

Introduced by

1 A BILL for an Act to amend and reenact sections 54-44.1-04 and 54-44.1-06 of the North
2 Dakota Century Code, relating to budget requests and block grant appropriations for the North
3 Dakota university system.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 54-44.1-04 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-44.1-04. (Effective through July 31, ~~2011~~ 2013) Budget estimates of budget**
8 **units filed with the office of the budget - Deadline.** The head of each budget unit, not later
9 than July fifteenth of each year next preceding the session of the legislative assembly, shall
10 submit to the office of the budget, estimates of financial requirements of the person's budget
11 unit for the next two fiscal years, on the forms and in the manner prescribed by the office of the
12 budget, with such explanatory data as is required by the office of the budget and such
13 additional data as the head of the budget unit wishes to submit. The budget estimates for the
14 North Dakota university system must include block grants for the university system for a base
15 funding component and for an initiative funding component for specific strategies or initiatives
16 and a budget estimate for an asset funding component for renewal and replacement of physical
17 plant assets at the institutions of higher education. The estimates so submitted must bear the
18 approval of the board or commission of each budget unit for which a board or commission is
19 constituted. The director of the budget in the director's discretion may extend the filing date for
20 any budget unit if the director finds there is some circumstance that makes it advantageous to
21 authorize the extension. If a budget unit has not submitted its estimate of financial
22 requirements by the required date or within a period of extension set by the director of the
23 budget, the director of the budget shall prepare the budget unit's estimate of financial
24 requirements except the estimate may not exceed ninety percent of the budget unit's previous

1 biennial appropriation. The director of the budget or a subordinate officer as the director
2 designates shall examine the estimates and shall afford to the heads of budget units
3 reasonable opportunity for explanation in regard thereto and, when requested, shall grant to the
4 heads of budget units a hearing thereon which must be open to the public.

5 **(Effective after July 31, 2014 2013) Budget estimates of budget units filed with the**
6 **office of the budget - Deadline.** The head of each budget unit, not later than July fifteenth of
7 each year next preceding the session of the legislative assembly, shall submit to the office of
8 the budget, estimates of financial requirements of the person's budget unit for the next two
9 fiscal years, on the forms and in the manner prescribed by the office of the budget, with such
10 explanatory data as is required by the office of the budget and such additional data as the head
11 of the budget unit wishes to submit. The estimates so submitted must bear the approval of the
12 board or commission of each budget unit for which a board or commission is constituted. The
13 director of the budget may extend the filing date for any budget unit if the director finds there is
14 some circumstance that makes it advantageous to authorize the extension. If a budget unit has
15 not submitted its estimate of financial requirements by the required date or within a period of
16 extension set by the director of the budget, the director of the budget shall prepare the budget
17 unit's estimate of financial requirements except the estimate may not exceed ninety percent of
18 the budget unit's previous biennial appropriation. The director of the budget or a subordinate
19 officer as the director shall designate shall examine the estimates and shall afford to the heads
20 of budget units reasonable opportunity for explanation in regard thereto and, when requested,
21 shall grant to the heads of budget units a hearing thereon which must be open to the public.

22 **SECTION 2. AMENDMENT.** Section 54-44.1-06 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **54-44.1-06. (Effective through July 31, 2014 2013) Preparation of the budget data -**

25 **Contents.** The director of the budget, through the office of the budget, shall prepare budget
26 data which must contain and include the following:

- 27 1. Summary statements of the financial condition of the state, accompanied by the
28 detailed schedules of assets and liabilities as the director of the budget determines
29 desirable, which must include the following:
- 30 a. Summary statements of fund balances and assets showing in detail for each
31 fund the surplus or deficit at the beginning of each of the two fiscal years of

- 1 the previous biennium and the first fiscal year of the present biennium, the
2 actual revenue for those years, the total appropriations for the previous and
3 present biennium, and the total expenditures for those fiscal years; and
4 b. Similar summary statements of the estimated fund balances and assets for
5 the current fiscal year and each of the fiscal years of the next biennium.
6 Summary statements may include a comparative consolidated balance sheet
7 showing all the assets and liabilities of the state and the surplus or deficit, as the
8 case may be, at the close of the first fiscal year of the current biennium.
- 9 2. Statements of actual revenue for the previous biennium, the first year of the
10 present biennium, and the estimated revenue of the current fiscal year and of the
11 next biennium, and a statement of unappropriated surplus expected to have
12 accrued in the state treasury at the beginning of the next fiscal year. The
13 statement of unappropriated surplus for the general fund must reflect any projected
14 deficiency appropriations relating to expenditures from the general fund for the
15 present biennium. The statements of revenue and estimated revenue must be
16 classified by sources and by budget unit collecting them. Existing sources of
17 revenue must be analyzed as to their equity, productivity, and need for revision,
18 and any proposed new sources of revenue must be explained.
- 19 3. Summary statements of expenditures of the previous biennium and first year of the
20 present biennium, itemized by budget units and classified as prescribed by the
21 director of the budget.
- 22 4. Detailed comparative statements of expenditures and requests for appropriations
23 by funds, budget units and classification of expenditures, showing the expenditures
24 for the previous biennium, the first fiscal year of the present biennium, the budget
25 of the current biennium, and the governor's recommendation for appropriations for
26 each budget unit for the next biennium, all distributed according to the prescribed
27 classification of expenditures. Following the lists of actual and proposed
28 expenditures of each budget unit there must be a brief explanation of the functions
29 of the unit and comments on its policies and plans and on any considerable
30 differences among the amounts recommended, with any descriptive, quantitative,
31 comparative, and other data as to work done, unit costs, and like information as

- 1 may be considered necessary or desirable. For capital outlay expenditures
2 involving construction projects to be completed in two or more fiscal years, there
3 must be shown the total estimated cost of each such project and the amount
4 thereof recommended to be appropriated and expended in each ensuing fiscal
5 year until completion of the project. Capital outlay needs may be projected for at
6 least two years beyond the period covered by the budget.
- 7 5. A detailed statement showing the estimate of all moneys required to be raised or
8 appropriated for the payment of interest upon the funded debt of the state and its
9 other obligations bearing interest, and the amount of money required to be
10 contributed in the two next ensuing fiscal years to the general sinking funds
11 maintained for the redemption and payment of the debts of the state.
- 12 6. A summary statement of the unappropriated fund balance estimated to be
13 available at the beginning of the next biennium, and the estimated revenue of the
14 next biennium, as compared with the total recommended amounts of appropriation
15 for all classes of expenditures for the next biennium, and if the total of the
16 recommended expenditures exceeds the total of the estimated resources,
17 recommendations as to how the deficiency is to be met and estimates of any
18 proposed additional revenue.
- 19 7. Drafts of proposed general and special appropriations acts embodying the budget
20 data and recommendations of the governor for appropriations for the next biennium
21 and drafts of such revenues and other acts recommended by the governor for
22 putting into effect the proposed financial plan. The recommended general
23 appropriation for each budget unit must be specified in a separate section of the
24 general appropriations act. The draft of the proposed appropriations act for the
25 North Dakota university system must include block grants for a base funding
26 appropriation and for an initiative funding appropriation for specific strategies or
27 initiatives and an appropriation for asset funding for renewal and replacement of
28 physical plant assets at the institutions of higher education.
- 29 8. A list of every individual asset or service, excluding real estate, with a value of at
30 least fifty thousand dollars and every group of assets and services comprising a
31 single system with a combined value of at least fifty thousand dollars acquired

1 through a capital or operating lease arrangement or debt financing arrangement by
2 a state agency or institution. The list must include assets or services acquired in
3 the current biennium and anticipated assets or services to be acquired in the next
4 biennium.

5 9. Any other information as the director of the budget determines desirable or as is
6 required by law.

7 **(Effective after July 31, 2014 2013) Preparation of the budget data - Contents.** The
8 director of the budget, through the office of the budget, shall prepare budget data which must
9 contain and include the following:

10 1. Summary statements of the financial condition of the state, accompanied by the
11 detailed schedules of assets and liabilities as the director of the budget determines
12 desirable, which must include the following:

- 13 a. Summary statements of fund balances and assets showing in detail for each
14 fund the surplus or deficit at the beginning of each of the two fiscal years of
15 the previous biennium and the first fiscal year of the present biennium, the
16 actual revenue for those years, the total appropriations for the previous and
17 present biennium, and the total expenditures for those fiscal years; and
18 b. Similar summary statements of the estimated fund balances and assets for
19 the current fiscal year and each of the fiscal years of the next biennium.

20 Summary statements may include a comparative consolidated balance sheet
21 showing all the assets and liabilities of the state and the surplus or deficit, as the
22 case may be, at the close of the first fiscal year of the current biennium.

23 2. Statements of actual revenue for the previous biennium, the first year of the
24 present biennium, and the estimated revenue of the current fiscal year and of the
25 next biennium, and a statement of unappropriated surplus expected to have
26 accrued in the state treasury at the beginning of the next fiscal year. The
27 statement of unappropriated surplus for the general fund must reflect any projected
28 deficiency appropriations relating to expenditures from the general fund for the
29 present biennium. The statements of revenue and estimated revenue must be
30 classified by sources and by budget unit collecting them. Existing sources of

- 1 revenue must be analyzed as to their equity, productivity, and need for revision,
2 and any proposed new sources of revenue must be explained.
- 3 3. Summary statements of expenditures of the previous biennium and first year of the
4 present biennium, itemized by budget units and classified as prescribed by the
5 director of the budget.
- 6 4. Detailed comparative statements of expenditures and requests for appropriations
7 by funds, budget units and classification of expenditures, showing the expenditures
8 for the previous biennium, the first fiscal year of the present biennium, the budget
9 of the current biennium, and the governor's recommendation for appropriations for
10 each budget unit for the next biennium, all distributed according to the prescribed
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13 of the unit and comments on its policies and plans and on any considerable
14 differences among the amounts recommended, with any descriptive, quantitative,
15 comparative, and other data as to work done, unit costs, and like information as
16 may be considered necessary or desirable. For capital outlay expenditures
17 involving construction projects to be completed in two or more fiscal years, there
18 must be shown the total estimated cost of each such project and the amount
19 thereof recommended to be appropriated and expended in each ensuing fiscal
20 year until completion of the project. Capital outlay needs may be projected for at
21 least two years beyond the period covered by the budget.
- 22 5. A detailed statement showing the estimate of all moneys required to be raised or
23 appropriated for the payment of interest upon the funded debt of the state and its
24 other obligations bearing interest, and the amount of money required to be
25 contributed in the two next ensuing fiscal years to the general sinking funds
26 maintained for the redemption and payment of the debts of the state.
- 27 6. A summary statement of the unappropriated fund balance estimated to be
28 available at the beginning of the next biennium, and the estimated revenue of the
29 next biennium, as compared with the total recommended amounts of appropriation
30 for all classes of expenditures for the next biennium, and if the total of the
31 recommended expenditures exceeds the total of the estimated resources,

- 1 recommendations as to how the deficiency is to be met and estimates of any
2 proposed additional revenue.
- 3 7. Drafts of a proposed general appropriations act and special appropriations acts
4 embodying the budget data and recommendations of the governor for
5 appropriations for the next biennium and drafts of such revenues and other acts
6 recommended by the governor for putting into effect the proposed financial plan.
7 The recommended general appropriation for each budget unit must be specified in
8 a separate section of the general appropriations act.
- 9 8. A list of every individual asset or service, excluding real estate, with a value of at
10 least fifty thousand dollars and every group of assets and services comprising a
11 single system with a combined value of at least fifty thousand dollars acquired
12 through a capital or operating lease arrangement or debt financing arrangement by
13 a state agency or institution. The list must include assets or services acquired in
14 the current biennium and anticipated assets or services to be acquired in the next
15 biennium.
- 16 9. Any other information as the director of the budget determines desirable or as is
17 required by law.