



MN ASSOCIATION OF  
CHARTER SCHOOLS

*Unleashing Education from  
Convention*

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# **The Cost of Authorizing Minnesota's Charter Schools for 2019-2020 (FY 20)**

*Annual Authorizers Income and  
Expenditures Compilation Report*

**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 increase was phased in over a four-year period. Today, over \$3 million dollars per year is paid by schools to authorizers for their 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 FY10.

While MDE began formally requesting the authorizer expenditure reports in FY 11, authorizers were slow to comply with the requirements in the law.

- In FY11, only 18 of 40 plus authorizers submitted the required expenditure report.

- In FY12, 26 of the 37 authorizers submitted the required expenditure reports.

- In FY13, 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. So, beginning with FY14, authorizer reports were to include the reporting of income.

Since then, there have been two challenges in getting a complete picture of the income and expenditures of authorizing.

**One**, there is no standardized required reporting form, so how expenses are categorized and reported varies with each authorizer.

**Two**, authorizers that have withdrawn as an authorizer have not submitted a report for their final year of authorizing. This continues to occur and needs to be addressed by MDE or through legislation.

## Overview - FY 20

- 1] All but one authorizer (Student Achievement Minnesota) reported more income than expenditures in FY20.
- 2] The Total Net Income of authorizers in the last 4 Fiscal Years is \$737,590.46
  - FY20: \$199,971.30
  - FY19: \$76,200.01
  - FY18: \$228,474.02
  - FY17: \$232,945.13
- 3] Average Per School Oversight Cost:
  - FY17 : \$16,738.57
  - FY 20: \$18,556.50 – an increase of \$1,817.93 or 11% since FY17.

## Recommendations

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

- 1] MDE enforce the charter school statutory provision which requires all authorizers (including an authorizer's last year as an authorizer) to submit an income and expenditures report. If MDE does not believe it has the statutory authority to do so, the charter school law provision regarding authorizer financial reports should be amended to give MDE the authority to enforce this requirement.
- 2] Upon an authorizer's withdrawal as an authorizer, any fund balance the authorizer has from authorizer fees must be returned to the schools it authorized as those public funds were for the specific purpose of authorizer oversight.
- 3] MDE modify the Authorizer Annual Income and Expenditure Reporting Form to require authorizers to account for fund balances from the previous reporting year.
- 4] MDE require the use of a standardized Authorizer Annual Income and Expenditure Reporting Form by all authorizers.
- 5] MDE include a review of the authorizer's use of authorizer fees from schools as part of the MN Authorizer Performance Review Process.

## Facts and Findings - FY 20

Number of Approved Authorizers in FY 20

15

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Lowest Reported **Total** Authorizer Expenditures

Minnesota Office of Charter Authorizing (MOChA) - \$0.00

Lowest Reported **Per School** Authorizing Cost

Minnesota Office of Charter Authorizing (MOChA) - \$0.00

Highest Reported **Total** Authorizer Expenditures

Osprey Wilds - \$588,744.00

Highest Reported **Per School** Authorizing Cost

Student Achievement Minnesota (SAM) - \$34,816.00

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Total Authorizer Expenditures

\$3,381,479.89

Average **Per School** Oversight Cost

\$18,556.50

Average **Per Pupil** Oversight Cost

*(using MDE's October 1, 2019 enrollment data)*

\$46.00

## Income and Expenditures for FY 20

Authorizer	Fee Income	Total Income	Expense Reported	# of Operational Schools
Bethel University	\$70,335.15	\$71,546.86	\$65,523.18	3
Chisago Lakes School District	\$19,881.83	\$19,881.83	\$11,512.57	1
Friends of Education (FOE)	\$289,710.00	\$293,210.00	\$292,578.00	12
Innovative Quality Schools (IQS)	\$455,237.08	\$455,295.06	\$416,670.67	27
Minnesota Guild of Public Charter Schools	\$221,602.00	\$221,602.00	\$190,817.00	14
Minnesota Office of Charter Authorizing (MOChA)	\$0.00	\$0.00	\$0.00	0
Northfield Public Schools	\$29,533.04	\$29,533.04	\$29,467.62	2
Novation Education Opportunities (NEO)	\$421,285.39	\$579,678.40	\$562,204.04	20
Osprey Wilds	\$571,869.00	\$588,744.00	\$588,744.00	34
Pillsbury United Communities (PUC)	\$406,297.57	\$593,784.95	\$564,230.94	20
Saint Catherine University (St. Kate's)	Did Not Submit	Did Not Submit	Did Not Submit	Did Not Submit
Student Achievement Minnesota (SAM)	\$51,504.00	\$67,743.00	\$69,632.00	2
University of St. Thomas (UST)	\$274,553.44	\$275,553.44	\$236,418.63	13
Volunteers of America - Minnesota (VOA)	\$352,277.59	\$353,957.09	\$326,746.00	18
Winona Public Schools	\$30,921.52	\$30,921.52	\$26,935.24	2
<b>Total</b>	<b>\$3,195,007.61</b>	<b>\$3,581,451.19</b>	<b>\$3,381,479.89</b>	<b>168</b>

## Total Income and Expenditure Breakdown for FY 20

Authorizer	Total Income	Expenditures	Personnel Expenditures Subtotal	Administrative Expenditures Subtotal	Other Expenditures	Total Expenditures	Net Income/ Deficit
Bethel	\$71,546.86		\$50,948.50	\$6,147.68	\$8,427.00	\$65,523.18	\$6,023.68
Chisago Lakes	\$19,881.83		\$11,154.13	\$358.44	\$0.00	\$11,512.57	\$8,369.26
FOE	\$293,210.00		\$44,228.00	\$86,301.00	\$162,049.00	\$292,578.00	\$632.00
IQS	\$455,295.06		\$306,928.88	\$53,204.97	\$56,536.82	\$416,670.00	\$38,624.39
Minnesota Guild	\$221,602.00		\$158,930.00	\$28,855.00	\$3,032.00	\$190,817.00	\$30,785.00
MOChA	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Northfield	\$29,533.04		\$28,617.62	\$850.00	\$0.00	\$29,467.62	\$65.42
NEO	\$579,678.40		\$325,755.01	\$56,212.73	\$180,236.30	\$562,204.04	\$17,474.36
Osprey	\$588,744.00		\$310,947.00	\$59,600	\$218,197.00	\$588,744.00	\$0.00
PUC	\$593,784.95		\$305,651.40	\$54,853.75	\$203,725.79	\$564,230.94	\$29,554.01
St. Kate's	Did Not Submit		Did Not Submit	Did Not Submit	Did Not Submit	Did Not Submit	Did Not Submit
SAM	\$67,743.00		\$54,172.00	\$9,922.00	\$5,538.00	\$69,632.00	-\$1,889.00
UST	\$275,553.44		\$207,076.44	\$29,342.19	0.00	\$236,418.63	\$39,134.81
VOA	\$353,957.09		\$236,792.00	\$80,791.00	\$9,163.00	\$326,746.00	\$27,211.09
Winona	\$30,921.52		\$26,935.24	0.00	0.00	\$26,935.24	\$3,986.28
<b>Total</b>	<b>\$3,581,451.19</b>		<b>\$2,068,136.22</b>	<b>\$466,438.76</b>	<b>\$846,904.91</b>	<b>\$3,381,479.89</b>	<b>\$199,971.30</b>

## Authorizer Fees by School (FY 20)

Operational School	Authorizer	Fee Paid
Academia Cesar Chavez	University of St. Thomas	\$25,752.00
Academic Arts High School	Osprey Wilds	\$8,894.80
Achieve Language Academy	Novation Education Opportunities	\$25,752.00
AFSA High School	Osprey Wilds	\$25,752.00
Agamim Classical Academy	Novation Education Opportunities	\$25,752.00
Arcadia Charter School	Northfield Public Schools	\$12,247.01
Art and Science Academy	Minnesota Guild of Public Charter Schools	\$25,752.00
Aspen Academy	Friends of Education	\$25,752.00
Athlos Leadership Academy	Volunteers of America	\$25,635.13
Athlos Academy of St. Cloud	Volunteers of America	\$25,752.00
Augsburg Fairview Academy	Minnesota Guild of Public Charter Schools	\$9,923.00
Aurora Charter School	Osprey Wilds	\$25,752.00
Aurora Waasakone Community of Learners	Osprey Wilds	\$7,629.03
Avalon Charter School	Novation Education Opportunities	\$25,752.00
Bdote Learning Center	Innovative Quality Schools	\$10,667.12
Beacon Academy	Innovative Quality Schools	\$25,752.00
BEST Academy	Osprey Wilds	\$25,752.00
Birch Grove Community School	Volunteers of America	\$5,854.17
BlueSky Online Charter School	Innovative Quality Schools	\$25,752.00
Bluffview Montessori	Winona Area Public Schools	\$21,135.12
Bright Water Elementary	Osprey Wilds	\$14,193.78
Cannon River STEM School	Osprey Wilds	\$25,752.00
Career Pathways	Minnesota Guild of Public Charter Schools	\$9,923.00
Cedar Riverside Community School	Pillsbury United Communities	\$7,396.18
City Academy	St. Catherine University	Not Submitted
Clarkfield Area Charter School	Friends of Education	\$6,438.00
College Prep Elementary	Minnesota Guild of Public Charter Schools	\$12,876.00
Cologne Academy	Friends of Education	\$25,752.00
Community of Peace Academy	University of St. Thomas	\$25,752.00
Community School of Excellence	Minnesota Guild of Public Charter Schools	\$19,314.00
Cornerstone Montessori Elementary School	University of St. Thomas (with outstanding payment to VOA)	\$13,519.70/\$189.36
Crosslake Community School	Osprey Wilds	\$25,752.00
Cyber Village Academy	Innovative Quality Schools	\$24,922.78
DaVinci Academy of Art and Science	Friends of Education	\$25,752.00
Discovery Charter School	Novation Education Opportunities	\$25,575.00
Discovery Public School	Osprey Wilds	\$6,914.41
Discovery Woods	Osprey Wilds	\$11,214.40
Dugsi Academy (now Midway Star Academy)	Pillsbury United Communities	\$26,252.00
Duluth Edison Charter Schools	Innovative Quality Schools	\$25,752.00

## Authorizer Fees by School (FY 20)

Operational School	Authorizer	Fee Paid
Eagle Ridge Academy	Friends of Education	\$25,752.00
East Range Academy	Osprey Wilds	\$15,641.56
ECHO Charter School	Innovative Quality Schools	\$6,439.01
EdVisions Off Campus	Innovative Quality Schools	\$12,126.29
El Colegio Charter School	Pillsbury United Communities	\$13,247.24
Excell Academy	Osprey Wilds	\$25,752.00
Face to Face Academy	University of St. Thomas	\$9,618.37
FIT Academy	Volunteers of America	\$25,635.13
Friendship Academy of the Arts	Pillsbury United Communities	\$7,975.60
Gateway STEM Academy	Pillsbury United Communities	\$22,557.67
Glacial Hills Elementary School	Osprey Wilds	\$8,873.07
Global Academy	University of St. Thomas	\$25,752.00
Great Expectations School	Osprey Wilds	\$10,769.43
Great River School	Novation Education Opportunities	\$25,752.00
Green Isle Community School	Volunteers of America	\$6,204.26
Harbor City International School	Volunteers of America	\$22,921.36
Hennepin Schools	Friends of Education	\$25,752.00
Hiawatha Academies	University of St. Thomas	\$25,752.00
High School for Recording Arts	Pillsbury United Communities	\$26,252.00
Higher Ground Academy	Osprey Wilds	\$25,752.00
Hmong College Prep Academy	Bethel University	\$25,752.00
HOPE Community Academy	University of St. Thomas	\$25,752.00
International Spanish Language Academy	Innovative Quality Schools	\$25,752.00
Jane Goodall Environmental Sciences Academy	Innovative Quality Schools	\$10,956.83
Jennings Community Learning Center	Pillsbury United Communities	\$10,350.14
The Journey School	Innovative Quality Schools	\$6,438.00
Kaleidoscope Charter School	Volunteers of America	\$25,635.13
Kato Public Charter School	Novation Education Opportunities	\$8,830.37
KIPP Stand Academy	Volunteers of America	\$25,752.00
La Crescent Montessori and STEM School	Osprey Wilds	\$9,272.23
Lafayette Charter School	Novation Education Opportunities	\$7,010.98
Lakes International Language Academy	Volunteers of America	\$25,635.13
Laura Jeffrey Academy	Osprey Wilds	\$7,476.47
Level Up Academy	Innovative Quality Schools	\$13,063.02
Life Prep School	Minnesota Guild of Public Charter Schools	\$18,509.00
Lincoln International High School	Minnesota Guild of Public Charter Schools	\$17,883.00
Lionsgate Academy	Novation Education Opportunities	\$25,752.00
LoveWorks Academy	Pillsbury United Communities	\$20,586.56
The Mastery School	Pillsbury United Communities	\$26,252.00
Math & Science Academy	Student Achievement Minnesota	\$25,752.00



## Authorizer Fees by School (FY 20)

Operational School	Authorizer	Fee Paid
Metro Deaf School	University of St. Thomas	\$6,438.00
Metro Schools	Osprey Wilds	\$25,752.00
Minnesota Excellence in Learning Academy	Innovative Quality Schools	\$19,193.28
Minnesota Internship Center Charter School	Pillsbury United Communities	\$26,252.00
Minnesota Math and Science Academy	Pillsbury United Communities	\$26,252.00
Minnesota New Country School	Innovative Quality Schools	\$22,732.57
Minnesota Online High School	Pillsbury United Communities	\$22,286.18
Minnesota Transitions Charter School	Pillsbury United Communities	\$26,252.00
Minnesota Wildflower	Osprey Wilds	\$6,438.00
Minnisinaakwaang Leadership Academy	Innovative Quality Schools	\$6,438.00
Modern Montessori	Innovative Quality Schools	\$6,518.47
Nasha Shkola	Innovative Quality Schools	\$12,153.33
Natural Science Academy	Osprey Wilds	\$8,600.41
Naytahwaush Community Charter School	Volunteers of America	\$11,801.91
Nerstrand Elementary School	Novation Education Opportunities	\$14,524.13
New Century Academy	Novation Education Opportunities	\$13,906.08
New Century School	Volunteers of America	\$25,649.51
New City School	Novation Education Opportunities	\$25,752.00
New Discoveries Montessori Academy	Osprey Wilds	\$23,536.97
New Heights School	Minnesota Guild of Public Charter Schools	\$10,060.00
New Millennium Academy	Friends of Education	\$25,752.00
Noble Academy	Osprey Wilds	\$25,752.00
North Lakes Academy	Osprey Wilds	\$25,752.00
North Metro Flex Academy	Novation Education Opportunities	\$24,281.56
North Shore Community School	Osprey Wilds	\$25,752.00
Northeast College Prep	Student Achievement Minnesota	\$25,752.00
Northern Lights Community School	Osprey Wilds	\$10,636.53
Northwest Passage High School	Bethel University	\$18,831.15
Nova Classical Academy	Friends of Education	\$25,752.00
Oshki Ogimaag Charter School	Osprey Wilds	\$6,438.00
PACT Charter School	Bethel University	\$25,752.00
Paladin Career & Technical High School	Innovative Quality Schools	\$21,832.54
Parnassus Preparatory School	Friends of Education	\$25,752.00
Partnership Academy	Osprey Wilds	\$25,752.00
Phoenix Academy Charter	Minnesota Guild of Public Charter Schools	\$8,571.00
Pillager Area Charter School	Osprey Wilds	\$6,438.00
PIM Arts High School	University of St. Thomas	\$25,248.43
Prairie Creek Community School	Northfield Public Schools	\$17,286.03
Prairie Seeds Academy	Osprey Wilds	\$25,752.00
Prodeo Academy	Innovative Quality Schools	\$25,752.00

## Authorizer Fees by School (FY 20)

Operational School	Authorizer	Fee Paid
Progeny Academy	Innovative Quality Schools	\$6,438.00
Ridgeway Community School	Winona Area Public Schools	\$9,786.40
River Grove Elementary	Minnesota Guild of Public Charter Schools	\$14,244.00
Riverway Learning Community	Osprey Wilds	\$13,021.25
Rochester Beacon Academy	Minnesota Guild of Public Charter Schools	\$11,977.00
Rochester Math and Science Academy	Pillsbury United Communities	\$26,252.00
Rochester STEM Academy	Novation Education Opportunities	\$17,799.78
Rosa Parks Charter High School	Minnesota Guild of Public Charter Schools	\$7,764.00
SAGE Academy	Novation Education Opportunities	\$8,961.30
Schoolcraft Learning Community	Volunteers of America	\$19,055.29
SciTech Academy	Minnesota Guild of Public Charter Schools	\$23,988.00
Sejong Academy	Novation Education Opportunities	\$21,631.68
Seven Hills Classical Academy	Friends of Education	\$25,752.00
Skyline Math and Science Academy	Minnesota Guild of Public Charter Schools	\$24,380.00
Sojourner Truth Academy	Pillsbury United Communities	\$13,126.00
Southside Family Charter School	Volunteers of America	\$11,825.08
Spectrum High School	Volunteers of America	\$25,752.00
Spero Academy	University of St. Thomas	\$13,712.94
Star of the North Academy	Novation Education Opportunities	\$14,888.37
St. Cloud Math and Science Academy	Novation Education Opportunities	\$19,507.14
St. Croix Preparatory Academy	Friends of Education	\$25,752.00
St. Paul City School	Innovative Quality Schools	\$25,752.00
St. Paul Conservatory for Performing Artists	University of St. Thomas	\$25,752.00
St. Paul School of Northern Lights	Innovative Quality Schools	\$10,643.94
STEP Academy	Innovative Quality Schools	\$25,752.00
STRIDE Academy	Pillsbury United Communities	\$26,252.00
Stonebridge World School	Pillsbury United Communities	\$26,252.00
Success Academy	Innovative Quality Schools	\$12,598.52
Swan River Montessori Charter School	Osprey Wilds	\$15,297.83
TEAM Academy	Novation Education Opportunities	\$11,588.40
Technical Academies of Minnesota	Innovative Quality Schools	\$13,869.38
Tesfa International School	Volunteers of America	\$17,943.61
TrekNorth Junior and Senior High School	Volunteers of America	\$25,518.26
TRIO Wolf Creek Distance Learning Center	Chisago Lakes Public School District	\$19,881.83
Twin Cities Academy	University of St. Thomas	\$25,752.00
Twin Cities International Schools	Pillsbury United Communities	\$26,252.00
Twin Cities German Immersion	University of St. Thomas	\$25,752.00
Ubah Medical Academy	Pillsbury United Communities	\$26,252.00
Universal Academy	Novation Education Opportunities	\$20,601.60

## Authorizer Fees by School (FY 20)

Operational School	Authorizer	Fee Paid
Upper Mississippi Academy	Innovative Quality Schools	\$25,752.00
Urban Academy	Novation Education Opportunities	\$25,752.00
Venture Academy	Innovative Quality Schools	\$25,752.00
Vermilion Country School	Osprey Wilds	\$6,438.00
Voyageurs Expeditionary School	Osprey Wilds	\$11,354.53
Watershed High School	Innovative Quality Schools	\$6,438.00
Woodbury Leadership Academy	Volunteers of America	\$25,518.26
World Learner School of Chaska	Osprey Wilds	\$21,576.00
Yinghua Academy	Friends of Education	\$25,752.00
Pre-Operational School	Authorizer	Fee Paid
Aspire Academy	Novation Education Opportunities	\$6,438.00
Exploration High School	Minnesota Guild of Public Charter Schools	\$6,438.00
Great Oaks Academy	Novation Education Opportunities	\$6,438.00
Innovation Academy	Novation Education Opportunities	\$6,438.00
Quantum STEAM Academy	Novation Education Opportunities	\$6,438.00
STEAM Academy	Novation Education Opportunities	\$6,438.00
Three Rivers Montessori	Osprey Wilds	\$6,438.00

### 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