

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	16.80	16.80	17.80	17.80	16.80	17.80	1.00	5.95%
Personal Services	1,002,552	1,013,391	1,106,925	1,106,918	2,015,943	2,213,843	197,900	9.82%
Operating Expenses	213,439	204,282	750,285	492,710	417,721	1,242,995	825,274	197.57%
Equipment & Intangible Assets	1,683	2,800	1,683	1,683	4,483	3,366	(1,117)	(24.92%)
Total Costs	\$1,217,674	\$1,220,473	\$1,858,893	\$1,601,311	\$2,438,147	\$3,460,204	\$1,022,057	41.92%
State Special	1,217,674	1,220,473	1,858,893	1,601,311	2,438,147	3,460,204	1,022,057	41.92%
Total Funds	\$1,217,674	\$1,220,473	\$1,858,893	\$1,601,311	\$2,438,147	\$3,460,204	\$1,022,057	41.92%

Program Description

The Central Management Division is responsible for the administrative, personnel, budgeting, and accounting functions for the State Auditor's Office. The division also provides support to the Commissioner in fulfilling the duties as a member of the Land Board and Crop Hail Insurance Board.

Program Highlights

Centralized Services Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ The Central Management Division 2015 biennium appropriation is about \$1.0 million higher than the 2013 biennium ◆ The legislature approved the State Auditor's requests for: <ul style="list-style-type: none"> • \$727,000 state special revenue to upgrade and maintain computer systems • \$184,000 for an information technology manager position • \$68,000 state special revenue for training for information technology and financial staff ◆ Increases are partially offset by an additional 2% vacancy savings of about \$220,000 that can be allocated across all programs

Funding

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total State Auditor's Office Funding by Source of Authority 2015 Biennium Budget - Central Management							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
State Special Total	\$3,460,204	\$0	\$0	\$3,460,204	100.0%		
02235 Insurance Fee Account	\$2,797,606	\$0	\$0	\$2,797,606	80.9%		
02283 Securities Fee Account	\$662,598	\$0	\$0	\$662,598	19.1%		
Total All Funds	\$3,460,204	\$0	\$0	\$3,460,204	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

The Central Management function is funded entirely by state special revenue from fees paid by insurance companies and security firms.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	1,217,674	1,217,674	2,435,348	70.38%
Statewide PL Adjustments	0	0	0	0.00%	125,992	118,186	244,178	7.06%
Other PL Adjustments	0	0	0	0.00%	33,915	38,188	72,103	2.08%
New Proposals	0	0	0	0.00%	481,312	227,263	708,575	20.48%
Total Budget	\$0	\$0	\$0		\$1,858,893	\$1,601,311	\$3,460,204	

The majority of the 2015 biennium appropriation funds continuation of present law services. New proposals fund budget increases requested by the Office of the State Auditor for information technology (IT) systems replacement, an IT manager FTE, and pay adjustments implemented in FY 2013 to move most positions to 85% of the market midpoint.

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					153,554					153,853
Vacancy Savings					(41,808)					(41,818)
Inflation/Deflation					4					56
Fixed Costs					14,242					6,095
Total Statewide Present Law Adjustments		\$0	\$125,992	\$0	\$125,992		\$0	\$118,186	\$0	\$118,186
DP 50 - Initial Motion to FY 2012 Base	0.00	0	(125,992)	0	(125,992)	0.00	0	(118,186)	0	(118,186)
DP 51 - Adjustment for Statewide Personal Services	0.00	0	111,746	0	111,746	0.00	0	112,035	0	112,035
DP 52 - Adjustment for Statewide Operations	0.00	0	14,246	0	14,246	0.00	0	6,151	0	6,151
DP 1001 - Rent	0.00	0	0	0	0	0.00	0	4,273	0	4,273
DP 1004 - Elected Official Continuing Ed Central Management	0.00	0	33,915	0	33,915	0.00	0	33,915	0	33,915
Total Other Present Law Adjustments	0.00	\$0	\$33,915	\$0	\$33,915	0.00	\$0	\$38,188	\$0	\$38,188
Grand Total All Present Law Adjustments	0.00	\$0	\$159,907	\$0	\$159,907	0.00	\$0	\$156,374	\$0	\$156,374

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government Joint Appropriations Subcommittee.

DP 1001 - Rent - This adjustment adds state special revenue for increased office rent. The current lease does not include inflationary adjustments for rent. When the lease expires the agency anticipates a 5% increase on January 2015 for the last half of FY 2015.

DP 1004 - Elected Official Continuing Ed Central Management - The legislature approved the CSI request for an appropriation to fund continuing education for employees. The appropriation is restricted and one-time only.

New Proposals

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 54 - Additional Vacancy Savings	01	0.00	0	(110,069)	0	(110,069)	0.00	0	(110,218)	0	(110,218)
DP 1005 - Elected Official - IT Systems Replacement	01	0.00	0	490,646	0	490,646	0.00	0	236,746	0	236,746
DP 1006 - Elected Official - Market Adjustments	01	0.00	0	8,735	0	8,735	0.00	0	8,735	0	8,735
DP 1010 - Elected Official - IT Manager	01	1.00	0	92,000	0	92,000	1.00	0	92,000	0	92,000
Total		1.00	\$0	\$481,312	\$0	\$481,312	1.00	\$0	\$227,263	\$0	\$227,263

DP 54 - Additional Vacancy Savings - The legislature applied an additional 2% vacancy savings to all positions except those exempt in statute or that must be filled 24/7. Language was included in HB 2 that allows the agency to allocate the reduction among programs.

DP 1005 - Elected Official - IT Systems Replacement - The legislature approved the CSI request for funds to replace the central application and scanning systems used to support insurance and securities regulation. The funding supports replacement of equipment and implementation of new software. The appropriation includes both ongoing and one-time costs. The ongoing portion of the appropriation is about \$237,000 annually.

DP 1006 - Elected Official - Market Adjustments - The legislature approved funding for pay adjustments implemented in FY 2013 by the State Auditor to bring most staff up to 85% of the market midpoint. The adjustments are funded from a combination of insurance and security fee state special revenue.

DP 1010 - Elected Official - IT Manager - The legislature approved the State Auditor's request for funding for an information technology manager. The position is funded from state special revenue from insurance and securities fees.

Language and Statutory Authority

The legislature included the following language in HB 2.

"Central Management includes a reduction in state special revenue of \$110,069 in fiscal year 2014 and \$110,218 in fiscal year 2015. The reduction is the equivalent of an additional 2% vacancy savings. The agency may allocate this reduction in funding among programs when developing 2015 biennium operating plans."