

**Department 117 - State Auditor
House Bill Nos. 1004 and 1064**

Executive Budget Comparison to Prior Biennium Appropriations

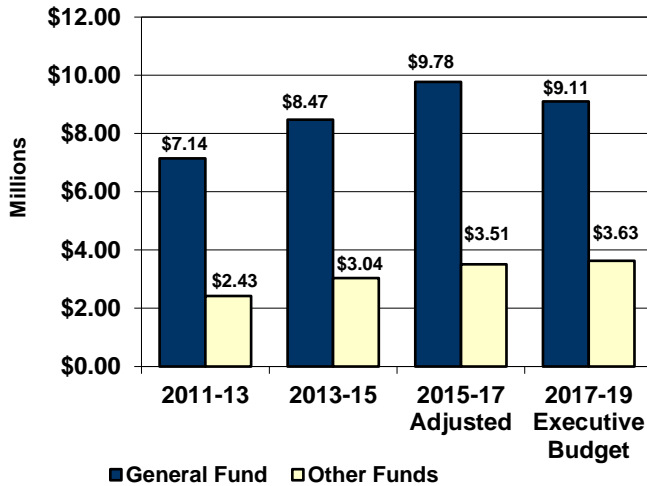
	FTE Positions	General Fund	Other Funds	Total
2017-19 Executive Budget	53.80	\$9,108,071	\$3,626,970	\$12,735,041
2015-17 Adjusted Legislative Appropriations ¹	59.80	9,776,582	3,505,870	13,282,452
Increase (Decrease)	(6.00)	(\$668,511)	\$121,100	(\$547,411)

¹The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016.

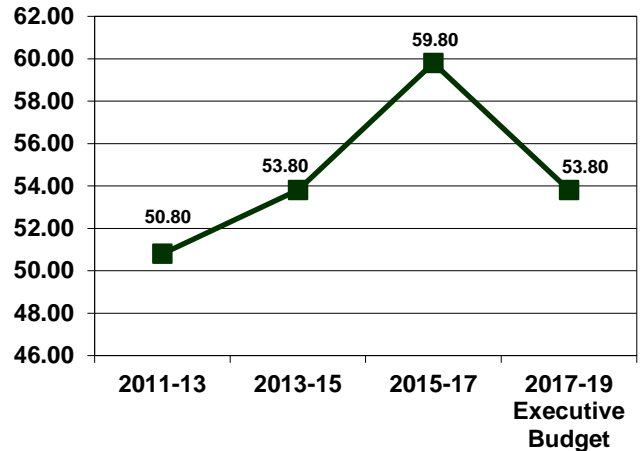
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Executive Budget	\$9,108,071	\$0	\$9,108,071
2015-17 Adjusted Legislative Appropriations	9,776,582	0	9,776,582
Increase (Decrease)	(\$668,511)	\$0	(\$668,511)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Executive Budget	\$9,108,071	\$3,626,970	\$12,735,041
2017-19 Base Level	9,776,582	3,505,870	13,282,452
Increase (Decrease)	(\$668,511)	\$121,100	(\$547,411)

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$52,374 is for salary increases and \$163,134 is for health insurance increases	\$163,530	\$51,978	\$215,508
2. Removes and unfunds 2 North Dakota University System (NDUS) audit FTE positions, including salary and benefit increases; unfunds an additional 2 NDUS audit FTE positions; and underfunds salaries agencywide	(\$172,978)	\$30,422	(\$142,556)
3. Removes 4 FTE positions from the Division of State Audits	(\$552,448)		(\$552,448)
4. Reduces funding for various operating expenses	(\$106,615)	\$38,700	(\$67,915)

**Other Bill Sections Recommended to be Added in the Executive Budget
(As Detailed in House Bill No. 1064)**

Salary of State Auditor - Section 2 provides for the statutory changes necessary to increase the State Auditor's salary as follows:

Annual salary authorized by the 2015 Legislative Assembly:

July 1, 2015	\$102,689
July 1, 2016	\$105,770

Proposed annual salary recommended in the 2017-19 executive budget:

July 1, 2017	\$105,770
July 1, 2018	\$106,828

The executive budget includes funding for elected officials' salary increases of 1 percent effective July 1, 2018.

Continuing Appropriations

No continuing appropriations for this agency.

Significant Audit Findings

The financial audit for the State Auditor's office was conducted by Eide Bailly LLP for the biennium ended June 30, 2015, and there were no significant audit findings for this agency.

Major Related Legislation

At this time, no major related legislation has been introduced affecting this agency.

**State Auditor - Budget No. 117
House Bill Nos. 1004 and 1064
Base Level Funding Changes**

Executive Budget Recommendation

	FTE Position	General Fund	Other Funds	Total
2017-19 Biennium Base Level	59.80	\$9,776,582	\$3,505,870	\$13,282,452
2017-19 Ongoing Funding Changes				
Base payroll changes		(\$99,658)	\$30,422	(\$69,236)
Salary increase - Performance		39,742	12,632	52,374
Health insurance increase		123,788	39,346	163,134
Remove and unfund 2 NDUS audit FTE positions, including salary and benefit increases; unfund an additional 2 NDUS FTE positions; and underfund salaries agencywide	(2.00)	(73,320)		(73,320)
Reduce funding for operating expenses		(106,615)	38,700	(67,915)
Remove 4 FTE positions in Division of State Audit	(4.00)	(541,000)		(541,000)
Remove salary and benefit increases for 4 Division of State Audit FTE positions		(11,448)		(11,448)
Total ongoing funding changes	(6.00)	(\$668,511)	\$121,100	(\$547,411)
One-time funding items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(6.00)	(\$668,511)	\$121,100	(\$547,411)
2017-19 Total Funding	53.80	\$9,108,071	\$3,626,970	\$12,735,041

Other Sections in State Auditor - Budget No. 117

Executive Budget Recommendation

Salary of State Auditor

Section 2 provides the statutory changes to increase the State Auditor's salary by 1 percent effective July 1, 2018.

Department 117 - State Auditor

Appropriations Comparisons to the Original and Adjusted Base Budgets

General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$10,461,832	\$0	\$10,461,832
General fund reductions	(685,250)		(685,250)
Adjusted 2015-17 appropriations	\$9,776,582	\$0	\$9,776,582
Executive Budget changes	(668,511)		(668,511)
2017-19 Executive Budget	\$9,108,071	\$0	\$9,108,071

Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Salaries and wages savings related to a reduction in the number of auditors hired to implement the NDUS Performance Audit Division	(\$434,032)	\$0	(\$434,032)
Salaries and wages savings related to staff turnover and retirement	(232,514)		(232,514)
Operating expense savings related to reductions in travel and training	(18,704)		(18,704)
Total reductions	(\$685,250)	\$0	(\$685,250)
Percentage reduction to ongoing and one-time general fund appropriations	6.55%	0.00%	6.55%

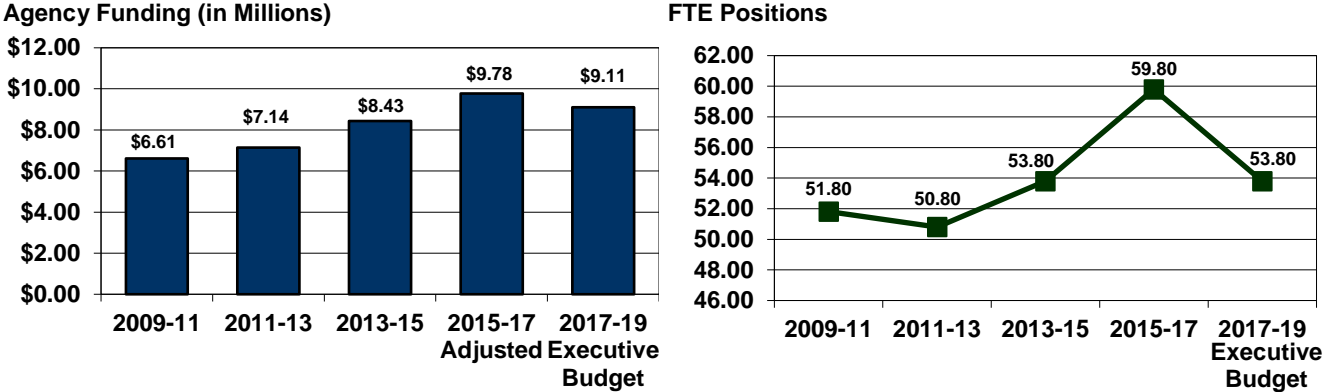
2017-19 Executive Budget Changes to the Original and Adjusted Base Budgets

	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Adds funding for recommended salary and benefit increases	\$163,530	\$0	\$163,530
Reduces funding for salaries and wages	(839,524)	666,546	(172,978)
Removes 4 FTE positions from the Division of State Audits, including salary and benefit increases	(552,448)		(552,448)
Adjust funding for various operating expenses	(125,319)	18,704	(106,615)
Total	(\$1,353,761)	\$685,250	(\$668,511)

Department 117 - State Auditor

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2009-11



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Executive Budget
Ongoing general fund appropriations	\$6,612,229	\$7,143,808	\$8,428,489	\$9,776,582	\$9,108,071
Increase (decrease) from previous biennium	N/A	\$531,579	\$1,284,681	\$1,348,093	(\$668,511)
Percentage increase (decrease) from previous biennium	N/A	8.0%	18.0%	16.0%	(6.8%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	8.0%	27.5%	47.9%	37.7%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

- 1. No major changes

2013-15 Biennium

- 1. Added 2 financial auditor FTE positions \$248,734
- 2. Increased funding for state information technology vulnerability testing to provide a total of \$250,000 \$100,000
- 3. Added funding for temporary salaries related to the *Comprehensive Annual Financial Report* \$70,000
- 4. Increased funding for lease costs \$100,000

2015-17 Biennium (Original Amounts)

- 1. Added funding for 6 auditor FTE positions and related operating expenses to provide audit services to the State Board of Higher Education and its institutions (This item was affected by the 2015-17 budget reductions) \$1,221,914

2017-19 Biennium (Executive Budget Recommendation)

- 1. Removes 4 FTE positions from the Division of State Audits (\$552,448)
- 2. Removes and un-funds 2 NDUS audit FTE positions, including salary and benefit increases; un-funds an additional 2 NDUS audit FTE positions; and underfunds salaries agencywide (\$172,978)