

Executive Director's Report to the Board

Date of the Report: September 28 2026

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Strategic Plan Updates

Goal 1: Provide all Nova Classical students guaranteed access to Minnesota's leading classical education.

Objective 1.5: Nova Classical will ensure all students receive consistent and explicit virtue education.

Strategy: (A) If not included in the strategy above (identify formal and informal methods of virtue education which are currently being utilized), implement a framework for developing and delivering explicit virtue education for all 6-12 students on a regular basis. **(B)** Based on the methods identified in the above review, ensure there is time in the school schedule for consistent and explicit virtue instruction.

Stage: Completed

Update: The two strategies may feel like they are coming out of nowhere. Nova reviewed where virtue instruction occurs across the school in 2024. When the expansion project moved forward earlier than anticipated, the strategic plan timeline was redone and these two strategies were moved later to preserve capacity for that work. Their placement reflects that timeline decision, not a change in priority.

Beginning this September, specific days have been designated for virtue instruction in House, with activities distributed and implemented consistently across all Houses. Every student now receives a common experience in virtue instruction, and the work has a predictable place in the school calendar.

This implementation meets the strategic plan objective of dedicating specific time to virtue instruction. Determining its effectiveness will require additional work over time, likely including a comparison of graduating senior virtue surveys to prior baseline results, among other measures. We will continue to report on implementation as the year progresses.

ENROLLMENT

The most recent numbers show enrollment at 1,030 against a budgeted 1,040, with ADM at 1,014.57 against a budgeted 1,020. This difference comes from grades 10, 11, and 12, which are currently all underenrolled and without waitlists, despite our efforts to overenroll for the start of the school year.

Our funding is based on Weighted ADM (WADM), which adjusts enrollment for factors including PSEO participation and grade level, with students in grades 7 through 12 counted at 1.2 ADM for funding purposes. Current WADM stands at 1,103.92 against a budgeted 1,100 for FY27.

WADM is not a figure we calculate internally. It is generated through our MARSS submissions to the Minnesota Department of Education. These numbers will change as actual PSEO enrollment for the full year becomes available to us, and that adjustment will likely be a decrease. While current WADM is slightly above budget, I believe we are more likely somewhere between 5 and 10 WADM short of where we anticipated. The first submission and official count date of the year is October 1st, after which we will have a clearer picture of where we stand relative to budget.

BENEFITS RENEWAL

The Board will review our benefits renewal for approval tonight. Health Partners' best and final offer is a 13% increase on medical premiums, contingent on moving our dental coverage from Mutual of Omaha to Health Partners. That move is favorable on its own merits: Health Partners' dental rates are 19% below our current premiums, are guaranteed for two years, and bring minimal provider disruption. Health Partners has also extended our EDI enrollment exception to dental, preserving a streamlined process for staff and our office. Under this renewal, our lowest cost individual plan would move from \$628 to \$709 per month.

We will not bring a proposal on employer contributions until October. Dieci School Finance and Nova leadership are working to determine the best recommendation in that area. General revenue aid increased 2.71% this year, while our compensation model provides wage increases that generally exceed that rate. Continuing to fully absorb double digit benefits increases on top of those wage increases is not sustainable indefinitely under our

current compensation model, and we need to be thoughtful about the path forward. Some funding streams came in higher than anticipated, which may offset part of the enrollment shortfall, but we need to refine those specifics before we can make a confident recommendation.

2026-2027 Reporting

As we begin a new school year, the Board packet includes a glimpse of what compliance reporting looks like for Nova. A calendar of 2026-27 submissions to the Minnesota Department of Education lists each required report and its due date. The reporting calendar for our authorizer is also attached. Beyond these two, Nova completes additional reporting to other parties, including our bondholders.