

OPTIONS FOR LEGISLATIVE MONITORING OF STATE AGENCY EXTRAORDINARY REPAIRS EXPENDITURES

This memorandum provides information on the current process of budgeting and accounting for extraordinary repair projects and options to allow for comparisons of actual expenditures to budgeted amounts for extraordinary repair projects.

CURRENT PROCESS

State agencies request funding for extraordinary repairs as part of the state agency budget request process. Agencies identify and prioritize each extraordinary repairs project for which funding is being requested. Examples of state agency extraordinary repairs budget request forms are attached as [Appendix A](#).

The Office of Management and Budget considers the agency extraordinary repairs request as it develops the executive budget recommendation for each agency. Any change to the extraordinary repairs included as part of the agency base budget request and any approved extraordinary repairs optional adjustment requests are documented and explained as part of the executive budget recommendation. The executive budget summary report includes a schedule identifying the extraordinary repairs funding approved for each agency in the executive budget recommendation. A copy of the schedule is attached as [Appendix B](#).

The funding recommended as part of the executive budget for extraordinary repairs for each agency is included in the capital assets line item of the appropriation bill for the agency along with funding being recommended for capital projects, other capital payments, information technology equipment over \$5,000, and other equipment over \$5,000. Any legislative changes to the extraordinary repairs funding are explained in the Statement of Purpose of Amendment to the appropriation bill and included in the Legislative Council's Analysis of Legislative Changes to the Executive Budget report at the end of the legislative session. The report also includes a schedule of the legislatively approved funding for extraordinary repairs. A copy of the schedule is attached as [Appendix C](#).

As agencies spend funds from the capital assets line item for extraordinary repairs projects, the agency charges the costs to an extraordinary repairs account code under the capital assets line item. Although agencies may internally track actual expenditures to budgeted amounts for specific extraordinary repairs projects, there is no statewide report generated

comparing actual expenditures to budgeted amounts for extraordinary repairs projects.

OPTIONS

Options to provide more information on actual expenditures compared to legislatively approved amounts for extraordinary repairs projects include:

1. An interim legislative committee or the Appropriations Committees during a legislative session may request selected agencies to report on the status of these expenditures periodically.
2. An interim legislative committee or the Appropriations Committees during a legislative session may request the Legislative Council staff to prepare a report on the status of these expenditures for all agencies.
3. A statutory change to North Dakota Century Code Section 54-44.1-06 could be made to require a report on the status of these expenditures for all agencies to be included as part of the budget data prepared as part of the executive budget.
4. The Office of Management and Budget could implement a policy that agencies account for these budgeted amounts and expenditures using project reporting or separate account codes for each project within PeopleSoft. The Office of Management and Budget could generate a periodic report comparing budgeted to actual expenditures by project for all agencies that may be provided to interim legislative committees or the Appropriations Committees upon request.
5. The Legislative Assembly could choose to appropriate extraordinary repairs funding in a separate line item. The Office of Management and Budget could implement a policy that agencies account for these budgeted amounts and expenditures using project reporting or separate account codes for each project within PeopleSoft. The Office of Management and Budget could generate a periodic report comparing budgeted to actual expenditures by project for all agencies that may be provided to interim legislative committees or the Appropriations Committees upon request.

ATTACH:3