

**FIRST ENGROSSMENT
with Senate Amendments
ENGROSSED HOUSE BILL NO. 1099**

Introduced by

Representatives Schmidt, Streyle, Owens, Kempenich

Senators Dever, Schaible

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 agency budget requests and the preparation of budget data.

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

4 **SECTION 1. AMENDMENT.** Section 54-44.1-04 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **54-44.1-04. (Effective through July 31, 2013) Budget estimates of budget units filed**
7 **with the office of the budget - Deadline.**

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

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

4 **(Effective after July 31, 2013) Budget estimates of budget units filed with the office of**
5 **the budget - Deadline.** The head of each budget unit, not later than July fifteenth of each year
6 next preceding the session of the legislative assembly, shall submit to the office of the budget,
7 estimates of financial requirements of the person's budget unit for the next two fiscal years, on
8 the forms and in the manner prescribed by the office of the budget, with such explanatory data
9 as is required by the office of the budget and such additional data as the head of the budget unit
10 wishes to submit. Any request for a new full-time or part-time permanent position included in a
11 budget unit's estimate of its financial requirements for the next two fiscal years must include
12 documentation justifying the need for the position. The documentation must describe the
13 circumstances resulting in the need for the position and identify the number of hours the
14 position will be involved in specific types of activities and the anticipated outcomes of the
15 activities. The estimates so submitted must bear the approval of the board or commission of
16 each budget unit for which a board or commission is constituted. The director of the budget may
17 extend the filing date for any budget unit if the director finds there is some circumstance that
18 makes it advantageous to authorize the extension. If a budget unit has not submitted its
19 estimate of financial requirements by the required date or within a period of extension set by the
20 director of the budget, the director of the budget shall prepare the budget unit's estimate of
21 financial requirements except the estimate may not exceed ninety percent of the budget unit's
22 previous biennial appropriation. The director of the budget or a subordinate officer as the
23 director shall designate shall examine the estimates and shall afford to the heads of budget
24 units reasonable opportunity for explanation in regard thereto and, when requested, shall grant
25 to the heads of budget units a hearing thereon which must be open to the public.

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

28 **54-44.1-06. (Effective through July 31, 2013) Preparation of the budget data -**
29 **Contents.**

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

- 1 1. Summary statements of the financial condition of the state, accompanied by the
2 detailed schedules of assets and liabilities as the director of the budget determines
3 desirable, which must include the following:
 - 4 a. Summary statements of fund balances and assets showing in detail for each fund
5 the surplus or deficit at the beginning of each of the two fiscal years of the
6 previous biennium and the first fiscal year of the present biennium, the actual
7 revenue for those years, the total appropriations for the previous and present
8 biennium, and the total expenditures for those fiscal years; and
 - 9 b. Similar summary statements of the estimated fund balances and assets for the
10 current fiscal year and each of the fiscal years of the next biennium.
- 11 Summary statements may include a comparative consolidated balance sheet showing
12 all the assets and liabilities of the state and the surplus or deficit, as the case may be,
13 at the close of the first fiscal year of the current biennium.
- 14 2. Statements of actual revenue for the previous biennium, the first year of the present
15 biennium, and the estimated revenue of the current fiscal year and of the next
16 biennium, and a statement of unappropriated surplus expected to have accrued in the
17 state treasury at the beginning of the next fiscal year. The statement of unappropriated
18 surplus for the general fund must reflect any projected deficiency appropriations
19 relating to expenditures from the general fund for the present biennium. The
20 statements of revenue and estimated revenue must be classified by sources and by
21 budget unit collecting them. Existing sources of revenue must be analyzed as to their
22 equity, productivity, and need for revision, and any proposed new sources of revenue
23 must be explained.
- 24 3. Summary statements of expenditures of the previous biennium and first year of the
25 present biennium, itemized by budget units and classified as prescribed by the director
26 of the budget.
- 27 4. Detailed comparative statements of expenditures and requests for appropriations by
28 funds, budget units and classification of expenditures, showing the expenditures for
29 the previous biennium, the first fiscal year of the present biennium, the budget of the
30 current biennium, and the governor's recommendation for appropriations for each
31 budget unit for the next biennium, all distributed according to the prescribed

1 classification of expenditures. Following the lists of actual and proposed expenditures
2 of each budget unit there must be a brief explanation of the functions of the unit and
3 comments on its policies and plans and on any considerable differences among the
4 amounts recommended, with any descriptive, quantitative, comparative, and other
5 data as to work done, unit costs, and like information as may be considered necessary
6 or desirable. For capital outlay expenditures involving construction projects to be
7 completed in two or more fiscal years, there must be shown the total estimated cost of
8 each such project and the amount thereof recommended to be appropriated and
9 expended in each ensuing fiscal year until completion of the project. Capital outlay
10 needs may be projected for at least two years beyond the period covered by the
11 budget.

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

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

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

1 for renewal and replacement of physical plant assets at the institutions of higher
2 education.

3 8. A list of every individual asset or service, excluding real estate, with a value of at least
4 fifty thousand dollars and every group of assets and services comprising a single
5 system with a combined value of at least fifty thousand dollars acquired through a
6 capital or operating lease arrangement or debt financing arrangement by a state
7 agency or institution. The list must include assets or services acquired in the current
8 biennium and anticipated assets or services to be acquired in the next biennium.

9 9. Any other information as the director of the budget determines desirable or as is
10 required by law.

11 **(Effective after July 31, 2013) Preparation of the budget data - Contents.** The director
12 of the budget, through the office of the budget, shall prepare budget data which must contain
13 and include the following:

14 1. Summary statements of the financial condition of the state, accompanied by the
15 detailed schedules of assets and liabilities as the director of the budget determines
16 desirable, which must include the following:

17 a. Summary statements of fund balances and assets showing in detail for each fund
18 the surplus or deficit at the beginning of each of the two fiscal years of the
19 previous biennium and the first fiscal year of the present biennium, the actual
20 revenue for those years, the total appropriations for the previous and present
21 biennium, and the total expenditures for those fiscal years; and

22 b. Similar summary statements of the estimated fund balances and assets for the
23 current fiscal year and each of the fiscal years of the next biennium.

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

27 2. Statements of actual revenue for the previous biennium, the first year of the present
28 biennium, and the estimated revenue of the current fiscal year and of the next
29 biennium, and a statement of unappropriated surplus expected to have accrued in the
30 state treasury at the beginning of the next fiscal year. The statement of unappropriated
31 surplus for the general fund must reflect any projected deficiency appropriations

1 relating to expenditures from the general fund for the present biennium. The
2 statements of revenue and estimated revenue must be classified by sources and by
3 budget unit collecting them. Existing sources of revenue must be analyzed as to their
4 equity, productivity, and need for revision, and any proposed new sources of revenue
5 must be explained.

6 3. Summary statements of expenditures of the previous biennium and first year of the
7 present biennium, itemized by budget units and classified as prescribed by the director
8 of the budget.

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

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

30 6. A summary statement of the unappropriated fund balance estimated to be available at
31 the beginning of the next biennium, and the estimated revenue of the next biennium,

- 1 as compared with the total recommended amounts of appropriation for all classes of
2 expenditures for the next biennium, and if the total of the recommended expenditures
3 exceeds the total of the estimated resources, recommendations as to how the
4 deficiency is to be met and estimates of any proposed additional revenue.
- 5 7. Drafts of a proposed general appropriations act and special appropriations acts
6 embodying the budget data and recommendations of the governor for appropriations
7 for the next biennium and drafts of such revenues and other acts recommended by the
8 governor for putting into effect the proposed financial plan. The recommended general
9 appropriation for each budget unit must be specified in a separate section of the
10 general appropriations act.
- 11 8. A list of every individual asset or service, excluding real estate, with a value of at least
12 fifty thousand dollars and every group of assets and services comprising a single
13 system with a combined value of at least fifty thousand dollars acquired through a
14 capital or operating lease arrangement or debt financing arrangement by a state
15 agency or institution. The list must include assets or services acquired in the current
16 biennium and anticipated assets or services to be acquired in the next biennium.
- 17 9. The number of permanent full-time employee positions and permanent part-time
18 employee positions authorized for each budget unit for the previous biennium and the
19 current biennium and proposed for the next biennium.
- 20 10. Any other information as the director of the budget determines desirable or as is
21 required by law.