

This testimony is being submitted on behalf of **Novation Education Opportunities** (NEO), a charter school authorizer. NEO currently authorizes 30 public charter schools serving almost 10,000 students that will be adversely impacted by the Governor's education finance proposal as follows.

- Charter schools authorized by NEO serve a disproportionately higher percentage of at-risk students, including about 60% with family incomes at or below poverty level compared to the statewide average of 40%, more than one-third requiring English language instruction support compared to the statewide average of 10%, and most having enrolled in the charter schools with an educational attainment of one or more levels below grade level appropriate to age. All these students are identified by Minnesota Statutes as "at-risk", requiring extra support and resources to succeed.
- Charter schools receive only about 70% of funding that other public schools receive and must use various sources of revenue and reimbursements, including the long-term facilities maintenance revenue and reimbursed special education costs, to provide vital systems of supports to at-risk students who weren't successful in larger school districts.
- Charter schools authorized by NEO are led by diverse leaders who have lived experiences and speak the diverse primary home languages of families and students they serve. They effectively use revenue and reimbursements to target supports to specific needs of families and students, including language and cultural supports, so students and families can succeed in Minnesota. Thus, these schools serve as vital links to the larger communities in our state, including, for example, residents of Mexican descent of 214,000, Hmong of 95,000, Somali of 91,000, Vietnamese of 35,000, Ethiopian of 26,000, Myanma of 19,000, Nigerian of 12,000, Tibetan of 5,000, Pakistani of 4,700 and others, according to the US Census.
- In addition, several charter schools authorized by NEO provide targeted supports to between 25% to 50% of their total students served who are receiving special education services, as required by state and federal laws. These charter schools serve a higher percentage of students who need special education services than the state average of 19% because the students couldn't get the supports needed to succeed in the larger public-school districts.
- Charter schools authorized by NEO have a track record of outperforming the districts in which they are located for these groups of at-risk students as measured by state assessments.

The charter schools authorized by NEO use the revenue and reimbursements to effectively target supports to at-risk students most in need, improving not only the education and well-being of the students and families served but also the future of Minnesota.

The elimination of the \$132 adjusted pupil LTFM revenue which currently may be spent on any purpose related to the general operations of the school, and the elimination of the 10% unreimbursed special education cost that is covered by the state, beginning in FY2026, will balance the budget at the expense of at-risk students most in need of supports.

Please do not balance the budget at the expense of the students and their families who have chosen to enroll at a charter school for a more successful education in the pursuit of happiness in Minnesota.



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