

Sixty-ninth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

Representative Toman

1 A BILL for an Act to create and enact a new section to chapter 54-44.1 of the North Dakota
2 Century Code, relating to reporting requirements for state programs; to amend and reenact
3 sections 54-44.1-01 and 54-44.1-06 of the North Dakota Century Code, relating to office of the
4 budget definitions and preparation of budget data and performance measures; to provide for a
5 legislative management report; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 54-44.1-01 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **54-44.1-01. Definition.**

10 As used in this chapter, unless the context otherwise requires, ~~the term "budget:~~

- 11 1. "Budget unit" means a department, institution, board, commission, agency, or other
12 unit of government for which separate or distinct appropriations are made.
13 2. "Expanded program" means an existing program administered by a budget unit which
14 has experienced or is proposed to experience an increase in scope, purpose, or
15 budget since the program's most recent legislative action.

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

18 **54-44.1-06. Preparation of the budget data - Contents.**

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

- 21 1. Summary statements of the financial condition of the state, accompanied by the
22 detailed schedules of assets and liabilities as the director of the budget determines
23 desirable, which must include 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 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

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. The detailed comparative statements of budget units under the control of the
9 state board of higher education must include the same information presented for other
10 budget units.

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

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

22 7. Drafts of a proposed general appropriations act and special appropriations acts
23 embodying the budget data and recommendations of the governor for appropriations
24 for the next biennium and drafts of such revenues and other acts recommended by the
25 governor for putting into effect the proposed financial plan. The recommended general
26 appropriation for each budget unit must be specified in a separate section of the
27 general appropriations act.

28 8. A list of every individual asset or service, excluding real estate, with a value of at least
29 fifty thousand dollars and every group of assets and services comprising a single
30 system with a combined value of at least fifty thousand dollars acquired through a
31 capital or operating lease arrangement or debt financing arrangement by a state

1 agency or institution. The list must include assets or services acquired in the current
2 biennium and anticipated assets or services to be acquired in the next biennium.

3 9. Information regarding requests for a new program or expanded program, including
4 performance measures and outcome expectations for the program which explains:

5 a. The purpose and benefits of the program;

6 b. The problems or needs the program will address;

7 c. Other possible solutions to address the problems or needs;

8 d. Methods to evaluate the program's success; and

9 e. Budget details by major expense category and funding source. If the program is
10 considered a pilot program, the full implementation cost of the program must be
11 included in the budget details.

12 10. The number of permanent full-time employee positions and permanent part-time
13 employee positions authorized for each budget unit for the previous biennium and the
14 current biennium and proposed for the next biennium.

15 ~~40.11.~~ Any other information as the director of the budget determines desirable or as is
16 required by law.

17 **SECTION 3.** A new section to chapter 54-44.1 of the North Dakota Century Code is created
18 and enacted as follows:

19 **Program performance measures and outcomes - Report.**

20 1. The office of the budget shall collect and compile information from each budget unit on
21 the final performance measures and outcome expectations of each new or expanded
22 program authorized by the legislative assembly during the most recent regular
23 legislative session. By June thirtieth of each odd-numbered year, the director of the
24 budget or the director's designee shall report to the legislative management regarding
25 the final performance measures and outcome expectations of each new or expanded
26 program.

27 2. The office of the budget shall collect and compile information from each budget unit on
28 the status of each new or expanded program throughout each biennium, including the
29 actual performance and outcomes of the program. By September thirtieth of each
30 even-numbered year, the director of the budget or the director's designee shall report
31 to the legislative management regarding new or expanded programs authorized for

1 that biennium, including a comparison of program results to date with the final
2 performance measures and outcome expectations established for the biennium. By
3 September thirtieth of each odd-numbered year, the director of the budget or the
4 director's designee shall provide an updated report to the legislative management on
5 each new or expanded program authorized for the previous biennium, including a
6 comparison of program results with the final performance measures and outcome
7 expectations for the previous biennium.

8 **SECTION 4. EFFECTIVE DATE.** This Act becomes effective immediately upon its filing with
9 the secretary of state.