

Change	Revenue or Expense	Net Change to FY25 Budget	Stakeholders Impacted	Cost Per Stakeholder	Recurring	Notes
Enrollment Changes	Revenue	\$0	N/A	N/A	<input type="checkbox"/>	Set total head count to 1031 and pupil units to 1012 (this is no change from the FY24 budget).
State Formula Increase	Revenue	\$200,000	1031 students	\$193.97/student	<input checked="" type="checkbox"/>	Reflects 2% increase in state funding per pupil and associated compensatory revenue.
Increase in Transportation Costs	Expenditure	-\$62,290	1031 Students	\$60.42/student	<input checked="" type="checkbox"/>	Reflects projected 14% increase in transportation contract. (\$507,219).
Compensation Model	Expenditure	-\$323,575	132 Employees	\$2,451	<input checked="" type="checkbox"/>	Implementation of compensation model described in following pages. Aligned with Strategic Plan Objective 9.3.
CEC Funds	Expenditure	-\$49,000	80 Staff	\$613/student	<input checked="" type="checkbox"/>	The CEC program was originally approved for three years which expired at the end of FY24. This amount continues the CEC professional development plan for FY25. Aligned with Strategic Plan Objective 1.2.
Reduce Interest Rates	Revenue	-\$40,000	N/A	N/A	<input type="checkbox"/>	Provides a cushion to account for potential drops in interest rates.
Reduced Technology Infrastructure Costs	Expenditure	\$79,000	N/A	N/A	<input type="checkbox"/>	Savings from removing 1 time project costs from the FY24 budget

# Compensation Model Summary

## Background

During the spring of 2019, Nova Classical Academy (NCA) confronted budgetary concerns primarily due to salaries rising at a higher rate than the revenue received from the state. To address this issue, a pay freeze was implemented. Subsequently, a Sustainability Committee was established to analyze the situation, concluding that NCA's staffing model remains sustainable as long as compensation increases do not exceed increases in state aid. Over the past four years, the school has adhered to a policy of granting across-the-board raises equivalent to the percentage increase in per-pupil funding received from the state. This policy resulted in three consecutive years of a 2% across-the-board raise for staff, with a 4% increase in 2023-2024 when the state augmented the per-pupil funding formula by 4% for that year. For the forthcoming 2024-2025 school year, the state has approved a 2% increase in per-pupil funding, indicating that if NCA should continue its current practice, it would provide staff with a 2% across-the-board raise.

## Market Analysis

Traditionally, NCA has conducted a market compensation analysis every two years, relying heavily on the MN Association of Charter Schools (MACS) Compensation Report for comparison. However, this analysis has not been conducted by MACS for the past two years due to insufficient data from participating schools, leading to unreliable results. To address this gap of data from MACS, this year, NCA requested data from St. Croix Prep Academy (SCPA) and Eagle Ridge Academy (ERA), schools similar to NCA in model and funding, to complete a market comparison. NCA ranks 500th out of all 511 MN districts and charters in revenue received, with ERA ranking 501 and SCPA ranking 497.

The compensation analysis focused on licensed faculty positions, hourly positions funded by general education revenue, hourly positions funded by special education revenue, and small group positions in which limited personnel serve. This analysis exclusively examined base salary and wages and did not encompass other forms of compensation, such as Q-Comp stipends and retention bonuses.

## Licensed Instructional Staff

When comparing the compensation of our licensed instructional staff, we discovered that our mean (the number produced by dividing the sum of a set of values by the number of values in the set) and median (the middle number in a set of values when those values arranged from smallest to largest) compensation align closely with those of ERA and SCPA. However, our starting salary for this employee category was significantly lower than that of the other schools. Furthermore, our highest-paid employees in this category earned more than the average of the highest-paid employees at the comparable schools. It became evident that our current practice

of providing an across-the-board percentage increase is resulting in our lowest-paid employees in this category falling further behind the market.

Our proposed compensation adjustment for this employee category involves providing a fixed dollar raise of \$2,550 to each employee. This amount is derived from a 3% increase applied to the highest-paid employee in this class, ensuring that all employees in this class receive a raise higher than what they would under our current across-the-board 2% increase practice. Furthermore, this adjustment aims to narrow the gap between our starting wage and the market, effectively constituting a 7% increase in the starting wage on our pay scale. In terms of the overall impact on NCA's budget, implementing this adjustment is equivalent to providing a 4.9% increase to this employee class.

**Licensed Instructional Staff**

	ERA (FY24)	SCPA (FY24)	Average of ERA & SCPA (FY2024)	NCA (FY24)	NCA (Proposed FY25)
<b>Starting</b>	\$40,463	\$43,988	\$42,226	\$36,684	\$39,234
<b>Mean</b>	\$53,403	\$56,514	\$54,959	\$54,159	\$56,934
<b>Median</b>	\$52,689	\$54,553	\$53,621	\$54,060	\$56,827
<b>Highest</b>	\$80,069	\$86,085	\$83,077	\$85,590	\$87,140

**Hourly Staff (General Education Funded)**

In our comparison of hourly staff positions funded from general education revenue sources, it's important to note that ERA provided total annual wages, which we have adjusted by dividing by the number of hours corresponding to a full-time school year position at NCA. Our analysis revealed that NCA fell behind in starting, mean, median, and highest pay rates for these employee groups compared to similar schools. To bring these positions closer to market rates, this budget proposes a \$1/hr raise for employees in this class. This adjustment will align our starting and highest rates with the market comparison. While the mean and median pay for this employee group may still be lower than that of comparable schools, it's likely indicative of differences in the average length of service of the employees in this class.

**Hourly Staff (General Education Funded)**

	ERA (FY24)	SCPA (FY24)	Average of ERA & SCPA (FY2024)	NCA (FY24)	NCA (Proposed FY25)
<b>Starting</b>	\$16.61	\$17.25	\$16.93	\$16.39	\$17.39
<b>Mean</b>	\$19.80	\$18.59	\$19.20	\$17.61	\$18.61
<b>Median</b>	\$20.77	\$18.50	\$19.64	\$17.44	\$18.44

<b>Highest</b>	\$21.59	\$21.50	\$21.55	\$20.51	\$21.51
----------------	---------	---------	---------	---------	---------

## Hourly Staff (Special Education Funded)

As you may know, NCA transitioned its Special Education compensation model two years ago to better mirror the approach used by the St. Paul Public School District. Consequently, NCA compares favorably to comparable schools in all aspects measured for compensating hourly staff funded from special education sources. As a reflection of this alignment and in line with the 2% increase in the state funding formula, the proposed budget includes a 2% raise for members of this employment class.

### Hourly Staff (Special Education Funded)

	ERA (FY24)	SCPA (FY24)	Average of ERA & SCPA (FY2024)	NCA (FY24)	NCA (Proposed FY25)
<b>Starting</b>	\$16.61	\$17.25	\$16.93	\$22.00	\$22.44
<b>Mean</b>	\$19.80	\$18.59	\$19.20	\$27.73	\$27.78
<b>Median</b>	\$20.77	\$18.50	\$19.64	\$28.00	\$28.56
<b>Highest</b>	\$21.59	\$21.50	\$21.55	\$31.20	\$31.82

## Small Employee Groups

NCA has encountered challenges in completing a market analysis for roles held by a smaller number of employees. Typically, this analysis is more complex because factors such as longevity and performance can significantly impact what might otherwise be considered a comparable wage. Additionally, roles with similar titles may vary in duties across different schools. For instance, an operations position in some schools may encompass overseeing health and food services, while in others, it may not.

As a starting point, the proposed budget includes a 2% increase in compensation for employees in this class. Furthermore, the budget incorporates additional increases for three specific positions where a market analysis suggests that NCA may not currently provide comparable compensation considering job duties, longevity, and performance. The level of support available from an administrative assistant or other support personnel can also have an impact on the comparability, and thus compensation, of roles with similar titles at different schools.

	ERA (FY24)	SCPA (FY24)	Average of ERA & SCPA (FY2024)	NCA (FY24)	NCA (Proposed FY25)
<b>Business Manager</b>	\$57,100	N/A	\$57,100	\$48,085	\$57,000

<b>HR Director</b>	\$87,230	\$105,040	\$101,135	\$88,519	\$97,000
<b>Upper School Principal</b>	\$110,970 (Mean of Principals)	\$134,931 (Mean of Principals)	\$122,950	\$105,000	\$120,000

Furthermore, our analysis revealed that both our Academic Director and Special Education Coordinator are currently below the average compensation of comparable schools by -\$12,321 and -\$8,604, respectively. These positions operate under multi-year contracts and are slated to receive the increase stipulated in their current agreement (2%). However, it's advisable to strategize for bringing these positions up to market value during their next contract negotiations.

## Conclusion

The compensation models outlined in the FY25 budget mark a departure from NCA's recent practice of offering an across-the-board percentage raise to all staff members. Instead, the focus is on rectifying and narrowing compensation gaps identified through a market analysis of similar schools. This new model entails a net increase in costs for salaries and wages of \$344,517, compared to \$200,000 in new revenue. If this dollar amount had been allocated to raises under our prior practices, it would have equaled a 4.8% across-the-board increase. This increase is primarily offset by cuts made in areas such as technology infrastructure and contracted services fees from the prior budget.

While it's not feasible to sustain a 4.8% increase every year, the raises proposed in this budget are deemed sustainable as long as future budget increases beyond FY25 do not surpass the rise in our revenue sources for those years.

**Nova Classical Academy**  
**Summary Revenue/Expenditure Statement**  
**Fiscal Year 2025 Original Budget**

Account Description	FY24 Revised Budget	FY25 Original Budget	Change in Budget	
	ADM	1,012	1,012	-
	PPU	1,101	1,101	-
<b><u>GENERAL FUND</u></b>				
<b><u>REVENUES</u></b>				
<b><u>State Revenues</u></b>				
School Land Trust	58,020	58,413	392	
General Education Aid	8,601,299	8,801,751	200,452	
LT Fac. Maint	145,306	145,306	-	
EL - Cross Subsidy	717	717	-	
State Aid-Q-Comp	267,800	267,800	-	
Literacy Fund	76,195	76,195	-	
Charter School Lease Aid	1,446,451	1,446,451	-	
State Special Education	1,956,724	2,048,411	91,687	
ADSIS Grant	295,349	326,287	30,938	
Hourly Employees Unemployment	1,126	1,126	-	
MA Billing	3,417	3,417	-	
Other aid/MDE	-	-	-	
<b>Total State Revenues</b>	<b>12,852,405</b>	<b>13,175,874</b>	<b>323,469</b>	
<b><u>Federal Revenues</u></b>				
Title Funds	87,949	92,207	4,259	
Federal Special Education	115,505	115,505	-	
CRRSA/ARP Funds (ESSER)	306,681	-	(306,681)	
Other Federal Aid	653	653	-	
<b>Total Federal Revenues</b>	<b>510,788</b>	<b>208,365</b>	<b>(302,423)</b>	
<b><u>Other Local Revenues</u></b>				
Employee Retention Credit	817,934	-	(817,934)	
Fees from Patrons	500	500	-	
Student Activity	5,000	5,000	-	
Interest	240,000	200,000	(40,000)	
Gifts and Donations	50,000	-	(50,000)	
Transportation Contract - Northern Lights	65,322	74,467	9,145	
Miscellaneous Revenue	10,000	10,000	-	
Fundraising	4,918	4,918	-	
Misc. Rev - E-Rate	38,218	-	(38,218)	
Student Activity - Uniform Fees	3,500	3,500	-	
Gifts & Grants - Fun Run- LS Fundraiser	-	-	-	
Schoolwide - Athletics - Fees From Patrons	-	-	-	
Schoolwide - Athletics - Admissions	-	-	-	
Lower School - Athletics - Fees From Patrons	20,000	20,000	-	
Upper School - Athletics - Fees From Patrons	90,000	90,000	-	
Upper School - Athletics - Admissions	25,000	25,000	-	
Schoolwide - Extracurricular Activities - Fees From Patrons	5,500	5,500	-	
Schoolwide - Extracurricular Activities - Admissions	-	-	-	

**Nova Classical Academy**  
**Summary Revenue/Expenditure Statement**  
**Fiscal Year 2025 Original Budget**

Account Description	FY24 Revised Budget	FY25 Original Budget	Change in Budget
ADM	1,012	1,012	-
PPU	1,101	1,101	-
Lower School - Extracurricular Activities - Fees From Patrons	21,500	21,500	-
Upper School - Extracurricular Activities - Fees From Patrons	57,500	57,500	-
Upper School - Extracurricular Activities - Admissions	12,000	12,000	-
Fees from Patrons - Field Trip	5,000	5,000	-
Fees from Patrons - Field Trip	15,000	15,000	-
<b>Total Other Local Revenues</b>	<b>1,486,892</b>	<b>549,885</b>	<b>(937,007)</b>
<b>TOTAL REVENUE</b>	<b>14,850,084</b>	<b>13,934,124</b>	<b>(915,960)</b>
<b>EXPENDITURES</b>			
<b>Administration</b>			
Salaries and Wages	819,227	842,386	23,160
Benefits	229,273	223,951	(5,321)
Purchased Services	465,900	350,900	(115,000)
Supplies	199,028	169,750	(29,278)
Equipment	55,000	55,000	-
Dues/Memberships/Interfund Transfer	123,080	126,123	3,043
<b>Total Administration</b>	<b>1,891,508</b>	<b>1,768,111</b>	<b>(123,397)</b>
<b>School of Grammar</b>			
Salaries and Wages	1,430,303	1,578,184	147,881
Benefits	437,827	435,641	(2,186)
Purchased Services	65,000	65,000	-
Supplies	98,100	98,100	-
Equipment	-	-	-
Dues/Memberships	500	500	-
<b>Total School of Grammar</b>	<b>2,031,730</b>	<b>2,177,425</b>	<b>145,695</b>
<b>School of Logic</b>			
Salaries and Wages	52,994	55,544	2,550
Benefits	16,023	16,442	418
Purchased Services	11,000	11,000	-
Supplies	11,700	11,700	-
<b>Total School of Logic</b>	<b>91,718</b>	<b>94,686</b>	<b>2,968</b>
<b>School of Rhetoric</b>			
Salaries and Wages	1,896,252	1,980,274	84,022
Benefits	496,910	510,809	13,898
Purchased Services	72,000	72,000	-
Supplies	82,600	82,600	-
Dues/Memberships	-	-	-
<b>Total School of Rhetoric</b>	<b>2,547,762</b>	<b>2,645,683</b>	<b>97,920</b>

**Nova Classical Academy**  
**Summary Revenue/Expenditure Statement**  
**Fiscal Year 2025 Original Budget**

Account Description	FY24 Revised Budget	FY25 Original Budget	Change in Budget	
	ADM	1,012	1,012	-
	PPU	1,101	1,101	-
<b><u>Athletics and Extracurricular Activities</u></b>				
Salaries and Wages	186,782	213,441	26,659	
Benefits	36,942	41,002	4,060	
Purchased Services	104,250	104,250	-	
Supplies	33,000	33,000	-	
Equipment	40,000	-	(40,000)	
Dues/Memberships	5,250	5,250	-	
<b>Total Athletics and Extracurricular Activities</b>	<b>406,224</b>	<b>396,943</b>	<b>(9,281)</b>	
<b><u>Q-Comp</u></b>				
Q-Comp Expenditures	247,379	247,379	-	
<b>Total Q-Comp</b>	<b>247,379</b>	<b>247,379</b>	<b>-</b>	
<b><u>State Special Education</u></b>				
Salaries and Wages	1,558,951	1,645,659	86,708	
Benefits	385,770	400,936	15,166	
Purchased Services	226,000	226,000	-	
Supplies	3,417	3,417	-	
<b>Total State Special Education</b>	<b>2,174,138</b>	<b>2,276,013</b>	<b>101,874</b>	
<b><u>Title Funds</u></b>				
Title Expenditures	87,949	92,207	4,259	
<b>Total Title Funds</b>	<b>87,949</b>	<b>92,207</b>	<b>4,259</b>	
<b><u>Federal Special Education</u></b>				
Purchased Services	93,605	93,605	-	
Supplies	21,900	21,900	-	
<b>Total Federal Special Education</b>	<b>115,505</b>	<b>115,505</b>	<b>-</b>	
<b><u>ADSIS Grant</u></b>				
Salaries and Wages	356,393	401,075	44,683	
Benefits	95,357	102,237	6,880	
Supplies	40,500	40,500	-	
<b>Total ADSIS Grant</b>	<b>492,249</b>	<b>543,812</b>	<b>51,563</b>	
<b><u>Federal Corona Relief</u></b>				
CRRSA/ARP Funds (ESSER)	306,681	-	(306,681)	
<b>Total Federal Corona Relief</b>	<b>306,681</b>	<b>-</b>	<b>(306,681)</b>	



**Nova Classical Academy**  
**Summary Revenue/Expenditure Statement**  
**Fiscal Year 2025 Original Budget**

Account Description		FY24 Revised Budget	FY25 Original Budget	Change in Budget
	ADM	1,012	1,012	-
	PPU	1,101	1,101	-
<b><u>Instructional Support</u></b>				
Salaries and Wages		31,811	186,764	154,953
Benefits		27,741	35,709	7,968
Purchased Services		26,000	16,000	(10,000)
Supplies		9,000	9,000	-
Dues & Memberships		-	-	-
<b>Total Instructional Support Services</b>		<b>94,553</b>	<b>247,473</b>	<b>152,920</b>
<b><u>Student Support</u></b>				
Salaries and Wages		101,329	118,226	16,897
Benefits		24,237	26,829	2,592
Purchased Services		550,929	568,619	17,690
Supplies		4,875	4,875	-
<b>Total Student Support</b>		<b>681,370</b>	<b>718,549</b>	<b>37,179</b>
<b><u>Operations and Maintenance</u></b>				
Salaries and Wages		81,560	67,891	(13,669)
Benefits		19,159	17,088	(2,071)
Purchased Services		580,064	545,064	(35,000)
Facility Lease Payment		1,611,168	1,611,168	-
Supplies		65,000	65,000	-
Equipment		60,000	60,000	-
<b>Total Operations and Maintenance</b>		<b>2,416,951</b>	<b>2,366,211</b>	<b>(50,740)</b>
<b>TOTAL EXPENDITURES</b>		<b>13,585,717</b>	<b>13,689,997</b>	<b>104,280</b>
<b><u>Board Assigned Expenditures</u></b>				
Employee Retention Program - Net Cost		614,664	-	(614,664)
Professional Development/Wellness		-	-	-
<b>Total Board Assigned Expenditures</b>		<b>614,664</b>	<b>-</b>	<b>(614,664)</b>
<b>NET INCOME - GENERAL FUND</b>		<b>649,704</b>	<b>244,127</b>	<b>(405,577)</b>

**Nova Classical Academy**  
**Summary Revenue/Expenditure Statement**  
**Fiscal Year 2025 Original Budget**

Account Description	FY24 Revised Budget	FY25 Original Budget	Change in Budget
ADM	1,012	1,012	-
PPU	1,101	1,101	-
<b><u>FOOD SERVICES</u></b>			
<b><u>REVENUES</u></b>			
<b><u>State Revenues</u></b>			
State Aid - Lunch	287,100	287,100	-
State Aid - Breakfast	40,700	40,700	-
<b>Total State Revenues</b>	<b>327,800</b>	<b>327,800</b>	<b>-</b>
<b><u>Federal Revenues</u></b>			
Federal Aid - Lunch	45,900	45,900	-
Federal Aid - Snack	-	-	-
Federal Aid - Free & Red. Lunch	93,200	93,200	-
Federal Aid - Commodities Rebate	-	-	-
Federal Aid - Breakfast	26,800	26,800	-
<b>Total Federal Revenues</b>	<b>165,900</b>	<b>165,900</b>	<b>-</b>
<b><u>Other Local Revenues</u></b>			
Food Service Sales to Pupils	15,000	15,000	-
Food Service Sales to Adults	-	-	-
Interfund Transfer	73,925	76,968	3,043
<b>Total Other Local Revenues</b>	<b>88,925</b>	<b>91,968</b>	<b>3,043</b>
<b>TOTAL REVENUE - FOOD SERVICES</b>	<b>582,625</b>	<b>585,668</b>	<b>3,043</b>
<b><u>EXPENDITURES</u></b>			
Salaries and Wages	81,809	84,452	2,643
Benefits	13,256	13,657	400
Purchased Services	2,000	2,000	-
Supplies	484,900	484,900	-
Equipment	-	-	-
Dues & Memberships	660	660	-
<b>TOTAL EXPENDITURES</b>	<b>582,625</b>	<b>585,668</b>	<b>3,043</b>
<b>TOTAL EXPENDITURES</b>	<b>582,625</b>	<b>585,668</b>	<b>3,043</b>
<b>NET INCOME - FOOD SERVICES</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Nova Classical Academy**  
**Summary Revenue/Expenditure Statement**  
**Fiscal Year 2025 Original Budget**

Account Description	FY24 Revised Budget	FY25 Original Budget	Change in Budget
ADM	1,012	1,012	-
PPU	1,101	1,101	-
<b><u>COMMUNITY SERVICE REVENUES</u></b>			
<b><u>Other Local Revenues</u></b>			
Tuition from Patrons	-	-	-
Fees from Patrons	-	-	-
Tuition from Patrons - Scholar Zone	150,000	150,000	-
Fees from Patrons - Scholar Zone	-	-	-
Interfund Transfer	-	-	-
<b>Total Other Local Revenues</b>	<b>150,000</b>	<b>150,000</b>	<b>-</b>
<b>Total Revenues - Food Service Fund</b>	<b>150,000</b>	<b>150,000</b>	<b>-</b>
<b><u>EXPENDITURES</u></b>			
Salaries and Wages	86,208	87,516	1,308
Benefits	13,129	13,327	198
Purchased Services	2,100	2,100	-
Supplies	2,698	2,698	-
<b>TOTAL EXPENDITURES</b>	<b>104,135</b>	<b>105,641</b>	<b>1,506</b>
<b>TOTAL EXPENDITURES</b>	<b>104,135</b>	<b>105,641</b>	<b>1,506</b>
<b>NET INCOME - COMMUNITY SERVICE</b>	<b>45,865</b>	<b>44,359</b>	<b>(1,506)</b>
<b>NET INCOME - ALL FUNDS</b>	<b>695,569</b>	<b>288,486</b>	<b>(407,083)</b>
<b><i>General Fund</i></b>			
Beginning Fund Balance	6,465,392	7,115,096	
Ending Fund Balance	7,115,096	7,359,223	
Fund Balance Percentage	50.1%	53.8%	
Debt Service Coverage Ratio	1.40	1.15	
Cash of Hand	4,705,647	4,994,133	
Days Cash on Hand	120	127	
Cash on Hand w/out Receivables	3,420,407	3,676,546	
Days Cash on Hand	87	93	