

Sixty-third  
Legislative Assembly  
of North Dakota

**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 ~~54-16-04.3~~, 54-44.1-04, and 54-44.1-06 of the  
2 North Dakota Century Code, relating to ~~budget section authority to add employee positions,~~  
3 agency budget requests, and the preparation of budget data.

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

5 ~~— **SECTION 1. AMENDMENT.** Section 54-16-04.3 of the North Dakota Century Code is~~  
6 ~~amended and reenacted as follows:~~

7 ~~— **54-16-04.3. Commission may recommend full-time equivalent positions -- Budget**~~  
8 ~~**section approval.**~~

9 ~~— On the advice of the office of management and budget and upon the recommendation of~~  
10 ~~the emergency commission, the budget section of the legislative management may authorize a~~  
11 ~~state officer to employ permanent full-time equivalent, permanent part-time, temporary full-time,~~  
12 ~~or temporary part-time positions in addition to those authorized by the legislative assembly. The~~  
13 ~~authority to employ a full-time equivalent position under this section is effective only for the~~  
14 ~~remainder of the biennium during which the authority is granted by the budget section.~~

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

17 **54-44.1-04. (Effective through July 31, 2013) Budget estimates of budget units filed**  
18 **with the office of the budget - Deadline.**

19 The head of each budget unit, not later than July fifteenth of each year next preceding the  
20 session of the legislative assembly, shall submit to the office of the budget, estimates of  
21 financial requirements of the person's budget unit for the next two fiscal years, on the forms and  
22 in the manner prescribed by the office of the budget, with such explanatory data as is required  
23 by the office of the budget and such additional data as the head of the budget unit wishes to  
24 submit. The budget estimates for the North Dakota university system must include block grants

1 for the university system for a base funding component and for an initiative funding component  
2 for specific strategies or initiatives and a budget estimate for an asset funding component for  
3 renewal and replacement of physical plant assets at the institutions of higher education. The  
4 estimates so submitted must bear the approval of the board or commission of each budget unit  
5 for which a board or commission is constituted. The director of the budget in the director's  
6 discretion may extend the filing date for any budget unit if the director finds there is some  
7 circumstance that makes it advantageous to authorize the extension. If a budget unit has not  
8 submitted its estimate of financial requirements by the required date or within a period of  
9 extension set by the director of the budget, the director of the budget shall prepare the budget  
10 unit's estimate of financial requirements except the estimate may not exceed ninety percent of  
11 the budget unit's previous biennial appropriation. The director of the budget or a subordinate  
12 officer as the director designates shall examine the estimates and shall afford to the heads of  
13 budget units reasonable opportunity for explanation in regard thereto and, when requested,  
14 shall grant to the heads of budget units a hearing thereon which must be open to the public.

15 **(Effective after July 31, 2013) Budget estimates of budget units filed with the office of**  
16 **the budget - Deadline.** The head of each budget unit, not later than July fifteenth of each year  
17 next preceding the session of the legislative assembly, shall submit to the office of the budget,  
18 estimates of financial requirements of the person's budget unit for the next two fiscal years, on  
19 the forms and in the manner prescribed by the office of the budget, with such explanatory data  
20 as is required by the office of the budget and such additional data as the head of the budget unit  
21 wishes to submit. Any request for a new full-time or part-time permanent or temporary employee  
22 position included in a budget unit's estimate of its financial requirements for the next two fiscal  
23 years must include documentation justifying the need for the position. The documentation must  
24 describe the circumstances resulting in the need for the position and identify the number of  
25 hours the position will be involved in specific types of activities and the anticipated outcomes of  
26 the activities. The estimates so submitted must bear the approval of the board or commission of  
27 each budget unit for which a board or commission is constituted. The director of the budget may  
28 extend the filing date for any budget unit if the director finds there is some circumstance that  
29 makes it advantageous to authorize the extension. If a budget unit has not submitted its  
30 estimate of financial requirements by the required date or within a period of extension set by the  
31 director of the budget, the director of the budget shall prepare the budget unit's estimate of

1 financial requirements except the estimate may not exceed ninety percent of the budget unit's  
2 previous biennial appropriation. The director of the budget or a subordinate officer as the  
3 director shall designate shall examine the estimates and shall afford to the heads of budget  
4 units reasonable opportunity for explanation in regard thereto and, when requested, shall grant  
5 to the heads of budget units a hearing thereon which must be open to the public.

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

8 **54-44.1-06. (Effective through July 31, 2013) Preparation of the budget data -**  
9 **Contents.**

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

- 12 1. Summary statements of the financial condition of the state, accompanied by the  
13 detailed schedules of assets and liabilities as the director of the budget determines  
14 desirable, which must include the following:
  - 15 a. Summary statements of fund balances and assets showing in detail for each fund  
16 the surplus or deficit at the beginning of each of the two fiscal years of the  
17 previous biennium and the first fiscal year of the present biennium, the actual  
18 revenue for those years, the total appropriations for the previous and present  
19 biennium, and the total expenditures for those fiscal years; and
  - 20 b. Similar summary statements of the estimated fund balances and assets for the  
21 current fiscal year and each of the fiscal years of the next biennium.
- 22 Summary statements may include a comparative consolidated balance sheet showing  
23 all the assets and liabilities of the state and the surplus or deficit, as the case may be,  
24 at the close of the first fiscal year of the current biennium.
- 25 2. Statements of actual revenue for the previous biennium, the first year of the present  
26 biennium, and the estimated revenue of the current fiscal year and of the next  
27 biennium, and a statement of unappropriated surplus expected to have accrued in the  
28 state treasury at the beginning of the next fiscal year. The statement of unappropriated  
29 surplus for the general fund must reflect any projected deficiency appropriations  
30 relating to expenditures from the general fund for the present biennium. The  
31 statements of revenue and estimated revenue must be classified by sources and by

1 budget unit collecting them. Existing sources of revenue must be analyzed as to their  
2 equity, productivity, and need for revision, and any proposed new sources of revenue  
3 must be explained.

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

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

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

28 6. A summary statement of the unappropriated fund balance estimated to be available at  
29 the beginning of the next biennium, and the estimated revenue of the next biennium,  
30 as compared with the total recommended amounts of appropriation for all classes of  
31 expenditures for the next biennium, and if the total of the recommended expenditures

1 exceeds the total of the estimated resources, recommendations as to how the  
2 deficiency is to be met and estimates of any proposed additional revenue.

3 7. Drafts of proposed general and special appropriations acts embodying the budget data  
4 and recommendations of the governor for appropriations for the next biennium and  
5 drafts of such revenues and other acts recommended by the governor for putting into  
6 effect the proposed financial plan. The recommended general appropriation for each  
7 budget unit must be specified in a separate section of the general appropriations act.  
8 The draft of the proposed appropriations act for the North Dakota university system  
9 must include block grants for a base funding appropriation and for an initiative funding  
10 appropriation for specific strategies or initiatives and an appropriation for asset funding  
11 for renewal and replacement of physical plant assets at the institutions of higher  
12 education.

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

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

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

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

27 a. Summary statements of fund balances and assets showing in detail for each fund  
28 the surplus or deficit at the beginning of each of the two fiscal years of the  
29 previous biennium and the first fiscal year of the present biennium, the actual  
30 revenue for those years, the total appropriations for the previous and present  
31 biennium, and the total expenditures for those fiscal years; and

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

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

2. Statements of actual revenue for the previous biennium, the first year of the present biennium, and the estimated revenue of the current fiscal year and of the next biennium, and a statement of unappropriated surplus expected to have accrued in the state treasury at the beginning of the next fiscal year. The statement of unappropriated surplus for the general fund must reflect any projected deficiency appropriations relating to expenditures from the general fund for the present biennium. The statements of revenue and estimated revenue must be classified by sources and by budget unit collecting them. Existing sources of revenue must be analyzed as to their equity, productivity, and need for revision, and any proposed new sources of revenue must be explained.

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

4. Detailed comparative statements of expenditures and requests for appropriations by funds, budget units and classification of expenditures, showing the expenditures for the previous biennium, the first fiscal year of the present biennium, the budget of the current biennium, and the governor's recommendation for appropriations for each budget unit for the next biennium, all distributed according to the prescribed classification of expenditures. Following the lists of actual and proposed expenditures of each budget unit there must be a brief explanation of the functions of the unit and comments on its policies and plans and on any considerable differences among the amounts recommended, with any descriptive, quantitative, comparative, and other data as to work done, unit costs, and like information as may be considered necessary or desirable. For capital outlay expenditures involving construction projects to be completed in two or more fiscal years, there must be shown the total estimated cost of each such project and the amount thereof recommended to be appropriated and

1           expended in each ensuing fiscal year until completion of the project. Capital outlay  
2           needs may be projected for at least two years beyond the period covered by the  
3           budget.

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

9           6. A summary statement of the unappropriated fund balance estimated to be available at  
10          the beginning of the next biennium, and the estimated revenue of the next biennium,  
11          as compared with the total recommended amounts of appropriation for all classes of  
12          expenditures for the next biennium, and if the total of the recommended expenditures  
13          exceeds the total of the estimated resources, recommendations as to how the  
14          deficiency is to be met and estimates of any proposed additional revenue.

15          7. Drafts of a proposed general appropriations act and special appropriations acts  
16          embodying the budget data and recommendations of the governor for appropriations  
17          for the next biennium and drafts of such revenues and other acts recommended by the  
18          governor for putting into effect the proposed financial plan. The recommended general  
19          appropriation for each budget unit must be specified in a separate section of the  
20          general appropriations act.

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

27          9. The number of permanent full-time employee positions, permanent part-time  
28          employee positions, temporary full-time employee positions, and temporary part-time  
29          employee positions authorized for each budget unit for the previous biennium, the  
30          current biennium, and proposed for the next biennium. The period of time for which

- 1            any proposed new temporary full-time position or temporary part-time position is to be
- 2            authorized must be identified.
- 3        10. Any other information as the director of the budget determines desirable or as is
- 4            required by law.