

Introduced by

Legislative Management

(Higher Education Committee)

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, 2014~~2013~~) Budget estimates of budget units**
8 **filed with the office of the budget - Deadline.**

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

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

5 **(Effective after July 31, 2011~~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 fiscal
9 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, 2011~~2013~~) Preparation of the budget data -**
25 **Contents.**

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

- 28 1. Summary statements of the financial condition of the state, accompanied by the
29 detailed schedules of assets and liabilities as the director of the budget determines
30 desirable, which must include the following:

- 1 a. Summary statements of fund balances and assets showing in detail for each fund
2 the surplus or deficit at the beginning of each of the two fiscal years of the
3 previous biennium and the first fiscal year of the present biennium, the actual
4 revenue for those years, the total appropriations for the previous and present
5 biennium, and the total expenditures for those fiscal years; and
6 b. Similar summary statements of the estimated fund balances and assets for the
7 current fiscal year and each of the fiscal years of the next biennium.

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

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

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

- 24 4. Detailed comparative statements of expenditures and requests for appropriations by
25 funds, budget units and classification of expenditures, showing the expenditures for
26 the previous biennium, the first fiscal year of the present biennium, the budget of the
27 current biennium, and the governor's recommendation for appropriations for each
28 budget unit for the next biennium, all distributed according to the prescribed
29 classification of expenditures. Following the lists of actual and proposed expenditures
30 of each budget unit there must be a brief explanation of the functions of the unit and
31 comments on its policies and plans and on any considerable differences among the

1 amounts recommended, with any descriptive, quantitative, comparative, and other
2 data as to work done, unit costs, and like information as may be considered necessary
3 or desirable. For capital outlay expenditures involving construction projects to be
4 completed in two or more fiscal years, there must be shown the total estimated cost of
5 each such project and the amount thereof recommended to be appropriated and
6 expended in each ensuing fiscal year until completion of the project. Capital outlay
7 needs may be projected for at least two years beyond the period covered by the
8 budget.

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

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

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

30 8. A list of every individual asset or service, excluding real estate, with a value of at least
31 fifty thousand dollars and every group of assets and services comprising a single

1 system with a combined value of at least fifty thousand dollars acquired through a
2 capital or operating lease arrangement or debt financing arrangement by a state
3 agency or institution. The list must include assets or services acquired in the current
4 biennium and anticipated assets or services to be acquired in the next 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, 2011~~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 fund
14 the surplus or deficit at the beginning of each of the two fiscal years of the
15 previous biennium and the first fiscal year of the present biennium, the actual
16 revenue for those years, the total appropriations for the previous and present
17 biennium, and the total expenditures for those fiscal years; and
 - 18 b. Similar summary statements of the estimated fund balances and assets for the
19 current fiscal year and each of the fiscal years of the next biennium.

20 Summary statements may include a comparative consolidated balance sheet showing
21 all the assets and liabilities of the state and the surplus or deficit, as the case may be,
22 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 present
24 biennium, and the estimated revenue of the current fiscal year and of the next
25 biennium, and a statement of unappropriated surplus expected to have accrued in the
26 state treasury at the beginning of the next fiscal year. The statement of unappropriated
27 surplus for the general fund must reflect any projected deficiency appropriations
28 relating to expenditures from the general fund for the present biennium. The
29 statements of revenue and estimated revenue must be classified by sources and by
30 budget unit collecting them. Existing sources of revenue must be analyzed as to their

- 1 equity, productivity, and need for revision, and any proposed new sources of revenue
2 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 director
5 of the budget.
- 6 4. Detailed comparative statements of expenditures and requests for appropriations by
7 funds, budget units and classification of expenditures, showing the expenditures for
8 the previous biennium, the first fiscal year of the present biennium, the budget of the
9 current biennium, and the governor's recommendation for appropriations for each
10 budget unit for the next biennium, all distributed according to the prescribed
11 classification of expenditures. Following the lists of actual and proposed expenditures
12 of each budget unit there must be a brief explanation of the functions of the unit and
13 comments on its policies and plans and on any considerable differences among the
14 amounts recommended, with any descriptive, quantitative, comparative, and other
15 data as to work done, unit costs, and like information as may be considered necessary
16 or desirable. For capital outlay expenditures involving construction projects to be
17 completed in two or more fiscal years, there must be shown the total estimated cost of
18 each such project and the amount thereof recommended to be appropriated and
19 expended in each ensuing fiscal year until completion of the project. Capital outlay
20 needs may be projected for at least two years beyond the period covered by the
21 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 other
24 obligations bearing interest, and the amount of money required to be contributed in the
25 two next ensuing fiscal years to the general sinking funds maintained for the
26 redemption and payment of the debts of the state.
- 27 6. A summary statement of the unappropriated fund balance estimated to be available at
28 the beginning of the next biennium, and the estimated revenue of the next biennium,
29 as compared with the total recommended amounts of appropriation for all classes of
30 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 a proposed general appropriations act and special appropriations acts
4 embodying the budget data and recommendations of the governor for appropriations
5 for the next biennium and drafts of such revenues and other acts recommended by the
6 governor for putting into effect the proposed financial plan. The recommended general
7 appropriation for each budget unit must be specified in a separate section of the
8 general appropriations act.
- 9 8. A list of every individual asset or service, excluding real estate, with a value of at least
10 fifty thousand dollars and every group of assets and services comprising a single
11 system with a combined value of at least fifty thousand dollars acquired through a
12 capital or operating lease arrangement or debt financing arrangement by a state
13 agency or institution. The list must include assets or services acquired in the current
14 biennium and anticipated assets or services to be acquired in the next biennium.
- 15 9. Any other information as the director of the budget determines desirable or as is
16 required by law.