

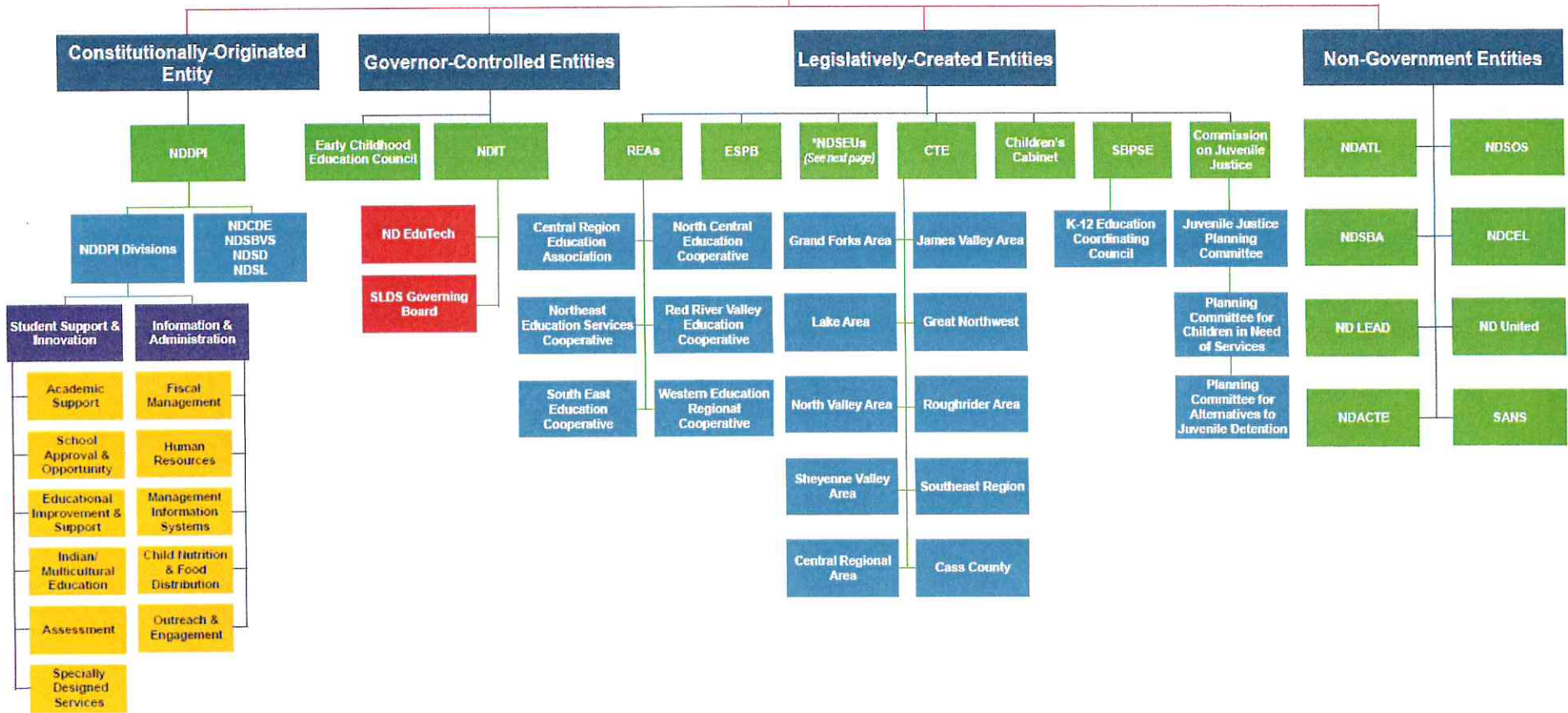
# **North Dakota Department of Public Instruction**

## **Presentation to the Budget Section – Education & Environment Division**

Thursday, Jan. 16, 2025

# Organizational Structure

**Division of ND Educational Authority**  
as of October 1, 2024



CDE: Center for Distance Education  
 CTE: Career and Technical Education  
 ESPB: Education Standards and Practices Board  
 ITD: Information Technology Department  
 NDATL: North Dakota Association of Technology Leaders  
 NDCELE: North Dakota Council of Educational Leaders

NDDPI: North Dakota Department of Public Instruction  
 ND LEAD: North Dakota Leadership and Educational Administration Development  
 NDSBA: North Dakota School Boards Association  
 NDSBVS: North Dakota School for the Blind/Vision Services  
 NDSEU: North Dakota Special Education Units

NDS: North Dakota State Library  
 NDSOS: North Dakota Small Organized Schools  
 REA: Regional Education Association  
 SANS: SysAdmin Audit Network Security  
 SBPSE: State Board of Public School Education  
 NDACTE: North Dakota Association of Colleges for Teacher Education

**STATE SUPERINTENDENT**  
Kirsten Baesler

- ND Vision Services/School for the Blind
- ND School for the Deaf/Resource Center for the Deaf and Hard of Hearing
- ND State Library
- ND Center for Distance Education

**STUDENT SUPPORT & INNOVATION**  
Laurie Matzke  
ASSISTANT SUPERINTENDENT

**ACADEMIC SUPPORT**  
Ann Ellefson, Director

**EDUCATIONAL IMPROVEMENT  
& SUPPORT**  
Amanda Peterson, Director

**INDIAN/MULTICULTURAL EDUCATION**  
Lucy Fredericks, Director

**SCHOOL APPROVAL & OPPORTUNITY**  
Joe Kolosky, Director

**ASSESSMENT**  
Stan Schauer, Director

**SPECIALLY DESIGNED SERVICES**  
Mary McCarvel-O'Connor, Director

**INFORMATION & ADMINISTRATION**  
Donna Fishbeck  
CHIEF OF STAFF

**FISCAL MANAGEMENT**  
Jamie Mertz, Chief Financial Officer

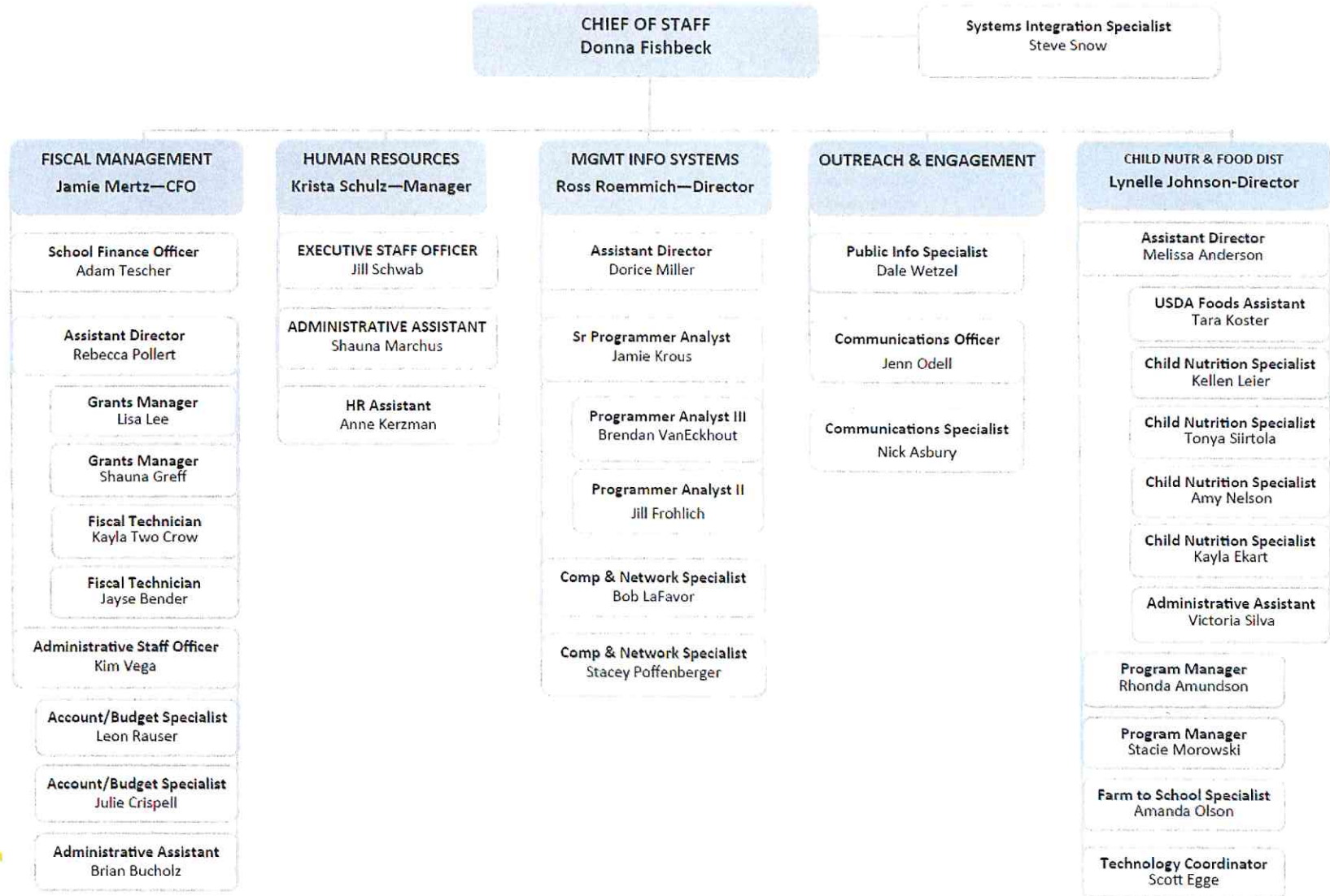
**HUMAN RESOURCES**  
Krista Schulz, Manager

**MANAGEMENT INFORMATION SYSTEMS**  
Ross Roemmich, Director

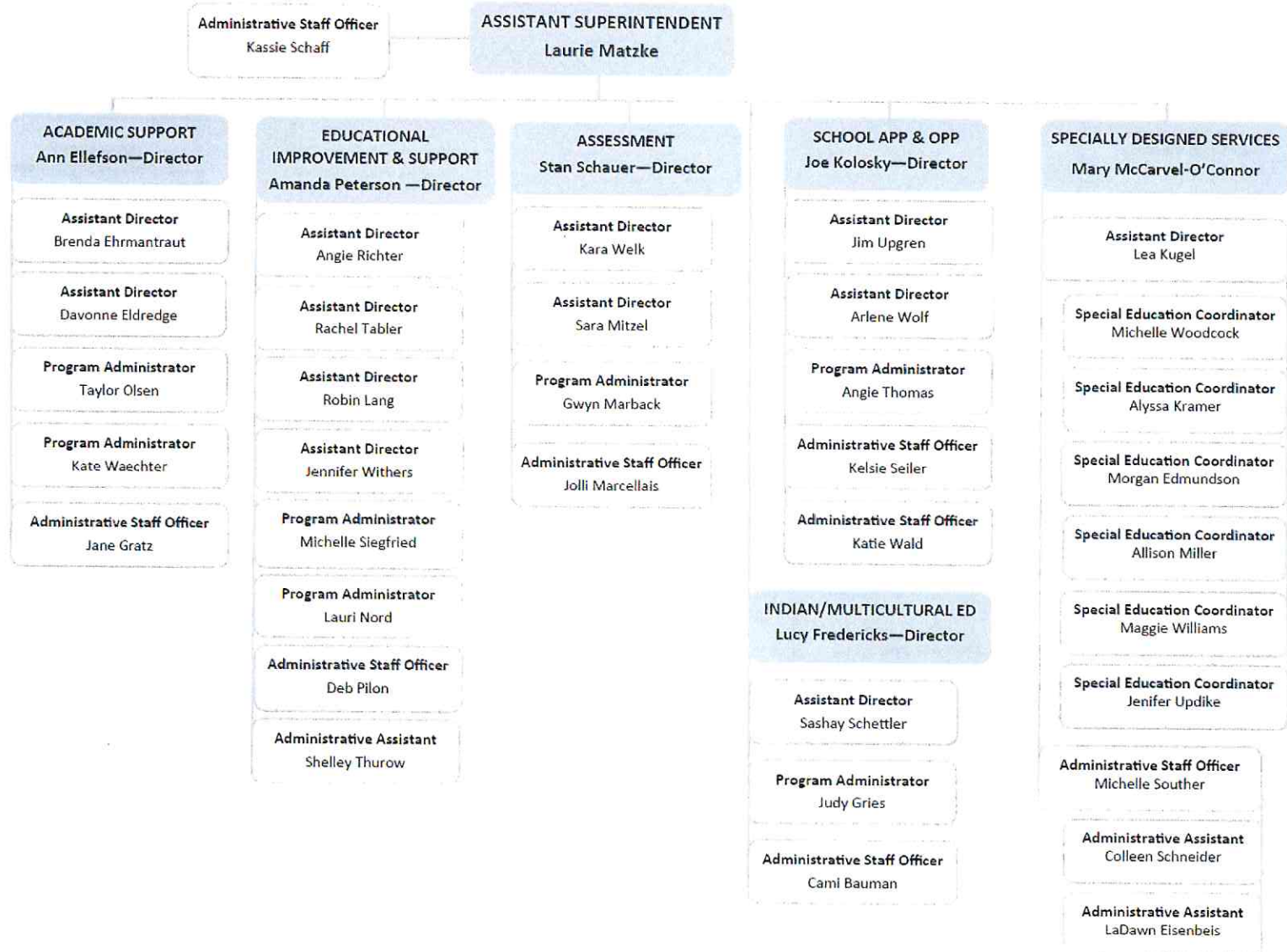
**CHILD NUTRITION & FOOD DISTRIBUTION**  
Lynelle Johnson, Director

**OUTREACH & ENGAGEMENT**

## NDDPI CHIEF OF STAFF ORGANIZATIONAL CHART



## NDDPI ASSISTANT SUPERINTENDENT ORGANIZATIONAL CHART



# Organizational Structure

## Information & Administration (39 employees)

- Administration (2)
- Fiscal Management (11)
- Human Resources (4)
- Child Nutrition and Food Distribution (12)
- Management Information Systems (7)
- Outreach and Engagement (3)

## Student Support & Innovation (43 employees)

- Assistant Superintendent Office (2)
- School Approval and Opportunity (6)
- Education Improvement and Support (9)
- Specially Designed Services (11)
- Academic Support (6)
- Assessment (5)
- Indian and Multicultural Education (4)

# ND State School Superintendent





# Authority of the State Superintendent

- The North Dakota Constitution specifies that the “powers and duties” of the superintendent of public instruction “must be prescribed by law.” The office has only the authority that is granted by the Legislature.
- NDCC 15.1-02 outlines the duties of the superintendent of public instruction.

# Examples of the State Superintendent's Duties

- Supervise elementary and secondary education
- Develop academic content standards
- Oversee the administration of student assessments
- Oversee annual updates for the statewide PK-12 Strategic Vision
- Oversee the approval for operation of public and non-public schools

## State Superintendent Board & Committee Assignments

- The ND Legislature has required membership or representation from the state superintendent on over 40 boards, councils, or committees.
- These include:
  - Teachers Fund for Retirement
  - Education Standards and Practices Board
  - The Board of University and School Lands
  - State Board of Public School Education and its subsidiary board, the Board of Career and Technical Education

# Audit Findings



# Audit Results

- **Conclusion:** no errors, internal control weaknesses, or potential violations of law were identified.

*Audit Report for the Biennium Ended June 30, 2023, p. 4 (refer to binder)*

# Biennium Accomplishments



# Biennium Accomplishments

- Greater Math
- Science of Reading
- Network for Personalized Learning
- ND A+/Aligned Interim Assessment
- Updated ND Tribal History Textbooks
- ND FIRST
- Braided Funding Document
- Summer EBT
- K-12 Data Modernization
- Apprenticeship Programs
- Choice Ready
- Be Legendary

# Staffing



# NDDPI Staffing

Current Allocated FTE (2023-2025 Biennium)	Requested FTE (2025-2027 Biennium)
<b>86.25</b> <i>(No change from 2021-2023 biennium)</i>	<b>86.25</b>

<b>Filled FTE</b>	<b>82.5</b>
<b>Vacant FTE</b>	<b>3.75</b>

# FTE Funding Pool Overview

Transferred Funds to FTE Funding Pool	
State	\$295,820.00
Federal	\$493,995.00
<b>Total</b>	<b>\$789,815.00</b>

Eligible Funds to Request from FTE Funding Pool (70%)	
State	\$207,074.00
Federal	\$345,796.00
<b>Total</b>	<b>\$552,870.00</b>

# Data for FTE Funding Pool – July Vacancies

## July 1, 2023 Vacancies

Total Vacancies: 8.75 FTE

Status	Position Number	FTE	Classification	Hire Date	FTE Funding Pool General Funds	FTE Funding Pool Federal Funds	Total FTE Funding Pool Funds Received
Filled	00001314	1	Website Communications Specialist	7/10/2023	151,200.00	16,800.00	168,000.00
Filled	00001296	1	Assistant Director	7/17/2023	52,874.00	152,751.00	205,625.00
Filled	00001250	1	Administrative Assistant III	7/25/2023	-	-	-
Filled	00001288	1	Special Education Regional Coordinator	8/1/2023	3,000.00	176,245.00	179,245.00
Filled	00001290	1	Programmer Analyst II	8/1/2023	-	-	-
Filled	00001342	1	Systems Integration Specialist	9/1/2024	-	-	-
Filled	00001297	1	Program Administrator	10/1/2024	-	-	-
Unfilled	00001327	1	Admin Assistant III	N/A	N/A	N/A	N/A
Unfilled	00030161	0.5	Administrative Assistant	N/A	N/A	N/A	N/A
Unfilled	00001333	0.25	Office Assistant	N/A	N/A	N/A	N/A
					<b>207,074.00</b>	<b>345,796.00</b>	<b>552,870.00</b>

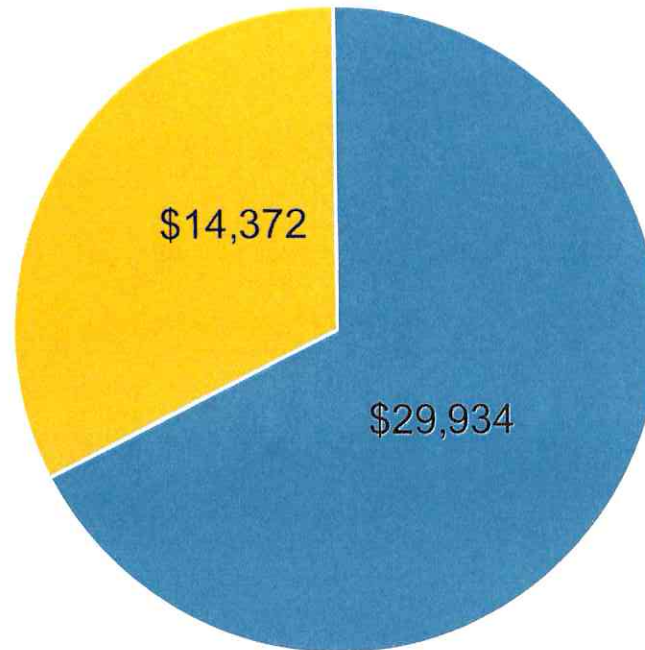
# Agency Biennium Turnover

<b>2023-2025 Turnover Rate</b>	<b>6.1%</b>
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Month	Total FTE Vacancies	Number of New FTE Vacancies from Prior Month	Number of Filled FTE Vacancies from Prior Month
July 1, 2023	8.75	-	-
August 1, 2023	4.75	1	5
September 1, 2023	4.75	0	0
October 1, 2023	5.75	1	0
November 1, 2023	4.75	0	1
December 1, 2023	4.75	1	1
January 1, 2024	4.75	0	0
February 1, 2024	4.75	0	0
March 1, 2024	4.75	0	0
April 1, 2024	5.75	1	0
May 1, 2024	6.75	1	0
June 1, 2024	4.75	0	2
July 1, 2024	4.75	0	0
August 1, 2024	5.75	1	0
September 1, 2024	5.75	1	1
October 1, 2024	4.75	0	1
November 1, 2024	3.75	0	1
December 1, 2024	3.75	0	0

# Vacant Position General Fund Savings: \$127,885

## Use of Vacant Position Savings: \$44,306



■ Leave Payouts ■ Temporary Increases

# Funding

# K-12 Funding 2025-27 Budget Request

	<u>2023-25 Appropriation</u>	<u>Base Budget</u>	<u>Agency Request</u>
Salaries and wages	\$ 20,517,635	\$ 19,964,765	\$ 21,778,077
Operating expenses	34,900,858	32,793,320	47,172,460
Integrated formula payments	2,299,674,851	2,299,674,851	2,299,674,851
Grants - special education	24,000,000	24,000,000	24,000,000
Grants - transportation	58,100,000	58,100,000	58,100,000
COVID relief funds	179,715,410	-	-
Grants - state program grants	24,512,000	17,205,000	23,405,000
Grants - passthrough grants	9,907,113	3,569,000	3,569,000
Grants - federal grants	311,486,676	382,738,893	412,444,602
K-12 data management	5,775,000	5,775,000	5,775,000
Reporting system rewrite	9,780,703	-	-
National board certification	176,290	176,290	376,290
	<u>\$ 2,978,546,536</u>	<u>\$ 2,843,997,119</u>	<u>\$ 2,896,295,280</u>
General funds	\$ 1,729,027,519	\$ 1,728,750,445	\$ 1,746,677,522
Federal funds	529,432,290	418,377,649	450,748,733
Special funds	<u>720,086,727</u>	<u>696,869,025</u>	<u>698,869,025</u>
	<u>\$ 2,978,546,536</u>	<u>\$ 2,843,997,119</u>	<u>\$ 2,896,295,280</u>

# 2023-25 One-Time Funding

- Science Experiment Grants – \$5,500,000
- Statewide Teacher Retention Program – \$2,300,000
- Statewide Reading Tool – \$1,600,000
- Be Legendary School Board Training Grants – \$1,500,000
- Science of Reading – \$1,000,000
- Reading Learning Program – \$558,000
- Dyslexia Training Program – \$279,000
- Regional Education Association Grants – \$70,000



# Agency Fees

- **GED – \$6,400 collected in 2021-23 biennium**
  - \$10 – Duplicate Certificate
  - \$2 – Transcript

# Encumbered ESSER Funds – 2026

- Parshall Public Schools – \$372,352
- Reading Tool – \$746,403
- NDCDE – \$552,746
- KnowledgeWorks – \$219,290
- Science of Reading – \$264,824
- Native American EU – \$187,500
- Dual Credit – \$165,843
- High Impact Tutoring – \$113,350
- ACT Tutoring – \$90,000
- Other – \$330,702



# Requested Changes

# 2025-27 Additional Funding Requests

^increase  
\*new  
~change

- **Salaries & Wages**

- \$1,023,497 – Salary Increases; General Fund 39%/Other Funds 61%

- **Agency Operating**

- \$6,000,000^ – School Improvement Contract; General Fund
- \$2,000,000^ – School Food Processing Program; Special Fund
- \$1,500,000\* – ND FIRST Implementation; General Fund
- \$150,000\* – Summer EBT Administration; General Fund
- \$650,000\* – ND History and Tribal Textbook Printing; General Fund; One-Time
- \$2,729,140\* – USED Maintenance of Equity Finding; General Fund; One-Time
- \$1,350,000\* – Federal Comprehensive Literacy Administration; Federal Fund; One-Time

# 2025-27 Additional Funding Requests – cont'd

^increase  
\*new  
~change

- **Grants – Program Grants**

- \$2,300,000 – Teacher Retention Program; General Fund
- \$1,500,000 – Be Legendary Board Training; General Fund
- \$1,000,000\* – Science of Math; General Fund
- \$1,000,000 – Science of Reading; General Fund
- \$300,000\* – Native American Essential Understandings; General Fund; One-Time
- \$300,000\* – Indians into STEM; General Fund
- \$300,000^ – Dyslexia Identification Training; General Fund; One-Time
- \$500,000~ – Adult Education IET Grants; Funding Change
- \$500,000~ – Superintendent Grant Pool; Funding Change

# 2025-27 Additional Funding Requests – cont'd

- **Grants – Other Grants**

- \$27,000,000 – Federal Comprehensive Literacy Grant; Federal Fund; One-Time
- \$2,705,709 – Local Food for Schools and Child Care Providers Cooperative Agreement Program; Federal Fund; One-Time

- **National Board Certification**

- \$200,000 – Increase in Funding

# Additional Sections Requested

- **Carry forward of unexpended funds for:**
  - ESSER
  - State Automated Reporting System (STARS update)
  - Leveraging the Senior Year
- **FTE Position Adjustment**
  - Included in Governor Burgum version of HB1013
- **Change PowerSchool to K-12 Data Management System**

# Requested Changes to Executive Budget





# Additional Funding Requests from Governor Burgum's Budget

- Targeted Salary Increases – \$1,023,497
- School Improvement Contract – \$5,300,000
- ND FIRST Implementation – \$500,000
- Teacher Retention – \$300,000
- Science of Math – \$1,000,000
- Science of Reading – \$1,000,000
- Dyslexia Identification Training – \$300,000
- National Board Certification – \$200,000
- Local Food for Schools and Child Care Providers Cooperative Agreement Program – \$2,705,709
- USED Maintenance of Equity Finding – \$2,729,140

# Budgetary Impact of Upcoming Bills

# Upcoming Bills

- Fiscal Impact of HB1369 (Foundation Aid): \$158.5 million
- Fiscal Impact of HB1214 (Transportation): \$10 million
- Potential impacts yet unknown
  - Universal free lunch
  - Property tax relief
  - School construction
  - Administration of potential new initiatives
    - School investigations
    - Multiple certification and training requirements
    - Etc.



# QUESTIONS?



## K-12 FUNDING 2025-27 BUDGET REQUEST

	2023-25 Appropriation	Base Budget	Agency Request
Salaries and wages	\$ 20,517,635	\$ 19,964,765	\$ 21,778,077
Operating expenses	34,900,858	32,793,320	47,172,460
Integrated formula payments	2,299,674,851	2,299,674,851	2,299,674,851
Grants-special education	24,000,000	24,000,000	24,000,000
Grants -transportation	58,100,000	58,100,000	58,100,000
COVID Relief Funds	179,715,410	-	-
Grants-program grants	24,512,000	17,205,000	23,405,000
Grants-passthrough grants	9,907,113	3,569,000	3,569,000
Grants-other grants	311,486,676	382,738,893	412,444,602
K-12 data management	5,775,000	5,775,000	5,775,000
Reporting System Rewrite	9,780,703	-	-
National board certification	176,290	176,290	376,290
	<u>\$ 2,978,546,536</u>	<u>\$ 2,843,997,119</u>	<u>\$ 2,896,295,280</u>
General funds	\$ 1,729,027,519	\$ 1,728,750,445	\$ 1,746,677,522
Federal funds	529,432,290	418,377,649	450,748,733
Special funds	720,086,727	696,869,025	698,869,025
	<u>\$ 2,978,546,536</u>	<u>\$ 2,843,997,119</u>	<u>\$ 2,896,295,280</u>

Department of Public Instruction (201)  
2025-2027 Biennial Budget Request / Funding Analysis

	1 2023-2025 Appropriation	2 Base Level	3 Agency Request
<b>1 Administration:</b>			
2 Salaries & Wages	\$ 20,517,634.88	\$ 19,964,765.00	\$ 21,778,077.00
3 Operating Expense	34,900,858.00	32,793,320.00	47,172,460.00
<b>4 Total</b>	<b>\$ 55,418,492.88</b>	<b>\$ 52,758,085.00</b>	<b>\$ 68,950,537.00</b>
<b>5 Integrated Formula Payment</b>			
6 Funding : General	\$ 1,617,821,765.00	\$ 1,617,821,765.00	\$ 1,617,821,765.00
7 Special	681,853,086.00	681,853,086.00	681,853,086.00
<b>8 Total</b>	<b>\$ 2,299,674,851.00</b>	<b>\$ 2,299,674,851.00</b>	<b>\$ 2,299,674,851.00</b>
<b>9 Grants - Special Education</b>	\$ 24,000,000.00	\$ 24,000,000.00	\$ 24,000,000.00
<b>10 Grants - Transportation</b>	\$ 58,100,000.00	\$ 58,100,000.00	\$ 58,100,000.00
<b>11 COVID Relief Funds</b>	\$ 179,715,410.41	\$ -	\$ -
<b>12 Grants - Program Grants</b>			
13 Adult Education Matching Funds	\$ 5,500,000.00	\$ 5,500,000.00	\$ 6,000,000.00
14 Be Legendary School Board Training	1,500,000.00	-	1,500,000.00
15 Dyslexia Program	279,000.00	-	300,000.00
16 Free School Meals	6,000,000.00	6,000,000.00	4,500,000.00
17 Grant Pool	1,200,000.00	1,200,000.00	1,700,000.00
18 LEA Admin Sharing	125,000.00	125,000.00	125,000.00
19 Para-2-Professional	3,000,000.00	3,000,000.00	3,000,000.00
20 REA Merger Grants	70,000.00	-	-
21 Reading Learning Platform	558,000.00	-	-
22 School Lunch Matching Funds	1,380,000.00	1,380,000.00	1,380,000.00
23 Science of Reading	1,000,000.00	-	1,000,000.00
24 Statewide Reading Tool	1,600,000.00	-	-
25 Teacher Retention	2,300,000.00	-	2,300,000.00
26 Native American Essential Understandings	-	-	300,000.00
27 Indians into STEM	-	-	300,000.00
28 Science of Math	-	-	1,000,000.00
<b>29 Total</b>	<b>\$ 24,512,000.00</b>	<b>\$ 17,205,000.00</b>	<b>\$ 23,405,000.00</b>

**30 Grants - Pass Thru Grants**

- 31 Governor's School
- 32 Heritage Grants
- 33 Minot Science Museum
- 34 ND Museum of Art
- 35 Northern Plains Writing Project
- 36 Red River Writing Porject
- 37 Science Experiment Grants
- 38 Teacher Support System (ESPB)
- 39 We the People
- 40 **Total**

**41 Grants - Other Grants**

- 42 Federal Program Grants
- 43 Displaced Homemaker
- 44 **Total**

**45 Special Line Items**

- 46 K-12 Data Management
- 47 Reporting System Rewrite
- 48 National Board Certification

**49 Total Appropriation**

**50 Department Wide Funding Sources:**

- 51 General Funds
- 52 Federal Funds
- 53 Special Funds
- 54 **Total**

\$	500,000.00	\$	500,000.00	\$	500,000.00
	34,000.00		34,000.00		34,000.00
	838,113.17		-		-
	425,000.00		425,000.00		425,000.00
	20,000.00		20,000.00		20,000.00
	20,000.00		20,000.00		20,000.00
	5,500,000.00		-		-
	2,500,000.00		2,500,000.00		2,500,000.00
	70,000.00		70,000.00		70,000.00
<b>\$</b>	<b>9,907,113.17</b>	<b>\$</b>	<b>3,569,000.00</b>	<b>\$</b>	<b>3,569,000.00</b>
\$	311,312,927.00	\$	382,565,144.00	\$	412,219,602.00
	173,749.00		173,749.00		225,000.00
<b>\$</b>	<b>311,486,676.00</b>	<b>\$</b>	<b>382,738,893.00</b>	<b>\$</b>	<b>412,444,602.00</b>
\$	5,775,000.00	\$	5,775,000.00	\$	5,775,000.00
	9,780,702.65		-		-
	176,290.00		176,290.00		376,290.00
<b>\$</b>	<b>2,978,546,536.11</b>	<b>\$</b>	<b>2,843,997,119.00</b>	<b>\$</b>	<b>2,896,295,280.00</b>
\$	1,729,027,518.88	\$	1,728,750,445.00	\$	1,746,677,522.00
	529,432,289.85		418,377,649.00		450,748,733.00
	720,086,727.38		696,869,025.00		698,869,025.00
<b>\$</b>	<b>2,978,546,536.11</b>	<b>\$</b>	<b>2,843,997,119.00</b>	<b>\$</b>	<b>2,896,295,280.00</b>

48 Full-time Equivalent Positions

86.25

86.25

86.25

# ADDITIONAL FUNDING REQUESTS

- SALARIES & WAGES
  - \$1,023,497 – Salary Increases – General Fund 39%/Other Funds 61%
  
- AGENCY OPERATING
  - \$6,000,000 - School Improvement Contract – General Fund
  - \$2,000,000 – School Food Processing Program – Special Funds
  - \$1,500,000 – ND FIRST Implementation – General Fund
  - \$1,350,000 – Federal Comprehensive Literacy Grant – Federal Fund – One Time
  - \$650,000 – ND History and Tribal Textbook Printing – General Fund – One Time
  - \$150,000 – Summer EBT Administration – General Fund
  - \$2,729,140 – USED Maintenance of Equity Finding - General Fund – One Time
  
- GRANTS – OTHER GRANTS
  - \$27,000,000 - Federal Comprehensive Literacy Grant – Federal Fund – One Time
  - \$2,705,709 – Local Food for Schools and Child Care Providers Cooperative Agreement Program – Federal Fund – One Time
  
- GRANTS – PROGRAM GRANTS
  - \$2,300,000 – Teacher Retention – General Fund
  - \$1,500,000 – Be Legendary Board Training – General Fund
  - \$1,000,000 – Science of Math – General Fund
  - \$1,000,000 – Science of Reading – General Fund
  - \$500,000 – Adult Education IET Grants – General Fund
  - \$300,000 – Native American Essential Understandings – General
  - \$300,000 – Indians into STEM – General Fund
  - \$300,000 – Dyslexia Identification Training – General Fund
  
- NATIONAL BOARD CERTIFICATION
  - \$200,000 – Increase in Funding - General Fund



## ESSER PROJECTS EXTENDED BEYOND 9/30/2024

ENTITY	AMOUNT	END DATE	PURPOSE
American Institute for Research	\$ 47,136	6/30/2025	Early Warning System Intervention
Amira Learning	746,403	8/31/2025	Reading Tool
Black Hills Special Services Cooperative	187,500	12/31/2025	Native American Essential Understandings
BSC	6,153	8/31/2025	Dual Credit
Child Trends, Inc	50,000	6/30/2025	Chronically low performing school work
Dakota College	16,956	8/31/2025	Dual Credit
DavidShaferLLC	62,000	7/31/2025	Strategic alignment design and implementation
DSU	5,000	8/31/2025	Dual Credit
KnowledgeWorks	219,290	6/30/2025	Provides services to ND districts pursuing personalized, competency-based learning
Lake Region SU	47,636	8/31/2025	Dual Credit
MSU	11,459	8/31/2025	Dual Credit
ND Tribal College System	80,000	12/30/2025	Adult Basic Computer Literacy
NDCDE	552,476	9/30/2025	Online Courses
NDSCS	45,000	8/31/2025	Dual Credit
Northeast Education Service Cooperative	113,350	12/30/2025	High impact tutoring
Odney Advertising	72,086	7/31/2025	Communication design services
Red River Valley Education Cooperative	11,600	7/31/2025	Greater Math
South East Education Cooperative	254,824	8/31/2025	Provide Science of Math professional development
South East Education Cooperative	188,513	8/31/2025	Support ND schools' development of standards-based learning frameworks
South East Education Cooperative	196,998	8/31/2025	Provide Science of Reading professional development
Sylvan Learning	90,000	8/31/2025	ACT Tutoring
UND	9,000	7/31/2025	ND Studies Tribal Curriculum ebooks
VCSU	18,639	8/31/2025	Dual Credit
Western Education Regional Cooperative	9,150	7/31/2025	Greater Math
WSC	15,000	8/31/2025	Dual Credit
Parshall Public Schools	372,352	9/30/2025	Purchase bus and replace wireless contact points in buildings

## SECTIONS REQUESTED TO BE ADDED TO HB1013

**EXEMPTION – UNEXPENDED APPROPRIATIONS.** The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. Any funds remaining from federal funds derived from the elementary and secondary school emergency education relief fund and any other federal funds appropriated in subdivision 2 of section 2 of chapter 28 of the 2021 Session Laws; and
2. Any funds remaining from federal funds appropriated in subsection 2 of section 6 of chapter 15 of the 2021 Session Laws, as amended in section 1 of chapter 548 of the 2021 Special Session Session laws; and
3. Any funds remaining from special funds appropriated in section 17 of chapter 549 of the 2021 Special Session Session laws to the department of public instruction for the state automated reporting system project; and
4. Up to \$500,000 of remaining special funds appropriated for the Superintendent's Grant Pool in in subdivision 1 of section 1 of chapter 45 of the 2023 Session Laws may be continued in the 2025-21 biennium for the purpose of providing advanced placement examinations, advance placement teacher training, and the college ready English and mathematics programs.

### **EXEMPTION – FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.**

Notwithstanding any provisions of law, the superintendent of public instruction may increase or decrease authorized full-time equivalent positions as needed, subject to the availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The superintendent of public instruction shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.

### **APPROPRIATION LINE NAME CHANGE**

Subdivision 1 of section 1: Change PowerSchool to K-12 Data Management



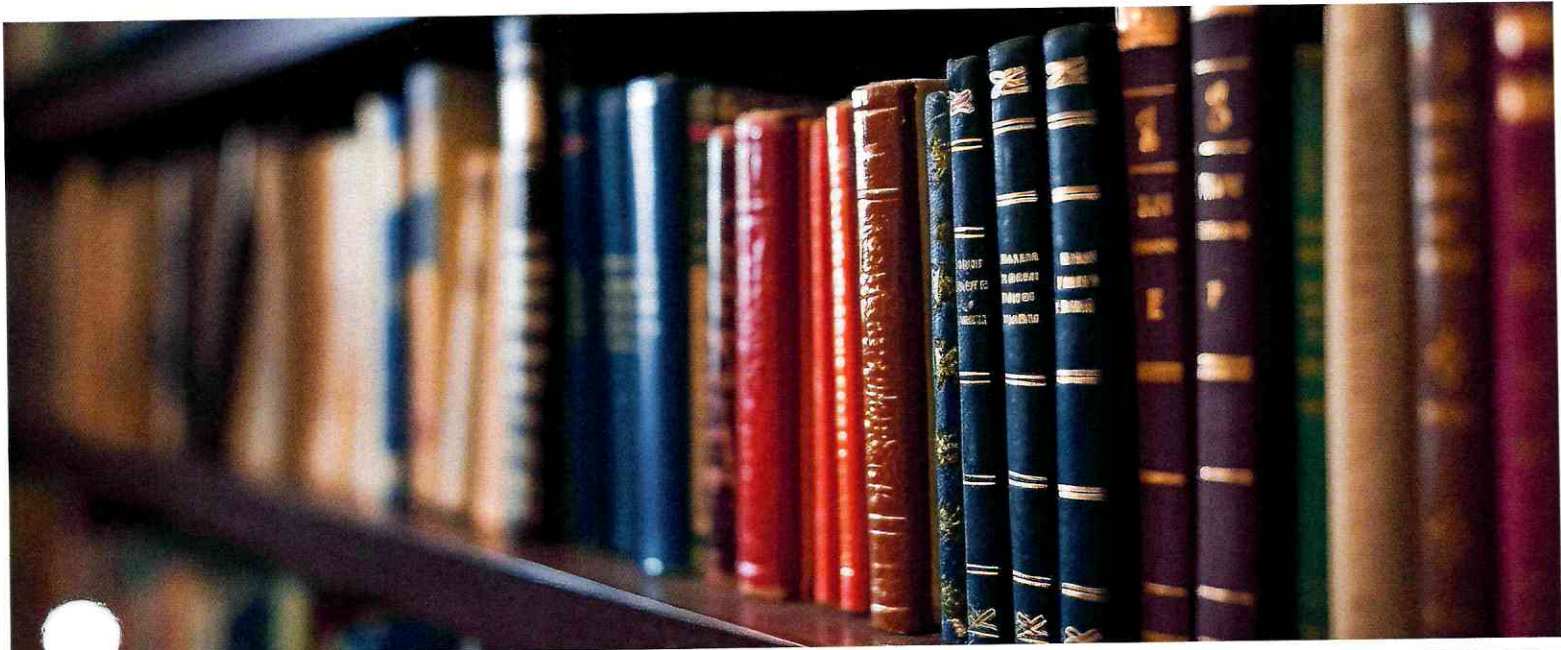
# NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

## Department of Public Instruction

Audit Report for the Biennium Ended June 30, 2023

Client Code 201



This audit has been conducted by the Office of the State Auditor  
pursuant to authority within North Dakota Century Code Chapter 54-10



Office of the  
State Auditor



### WHAT WE LOOKED AT AND WHY

North Dakota state law requires that our team perform an audit once every two to four years. This included a review of financial transactions and determining that expenditures are correct. Our audit reports any errors, internal control weaknesses or potential violations of law identified in significant or high-risk functions of the agency.

### WHAT WE FOUND

This audit did not identify any areas of concern.



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## HAVE QUESTIONS? ASK US.

### NORTH DAKOTA STATE AUDITOR'S OFFICE

600 E. Boulevard Ave. Dept. 117  
Bismarck, North Dakota 58505

📞 701-328-2241

✉️ [NDSAO@nd.gov](mailto:NDSAO@nd.gov)

🌐 [ND.gov/Auditor](http://ND.gov/Auditor)

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# Introduction

## Department of Public Instruction

December 13, 2023

We are pleased to submit this audit of the Department of Public Instruction for the biennium ended June 30, 2023. This audit resulted from the statutory responsibility of the State Auditor to audit or review each state agency once every two to four years. The same statute gives the State Auditor the responsibility to determine the contents of these audits.

The primary consideration in determining the contents of these audits is to produce informative audits to improve government. Statutory audit requirements are an important part of these audits and are addressed by our standard audit objective. Whenever possible, additional audit objectives are included to increase the responsiveness and effectiveness of state government.

Lindsey Slappy, CPA, was the audit manager. Inquiries or comments relating to this audit may be directed to the audit manager by calling (701) 328-2241. We wish to express our appreciation to the Department of Public Instruction staff for the courtesy, cooperation, and assistance they provided to us during this audit.

Respectfully submitted,

/s/

**JOSHUA C. GALLION**  
**NORTH DAKOTA STATE AUDITOR**



## TERMS USED IN REPORT

**Appropriation:** An amount authorized by the North Dakota Legislative Assembly to be spent for a specific purpose.

**ConnectND:** The accounting system for North Dakota.

**Emergency Commission:** Group of elected officials that have the authority to transfer or expend money appropriated by the North Dakota Legislative Assembly. Additional information can be found in N.D.C.C. Chapter 54-16.

**Internal Control:** Policies and procedures that ensure reliable financial reporting, safeguard assets, promote accountability and efficiency, and prevent fraud.

**North Dakota Century Code (N.D.C.C.):** Collection of all the statutes passed by the North Dakota Legislative Assembly.

**Performance Audit:** Engagements that provide objective analysis, findings, and conclusions to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making, and contribute to public accountability.

**Session Laws:** Published after each regular and special legislative session and contain the laws enacted during that session.



# Audit Results



## PRIMARY OBJECTIVE

Are there any errors, internal control weaknesses, or potential violations of law for significant or high-risk functions of the agency?

## CONCLUSION

No errors, internal control weaknesses, or potential violations of law were identified.







# Audit Procedures

## Primary Objective

### INTERNAL CONTROL

We obtained an understanding of internal control through inquiries, observations, and inspection of documentation and electronic data records. We planned our audit work to assess the design, implementation, and operating effectiveness of those internal controls that were significant to our audit objectives.

The specific internal control testing completed for this audit objective is identified below:

- Expenditures were properly approved by the appropriate individuals.

Monitoring procedures are being completed annually on transportation data.

- Procurement procedures were performed by an individual with the proper level of training.
- Travel related expenditure reimbursements were properly approved.

There were no deficiencies identified.

### SCOPE

The Department of Public Instruction's sole location is its Bismarck office which was included in the audit scope.

### METHODOLOGY

To meet this objective, we:

- Interviewed appropriate agency personnel.
- Observed the Department of Public Instruction's processes and procedures.

- Inspected documentary evidence.
- Analyzed financial data in ConnectND to determine areas of risk.
- Used non-statistical random sampling and the results were projected to the population. Where applicable, populations were stratified for efficiency and to ensure the population was adequately represented in the samples.
- Selected a random sample of operating expenditures to ensure expenditures were reasonable, properly coded, and supported.
- Analyzed expenditures paid out of the Displaced Homemakers Fund (Fund 235) to ensure expenditures were within legal restrictions (N.D.C.C. 14-06.1-14).
- Analyzed accounts charged to each appropriation line to determine that expenditures were not charged to an inappropriate line to circumvent appropriation spending authority (N.D.C.C. 54-16-03, N.D.C.C. 54-44.1-09, N.D.C.C. 54-44.1-11).
- Reviewed non-appropriated fund activity to ensure the Department of Public Instruction had legislative approval for non-appropriated expenditures (N.D.C.C. 54-44.1-09).
- Reviewed expenditures related to all appropriation adjustments, including those approved by the Emergency Commission, to ensure the Department of Public Instruction complied with the documented intent of the adjustment (N.D.C.C. 54-10-01.1, N.D.C.C. 54-16-03).
- Selected a random sample of travel related expenditure reimbursements to ensure reimbursements were within legal restrictions, reasonable, and properly coded and supported (N.D.C.C. 44-08-03, N.D.C.C. 44-08-04, N.D.C.C. 54-06-09).

- Analyzed expenditures and selected a random sample of purchases subject to procurement rules to ensure compliance with law (N.D.C.C. 54-44.4 and N.D.A.C. 4-12).
- Reviewed the annual physical inventory of property of sufficient value and permanence to ensure compliance with law (N.D.C.C. 44-04-07).
- Determined if the school district finance facts report was completed and submitted in accordance with legislative intent (N.D.C.C. 15.1-02-09).
- Determined if new requirements for including instruction on Indian tribes and Native American history in North Dakota classrooms were implemented (2021 Session Laws Senate Bill 2304, Sections 1 and 2).
- Determined if the spending on one-time funding for science experiment grants, regional education association grants, and state-automated reporting system maintenance was used for its intended purpose (2021 Session Laws House Bill 1013, Section 2).
- Determined if \$800,000 that was included in the integrated formula payments appropriation line was distributed to reimburse school districts or special education units for gifted and talented programs (2021 Session Laws House Bill 1013, Section 6).
- Selected a random sample of expenditures charged to the transportation grants appropriation line to determine if they were paid out using the approved rate of reimbursement (2021 Session Laws House Bill 1013, Section 8).
- Determined the salary of the Superintendent of Public Instruction was in accordance with legislative intent (2021 Session Laws House Bill 1013, Section 19).
- Determined the necessary reports on learning loss, accelerated learning, and the secondary school emergency relief fund were presented to legislative management in accordance with legislative intent (2021 Session Laws House Bill 1013, Section 24).
- Determined biennial reports on the academic performance metrics of students participating in virtual instruction presented to legislative management were accurate, reliable, and in accordance with legislative intent (2021 Session Laws House Bill 1388, Section 5).
- Selected a judgmental sample of state school aid payment vouchers to ensure the Foundation Aid Program system is correctly calculating the various payment lines to the school districts in accordance with legislative intent (2021 Session Laws House Bill 1027 and House Bill 1388, Sections 10, 11, and 12).

### **AUTHORITY AND STANDARDS**

This biennial audit of the Department of Public Instruction has been conducted by the Office of the State Auditor pursuant to authority within North Dakota Century Code Chapter 54-10.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The standards used to evaluate internal control are published in the publication Standards for Internal Control in the Federal Government issued by the Comptroller General of the United States (Green Book, GAO-14-704G).

# Financials

## Revenues and Expenditures

REVENUES AND OTHER SOURCES	JUNE 30, 2023	JUNE 30, 2022
Revenue from Federal Government	\$ 352,131,555	\$ 340,030,658
Commodity Food Processing	2,156,249	1,088,272
Conference Registration Fees	103,241	45,279
Other Revenue	17,625	311,081
Transfers In	303,365,994	312,655,941
<b>Total Revenue and Other Sources</b>	<b>\$ 657,774,664</b>	<b>\$ 654,131,231</b>

Source: ConnectND Financials

Continued on the following page

# Financials

## Revenues and Expenditures

EXPENDITURES AND OTHER USES	JUNE 30, 2023	JUNE 30, 2022
Grants	\$ 1,410,057,235	\$ 1,419,290,089
Professional Fees and Services	14,876,816	13,103,239
Salaries and Benefits	7,993,404	7,741,449
IT Contractual Services and Repairs	2,658,539	933,475
Operating Fees and Services	1,027,296	956,288
Data Processing and Telecommunications	920,962	1,038,260
Professional Development	879,174	291,117
Travel	426,480	259,621
IT Software and Licenses	256,325	189,069
Supplies	198,021	82,874
Rent of Building Space	170,189	170,964
Purchase and Lease of Equipment	117,514	130,480
Printing	100,246	121,249
Other Operating Expenses	38,369	54,106
Transfers Out	18,476,966	4,755,155
<b>Total Expenditures and Other Uses</b>	<b>\$ 1,458,197,536</b>	<b>\$ 1,449,117,435</b>

Source: ConnectND Financials

# Appropriations

for the Biennium Ended June 30, 2023

	FINAL APPROPRIATION	EXPENDITURES	UNEXPENDED APPROPRIATIONS
<b>Expenditures by Line Item</b>			
Salaries and Wages	\$ 17,898,550	\$ 14,735,440	\$ 3,163,110
Operating Expenses	34,298,149	28,086,397	6,211,752
Integrated Formula Payments	2,131,325,000	2,068,033,841	63,291,159
Special Education Grants	27,000,000	18,803,871	8,196,129
Disabilities Education Act Grant	8,632,569	5,594,064	3,038,505
Transportation Grants	58,100,000	57,933,279	166,721
Pass-Through Grants	30,537,064	29,116,139	1,420,925
Other Grants	393,821,918	389,122,025	4,699,893
Power School	5,250,000	5,233,000	17,000
Emergency Education Relief - Schools	357,623,898	273,078,732	84,545,166
Emergency Education Relief - State	13,632,961	12,378,602	1,254,359
Assistance to Non-Public Schools	4,151,371	379,788	3,771,583
Homeless Children and Youth Program	1,999,661	847,681	1,151,980
State Automated Reporting System Rewrite	10,419,360	606,505	9,812,855
Governor's Emergency Education Relief Fund	3,989,324	3,035,507	953,817
National Board Certification	176,290	176,290	-
<b>Totals</b>	<b>\$ 3,098,856,115</b>	<b>\$ 2,907,161,161</b>	<b>\$ 191,694,954</b>

Source: ConnectND Financials

Continued on the following page

# Appropriations

For the Biennium Ended June 30, 2023

	FINAL APPROPRIATION	EXPENDITURES	UNEXPENDED APPROPRIATIONS
<b>Expenditures by Source</b>			
General	\$ 1,658,669,393	\$ 1,584,930,351	\$ 73,739,042
Other	1,440,186,722	1,322,230,810	117,955,912
<b>Totals</b>	<b>\$ 3,098,856,115</b>	<b>\$ 2,907,161,161</b>	<b>\$ 191,694,954</b>

Source: ConnectND Financials



# Status of Prior Recommendations

## Expenditures Not Approved by Emergency Commission (Finding 2021-01)

Implemented

**Recommendation:** We recommend the Department of Public Instruction develop procedures to track expenditures for Emergency Commission requests to ensure money is spent for the approved purpose or returned at the end of the biennium.

**Status:** Implemented. The department provided sufficient and appropriate evidence to support all elements of the recommendation.



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JOSHUA C. GALLION

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600 E. Boulevard Ave. Dept. 117 | Bismarck, North Dakota 58505


 [ND.gov/Auditor](http://ND.gov/Auditor)

 [NDSAO@nd.gov](mailto:NDSAO@nd.gov)

 701-328-2241

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