



EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	66.00	\$12,204,447	\$7,866,343	\$20,070,790
Base level	65.00	10,310,849	6,486,821	16,797,670
Increase (decrease)	1.00	\$1,893,598	\$1,379,522	\$3,273,120
Percentage increase (decrease)	1.5%	18.4%	21.3%	19.5%

NOTE:

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

Selected Highlights

- Salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Health insurance increase of \$250 per month (15.23 percent), from \$1,643 to \$1,893, per employee
- Adds funding to replace 2023-25 biennium new and vacant FTE pool amounts
- Adjusts the funding for 2 FTE positions (\$412,845) from special funds to the general fund
- Adds \$107,202 from federal funds for 1 FTE mineral royalty auditor and related operating expenses and one-time costs
- Increases funding from the general fund (\$45,000) and from special funds (\$90,000) for information technology (IT) consultants for security assessments to provide a total of \$585,000, of which \$195,000 is from the general fund and \$390,000 is from special funds

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has 5 fees. The agency did not recommend any changes to the fees.

Major Related Legislation

As of the date of this report, there is no major related legislation for this agency.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



State Auditor - Budget No. 117
Agency Worksheet - House Bill No. 1004

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	65.00	\$10,310,849	\$6,486,821	\$16,797,670
2025-27 Ongoing Funding Changes				
Base payroll changes		\$41,001	(\$40,050)	\$951
Salary increase		460,214	290,202	750,416
Health insurance increase		228,200	159,140	387,340
Adds funding to replace the 2023-25 biennium new FTE pool		218,672	739,760	958,432
Adds funding to replace the 2023-25 biennium vacant FTE pool		375,577	276,409	651,986
Increases funding for cost to continue salaries		152,187	67,801	219,988
Adjusts the funding source for 2 FTE positions from special funds to the general fund		412,845	(412,845)	0
Adds funding for 1 FTE mineral royalty auditor and related operating expenses	1.00		104,202	104,202
Increases funding for operating expenses related to IT rate increases		49,485	31,133	80,618
Adjusts funding for cost to continue operating expenses, including rent, IT, travel, and professional development		(139,783)	59,970	(79,813)
Increases funding for IT consultants for security assessments		45,000	90,000	135,000
Total ongoing funding changes	1.00	\$1,843,398	\$1,365,722	\$3,209,120
One-Time Funding Items				
Adds one-time funding for operating expenses related to 1 FTE mineral royalty auditor			\$3,000	\$3,000
Adds one-time funding for operating expenses related to a peer review required every 3 years		\$25,000		25,000
Adds one-time funding for operating expenses related to migrating to new audit software		25,200	10,800	36,000
Total one-time funding changes	0.00	\$50,200	\$13,800	\$64,000
Total Changes to Base Level Funding	1.00	\$1,893,598	\$1,379,522	\$3,273,120
2025-27 Total Funding	66.00	\$12,204,447	\$7,866,343	\$20,070,790

Federal funds included in other funds

\$1,797,802

Total ongoing changes - Percentage of base level

1.5%

17.9%

21.1%

19.1%

Total changes - Percentage of base level

1.5%

18.4%

21.3%

19.5%

Other Sections in State Auditor - Budget No. 117

Section Description	Executive Budget
Salary of the State Auditor	Section 3 would provide the statutory changes to increase the State Auditor's salary. The State Auditor's annual salary would increase from the current level of \$135,200 to \$140,608, effective July 1, 2025, and to \$144,826, effective July 1, 2026, to reflect recommended salary increases of 4 percent in the 1st year of the biennium and 3 percent in the 2nd year of the biennium.
FTE position adjustments	Section 4 would authorize the department to increase or decrease authorized FTE positions subject to the availability of funds.

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1004
(Governor's Recommendation)

Introduced by

Appropriations Committee

(At the request of the Governor)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

	Legislative Base level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$14,627,899	\$3,068,799	\$17,696,698
Operating expenses	1,719,771	69,321	1,789,092
Capital assets	0	0	0
Information technology consultants	<u>450,000</u>	<u>135,000</u>	<u>585,000</u>
Total all funds	\$16,797,670	\$3,273,120	\$20,070,790
Less estimated income	<u>6,486,821</u>	<u>1,379,522</u>	<u>7,866,343</u>
Total general fund	\$10,310,849	\$1,893,598	\$12,204,447
Full-time equivalent positions	65.00	1.00	66.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium and the 2025-27 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
Office Furniture	\$9,000	\$3,000
Inflationary increases for travel and professional development	59,000	0
Cost to continue services	0	61,000
Audit software setup and migration	45,550	0
Capital equipment replacement	<u>25,000</u>	<u>0</u>
Total all funds	\$138,550	\$64,000
Less estimated income	<u>37,000</u>	<u>13,800</u>
Total general fund	\$101,550	\$50,200

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 ~~thirty-four~~ thirty-four thousand ~~six~~ eight hundred ~~eight~~ six dollars through June 30, ~~2024~~ 2026, and one hundred ~~thirty-five~~ thirty-five thousand ~~two~~ eight hundred ~~twenty-six~~ six dollars thereafter.

SECTION 4. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the state auditor may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The state auditor shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.