

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 1, line 3, after the second semicolon insert "to create and enact two new sections to chapter 54-35 of the North Dakota Century Code, relating to legislative budget recommendations;", after "sections" insert "15-10-12, 16.1-01-02.3, subsection 5 of section 17-05-08, sections 18-03-05, 43-29-05.1, 50-06-17, 54-03.1-03, 54-06-04.1, subsections 2 and 7 of section 54-17.5-02, subsection 5 of section 54-17.7-07, sections", after "54-27.2-03" insert ", 54-35-14, 54-44.1-02, 54-44.1-03, 54-44.1-13, subdivision e of subsection 1 of section 54-61-02,", and after the second "and" insert "section"

Page 1, line 4, after "to" insert "budget recommendations," and after "fund" insert a comma

Page 1, line 5, after the semicolon insert "to repeal sections 54-44.1-04, 54-44.1-06, 54-44.1-06.1, 54-44.1-07, 54-44.1-08, 54-44.1-14, and 54-44.1-16 of the North Dakota Century Code, relating to preparation of budget data and the office of the budget;"

Page 4, after line 25, insert:

"SECTION 11. AMENDMENT. Section 15-10-12 of the North Dakota Century Code is amended and reenacted as follows:

15-10-12. Board may accept gifts and bequests - Deposit of funds. The state board of higher education may, subject to the limitations of section 15-10-12.1, receive donations, gifts, grants, and bequests offered or tendered to or for the benefit of any institution of higher education under its control or subject to its administration, and all moneys coming into the hands of the board as donations, gifts, grants, and bequests must be used for the specific purpose for which they are donated or given. A special revenue fund, for each institution of higher education under the control of the board or subject to its administration, must be maintained within the state treasury and all institutional income from tuition collections must be placed in the special fund for the use of the institution for which the money was raised. All rent, interest, or income from land, money, or property, donated or granted by the United States and allocated to specific institutions of higher learning under the terms of the Enabling Act and the Constitution of North Dakota must be deposited in the special revenue fund of each institution and expended in accordance with section 1 of article IX of the Constitution of North Dakota. Moneys in the special revenue fund are subject to legislative appropriations. All other funds, unless restricted by the terms of a grant, donation, or bequest, received by the institutions from federal, state, and local grants and contracts, indirect cost recoveries, special student fees, room and board fees and other auxiliary enterprise fees, student activity fees, continuing education program fees, internal service fund revenues, and all other revenues must be deposited in the institution special revenue funds. The state treasurer shall immediately transfer the funds deposited in the special revenue funds to institution accounts in the Bank of North Dakota. Biennial estimates of revenue and expenditures of the other funds by source of funds must be presented at the same time biennial budget requests for appropriations from the special revenue fund and state general fund are prepared and submitted to the ~~office of the budget~~ legislative council. Payments from each institution's general fund appropriation must be made in amounts as may be necessary for the operation and maintenance of each institution, except that at the close of the biennium the balance of funds not paid from the general fund appropriation must be deposited in the special revenue funds of the institutions. All such appropriations are subject to proration in the

same manner as other appropriations are prorated if insufficient funds are available to meet expenditures from the general fund. Sinking funds for the payment of interest and principal of institutional revenue bonds must be deposited pursuant to section 15-55-06.

SECTION 12. AMENDMENT. Section 16.1-01-02.3 of the North Dakota Century Code is amended and reenacted as follows:

16.1-01-02.3. Special election costs - Reimbursement. The state shall reimburse each county for the costs incurred by the county for conducting a statewide special election that is not held on the date of a statewide primary or general election. Each county shall submit a detailed statement to the ~~office of the budget~~ legislative council which lists all expenses incurred by the county in conducting the special election within forty-five days after the special election. The ~~office of the budget~~ legislative council shall submit a request for an appropriation to reimburse the counties to the next regular or special session of the legislative assembly. The legislative assembly shall appropriate the funds necessary for the payment of the special election costs.

SECTION 13. AMENDMENT. Subsection 5 of section 17-05-08 of the North Dakota Century Code is amended and reenacted as follows:

5. The authority must include in its biennial request to the ~~office of the budget~~ legislative council the amount, if any, necessary to restore any reserve fund established under this section to an amount equal to the amount required to be deposited in the fund by the terms of any contract or resolution approved by the commission.

SECTION 14. AMENDMENT. Section 18-03-05 of the North Dakota Century Code is amended and reenacted as follows:

18-03-05. Statement of desired appropriation submitted to ~~office of the budget~~ legislative council. Not later than July first of each year next preceding a regular session of the legislative assembly, the ~~director of the budget~~ legislative council shall send to the North Dakota firefighter's association a suitable blank form to be filled out with an itemized statement of the amount of money necessary to promote the efficiency and growth of the different fire departments and fire protection districts of the association and to conduct the fire schools to be held during the succeeding biennium under the direction of the association. The association shall return the blanks properly filled out as ~~provided in section 54-44.1-04~~ required by the legislative council.

SECTION 15. AMENDMENT. Section 43-29-05.1 of the North Dakota Century Code is amended and reenacted as follows:

43-29-05.1. Executive secretary. The board may employ an executive secretary and ~~such other persons as~~ individuals it deems advisable to carry out the purpose of this chapter at such salaries as it may determine.

Each biennium the executive secretary shall prepare the budget of the board for presentation to the ~~executive office of the budget~~ legislative council. The executive secretary shall also carry out all routine secretarial and other duties as directed by the board.

SECTION 16. AMENDMENT. Section 50-06-17 of the North Dakota Century Code is amended and reenacted as follows:

50-06-17. Biennial report - Budget estimates. The department shall submit to the governor and the ~~office of management and budget~~ legislative council the biennial report and budget estimate in accordance with sections 54-06-04 and ~~54-44.1-04~~ section 23 of this Act.

SECTION 17. AMENDMENT. Section 54-03.1-03 of the North Dakota Century Code is amended and reenacted as follows:

54-03.1-03. Agenda. The agenda of the organizational session must include the following:

1. Orientation classes upon legislative rules and procedure for new legislators;
2. Presentation of reports by legislative interim committees or commissions;
3. Party caucuses to review proposed legislative rules and committee assignments, as appropriate;
4. Appointment of procedural committees;
5. Presentation of the budget and revenue proposals recommended by the ~~governor as provided in section 54-44.1-07~~ legislative council; and
6. All other similar matters, in order that the legislative assembly be fully organized and ready to begin its business by the first day of the regular session.

SECTION 18. AMENDMENT. Section 54-06-04.1 of the North Dakota Century Code is amended and reenacted as follows:

54-06-04.1. State agencies, departments, and institutions charging fees shall make reports. All state agencies, departments, and institutions which license, inspect, or regulate private business activities or products and charge fees for such services, except the secretary of state, shall prepare and submit to the ~~office of the budget, with the budget estimates required by section 54-44.1-04~~ legislative council, a report for the last two fiscal years giving information about the costs of providing each service and the fees charged for the granting or providing of ~~such~~ the service. The report must accurately present the costs and revenues in accordance with the various categories of service and ~~such~~ the report must be completed and supported by ~~such~~ accounting records and allocation procedures ~~as are~~ acceptable to the ~~director of the legislative budget analyst and auditor~~.

SECTION 19. AMENDMENT. Subsections 2 and 7 of section 54-17.5-05 of the North Dakota Century Code are amended and reenacted as follows:

2. Not later than July fifteenth of each year preceding the biennial session of the legislative assembly, the industrial commission shall submit to the ~~office of the budget~~ legislative council a request for the amount required to be appropriated from the lignite research fund to pay debt service on outstanding evidences of indebtedness during the following biennium.
7. The industrial commission must include in its biennial request to the ~~office of the budget~~ legislative council the amount, if any, necessary to restore the reserve fund to an amount equal to the amount required to be deposited in the fund by the terms of any contract or resolution described in subdivision b of subsection 4. The legislative assembly may appropriate such amount from the lignite research fund to the commission for deposit in the reserve fund. If sufficient moneys are not available in the lignite research fund, the legislative assembly may appropriate any amount necessary out of any moneys in the general fund or any special funds in the state treasury not otherwise appropriated.

SECTION 20. AMENDMENT. Subsection 5 of section 54-17.7-07 of the North Dakota Century Code is amended and reenacted as follows:

5. The authority must include in its biennial request to the ~~office of the budget~~ legislative council the amount, if any, necessary to restore any reserve fund established under this section to an amount equal to the amount required to be deposited in the fund by the terms of any contract or resolution approved by the commission."

Page 5, after line 13, insert:

"**SECTION 22.** A new section to chapter 54-35 of the North Dakota Century Code is created and enacted as follows:

Legislative budget committee and interim budget committees - Creation.

For the purpose of providing for greater involvement by the legislative assembly and involving more members of the legislative assembly in the budgeting process of state government, the legislative council shall create a legislative budget committee to coordinate and direct activities involved in the development of budget recommendations to assist the legislative assembly as it develops policy and provides appropriations for the operations of state government. A goal of the budgeting process is to include historic and anticipated agency performance as supporting information for budget recommendations. With the advice of the legislative budget committee, the legislative council shall create additional committees to assist the legislative budget committee in performing its duties and responsibilities. If a member of the legislative budget committee is unable to serve on the committee, the legislative council chairman shall appoint another member of the legislative assembly to fill the vacancy.

SECTION 23. A new section to chapter 54-35 of the North Dakota Century Code is created and enacted as follows:

Legislative budget committee - Duties and responsibilities.

1. The legislative budget committee, with the assistance of the legislative budget analyst and auditor, shall:
 - a. Develop by June first of the year preceding the regular session of the legislative assembly a preliminary legislative budget report, subject to legislative council approval. The report must include goals for revenues, major appropriations, and the ending general fund balance for the next biennium.
 - b. Develop budget guidelines and parameters, subject to legislative council approval, for the interim committees designated by the legislative council to have budget responsibilities to utilize in the development of their budget recommendations.
 - c. Advise the legislative council on the interim budget committee structure needed for addressing legislative budget issues.
 - d. Assign budget-related studies and program reviews to other interim committees designated to have budget responsibilities by the legislative council within limitations of time and legislative appropriations.
 - e. Review, analyze, and evaluate budgets, budget requests, programs, and activities of state agencies, institutions, and departments.
 - f. Monitor agency performance by utilizing performance measures, when appropriate.

- g. Provide by February first of the year preceding the regular session of the legislative assembly, any budget forms, guidelines, or requests for information for inclusion in agency budget requests. The budget requests must be submitted to the legislative council by July fifteenth of each year preceding the session of the legislative assembly.
 - h. Conduct hearings it determines necessary to perform the duties of this section. Interim committees designated by the legislative council to have budget responsibilities may conduct hearings necessary to assist the legislative budget committee in the performance of its duties.
 - i. Review and approve reports and recommendations of interim committees designated by the legislative council to have budget responsibilities.
 - j. Develop budget-related recommendations to assist the legislative assembly as it develops policy and provides appropriations for the operations of state government. The recommendations may pertain to the state budget or any portion of that budget, including general fund revenues and appropriations; special funds or federal funds; funding or operations of state agencies, institutions, and departments; and assistance to political subdivisions.
 - k. Present a report on its budget recommendations to the legislative council in November of the year preceding the regular session of the legislative assembly and to the legislative assembly.
 - l. Provide assistance during the legislative session as requested by legislative leadership.
2. Each agency, institution, or department shall furnish the records and information requested by legislative committees in the performance of the duties of this section. The tax commissioner shall provide economic and revenue forecasting information and services as requested by legislative committees carrying out the duties of this section.

SECTION 24. AMENDMENT. Section 54-35-14 of the North Dakota Century Code is amended and reenacted as follows:

54-35-14. Powers and duties of legislative budget analyst and auditor.

The legislative budget analyst and auditor shall assist the legislative council and any committees created by the council in the review, analysis, and evaluation of budgets, budget requests, programs, and activities of state agencies, institutions, and departments and in the development of legislative budget recommendations. The legislative budget analyst and auditor shall ~~shall~~ may attend ~~at~~ budget hearings carried on by the executive budget officer and shall have access to all budget material submitted to, and all studies carried on by, the executive budget officer. The legislative budget analyst and auditor shall analyze the executive budget when prepared, with special reference to sources of revenue, trends in governmental spending and finance, comparisons to budget recommendations of the legislative council, policies followed and inconsistencies in such policies, and proposed new or substantially expanded or reduced areas of spending and prepare a report of that analysis for the legislative assembly. The legislative budget analyst and auditor shall report thereon to the appropriations committees of the senate and house of representatives in joint meeting and shall perform such services for such committees during the legislative session as they shall reasonably request. At the close of each regular session of the legislative assembly, the legislative budget analyst and auditor shall prepare a report on the legislative budget as approved by the legislative assembly. The legislative audit and fiscal review committee may call upon the legislative budget analyst and auditor for

such assistance as it may deem necessary in the analysis of any audit submitted to such committee. Each department, institution, and agency shall furnish such records and information to the legislative budget analyst and auditor as requested by the legislative budget analyst and auditor in the performance of official duties.

SECTION 25. AMENDMENT. Section 54-44.1-02 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-02. Office of the budget ~~Director~~ ~~Employees~~ ~~Powers.~~ The office of the budget is hereby established in the office of management and budget, for the purpose of promoting economy and efficiency in the fiscal management of the state government. ~~The director of the office of management and budget is ex officio director of the budget.~~

~~The director of the budget shall appoint a budget analyst who must hold a baccalaureate degree from a recognized institution of higher learning and the appointment must be based upon the qualifications of eligible persons. The position of budget analyst is not a classified position and the budget analyst shall serve at the pleasure of the director of the budget. The budget director shall employ such other professional, technical, and clerical personnel as the director deems necessary to carry out the duties prescribed in this chapter and shall fix the salary of all employees within the office of the budget within the limits of the legislative appropriations. All personnel within the office of the budget must be allowed their actual and necessary travel expenses at the same rate as for other employees of the state.~~

SECTION 26. AMENDMENT. Section 54-44.1-03 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-03. Powers and duties of the director of the budget. The director of the budget, or such subordinate officer as the director of the budget shall designate, shall:

- ~~1. Be vested with the duties, powers, and responsibilities involved in securing budget estimates and work programs from the several departments and agencies of the state government.~~
- ~~2. Be vested with the duties, powers, and responsibilities involved in the preparation of revenue and fixed expense estimates.~~
- ~~3. Develop financial policies and plans as the basis for budget recommendations to the legislative assembly, and prepare detailed documents in accordance with such financial policies and plans for presentation to the legislative assembly.~~
4. Coordinate the fiscal affairs and procedures of the state to assure the carrying out of the financial plans and policies approved by the legislative assembly.
- ~~5.~~ 2. Exercise continual control over the execution of the budget affecting the departments, institutions, and agencies of the executive branch of the state government involving approval of all commitments for conformity with the program provided in the budget, frequent comparison of actual revenues and budget estimates, and control of the rate of expenditures through a system of semiannual, quarterly, or monthly allotments.
- ~~6.~~ 3. Investigate, examine, and make exhaustive studies:
 - a. Of the structure and operation of the entire executive branch of government and of every office, institution, and agency thereof.

- b. Of all the functions, duties, and services of all executive branch offices, departments, institutions, industries, boards, bureaus, and commissions.
 - c. Of all the books, records, and methods of accounting of each office or agency of the executive branch to ascertain and determine whether their policies, practices, and systems of accounting are sound, necessary, practical, and efficient.
- 7- 4. Develop a long-term capital improvements ~~budget~~ plan for consideration by the legislative assembly.
 - 8- 5. Have the authority to procure from the various officers, departments, agencies, and employees such information as may be necessary for the ~~preparation and~~ execution of the budget.
 - 9- 6. Provide such assistance as the legislative assembly may request and be available to assist its appropriations committees with any needed information or material and make its records and information available at all times to the legislative assembly and its committees and designees.
 - 10- 7. Perform all other necessary duties to carry out ~~the provisions~~ of this chapter and ~~of~~ chapter 54-14.

SECTION 27. AMENDMENT. Section 54-44.1-13 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-13. Budget Expenditures and budget requests for of legislative and judicial branches. ~~The budget requests and expenditures for of the legislative and judicial branches of this state are not subject to the provisions of this chapter and such budget requests must be submitted directly to the legislative assembly with~~ informational copies of ~~such~~ the budgets of the legislative and judicial branch must be provided to the director of the budget not later than November fifteenth in each even-numbered year preceding a session of the legislative assembly.

SECTION 28. AMENDMENT. Subdivision e of subsection 1 of section 54-61-02 of the North Dakota Century Code is amended and reenacted as follows:

- e. Approve and submit a biennial budget request to the ~~office of the budget~~ legislative council."

Page 5, after line 31, insert:

"SECTION 30. REPEAL. Sections 54-44.1-04, 54-44.1-06, 54-44.1-06.1, 54-44.1-07, 54-44.1-08, 54-44.1-14, and 54-44.1-16 of the North Dakota Century Code are repealed."

Renumber accordingly