

Executive Director's Report to the Board

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Strategic Plan Update

During the December Board retreat, we provided a thorough overview of the progress made on the Strategic Action Plan for 2023-2024. However, since the retreat, none of the strategies have advanced to the next stage of the process, which would usually warrant their inclusion in this report. Nonetheless, we anticipate that several strategies will progress to the next stages in the near future, and we plan to include updates on these developments in the February report.

Social Media Report

As you are aware, Nova Classical's Board approved a contract with #SocialSchools4Edu earlier this fall, which transitioned our social media posts from internal management to external handling. Alongside this report, you will find a copy of the social media report for the past quarter, which provides a comparison of our metrics with those of other Minnesota schools. It's worth emphasizing that our primary objective is not to increase our follower count. Instead, this report serves as a valuable tool for assessing the extent of our communication with the community, which is an important desired outcome.

Employee Retention Credit

As you are likely aware, Nova Classical applied for the Employee Retention Credit (ERC) funding program last year and was granted approximately \$2,300,000 in funding. During Nova Classical's application process, there were mixed opinions among legal and financial experts regarding whether Minnesota Charter Schools were eligible to apply for this funding. Government entities, such as traditional public schools, were not eligible for this funding, while non-profit organizations were eligible. In Minnesota, Charter Schools are established as non-profit organizations, which led Nova Classical's Board and many other charter schools to the decision to apply for and receive ERC funding. The strategy employed by the Board was to secure the funding and hold it until further actions by the IRS or audit processes clarified our eligibility before utilizing the funds. I recently became aware that one Minnesota charter school has been instructed by the IRS to repay the grant. Unfortunately, the name of this school has not been disclosed to me, making it unclear whether this is indicative of a broader trend or if it is a result of specific issues related to that particular charter school, such as non-qualifying expenses being submitted during the application process. We will continue to monitor this and keep you updated as we learn more.

Equity Audit

During our December Board retreat, I informed you that we had just received the final draft of the equity audit, which you will find attached to this email. The equity audit was originally slated for completion by June 1st, which puts us significantly ahead of schedule in this regard.

The next strategic action step pertaining to this objective from our strategic plan involves the creation of an advisory group tasked with making recommendations based on the findings of the Equity Audit. This task was initially scheduled to be completed by September of this year. To maintain the momentum of this important work, we have decided to expedite the process and aim to establish this committee by the end of the current school year. This will enable them to initiate the process of prioritizing recommendations based on the findings of the equity audit promptly.

Cruz-Guzman Case

Since 2015, I have been providing updates to Boards regarding the Cruz-Guzman case, a lawsuit brought forth by families against the State of Minnesota. The lawsuit alleges that current laws, including charter school regulations, have led to the creation of segregated schools in Minneapolis and St. Paul, resulting in unfair and unequal educational opportunities. As you may recall from previous updates, the appellate court had sought guidance from the Minnesota Supreme Court to determine whether segregated schools alone constituted a violation of the state constitution, or if state action was required to establish such a violation.

In December, the Minnesota Supreme Court issued its ruling on the case. They rephrased the central question and determined that racial imbalances in schools, by themselves, do not constitute a violation of the Constitution's Education Clause. However, the Court also ruled that plaintiffs only need to demonstrate that racial imbalances play a significant role in causing children to receive an inadequate education in order to establish a valid claim.

As a result of this ruling, the case has been remanded back to the trial court for further proceedings. I have attached a copy of the court's opinion, however, please do not feel that you need to read it unless it is of particular interest to you.