

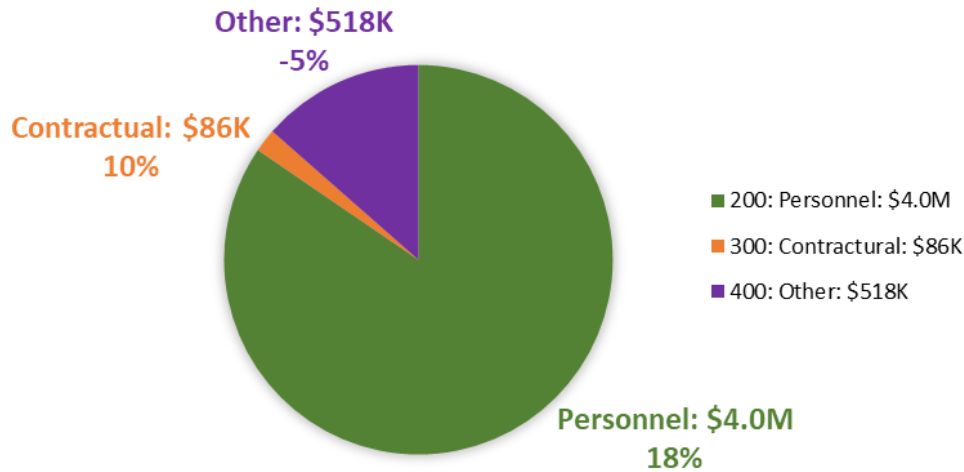


# Office of the State Auditor | Brian S. Colón, Esq., CFE State Auditor

## FY2023 Budget Request

### FY2023 BUDGET REQUEST BY CATEGORY USES +3 FTE

(% = FY22/FY23 CHANGE)



*The increase encompasses the request of three full-time equivalents (FTE) to satisfy the OSA's new statutory obligations under NMSA 1978, Section 45-5-409(H), which became effective July 1, 2021, following HB 234 becoming law during the 2021 legislative session.*

Effective July 1, 2021, the OSA is required to review all conservators' reports (approximately 1,600) filed with district courts to determine where full audits are required. The Supreme Court will issue rules requiring supporting documents to be submitted with the annual conservator's reports, which will

make the initial reviews more meaningful in the context of the practice of public accountancy, but also more labor-intensive. A minimum of three additional FTE are expected to be needed to effectively handle the full audits of conservators, in accordance with the mandates of NMSA 1978, Section 45-5-409(H).

#### Sources

##### Audit Fee Revenue

- OSA Request remains consistent.

##### General Fund Appropriation

- The OSA base budget increase request is required to maintain services at FY22 levels (includes increases in risk rates and population caseloads when the state is statutorily required to provide a certain service).

##### Fund Balance

- OSA is proposing use of \$750,000 of the audit fund balance in its FY23 budget request.

#### Uses

##### 200s - Salaries/Benefits

- The request includes an increase for an additional 3 FTE to meet new statutory obligations pursuant to NMSA 1978, Section 45-5-409(H).
- Slight increase to maintain current pay rates and continue to allow the OSA to attract and retain personnel while competing with the private sector.

##### 300s - Contractual

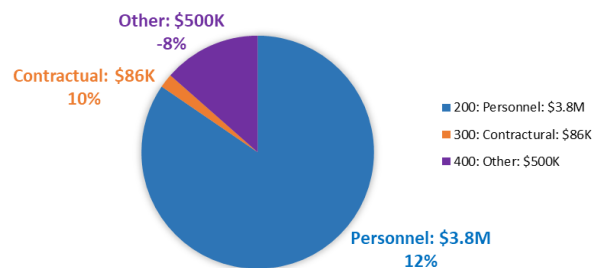
- Slight increase for contract increase and additional upgrades to OSA-Connect to incorporate the Fraud Hotline. OSA believes these additional upgrades will be a significant cost savings in future years as this service will no longer need to be contracted out once the new system is developed and placed into operation.

##### 400s - Other

- The request for this category is reduced by \$26,100 with the expansion request funded.

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*OSA request excluding the 3 FTE for comparative purposes*