



Standard of Effort Report

Fiscal Year 2025

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Executive Summary

This report compares Fargo Public Schools' financial structure and resource allocation with four regional districts: Bismarck, Grand Forks, West Fargo, and Moorhead.

The analysis examines revenue sources, spending patterns, staffing ratios, and special education funding to provide context for Fargo’s fiscal position. Using data from the 2026 *School Finance Facts* and 2025 *Employee Compensation* reports published by the North Dakota Department of Public Instruction (NDDPI), peer district annual financial reports and information supplied by the districts, this report analyzes the characteristics of the most recent revenue and expenditure allocations.

Key Findings:

Metric	Fargo	Comparison
Revenue per pupil	\$17,398	Highest among peer districts
Local revenue share	39%	Lower than state and national averages
Elementary student-teacher ratio	12: 1	Lower than most peers
Secondary student-teacher ratio	10: 1	Lower than most peers
Teachers with Master's Degree +	64%	Comparable to peers
Ending fund balance	\$34.6M	Highest among peer districts
Months of operating reserves	1.98 months	Near GFOA recommendation

Fargo Public Schools maintains strong financial stability, invests heavily in instructional staffing, and generates the highest revenue per student among North Dakota comparison districts. However, special education and transportation funding continue to create structural cost pressures that require significant local support.

Note: Minnesota reporting requirements and definitions differ from North Dakota. Data is obtained directly from the district and the Minnesota Department of Education website (MDE).

Section I: General Fund Revenues, Expenditures and Fund Balances

Revenues

Taxable Valuation and Levies

What is a Mill Levy?

The mill levy is determined by dividing the total amount of dollars needed from the property tax by the total taxable value of the city of Fargo. The mill levy is a composite of several entities' tax levying powers.

What is Taxable Value?

Taxable value refers to a percentage of the city assessor's appraisal according to a state-prescribed formula, after exemptions are removed. To calculate annual taxes for a property, the taxable value is multiplied by the mill levy.

District Mill Value Comparison

The value of a mill is different for each taxing district. Fargo relies more heavily on local revenue than peer districts. The North Dakota statewide average taxable valuation per enrolled student is \$55,859.

	Value of a Mill	Taxable Value Per Enrolled Student	General Fund Mill Levy ¹
Bismarck	\$702,152	\$51,338	70.47
Fargo	\$609,935	\$54,629	114.78
Grand Forks	\$323,431	\$42,788	73.80
Moorhead	\$0	\$0	-
West Fargo	\$653,436	\$49,462	73.40

Minnesota levies are based on state determined formulas and may be reduced by offset reductions to state aid. Each school district's levy allocation is determined in proportion to its share of total property values in the county. Moorhead receives approximately \$1.7 million in general levies.

Average Daily Membership

Average Daily Membership (ADM) is a count of the days students are enrolled in a district and is used for state foundation aid purposes in North Dakota.

	ADM
Bismarck	14,747.22
Fargo	11,775.83
Grand Forks	7,690.65
Moorhead	7,539.62
West Fargo	13,391.97

¹North Dakota General Fund levy includes tuition and/or miscellaneous levies.

North Dakota Local and County Revenue

Local tax revenue includes property taxes, tuition and miscellaneous levies, and other taxes such as electric, telecommunications, mobile home, and tax credits. Fargo Public Schools has the highest local tax, county, and other revenue percentage at 39% with revenue per pupil membership of \$6,779.

County revenue is comprised of funds received from mineral resources such as coal production and conversion revenue. Other local revenue includes tuition, transportation, interest, student and community service activities, and miscellaneous sources such as rental income.

North Dakota State Revenue

State aid includes per pupil, transportation, state child placement, career and technical education, and handicapped program aid. All North Dakota districts received more than 54% of their total revenue from state aid, with Fargo realizing the lowest percentage at 54.6%. Moorhead receives 82.2% from Minnesota state aid.

Federal Revenue

Most districts receive a small portion of total revenue from federal sources. The majority of this is pass-through funding from the NDDPI or the MDE for programs such as Title I and IDEA-B.

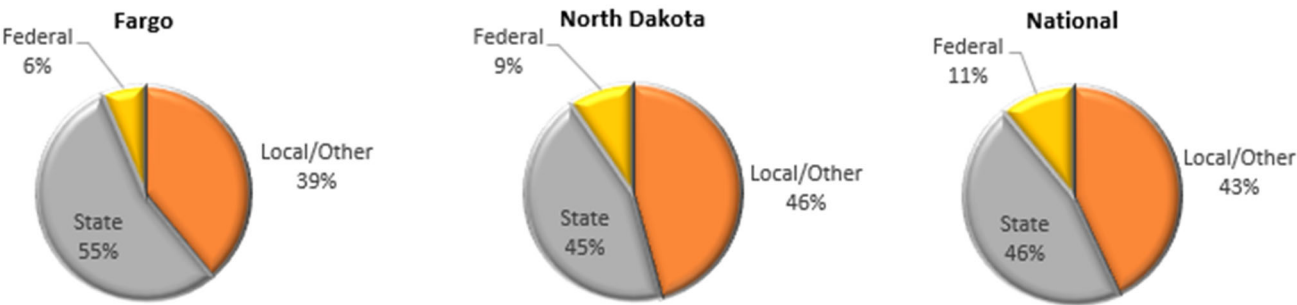
Total Revenues

Total General Fund revenue is derived from property taxes, state funding, federal grant funding, tuition, and other local/county resources.

	Total Revenue	Total Revenue per ADM
Bismarck	\$214,958,949	\$14,576
Fargo	\$204,874,162	\$17,398
Grand Forks	\$128,640,871	\$16,727
Moorhead	\$119,772,185	\$15,886
West Fargo	\$207,680,472	\$15,508

How Do We Compare?

According to the *Condition of Education 2024*, a congressionally mandated annual report from the National Center for Education Statistics, the funding breakdown of elementary and secondary public school revenue is shown below with comparison to Fargo Public Schools and the state of North Dakota:



Expenditures

Teaching Staff

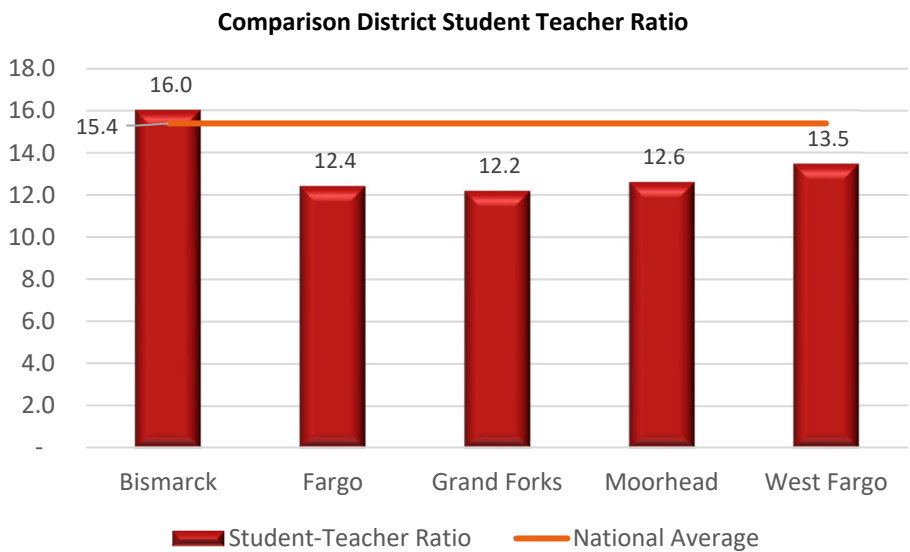
Education Level and Experience of Teaching Staff

There continues to be an increase in teachers furthering their own education through a postbaccalaureate degree. North Dakota has 56.9% of teachers holding a bachelor’s degree, 42.2% of teachers holding a master’s degree and .9% holding a doctoral degree. The following table summarizes the education and experience of teachers among the comparison districts.

	Grand Forks	Bismarck	Moorhead	West Fargo	Fargo
Percentage with master’s degree +	58%	63%	69%	64%	64%
Years of experience allowed at hire	25	15	Unlimited	19	Unlimited
Steps on teacher schedule	25	25	13	25	12-18
Percentage of teachers with less than 3 years of experience	8.2%	15%	9.9%	30.7%	32%
Average teaching years of experience	14	12	11	9	13

Student-Teacher Ratios

The ratio of students to teachers is often used as an indicator of the resources devoted to education. The student-teacher ratio is obtained by dividing the number of full-time equivalent students (ADM) by the number of full-time equivalent teachers. The ratio, however, does not account for instruction time for students nor time teachers spend teaching. Lower student-teacher ratios indicate a higher level of instructional staffing and may support smaller class sizes and increased student support.



Elementary Student Teacher Ratio

	Elementary Teachers (K-6)	Elementary ADM (K-6)	K-6 Student Teacher Ratio
Bismarck	519	7,927.23	15.27
Fargo	518	6,276.22	12.13
Grand Forks	393	4,125.69	10.50
Moorhead	321	4,108.49	12.79
West Fargo	511	6,444.51	12.61

Secondary Student Teacher Ratio

	Secondary Teachers (7-12)	Secondary ADM (7-12)	7-12 Student Teacher Ratio
Bismarck	577	6,653.17	11.53
Fargo	520	5,313.70	10.22
Grand Forks	412	3,479.40	8.45
Moorhead	278	3,266.95	11.77
West Fargo	518	6,766.26	13.06

Teacher Salary and Benefits

North Dakota defines teacher salary and benefits which include instructional costs of regular, special and career and technical education, as well as federal programs, *including classroom instructional paraprofessionals*.

	Teacher Salary & Benefits	Percentage of Total Expenditures	Per Pupil
Bismarck	\$117,830,957	55.4%	\$7,990
Fargo	\$121,431,517	58.0%	\$10,312
Grand Forks	\$79,816,526	61.7%	\$10,378
Moorhead	\$68,436,918	56.8%	\$9,077
West Fargo	\$102,029,297	51.4%	\$7,619

The table below shows licensed teacher salary information for each district. According to the National Education Association, the average public school teacher starting salary is \$46,526 while the North Dakota average is \$58,581. West Fargo's salary information is listed as adjusted for TFFR.

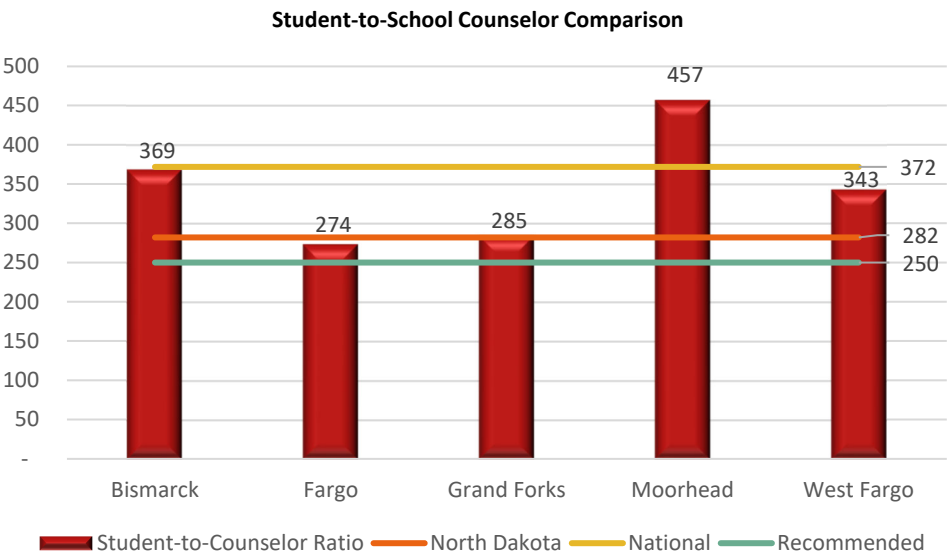
	Base Salary per Matrix	Average Salary	Average Compensation
Bismarck	\$53,066	\$74,505	\$103,548
Fargo	\$47,393	\$75,178	\$99,618
Grand Forks	\$49,477	\$65,963	\$88,516
Moorhead	\$47,269	\$75,659	\$106,623
West Fargo (<i>salary adjusted</i>)	\$45,496	\$59,474	\$90,395
National Average	\$46,526	\$72,030	
North Dakota Average	\$58,581	\$60,451	

Licensed Support Staff

Licensed support staff includes the functional departments of librarians, counselors, and other instructional support staff.

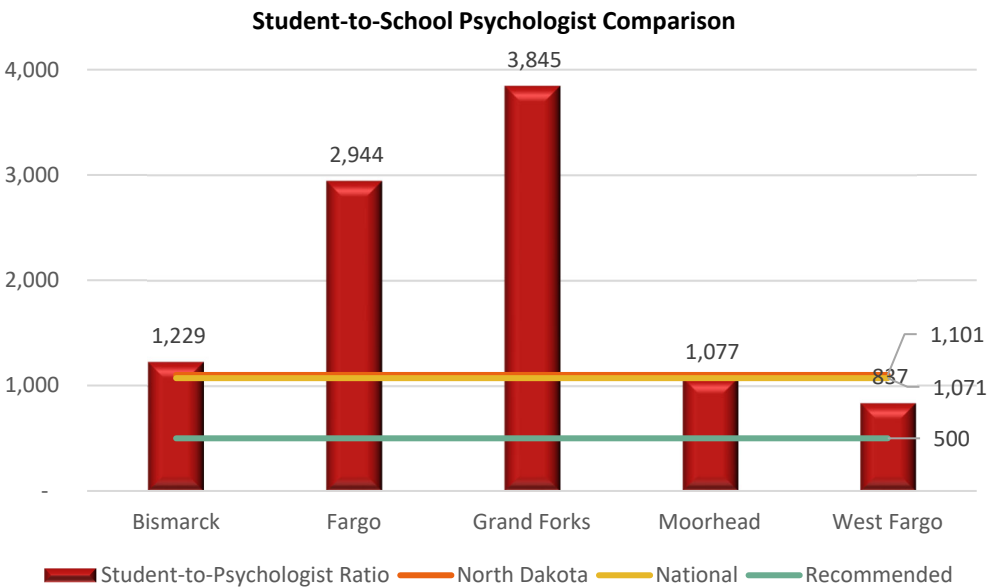
School Counselors

The national average student to counselor ratio is 372:1 while the North Dakota ratio is 282:1. The American School Counselor Association (ASCA) recommends that schools strive to maintain a 250:1 ratio.



School Psychologists

The National Association of School Psychologists (NASP) recommends a basic ratio of no more than 500 students per school. Most districts do not meet this standard. The national average ratio is estimated to be 1,071:1 with North Dakota averaging 1,101:1.



Licensed Support Staff Salary and Benefits Expenditures

Licensed support staff salary and benefits include instructional support costs of regular, special and career and technical education, as well as federal programs.

	Support Staff Salary & Benefits	Percentage of Total Expenditures	Support per Pupil
Bismarck	\$22,394,791	10.5%	\$1,519
Fargo	\$15,769,941	7.5%	\$1,339
Grand Forks	\$11,285,812	8.7%	\$1,467
Moorhead	\$8,686,714	7.2%	\$1,152
West Fargo	\$22,475,299	11.3%	\$1,678

Other Instructional Expenditures

Other instructional expenditures include contracted services, supplies, books, and equipment, including technology related items.

	Other Instructional Expenditures	Percentage of Total Expenditures
Bismarck	\$8,175,383	3.8%
Fargo	\$10,769,721	5.1%
Grand Forks	\$7,911,527	6.1%
Moorhead	\$8,649,297	7.2%
West Fargo	\$14,559,374	7.3%

Administration

North Dakota's definition of administration expenditures includes those items related to school administration (principal's office) and general administration (school board, special area administration, business office, and other support services). Each district may have their own classification when it comes to identifying administrative versus other licensed positions.

Average Administrator Salary

North Dakota average administrator salary includes the base contract plus additions to the base contract such as extended time, co-curricular, signing bonuses, substitute work, and other pay for those with teaching licenses. Note that West Fargo contributes both the employer and employee shares of TFFR, therefore the salary amounts have been adjusted for comparison purposes.

	Average Base	Average Salary	Average Compensation
Bismarck	\$144,410	\$146,941	\$193,100
Fargo	\$134,712	\$143,099	\$185,416
Grand Forks	\$136,586	\$136,600	\$179,313
Moorhead	\$105,066	\$131,885	\$170,185
West Fargo	\$113,036	\$114,603	\$170,622

Administration Expenditures

	School Administration	General Administration	Total Administration	Support per Pupil
Bismarck	\$12,051,478	\$14,087,401	\$26,138,879	\$1,772
Fargo	\$13,437,332	\$12,753,066	\$26,190,398	\$2,224
Grand Forks	\$6,597,667	\$6,369,187	\$12,966,855	\$1,686
Moorhead	\$4,415,455	\$3,039,271	\$7,454,726	\$989
West Fargo	\$9,987,911	\$14,359,978	\$24,347,889	\$1,818

Operations and Other Programs

Operations and Maintenance Expenditures

Fargo Public Schools operates and maintains approximately 2.8 million square feet of building space in a district covering fifty-seven square miles. In a continued effort to follow the district's long-range facilities plan, Fargo continues to invest in schools by ensuring the buildings are maintained to provide a quality school environment for all students.

	Operations, Maintenance, & Capital Project Expenditures	Percentage of Total Expenditures
Bismarck	\$18,291,293	8.6%
Fargo	\$18,356,166	8.8%
Grand Forks	\$9,996,427	7.7%
Moorhead	\$9,128,202	7.6%
West Fargo	\$14,550,879	7.3%

School Facilities

The following table summarizes the current school facilities operated by each district by instructional level.

	Elementary	Middle	High	Other	Total
Bismarck	18	3	4	6	31
Fargo	16	3	4	5	28
Grand Forks	10	3	3	3	19
Moorhead	5	2	2	1	10
West Fargo	15	3	4	3	25

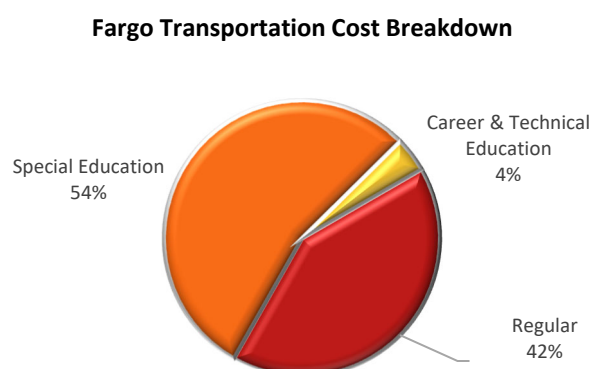
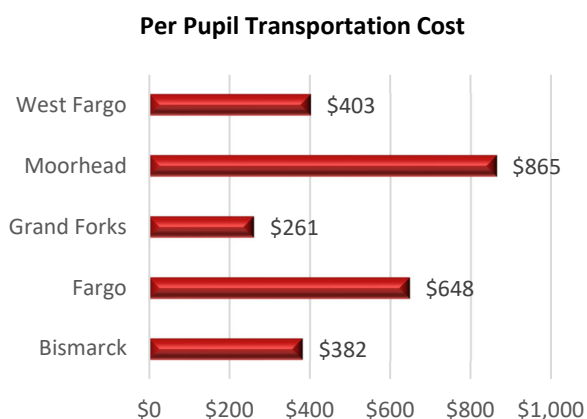
Student Transportation Expenditures

North Dakota student transportation expenditures include regular, special and career and technical education transportation. Transportation relating to extracurricular activities is not included in the following analysis. Districts provide in-city transportation based on walk-out distances:

	Elementary Walk-Out	Secondary Walk-Out
Bismarck	½ Mile	½ Mile
Fargo	½ Mile	½ Mile
Grand Forks	*	*
Moorhead	1.0 mile straight line from school	1.0 mile straight line from school
West Fargo	1.0 mile	1.5 miles

*Grand Forks transports special education students, students from the Grand Forks Air Force Base to Central High School, students attending certain elementary schools (one location afternoon only) and middle schools (one location afternoon only).

	Student Transportation Expenditures	Percentage of Total Expenditures	Per Pupil Transportation Cost
Bismarck	\$5,638,591	2.7%	\$382
Fargo	\$7,634,475	3.6%	\$648
Grand Forks	\$2,010,219	1.6%	\$261
Moorhead	\$6,520,326	5.4%	\$865
West Fargo	\$5,391,588	2.7%	\$403

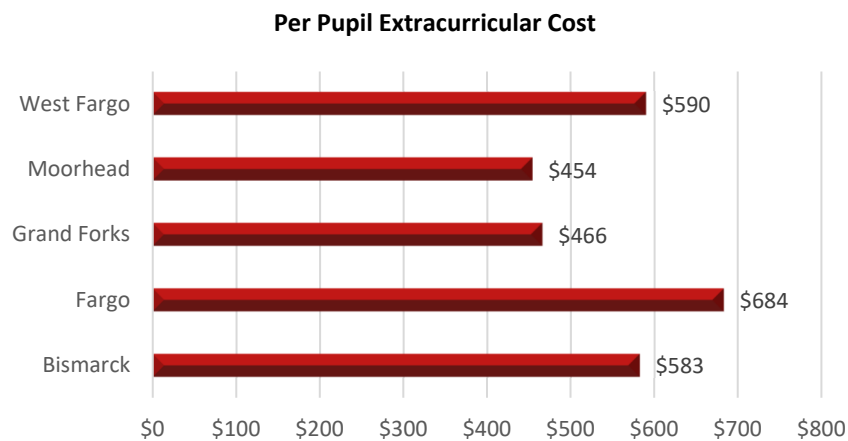


While most states provide funding to school districts for transportation, the amount varies widely. During the 2025 school year, the NDDPI provided the District transportation reimbursement in the amount of \$1,130,046, or about 15% of busing costs, based on school year 2024 transportation information. The reimbursement formula is based on both miles and rides.

Extracurricular Expenditures

It is important to note that school districts apply different methods in reporting student activities expenditures. In North Dakota, some expenditures are reported through the general fund while others are reported through the student activities fund. The table below represents expenditures accounted for through both funds.

	Student Activities Fund	General Fund	Total Extracurricular Expenditures
Bismarck	\$765,268	\$7,830,475	\$8,595,744
Fargo	\$7,742,541	\$306,715	\$8,049,256
Grand Forks	\$2,510,516	\$1,075,951	\$3,586,467
Moorhead	\$3,426,304	\$0	\$3,426,304
West Fargo	\$2,014,226	\$5,891,749	\$7,905,975



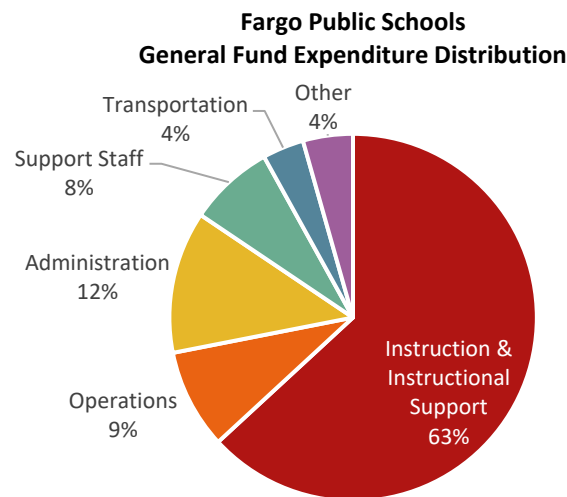
Other Program Expenditures

In North Dakota, other program expenditures include Head Start, adult education, tuition for students attending school outside of their home district, debt service payments, and fund transfers.

	Adult, Community & Enterprise Services Expenditures	Tuition Expenditures	Debt Service & Transfer Expenditures	Total All Other Expenditures	Percentage of Total Expenditures
Bismarck	\$2,889,523	\$2,448,405	\$1,057,874	\$6,395,801	3.0%
Fargo	\$1,582,943	\$2,387,791	\$4,938,254	\$8,908,988	4.3%
Grand Forks	\$3,376,545	\$813,898	\$85,646	\$4,276,088	3.3%
Moorhead	\$2,809,410	\$432,147	\$1,251,051	\$4,492,608	3.7%
West Fargo	\$2,523,037	\$2,329,904	\$4,350,000	\$9,202,941	4.6%

Expenditure Distribution

The following chart illustrates the overall distribution of general fund expenditures by major spending category.



Instructional staffing and support represent the majority of Fargo’s spending, highlighting that most resources are directed toward classroom instruction.

General Fund Balance

Ending Fund Balance

The Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. Maintaining reserves at this level helps districts manage enrollment fluctuations, state funding changes, and unexpected operational costs without disrupting instructional programs.

	Ending Fund Balance	Total Expenditures	Percentage of Expenditures	Months Operating Expenditures
Bismarck	\$18,329,697	\$212,696,170	8.6%	1.03
Fargo	\$34,566,796	\$209,367,922	16.5%	1.98
Grand Forks	\$9,114,043	\$129,339,404	7.0%	0.85
Moorhead	\$12,292,852	\$120,473,706	10.2%	1.22
West Fargo	\$33,665,308	\$198,449,015	17.0%	2.04

Section II: Special Education

This section assesses district funding and spending on special education programs and services.

Special Education Child Count

North Dakota school districts are required to submit to NDDPI their unduplicated count of children receiving special services each December. The table below displays the child count for the comparison districts and the percentage of special education students in each district.

	Special Services Child Count	ADM	%
Bismarck	2,134	14,747.22	14.47%
Fargo	2,013	11,775.83	17.09%
Grand Forks	1,532	7,690.65	19.92%
Moorhead	1,795	7,539.62	23.81%
West Fargo	1,933	13,391.97	14.43%

Special Education Revenues

Since its initial enactment, the Individuals with Disabilities Education Act (IDEA) has included a commitment to pay 40% of the excess costs of educating students with disabilities. According to the National Education Association, the federal share is less than 12%. This lack of funding creates a shortfall that places a burden on state and local education agencies to fill in the remaining funding gap.

Comparison of federal special education revenue and funding per student are depicted in the following tables:

	Total Federal Revenue	Federal Special Education Revenue	% Federal Special Education Revenue
Bismarck	\$17,782,133	\$6,477,993	36.43%
Fargo	\$13,094,755	\$3,724,804	28.45%
Grand Forks	\$13,020,753	\$2,340,249	17.97%
Moorhead	\$4,800,933	\$1,978,735	41.22%
West Fargo	\$17,292,999	\$3,738,070	21.62%

	Federal IDEA Revenue	Federal IDEA Funding per Student
Bismarck	\$4,363,651	\$2,045
Fargo	\$3,724,804	\$1,850
Grand Forks	\$2,340,249	\$1,528
Moorhead	\$1,978,735	\$1,102
West Fargo	\$3,738,070	\$1,934

North Dakota school districts incur the full cost of educating students with disabilities based upon an approved contract and are subsequently reimbursed for amounts more than the cost cap, which is four times the state average cost for regular education. The fiscal 2025 cost caps were as follows based on a 175-day calendar year:

	State Average Cost	2024-2025 Cost Cap
Elementary (Grades 1-8)	\$14,216	\$56,865
Secondary (Grades 9-12)	\$15,096	\$60,384

Special Education Expenditures

Expenditures by Category Type

The following information displays the breakdown of special education costs by expenditure type. The information does not include transportation or tuition paid to other districts to educate students with disabilities.

	Fargo	%	Bismarck	%	Grand Forks	%	Moorhead	%	West Fargo	%
Salaries & Benefits	\$36,743,380	88%	\$39,959,186	96%	\$23,650,526	57%	\$24,484,524	59%	\$35,552,269	86%
Purchased Services	\$6,541,759	16%	\$658,496	2%	\$2,501,791	6%	\$2,071,831	5%	\$3,841,388	9%
Supplies & Other	\$291,662	1%	\$906,179	2%	\$231,296	1%	\$301,117	1%	\$696,252	2%
Total Expenditures	\$43,576,801		\$41,523,861		\$26,383,613		\$26,857,472		\$40,089,909	

Special Education Funding Shortfall

As mentioned previously, a funding shortfall exists in special education. The table below depicts the local cost and local cost percentage school districts fund to cover the costs of educating students with special needs.

	Special Education Revenues	Special Education Expenditures	Local Special Education Expenditures	Local %
Bismarck	\$35,265,924	\$41,523,861	\$6,257,937	15.1%
Fargo	\$30,385,718	\$43,576,801	\$13,191,083	30.3%
Grand Forks	\$25,680,542	\$26,383,613	\$703,071	2.7%
Moorhead	\$21,559,946	\$24,833,618	\$3,273,672	13.2%
West Fargo	\$28,251,346	\$40,089,909	\$11,838,563	29.5%

Differences in local cost percentages among districts may reflect variations in student needs, program delivery models, and the level of specialized services required to meet individualized education plans.

Key Financial Observations

Fargo Public Schools demonstrates several distinguishing characteristics relative to comparison districts.

- Revenue Capacity: Fargo generates the highest revenue per pupil among peer districts.
- Instructional Investment: Fargo maintains lower student-teacher ratios, indicating higher instructional staffing levels.
- Financial Stability: Fargo maintains one of the strongest general fund reserve positions among the comparison districts.
- Special Education Funding Gap: Approximately 30% of Fargo's special education costs are supported by local funds due to limitations in state and federal funding.

These findings indicate that Fargo maintains a strong financial position while continuing to face structural cost pressures related to special education, staffing levels, and state funding dynamics.

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