

Sixty-third  
Legislative Assembly  
of North Dakota

ENGROSSED HOUSE BILL NO. 1099

Introduced by

Representatives Schmidt, Streyle, Owens, Kempenich

Senators Dever, Schaible

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 agency budget requests and the preparation of budget data.

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

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

6 **54-44.1-04. (Effective through July 31, 2013) Budget estimates of budget units filed**  
7 **with the office of the budget - Deadline.**

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

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

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

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

28 **54-44.1-06. (Effective through July 31, 2013) Preparation of the budget data -**  
29 **Contents.**

30 The director of the budget, through the office of the budget, shall prepare budget data which  
31 must contain and include the following:

- 1       1. Summary statements of the financial condition of the state, accompanied by the  
2       detailed schedules of assets and liabilities as the director of the budget determines  
3       desirable, which must include the following:
  - 4       a. Summary statements of fund balances and assets showing in detail for each fund  
5       the surplus or deficit at the beginning of each of the two fiscal years of the  
6       previous biennium and the first fiscal year of the present biennium, the actual  
7       revenue for those years, the total appropriations for the previous and present  
8       biennium, and the total expenditures for those fiscal years; and
  - 9       b. Similar summary statements of the estimated fund balances and assets for the  
10      current fiscal year and each of the fiscal years of the next biennium.  
11      Summary statements may include a comparative consolidated balance sheet showing  
12      all the assets and liabilities of the state and the surplus or deficit, as the case may be,  
13      at the close of the first fiscal year of the current biennium.
- 14      2. Statements of actual revenue for the previous biennium, the first year of the present  
15      biennium, and the estimated revenue of the current fiscal year and of the next  
16      biennium, and a statement of unappropriated surplus expected to have accrued in the  
17      state treasury at the beginning of the next fiscal year. The statement of unappropriated  
18      surplus for the general fund must reflect any projected deficiency appropriations  
19      relating to expenditures from the general fund for the present biennium. The  
20      statements of revenue and estimated revenue must be classified by sources and by  
21      budget unit collecting them. Existing sources of revenue must be analyzed as to their  
22      equity, productivity, and need for revision, and any proposed new sources of revenue  
23      must be explained.
- 24      3. Summary statements of expenditures of the previous biennium and first year of the  
25      present biennium, itemized by budget units and classified as prescribed by the director  
26      of the budget.
- 27      4. Detailed comparative statements of expenditures and requests for appropriations by  
28      funds, budget units and classification of expenditures, showing the expenditures for  
29      the previous biennium, the first fiscal year of the present biennium, the budget of the  
30      current biennium, and the governor's recommendation for appropriations for each  
31      budget unit for the next biennium, all distributed according to the prescribed

1 classification of expenditures. Following the lists of actual and proposed expenditures  
2 of each budget unit there must be a brief explanation of the functions of the unit and  
3 comments on its policies and plans and on any considerable differences among the  
4 amounts recommended, with any descriptive, quantitative, comparative, and other  
5 data as to work done, unit costs, and like information as may be considered necessary  
6 or desirable. For capital outlay expenditures involving construction projects to be  
7 completed in two or more fiscal years, there must be shown the total estimated cost of  
8 each such project and the amount thereof recommended to be appropriated and  
9 expended in each ensuing fiscal year until completion of the project. Capital outlay  
10 needs may be projected for at least two years beyond the period covered by the  
11 budget.

12 5. A detailed statement showing the estimate of all moneys required to be raised or  
13 appropriated for the payment of interest upon the funded debt of the state and its other  
14 obligations bearing interest, and the amount of money required to be contributed in the  
15 two next ensuing fiscal years to the general sinking funds maintained for the  
16 redemption and payment of the debts of the state.

17 6. A summary statement of the unappropriated fund balance estimated to be available at  
18 the beginning of the next biennium, and the estimated revenue of the next biennium,  
19 as compared with the total recommended amounts of appropriation for all classes of  
20 expenditures for the next biennium, and if the total of the recommended expenditures  
21 exceeds the total of the estimated resources, recommendations as to how the  
22 deficiency is to be met and estimates of any proposed additional revenue.

23 7. Drafts of proposed general and special appropriations acts embodying the budget data  
24 and recommendations of the governor for appropriations for the next biennium and  
25 drafts of such revenues and other acts recommended by the governor for putting into  
26 effect the proposed financial plan. The recommended general appropriation for each  
27 budget unit must be specified in a separate section of the general appropriations act.  
28 The draft of the proposed appropriations act for the North Dakota university system  
29 must include block grants for a base funding appropriation and for an initiative funding  
30 appropriation for specific strategies or initiatives and an appropriation for asset funding

1 for renewal and replacement of physical plant assets at the institutions of higher  
2 education.

3 8. A list of every individual asset or service, excluding real estate, with a value of at least  
4 fifty thousand dollars and every group of assets and services comprising a single  
5 system with a combined value of at least fifty thousand dollars acquired through a  
6 capital or operating lease arrangement or debt financing arrangement by a state  
7 agency or institution. The list must include assets or services acquired in the current  
8 biennium and anticipated assets or services to be acquired in the next biennium.

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

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

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

17 a. Summary statements of fund balances and assets showing in detail for each fund  
18 the surplus or deficit at the beginning of each of the two fiscal years of the  
19 previous biennium and the first fiscal year of the present biennium, the actual  
20 revenue for those years, the total appropriations for the previous and present  
21 biennium, and the total expenditures for those fiscal years; and

22 b. Similar summary statements of the estimated fund balances and assets for the  
23 current fiscal year and each of the fiscal years of the next biennium.

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

27 2. Statements of actual revenue for the previous biennium, the first year of the present  
28 biennium, and the estimated revenue of the current fiscal year and of the next  
29 biennium, and a statement of unappropriated surplus expected to have accrued in the  
30 state treasury at the beginning of the next fiscal year. The statement of unappropriated  
31 surplus for the general fund must reflect any projected deficiency appropriations

1 relating to expenditures from the general fund for the present biennium. The  
2 statements of revenue and estimated revenue must be classified by sources and by  
3 budget unit collecting them. Existing sources of revenue must be analyzed as to their  
4 equity, productivity, and need for revision, and any proposed new sources of revenue  
5 must be explained.

6 3. Summary statements of expenditures of the previous biennium and first year of the  
7 present biennium, itemized by budget units and classified as prescribed by the director  
8 of the budget.

9 4. Detailed comparative statements of expenditures and requests for appropriations by  
10 funds, budget units and classification of expenditures, showing the expenditures for  
11 the previous biennium, the first fiscal year of the present biennium, the budget of the  
12 current biennium, and the governor's recommendation for appropriations for each  
13 budget unit for the next biennium, all distributed according to the prescribed  
14 classification of expenditures. Following the lists of actual and proposed expenditures  
15 of each budget unit there must be a brief explanation of the functions of the unit and  
16 comments on its policies and plans and on any considerable differences among the  
17 amounts recommended, with any descriptive, quantitative, comparative, and other  
18 data as to work done, unit costs, and like information as may be considered necessary  
19 or desirable. For capital outlay expenditures involving construction projects to be  
20 completed in two or more fiscal years, there must be shown the total estimated cost of  
21 each such project and the amount thereof recommended to be appropriated and  
22 expended in each ensuing fiscal year until completion of the project. Capital outlay  
23 needs may be projected for at least two years beyond the period covered by the  
24 budget.

25 5. A detailed statement showing the estimate of all moneys required to be raised or  
26 appropriated for the payment of interest upon the funded debt of the state and its other  
27 obligations bearing interest, and the amount of money required to be contributed in the  
28 two next ensuing fiscal years to the general sinking funds maintained for the  
29 redemption and payment of the debts of the state.

30 6. A summary statement of the unappropriated fund balance estimated to be available at  
31 the beginning of the next biennium, and the estimated revenue of the next biennium,

- 1 as compared with the total recommended amounts of appropriation for all classes of  
2 expenditures for the next biennium, and if the total of the recommended expenditures  
3 exceeds the total of the estimated resources, recommendations as to how the  
4 deficiency is to be met and estimates of any proposed additional revenue.
- 5 7. Drafts of a proposed general appropriations act and special appropriations acts  
6 embodying the budget data and recommendations of the governor for appropriations  
7 for the next biennium and drafts of such revenues and other acts recommended by the  
8 governor for putting into effect the proposed financial plan. The recommended general  
9 appropriation for each budget unit must be specified in a separate section of the  
10 general appropriations act.
- 11 8. A list of every individual asset or service, excluding real estate, with a value of at least  
12 fifty thousand dollars and every group of assets and services comprising a single  
13 system with a combined value of at least fifty thousand dollars acquired through a  
14 capital or operating lease arrangement or debt financing arrangement by a state  
15 agency or institution. The list must include assets or services acquired in the current  
16 biennium and anticipated assets or services to be acquired in the next biennium.
- 17 9. The number of permanent full-time employee positions, permanent part-time  
18 employee positions, temporary full-time employee positions, and temporary part-time  
19 employee positions authorized for each budget unit for the previous biennium, the  
20 current biennium, and proposed for the next biennium. The period of time for which  
21 any proposed new temporary full-time position or temporary part-time position is to be  
22 authorized must be identified.
- 23 10. Any other information as the director of the budget determines desirable or as is  
24 required by law.