

Fiscal Note – 2013-14 Session

Bill #: H0253-0 **Complete Date:** 02/12/13

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Title: STATE AUDITOR ENTERPRISE FUND ESTAB

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings	X	
Tax Revenue		X

Agency Name: State Auditor

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY13	FY14	FY15	FY16	FY17
Expenditures					
General Fund	0	(6,586)	(6,535)	(6,535)	(6,537)
Misc Special Revenue Fund	0	7,134	7,348	7,348	7,350
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund	0	(6,586)	(6,535)	(6,535)	(6,537)
Misc Special Revenue Fund	0	7,134	7,348	7,348	7,350
Revenues					
General Fund	0	(6,586)	(6,535)	(6,535)	(6,537)
Misc Special Revenue Fund	0	7,134	7,348	7,348	7,350
Net Cost <Savings>					
General Fund	0	0	0	0	0
Misc Special Revenue Fund	0	0	0	0	0
Total Cost <Savings> to the State					

	FY13	FY14	FY15	FY16	FY17
Full Time Equivalent					
General Fund	0.00	(70.00)	(70.00)	(70.00)	(70.00)
Misc Special Revenue Fund	0.00	75.00	75.00	75.00	75.00
Total FTE	0.00	5.00	5.00	5.00	5.00

Bill Description

HF 253 creates the state auditor enterprise fund and moves the revenues and expenditures related to auditing local governments from the general fund to the state auditor enterprise fund.

Assumptions

The state auditor will continue to audit local governments as currently defined in statute. Expenditures related to auditing local governments will be moved from the general fund to the state auditor enterprise fund. All receipts received for costs and expenses related to auditing local governments will be deposited into the state auditor enterprise fund as dedicated receipts instead of being deposited in the general fund as non-dedicated receipts. As a result, the Office of the State Auditor's general fund appropriation will be reduced by \$13,212,000 for the FY14-15 biennium.

The portion of the state auditor's Staff Retention Change Item related to auditing local governments is included in the revenues and expenditures of the state auditor enterprise fund in this fiscal note. The net impact of the Staff Retention Change Item will remain at \$83,000 for the FY 14-15 biennium but the appropriation request will be reduced from \$1,444,000 to \$83,000.

Audit rates will continue to be submitted to Minnesota Management & Budget at least annually for approval.

Expenditure and/or Revenue Formula

Revenues and expenditures are calculated the same as is currently calculated for the activities related to auditing local governments in the general fund.

Long-Term Fiscal Considerations

The establishment of the state auditor enterprise fund should help to stabilize audit rates. Any over or under recovery of audit costs will be included in the calculation of future audit rates.

Local Government Impact

The Office of the State Auditor will continue to audit local governments. The only impact it should have on local governments is stable audit rates.

References/Sources

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EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

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