

HOUSE BILL NO. 1411

Introduced by

Representatives Carlson, Skarphol

1 A BILL for an Act to amend and reenact sections 15-10-10, 54-44.1-04, and 54-44.1-06 of the
2 North Dakota Century Code, relating to duties of the commissioner of higher education and the
3 budget requests and appropriations for the North Dakota university system.

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

5 **SECTION 1. AMENDMENT.** Section 15-10-10 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **15-10-10. State commissioner of higher education - Qualification - Appointment -**
8 **Term - Removal - Duties.**

9 The state board of higher education, as soon as practicable, shall appoint, for a term of not
10 to exceed three years, a state commissioner of higher education whose principal office must be
11 at the state capitol. The commissioner of higher education is responsible to the board and is
12 removable by the board for cause. The commissioner must be a graduate of some reputable
13 college or university who by training and experience is familiar with the problems peculiar to
14 higher education. The commissioner must be the chief executive officer of the board and shall
15 perform such duties as must be prescribed by it. The board shall provide for the commissioner
16 to administer programs that affect students and institutions on a statewide basis and collect and
17 maintain student and institution data for reporting purposes. The board may not prescribe duties
18 to the commissioner which include governance over institutions under the control of the board.

19 **SECTION 2. AMENDMENT.** Section 54-44.1-04 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **54-44.1-04. (Effective through July 31, 2011) Budget estimates of budget units filed**
22 **with the office of the budget - Deadline.**

23 The head of each budget unit, not later than July fifteenth of each year next preceding the
24 session of the legislative assembly, shall submit to the office of the budget, estimates of

1 financial requirements of the person's budget unit for the next two fiscal years, on the forms and
2 in the manner prescribed by the office of the budget, with such explanatory data as is required
3 by the office of the budget and such additional data as the head of the budget unit wishes to
4 submit. The budget estimates for the North Dakota university system must include block grants
5 for the university system for a base funding component and for an initiative funding component
6 for specific strategies or initiatives and a budget estimate for an asset funding component for
7 renewal and replacement of physical plant assets at the institutions of higher education. The
8 estimates so submitted must bear the approval of the board or commission of each budget unit
9 for which a board or commission is constituted. The director of the budget in the director's
10 discretion may extend the filing date for any budget unit if the director finds there is some
11 circumstance that makes it advantageous to authorize the extension. If a budget unit has not
12 submitted its estimate of financial requirements by the required date or within a period of
13 extension set by the director of the budget, the director of the budget shall prepare the budget
14 unit's estimate of financial requirements except the estimate may not exceed ninety percent of
15 the budget unit's previous biennial appropriation. The director of the budget or a subordinate
16 officer as the director designates shall examine the estimates and shall afford to the heads of
17 budget units reasonable opportunity for explanation in regard thereto and, when requested,
18 shall grant to the heads of budget units a hearing thereon which must be open to the public.

19 **(Effective after July 31, 2011) Budget estimates of budget units filed with the office of**
20 **the budget - Deadline.** The head of each budget unit, not later than July fifteenth of each year
21 next preceding the session of the legislative assembly, shall submit to the office of the budget,
22 estimates of financial requirements of the person's budget unit for the next two fiscal years, on
23 the forms and in the manner prescribed by the office of the budget, with such explanatory data
24 as is required by the office of the budget and such additional data as the head of the budget unit
25 wishes to submit. The budget estimates for the North Dakota university system must include:

- 26 1. Block grants for a base funding component at each institution and the university
27 system office. The block grants for institutions must be based on a separate funding
28 calculation for research institutions, baccalaureate institutions, and two-year
29 institutions.

- 1 2. An initiative funding component for specific strategies or initiatives. Initiative funding
2 for institutions must include separate requests for research, baccalaureate, and
3 two-year institutions.
- 4 3. A budget estimate for an asset funding component for the renewal and replacement of
5 physical plant assets at the institutions of higher education.

6 The estimates so submitted must bear the approval of the board or commission of each budget
7 unit for which a board or commission is constituted. The director of the budget may extend the
8 filing date for any budget unit if the director finds there is some circumstance that makes it
9 advantageous to authorize the extension. If a budget unit has not submitted its estimate of
10 financial requirements by the required date or within a period of extension set by the director of
11 the budget, the director of the budget shall prepare the budget unit's estimate of financial
12 requirements except the estimate may not exceed ninety percent of the budget unit's previous
13 biennial appropriation. The director of the budget or a subordinate officer as the director shall
14 designate shall examine the estimates and shall afford to the heads of budget units reasonable
15 opportunity for explanation in regard thereto and, when requested, shall grant to the heads of
16 budget units a hearing thereon which must be open to the public.

17 **SECTION 3. AMENDMENT.** Section 54-44.1-06 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **54-44.1-06. (Effective through July 31, 2011) Preparation of the budget data -**
20 **Contents.**

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

- 23 1. Summary statements of the financial condition of the state, accompanied by the
24 detailed schedules of assets and liabilities as the director of the budget determines
25 desirable, which must include the following:
 - 26 a. Summary statements of fund balances and assets showing in detail for each fund
27 the surplus or deficit at the beginning of each of the two fiscal years of the
28 previous biennium and the first fiscal year of the present biennium, the actual
29 revenue for those years, the total appropriations for the previous and present
30 biennium, and the total expenditures for those fiscal years; and

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

1 expended in each ensuing fiscal year until completion of the project. Capital outlay
2 needs may be projected for at least two years beyond the period covered by the
3 budget.

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

9 6. A summary statement of the unappropriated fund balance estimated to be available at
10 the beginning of the next biennium, and the estimated revenue of the next biennium,
11 as compared with the total recommended amounts of appropriation for all classes of
12 expenditures for the next biennium, and if the total of the recommended expenditures
13 exceeds the total of the estimated resources, recommendations as to how the
14 deficiency is to be met and estimates of any proposed additional revenue.

15 7. Drafts of proposed general and special appropriations acts embodying the budget data
16 and recommendations of the governor for appropriations for the next biennium and
17 drafts of such revenues and other acts recommended by the governor for putting into
18 effect the proposed financial plan. The recommended general appropriation for each
19 budget unit must be specified in a separate section of the general appropriations act.
20 The draft of the proposed appropriations act for the North Dakota university system
21 must include block grants for a base funding appropriation and for an initiative funding
22 appropriation for specific strategies or initiatives and an appropriation for asset funding
23 for renewal and replacement of physical plant assets at the institutions of higher
24 education.

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

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

3 **(Effective after July 31, 2011) Preparation of the budget data - Contents.** The director
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5 and include the following:

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10 the surplus or deficit at the beginning of each of the two fiscal years of the
11 previous biennium and the first fiscal year of the present biennium, the actual
12 revenue for those years, the total appropriations for the previous and present
13 biennium, and the total expenditures for those fiscal years; and

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

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

19 2. Statements of actual revenue for the previous biennium, the first year of the present
20 biennium, and the estimated revenue of the current fiscal year and of the next
21 biennium, and a statement of unappropriated surplus expected to have accrued in the
22 state treasury at the beginning of the next fiscal year. The statement of unappropriated
23 surplus for the general fund must reflect any projected deficiency appropriations
24 relating to expenditures from the general fund for the present biennium. The
25 statements of revenue and estimated revenue must be classified by sources and by
26 budget unit collecting them. Existing sources of revenue must be analyzed as to their
27 equity, productivity, and need for revision, and any proposed new sources of revenue
28 must be explained.

29 3. Summary statements of expenditures of the previous biennium and first year of the
30 present biennium, itemized by budget units and classified as prescribed by the director
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- 1 4. Detailed comparative statements of expenditures and requests for appropriations by
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10 data as to work done, unit costs, and like information as may be considered necessary
11 or desirable. For capital outlay expenditures involving construction projects to be
12 completed in two or more fiscal years, there must be shown the total estimated cost of
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14 expended in each ensuing fiscal year until completion of the project. Capital outlay
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- 17 5. A detailed statement showing the estimate of all moneys required to be raised or
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20 two next ensuing fiscal years to the general sinking funds maintained for the
21 redemption and payment of the debts of the state.
- 22 6. A summary statement of the unappropriated fund balance estimated to be available at
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24 as compared with the total recommended amounts of appropriation for all classes of
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26 exceeds the total of the estimated resources, recommendations as to how the
27 deficiency is to be met and estimates of any proposed additional revenue.
- 28 7. Drafts of a proposed general appropriations act and special appropriations acts
29 embodying the budget data and recommendations of the governor for appropriations
30 for the next biennium and drafts of such revenues and other acts recommended by the
31 governor for putting into effect the proposed financial plan. The recommended general

- 1 appropriation for each budget unit must be specified in a separate section of the
2 general appropriations act. The draft of the proposed appropriations act for the North
3 Dakota university system must include:
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5 system office. The base funding block grants for institutions must be based on a
6 separate funding calculation for research institutions, baccalaureate institutions,
7 and two-year institutions.
- 8 b. An initiative funding component for specific strategies or initiatives. Initiative
9 funding for institutions must include separate requests for research,
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- 11 c. A budget estimate for an asset funding component for the renewal and
12 replacement of physical plant assets at the institutions of higher education.
- 13 8. A list of every individual asset or service, excluding real estate, with a value of at least
14 fifty thousand dollars and every group of assets and services comprising a single
15 system with a combined value of at least fifty thousand dollars acquired through a
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20 required by law.