

**State Auditor
Senate Bill No. 2004**

	FTE Positions	General Fund	Other Funds	Total
2003-05 executive budget (bills as introduced)	52.00	\$4,475,219	\$2,140,958	\$6,616,177
2003-05 legislative appropriations	55.00	4,581,232	2,117,976	6,699,208
Legislative increase (decrease) to executive budget	3.00	\$106,013	(\$22,982)	\$83,031
Legislative increase (decrease) to 2001-03 appropriations	0.00	(\$9,911)	(\$39,664)	(\$49,575)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET 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 Senate Bill No. 2423, which allows agencies to provide salary increases of up to 1 percent on January 1, 2004, and up to 2 percent on January 1, 2005, to be funded in part from pooled savings accumulated from agency FTE position reductions.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding recommended in the executive budget for state employee salary increases		(\$43,148)	(\$19,763)	(\$62,911)
Reduced funding recommended in the executive budget for state employee health insurance premiums from \$493 to \$488.70 per month per policy		(3,612)	(1,754)	(5,366)
Reduced funding for information technology. The amount reduced represents a reduction in information technology funding of approximately 5 percent. (See Related Legislation section below)		(14,344)	(1,465)	(15,809)
Restored funding for 3 FTE auditor positions removed in the agency budget request to meet the Governor's 95 percent budget guideline	3.00	294,917		294,917
Removed funding for consulting services to assist with performance audits		(100,000)		(100,000)
Removed funding for a new copier		(28,800)		(28,800)
Added funding for copier repairs		1,000		1,000
Total	3.00	\$106,013	(\$22,982)	\$83,031

FTE Changes

The Legislative Assembly restored three auditor positions removed in the agency's budget request in order to meet the 95 percent budget requested by the Governor. The number of FTE positions for the State Auditor for the 2003-05 biennium remains at 55 FTE, the same as the 2001-03 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 \$1,264,865 from political subdivision audit fees. Any collections in excess of \$1,264,865 must be retained in the State Auditor operating account to be appropriated after June 30, 2005.

Performance audits - Section 3 amends Section 54-10-01(4) of the North Dakota Century Code relating to performance audits, providing that the state auditor may not hire a consultant to assist with conducting a performance audit of a state agency without prior approval of the Legislative Audit and Fiscal Review Committee (LAFRC), that the State Auditor shall notify an agency of the need for a consultant before requesting approval by LAFRC, and that the agency which is audited shall pay for the cost of any consultant approved.

Related Legislation

Information technology responsibilities - House Bill No. 1505 creates a new section to North Dakota Century Code Chapter 54-10 to provide for information technology responsibilities of the State Auditor.

Special funds transfer - Section 2 of House Bill No. 1505 authorizes the Office of Management and Budget to transfer \$1,465 of special funds reduced from the State Auditor's information technology budget to the Information Technology Department for funding a portion of the Information Technology Department's operating budget.