

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

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