FISCAL NOTE
SENATE BILL NO. 2233
LC# 23.0769.02000
01/17/2023

1 - State Fiscal Effect

Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				$168,000		$176,000
Expenditures				$(168,000)		$(176,000)
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

Removes the language requiring legislatively directed programs to contract with a certified public accounting firm to audit individual funds annually. The intent is to authorize State Auditor’s Office to preform annual audits under the Annual Comprehensive Financial Reports.

4 - Fiscal Impact Sections Detail

Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

Removing the requirement to contract with a certified public accounting firm to audit individual funds annually has a direct impact of reducing annual audit costs charged to the individual programs. For the 21-23 biennium, legislatively directed programs had expenditures of over $160,000 in independent certified public accounting costs. Indirect costs related to staffing hours would also be cut in half. There are approximately 500 hours dedicated to the

legislatively directed programs to annually prepare individual audited statements for each program. This commitment would be cut in half if the annual audits were included with the Annual Comprehensive Financial Report prepared by the ND State Auditor.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

Net Income of the programs would be affected based on the reduced cost of annual audits. Specific programs like Addiction Counselor Internship Loan Program currently operate at a loss due to minimal income for the program which does not cover the annual cost of the audit.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Removing the requirement to contract with a certified public accounting firm to audit individual funds annually has a direct impact of reducing annual audit costs charged to the individual programs. For the 21-23 biennium, legislatively directed programs had expenditures of over $160,000 in independent certified public accounting costs. Indirect costs related to staffing hours would also be cut in half. There are approximately 500 hours dedicated to the legislatively directed programs to annually prepare individual audited statements for each program. This commitment would be cut in half if the annual audits were included with the Annual Comprehensive Financial Report prepared by the ND State Auditor.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

No changes to appropriations.

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