



Office of the
State Auditor

NORTH DAKOTA STATE AUDITOR
JOSHUA C. GALLION

NORTH DAKOTA STATE AUDITOR'S OFFICE

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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.

Appropriations

For the Biennium Ended June 30, 2023

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

Source: ConnectND Financials

Appropriations

for the Biennium Ended June 30, 2023

| | FINAL APPROPRIATION | EXPENDITURES | UNEXPENDED APPROPRIATIONS |
|--|-------------------------|-------------------------|------------------------------|
| Expenditures by Line Item | | | |
| 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 | - |
| Totals | \$ 3,098,856,115 | \$ 2,907,161,161 | \$ 191,694,954 |

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 |
| Total Expenditures and Other Uses | \$ 1,458,197,536 | \$ 1,449,117,435 |

Source: ConnectND Financials

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 |
| Total Revenue and Other Sources | \$ 657,774,664 | \$ 654,131,231 |

Source: ConnectND Financials

Continued on the following page

- 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).



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).



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.



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.

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

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HAVE QUESTIONS? ASK US.

NORTH DAKOTA STATE AUDITOR'S OFFICE

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Office of the
State Auditor

REPORT HIGHLIGHTS

Department of Public Instruction

Audit Report for the Biennium Ended June 30, 2023 | Client Code 201

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.





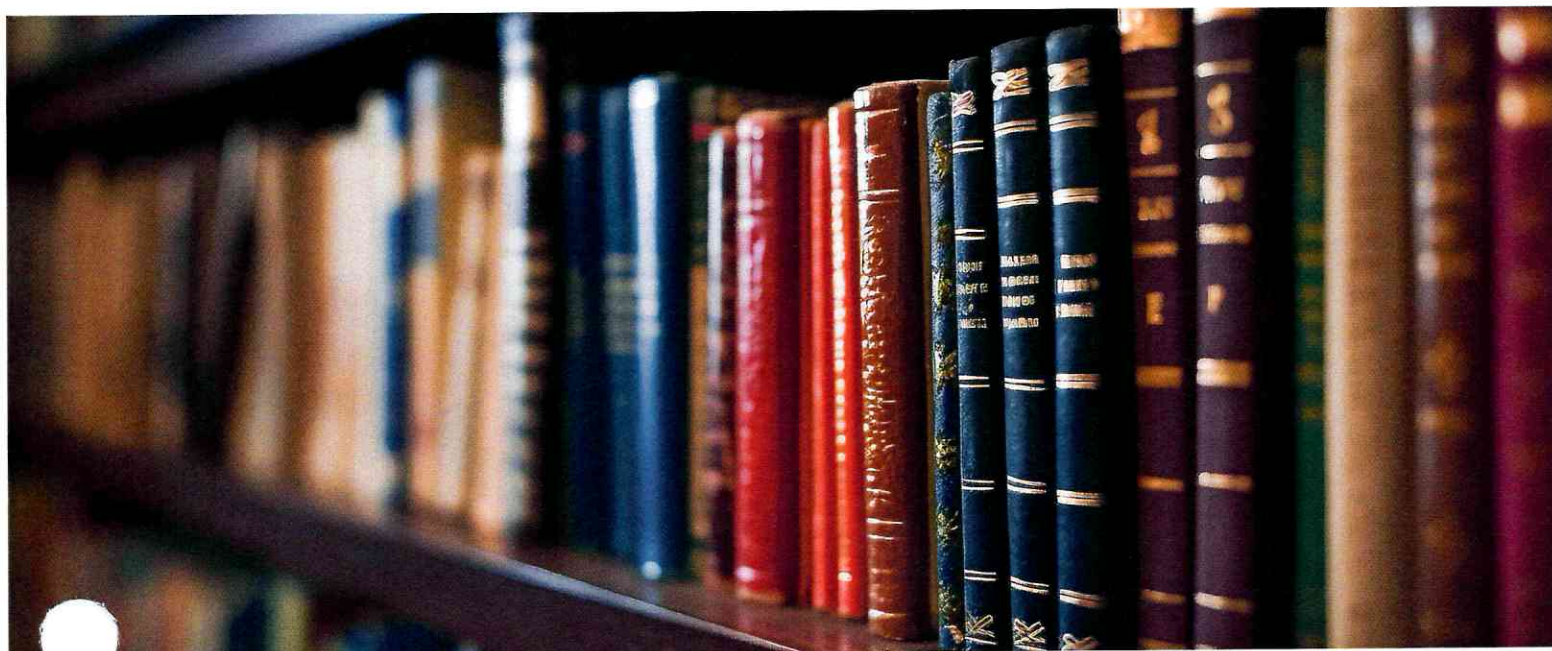
NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

Department of Public Instruction

Audit Report for the Biennium Ended June 30, 2023

Client Code 201



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

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 |

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

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 |
| \$ | 9,907,113.17 | \$ | 3,569,000.00 | \$ | 3,569,000.00 |
| \$ | 311,312,927.00 | \$ | 382,565,144.00 | \$ | 412,219,602.00 |
| | 173,749.00 | | 173,749.00 | | 225,000.00 |
| \$ | 311,486,676.00 | \$ | 382,738,893.00 | \$ | 412,444,602.00 |
| \$ | 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 |
| \$ | 2,978,546,536.11 | \$ | 2,843,997,119.00 | \$ | 2,896,295,280.00 |
| \$ | 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 |
| \$ | 2,978,546,536.11 | \$ | 2,843,997,119.00 | \$ | 2,896,295,280.00 |

48 Full-time Equivalent Positions

86.25

86.25

86.25

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

| | 1 2023-2025 Appropriation | 2 Base Level | 3 Agency Request |
|---|------------------------------|----------------------------|----------------------------|
| 1 Administration: | | | |
| 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 |
| 4 Total | \$ 55,418,492.88 | \$ 52,758,085.00 | \$ 68,950,537.00 |
| 5 Integrated Formula Payment | | | |
| 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 |
| 8 Total | \$ 2,299,674,851.00 | \$ 2,299,674,851.00 | \$ 2,299,674,851.00 |
| 9 Grants - Special Education | \$ 24,000,000.00 | \$ 24,000,000.00 | \$ 24,000,000.00 |
| 10 Grants - Transportation | \$ 58,100,000.00 | \$ 58,100,000.00 | \$ 58,100,000.00 |
| 11 COVID Relief Funds | \$ 179,715,410.41 | \$ - | \$ - |
| 12 Grants - Program Grants | | | |
| 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 |
| 29 Total | \$ 24,512,000.00 | \$ 17,205,000.00 | \$ 23,405,000.00 |

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> |



QUESTIONS?

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.

Budgetary Impact of Upcoming Bills



NORTH DAKOTA DEPARTMENT OF
PUBLIC INSTRUCTION

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

Requested Changes to Executive Budget

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**

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

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

^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

Requested Changes

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

Agency Fees

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

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

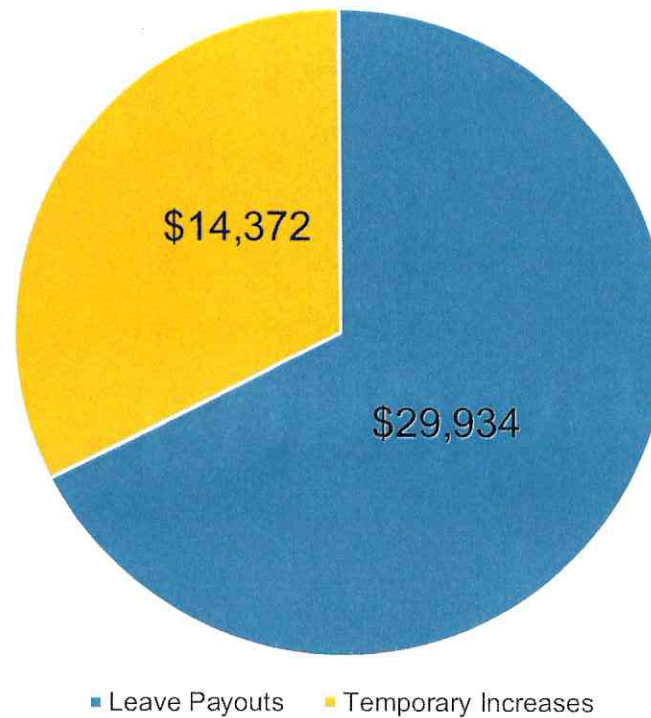
K-12 Funding 2025-27 Budget Request

| | <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> |

Funding

Vacant Position General Fund Savings: \$127,885

Use of Vacant Position Savings: \$44,306



Agency Biennium Turnover

2023-2025 Turnover Rate

6.1%

| 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 |

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 |
| | | | | | 207,074.00 | 345,796.00 | 552,870.00 |

FTE Funding Pool Overview

Transferred Funds to FTE Funding Pool

| | |
|--------------|---------------------|
| State | \$295,820.00 |
| Federal | \$493,995.00 |
| Total | \$789,815.00 |

Eligible Funds to Request from FTE Funding Pool (70%)

| | |
|--------------|---------------------|
| State | \$207,074.00 |
| Federal | \$345,796.00 |
| Total | \$552,870.00 |

NDDPI Staffing

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

| | |
|-------------------|-------------|
| Filled FTE | 82.5 |
| Vacant FTE | 3.75 |

Staffing

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



Biennium Accomplishments

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)

Audit Findings

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

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

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.

ND State School Superintendent



NORTH DAKOTA DEPARTMENT OF
PUBLIC INSTRUCTION

Organizational Structure

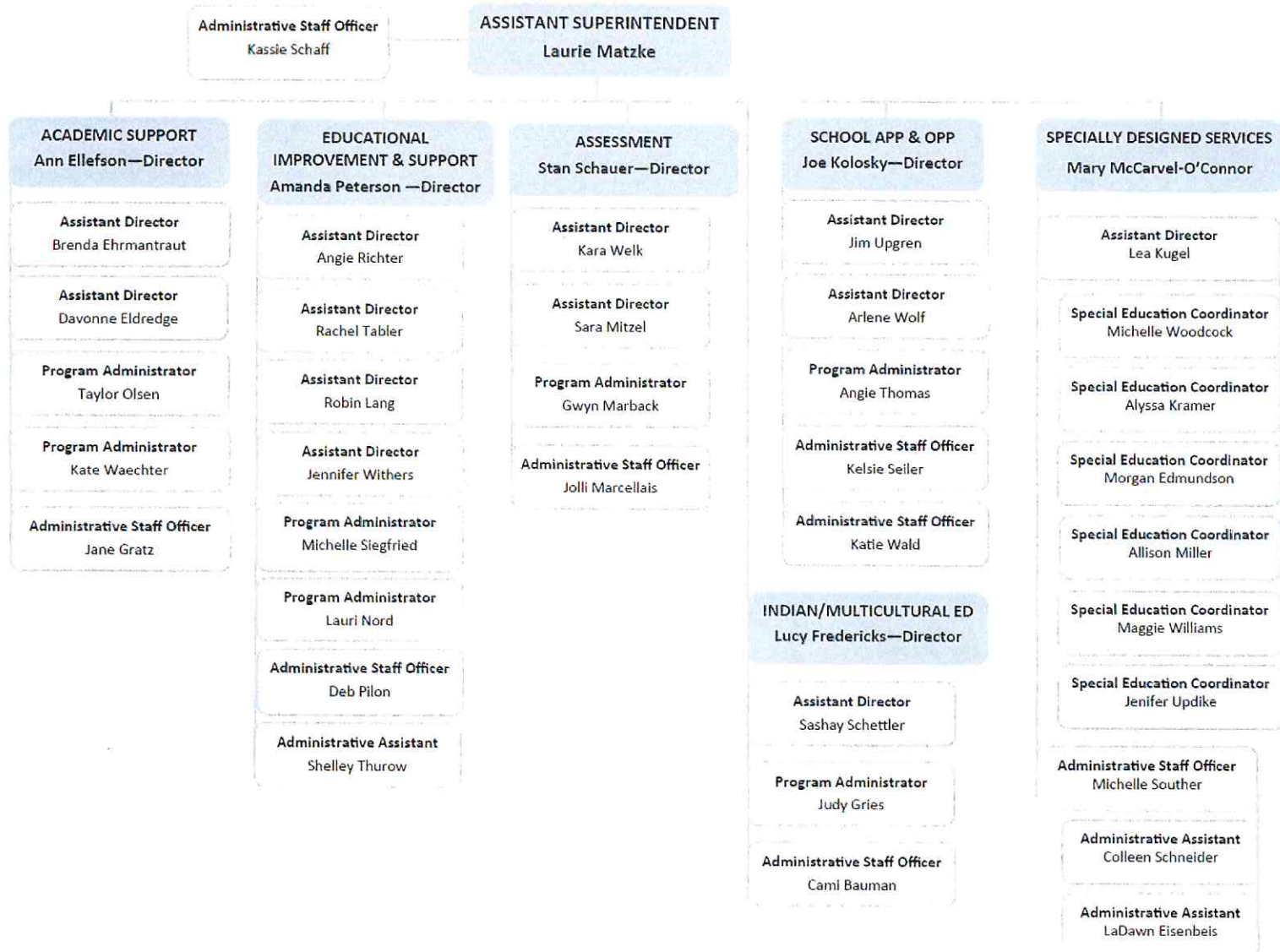
Information & Administration (39 employees)

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

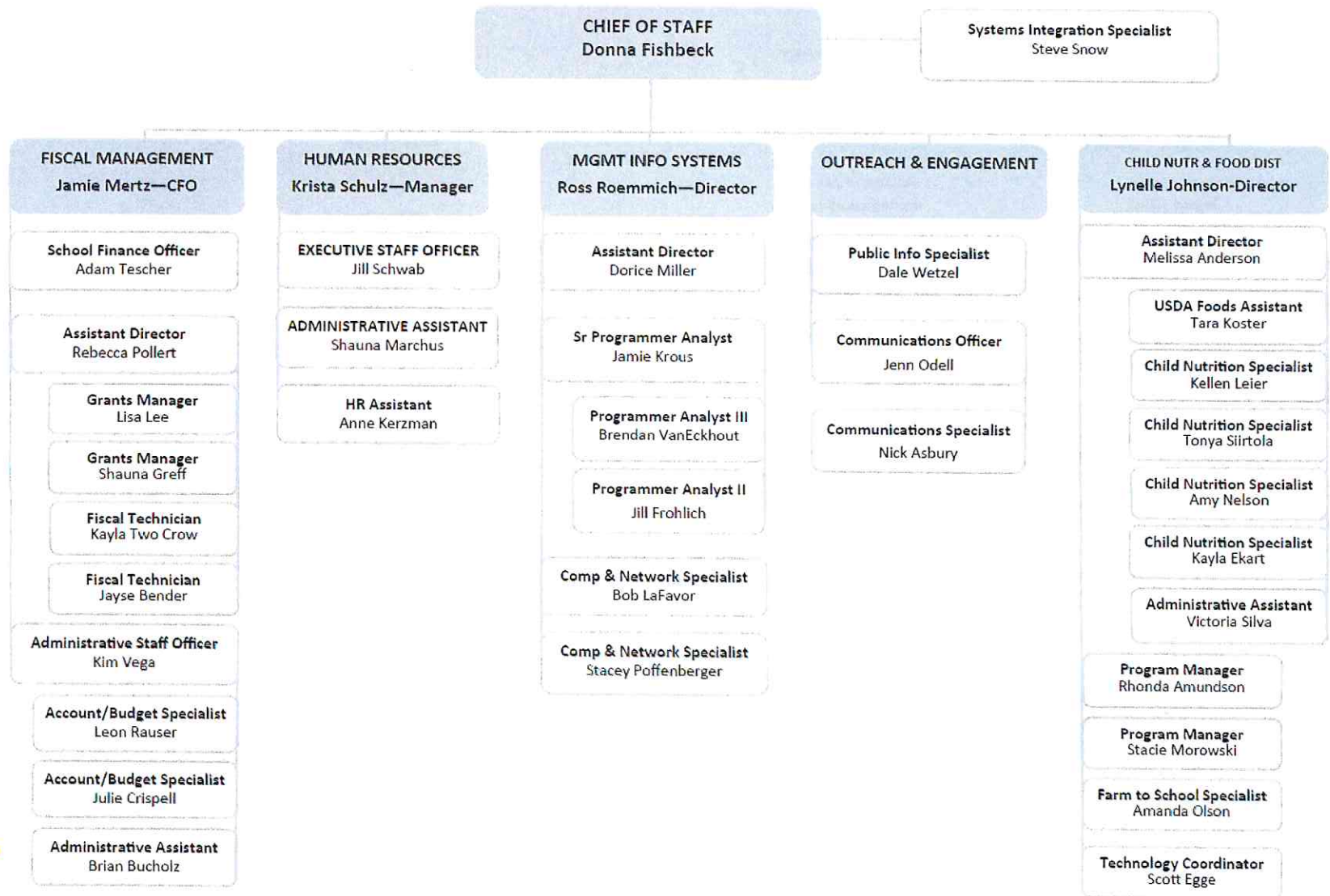
Student Support & Innovation (43 employees)

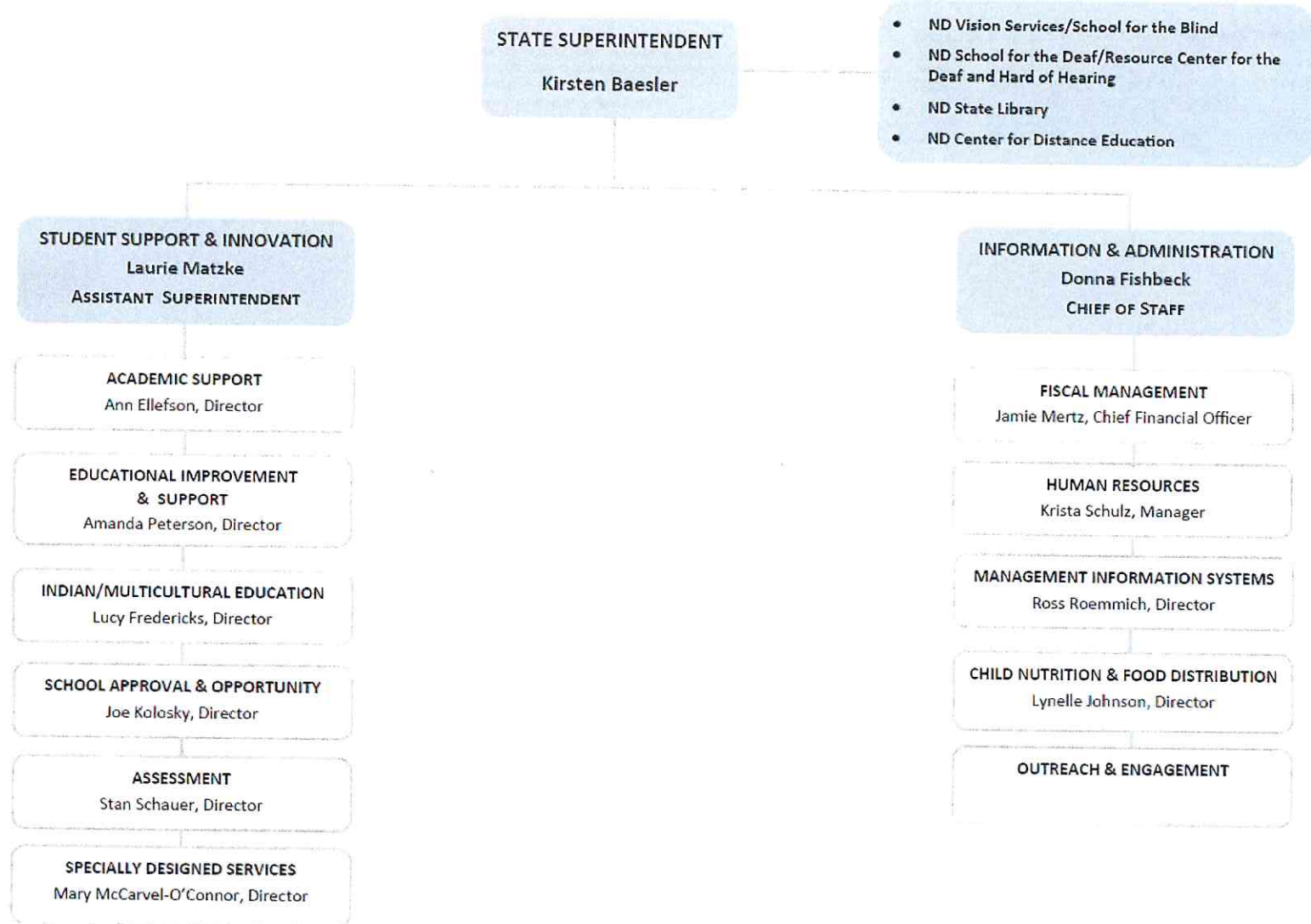
- Assistant Superintendent Office (2)
- School Approval and Opportunity (6)
- Education Improvement and Support (9)
- Specially Designed Services (11)
- Academic Support (6)
- Assessment (5)
- Indian and Multicultural Education (4)

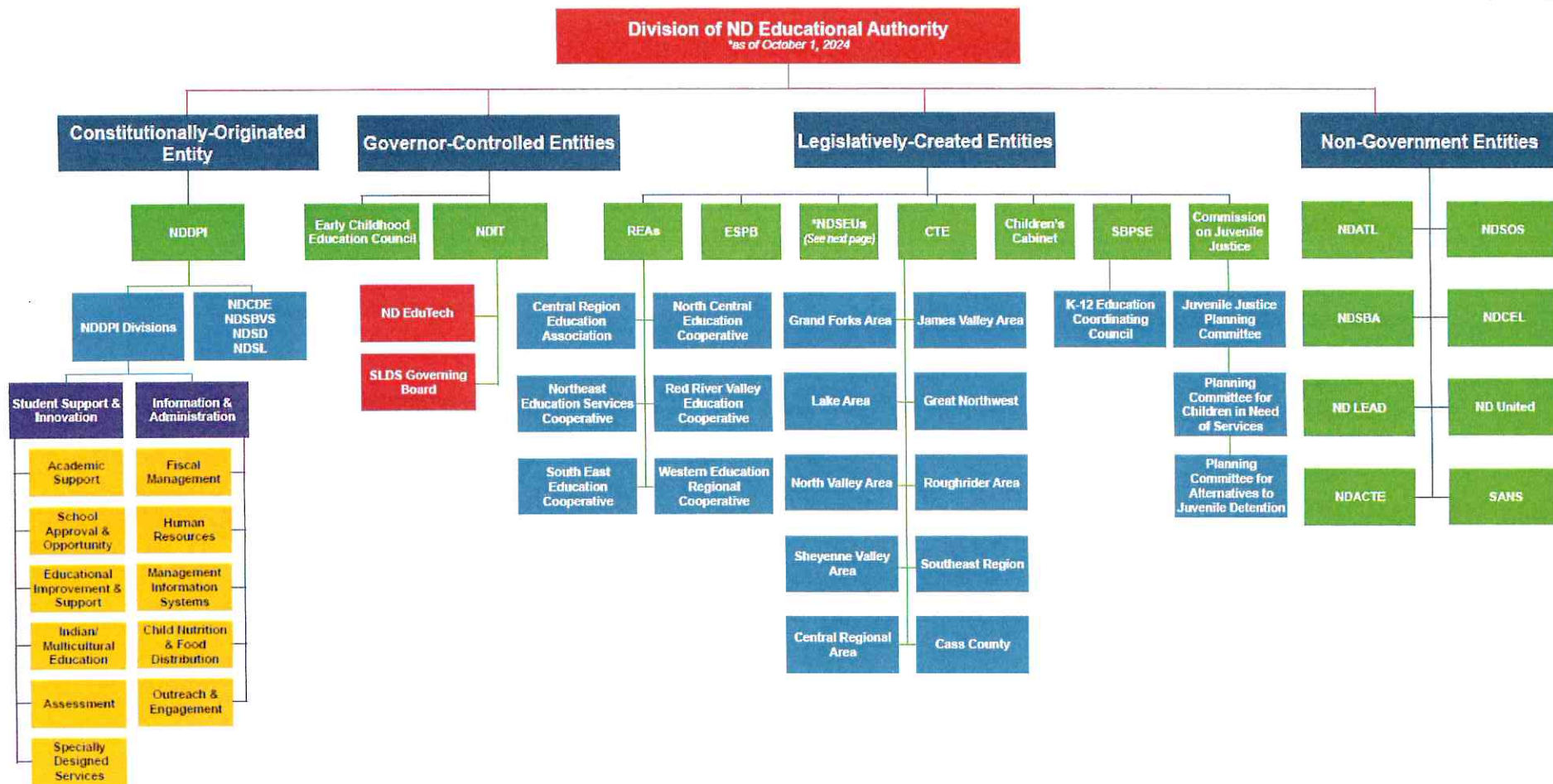
NDDPI ASSISTANT SUPERINTENDENT ORGANIZATIONAL CHART



NDDPI CHIEF OF STAFF ORGANIZATIONAL CHART







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

NDSD: North Dakota School for the Deaf
 NDSL: 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

Organizational Structure

North Dakota Department of Public Instruction

Presentation to the Budget Section – Education & Environment Division

Thursday, Jan. 16, 2025