

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1004

That the Senate recede from its amendments as printed on pages 1505 and 1506 of the House Journal and pages 1352 and 1353 of the Senate Journal and that Engrossed House Bill No. 1004 be amended as follows:

Page 1, replace lines 12 through 14 with:

|                        |             |             |              |
|------------------------|-------------|-------------|--------------|
| "Salaries and wages    | \$8,626,758 | \$1,486,379 | \$10,113,137 |
| Accrued leave payments | 0           | 201,157     | 201,157      |
| Operating expenses     | 794,572     | 111,541     | 906,113"     |

Page 1, replace lines 17 through 19 with:

|                       |                  |                |                  |
|-----------------------|------------------|----------------|------------------|
| "Total all funds      | \$9,571,330      | \$1,939,077    | \$11,510,407     |
| Less estimated income | <u>2,427,522</u> | <u>609,396</u> | <u>3,036,918</u> |
| Total general fund    | \$7,143,808      | \$1,329,681    | \$8,473,489"     |

Page 2, line 11, replace "ninety-five" with "ninety-six"

Page 2, line 11, replace "eight" with "seven"

Page 2, line 12, replace "sixty-three" with "ninety-four"

Page 2, line 12, replace "ninety-eight" with "ninety-nine"

Page 2, line 13, replace "seven hundred thirty-nine" with "six hundred ninety-eight"

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1004 - State Auditor - Conference Committee Action**

|                                    | Executive Budget | House Version    | Conference Committee Changes | Conference Committee Version | Senate Version   | Comparison to Senate |
|------------------------------------|------------------|------------------|------------------------------|------------------------------|------------------|----------------------|
| Salaries and wages                 | \$10,263,792     | \$9,905,566      | \$207,571                    | \$10,113,137                 | \$10,464,146     | (\$351,009)          |
| Operating expenses                 | 806,113          | 806,113          | 100,000                      | 906,113                      | 906,113          |                      |
| Capital assets                     | 40,000           | 40,000           |                              | 40,000                       | 40,000           |                      |
| Information technology consultants | 150,000          | 250,000          |                              | 250,000                      | 250,000          |                      |
| Accrued leave payments             |                  | 201,157          |                              | 201,157                      |                  | 201,157              |
| Total all funds                    | \$11,259,905     | \$11,202,836     | \$307,571                    | \$11,510,407                 | \$11,660,259     | (\$149,852)          |
| Less estimated income              | <u>3,073,675</u> | <u>2,985,025</u> | <u>51,893</u>                | <u>3,036,918</u>             | <u>3,075,172</u> | <u>(38,254)</u>      |
| General fund                       | \$8,186,230      | \$8,217,811      | \$255,678                    | \$8,473,489                  | \$8,585,087      | (\$111,598)          |
| FTE                                | 52.80            | 53.80            | 0.00                         | 53.80                        | 53.80            | 0.00                 |

**Department No. 117 - State Auditor - Detail of Conference Committee Changes**

|                    | Removes House Changes to Executive Compensation Package <sup>1</sup> | Adjusts State Employee Compensation and Benefits Package <sup>2</sup> | Adds 1 FTE Financial Auditor <sup>3</sup> | Removes 1 FTE Performance Auditor <sup>4</sup> | Increases Funding for Lease Costs <sup>5</sup> | Total Conference Committee Changes |
|--------------------|--|---|---|--|--|------------------------------------|
| Salaries and wages | \$357,423  | (\$149,852)   | \$124,367                                 | (\$124,367)                                    |  | \$207,571                          |

|                                    |           |             |           |             |           |           |
|------------------------------------|-----------|-------------|-----------|-------------|-----------|-----------|
| Operating expenses                 |           |             |           |             | 100,000   | 100,000   |
| Capital assets                     |           |             |           |             |           |           |
| Information technology consultants |           |             |           |             |           |           |
| Accrued leave payments             |           |             |           |             |           |           |
| Total all funds                    | \$357,423 | (\$149,852) | \$124,367 | (\$124,367) | \$100,000 | \$307,571 |
| Less estimated income              | 90,147    | (38,254)    | 0         | 0           | 0         | 51,893    |
| General fund                       | \$267,276 | (\$111,598) | \$124,367 | (\$124,367) | \$100,000 | \$255,678 |
| FTE                                | 0.00      | 0.00        | 1.00      | (1.00)      | 0.00      | 0.00      |

<sup>1</sup> Changes made by the House to the executive compensation package are removed.

<sup>2</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

<sup>3</sup> This amendment adds 1 FTE financial auditor position. The executive recommendation included 1 FTE information system auditor that was removed by the House and restored by the Senate.

<sup>4</sup> This amendment removes 1 FTE performance auditor position added by the House, but removed by the Senate. This position was not included in the executive recommendation.

<sup>5</sup> Additional funding is provided for increased lease costs, the same as the Senate. This funding was not included in the executive recommendation or the House version.

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Section 3 of the bill is changed to provide a 4 percent first year and a 3 percent second year salary increase for the State Auditor. The Senate and the executive budget provided 4 percent annual increases. The House provided 3 percent annual increases.