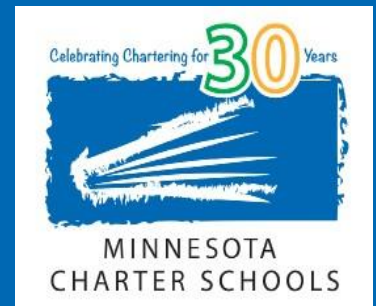

The Cost of Authorizing Minnesota's Chartered Public Schools for 2021-2022 (FY-22)

*Annual Authorizers' Income and
Expenditures Compilation Report*

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*Unleashing Education from
Convention*

**A Publication of
the Minnesota
Association of
Charter Schools**

History of Authorizer Income & Expenditures

Among the many accountability reforms enacted to Minnesota's second-generation charter school law in 2009, were two specific provisions that addressed the cost of authorizing.

The first provision established a new fee structure and significantly increased potential oversight fees paid by schools to authorizers. The structure was tied to the general basic formula schools receive from the state. Authorizers receive and automatic increase in fees as the general basic school formula increases. The new structure was phased in over a four-year period.

In FY 22, over \$3.4 million dollars was paid by schools to authorizers for oversight responsibilities.

The second provision established a requirement that authorizers annually submit by September 30th a report of their oversight expenses for the previous charter contract/academic year to the Commissioner of Education, as well as to the schools the authorizer charters. The expenditure reports are designed to ascertain the real cost of authorizing, as well as to ensure that funding for authorizing responsibilities is not being diverted for other operations of an authorizer.

These two provisions went into effect on August 1, 2009. Given there was no reporting requirement prior to the change in law, the first reports should have been due on September 30, 2010, for the 2009-2010 (FY10) charter contract year.

That fall, the MN Association of Charter Schools made multiple requests to MDE for those reports. It was unclear whether the authorizer expenditure reports were ever requested or collected by MDE as it did not have copies of the reports in its data base and was not able to locate hard copies of these reports. So, it was impossible to compile a report on authorizer expenditures for FY 10

MDE began requesting the authorizer reports in FY 11.

- In FY 11, only 18 of 40 plus authorizers submitted the required expenditure report.
- In FY 12, 26 of the 37 authorizers submitted the required expenditure reports.
- In FY 13, 19 of the 25 authorizers submitted the required expenditure report.

In 2013, the charter school law was amended to require that authorizers not only report expenditures but also their income including the fees paid by the schools.

Beginning with FY14, authorizer reports were to include the reporting of income. In FY14, all but two (2) authorizers reported their income.

Since FY15 all authorizers have reported their income and expenditures, however, there are a number of challenges in creating a clear and accurate depiction of how funds are expended.

First, not all authorizers utilize the reporting form provided by MDE or even the same categories for reporting expenditures.

Second, there is no common definition of what expenses fall into a category, even with the MDE form.

Third, there is an expectation, but no requirement for an authorizer who withdraws as an authorizer, to submit a final-year report.

Fourth, there is no requirement to account for fund balances from one fiscal year to the next fiscal year.

Overview – FY 22

- **10 of the 13 Authorizers** reported more income than expenditures in FY 22.
- *Bethel University, Friends of Education, and Minnesota Guild of Public Charter Schools* reported more expenditures than income in FY 22.
- Average Per School Oversight Cost:
 - FY 22 - \$19,611.76 - a decrease of 6%
 - FY 21 - \$20,962.37
- Total Authorizers **Net Income** in the last five (5) Fiscal Years: **\$1,134,112.70**
- Records prior to FY 18 indicate at least an additional \$500K, total fund balance is closer to \$1.8 million.

FY 22	\$262,190.60
FY 21	\$367,368.77
FY 20	\$199,971.30
FY 19	\$76,200.01
FY 18	\$228,382.02

Recommendations

Based on history and a review of financial reports over the last several years, The MN Association of Charter Schools recommends the following:

- Give MDE the statutory authority to require an authorizer that withdraws, or loses the right to authorize to report their final year income and expenditures.
- Require that any fund balance when an authorizer withdraws, or loses the right to authorize, be returned to the schools it authorized as those public funds were paid for the specific purpose of authorizer oversight.
- Require the reporting of previous year fund balance and modify the Authorizer Annual Income and Expenditure Reporting Form to document the balance.
- Develop common expense category definitions and require authorizers use the MDE Annual Income & Expenditure Report Form.
- Modify the MN Authorizer Performance Review Process (MAPES) to include a review of the authorizer's use of authorizing fees from schools.

Facts and Findings - FY 22

Number of Approved Authorizers in FY 22 13

Total Authorizer Income \$3,811,919.60

Total Authorizer Expenditures \$3,549,728.69

Total Authorizer Net Income \$262,190.60

Average **Per Operational School** Oversight Cost \$19,611.76

2022 – Average **Per Pupil** Oversight Cost \$54.02

2021 - Average **Per Pupil** Oversight Cost \$49.32

Authorizer with Lowest Reported **Per School** Authorizing Cost MOChA

Authorizer with Highest Reported **Per School** Authorizing Cost Bethel University

Income and Expenditure Breakdown for FY 22

Authorizer	# Operational Schools	Total Income	Personnel Expenditures Subtotal	Administrative Expenditures Subtotal	Other	Total Expenditures	Net Income/ Deficit
Bethel University	4	\$80,563.20	\$110,875.17	\$7,992.05	\$0.00	\$118,867.22	\$-38,304.02
Chisago Lakes School District	1	\$19,555.54	\$9,922.72	\$841.44	\$0.00	\$10,764.16	\$8,791.38
Friends of Education (FOE)	12	\$304,760.00	\$49,950.00	\$49,964.00	\$214,562.00	\$308,476.00	\$-3,716.00
Innovative Quality Schools (IQS)	33	\$600,451.76	\$383,520.78	\$68,400.93	\$96,127.43	\$548,049.14	\$52,402.00
Minnesota Guild of Public Charter Schools	16	\$268,795.00	\$244,035.61	\$19,800.12	\$8,278.31	\$272,114.04	-\$3,319.04
Minnesota Office of Charter Authorizing (MOChA)	3	\$26,120.92	\$3,236.25	\$7,697.12	\$0.00	\$10,933.56	\$15,187.36
Northfield Public Schools	2	\$32,836.34	\$31,824.47	\$700.00	\$0.00	\$32,524.47	\$311.87
Novation Education Opportunities (NEO)	25	\$522,778.77	\$377,139.51	\$47,355.14	\$69,586.98	\$495,090.83	\$27,687.94
Osprey Wilds	34	\$647,761.00	\$374,302.00	\$251,566.00	\$	\$625,868.00	\$21,892.31
Pillsbury United Communities (PUC)	18	\$517,842.00	\$320,200.00	\$178,383.00	\$11,568.00	\$425,442.00	\$92,400.00
Student Achievement Minnesota (SAM)	2	\$56,574.00	\$24,000.00	\$26,638.00	\$5,497.00	\$56,135.00	\$439.00
University of St. Thomas (UST)	13	\$232,231.27	\$206,559.87	\$225,671.40	\$0	\$232,231.27	\$55,215.80
Volunteers of America - Minnesota (VOA)	18	\$446,434.00	\$264,972.00	\$148,561.00	\$	\$413,233.00	\$33,202.00
Total	181	\$3,756,703.80	\$2,400,538.38	\$1,033,570.20	\$405,619.72	\$3,549,728.69	\$262,190.60

Note: Not all Authorizers used MDE's standard reporting form, so for some authorizers we categorized their expenses into the above format to the best of our ability.

MACS has reported the data as it was reported in the Authorizers' official reports to MDE. We noticed discrepancies with some of the numbers in reports marked with a (*). *Example: reported expenditure subtotals do not add up to reported grand total.*

Income and Expenditures for FY 17 - FY 22

Authorizer	Total Overall Income	Total Expenses Reported	Total Net Income/ Deficit	June 30, 2021, Fund Balance	June 30, 2022 Fund Balance
Bethel University	\$419,265.63	\$449,562.54	-\$30,296.91	\$35,322.91	\$2,981.11
Chisago Lakes School District	\$118,346.44	\$103,247.15	\$15,099.29	\$5,881.70	\$14,673.08
*Friends of Education (FOE)	\$1,781,343.00	\$1,786,628.00	-\$5,285.00	*	*
Innovative Quality Schools (IQS)	\$2,739,975.70	\$2,505,781.40	\$234,194.30	\$300,304.00	\$35,2706
Minnesota Guild of Public Charter Schools	\$1,495,608.30	\$1,373,204.30	\$122,404.00	\$206,418.97	\$203,099.93
Minnesota Office of Charter Authorizing (MOChA)	\$26,120.92	\$10,933.56	\$15,187.36	*	\$15,187.36
*Northfield Public Schools	\$183,316.62	\$181,195.29	\$2,121.33	*	*
Novation Education Opportunities (NEO)	\$2,785,789.40	\$2,598,031.90	\$187,757.50	\$315,903.73	\$343,591.67
Osprey Wilds	\$3,469,903.00	\$3,408,216.00	\$61,687.00	\$143,173.00	\$165,065.00
*Pillsbury United Communities (PUC)	\$2,920,481.99	\$2,629,817.57	\$290,664.42	\$25,000	\$50,000.00
Student Achievement Minnesota (SAM)	\$375,880.00	\$369,913.00	\$5,967.00	*	*
*University of St. Thomas (UST)	\$1,498,764.15	\$1,321,227.53	\$177,536.62	*	*
*Volunteers of America (VOA)	\$2,141,593.09	\$1,936,598.00	\$204,995.09	*	*
Winona School District	\$148,032.82	\$120,224.39	\$27,808.43	No longer authorizing 7/1/22	
Previous Years Adjustments	\$5,196.31	\$0.33	\$5,195.98		
Total	\$20,109,617.37	\$18,794,580.96	\$1,315,036.41	\$1,032,004.31	\$1,147,304.15

Note: Records prior to FY 18 indicate at least an additional \$500K surplus, total fund balance is closer to \$1.8 million.

Authorizer Fees by School (FY 22)

Operational School	Authorizer	Fee Paid
Academia Cesar Chavez	University of St. Thomas	\$26,912.00
Academic Arts High School	Osprey Wilds	\$10,847.45
Achieve Language Academy	Novation Education Opportunities	\$26,912.00
AFSA	Osprey Wilds	\$26,912.00
Agamim Classical Academy	Novation Education Opportunities	\$26,912.00
Aim Academy of Science and Technology	Innovative Quality Schools	\$15,138.00
Arcadia Charter School	Northfield Public Schools	\$12,367.30
Art and Science Academy	Minnesota Guild of Public Charter Schools	\$26,912.00
Aspen Academy	Friends of Education	\$26,912.00
Aspire Academy	Novation Education Opportunities	No fee reported
Athlos Leadership Academy	Volunteers of America	\$26,912.00
Athlos Academy of St. Cloud	Volunteers of America	\$26,912.00
Augsburg Fairview Academy	Minnesota Guild of Public Charter Schools	\$11,361.00
Aurora Charter School	Osprey Wilds	\$26,912.00
Aurora Waasakone Community of Learners	Osprey Wilds	\$11,766.77
Avalon Charter School	Novation Education Opportunities	\$26,912.00
Bdote Learning Center	Innovative Quality Schools	\$9,688.32
Beacon Academy	Innovative Quality Schools	\$26,912.00
BEST Academy	Osprey Wilds	\$26,912.00
Birch Grove Community School	Volunteers of America	\$6,728.00
BlueSky Online Charter School	Innovative Quality Schools	\$26,912.00
Bluffview Montessori	Volunteers of America	\$22,262.95
Cannon River STEM School	Osprey Wilds	\$26,912.00
Career Pathways	Minnesota Guild of Public Charter Schools	\$13,958.00
City Academy	Innovative Quality Schools	\$15,743.52
Clarkfield Area Charter School	Friends of Education	\$6,728.00
College Prep Elementary	Minnesota Guild of Public Charter Schools	\$26,912.00
Cologne Academy	Friends of Education	\$26,912.00
Community of Peace Academy	University of St. Thomas	\$26,912.00
Community School of Excellence	Minnesota Guild of Public Charter Schools	\$26,912.00
Cornerstone Montessori Elementary School	University of St. Thomas	\$13,926.96
Crosslake Community School	Osprey Wilds	\$26,912.00
Cross River Charter School	Innovative Quality Schools	\$6,728.00*
Cyber Village Academy	Innovative Quality Schools	\$26,912.00
DaVinci Academy of Art and Science	Friends of Education	\$26,912.00
Discovery Charter School	Novation Education Opportunities	\$21,879.46
Discovery Public School	Osprey Wilds	\$5,729.82
Discovery Woods	Osprey Wilds	\$8,048.91
Duluth Edison Charter Schools	Innovative Quality Schools	\$26,912.00
Eagle Ridge Academy	Friends of Education	\$26,912.00

Authorizer Fees by School (FY 22)

Operational School	Authorizer	Fee Paid
East Range Academy	Osprey Wilds	\$17,105.85
ECHO Charter School	Innovative Quality Schools	\$7,770.84
EdVisions Off Campus	Innovative Quality Schools	\$12,009.48
El Colegio Charter School	Pillsbury United Communities	\$11,524.00
Escuela Exitos	Novation Education Opportunities	\$11,303.04
Excell Academy	Osprey Wilds	\$26,912.00
Exploration High School	Minnesota Guild of Public Charter Schools	\$6,728.00
Face to Face Academy	University of St. Thomas	\$10,657.15
FIT Academy	Volunteers of America	\$26,912.00
Friendship Academy of the Arts	Pillsbury United Communities	\$26,912.00
Gateway STEM Academy	Pillsbury United Communities	\$22,404.12
Gentry Academy	Innovative Quality Schools	\$26,912.00
Glacial Hills Elementary School	Osprey Wilds	\$8,678.39
Global Academy	University of St. Thomas	\$26,912.00
Great Expectations School	Osprey Wilds	\$12,505.57
Great Oaks Academy	Novation Education Opportunities	\$19,376.64
Great River School	Novation Education Opportunities	\$26,912.00
Green Isle Community School	Volunteers of America	\$6,728.00
Harbor City International School	Volunteers of America	\$24,036.44
Hennepin Schools	Friends of Education	\$26,912.00
Hiawatha Academies	University of St. Thomas	\$26,912.00
High School for Recording Arts	Pillsbury United Communities	\$26,912.00
Higher Ground Academy	Osprey Wilds	\$26,912.00
Hmong College Prep Academy	Bethel University	\$26,912.00
HOPE Community Academy	University of St. Thomas	\$26,912.00
Horizon Science Academy - Twin Cities	Pillsbury United Communities	\$8,477.28
Innovation Science and Technology Academy	Novation Education Opportunities	\$6,567.00
International Spanish Language Academy	Innovative Quality Schools	\$26,912.00
Jane Goodall Environmental Sciences Academy	Innovative Quality Schools	\$13,018.68
Jennings Community Learning Center	Pillsbury United Communities	\$10,294.00
The Journey School	Innovative Quality Schools	\$12,815.83
Kaleidoscope Charter School	Volunteers of America	\$26,912.00
Kalon Prep Academy	Innovative Quality Schools	\$12,514.08
Kato Public Charter School	Novation Education Opportunities	\$7,831.39
KIPP Stand Academy	Volunteers of America	\$26,912.00
La Crescent Montessori and STEM School	Osprey Wilds	\$9,443.98
Lafayette Charter School	Novation Education Opportunities	6,728.00
Lakes International Language Academy	Volunteers of America	\$26,912.00
Laura Jeffrey Academy	Osprey Wilds	\$4,875.70

Authorizer Fees by School (FY 22)

Operational School	Authorizer	Fee Paid
Legacy of Dr. Josie R. Johnson Montessori	Osprey Wilds	\$14,974.20
Level Up Academy	Innovative Quality Schools	\$15,743.52
Life Prep School	Minnesota Guild of Public Charter Schools	\$17,833.00
Lincoln International High School	Minnesota Guild of Public Charter Schools	\$14,637.00
Lionsgate Academy	Novation Education Opportunities	\$26,912.00
LoveWorks Academy	Pillsbury United Communities	\$16,328.63
Math & Science Academy	Student Achievement Minnesota	\$26,912.00
Metro Deaf School	University of St. Thomas	\$6,728.00
Metro Schools	Osprey Wilds	\$26,912.00
Metro Tech Academy	Innovative Quality Schools	\$8,275.44*
Midway Star Academy	Pillsbury United Communities	\$26,912.00
Minneapolis School of New Music	Minnesota Guild of Public Charter Schools	\$1,682.00
Minnesota Excellence in Learning Academy	Innovative Quality Schools	\$16,349.04
Minnesota Internship Center Charter School	Pillsbury United Communities	\$26,912.00
Minnesota Math and Science Academy	Pillsbury United Communities	\$26,912.00
Minnesota New Country School	Innovative Quality Schools	\$24,422.64
Minnesota Online High School	Pillsbury United Communities	\$25,795.15
Minnesota Transitions Charter School	Pillsbury United Communities	\$26,912.00
Minnesota Wildflower	Osprey Wilds	\$6,728.00
Minnisinaakwaang Leadership Academy	Innovative Quality Schools	\$6,567.00
Modern Montessori	Innovative Quality Schools	\$17,257.32
Nasha Shkola	Innovative Quality Schools	\$13,826.04
Naytahwaush Community Charter School	Volunteers of America	\$15,322.01
Nerstrand Elementary School	Novation Education Opportunities	\$11,101.20
New Century Academy	Novation Education Opportunities	\$14,532.48
New Century School	Volunteers of America	\$26,912.00
New City School	Novation Education Opportunities	\$26,912.00
New Discoveries Montessori Academy	Osprey Wilds	\$23,771.67
New Heights School	Minnesota Guild of Public Charter Schools	\$12,836.00
New Millennium Academy	Friends of Education	\$26,912.00
Noble Academy	Osprey Wilds	\$26,912.00
North Lakes Academy	Osprey Wilds	\$26,912.00
North Metro Flex Academy	Novation Education Opportunities	\$22,242.77
North Shore Community School	Osprey Wilds	\$26,912.00
Northeast College Prep	Student Achievement Minnesota	\$26,912.00
Northern Lights Community School	Osprey Wilds	\$12,201.85
Northwest Passage High School	Bethel University	\$16,349.04
Notre École	Innovative Quality Schools	\$6,728.00
Nova Classical Academy	Friends of Education	\$26,912.00
Oak Hill Montessori	Minnesota Office of Charter Authorizing	\$16,376.07

Authorizer Fees by School (FY 22)

Operational School	Authorizer	Fee Paid
Oshki Ogimaag Charter School	Osprey Wilds	\$6,728.00
PACT Charter School	Bethel University	\$26,912.00
Paladin Career & Technical High School	Innovative Quality Schools	\$21,596.88
Parnassus Preparatory School	Friends of Education	\$26,912.00
Partnership Academy	Osprey Wilds	\$26,912.00
Phoenix Academy Charter	Minnesota Guild of Public Charter Schools	\$15,526.00
Pillager Area Charter School	Osprey Wilds	\$6,728.00
PiM Arts High School	University of St. Thomas	\$26,912.00
Prairie Creek Community School	Northfield Public Schools	\$17,731.89
Prairie Seeds Academy	Osprey Wilds	\$26,912.00
Prodeo Academy	Innovative Quality Schools	\$26,912.00
Progeny Academy	Innovative Quality Schools	\$7,828.36
Quantum STEAM Academy	Novation Education Opportunities	\$10,616.78
Ridgeway Community School	Innovation Quality Schools	\$9,890.18
River Grove Elementary	Minnesota Guild of Public Charter Schools	\$20,422.00
Riverway Learning Community	Osprey Wilds	\$13,880.33
Rochester Beacon Academy	Minnesota Guild of Public Charter Schools	\$13,338.00
Rochester Math and Science Academy	Pillsbury United Communities	\$26,912.00
Rochester STEM Academy	Novation Education Opportunities	\$14,895.78
Rosa Parks Charter High School	Minnesota Guild of Public Charter Schools	\$8,102.00
SAGE Academy	Novation Education Opportunities	\$9,203.90
Schoolcraft Learning Community	Volunteers of America	\$20,693.04
SciTech Academy	Minnesota Guild of Public Charter Schools	\$26,912.00
Sejong Academy	Novation Education Opportunities	\$26,912.00
Seven Hills Classical Academy	Friends of Education	\$26,912.00
Skyline Math and Science Academy	Minnesota Guild of Public Charter Schools	\$24,725.00
Sojourner Truth Academy	Pillsbury United Communities	\$26,912.00
Southside Family Charter School	Volunteers of America	\$11,265.95
Spectrum High School	Volunteers of America	\$26,912.00
Spero Academy	University of St. Thomas	\$13,926.96
Star of the North Academy	Novation Education Opportunities	\$16,914.19
St. Cloud Math and Science Academy	Novation Education Opportunities	\$23,312.52
St. Croix Preparatory Academy	Friends of Education	\$26,912.00
St. Paul City School	Innovative Quality Schools	\$26,912.00
St. Paul Conservatory for Performing Artists	University of St. Thomas	\$26,912.00
St. Paul School of Northern Lights	Innovative Quality Schools	\$21,498.99
STEAM Academy	Novation Education Opportunities	\$6,728.00
STEP Academy	Innovative Quality Schools	\$26,912.00
STRIDE Academy	Pillsbury United Communities	\$26,912.00
Stonebridge World School	Pillsbury United Communities	\$26,912.00

Authorizer Fees by School (FY 22)

Operational School	Authorizer	Fee Paid
Success Academy	Innovative Quality Schools	\$15,999.18
Swan River Montessori Charter School	Osprey Wilds	\$12,530.95
TEAM Academy	Novation Education Opportunities	\$12,009.48
Technical Academies of Minnesota	Innovative Quality Schools	\$10,798.44
Three Rivers Montessori	Osprey Wilds	\$17,089.60
TrekNorth Junior and Senior High School	Volunteers of America	\$26,912.00
TRIO Wolf Creek Distance Learning Center	Chisago Lakes Public School District	\$19,255.54
Twin Cities Academy	University of St. Thomas	\$26,912.00
Twin Cities International Schools	Pillsbury United Communities	\$26,912.00
Twin Cities German Immersion	University of St. Thomas	\$26,912.00
Ubah Medical Academy	Pillsbury United Communities	\$26,912.00
Universal Academy	Novation Education Opportunities	\$26,912.00
Upper Mississippi Academy	Innovative Quality Schools	\$26,912.00
Urban Academy	Novation Education Opportunities	\$26,912.00
Venture Academy	Innovative Quality Schools	\$26,912.00
Vermilion Country School	Osprey Wilds	\$6,728.00
Voyageurs Expeditionary School	Osprey Wilds	\$10,601.34
Watershed High School	Innovative Quality Schools	\$6,728.00
Woodbury Leadership Academy	Volunteers of America	\$26,912.00
World Learner School of Chaska	Osprey Wilds	\$18,641.15
Yinghua Academy	Friends of Education	\$26,912.00
Total		\$3,479,530.98

Pre-Operational School	Authorizer	Fee Paid
Angela Day School	Osprey Wilds	No fee reported
Bultum Academy	Novation Education Opportunities	No fee reported
Creekstone Montessori School	Minnesota Office of Charter Authorizing	\$5,606.67
Endazhi-Nitaawiging	Osprey Wilds	No fee reported
Enlighten Academy	Novation Education Opportunities	No fee reported
Link Public Schools	Novation Education Opportunities	\$6,728.00
Marine Village School	Minnesota Office of Charter Authorizing	\$4,138.18
Rollingstone Community School	Minnesota Guild of Public Charter Schools	No fee reported
School of Leadership for Public Service	Minnesota Guild of Public Charter Schools	No fee reported
St. Cloud Social Justice Academy	Osprey Wilds	No fee reported
STEM Micro School	Osprey Wilds	No fee reported
Total		\$12,173.67

Source of information contained in this report:

The Annual Income and Expenditure Reports of authorizers submitted to MDE in accordance with MN Statute 124E.05 Subd.8