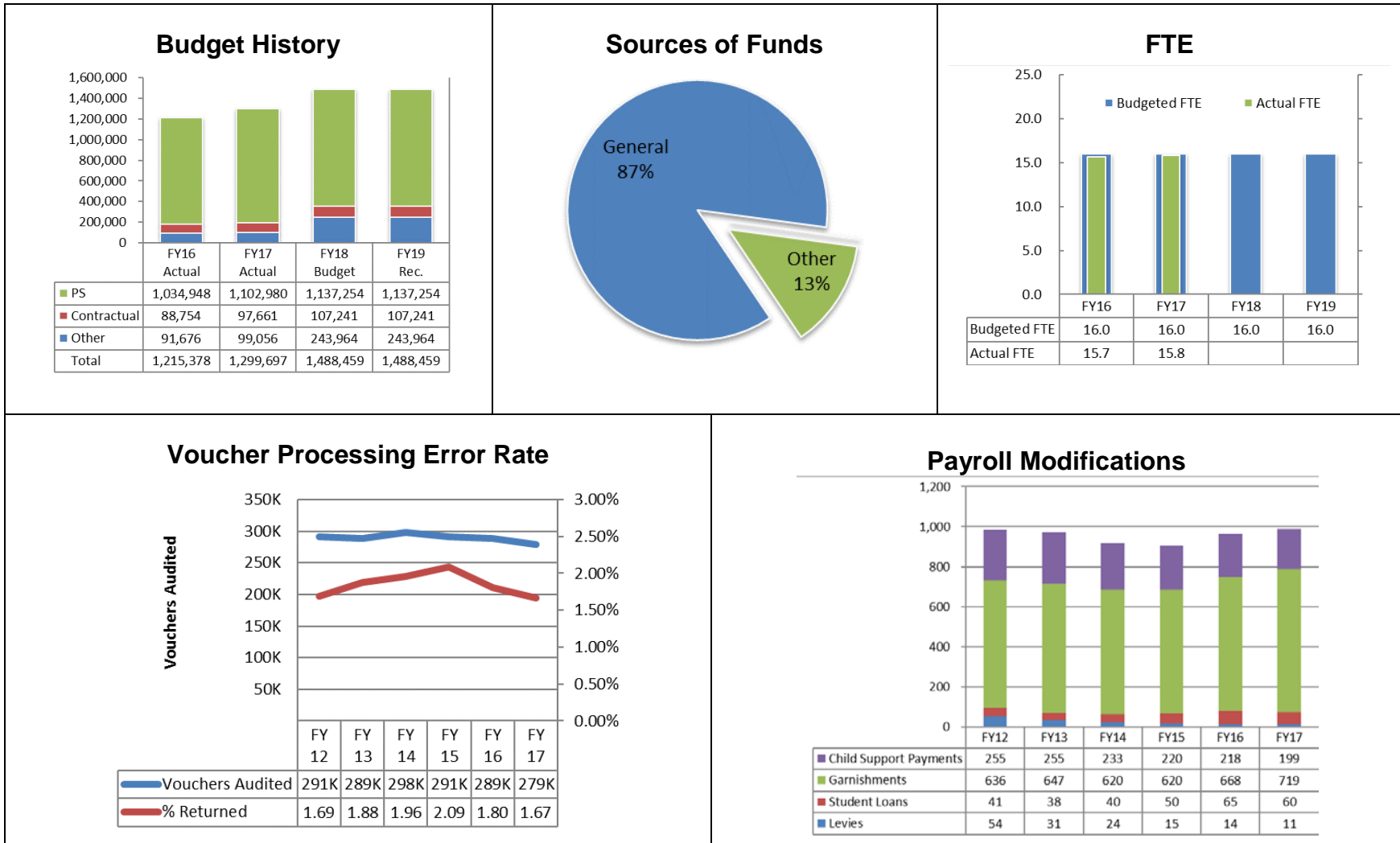


# FY19 Budget Briefing

## Office of the State Auditor

Information contained in this document is based on the Governor's original recommended FY19 budget.  
This document may not correspond with the final FY19 budget adopted by the Legislature.



## KEY PERSONNEL

- Steve Barnett, State Auditor
- Dennis Keith, Audit Supervisor
- Judy Flagstad, Payroll Supervisor
- Jason Lutz, Deputy State Auditor
- Robert Swanson, Accounting Supervisor/Contracts Manager
- Penni Almond, State Social Security Administrator

## MISSION OF THE STATE AUDITOR

To pre-audit all claims against the state, issue warrants, administer state employee payroll, record and monitor all fund balances and all fund transfers; to reconcile fund balances and submit numerous reports to agencies on the state's financial condition as set forth by the rules of the State Auditor, the State Board of Finance, and of other state agencies; to deposit, on the eighth-month schedule with the Internal Revenue Service, the social security and federal income taxes withheld from employees of the state of South Dakota and the state universities in a proper and timely manner; to audit and correct all wage data and social security records of the employees of the state of South Dakota, state universities, and 740 governmental subdivisions, including counties, cities, school districts, townships, and water districts; and, to serve as a repository for W-2s for state employees.

## STATE AUDITOR BUDGET REQUEST

	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Agency Request	FY 2019 Governors Recommended	Change From FY 2018
<b>BY FUND CATEGORY</b>						
General	1,163,378	1,244,697	1,288,459	1,288,459	1,288,459	0
Federal	0	0	0	0	0	0
Other	52,000	55,000	200,000	200,000	200,000	0
<b>Total</b>	<b>1,215,378</b>	<b>1,299,697</b>	<b>1,488,459</b>	<b>1,488,459</b>	<b>1,488,459</b>	<b>0</b>
<b>BY OBJECT EXPENDITURE</b>						
<b>Personnel Costs</b>	<b>1,034,948</b>	<b>1,102,980</b>	<b>1,137,254</b>	<b>1,137,254</b>	<b>1,137,254</b>	<b>0</b>
Salaries	823,798	856,817	880,643	880,645	880,645	2
Benefits	211,150	246,163	256,611	256,609	256,609	(2)
<b>Operating Expenditures</b>	<b>180,430</b>	<b>196,717</b>	<b>351,205</b>	<b>351,205</b>	<b>351,205</b>	<b>0</b>
Travel	8,670	8,141	11,244	11,244	11,244	0
Contractual Services	88,754	97,661	107,241	107,241	107,241	0
Supplies and Materials	25,202	32,687	26,387	26,387	26,387	0
Grants and Subsidies	52,000	55,000	200,000	200,000	200,000	0
Capital Outlay	5,803	3,228	6,333	6,333	6,333	0
Other	0	0	0	0	0	0
<b>Total</b>	<b>1,215,377</b>	<b>1,299,697</b>	<b>1,488,459</b>	<b>1,488,459</b>	<b>1,488,459</b>	<b>0</b>
<b>Full-Time Equivalent (FTE)</b>	<b>15.7</b>	<b>15.8</b>	<b>16.0</b>	<b>16.0</b>	<b>16.0</b>	<b>0.0</b>

**MAJOR ITEMS SUMMARY - STATE AUDITOR**

	Agency Request			Governor's Recommendation		
	General	Total	FTE	General	Total	FTE
FY 2019 Base Budget	1,288,459	1,488,459	16.0	1,288,459	1,488,459	16.0
Maintenance of Current Operations Adjustments	0	0	0.0	0	0	0.0
FY 2019 Program Maintenance Budget	1,288,459	1,488,459	16.0	1,288,459	1,488,459	16.0
Program Expansion Line Items	0	0	0.0	0	0	0.0
FY 2019 Total Budget	1,288,459	1,488,459	16.0	1,288,459	1,488,459	16.0
Change from Original Appropriation	0	0	0.0	0	0	0.0
% Change from Original Appropriation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**PRIOR AND CURRENT YEAR BUDGET RECAP - STATE AUDITOR**

Prior Budget Year Recap		FTE	General	Federal	Other	Total
<b>FY 2017 Budget</b>		<b>16.0</b>	<b>1,283,279</b>	<b>0</b>	<b>100,000</b>	<b>1,383,279</b>
Prior Year Reversions	PS		(32,946)	0	0	(32,946)
Prior Year Reversions	OE		(5,636)	0	(45,000)	(50,636)
Prior Year Reversions	FTE	(0.2)				
FY 2017 Percent Reverted or Transferred		1.2%	(3.0%)	0	(45.0%)	(6.0%)

Current Budget Year Recap		FTE	General	Federal	Other	Total
<b>FY 2018 Budget</b>		<b>16.0</b>	<b>1,283,279</b>	<b>0</b>	<b>200,000</b>	<b>1,483,279</b>
Health Insurance	PS		1,328	0	0	1,328
Bureau Billings	OE		3,852	0	0	3,852
<b>FY 2018 Estimated Expenditures</b>		<b>16.0</b>	<b>1,288,459</b>	<b>0</b>	<b>200,000</b>	<b>1,488,459</b>

**BUDGET DETAIL: STATE AUDITOR (33)**

<b>FY 2019 Total</b>						
Agency Request		16.0	1,288,459	0	200,000	1,488,459
Governor's Recommendation		16.0	1,288,459	0	200,000	1,488,459
<i>Governor's Recommendation</i>						
Change from Original Appropriation		0.0	0	0	0	0
% Change from Original Appropriation		0.0%	0.0%	0.0%	0.0%	0.0%

**REVENUES AND STATISTICS: STATE AUDITOR (33)**

	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Estimated FY 2018</b>	<b>Estimated FY 2019</b>
<b>REVENUES</b>				
Receipts from Garnishments	10	10	10	10
Grants and Subsidies (Equal Access)	52	57	125	125
Total	62	67	135	135
<b>SELECTED STATISTICS</b>				
<b>VOUCHERS PROCESSED</b>				
Vouchers Returned for Correction	5,203	4,656	4,845	4,760
Vouchers Audited	288,653	279,250	285,000	280,000
% of Vouchers Returned for Correction	1.80%	1.67%	1.70%	1.70%
<b>WARRANTS WRITTEN</b>				
Warrants - Regular and Social Services	186,114	173,843	180,000	175,000
Colleges, Regents, SDSD, SDSVH	75,339	74,808	75,000	75,000
Labor - Aberdeen	5,411	5,359	5,500	5,500
Lottery	3,838	3,668	3,750	3,750
Stop Payments Issued	499	461	500	500
Replacement Warrants Filed	349	443	400	400
Forged Warrants	0	0	3	2
<b>ELECTRONIC TRANSACTIONS</b>				
ACH Vendor Payments	42,862	44,239	45,000	47,500
ACH Transfer Documents Approved	1,804	1,783	1,800	1,800
<b>PAYROLL</b>				
Levies/Student Loans/Garnishments	14/65/668	11/60/719	15/65/725	15/60/725
Child Care Court Order Payments	218	199	225	215
Wage Assignments	60	62	60	60
Active Government Subdivisions	664	663	663	663
State Government Social Security	102,783,434	107,177,524	108,249,300	110,414,286
Income Tax Withheld/Transmitted to IRS	77,960,953	82,509,805	83,334,904	85,001,603
Income Tax Withheld From Retirees	49,607,906	53,042,720	55,164,429	57,371,007
<b>OTHER</b>				
Consultant Contracts Filed	2,433	2,000	2,500	2,500
Local Bank Accounts	215	214	210	210
Submission of Annual Report	Annual	Annual	Annual	Annual

## AGENCY FUNDING SOURCES

FUND NAME	TOTAL	FUND NAME	TOTAL
1000 - STATE GENERAL FUND	1,288,459	3028 - STATE AUDITOR-OTHER FUNDS	200,000
		EQUAL ACCESS TO OUR COURTS FUN	200,000
		<b>Grand Total</b>	<b>1,488,459</b>

## OTHER FUND BALANCE HISTORY

Company	60 Month Average	Minimum Balance	Most Recent Occurrence of Minimum	Balance on June 30				
				2017	2016	2015	2014	2013
3028 - EQUAL ACCESS TO OUR COURTS FUND	28,035	8	January 2015	31,943	29,125	24,708	30,671	19,524

## EQUAL ACCESS TO THE COURTS GRANT PROGRAM

The Equal Access to Our Courts grant program was established in 2008 through [HB1129](#) to provide for the distribution of any residual funds from class action lawsuits to the Commission or other nonprofit charitable organizations. Members on the Commission are appointed by the governor, the Chief Justice of the Supreme Court, and the State Bar of South Dakota.

The Commission provides grants to nonprofit entities that are funded, or nonprofit entities contracting with nonprofit entities that are funded, by the Legal Services Corporation and deliver legal services to persons meeting income eligibility guidelines.

The average revenue collected for this program is about \$58k per year from two sources:

- 1) Fifty dollars is collected by the clerk of courts for any petition or motion to modify final orders for child support, child custody, child visitation, or spousal support; and
- 2) Any residual amount of an order settling a class action lawsuit that results in the creation of a common fund for the benefit of the class.

The following table displays the distribution of the funds.

Entity	FY2015	FY2016	FY2017
Access to Justice	\$21,940	\$17,333	\$17,000
Dakota Plains Legal Services	21,940	17,333	18,000
East River Legal Services	21,940	17,333	20,000
<b>Total</b>	<b>\$65,820</b>	<b>\$51,999</b>	<b>\$55,000</b>

Last year, the other fund spending authority for this program was increased from \$100,000 to \$200,000.

## HISTORICAL BUDGET CHANGES

	General Funds	Federal Funds	Other Funds	Total Funds	FTEs
<b>FY13 Budget Increases</b>					
• Governors Salary Policy	36,484			36,484	
• Interagency Billings - BIT and Space	1,915			1,915	
• Claims Auditor Position	11,713			11,713	
• BIT Career Banding	535			535	
<b>FY14 Budget Increases</b>					
• Bureau Billing increases	2,641			2,641	
<b>FY15 Budget Increases</b>					
• OSA Misc.	1,233			1,233	
<b>FY16 Budget Increases</b>					
• None					
<b>FY17 Budget Changes</b>					
• None					
<b>FY18 Budget Changes</b>					
• Equal Access to our Courts Grants			100,000	100,000	