

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1004 - State Auditor - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$14,627,899	\$843,128	\$15,471,027
New and vacant FTE pool		626,476	626,476
Operating expenses	1,719,771	69,321	1,789,092
Information technology consultants	450,000	135,000	585,000
Total all funds	\$16,797,670	\$1,673,925	\$18,471,595
Less estimated income	6,486,821	4,630	6,491,451
General fund	\$10,310,849	\$1,669,295	\$11,980,144
FTE	65.00	(4.00)	61.00

Department 117 - State Auditor - Detail of House Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Cost to Continue Salaries and Wages ²	Adds Funding for Salary and Benefit Increases ³	Adds Funding to Replace 2023-25 New and Vacant FTE Pool ⁴	Transfers Funding for 2025-27 New and Vacant FTE Pool ⁵	Removes 5 FTE Local Government Audit Positions ⁶
Salaries and wages	\$951	\$219,988	\$927,774	\$1,610,418	(\$866,484)	(\$1,149,205)
New and vacant FTE pool					626,476	
Operating expenses						
Information technology consultants						
Total all funds	\$951	\$219,988	\$927,774	\$1,610,418	(\$240,008)	(\$1,149,205)
Less estimated income	(40,050)	67,801	323,360	1,016,169	(99,705)	(1,149,205)
General fund	\$41,001	\$152,187	\$604,414	\$594,249	(\$140,303)	\$0
FTE	0.00	0.00	0.00	0.00	0.00	(5.00)

	Adjusts the Funding Source of 2 FTE Positions ⁷	Adds 1 FTE Mineral Royalty Auditor Position ⁸	Adjusts Funding for Operating Expenses ⁹	Increases Funding for Security Assessments ¹⁰	Adds One-time Funding for a Peer Review ¹¹	Adds One-time Funding for Audit Software Migration ¹²
Salaries and wages		\$99,686				
New and vacant FTE pool						
Operating expenses		7,516	\$805		\$25,000	\$36,000
Information technology consultants				\$135,000		
Total all funds	\$0	\$107,202	\$805	\$135,000	\$25,000	\$36,000
Less estimated income	(412,845)	107,202	91,103	90,000	0	10,800
General fund	\$412,845	\$0	(\$90,298)	\$45,000	\$25,000	\$25,200
FTE	0.00	1.00	0.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	\$843,128
New and vacant FTE pool	626,476
Operating expenses	69,321
Information technology consultants	135,000
Total all funds	\$1,673,925
Less estimated income	4,630
General fund	\$1,669,295
FTE	(4.00)

¹ Funding is adjusted for base payroll changes.

² Adds funding for cost to continue 2023-25 biennium salary increases.

³ The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	General Fund	Other Funds	Total
Salary increase	\$376,213	\$194,245	\$570,458
Health insurance increase	<u>228,201</u>	<u>129,115</u>	<u>357,316</u>
Total	\$604,414	\$323,360	\$927,774

⁴ Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

	General Fund	Other Funds	Total
Vacant FTE positions	\$375,577	\$276,409	\$651,986
New FTE positions	<u>218,672</u>	<u>739,760</u>	<u>958,432</u>
Total	\$594,249	\$1,016,169	\$1,610,418

⁵ Funding of \$99,686 for a new FTE position and \$766,798 for estimated savings from vacant FTE positions is removed and funding of \$626,476 is added for a 2025-27 new and vacant FTE pool line item as follows:

	General Fund	Other Funds	Total
New FTE positions	(\$0)	(\$99,686)	(\$99,686)
Vacant FTE positions	<u>(467,678)</u>	<u>(299,120)</u>	<u>(766,798)</u>
Total	(\$467,678)	(\$398,806)	(\$866,484)
Funding pool line item	<u>327,375</u>	<u>299,101</u>	<u>626,476</u>
Net savings	(\$140,303)	(\$99,705)	(\$240,008)

⁶ Removes 5 FTE vacant local government audit positions.

⁷ Adjusts the funding source for 2 FTE local government audit positions from special funds from local government audit fees to the general fund.

⁸ Adds 1 FTE mineral royalty auditor position and related funding from federal funds for salaries and wages and ongoing and one-time operating expenses, including \$3,000 of one-time funding for operating expenses.

⁹ Adjusts funding for operating expenses, including funding for IT rate increases.

¹⁰ Increases funding for IT consultants for security assessments, including funding from special funds for assessments of the North Dakota University System.

¹¹ Adds one-time funding for costs related to a peer review required every 3 years.

¹² Adds one-time funding for IT costs related to new audit software migration.

This amendment also:

- Adds a section regarding the use of funding in the new and vacant FTE pool line item; and
- Adds a section to provide the statutory changes necessary to increase the State Auditor's annual salary 3 percent each year of the biennium to \$139,256 effective July 1, 2025, and to \$143,434 effective July 1, 2026.