

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.

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 July 31, ~~2011~~ 2013) Budget estimates of budget**  
8 **units filed with the office of the budget - Deadline.** The head of each budget unit, not later  
9 than July fifteenth of each year next preceding the session of the legislative assembly, shall  
10 submit to the office of the budget, estimates of financial requirements of the person's budget  
11 unit for the next two fiscal years, on the forms and in the manner prescribed by the office of the  
12 budget, with such explanatory data as is required by the office of the budget and such  
13 additional data as the head of the budget unit wishes to submit. The budget estimates for the  
14 North Dakota university system must include block grants for the university system for a base  
15 funding component and for an initiative funding component for specific strategies or initiatives  
16 and a budget estimate for an asset funding component for renewal and replacement of physical  
17 plant 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 that 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 the budget unit's estimate of financial  
24 requirements except the estimate may not exceed ninety percent of the budget unit's previous

1 biennial appropriation. The director of the budget or a subordinate officer as the director  
2 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 July 31, 2014 2013) 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 that makes it advantageous to authorize the extension. If a budget unit has  
15 not submitted its estimate of financial requirements by the required date or within a period of  
16 extension set by the director of the budget, the director of the budget shall prepare the budget  
17 unit's estimate of financial requirements except the estimate may not exceed ninety percent of  
18 the budget unit's previous biennial appropriation. The director of the budget or a subordinate  
19 officer as the director shall designate shall examine the estimates and shall afford to the heads  
20 of budget units reasonable opportunity for explanation in regard thereto and, when requested,  
21 shall grant to the heads of budget units a hearing thereon which must be open to the public.

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

24 **54-44.1-06. (Effective through July 31, 2014 2013) Preparation of the budget data -**

25 **Contents.** The director of the budget, through the office of the budget, shall prepare budget  
26 data which must contain and include the following:

- 27 1. Summary statements of the financial condition of the state, accompanied by the  
28 detailed schedules of assets and liabilities as the director of the budget determines  
29 desirable, which must include the following:
- 30 a. Summary statements of fund balances and assets showing in detail for each  
31 fund the surplus or deficit at the beginning of each of the two fiscal years of

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

- 1            may be considered necessary or desirable. For capital outlay expenditures  
2            involving construction projects to be completed in two or more fiscal years, there  
3            must be shown the total estimated cost of each such project and the amount  
4            thereof recommended to be appropriated and expended in each ensuing fiscal  
5            year until completion of the project. Capital outlay needs may be projected for at  
6            least two years beyond the period covered by the budget.
- 7            5. A detailed statement showing the estimate of all moneys required to be raised or  
8            appropriated for the payment of interest upon the funded debt of the state and its  
9            other obligations bearing interest, and the amount of money required to be  
10           contributed in the two next ensuing fiscal years to the general sinking funds  
11           maintained for the redemption and payment of the debts of the state.
- 12           6. A summary statement of the unappropriated fund balance estimated to be  
13           available at the beginning of the next biennium, and the estimated revenue of the  
14           next biennium, as compared with the total recommended amounts of appropriation  
15           for all classes of expenditures for the next biennium, and if the total of the  
16           recommended expenditures exceeds the total of the estimated resources,  
17           recommendations as to how the deficiency is to be met and estimates of any  
18           proposed additional revenue.
- 19           7. Drafts of proposed general and special appropriations acts embodying the budget  
20           data and recommendations of the governor for appropriations for the next biennium  
21           and drafts of such revenues and other acts recommended by the governor for  
22           putting into effect the proposed financial plan. The recommended general  
23           appropriation for each budget unit must be specified in a separate section of the  
24           general appropriations act. The draft of the proposed appropriations act for the  
25           North Dakota university system must include block grants for a base funding  
26           appropriation and for an initiative funding appropriation for specific strategies or  
27           initiatives and an appropriation for asset funding for renewal and replacement of  
28           physical plant assets at the institutions of higher education.
- 29           8. A list of every individual asset or service, excluding real estate, with a value of at  
30           least fifty thousand dollars and every group of assets and services comprising a  
31           single system with a combined value of at least fifty thousand dollars acquired

1 through a capital or operating lease arrangement or debt financing arrangement by  
2 a state agency or institution. The list must include assets or services acquired in  
3 the current biennium and anticipated assets or services to be acquired in the next  
4 biennium.

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

7 **(Effective after July 31, 2014 2013) Preparation of the budget data - Contents.** The  
8 director of the budget, through the office of the budget, shall prepare budget data which must  
9 contain and include the following:

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12 desirable, which must include the following:

- 13 a. Summary statements of fund balances and assets showing in detail for each  
14 fund the surplus or deficit at the beginning of each of the two fiscal years of  
15 the previous biennium and the first fiscal year of the present biennium, the  
16 actual revenue for those years, the total appropriations for the previous and  
17 present biennium, and the total expenditures for those fiscal years; and  
18 b. Similar summary statements of the estimated fund balances and assets for  
19 the current fiscal year and each of the fiscal years of the next biennium.

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

23 2. Statements of actual revenue for the previous biennium, the first year of the  
24 present biennium, and the estimated revenue of the current fiscal year and of the  
25 next biennium, and a statement of unappropriated surplus expected to have  
26 accrued in the state treasury at the beginning of the next fiscal year. The  
27 statement of unappropriated surplus for the general fund must reflect any projected  
28 deficiency appropriations relating to expenditures from the general fund for the  
29 present biennium. The statements of revenue and estimated revenue must be  
30 classified by sources and by budget unit collecting them. Existing sources of

- 1 revenue must be analyzed as to their equity, productivity, and need for revision,  
2 and any proposed new sources of revenue must be explained.
- 3 3. Summary statements of expenditures of the previous biennium and first year of the  
4 present biennium, itemized by budget units and classified as prescribed by the  
5 director of the budget.
- 6 4. Detailed comparative statements of expenditures and requests for appropriations  
7 by funds, budget units and classification of expenditures, showing the expenditures  
8 for the previous biennium, the first fiscal year of the present biennium, the budget  
9 of the current biennium, and the governor's recommendation for appropriations for  
10 each budget unit for the next biennium, all distributed according to the prescribed  
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14 differences among the amounts recommended, with any descriptive, quantitative,  
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17 involving construction projects to be completed in two or more fiscal years, there  
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20 year until completion of the project. Capital outlay needs may be projected for at  
21 least two years beyond the period covered by the budget.
- 22 5. A detailed statement showing the estimate of all moneys required to be raised or  
23 appropriated for the payment of interest upon the funded debt of the state and its  
24 other obligations bearing interest, and the amount of money required to be  
25 contributed in the two next ensuing fiscal years to the general sinking funds  
26 maintained for the redemption and payment of the debts of the state.
- 27 6. A summary statement of the unappropriated fund balance estimated to be  
28 available at the beginning of the next biennium, and the estimated revenue of the  
29 next biennium, as compared with the total recommended amounts of appropriation  
30 for all classes of expenditures for the next biennium, and if the total of the  
31 recommended expenditures exceeds the total of the estimated resources,

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