

**State Auditor
House Bill No. 1004**

	FTE Positions	General Fund	Other Funds	Total
2001-03 executive budget (Governor Schafer) (bill as introduced)	53.00	\$4,425,069	\$2,145,837	\$6,570,906
2001-03 legislative appropriations	55.00	4,566,068	2,145,837	6,711,905
Legislative increase (decrease) to executive budget	2.00	\$140,999	\$0	\$140,999
Legislative increase (decrease) to 1999-2001 appropriations	0.00	\$417,438	\$182,838	\$600,276
2001-03 Governor Hoeven's recommendation	53.00	\$4,425,069	\$2,145,837	\$6,570,906
Legislative increase (decrease) to Governor Hoeven's recommendation	2.00	\$140,999	\$0	\$140,999

GOVERNOR HOEVEN'S RECOMMENDATIONS

The Hoeven recommendation did not change the Schafer recommendation.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET (SCHAFER) AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the State Auditor is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015. In addition to the above appropriations, agencies may receive additional funding from the \$5 million appropriated in Section 1 of House Bill No. 1015 for special market equity adjustments for classified state employees whose salaries are the furthest from their respective salary range midpoints. The bill includes funding to provide a market equity adjustment of \$161.83 per month for the State Auditor effective January 1, 2002.

The Legislative Assembly also provided a general fund appropriation of \$52,000 (\$17,000 more than the amount included in the executive recommendation) for salary increases for entry level auditor positions to assist in reducing agency turnover.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Decreased funding for a market equity increase for the State Auditor by \$1,001, from \$4,402 to \$3,401. The executive budget had provided more than was necessary to provide for the market equity increase of \$161.83 per month effective January 1, 2002.		(\$1,001)		(\$1,001)
Added funding for 2 FTE auditor I positions removed in the executive budget recommendation	2.00	140,000		140,000
Reduced funding for operating expenses to partially offset the cost of the 2 FTE positions added by the Legislative Assembly		(15,000)		(15,000)

Added funding for salary adjustments, in addition to the compensation package, to increase entry level auditor salaries to assist in reducing agency turnover (the 1999-2001 biennium appropriation included \$38,000 for this purpose; the executive budget included \$35,000; the legislative budget includes \$52,000)		17,000		17,000
Total	<u>2.00</u>	<u>\$140,999</u>	<u>\$0</u>	<u>\$140,999</u>

FTE Changes

The Legislative Assembly restored two FTE auditor I positions removed in the executive budget. The positions were partially unfunded in the agency's base budget request; full funding was requested as an optional adjustment. The number of FTE positions for the State Auditor for the 2001-03 biennium remains unchanged from the number authorized for the 1999-2001 biennium.

Other Sections in Bill

Other funds collections - Section 2 provides that the other funds appropriation in Section 1 of the bill includes up to \$1,288,567 from political subdivision audit fees. Any amount collected in excess of \$1,288,567 must be retained in the State Auditor operating account for appropriation after June 30, 2003.

State Auditor salary - Section 3 amends North Dakota Century Code Section 54-10-10 to set the salary of the State Auditor for the 2001-03 biennium, as follows:

	Annual Salary
Effective January 1, 2001	\$62,855
Effective July 1, 2001	\$64,742
Effective January 1, 2002	\$66,684
Effective July 1, 2002	\$68,018

Related Legislation

Annual reports from occupational or professional licensing boards - House Bill No. 1259 allows occupational or professional licensing boards with less than \$10,000 of annual receipts to submit an annual unaudited report to the State Auditor (rather than requiring the board to have a biennial audit performed and to submit the audit report to the State Auditor) and allows the State Auditor to charge a fee of up to \$50 per hour for reviewing the annual report. This bill will result in additional other funds revenues and expenditures of \$4,100 per biennium.

Annual reports from park districts - Senate Bill No. 2259 provides that in lieu of an audit conducted by the State Auditor every two years, a park district with less than \$200,000 of annual receipts may submit an annual unaudited report to the State Auditor, and the State Auditor may charge a fee of up to \$50 per hour for reviewing the annual report. This bill will result in additional other funds revenues and expenditures of \$750 per biennium.