

PROPOSED AMENDMENTS TO SENATE BILL NO. 2004

Page 1, line 1, after "auditor" insert "; to amend and reenact section 54-10-10 of the North Dakota Century Code, relating to the salary of the state auditor; to provide for a report; and to declare an emergency"

Page 1, replace lines 8 through 16 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$11,767,312	\$988,446	\$12,755,758
Operating expenses	1,142,783	261,893	1,404,676
Capital assets	0	16,000	16,000
Information technology consultants	<u>0</u>	<u>450,000</u>	<u>450,000</u>
Total all funds	\$12,910,095	\$1,716,339	\$14,626,434
Less estimated income	<u>3,411,487</u>	<u>800,807</u>	<u>4,212,294</u>
Total general fund	\$9,498,608	\$915,532	\$10,414,140
Full-time equivalent positions	56.00	5.00	61.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Copier replacement	<u>\$0</u>	<u>\$16,000</u>
Total general fund	\$0	\$16,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The state auditor shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 3. AMENDMENT.** Section 54-10-10 of the North Dakota Century Code is amended and reenacted as follows:

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

The annual salary of the state auditor is ~~one hundred two thousand six hundred eighty-nine dollars through June 30, 2016, and one hundred five thousand seven hundred seventy dollars thereafter~~one hundred seven thousand eight hundred eighty-five dollars through June 30, 2020, and one hundred eleven thousand one hundred twenty-two dollars thereafter.

**SECTION 4. EMERGENCY.** The sum of \$16,000 provided from the general fund for copier replacement appropriated in section 1 of this Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2004 - State Auditor - Senate Action**

	<b>Base Budget</b>	<b>Senate Changes</b>	<b>Senate Version</b>
Salaries and wages	\$11,767,312	\$988,446	\$12,755,758
Operating expenses	1,142,783	261,893	1,404,676
Capital assets		16,000	16,000
Information technology consultants		450,000	450,000
<b>Total all funds</b>	<b>\$12,910,095</b>	<b>\$1,716,339</b>	<b>\$14,626,434</b>
Less estimated income	3,411,487	800,807	4,212,294
<b>General fund</b>	<b>\$9,498,608</b>	<b>\$915,532</b>	<b>\$10,414,140</b>
FTE	56.00	5.00	61.00

**Department 117 - State Auditor - Detail of Senate Changes**

	<b>Adjusts Funding for Base Payroll Changes<sup>1</sup></b>	<b>Adds Funding for Salary and Benefit Increases<sup>2</sup></b>	<b>Removes Positions and Underfunds Salaries and Wages<sup>3</sup></b>	<b>Adds Local Government Auditors<sup>4</sup></b>	<b>Adds State Audit Division Auditors for NDUS Audit<sup>5</sup></b>	<b>Decreases Funding for Operating Expenses<sup>6</sup></b>
Salaries and wages	(\$54,597)	\$615,258	(\$725,231)	\$665,172	\$487,844	
Operating expenses				40,000	72,856	(\$963)
Capital assets						
Information technology consultants						
<b>Total all funds</b>	<b>(\$54,597)</b>	<b>\$615,258</b>	<b>(\$725,231)</b>	<b>\$705,172</b>	<b>\$560,700</b>	<b>(\$963)</b>
Less estimated income	(68,186)	161,165	(2)	705,172	0	2,658
<b>General fund</b>	<b>\$13,589</b>	<b>\$454,093</b>	<b>(\$725,229)</b>	<b>\$0</b>	<b>\$560,700</b>	<b>(\$3,621)</b>
FTE	0.00	0.00	(2.00)	4.00	3.00	0.00

	<b>Adds Funding for Information Technology Reviews<sup>7</sup></b>	<b>Adds Funding for Consulting Fees<sup>8</sup></b>	<b>Adds One-Time Funding for a Copier<sup>9</sup></b>	<b>Total Senate Changes</b>
Salaries and wages				\$988,446
Operating expenses		\$150,000		261,893
Capital assets			\$16,000	16,000
Information technology consultants	\$450,000			450,000
<b>Total all funds</b>	<b>\$450,000</b>	<b>\$150,000</b>	<b>\$16,000</b>	<b>\$1,716,339</b>
Less estimated income	0	0	0	800,807
<b>General fund</b>	<b>\$450,000</b>	<b>\$150,000</b>	<b>\$16,000</b>	<b>\$915,532</b>
FTE	0.00	0.00	0.00	5.00

<sup>1</sup> Funding is adjusted for base payroll changes.

<sup>2</sup> The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Salary increase	\$264,455	\$92,003	\$356,458
Health insurance increase	189,638	69,162	258,800
<b>Total</b>	<b>\$454,093</b>	<b>\$161,165</b>	<b>\$615,258</b>

<sup>3</sup> One FTE local government division position and 1 FTE state audit division position are removed and salaries and wages are underfunded for anticipated savings resulting from vacant positions and employee turnover.

<sup>4</sup> Four FTE local government division auditors, including related salaries and wages and operating expenses, are

added with funding from audit fee revenue.

<sup>5</sup> Three FTE state audit division auditors and related salaries and wages and operating expenses are added to audit the North Dakota University System.

<sup>6</sup> Base budget funding for operating expenses is reduced.

<sup>7</sup> Funding is added for information technology reviews of the Information Technology Department and the University System.

<sup>8</sup> Funding is added for the State Auditor to contract for consulting services.

<sup>9</sup> Funding is added for information technology equipment to replace a copier.

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This amendment also adds sections to:

- Provide the statutory changes to increase the State Auditor's salary. The State Auditor's annual salary would increase from the current level of \$105,770 to \$107,885, effective July 1, 2019, and to \$111,122, effective July 1, 2020, to reflect the 2 percent and 3 percent salary increase; and
- Declare one-time funding from the general fund for copier replacement an emergency measure.