Range.

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	2011-12*			2012-13*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
• Miscellaneous Adjustments for ProRata	-	-	-	-	77	-
Totals, Other Workload Budget Adjustments	\$-	-\$552	-	\$-	-\$6,362	-5.7
Totals, Workload Budget Adjustments	\$-	-\$552	-	\$-	-\$2,065	0.9
Totals, Budget Adjustments	\$-	-\$552	-	\$-	-\$2,065	0.9

PROGRAM DESCRIPTIONS

10 - INVESTMENT PROGRAM

The Investment Program protects investors in securities and franchise investment transactions and promotes efficient capital formation in California. The program qualifies the offer and sale of certain securities, registers the sale of franchises, and licenses and examines broker-dealers and investment advisers.

20 - LENDER-FIDUCIARY PROGRAM

The Lender-Fiduciary Program protects the public when borrowing and entering into financial transactions with lenders and fiduciaries licensed by the Department. The program licenses and examines mortgage bankers, finance lenders, escrow companies, deferred deposit originators, bill payers and proraters.

50 - ADMINISTRATION

This program provides executive leadership and direction to the Department, including planning, policy development, budgeting, accounting, personnel, centralized support services, business and information technology services.

DETAILED EXPENDITURES BY PROGRAM

		2010-11*	2011-12*	2012-13*
PROGRAM REQUIREMENTS				
10	INVESTMENT PROGRAM			
	State Operations:			
0067	State Corporations Fund	\$16,072	\$23,868	\$23,084
0995	Reimbursements	-	150	150
	Totals, State Operations	\$16,072	\$24,018	\$23,234
ELEMENT REQUIREMENTS				
10.10	Corporate Securities Law	\$9,085	\$15,353	\$15,109
	State Operations:			
0067	State Corporations Fund	9,085	15,203	14,959
0995	Reimbursements	-	150	150
10.15	Broker/Dealers	\$798	\$3,631	\$3,395
	State Operations:			
0067	State Corporations Fund	798	3,631	3,395
10.25	Investment Advisers	\$3,704	\$3,050	\$2,838
	State Operations:			
0067	State Corporations Fund	3,704	3,050	2,838
10.35	Agent Monitoring Law	\$365	\$290	\$268
	State Operations:			
0067	State Corporations Fund	365	290	268
10.55	California Commodity Law	\$162	\$-	\$-
	State Operations:			
0067	State Corporations Fund	162	-	-
10.65	Franchise Investment Law	\$1,958	\$1,694	\$1,624
	State Operations:			
0067	State Corporations Fund	1,958	1,694	1,624

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	2010-11*	2011-12*	2012-13*
10.75 Capital Access Law	\$-	\$-	\$-
State Operations:			
0067 State Corporations Fund	-	-	-
PROGRAM REQUIREMENTS			
20 LENDER-FIDUCIARY PROGRAM			
State Operations:			
0067 State Corporations Fund	\$16,056	\$22,827	\$22,098
Totals, State Operations	\$16,056	\$22,827	\$22,098
ELEMENT REQUIREMENTS			
20.10 Check Sellers, Bill Payers and Proraters	\$56	\$21	\$21
State Operations:			
0067 State Corporations Fund	56	21	21
20.20 Deferred Deposit Transaction Law	\$2,281	\$4,629	\$4,460
State Operations:			
0067 State Corporations Fund	2,281	4,629	4,460
20.30 Escrow Law	\$4,118	\$6,264	\$5,817
State Operations:			
0067 State Corporations Fund	4,118	6,264	5,817
20.85 California Mortgage Loan Originator	\$2,709	\$1,273	\$1,486
State Operations:			
0067 State Corporations Fund	2,709	1,273	1,486
20.90 California Finance Lenders Law	\$3,913	\$6,944	\$6,761
State Operations:			
0067 State Corporations Fund	3,913	6,944	6,761
20.95 Mortgage Bankers Law	\$2,979	\$3,696	\$3,553
State Operations:			
0067 State Corporations Fund	2,979	3,696	3,553
TOTALS, EXPENDITURES			
State Operations	32,128	46,845	45,332
Totals, Expenditures	\$32,128	\$46,845	\$45,332

EXPENDITURES BY CATEGORY

	1 State Operations			Expenditures		
	Positions/Personnel	Years		2010-11*	2011-12*	2012-13*
	2010-11	2011-12	2012-13			
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	275.4	320.0	320.0	\$17,189	\$20,934	\$21,724
Total Adjustments	-	-	1.0	-	-	-455
Estimated Salary Savings	-	-6.2	-6.3	-	-547	-524
Net Totals, Salaries and Wages	275.4	313.8	314.7	\$17,189	\$20,387	\$20,745
Staff Benefits	-	-	-	7,140	7,396	7,774
Totals, Personal Services	275.4	313.8	314.7	\$24,329	\$27,783	\$28,519
OPERATING EXPENSES AND EQUIPMENT				\$7,799	\$19,062	\$16,813
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS				\$32,128	\$46,845	\$45,332
(State Operations)						

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

* Dollars in thousands, except in Salary Range.

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1 STATE OPERATIONS	2010-11*	2011-12*	2012-13*
0067 State Corporations Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$43,824	\$47,247	\$45,182
Allocation for employee compensation	123	72	-
Adjustment per Section 3.60	612	138	-
Adjustment per Section 3.90	-1,256	-482	-
Adjustment per Section 3.91	-2,034	-	-
Adjustment per Section 3.91 (b) Cell Phone Reductions	-	-17	-
Adjustment per Section 3.91 (b) Operational Efficiency Plan	-	-263	-
011 Budget Act appropriation (Transfer to the General Fund)	<u>(20,000)</u>	<u>-</u>	<u>-</u>
Totals Available	\$41,269	\$46,695	\$45,182
Unexpended balance, estimated savings	<u>-9,141</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$32,128	\$46,695	\$45,182
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	<u>-</u>	<u>\$150</u>	<u>\$150</u>
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$32,128	\$46,845	\$45,332

FUND CONDITION STATEMENTS

	2010-11*	2011-12*	2012-13*
0067 State Corporations Fund ^s			
BEGINNING BALANCE			
	\$71,519	\$53,498	\$38,425
Prior year adjustments	<u>2,019</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$73,538	\$53,498	\$38,425
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125700 Other Regulatory Licenses and Permits	26,526	26,123	26,698
125800 Renewal Fees	4,757	4,892	4,892
125900 Delinquent Fees	3	3	2
142500 Miscellaneous Services to the Public	10	10	10
150300 Income From Surplus Money Investments	297	240	240
161000 Escheat of Unclaimed Checks & Warrants	3	4	4
161900 Other Revenue - Cost Recoveries	-	2	2
163000 Settlements/Judgments(not Anti-trust)	482	300	300
164300 Penalty Assessments	104	91	91
Transfers and Other Adjustments:			
TO0001 To General Fund per Item 2180-011-0067, Budget Act of 2010	<u>-20,000</u>	<u>-</u>	<u>-</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$12,182</u>	<u>\$31,665</u>	<u>\$32,239</u>
Total Resources	\$85,720	\$85,163	\$70,664
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	70	43	41
2180 Department of Corporations (State Operations)	32,128	46,695	45,182
8880 Financial Information System for California (State Operations)	<u>24</u>	<u>-</u>	<u>-</u>
Total Expenditures and Expenditure Adjustments	<u>\$32,222</u>	<u>\$46,738</u>	<u>\$45,223</u>
FUND BALANCE	\$53,498	\$38,425	\$25,441
Reserve for economic uncertainties	53,498	38,425	25,441

* Dollars in thousands, except in Salary Range.

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CHANGES IN AUTHORIZED POSITIONS

	Positions/Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
Totals, Authorized Positions	275.4	320.0	320.0	\$17,189	\$20,934	\$21,724
Workload & Administrative Adjustments:				\$Salary Range		
Expiration of Limited Term Positions:						
Sr Programmer Analyst - Sup	-	-	-1.0	5,850-7,465	-	-162
Senior Info Systems Analyst - Spec	-	-	-1.0	5,571-7,109	-	-238
Staff Info Systems Analyst - Spec	-	-	-1.0	5,065-6,466	-	-145
Staff Programmer Analyst - Spec	-	-	-1.0	5,065-6,466	-	-145
Sys Software Specialist I - Tech	-	-	-1.0	5,064-6,465	-	-135
Assoc Info Systems Analyst - Spec	-	-	-1.0	4,619-5,897	-	-149
Totals, Workload & Administrative Adjustments	-	-	-6.0	\$-	\$-	-\$974
Proposed New Positions:						
Sr Info Sys Analyst - Spec (1.0 LT pos exp 6-30-14)	-	-	1.0	5,571-7,109	-	79
Sr Programmer Analyst - Spec (1.0 LT pos exp 6-30-14)	-	-	1.0	5,571-7,109	-	77
Sys Software Spec II - Tech (1.0 LT pos exp 6-30-14)	-	-	1.0	5,561-7,097	-	79
Staff Info Sys Analyst - Spec (2.0 LT pos exp 6-30-14)	-	-	2.0	5,065-6,466	-	145
Sys Software Spec I - Tech (1.0 LT pos exp 6-30-14)	-	-	1.0	5,064-6,465	-	73
Assoc Programmer Analyst - Spec (1.0 LT pos exp 6-30-14)	-	-	1.0	4,619-5,897	-	66
Totals Proposed New Positions	-	-	7.0	\$-	\$-	\$519
Total Adjustments	-	-	1.0	\$-	\$-	-\$455
TOTALS, SALARIES AND WAGES	275.4	320.0	321.0	\$17,189	\$20,934	\$21,269

* Dollars in thousands, except in Salary Range.