

Program Budget Comparison

The following table summarizes the total executive 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	16.80	16.80	16.80	16.80	0.00	0.00%
Personal Services	1,002,552	1,013,391	1,114,298	1,114,587	2,015,943	2,228,885	212,942	10.56%
Operating Expenses	213,439	204,282	229,951	221,856	417,721	451,807	34,086	8.16%
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	\$1,345,932	\$1,338,126	\$2,438,147	\$2,684,058	\$245,911	10.09%
State Special	1,217,674	1,220,473	1,345,932	1,338,126	2,438,147	2,684,058	245,911	10.09%
Total Funds	\$1,217,674	\$1,220,473	\$1,345,932	\$1,338,126	\$2,438,147	\$2,684,058	\$245,911	10.09%

Program Description

The Central Management Division is responsible for the administrative, personnel, budgeting, and accounting functions for the Commissioner of Securities and Insurance. 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 budget request is about \$246,000 or 10% higher than the 2013 biennium due to increases for statewide present law adjustments ◆ Elected official requests include: <ul style="list-style-type: none"> • \$800,000 state special revenue to upgrade and maintain computer systems • \$68,000 state special revenue for training for information technology and financial staff

Program Budget

The Governor’s budget request includes statewide present law adjustments and a new proposal to implement a fixed cost assessment for training provided by the Department of Administration.

Elected Official Requests

The State Auditor included two elected official budget requests:

- \$476,446 in FY 2014 and \$170,861 in FY 2015 of state special revenue to fund information technology projects. The funding would be used to replace a legacy system and complete a scanning project.
- \$33,915 state special revenue each fiscal year for training not included in the base budget. This request would fund training and travel for the information technology staff and travel to the National Association of Insurance Commissioners (NAIC) Financial Summit Conference and other NAIC conferences pertaining to financial concepts. The item is funded from insurance and security fee state special revenue. This item was submitted in the State Auditor’s budget request, but not included in the Governor’s budget.

Funding

The following table shows program funding, by source for the 2015 biennium as recommended by the Governor.

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	\$2,684,058	\$0	\$0	\$2,684,058	100.0%		
02235 Insurance Fee Account	\$2,171,230	\$0	\$0	\$2,171,230	80.9%		
02283 Securities Fee Account	\$512,828	\$0	\$0	\$512,828	19.1%	30-10-1004	Pass Thru
Total All Funds	\$2,684,058	\$0	\$0	\$2,684,058	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

The Central Management function is funded entirely by state special revenue from:

- o Fees paid by insurance companies and security firms

Budget Summary by Category

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

Budget Summary by Category 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	90.73%
Statewide PL Adjustments	0	0	0	0.00%	125,992	118,186	244,178	9.10%
Other PL Adjustments	0	0	0	0.00%	2,309	2,309	4,618	0.17%
New Proposals	0	0	0	0.00%	(43)	(43)	(86)	0.00%
Total Budget	\$0	\$0	\$0		\$1,345,932	\$1,338,126	\$2,684,058	

The 2015 biennium budget funds continuation of present law services. The single new proposal reduces costs.

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

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 1001 - Rent	0.00	0	2,309	0	2,309	0.00	0	2,309	0	2,309
Total Other Present Law Adjustments	0.00	\$0	\$2,309	\$0	\$2,309	0.00	\$0	\$2,309	\$0	\$2,309
Grand Total All Present Law Adjustments	0.00	\$0	\$128,301	\$0	\$128,301	0.00	\$0	\$120,495	\$0	\$120,495

Program Personal Services Narrative

Statewide personal services adjustments reflect fully funding positions that were vacant for part of the base year and the effect of pay increases granted in FY 2012, which are discussed in the agency overview.

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.

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 6101 - Professional Development Center Fee Allocation											
01	0.00	0	(43)	0	(43)	0.00	0	(43)	0	(43)	
Total	0.00	\$0	(\$43)	\$0	(\$43)	0.00	\$0	(\$43)	\$0	(\$43)	

DP 6101 - Professional Development Center Fee Allocation - The executive requests an increase for training services purchased from the Professional Development Center (PDC) of the Department of Administration. This request reflects the difference between the amount paid in the base for PDC services and a fixed cost allocation based on agency FTE counts. Starting in the 2015 biennium and beyond, the executive recommends funding the PDC as a fixed cost item. For a further discussion, see the narrative for the Department of Administration.