

**TESTIMONY OF MATT DUNLAP, CIA
MAINE STATE AUDITOR**

***LD 258, An Act Making Unified Appropriations and Allocations from the General Fund and
Other Funds for the Expenditures of State Government for the Fiscal Years Ending
June 30, 2023, June 30, 2024, and June 30, 2025***

Senator Rotundo and Representative Sachs, Senator Nangle and Representative Stover and distinguished members of the Joint Standing Committees on Appropriations and Financial Affairs and State and Local Government, my name is Matt Dunlap of Old Town, and I have the high honor and distinct privilege of serving as State Auditor. I am here to present several sections of the biennial budget and to answer any question about those sections as they pertain to the Office of the State Auditor.

First, I believe some context is in order which I hope will assist the committees in their deliberations. The Office of the State Auditor was formally established in law in 1907; while our duties have changed somewhat over the last 116 years, our core mission has not. The premise is simple; we examine and test transactions conducted by state agencies to reasonably assure that those programs are expending resources according to the criteria set forth in law. As a former policymaker, I note that it's an activity that seldom attracts much attention, but in terms of our commitment to support the work of state agencies in maintaining efficient processes and in complying with legal guidelines attached to the use of Federal and state appropriations, allocations and allotments, the importance of the functions of this office cannot be over-emphasized. The Office is currently auditing 18 Federal programs totaling approximately 89% percent of the \$5.7 billion in Federal financial assistance expended by the State in fiscal year 2022. Our partners in state government in general and our fellow citizens in particular are well-served by the expert and committed staff at the Office of the State Auditor, and I am very proud to work with them.

In concert with the Executive, we are pleased to offer you the opportunity to modestly enhance our effectiveness. The initiatives for the Office of the State Auditor begin on **page A-125 of the budget document**.

C-A-12 – The first initiative provides continued and additional funding for the transition of auditing workpapers from a paper process to electronic workpapers. This initiative provides funding for the Audit Bureau Special Revenue Fund for All Other technology services and STACAP as part of operational needs for electronic auditing work papers including 25 initial software licenses and renewal of 30 licenses, as well as technology costs for OIT personal services to develop servers to roll out software. This all other request is funded from Other Special Revenues at **\$73,153** in FY 2024 and **\$69,446** in FY 2025.

C-A-13 – The second initiative provides funding for statewide technology services provided by the Department of Administrative and Financial Services, Office of Information Technology. MaineIT provides the Office of the State Auditor with desktop support, telecommunications including telephone and email services, and support for new technology implementation through internal service transactions. This all other request is funded from the General Fund at **\$12,164** in FY 2024 and at **\$11,623** in 2025, and from Other Special Revenues at **\$3,782** in FY 2024 and at **\$5,960** in 2025.

C-A-6 - The third initiative provides funding for the approved reorganization of one Public Service Manager II Job Classification Code MA32 (our working title is Audit Manager) to a Public Service Manager III Job Classification Code MA34 (with the working title State Audit Director). It was proposed at the time of budget submission, but has since been approved and included in the supplemental budget request for FY 2023, and should be budgeted at Step 7 and Step 8 in the 2024-25 biennium. This personal services request is funded from Other Special Revenues at **\$6,592** for FY 2024 and **\$12,110** for FY 2025.

C-A-7 - The fourth initiative provides funding for the approved reorganization of one Public Service Executive II (Deputy State Auditor), Job Classification Code EA35 to a PSE II Job Classification Code EA 37 within the same Job Specification. This was approved and included in the supplemental budget request for FY 2023, and should be budgeted at Step 7 in FY 2024 and Step 8 in FY 2025. This personal services request is funded from the General Fund at **\$8,240** for FY 2024 and **\$14,548** FY 2025.

C-A-8 - The fifth initiative provides funding for the approved employee-initiated reclassification of one Secretary Specialist Job Classification Code 6586 to a Public Service Coordinator I Job Classification Code CA23. Therefore, we request that it be funded with a retroactive effective date of 09/07/2021 and should be budgeted at Step 4 and 5 for FY 2024 and 2025. This personal services request is funded from the General Fund at **\$6,520** for FY 2024, and at **\$8,378** for FY 2025.

C-A-5 - The sixth initiative continues funding for the approved reorganization of one Senior Auditor Job Classification Code 0773 to a Principal Auditor Job Classification Code 0339. The Senior Auditor position was reorganized to a Principal Auditor with an approval date of 08/12/2022. This was included in the supplement budget request for FY 2023 and should be budgeted at Step 7 and Step 8 in the 2024-2025 biennium. This personal services request is funded from Other Special Revenues at **\$15,809** for FY 2024 and **\$20,456** for FY 2025.

C-A-11 - The seventh initiative provides funding for the proposed reorganization of one Public Service Manager II Job Classification Code MA32 (our working title is Audit Manager) to a Public Service Manager III Job Classification Code MA34 (with the working title Audit Director—Human Resources and Administration) with a proposed effective date of 09/01/2022 and therefore should be budgeted at Step 7 and Step 8 in the 2024-25 biennium. This personal services request is funded from the General Fund in the amount of **\$9,354** in FY 2024 and **\$12,112** FY 2025.

By fund, the total initiatives from the Office of the State Auditor from the General Fund are **\$36,278** in 2024 and **\$46,661** in 2025, and from Other Special Revenues are **\$99,336** in 2024 and **\$107,972** in 2025.

This concludes my testimony. At the pleasure of the chair, I am happy to answer any questions of the committees, now, at the work session, or at any time in between. Thank you.