

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2004 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
State Auditor			
Salaries and wages	\$11,767,312	\$12,668,218	\$900,906
Operating expenses	1,142,783	1,161,820	19,037
Capital assets		16,000	16,000
Information technology consultants		450,000	450,000
	<hr/>	<hr/>	<hr/>
Total all funds	\$12,910,095	\$14,296,038	\$1,385,943
Less estimated income	3,411,487	4,173,178	761,691
General fund	<hr/> \$9,498,608	<hr/> \$10,122,860	<hr/> \$624,252
FTE	56.00	58.00	2.00
Bill total			
Total all funds	\$12,910,095	\$14,296,038	\$1,385,943
Less estimated income	3,411,487	4,173,178	761,691
General fund	<hr/> \$9,498,608	<hr/> \$10,122,860	<hr/> \$624,252
FTE	56.00	58.00	2.00

Senate Bill No. 2004 - State Auditor - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$11,767,312	\$988,446	\$12,755,758
Operating expenses	1,142,783	261,893	1,404,676
Capital assets		16,000	16,000
Information technology consultants		450,000	450,000
	<hr/>	<hr/>	<hr/>
Total all funds	\$12,910,095	\$1,716,339	\$14,626,434
Less estimated income	3,411,487	800,807	4,212,294
General fund	<hr/> \$9,498,608	<hr/> \$915,532	<hr/> \$10,414,140
FTE	56.00	5.00	61.00

Department 117 - State Auditor - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Salary and Benefit Increases²	Removes Positions and Underfunds Salaries and Wages³	Adds Local Government Auditors⁴	Adds State Audit Division Auditors for NDUS Audit⁵	Decreases Funding for Operating Expenses⁶
Salaries and wages	(\$54,597)	\$615,258	(\$725,231)	\$665,172	\$487,844	
Operating expenses				40,000	72,856	(\$963)
Capital assets						
Information technology consultants						
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total all funds	(\$54,597)	\$615,258	(\$725,231)	\$705,172	\$560,700	(\$963)
Less estimated income	(68,186)	161,165	(2)	705,172	0	2,658
General fund	<hr/> \$13,589	<hr/> \$454,093	<hr/> (\$725,229)	<hr/> \$0	<hr/> \$560,700	<hr/> (\$3,621)
FTE	0.00	0.00	(2.00)	4.00	3.00	0.00

	Adds Funding for Information Technology Reviews ⁷	Adds Funding for Consulting Fees ⁸	Adds One-Time Funding for a Copier ⁹	Total Senate Changes
Salaries and wages				\$988,446
Operating expenses		\$150,000		261,893
Capital assets			\$16,000	16,000
Information technology consultants	\$450,000			450,000
	<hr/>	<hr/>	<hr/>	
Total all funds	\$450,000	\$150,000	\$16,000	\$1,716,339
Less estimated income	0	0	0	800,807
General fund	<hr/>	<hr/>	<hr/>	<hr/>
	\$450,000	\$150,000	\$16,000	\$915,532
FTE	0.00	0.00	0.00	5.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$264,455	\$92,003	\$356,458
Health insurance increase	189,638	69,162	258,800
Total	\$454,093	\$161,165	\$615,258

³ One FTE local government division position and 1 FTE state audit division position are removed and salaries and wages are underfunded for anticipated savings resulting from vacant positions and employee turnover.

⁴ Four FTE local government division auditors, including related salaries and wages and operating expenses, are added with funding from audit fee revenue.

⁵ Three FTE state audit division auditors and related salaries and wages and operating expenses are added to audit the North Dakota University System.

⁶ Base budget funding for operating expenses is reduced.

⁷ Funding is added for information technology reviews of the Information Technology Department and the University System.

⁸ Funding is added for the State Auditor to contract for consulting services.

⁹ Funding is added for information technology equipment to replace a copier.

This amendment also adds sections to:

- Provide the statutory changes to increase the State Auditor's salary. The State Auditor's annual salary would increase from the current level of \$105,770 to \$107,885, effective July 1, 2019, and to \$111,122, effective July 1, 2020, to reflect the 2 percent and 3 percent salary increase; and
- Declare one-time funding from the general fund for copier replacement an emergency measure.

Senate Bill No. 2004 - State Auditor - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$11,767,312	\$12,755,758	(\$412,540)	\$12,343,218
Operating expenses	1,142,783	1,404,676	(242,856)	1,161,820
Capital assets		16,000		16,000
Information technology consultants		450,000		450,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total all funds	\$12,910,095	\$14,626,434	(\$655,396)	\$13,971,038
Less estimated income	3,411,487	4,212,294	(39,116)	4,173,178
General fund	<hr/>	<hr/>	<hr/>	<hr/>
	\$9,498,608	\$10,414,140	(\$616,280)	\$9,797,860
FTE	56.00	61.00	(5.00)	56.00

Department 117 - State Auditor - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Restores Positions and Salaries and Wages ²	Removes 2 FTE State Audit Division Auditor Positions ³	Removes 2 FTE Local Government Auditors ⁴	Removes State Audit Division Auditors for NDUS Audit ⁵	Adjusts Funding Source for Information Technology Consultants ⁶
Salaries and wages	(\$6,497)	\$725,231	(\$325,000)	(\$318,430)	(\$487,844)	
Operating expenses				(20,000)	(72,856)	
Capital assets						
Information technology consultants						
Total all funds	(\$6,497)	\$725,231	(\$325,000)	(\$338,430)	(\$560,700)	\$0
Less estimated income	(688)	2	0	(338,430)	0	300,000
General fund	(\$5,809)	\$725,229	(\$325,000)	\$0	(\$560,700)	(\$300,000)
FTE	0.00	2.00	(2.00)	(2.00)	(3.00)	0.00

	Removes Funding for Consulting Fees ⁷	Total House Changes
Salaries and wages		(\$412,540)
Operating expenses	(\$150,000)	(242,856)
Capital assets		
Information technology consultants		
Total all funds	(\$150,000)	(\$655,396)
Less estimated income	0	(39,116)
General fund	(\$150,000)	(\$616,280)
FTE	0.00	(5.00)

¹ Funding is adjusted to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

² One FTE local government division auditor and 1 FTE state audit division auditor are restored and salaries and wages funding, underfunded by the Senate, is restored.

³ Two FTE state audit division auditors and related salaries and wages are removed.

⁴ Two of the four FTE local government division auditors added by the Senate, including funding from audit fee revenue for related salaries and wages and operating expenses, are removed to provide an additional two local government division auditors.

⁵ Three FTE state audit division auditors and related salaries and wages and operating expenses, added by the Senate to audit the North Dakota University System, are removed.

⁶ Funding for information technology reviews of the Information Technology Department and the University System is adjusted to provide a total of \$450,000, of which \$150,000 is from the general fund.

⁷ Funding for consulting fees added by the Senate is removed.

This amendment also:

- Adds a section to amend Section 54-10-01 related to the powers and duties of the State Auditor to provide state agencies must use nongeneral fund moneys to pay for audits performed by the State Auditor. If nongeneral fund moneys are not available, the agency may, upon approval of the Legislative Assembly, or the Budget Section if the Legislative Assembly is not in session, use general fund moneys to pay for audits performed by the State Auditor; and
- Amends the statutory changes related to the State Auditor's salary to provide increases consistent with state employee salary increases.

Senate Bill No. 2004 - State Auditor - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$11,767,312	\$12,755,758	(\$87,540)	\$12,668,218	\$12,343,218	\$325,000
Operating expenses	1,142,783	1,404,676	(242,856)	1,161,820	1,161,820	
Capital assets		16,000		16,000	16,000	
Information technology consultants		450,000		450,000	450,000	
Total all funds	\$12,910,095	\$14,626,434	(\$330,396)	\$14,296,038	\$13,971,038	\$325,000
Less estimated income	3,411,487	4,212,294	(39,116)	4,173,178	4,173,178	0
General fund	\$9,498,608	\$10,414,140	(\$291,280)	\$10,122,860	\$9,797,860	\$325,000
FTE	56.00	61.00	(3.00)	58.00	56.00	2.00

Department 117 - State Auditor - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases ¹	Restores Positions and Salaries and Wages ²	Removes 2 FTE Local Government Auditors ³	Removes State Audit Division Auditors for NDUS Audit ⁴	Adjusts Funding Source for Information Technology Consultants ⁵	Removes Funding for Consulting Fees ⁶
Salaries and wages	(\$6,497)	\$725,231	(\$318,430)	(\$487,844)		
Operating expenses			(20,000)	(72,856)		(\$150,000)
Capital assets						
Information technology consultants						
Total all funds	(\$6,497)	\$725,231	(\$338,430)	(\$560,700)	\$0	(\$150,000)
Less estimated income	(688)	2	(338,430)	0	300,000	0
General fund	(\$5,809)	\$725,229	\$0	(\$560,700)	(\$300,000)	(\$150,000)
FTE	0.00	2.00	(2.00)	(3.00)	0.00	0.00

	Total Conference Committee Changes
Salaries and wages	(\$87,540)
Operating expenses	(242,856)
Capital assets	
Information technology consultants	
Total all funds	(\$330,396)
Less estimated income	(39,116)
General fund	(\$291,280)
FTE	(3.00)

¹ Funding is adjusted to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020, the same as the House version. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

² One FTE local government division auditor and 1 FTE state audit division auditor are restored as well as funding for salaries and wages which was underfunded by the Senate, the same as the House version.

³ Two of the four FTE local government division auditors added by the Senate, including funding from audit fee revenue for related salaries and wages and operating expenses, are removed, the same as the House version.

⁴ Three FTE state audit division auditors and related salaries and wages and operating expenses, added by the Senate to audit the North Dakota University System, are removed, the same as the House version.

⁵ Funding for information technology reviews of the Information Technology Department and the University System is adjusted to provide a total of \$450,000, of which \$150,000 is from the general fund and \$300,000 of other funds, the same as the House version. The Senate provided \$450,000 from the general fund for the information technology reviews.

⁶ Funding for consulting fees added by the Senate is removed, the same as the House version.

The Conference Committee restored 2 FTE state audit division auditors and related salaries and wages removed by the House, but not by the Senate.

This amendment also:

- Adds a section to amend North Dakota Century Code Section 54-10-01 related to the powers and duties of the State Auditor to:
 - Require state agencies to use nongeneral fund moneys to pay for audits performed by the State Auditor. If nongeneral fund moneys are not available, the agency may, upon approval of the Legislative Assembly, or the Budget Section if the Legislative Assembly is not in session, use general fund moneys to pay for audits performed by the State Auditor, the same as the House version; and
 - Require the State Auditor to receive Legislative Audit and Fiscal Review Committee approval to conduct performance audits and to contract for services related to performing the duties of a federal single audit. Neither the Senate nor the House had included these changes;
- Amends the statutory changes related to the State Auditor's salary to provide increases consistent with state employee salary increases, the same as the House version; and
- Adds a section to require the State Auditor to monitor the number of audit staff hours dedicated to financial audits, performance audits, mineral resource audits, federal single audit procedures, comprehensive annual financial report procedures, fraud investigation, local government audits, and audits of the institutions of higher education, including financial audits and performance audits. The State Auditor must report to the Appropriations Committees of the 67th Legislative Assembly regarding the number of audit staff hours dedicated to each of these audit functions and any other functions of the State Auditor's office during the 2019-21 biennium. Neither the Senate nor the House had included this section.