

**State Auditor
Budget No. 117
Senate Bill No. 2004**

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriations	58.00	\$10,122,860	\$4,173,178	\$14,296,038
2019-21 base budget	56.00	9,498,608	3,411,487	12,910,095
Legislative increase (decrease) to base budget	2.00	\$624,252	\$761,691	\$1,385,943

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 legislative appropriations	\$10,106,860	\$16,000	\$10,122,860
2017-19 legislative appropriations	9,498,608	0	9,498,608
2019-21 legislative increase (decrease) to 2017-19 appropriations	\$608,252	\$16,000	\$624,252
Percentage increase (decrease) to 2017-19 appropriations	6.4%	N/A	6.6%

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget**

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes.		\$13,589	(\$68,186)	(\$54,597)
Added funding to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020.		258,646	91,315	349,961
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,426.74 per month.		189,638	69,162	258,800
Added funding from audit fee revenue for 2 FTE local government division auditors, including related salaries and wages and operating expenses.	2.00		366,742	366,742
Reduced funding for operating expenses.		(3,621)	2,658	(963)
Added funding for information technology reviews of the Information Technology Department and the North Dakota University System.		150,000	300,000	450,000

Added one-time funding to replace a copier.		16,000		16,000
Total	2.00	\$624,252	\$761,691	\$1,385,943

FTE Changes

The Legislative Assembly approved 58 FTE positions for the State Auditor for the 2019-21 biennium, an increase of 2 FTE positions from the 2017-19 biennium. The Legislative Assembly added 2 FTE local government division auditor positions.

One-Time Funding

In Section 2 of Senate Bill No. 2004, the Legislative Assembly identified \$16,000 of one-time funding from the general fund for copier replacement.

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 to provide state agencies must use nongeneral fund money to pay for audits performed by the State Auditor. If nongeneral fund money is not available, the agency may, upon approval of the Legislative Assembly, or the Budget Section if the Legislative Assembly is not in session, use general fund money to pay for audits performed by the State Auditor. In addition, the section is amended to require the State Auditor receive Legislative Audit and Fiscal Review Committee approval to perform or provide for performance audits and to contract for services related to performing duties required by the federal government (the federal single audit).

Salary of the State Auditor - Section 4 provides the statutory changes to increase the State Auditor's salary. The State Auditor's annual salary is increased from the current level of \$105,770 to \$107,885 (2 percent) effective July 1, 2019, and to \$110,582 (2.5 percent) effective July 1, 2020, to reflect salary adjustments consistent with 2019-21 biennium state employee salary increases.

Audit staff utilization report - Section 5 requires the State Auditor to monitor the number of audit staff hours dedicated to financial audits, performance audits, mineral resource audits, federal single audit procedures, comprehensive annual financial report procedures, fraud investigation, local government audits, and audits of the institutions of higher education, including financial audits and performance audits. The State Auditor must report to the Appropriations Committees of the 67th Legislative Assembly regarding the number of audit staff hours dedicated to each of these audit functions and any other functions of the State Auditor's office during the 2019-21 biennium.

Emergency - Section 6 provides one-time funding from the general fund for copier replacement is an emergency measure.

Related Legislation

House Bill No. 1077 - Requires the State Auditor to perform work on mineral royalties for the federal government.

Senate Bill No. 2130 - Provides for the Legislative Management to study, in coordination with the State Auditor, state agency fees.

Senate Bill No. 2150 - Allows regional education associations to contract with the State Auditor for audits.