

**State Auditor  
Budget No. 117  
Senate Bill Nos. 2004 and 2015**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2015-17 legislative appropriations</b>	<b>59.80</b>	<b>\$10,461,832</b>	<b>\$3,505,870</b>	<b>\$13,967,702</b>
2015-17 base budget	53.80	8,428,489	3,036,918	11,465,407
Legislative increase (decrease) to base budget	6.00	\$2,033,343	\$468,952	\$2,502,295

**ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS**

	<b>Ongoing General Fund Appropriation</b>	<b>One-Time General Fund Appropriation</b>	<b>Total General Fund Appropriation</b>
<b>2015-17 legislative appropriations</b>	<b>\$10,461,832</b>	<b>\$0</b>	<b>\$10,461,832</b>
2013-15 legislative appropriations	8,428,489	45,000	8,473,489
2015-17 legislative increase (decrease) to 2013-15 appropriations	\$2,033,343	(\$45,000)	\$1,988,343
Percentage increase (decrease) to 2013-15 appropriations	24.1%	(100.0%)	23.5%

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS**

**Salaries and Wages**

The legislative action affecting the recommended appropriation for the State Auditor is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

**Changes to Base Budget**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		\$223,769	(\$23,203)	\$200,566
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		307,054	103,356	410,410
Added funding for employee health insurance premiums to reflect a premium estimate of \$1,130.22 per month.		142,598	49,910	192,508
Added federal funding related to a royalty auditor position.			102,750	102,750

Added funding to continue other salary adjustments made during the 2013-15 biennium.		173,712		173,712
Increased funding for operating expenses and decreased salaries to adjust to a hold-even budget.		(104,904)	5,739	(99,165)
Added funding for 6 auditor FTE positions and related operating expenses to provide audit services to the State Board of Higher Education and its institutions.	6.00	1,221,914		1,221,914
Added funding for desktop support services from the Information Technology Department.		69,200	30,400	99,600
Added funding from the North Dakota University System to conduct information technology security audits of the 11 institutions in the University System. (Senate Bill No. 2015)			200,000	200,000
Total	<u>6.00</u>	<u>\$2,033,343</u>	<u>\$468,952</u>	<u>\$2,502,295</u>

**FTE Changes**

The Legislative Assembly added 6 auditor FTE positions to provide audit services to the State Board of Higher Education and its institutions.

**Other Sections in Senate Bill No. 2004**

**Powers and duties of the State Auditor** - Section 3 amends North Dakota Century Code Section 54-10-01 relating to performance audits conducted by the State Auditor to include agencies' blended component units or discreetly presented component units.

**State Auditor's salary** - Section 4 provides the statutory changes increasing the State Auditor's salary by 3 percent each year of the 2015-17 biennium. The State Auditor's annual salary is increased from the current level of \$99,698 to \$102,689 on July 1, 2015, and to \$105,770 on July 1, 2016.

**State Board of Higher Education - Higher Education Audit Division** - Section 5 creates a new section to Chapter 54-10 to establish a Higher Education Audit Division in the State Auditor's office to perform all audit related functions of the State Board of Higher Education, including the examination and evaluation of the adequacy and effectiveness of the board's governance, risk management, internal controls, performance of constitutionally and statutorily required duties, and other areas as determined by the State Auditor.

**Related Legislation**

**Desktop support services** - House Bill No. 1021 requires certain agencies, including the State Auditor, to obtain desktop support services from the Information Technology Department.

**Information technology security audits of the North Dakota University System** - Senate Bill No. 2015 provides an appropriation of \$200,000 from special funds, derived from other income from fees charged to the University System, to the State Auditor for information technology security audits of the 11 institutions in the University System.

**Annual report of certain political subdivisions** - Senate Bill No. 2262 increases the threshold under which the State Auditor may require an annual report from certain political subdivisions in lieu of conducting an audit every two years from \$200,000 to \$300,000 of annual receipts.