

School Year 2023–24 Statement of Income and Expenditures

Novation Education Opportunities

Executive Summary

Name of Authorizing Organization: Novation Education Opportunities (NEO)

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NEO Mission: Authorize and oversee charter schools through consistent, ongoing and robust evaluation to achieve significant and measurable student growth.

NEO Vision: The vision of NEO is to be a leading Minnesota Authorizer of innovative, diverse, and effective charter schools.

Background. In 2009, Minnesota passed a new charter school law effectively holding charter school authorizers to higher standards in overseeing the charter school performance in the areas of student achievement, governance, operations, and finance. Due to the new charter school law, essentially all 52 prior authorizers which included districts, colleges/universities and large non-profit organizations, had to be reapproved by the state if they intended to continue to serve as an authorizer. In addition, the new law called for a new category of authorizers, ‘single purpose authorizers’, whose sole mission is chartering schools to achieve the primary purpose of improving all student pupil learning and all student achievement.

At that time, primarily due to capacity issues, many authorizers did not resubmit their application and some were denied. NEO was one of the first single-purpose authorizers approved and received approval to authorize 12 schools that transferred from authorizers that no longer continued. Beginning in 2012-2013, NEO authorized 12 operational chartered schools. NEO has grown since then and served as the authorizer of 30 schools in 2023-2024, one of which opened in school year 2023-24 and two of which are currently on track to open 2025-2026.

NEO is governed by a Board of Directors that makes the final decision to approve or reject charter school applications based upon the recommendations of the NEO Advisors (contracted experts) and the Executive Director. The Board of

Directors also makes final decisions regarding charter renewals, terminations, and expansions, supervises the Executive Director, and carries out all duties of a nonprofit governing board.

As a volunteer body, the NEO Board is assisted by the NEO Advisors and the Executive Director who serves as the main charter school liaison. The Advisors, who are independent contractors, review and research applications, assist with the oversight of school performance and school board meetings, provide technical assistance, facilitate sharing of effective practices and resources, and conduct fact finding and complaint resolution in response to complaints. Advisors bring a depth of experience and expertise from the charter school community and elsewhere in academic, governance, operation and financial compliance and oversight.

As an authorizer, the three main ways that NEO works collaboratively with charter schools to improve all pupil learning and all student achievement are by starting high quality charter schools, supporting continuous improvement of operating charter schools, and supporting and facilitating the replication and expansion of high-quality schools and their practices. NEO 's goals, which align to improving the learning, achievement, and success of all students, are to authorize schools to improve the percent of students meeting and exceeding grade level standards and to improve the percent of students meeting and exceeding growth goals, as well as improve graduation rates.

Please see the following page for information on income and expenditures.

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Income Source	Amount	Description
Charter School Fees		
Achieve Language Academy	\$28,552.00	Annual Fee per MN Statutes
Agamim Classical Academy	\$28,159.41	Annual Fee per MN Statutes
Aspire Academy	\$19,272.60	Annual Fee per MN Statutes
Avalon School	\$28,552.00	Annual Fee per MN Statutes
Bultum Academy	\$23,769.54	Annual Fee per MN Statutes
Discovery Charter School	\$18,951.39	Annual Fee per MN Statutes
Escuela Exitos	\$25,375.59	Annual Fee per MN Statutes
Great Oaks Academy	\$28,552.00	Annual Fee per MN Statutes
Great River School	\$28,552.00	Annual Fee per MN Statutes
Hmong College Prep Academy	\$28,552.00	Annual Fee per MN Statutes
Innovation Academy of Science and Technology	\$8,779.74	Annual Fee per MN Statutes
Kato Public Charter School	\$9,850.44	Annual Fee per MN Statutes
Lionsgate Academy	\$28,552.00	Annual Fee per MN Statutes
Nerstrand Charter School	\$11,028.21	Annual Fee per MN Statutes
New Century Academy	\$15,418.08	Annual Fee per MN Statutes
New City School	\$28,552.00	Annual Fee per MN Statutes
North Metro Flex Academy	\$21,306.93	Annual Fee per MN Statutes
Quantum STEAM Academy	\$18,413.04	Annual Fee per MN Statutes
Rochester STEM Academy	\$13,704.96	Annual Fee per MN Statutes
SAGE Academy Charter School	\$9,743.37	Annual Fee per MN Statutes

Sejong Academy	\$28,552.00	Annual Fee per MN Statutes
St. Cloud Math & Science Academy	\$28,552.00	Annual Fee per MN Statutes
Star of the North Academy	\$21,306.93	Annual Fee per MN Statutes
STEAM Academy	\$7,195.10	Annual Fee per MN Statutes
Surad Academy	\$7,195.10	Annual Fee per MN Statutes
TEAM Academy	\$9,850.44	Annual Fee per MN Statutes
Universal Academy	\$28,552.00	Annual Fee per MN Statutes
Urban Academy Charter School	\$28,552.00	Annual Fee per MN Statutes
<i>Charter School Fees Subtotal</i>	\$583,392.87	
Other Income Sources		
Organization Support (internal)	-	
Contributions (external)	-	
Grants (external)		
CSP Grant Training Funds (as applicable)	\$1,164.94	\$850 Training on using MDE Financial Reports \$157.47 Training on using Artificial Intelligence x 2
Other CSP Grant Funds (as applicable)	\$35,164.44	Final approved CSP Board Development and Training Grant request
Other Income Source (identify and describe)	-	
<i>Other Income Sources Subtotal</i>	\$36,329.38	
<i>Total Income</i>	\$619,722.25	

Expenditures	Amount	Description
Personnel Expenditures (including all payroll expenditures, e.g., Federal Insurance Contributions Act (FICA), benefits plan, insurance)		
Authorizing Staff (e.g., Executive Director, Specialists, Office Assistant)	\$263,789.69	Salaries, Benefits for NEO Employees: Executive Director Wendy Swanson Choi, Systems Analysts Adam Myhand and Tu Nguyen
Consultants and/or Outside Service Contracts	\$183,537.81	Payments for NEO 1099 contractors with expertise and experience in services related to new school and expansion application reviews, board meeting observations, complaint resolution, facilitation of sharing of resources, technical assistance with compliance, and site visits: Dr. Jean Neuman, Dr. Daniel Jett, Dr. Willie Jackson, Ron Berger, Eric Molho, Dr. Diane Restorff, Jennifer Borgeson, Anita Dualeh, Lulzim Axhijaj, Ted Anderson, Terri Anderson, Carla Steinbach-Huther, EdFin Financial Services, and Instructional Designs, Inc.
Personnel Expenditures Subtotal	\$447,327.50	
Administrative/Office Expenditures		
Office Space Rental/Lease		
Professional Development (e.g., staff development, conferences/workshops/trainings, dues/subscriptions)	\$4,750.00	National Association of Charter School Authorizers (NACSA), National Charter Schools Institute A-Game, and Minnesota Charter School Conferences: topics included rethinking the new school application, data management, using multiple measures of performance, overseeing school operations, overseeing school safety and security, overseeing special education, overseeing board governance, overseeing board and school compliance, overseeing finance, legislative updates and facilitated trainings on using artificial intelligence and using MDE data and analytics site reports
Transportation and Travel	\$4,667.20	Including Conference Travel and Mileage reimbursements
Office Supplies and Equipment	\$3,848.57	
Telecommunications	\$1,574.44	
Administrative/Office Expenditures Subtotal	\$14,840.21	
Other Expenditures		

Charter Board Training and Development CSP Grant Expenditures	\$6,462.80	Final amounts approved
Epicenter Document Management System	\$40,875.00	Document Management Annual Fee
Grants	\$3,200.00	Grants to Schools
Insurance	\$1,849.08	
Docebo Project Management Tool	\$33,032.06	www.mncharterboard.com E-Learning Platform Annual Fees
Food	\$1,826.46	
Misc Expenditures	\$184.18	
Other Expenditures Subtotal	\$87,429.58	
Total Expenditures	\$549,597.29	

Fund Balance Information

Beginning of Year Fund Balance	\$340,074.85	(including prior year grant funds anticipated but not reimbursed)
Net Income (Deficit)	\$70,124.96	
End of Year Fund Balance	\$410,199.81	

Note that NEO's Fund Balance Policy requires NEO to maintain at least a 30% fund balance to ensure cash flow from the end of the fiscal year (June) through the first invoicing for the authorizer fee in October and to offset any potential reduction in revenue due to a school closing or other unforeseen fiscal impact.

In addition, NEO plans to use some of the fund balance to maintain and further develop the charter school board development and training platform, www.mncharterboard.com. NEO designed the development and training site over the past few years to support the development of high-quality charter school boards. NEO remains committed to the development of high-quality charter school boards across the sector.

NEO also anticipates adding additional staff with the funds over the next few years as NEO onboards and prepares for future transitions in staffing.