

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1004 - Funding Summary**

	<b>Executive Budget</b>	<b>Final Legislative Action</b>	<b>Comparison To Executive Budget</b>
State Auditor			
Salaries and wages	\$10,263,792	\$10,113,137	(\$150,655)
Operating expenses	806,113	906,113	100,000
Capital assets	40,000	40,000	
Information technology consultants	150,000	250,000	100,000
Accrued leave payments		201,157	201,157
<b>Total all funds</b>	<b>\$11,259,905</b>	<b>\$11,510,407</b>	<b>\$250,502</b>
Less estimated income	3,073,675	3,036,918	(36,757)
General fund	\$8,186,230	\$8,473,489	\$287,259
FTE	52.80	53.80	1.00
Bill Total			
Total all funds	\$11,259,905	\$11,510,407	\$250,502
Less estimated income	3,073,675	3,036,918	(36,757)
General fund	\$8,186,230	\$8,473,489	\$287,259
FTE	52.80	53.80	1.00

**House Bill No. 1004 - State Auditor - House Action**

	<b>Executive Budget</b>	<b>House Changes</b>	<b>House Version</b>
Salaries and wages	\$10,263,792	(\$358,226)	\$9,905,566
Operating expenses	806,113		806,113
Capital assets	40,000		40,000
Information technology consultants	150,000	100,000	250,000
Accrued leave payments		201,157	201,157
<b>Total all funds</b>	<b>\$11,259,905</b>	<b>(\$57,069)</b>	<b>\$11,202,836</b>
Less estimated income	3,073,675	(88,650)	2,985,025
General fund	\$8,186,230	\$31,581	\$8,217,811
FTE	52.80	1.00	53.80

**Department 117 - State Auditor - Detail of House Changes**

	<b>Corrects Executive Compensation Package<sup>1</sup></b>	<b>Adjusts State Employee Compensation and Benefits Package<sup>2</sup></b>	<b>Provides Separate Line Item for Accrued Leave Payments<sup>3</sup></b>	<b>Removes 1 FTE Information Systems Auditor<sup>4</sup></b>	<b>Adds 1 FTE Financial Auditor<sup>5</sup></b>	<b>Adds 1 FTE Performance Auditor<sup>6</sup></b>
Salaries and wages	5,987	(357,423)	(201,157)	(124,367)	124,367	124,367
Operating expenses						
Capital assets						
Information technology consultants						
Accrued leave payments			201,157			
<b>Total all funds</b>	<b>\$5,987</b>	<b>(\$357,423)</b>	<b>\$0</b>	<b>(\$124,367)</b>	<b>\$124,367</b>	<b>\$124,367</b>
Less estimated income	1,497	(90,147)	0	0	0	0
General fund	\$4,490	(\$267,276)	\$0	(\$124,367)	\$124,367	\$124,367
FTE	0.00	0.00	0.00	(1.00)	1.00	1.00

	<b>Increases Temporary Salaries<sup>7</sup></b>	<b>Increases Funding for State IT Vulnerability Testing<sup>8</sup></b>	<b>Total House Changes</b>
Salaries and wages	70,000		(358,226)
Operating expenses			
Capital assets			
Information technology consultants		100,000	100,000
Accrued leave payments			201,157
<b>Total all funds</b>	<b>\$70,000</b>	<b>\$100,000</b>	<b>(\$57,069)</b>
Less estimated income	0	0	(88,650)
General fund	\$70,000	\$100,000	\$31,581
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>1.00</b>

<sup>1</sup> Funding is added due to a calculation error in the executive compensation package.

<sup>2</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>3</sup> A portion of salaries and wages funding from the general fund (\$147,106) and from other funds (\$54,051) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>4</sup> This amendment removes 1 FTE information systems auditor position included in the executive recommendation.

<sup>5</sup> This amendment adds 1 FTE financial auditor position.

<sup>6</sup> This amendment adds 1 FTE performance auditor position.

<sup>7</sup> Funding for temporary salaries is increased relating to the costs of the Comprehensive Annual Financial Report (CAFR).

<sup>8</sup> Funding is added for the State Auditor to contract with information technology consultants for the annual testing of the vulnerability of state computer networks to provide a total of \$250,000 from the general fund for network testing.

Section 3 of the bill, related to the salary of the State Auditor, is amended to make the statutory changes necessary to provide a salary increase of 3 percent effective July 1, 2013, and 3 percent effective July 1, 2014. The executive recommendation included increases of 4 percent each year of the 2013-15 biennium.

**House Bill No. 1004 - State Auditor - Senate Action**

	<b>Executive Budget</b>	<b>House Version</b>	<b>Senate Changes</b>	<b>Senate Version</b>
Salaries and wages	\$10,263,792	\$9,905,566	\$558,580	\$10,464,146
Operating expenses	806,113	806,113	100,000	906,113
Capital assets	40,000	40,000		40,000
Information technology consultants	150,000	250,000		250,000
Accrued leave payments		201,157	(201,157)	
<b>Total all funds</b>	<b>\$11,259,905</b>	<b>\$11,202,836</b>	<b>\$457,423</b>	<b>\$11,660,259</b>
Less estimated income	3,073,675	2,985,025	90,147	3,075,172
<b>General fund</b>	<b>\$8,186,230</b>	<b>\$8,217,811</b>	<b>\$367,276</b>	<b>\$8,585,087</b>
FTE	52.80	53.80	0.00	53.80

**Department 117 - State Auditor - Detail of Senate Changes**

	<b>Restores Executive Compensation Package<sup>1</sup></b>	<b>Removes Separate Line Item for Accrued Leave Payments<sup>2</sup></b>	<b>Restores 1 FTE Information Systems Auditor<sup>3</sup></b>	<b>Removes 1 FTE Performance Auditor<sup>4</sup></b>	<b>Increases Funding for Lease Costs<sup>5</sup></b>	<b>Total Senate Changes</b>
Salaries and wages	357,423	201,157	124,367	(124,367)		558,580
Operating expenses					100,000	100,000
Capital assets						
Information technology consultants						
Accrued leave payments		(201,157)				(201,157)
<b>Total all funds</b>	<b>\$357,423</b>	<b>\$0</b>	<b>\$124,367</b>	<b>(\$124,367)</b>	<b>\$100,000</b>	<b>\$457,423</b>
Less estimated income	90,147	0	0	0	0	90,147
<b>General fund</b>	<b>\$267,276</b>	<b>\$0</b>	<b>\$124,367</b>	<b>(\$124,367)</b>	<b>\$100,000</b>	<b>\$367,276</b>
FTE	0.00	0.00	1.00	(1.00)	0.00	0.00

<sup>1</sup> Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

<sup>2</sup> The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

<sup>3</sup> This amendment restores 1 FTE information systems auditor position included in the executive recommendation but removed by the House.

<sup>4</sup> This amendment removes 1 FTE performance auditor position added by the House. This position was not included in the executive recommendation.

<sup>5</sup> Additional funding is provided for increased lease costs. This funding was not included in the executive recommendation.

Section 3 of the bill is changed to provide 4 percent annual salary increases for the State Auditor, the same as the executive budget. The House provided 3 percent annual increases.

**House Bill No. 1004 - State Auditor - Conference Committee Action**

	<b>Executive Budget</b>	<b>House Version</b>	<b>Conference Committee Changes</b>	<b>Conference Committee Version</b>	<b>Senate Version</b>	<b>Comparison to Senate</b>
Salaries and wages	\$10,263,792	\$9,905,566	\$207,571	\$10,113,137	\$10,464,146	(\$351,009)
Operating expenses	806,113	806,113	100,000	906,113	906,113	
Capital assets	40,000	40,000		40,000	40,000	
Information technology consultants	150,000	250,000		250,000	250,000	
Accrued leave payments		201,157		201,157		201,157
<b>Total all funds</b>	<b>\$11,259,905</b>	<b>\$11,202,836</b>	<b>\$307,571</b>	<b>\$11,510,407</b>	<b>\$11,660,259</b>	<b>(\$149,852)</b>
Less estimated income	3,073,675	2,985,025	51,893	3,036,918	3,075,172	(38,254)
General fund	\$8,186,230	\$8,217,811	\$255,678	\$8,473,489	\$8,585,087	(\$111,598)
FTE	52.80	53.80	0.00	53.80	53.80	0.00

**Department 117 - State Auditor - Detail of Conference Committee Changes**

	<b>Removes House Changes to Executive Compensation Package<sup>1</sup></b>	<b>Adjusts State Employee Compensation and Benefits Package<sup>2</sup></b>	<b>Adds 1 FTE Financial Auditor<sup>3</sup></b>	<b>Removes 1 FTE Performance Auditor<sup>4</sup></b>	<b>Increases Funding for Lease Costs<sup>5</sup></b>	<b>Total Conference Committee Changes</b>
Salaries and wages	357,423	(149,852)	124,367	(124,367)		207,571
Operating expenses					100,000	100,000
Capital assets						
Information technology consultants						
Accrued leave payments						
<b>Total all funds</b>	<b>\$357,423</b>	<b>(\$149,852)</b>	<b>\$124,367</b>	<b>(\$124,367)</b>	<b>\$100,000</b>	<b>\$307,571</b>
Less estimated income	90,147	(38,254)	0	0	0	51,893
General fund	\$267,276	(\$111,598)	\$124,367	(\$124,367)	\$100,000	\$255,678
FTE	0.00	0.00	1.00	(1.00)	0.00	0.00

<sup>1</sup> Changes made by the House to the executive compensation package are removed.

<sup>2</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

<sup>3</sup> This amendment adds 1 FTE financial auditor position. The executive recommendation included 1 FTE information system auditor that was removed by the House and restored by the Senate.

<sup>4</sup> This amendment removes 1 FTE performance auditor position added by the House, but removed by the Senate. This position was not included in the executive recommendation.

<sup>5</sup> Additional funding is provided for increased lease costs, the same as the Senate. This funding was not included in the executive recommendation or the House version.

Section 3 of the bill is changed to provide a 4 percent first year and a 3 percent second year salary increase for the State Auditor. The Senate and the executive budget provided 4 percent annual increases. The House provided 3 percent annual increases.