

Introduced by

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; and to declare an emergency.

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 June 30, 2003)~~ Budget estimates of budget units**
8 **filed with the office of the budget - Deadline.** The head of each budget unit, not later than
9 July fifteenth of each year next preceding the session of the legislative assembly, shall submit
10 to the office of the budget, estimates of financial requirements of the person's budget unit for
11 the next two fiscal years, on the forms and in the manner prescribed by the office of the budget,
12 with such explanatory data as is required by the office of the budget and such additional data as
13 the head of the budget unit wishes to submit. The budget estimates for the North Dakota
14 university system must include block grants for the university system for a base funding
15 component and for an initiative funding component for specific strategies or initiatives and a
16 budget estimate for an asset funding component for renewal and replacement of physical plant
17 assets at the institutions of higher education. The estimates so submitted must bear the
18 approval of the board or commission of each budget unit for which a board or commission is
19 constituted. The director of the budget in the director's discretion may extend the filing date for
20 any budget unit if the director finds there is some circumstance which makes it advantageous to
21 authorize the extension. If a budget unit has not submitted its estimate of financial
22 requirements by the required date or within a period of extension set by the director of the
23 budget, the director of the budget shall prepare such budget unit's estimate of financial
24 requirements except such estimate may not exceed ninety percent of such budget unit's

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

5 ~~**(Effective after June 30, 2003) 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
9 fiscal 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 which makes it advantageous to authorize the extension. If a budget unit
15 has not submitted its estimate of financial requirements by the required date or within a period
16 of extension set by the director of the budget, the director of the budget shall prepare such
17 budget unit's estimate of financial requirements except such estimate may not exceed ninety
18 percent of such budget unit's previous biennial appropriation. The director of the budget or
19 such subordinate officer as the director shall designate shall examine the estimates and shall
20 afford to the heads of budget units reasonable opportunity for explanation in regard thereto and,
21 when requested, shall grant to the heads of budget units a hearing thereon which must be open
22 to the public.

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

25 ~~**54-44.1-06. (Effective through June 30, 2003) Preparation of the budget data -**~~
26 **Contents.** The director of the budget, through the office of the budget, shall prepare budget
27 data which must contain and include the following:

- 28 1. Summary statements of the financial condition of the state, accompanied by such
29 detailed schedules of assets and liabilities as the director of the budget deems
30 desirable, which shall include, but not be limited to, the following:

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

8 Summary statements may include, but not be limited to, a comparative
9 consolidated balance sheet showing all the assets and liabilities of the state and
10 the surplus or deficit, as the case may be, at the close of the first fiscal year of the
11 current biennium.

- 12 2. Statements of actual revenue for the previous biennium, the first year of the
13 present biennium, and the estimated revenue of the current fiscal year and of the
14 next biennium, and a statement of unappropriated surplus expected to have
15 accrued in the state treasury at the beginning of the next fiscal year. The
16 statements of revenue and estimated revenue must be classified by sources and
17 by budget unit collecting them. Existing sources of revenue must be analyzed as
18 to their equity, productivity, and need for revision, and any proposed new sources
19 of revenue must be explained.
- 20 3. Summary statements of expenditures of the previous biennium and first year of the
21 present biennium, itemized by budget units and classified as prescribed by the
22 director of the budget.
- 23 4. Detailed comparative statements of expenditures and requests for appropriations
24 by funds, budget units and classification of expenditures, showing the expenditures
25 for the previous biennium, the first fiscal year of the present biennium, the budget
26 of the current biennium, and the governor's recommendation for appropriations for
27 each budget unit for the next biennium, all distributed according to the prescribed
28 classification of expenditures. Following the lists of actual and proposed
29 expenditures of each budget unit there must be a brief explanation of the functions
30 of the unit and comments on its policies and plans and on any considerable
31 differences among the amounts recommended, with such 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 expended in each ensuing fiscal year until completion of the project. Capital outlay needs may be projected for at least two years beyond the period covered by the budget.

5. A detailed statement showing the estimate of all moneys required to be raised or appropriated for the payment of interest upon the funded debt of the state and its other obligations bearing interest, and the amount of money required to be contributed in the two next ensuing fiscal years to the general sinking funds maintained for the redemption and payment of the debts of the state.
6. A summary statement of the unappropriated fund balance estimated to be available at the beginning of the next biennium, and the estimated revenue of the next biennium, as compared with the total recommended amounts of appropriation for all classes of expenditures for the next biennium, and if the total of the recommended expenditures exceeds the total of the estimated resources, recommendations as to how the deficiency is to be met and estimates of any proposed additional revenue.
7. Drafts of proposed general and special appropriations acts embodying the budget data and recommendations of the governor for appropriations for the next biennium and drafts of such revenues and other acts recommended by the governor for putting into effect the proposed financial plan. The recommended general appropriation for each budget unit must be specified in a separate section of the general appropriations act. The draft of the proposed appropriations act for the North Dakota university system must include block grants for a base funding appropriation and for an initiative funding appropriation for specific strategies or initiatives and an appropriation for asset funding for renewal and replacement of physical plant assets at the institutions of higher education in the format approved by the fifty-seventh legislative assembly.

8. A list of every individual asset or service, excluding real estate, with a value of at least fifty thousand dollars and every group of assets and services comprising a single system with a combined value of at least fifty thousand dollars acquired through a capital or operating lease arrangement or debt financing arrangement by a state agency or institution. The list must include assets or services acquired in the current biennium and anticipated assets or services to be acquired in the next biennium.
9. Such other information as the director of the budget deems desirable or as is required by law.

~~(Effective after June 30, 2003) Preparation of the budget data—Contents. The director of the budget, through the office of the budget, shall prepare budget data which must contain and include the following:~~

- ~~1. Summary statements of the financial condition of the state, accompanied by such detailed schedules of assets and liabilities as the director of the budget deems desirable, which shall include, but not be limited to, the following:~~
 - ~~a. Summary statements of fund balances and assets showing in detail for each fund the surplus or deficit at the beginning of each of the two fiscal years of the previous biennium and the first fiscal year of the present biennium, the actual revenue for those years, the total appropriations for the previous and present 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, but not be limited to, 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 statements of revenue and estimated revenue must be classified by sources and~~

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

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

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

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

7. ~~Drafts of a proposed general appropriations act and special appropriations acts~~

~~embodying the budget data and recommendations of ed by budget uni..N.å.I.¼.G.ÅéûDetailed cor~~