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Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for Senate Appropriations -
Government Operations Division
Committee

March 24, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1004

Introduced by

Appropriations Committee

- 1 A BILL for an Act to provide an appropriation for defraying the expenses of the state auditor; and
2 to amend and reenact section 54-10-10 of the North Dakota Century Code, relating to the salary
3 of the state auditor.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

- 5 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
6 as may be necessary, are appropriated out of any moneys in the general fund in the state
7 treasury, not otherwise appropriated, and from other funds derived from special funds and
8 federal funds, to the state auditor for the purpose of defraying the expenses of the state auditor,
9 for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12 Salaries and wages	\$14,627,899	\$843,128	\$15,471,027
13 New and vacant FTE pool	0	626,476	626,476
14 Operating expenses	1,719,771	69,321	1,789,092
15 Information technology consultants	450,000	135,000	585,000
16 Total all funds	\$16,797,670	\$1,673,925	\$18,471,595
17 Less other funds	6,486,821	4,630	6,491,451
18 Total general fund	\$10,310,849	\$1,669,295	\$11,980,144
19 Full time equivalent positions	65.00	(4.00)	61.00

1	Salaries and wages	\$14,627,899	\$469,987	\$15,097,886
2	New and vacant FTE pool	0	626,476	626,476
3	Operating expenses	1,719,771	156,166	1,875,937
4	Information technology consultants	450,000	135,000	585,000
5	Total all funds	\$16,797,670	\$1,387,629	\$18,185,299
6	Less other funds	6,486,821	(478,481)	6,008,340
7	Total general fund	\$10,310,849	\$1,866,110	\$12,176,959
8	Full-time equivalent positions	65.00	(6.00)	59.00

9 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

10 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
11 items included in the appropriation in section 1 of this Act which are not included in the entity's
12 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
13 committees of the seventieth legislative assembly regarding the use of this funding:

14	<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
15	Cost related to new FTE	\$0	\$3,000	\$3,000
16	Peer review	25,000	0	25,000
17	Audit software migration	<u>25,200</u>	<u>10,800</u>	<u>36,000</u>
18	Grand total	\$50,200	\$13,800	\$64,000

19 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The

20 state auditor may not spend funds appropriated in the new and vacant FTE pool line item in
21 section 1 of this Act, but may request the office of management and budget to transfer funds
22 from the new and vacant FTE pool line item to the salaries and wages line item in accordance
23 with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the
24 sixty-ninth legislative assembly.

25 **SECTION 4. AMENDMENT.** Section 54-10-10 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **54-10-10. Salary of state auditor.**

28 The annual salary of the state auditor is ~~one hundred thirty thousand~~ one hundred thirty-nine
29 thousand two hundred fifty-six dollars through June 30, ~~2024~~ 2026, and ~~one hundred thirty-five~~
30 ~~thousand two hundred~~ one hundred forty-three thousand four hundred thirty-four dollars
31 thereafter.

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1004 - State Auditor - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$14,627,899	\$15,471,027	(\$373,141)	\$15,097,886
New and vacant FTE pool		626,476		626,476
Operating expenses	1,719,771	1,789,092	86,845	1,875,937
Information technology consultants	450,000	585,000		585,000
Total all funds	\$16,797,670	\$18,471,595	(\$286,296)	\$18,185,299
Less estimated income	6,486,821	6,491,451	(483,111)	6,008,340
General fund	\$10,310,849	\$11,980,144	\$196,815	\$12,176,959
FTE	65.00	61.00	(2.00)	59.00

Department 117 - State Auditor - Detail of Senate Changes

	Removes 2 FTE Local Government Audit Positions ¹	Increases Funding for Temporary Salaries ²	Restores Funding for Operating Expenses ³	Total Senate Changes
Salaries and wages	(\$423,141)	\$50,000		(\$373,141)
New and vacant FTE pool				
Operating expenses		7,032	\$79,813	86,845
Information technology consultants				
Total all funds	(\$423,141)	\$57,032	\$79,813	(\$286,296)
Less estimated income	(423,141)	0	(59,970)	(483,111)
General fund	\$0	\$57,032	\$139,783	\$196,815
FTE	(2.00)	0.00	0.00	(2.00)

¹ Funding for 2 FTE vacant local government audit positions, including funding related the salary increases (\$14,420) and health insurance increases (\$12,010), is removed.

² Funding is added to increase temporary salaries for internships by \$50,000, to provide a total of \$350,000, of which \$150,000 is from the general fund and \$200,000 is from other funds. In addition, funding is added for operating expenses related to 1 temporary intern position.

³ Funding for operating expenses, reduced in the base budget by the House, is restored.