

FY 2024 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board

A Report to the Mississippi Legislature
Report #713
December 9, 2024



PEER Committee

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Becky Currie, Vice-Chair
Kevin Felsher, Secretary

Senators:

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John Horhn
Dean Kirby
Chad McMahan
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The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.



Joint Legislative Committee on Performance Evaluation and Expenditure Review

PEER Committee

P.O. Box 1204 | Jackson, Mississippi 39215-1204

Senators

Charles Younger
Chair

Kevin Blackwell

John Horhn

Dean Kirby

Chad McMahan

John Polk

Robin Robinson

December 9, 2024

Honorable Tate Reeves, Governor

Honorable Delbert Hosemann, Lieutenant Governor

Honorable Jason White, Speaker of the House

Members of the Mississippi State Legislature

On December 9, 2024, the PEER Committee authorized release of the report titled *FY 2024 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board*.

Representatives

Becky Currie
Vice Chair

Kevin Felsher
Secretary

Donnie Bell

Cedric Burnett

Casey Eure

Kevin Ford

Stacey Hobgood-Wilkes

Senator Charles Younger, Chair

Executive Director

James F. (Ted) Booth

This report does not recommend increased funding or additional staff.

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Table of Contents

Letter of Transmittal	i
Report Highlights	v
Introduction	1
Authority, Scope, and Purpose.....	1
Method	1
Background	2
Membership and Staff of the Board	2
Charter School Applicants in the Board’s 2024 Application Cycle	4
Charter Schools Serving Students during SY 2023-2024	8
Charter School Performance	10
Update on MCSAB’s Evaluation of Charter School Performance	10
Mississippi Academic Assessment Program Data for SY 2023-2024	12
Charter School Accountability Letter Grades for SY 2023-2024	16
Interventions Issued by MCSAB Against Charter Schools in SY 2023-2024	18
Financial Practices of Republic Schools, Inc.	23
Summary and Analysis of Independent Accountant’s Report	23
Conclusion and Recommendations of Independent Accountant’s Report	25
Problems with RSI’s Proposal for Operational Modifications	25
Charter School Renewals	27
Charter School Renewal in FY 2024	27
Upcoming Charter School Renewals	28
Sufficiency of Funding for Charter Schools	29
Sufficiency of State-level Funding	29
Sufficiency of Funding from Local Ad Valorem Taxes	30
Sufficiency of Federal Funding	32
Sufficiency of Funding from Other Sources	33
Charter School Funding Received	33
Efficacy of the State Formula for Authorizer Funding	37
Efficacy of the MCSAB Funding Model	37
MCSAB Expenditures	39
MCSAB’s Final Expenditures Made with Federal Charter Schools Program Grant Funds	41

Status of MCSAB’s Agency Independence.....	43
Recommendations	44
Agency Response	46

Exhibits

Exhibit 1: Mississippi Charter School Authorizer Board, Current Members and Terms of Service, September 2024.....	3
Exhibit 2: Approved Mississippi Charter Schools through the 2024 Application Cycle	7
Exhibit 3: Charter Schools and Students Served during SY 2023-2024.....	8
Exhibit 4: MCSAB Performance Framework Report Results for Each Charter School from SY 2018-2019 to SY 2022-2023	11
Exhibit 5: Percentage of Charter School Students that Scored “Proficient” Compared to Home Districts and Students Statewide, SY 2023-2024.....	14
Exhibit 6: Mississippi Charter Schools’ Accountability Letter Grades, School Years 2015-2016 through 2023-2024.....	17
Exhibit 7: Comparison of Charter School Per-pupil Ad Valorem Funding to JPSD Per-pupil Ad Valorem Funding, FY 2017 through FY 2024	32
Exhibit 8: Charter School Revenues in FY 2024, by Funding Source.....	34
Exhibit 9: FY 2024 Charter School Revenues versus Expenditures.....	35
Exhibit 10: FY 2024 Mississippi Charter School Cost Per Student Compared to Cost Per Student for Mississippi Public Schools, Excluding Capital, Depreciation, and Interest Expenses.....	36
Exhibit 11: MCSAB Appropriations and 3% Fee Revenues Collected Compared to Expenditures, FY 2014 through FY 2024.....	38
Exhibit 12: MCSAB Expenditures, by Major Budget Category, FY 2014 through FY 2024.....	41
Exhibit 13: MCSAB Expenditures from the Federal Charter Schools Program Grant, FY 2018 through FY 2024	42
Exhibit 14: MCSAB Reimbursements to Subgrantees from the Federal Charter Schools Program Grant, FY 2018 through FY 2024	42

CONCLUSION: Funding from state, local, federal, and other sources was sufficient for charter schools in FY 2024. Although the local ad valorem pro rata calculation required by state law provided unequal shares between charter schools and school districts, the amended state law effective July 1, 2024, appears to provide equal shares. MCSAB receives 3% of annual state and local per-pupil revenues from charter schools and has received an additional appropriation from the Legislature each year. Since FY 2019, the 3% fees alone have generated sufficient funding to support MCSAB’s activities. Republic Schools, Inc. (RSI), the charter management organization for four charter schools, maintains financial records that lack transparency; an independent accounting firm could not verify that all MDE funding received by RSI was spent on Mississippi students and schools.

BACKGROUND

Background

MISS. CODE ANN. Section 37-28-7 (3) (1972) outlines the composition of the Mississippi Charter School Authorizer Board (MCSAB), which is composed of seven appointed members and is the sole authorizing body for charter schools in the state. In FY 2024, MCSAB staff included five people.

Although MCSAB Board members serve staggered terms of office, this has resulted in three Board members rotating off in the same year, which could prevent the Board from establishing a quorum at its meetings.

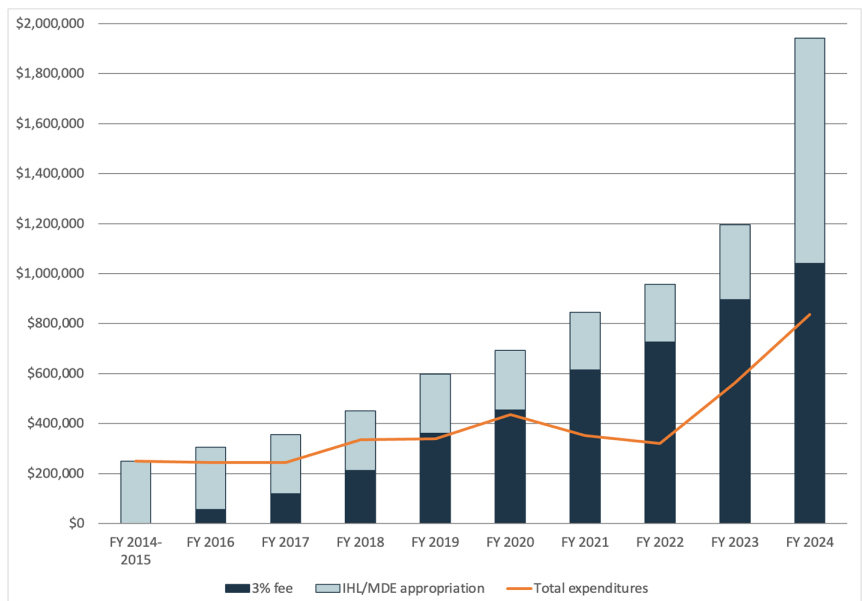
During SY 2023-24, ten charter schools (six in Jackson, one in Clarksdale, one in Greenwood, one in Canton, and one in Natchez) served 3,386 students.

The Board approved the applications for two additional charter schools—Archway Charter School to be located in the Humphreys County School District, and Mississippi Global Academy to be located in the West Bolivar Consolidated School District.

MCSAB voted against the recommendation of its third-party evaluator by approving the application for Archway Charter School, a hybrid school (with students learning both in-person and online), to be located in Humphreys County.

SUFFICIENCY OF CHARTER SCHOOL FUNDING

- For FY 2024, the Mississippi Department of Education (MDE) distributed Mississippi Adequate Education Program (MAEP) funding to charter schools in the same manner as the local public school districts in which they are located.
- For FY 2024, the ten operating charter schools received local support payments from ad valorem taxes in a manner consistent with MISS. CODE ANN. Section 37-28-55 (2) and (3) (1972).
Although the local ad valorem pro rata calculation required by the statute provided unequal shares between charter schools and school districts in FY 2024, the amended state law that became effective July 1, 2024, appears to provide equal shares.
- In FY 2024, the ten operating charter schools received between \$1.1 million and \$8.8 million from MAEP funding, local ad valorem taxes, federal funds, and other sources.
- MCSAB receives 3% of annual per-pupil allocations received by charter schools from state and local sources.



Financial Practices of Republic Schools, Inc.

In 2024, MCSAB contracted with Matthews, Cutrer, and Lindsay, P.A. (MCL), to provide a financial analysis of Republic Schools, Inc. (RSI)—the charter management organization for four charter schools located in Jackson—and its related entities as they relate to charter school fiscal responsibilities.

MCL’s analysis showed that RSI’s accounting procedures lack transparency into each school’s true financial performance, as evidenced by a lack of financial separation between charter schools and a lack of financial separation between RSI and Republic Schools Nashville.

MCL concluded that, based on the information provided, it could not verify that all MDE funding received by RSI was spent on Mississippi students and schools.

MCSAB renewed the charter contract for Ambition Prep, whose term ended at the conclusion of the 2023-2024 school year. Ambition Prep was renewed for a five-year term with no conditions.

Accountability Grades

Charter School	School Year	
	2022-2023	2023-2024
Midtown Public	F	D
Reimagine Prep	D	C
Joel E. Smilow Prep	D	B
Joel E. Smilow Collegiate	F	C
Ambition Prep	C	B
Clarksdale Collegiate	D	D
Leflore Legacy Academy	F	C

SUMMARY OF RECOMMENDATIONS

1. The Legislature should consider amending MISS. CODE ANN. Section 37-28-11 (1) (1972) to remove the 3% funding MCSAB receives from charter schools’ state and local revenue sources. To replace the 3% funding, the Legislature should also consider amending the same section to provide that MCSAB be annually funded from any funds available to the Legislature. If the Legislature chooses to keep the 3% funding model, it should consider allowing MCSAB to receive up to 3% of annual per-pupil allocations received by a charter school from state and local funds for each charter school it authorizes. If the Legislature authorizes MCSAB to receive up to 3% of per-pupil allocations, MCSAB should develop a policy for determining the appropriate calculation of fees for charter schools, based on several consecutive years of MCSAB’s financial data.
2. The Legislature should consider reconstituting the Board to establish terms of office that, when concluded, minimize the impact on the Board’s operations.
3. MCSAB should clarify its policy for merging charter schools to specify which aspects of a surviving local education agency (LEA) should remain (e.g., contract term lengths and conditions).
4. MCSAB should finalize all outstanding performance framework reports for SY 2022—2023 and post such reports to MCSAB’s website.
5. MCSAB should ensure that Republic Schools, Inc. (RSI), implements the recommendations made by Matthews, Cutrer, and Lindsay, P.A., specifically that: (1) each school should be separate and distinct from other charter schools; (2) schools should not have transactions with Republic Schools Nashville; (3) Mississippi schools’ money should be held in Mississippi bank accounts; (4) charter schools should follow the MDE chart of accounts for transparency; and (5) consolidated financial statements of all of RSI’s entities could be allowed if consolidating schedules are included to allow MCSAB to perform financial analysis for each charter school.

FY 2024 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board

Introduction

Authority, Scope, and Purpose

In 2013, the Mississippi Legislature enacted the “Mississippi Charter Schools Act of 2013” (Chapter 497, *Laws of 2013*), which repealed the “Conversion Charter School Act of 2010”¹ and provided authorization for a charter school oversight board and guidance for the formation of charter schools in Mississippi.

As stated in MISS. CODE ANN. Section 37-28-37 (2) (1972):

The Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) shall prepare an annual report assessing the sufficiency of funding for charter schools, the efficacy of the state formula for authorizer funding, and any suggested changes in state law or policy necessary to strengthen the state’s charter schools.

PEER conducted this review in accordance with MISS. CODE ANN. Section 5-3-51 (1972) et seq.

Method

To conduct this analysis, PEER reviewed:

- relevant sections of state law; and,
- federal, state, and local funding information provided by charter schools, the Mississippi Charter School Authorizer Board (MCSAB), Mississippi Department of Education (MDE), and the Mississippi Department of Finance and Administration (DFA).

PEER also requested and received documents from staff members of MCSAB, Midtown Public Charter School, Reimagine Prep, Joel E. Smilow Prep, Joel E. Smilow Collegiate, Revive, Clarksdale Collegiate, Ambition Prep, Leflore Legacy Academy, SR 1 College Prep, Instant Impact Global Prep, and MDE.

¹ The “Conversion Charter School Act of 2010” (MISS. CODE ANN. Section 37-165-1 [1972] et seq.) provided a means whereby the parents or guardians of students enrolled in a chronically underperforming local public school could petition the Mississippi State Board of Education to convert the public school to a conversion charter school. This conversion status would have required a contract issued by the State Board of Education.

Background

This chapter serves as an update to previous PEER reports on the following information:

- the membership and staff of MCSAB;
- charter school applicants in MCSAB's 2024 application cycle; and,
- charter schools serving students during school year (SY) 2023–2024.

Membership and Staff of the Board

MCSAB is a state agency of seven appointed members. The staggering of MCSAB Board members' terms has resulted in three of the Board members rotating off in the same year, which could prevent the Board from establishing a quorum at its meetings. MCSAB is the sole authorizing body for charter schools in the state and is responsible for oversight of the schools' operations. In FY 2024, the Board had five staff members.

MISS. CODE ANN. Section 37-28-7 (3) (1972) outlines the composition of MCSAB. The appointment of the Board is as follows:

- The Governor appoints three members, one member from each of the Mississippi Supreme Court districts.
- The Lieutenant Governor appoints three members, one member from each of the Mississippi Supreme Court districts.
- The State Superintendent of Public Education appoints one member.

All appointments must be made with the advice and consent of the Senate. See Exhibit 1 on page 3 for a list of current Board members and their terms.

As PEER noted in previous annual reports on charter schools, although MISS. CODE ANN. Section 37-28-7 (5) established staggered terms of office for MCSAB, this has resulted in three of the Board members rotating off in the same year, which could prevent the Board from establishing a quorum at its meetings.

The "Mississippi Charter Schools Act" was written such that the Governor's three appointments' terms conclude at the same time and the Lieutenant Governor's three appointments' terms conclude at the same time.

In FY 2024, MCSAB staff included an Executive Director, a Deputy Director of Accountability and Support, General Counsel, a Program Administrator, and an Office Administrator. The Deputy Director of Accountability and Support was hired January 1, 2024, to be responsible for managing the oversight and accountability for charter schools, leading the annual performance review of charter schools, ensuring the renewal process for charter schools is conducted in accordance with

Board policy, and coordinating the pre-opening of charter schools. The Program Administrator was hired January 1, 2024, to be responsible for providing support in reviewing and rating proposals, analyzing data, providing technical assistance to schools in the application process and in the pre-opening process, collecting performance data on charter schools, and providing support for trainings.

Exhibit 1: Mississippi Charter School Authorizer Board, Current Members and Terms of Service, September 2024

Board Member	Appointed By	Term End Date
Candace Robins	Governor	August 30, 2026****
Benjamin Morgan	Governor	August 30, 2026****
James Carney, II*	Governor	August 30, 2026****
Marcy Scoggins	Lt. Governor	August 30, 2025
Jennifer Jackson Whittier	Lt. Governor	August 30, 2025
Sandra McKiernon**	Lt. Governor	August 30, 2025
Jean Cook***	State Superintendent	August 30, 2024****

* The appointment for James Carney, II, was made after the 2024 legislative session; therefore, his appointment has not yet been confirmed by the Senate.

** The appointment for Sandra McKiernon was made prior to the 2024 legislative session, but her appointment died on the Senate calendar.

*** At the September 30, 2024, MCSAB meeting, it was noted that Felicia Gavin would follow Jean Cook as the State Superintendent of Education’s appointment.

**** All appointees should have a term end date of August 30; however, the appointment letters for Candace Robins, Benjamin Morgan, James Carney, II, and Jean Cook contain incorrect term end dates of August 31.

SOURCE: PEER analysis of data from the Mississippi Secretary of State, the Mississippi Legislature’s website, the Mississippi Charter School Authorizer Board website, and state law.

MCSAB employs contractors to satisfy some of its mandate to authorize and oversee charter schools. For example, in FY 2024 MCSAB contracted with a third-party evaluator to evaluate charter school applications and with a private business to perform accounting services. For more information on contract expenditures, see Exhibit 12 on page 41.

Charter School Applicants in the Board’s 2024 Application Cycle

MCSAB received three complete applications for charter schools in its 2024 application cycle. Although the Board’s third-party evaluator recommended that only one application be approved, the Board approved two charter schools—a hybrid charter school to be located in the Humphreys County School District and a traditional charter school to be located in the West Bolivar Consolidated School District.

Any party seeking to open a charter school in Mississippi must submit an application to MCSAB. In FY 2024, MCSAB contracted with The Learning Collective to conduct the evaluation of new school applications. Each potential applicant is required to submit a letter of intent along with required

In FY 2024, MCSAB contracted with The Learning Collective to manage the charter school application process.

documentation which will be reviewed by MCSAB or by the independent evaluator, after which the applicant is deemed eligible or ineligible to submit a full application. The application process includes three stages of review, as follows:

- Stage 1 (Completeness Check): independent evaluators will review proposals and issue a determination on completeness.² If the proposal is incomplete, the applicant will have 48 hours to rectify the issues and resubmit the proposal. Applicants who meet the criteria in Stage 1 move forward to Stage 2.
- Stage 2 (Threshold Quality Review): independent evaluators assess critical elements of each applicant’s proposal against the published evaluation criteria. MCSAB distributes the initial findings of the review to the applicants, who then have two weeks to respond to that initial feedback. The independent evaluators then assess the applicants’ responses. Applicants who meet the criteria in Stage 2 move forward to Stage 3.
- Stage 3 (Complete Proposal Review and invitation only Capacity Interview): independent evaluation teams review each proposal against the Stage 3 criteria. MCSAB will then invite those applicants that meet the criteria to a capacity interview. After the capacity interviews, applicants are given an opportunity for a public hearing or to make public comments. The independent evaluation team then makes a recommendation as to whether each applicant is approved to open a new charter school or not approved. MCSAB then notifies the applicants. Each applicant is given an opportunity to submit a short, written response to the recommendation. The independent evaluator then reviews the response and makes a final recommendation to MCSAB. MCSAB then makes a final decision to approve or deny each applicant’s proposal.

In the 2024 application cycle, MCSAB received letters of intent for five schools. Prospective applicants in 2024 were limited to opening schools in only six of the state’s school districts, as these were the only school districts with a “D” or “F” rating that year.³

² “Completeness” refers to the elements that an application must contain to qualify as a finished response based on the requirements set forth in the request for proposals (e.g., a complete budget).

³ According to MISS. CODE ANN. Section 37-28-7 (2) (c), MCSAB may authorize charter schools located in “D” or “F” rated districts without the approval of the local school board.

Of the five prospective applicants who submitted a letter of intent, four were deemed eligible to submit an application⁴ and move forward to Stage 1 of the application process. Of the four eligible schools, MCSAB received applications from three⁵, as follows:

- Archway Charter School sought to open a school serving grades 7 through 10 (7 through 12 at capacity) in the Humphreys County School District through a hybrid model of instruction. Archway Charter School was created in 2024 and was a new applicant in FY 2024.
- Mississippi Global Academy sought to open a school serving grades 4 through 5 (4 through 9 at capacity) in the West Bolivar Consolidated School District. Mississippi Global Academy was created in 2024 and was a new applicant in FY 2024.
- Thrive Community Enrichment & Development Corporation sought to open a school—ELITE—in the Yazoo City Municipal School District. Thrive Community Enrichment & Development Corporation was created in 2024 and was a new applicant in FY 2024.

In the 2024 application cycle, The Learning Collective recommended that one school be approved as a new charter school. MCSAB, however, approved two schools—Archway Charter School and Mississippi Global Academy—at its meeting in October 2024.

All three applicants provided complete applications and advanced to Stage 2.

At the Stage 2 initial recommendation phase, the third-party evaluator recommended that none of the three applicants should proceed to Stage 3 because each applicant had provided either incomplete, inconsistent, or unclear information in each application. Because this was an initial recommendation, it provided each school two weeks to respond to the feedback presented. The third-party evaluator then assessed each applicant's response, and at its August 2024 Board meeting, MCSAB voted to approve the Stage 2 final recommendations of the third-party evaluator, which were to approve each applicant to advance to Stage 3.

Of the three applicants that advanced to Stage 3, MCSAB invited two (Mississippi Global Academy and Archway Charter School) to a capacity interview.

The third-party evaluator then made the following recommendations:

- Accept the application for Mississippi Global Academy with conditions. The conditions mostly involved correcting deficiencies such as a potential conflict of interest in which the founder of Mississippi Global Academy is also on the board of the education service provider (Global Public Charter Foundation).
- Deny the application for Archway Charter School based on a number of factors, including a lack of start-up funds and a lack of internet connectivity options in Humphreys County. Given that Archway Charter School's application was for a hybrid school—a school in which the students spend some time learning in the classroom and some time learning online at home—internet connectivity at home is crucial.

⁴ Ron's Brothers Academy was ineligible to submit an application during the 2024 application cycle because it was a private school seeking to convert to a charter school, which deemed it statutorily ineligible to be a charter school as only public schools may convert to charter schools according to MISS. CODE ANN. Section 37-28-3 (3) (1972).

⁵ Hope Academy did not submit an application.

MCSAB voted against the recommendation of the third-party evaluator and approved the application for Archway Charter School with conditions regarding student enrollment, internet access, and the submission of a revised budget.

At its October 2024 meeting, MCSAB voted in favor of the recommendation of the third-party evaluator to approve the application for Mississippi Global Academy, but voted against the recommendation to establish conditions at that time; instead, MCSAB voted that the conditions would be determined when MCSAB enters into a charter contract with Mississippi Global Academy.

At the same meeting, MCSAB voted against the recommendation of the third-party evaluator and approved the application for Archway Charter School. At its special called meeting in November 2024, MCSAB approved the following pre-opening conditions for Archway Charter School:

- Provide evidence that 40% of the enrollment target has been met by March 31, 2025, and 60% of the enrollment target has been met by May 31, 2025.
- Provide proof of internet access in the home for enrolled students by March 31, 2025, and again by May 31, 2025.
- Submit an amended budget for the pre-opening period because of Archway's failure to secure Charter School Program (CSP) funds.

In December 2024, MCSAB staff noted that after its special called Board meeting in November 2024, Archway Charter School requested a delayed opening in part due to its lack of start-up funding.

Exhibit 2 on page 7 lists the charter school applications MCSAB has approved to date (from its 2014 application cycle through its 2024 application cycle), the operational school years, and contract terms.

Exhibit 2 on page 7 provides a list of approved Mississippi Charter Schools through the 2024 application cycle.

Exhibit 2: Approved Mississippi Charter Schools through the 2024 Application Cycle

Charter School	School District	Charter Operator	First School Year of Operation	Contract/Renewal Term
Midtown Public	Jackson Public	Midtown Partners, Inc.	SY 2015–2016	FY 2016 to FY 2020 FY 2021 to FY 2023 FY 2024 to FY 2027
Reimagine Prep	Jackson Public	RePublic Schools, Inc.	SY 2015–2016	FY 2016 to FY 2020 FY 2021 to FY 2025
Joel E. Smilow Prep	Jackson Public	RePublic Schools, Inc.	SY 2016–2017	FY 2017 to FY 2021 FY 2022 to FY 2025
Joel E. Smilow Collegiate	Jackson Public	RePublic Schools, Inc.	SY 2018–2019	FY 2019 to FY 2023 FY 2024 to FY 2028
Clarksdale Collegiate (K-12) ¹	Clarksdale Municipal	Clarksdale Collegiate, Inc.	SY 2018–2019	FY 2019 to FY 2023 FY 2024 to FY 2029
Ambition Preparatory	Jackson Public	Ambition Preparatory Charter School	SY 2019–2020	FY 2020 to FY 2024 FY 2025 to FY 2029
Leflore Legacy Academy	Greenwood Leflore	Mississippi Delta Academies	SY 2020–2021	FY 2021 to FY 2025
Revive	Jackson Public	RePublic Schools, Inc.	SY 2022–2023	FY 2023 to FY 2027
SR1 College Preparatory and STEM Academy	Canton Public	SR1	SY 2023–2024	FY 2024 to FY 2028
Instant Impact Global Prep	Natchez-Adams	Instant Impact Educational Services	SY 2023-2024	FY 2024 to FY 2028
RePublic High School*	Jackson Public	RePublic Schools, Inc.	TBD ²	TBD ²
Archway Charter School*	Humphreys County	Archway Charter School	SY 2026-2027	TBD ²
Mississippi Global Academy*	West Bolivar Consolidated	Global Public Charter Foundation	SY 2025-2026	TBD ²

* Charter schools that were not yet in operation during SY 2023-2024.

1. In FY 2024, Clarksdale Collegiate (K-8) and Clarksdale Collegiate Prep (9-12) merged to form Clarksdale Collegiate (K-12).
2. At the time of PEER’s fieldwork, MCSAB had not generated a contract with RePublic High School, Archway Charter School, or Mississippi Global Academy.

SOURCE: PEER analysis of Mississippi Charter School Authorizer Board documents.

Charter Schools Serving Students during SY 2023–2024

Two new charter schools, SR1 College Preparatory and STEM Academy and Instant Impact Global Prep, opened during SY 2023-2024. During SY 2023-2024, ten charter schools (six located in Jackson, one located in Clarksdale, one located in Greenwood, one located in Canton, and one located in Natchez) served 3,386 students. In April 2024, MCSAB approved the merger of Clarksdale Collegiate (K-8) and Clarksdale Collegiate Prep (9-12) to form Clarksdale Collegiate (K-12).

As shown in Exhibit 3 on page 8, ten charter schools located in Jackson, Clarksdale, Greenwood, Canton, and Natchez, had an average daily attendance of 3,386 for SY 2023-2024. Grades served ranged from kindergarten to eighth grade. Two charter schools in Jackson have completed nine full school years, while the other eight have completed between one and eight full school years.

Exhibit 3: Charter Schools and Students Served during SY 2023-2024

Charter School	City	# School Years Completed	Grades Served	Average Daily Attendance
Midtown Public	Jackson	9	K, 4th-8th	326
Reimagine Prep	Jackson	9	5th-8th	463
Joel E. Smilow Prep	Jackson	8	5th-8th	531
Joel E. Smilow Collegiate	Jackson	6	K-4th	524
Clarksdale Collegiate (K-8)	Clarksdale	6	K-7th	551
Ambition Preparatory	Jackson	5	K-5th	432
Leflore Legacy Academy	Greenwood	4	6th-8th	216
Revive	Jackson	2	K-2nd	249
SR1 College Preparatory and STEM Academy	Canton Public	1	K-1st	12
Instant Impact Global Prep	Natchez-Adams	1	K-2nd	82
TOTAL				3,386

SOURCE: PEER analysis of Mississippi Charter School Authorizer Board and Mississippi Department of Education data.

Clarksdale Collegiate Merger

At its April 2023 special called Board meeting, MCSAB voted to renew Clarksdale Collegiate's (K-8) charter contract for a 4-year term with conditions—including SMART goals for academics, SMART goals for monitoring and reporting, and a midterm school quality review visit—through SY 2026-2027.

MCSAB lacks a clear policy for merging schools regarding its lack of specificity concerning which aspects of a surviving LEA should remain (e.g., contract term lengths and conditions).

At its September 2023 Board meeting, MCSAB approved the application for Clarksdale Collegiate Prep (9-12) to open a charter high school for a 5-year term with SY 2025-2026 as its projected first year of operation.

At its April 2024 Board meeting, MCSAB approved Clarksdale Collegiate Prep's (9-12) charter contract. At that same meeting, it also approved Clarksdale Collegiate's (K-8) application to merge with Clarksdale Collegiate Prep (9-12).

According to MCSAB's policy on school mergers, approved in December 2023:

A merger occurs when two or more existing nonprofit corporations combine, with the corporate existence of one of the nonprofit corporations continuing as the surviving corporation while the corporate existence of the other nonprofit corporation terminates or when two public charter schools as Local Education Agencies (LEAs) under the same nonprofit corporation seek consolidation. (p.2)

If not merging nonprofit corporations, provide a plan that details the transfer of all assets and liabilities (physical and monetary) to the surviving LEA. (p.3)

At its June 2024 Board meeting, MCSAB approved the contract for the newly merged school (K-12) such that Clarksdale Collegiate (K-8) would be the surviving LEA because it was already an established school and so that current and future students who reside outside of Clarksdale Municipal School District could continue attending the newly merged K-12 school. Although Clarksdale Collegiate (K-8) was designated as the surviving LEA, MCSAB approved the newly merged school for a new 5-year term (SY 2024-2025 through SY 2028-2029) with one condition—a midterm site visit—rather than for Clarksdale Collegiate's (K-8) existing 4-year term with three conditions—SMART goals for academics, SMART goals for monitoring and reporting, and a midterm site visit.

MCSAB lacks a clear policy for merging schools regarding its lack of specificity concerning which aspects of a surviving LEA should remain (e.g., contract term lengths and conditions).

Charter School Performance

This chapter serves as an update to previous PEER reports on the following information:

- update on MCSAB’s evaluation of charter school performance;
- Mississippi Academic Assessment Program data for SY 2023-2024;
- charter school accountability grades for SY 2023–2024; and,
- interventions issued by MCSAB against charter schools in SY 2023-2024.

Update on MCSAB’s Evaluation of Charter School Performance

MCSAB annually assesses each charter school’s performance and develops a performance framework report for each school. For SY 2022-2023 (the most recent reports available), two schools met expectations in all three performance domains; two schools received mixed results; and the official performance framework reports were not provided for four schools.

According to MISS. CODE ANN. Section 37-28-29 (1972), charter contracts must include a performance framework that outlines academic and operational performance indicators as well as measures and metrics that will guide MCSAB’s evaluations of the charter school (e.g., student academic proficiency, financial performance, sustainability).

MCSAB must annually assess each charter school’s performance on the indicators listed in the performance framework.

In FY 2021, MCSAB contracted with a vendor to develop a performance framework that was more comprehensive than the one MCSAB had been using. MCSAB conducted a trial run of the new performance framework in FY 2022 prior to its full implementation in FY 2023.

Exhibit 4 on pages 11-12 shows how each charter school performed on the academic, financial, and organizational performance measures of MCSAB’s performance framework from SY 2018-2019 through SY 2022-2023. MCSAB’s SY 2023-2024 performance framework reports were not yet available during PEER’s fieldwork.

As of the time of PEER’s fieldwork, MCSAB had not provided official SY 2022-2023 performance framework reports for the RePublic Schools Reimagine Prep, Smilow Prep, Smilow Collegiate, and Revive. According to MCSAB staff, the reason official performance framework reports were not available for those schools was because of concurrent discussions between MCSAB and RePublic Schools, Inc., regarding the financial practices of RePublic Schools, Inc. For a more in-depth discussion on this topic, see page 23.

Exhibit 4 shows that both Midtown Public and Leflore Legacy Academy scored “Approaches Expectations” on each one’s academic performance domain while the other two schools—Clarksdale Collegiate and Ambition Prep—scored “Meets Expectations” on all three performance domains.

As noted in PEER report #697, state law seems to indicate that the decision of whether to renew a charter school must be based on the performance framework but that decisions related to renewal terms (e.g., length of renewal) may be based on factors outside of the performance framework (e.g., the particular circumstances of each school), which could lead to subjective decision-making.

According to MCSAB staff, the renewal process and rubric that was used during SY 2022-2023 to evaluate schools was also used in SY 2023-2024 and will be used in SY 2024-2025. A new renewal process will occur during SY 2025-2026. For further discussion on the renewal process, see page 27.

Exhibit 4: MCSAB Performance Framework Report Results for Each Charter School from SY 2018-2019 to SY 2022-2023

LEGEND:

Meets	Meets Expectations
Approaches	Approaches Expectations
N/A	School not in operation, received no rating, received COVID-19 waiver, or information was not available

Charter School	Performance Category	Performance Framework Used				
		Old			New	
		SY 2018-2019	SY 2019-2020	SY 2020-2021	SY 2021-2022	SY 2022-2023
Midtown Public (renewals in 2020 and 2023)	Academic Performance	Approaches	N/A	N/A	Meets	Approaches
	Financial Performance	Meets	N/A	Meets	Meets	Meets
	Organizational Performance	Meets	Approaches	Meets	Meets	Meets
Reimagine Prep (renewal in 2020)	Academic Performance	Meets	N/A	N/A	Meets	Not Provided
	Financial Performance	Meets	N/A	Meets	Meets	Not Provided
	Organizational Performance	Meets	Meets	Meets	Meets	Not Provided
Smilow Prep (renewal in 2021)	Academic Performance	Meets	N/A	N/A	Meets	Not Provided
	Financial Performance	Meets	N/A	N/A	Meets	Not Provided

Charter School	Performance Category	Performance Framework Used				
		Old			New	
		SY 2018-2019	SY 2019-2020	SY 2020-2021	SY 2021-2022	SY 2022-2023
	Organizational Performance	Meets	Meets	Meets	Meets	Not Provided
Smilow Collegiate (renewal in 2023)	Academic Performance	N/A	N/A	N/A	Meets	Not Provided
	Financial Performance	Meets	N/A	Meets	Meets	Not Provided
	Organizational Performance	Meets	Meets	Meets	Meets	Not Provided
Revive	Academic Performance	N/A	N/A	N/A	N/A	Not Provided
	Financial Performance	N/A	N/A	N/A	N/A	Not Provided
	Organizational Performance	N/A	N/A	N/A	N/A	Not Provided
Clarksdale Collegiate (renewal in 2023)	Academic Performance	N/A	N/A	N/A	Meets	Meets
	Financial Performance	Meets	N/A	N/A	Meets	Meets
	Organizational Performance	Meets	Meets	Meets	Meets	Meets
Ambition Preparatory (renewal in 2024)	Academic Performance	N/A	N/A	N/A	Meets	Meets
	Financial Performance	N/A	N/A	Meets	Meets	Meets
	Organizational Performance	N/A	Meets	Meets	Meets	Meets
Leflore Legacy Academy	Academic Performance	N/A	N/A	N/A	Meets	Approaches
	Financial Performance	N/A	N/A	Meets	Meets	Meets
	Organizational Performance	N/A	N/A	Meets	Meets	Meets

SOURCE: PEER analysis of data from the Mississippi Charter School Authorizer Board.

Mississippi Academic Assessment Program Data for SY 2023-2024

PEER analyzed SY 2023-2024 MAAP data, which showed that every charter school whose students took state assessments in both SY 2022-2023 and SY 2023-2024 had a higher percentage of students scoring at least proficient in SY 2023-2024 than in SY 2022-2023.

MAAP is a state assessment that measures students' knowledge, skills, and academic growth in third through eighth grades in English language arts (ELA), math, and science. ELA and math assessments are given in third through eighth grade, while the science assessment is given in fifth and eighth grade. The results of the MAAP assessments are key to determining four out of seven performance measures that make up each charter school's academic performance rating on the performance framework reports.

ELA

Students in seven of the ten charter schools took the MAAP English Language Assessment (ELA). Students who attended Revive, Instant Impact, and SR1 College Prep did not take the ELA assessment because those schools did not serve students in third grade or above (i.e., the years in which the MAAP ELA assessment is given) in SY 2023-2024.

All seven charter schools whose students took the ELA assessment showed that a higher percentage of their students scored at least proficient on the test in SY 2023-2024 compared to SY 2022-2023 results. In SY 2023-2024, Ambition Prep and Smilow Collegiate had higher percentages of students who scored at least proficient—34.4% and 34.2%, respectively—compared to the other charter schools.

In SY 2023-2024, Jackson Public School District (JPSD) had a higher percentage of students who scored at least proficient compared to the charter schools located within JPSD; however, Clarksdale Collegiate had a higher percentage of students who scored at least proficient compared to its home district, Clarksdale Municipal; while Leflore Legacy Academy had a lower percentage of students who scored at least proficient compared to its home district, Greenwood-Leflore Consolidated School District.

Math

Students in seven of the ten charter schools took the MAAP Math Assessment. Students who attended Revive, Instant Impact, and SR1 College Prep did not take the Math assessment because those schools did not serve students in third grade or above (i.e., the years in which the MAAP Math assessment is given) in SY 2023-2024.

All seven charter schools whose students took the Math assessment showed that a higher percentage of their students scored at least proficient on the test in SY 2023-2024 compared to SY 2022-2023 results. In SY 2023-2024, Smilow Prep, Leflore Legacy, and Reimagine Prep had higher percentages of students who scored at least proficient—34.8%, 31.3%, and 31.2%, respectively—compared to the other charter schools.

In SY 2023-2024, JPSD had a higher percentage of students who scored at least proficient compared to Midtown Public and Smilow Collegiate; but had a lower percentage of students who scored at least proficient compared to Reimagine Prep, Smilow Prep, and Ambition Prep. Clarksdale Collegiate and Leflore Legacy Academy both had higher percentages of students who scored at least proficient compared to their home districts.

Science

Students in six of the ten charter schools—Midtown Public, Reimagine Prep, Smilow Prep, Ambition Prep, Clarksdale Collegiate, and Leflore Legacy Academy—took the MAAP Science Assessment in SY 2023-2024.

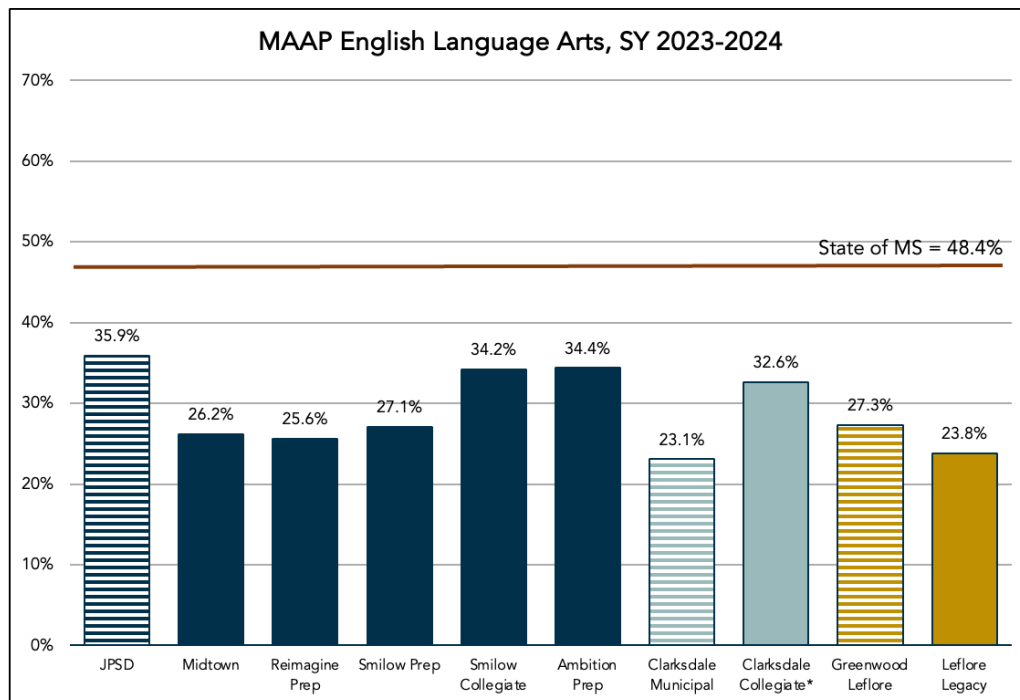
Of those six, the schools whose students took the Science Assessment during SY 2022-2023 showed that a higher percentage of their students scored at least proficient on the SY 2023-2024 test compared to SY 2022-2023 results. Ambition Prep did not have SY 2022-2023 results because it did not serve fifth or eighth grade that year. Ambition Prep and Smilow Prep had higher percentages of students who scored at least proficient in SY 2023-2024—61.2% and 56.1 percent, respectively—compared to the other charter schools.

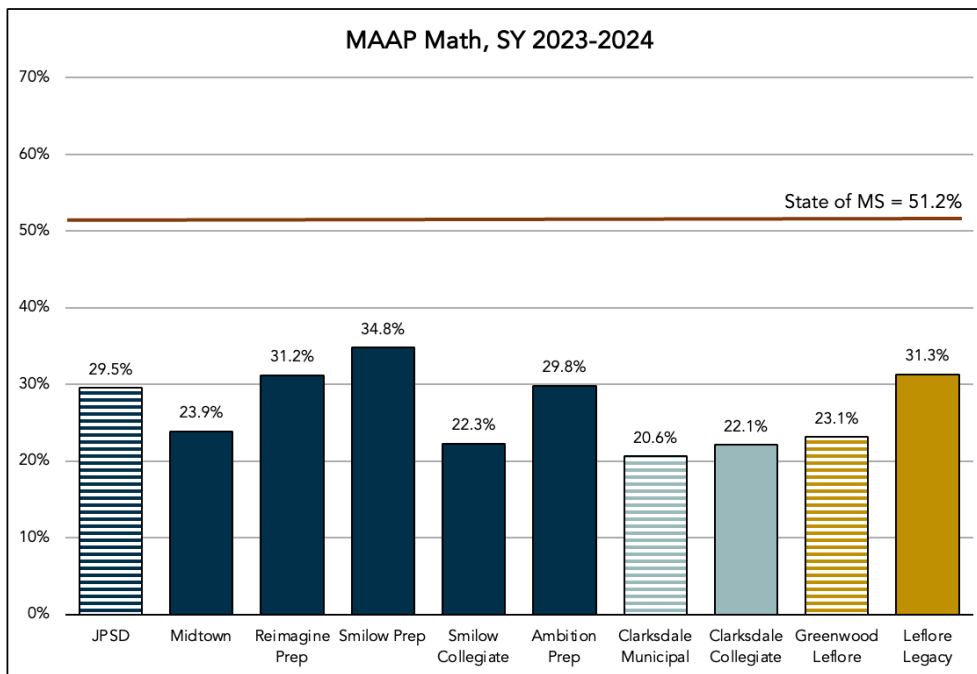
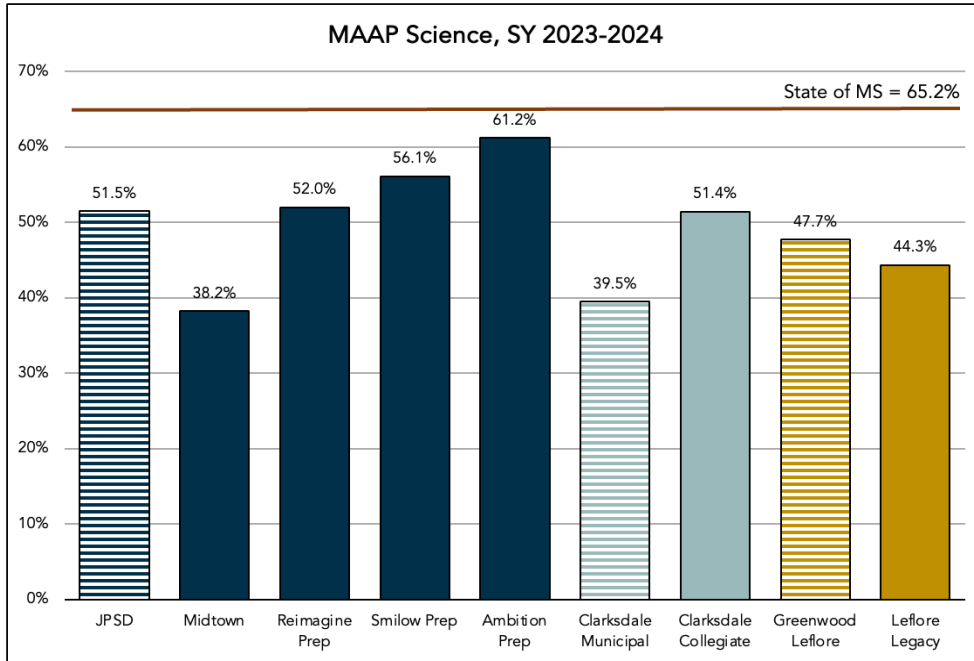
For SY 2023-2024, JPSD had a higher percentage of students who scored at least proficient compared to Midtown Public, but had a lower percentage of students who scored at least proficient compared to Reimagine Prep, Smilow Prep, and Ambition Prep. Clarksdale Collegiate had a higher percentage of students who scored at least proficient compared to Clarksdale Municipal School District; and Leflore Legacy Academy had a lower percentage of students who scored at least proficient compared to Greenwood-Leflore Consolidated School District.

Students at Smilow Collegiate, Revive, Instant Impact, and SR1 College Prep did not take the science assessment in SY 2023-2024 because those schools did not serve fifth or eighth grade students (i.e., the years in which the MAAP science assessment is given).

Exhibit 5 on pages 14-15 illustrates the percentage of charter school students that scored “proficient” on the MAAP ELA, math, and science assessments compared to their home districts and students statewide in SY 2023-2024.

Exhibit 5: Percentage of Charter School Students that Scored “Proficient” Compared to Home Districts and Students Statewide, SY 2023-2024





* For a discussion on Grade 3 Reading Test 2 testing irregularities at Clarksdale Collegiate, see page 20.

NOTE: Patterned columns represent home districts, and solid columns represent charter schools. Like colors indicate that schools are in the same geographic area.

NOTE: The data shown for JPSD, Clarksdale Municipal School District, Greenwood-Leflore Consolidated School District, and the State of Mississippi reflect only elementary and middle schools. Although the percentages for JPSD, Clarksdale Municipal School District, and Greenwood-Leflore Consolidated School District exclude data from charter schools, the percentages for the State of Mississippi include data from both charter schools and traditional school districts.

SOURCE: PEER analysis of Mississippi Department of Education data.

Charter School Accountability Letter Grades for SY 2023-2024

PEER analyzed SY 2023-2024 student accountability letter grades provided by MDE. These letter grades showed that six charter schools increased their letter grades compared to last year, one remained the same, and no charter schools received a lower letter grade.

Accountability letter grades are performance ratings of A, B, C, D, and F assigned by the Mississippi Statewide Accountability System, administered by MDE. Each school is graded based on established criteria regarding student achievement, individual student growth, graduation rate, and participation rate. The Mississippi State Board of Education typically approves accountability letter grades in the fall (September or October) for the previous school year.

Of the ten charter schools operating in SY 2023-2024, two received a higher accountability letter grade than their home districts; three received the same accountability letter grade as their home districts; two received a lower accountability letter grade than their home districts; and three—Revive, SR1 College Prep, and Instant Impact—were not yet eligible to receive an accountability letter grade.

Exhibit 6 on page 17 illustrates charter school accountability letter grades for SYs 2015-2016 through 2023-2024.

Smilow Prep and Ambition Prep both received a B, which was the highest accountability letter grade among the charter schools for SY 2023-2024. Smilow Prep increased two letter grades and Ambition Prep increased one letter grade between SY 2022-2023 and SY 2023-2024. Both Smilow Prep and Ambition Prep received accountability letter grades that were higher than the grade received by their home district—Jackson Public Schools, which received a C—for SY 2023-2024.

Reimagine Prep, Smilow Collegiate, and Leflore Legacy each received a C for SY 2023-2024. Reimagine Prep increased one letter grade between SY 2022-2023 and SY 2023-2024, while Smilow Collegiate and Leflore Legacy each increased two letter grades during the same period. All three charter schools received accountability letter grades that were equal to the letter grades received by their home districts—JPSD and Greenwood Leflore Consolidated School District, each of which received a C—for SY 2023-2024.

Midtown Public and Clarksdale Collegiate each received a D for SY 2023-2024. Midtown Public increased one letter grade between SY 2022-2023 and SY 2023-2024, while Clarksdale Collegiate received the same accountability letter grade it received for the past two years. Both schools received accountability letter grades that were lower than those received by their home districts—JPSD and Clarksdale Municipal, each of which received a C—for SY 2023-2024.

Each charter school's accountability letter grade is one of seven performance measures that make up each charter school's academic performance rating on the performance framework reports.

Exhibit 6: Mississippi Charter Schools' Accountability Letter Grades, School Years 2015-2016 through 2023-2024

Charter School	School Year								
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Midtown Public	F	F	F	D	D	No grade	D	F	D
Reimagine Prep	D	D	C	B	B	No grade	C	D	C
Smilow Prep	Not operating	D	D	C	C	No grade	C	D	B
Smilow Collegiate	Not operating	Not operating	Not operating	Not operating	No grade	No grade	B	F	C
Ambition Prep	Not operating	Not operating	Not operating	Not operating	No grade	No grade	No grade	C	B
Clarksdale Collegiate	Not operating	Not operating	Not operating	Not operating	No grade	No grade	D	D	D
Leflore Legacy	Not operating	Not operating	Not operating	Not operating	No grade	No grade	D	F	C
Revive	Not operating	Not operating	Not operating	Not operating	Not operating	Not operating	Not operating	No grade	No grade
Instant Impact	Not operating	Not operating	Not operating	Not operating	Not operating	Not operating	Not operating	Not operating	No grade
SR1 College Prep	Not operating	Not operating	Not operating	Not operating	Not operating	Not operating	Not operating	Not operating	No grade

NOTE: During SY 2019-2020 no state assessments were given; therefore, schools used their previous year's accountability letter grade. However, schools that were not operating the previous year did not have a letter grade for SY 2019-2020. Further, during SY 2020-2021, MDE did not have growth metrics for any schools, therefore MDE did not apply an accountability letter grade to any schools that year.

SOURCE: PEER analysis of Mississippi Department of Education data.

Interventions Issued by MCSAB Against Charter Schools in SY 2023-2024

In FY 2024 and early FY 2025, MCSAB had placed eight of its ten schools on some level of its Intervention Ladder for issues such as failure to meet enrollment obligations, weak or declining academic or financial performance, or for testing irregularities. Only two schools that were operating during SY 2023-2024 remained in good standing with MCSAB: Ambition Prep and Instant Impact Global Prep. MCSAB's implementation of its Intervention Ladder is an example of its transparency in addressing concerns regarding charter school performance.

MCSAB maintains an Intervention Ladder as part of its performance framework so that it can intervene when a charter school's academic, financial, or organizational performance does not meet MCSAB standards. MCSAB's implementation of its Intervention Ladder is an example of its transparency in addressing concerns regarding charter school performance. The Intervention Ladder is composed of three levels, as follows:

- Level 1 (Notice of Concern) may be issued when MCSAB has concerns about a school's performance or compliance. Some examples of performance that may result in the issuance of a Notice of Concern include, but are not limited to, when a school receives an overall rating of "approaches expectations" on any one area of the performance framework; or when a school shows signs of weak or declining financial, academic, and/or organizational performance. When the charter school remedies the concern, it may return to good standing.
- Level 2 (Notice of Breach) may be issued when MCSAB has reason to believe that a charter school may be in material violation of an applicable law, rule, policy, or contract provision. Some examples of a breach that may result in the issuance of a Notice of Breach include, but are not limited to, when a school shows continued signs of weak, academic, financial, or organizational performance; or when a school fails to submit the annual financial audit by the statutory deadline. When the charter school remedies the breach, it may return to good standing.
- Level 3 (Revocation Review) may be issued when MCSAB has reason to believe that a charter school may be at risk of contract revocation. Some actions that may result in the issuance of a Revocation Review include, but are not limited to, when a school commits a serious violation of the law, regulations, and/or the terms of the charter contract; or when a school fails to make substantive progress toward meeting the terms of its corrective action plan for a Notice of Breach.

SR1 College Prep

SR1 College Prep had originally planned to open during SY 2022-2023; however, in the Spring of 2022, it requested that MCSAB delay its opening for a one-year period for a few reasons. According to a letter dated June 1, 2022, from Barnes & Thornburg, LLP (who represented SR1 College Prep) to the executive director of MCSAB, SR1 College Prep was having difficulty securing an initial facility for the school; and as a result, it was having difficulty fully engaging potential families and building support for the new school. Additionally, it was working toward creating an organizational structure that would avoid any potential conflicts of interest between the school and its charter management organization, SR1.

SR1 College Prep's first year of operation was SY 2023-2024. Its contract stated that it would serve kindergarten and first grade students that year with an expected enrollment of 150 students total. According to MCSAB staff, SR1 leadership had assured MCSAB that it would have sufficient enrollment to begin operating during SY 2023-2024. In the Fall of 2023, MCSAB staff became aware that only 12 students were enrolled at SR1 College Prep.

At its Board meeting on October 23, 2023, MCSAB placed SR1 College Prep on Level 3 of the Intervention Ladder (Revocation Review) based on the school's enrollment, organizational concerns, and financial health concerns. In addition to the low enrollment, SR1 had also failed to submit a number of items that had been due prior to the start of SY 2023-2024. MCSAB requested that SR1 College Prep submit the required documents along with a corrective action plan (CAP). In the Spring of 2024, SR1 College Prep submitted its CAP to MCSAB along with all documents that had been requested by MCSAB.

At its Board meeting on April 8, 2024, MCSAB voted to move SR1 College Prep from Level 3 of the Intervention Ladder (Revocation Review) to Level 1 (Notice of Concern) based on documents and information presented by SR1 College Prep and to ensure equal treatment of schools (i.e., other schools that had not met their enrollment projections had been placed on Notice of Concern rather than Revocation Review). MCSAB subsequently notified SR1 that, pursuant to its charter contract, it was obligated to enroll 225 students for SY 2024-25; and as part of the requirements for SR1 College Prep to return to good standing, it was to provide documentation to MCSAB indicating the commitment of parents to enroll their children in SR1 College Prep. However, according to MCSAB staff, SR1 College Prep did not meet the enrollment requirement of 225. Despite this, the Board took action to allow SR1 College Prep to operate during SY 2024-2025.

As of September 24, 2024, SR1 College Prep's unofficial enrollment totaled 89 students. As of October 28, 2024, SR1 had not submitted its official SY 2024-2025 enrollment numbers to MDE.

Clarksdale Collegiate

On November 2, 2023, MCSAB placed Clarksdale Collegiate on Level 2 of the Intervention Ladder (Notice of Breach) because Clarksdale Collegiate had failed to submit its annual audit by the due date. Clarksdale Collegiate subsequently remedied the breach by submitting its FY 2023 audit.

The results of the audit revealed that for a third consecutive year Clarksdale Collegiate showed material weaknesses in internal controls. Additionally, Clarksdale Collegiate's annual performance reports showed weak academic performance for a second consecutive year.⁶

Because of these financial and academic weaknesses, MCSAB placed Clarksdale Collegiate on Level 1 of the Intervention Ladder (Notice of Concern) on February 16, 2024, noting that when Clarksdale Collegiate remedies these concerns, it may return to good standing. Clarksdale Collegiate subsequently remedied the financial weaknesses aspect of the concern by submitting its FY 2024 audit showing no material weaknesses. However, academic concerns remained because Clarksdale Collegiate's SY 2022-2023 annual performance report showed weak academic performance for two performance measures (state accountability letter grade and academic proficiency) for a second consecutive year.

⁶ Each of MCSAB's performance domains (academic, financial, and organizational) is composed of performance indicators; and performance indicators are composed of performance measures. Therefore, it is possible for a charter school to show weaknesses in performance measures or performance indicators while still showing that it "meets expectations" in a performance domain. This is the case with Clarksdale Collegiate, as shown in Exhibit 4 on page 11.

In addition, at MCSAB's meeting on September 30, 2024, it placed Clarksdale Collegiate on Level 3 of the Intervention Ladder (Revocation Review) because of verified testing irregularities caused by educator coaching which occurred at the school during the 2024 Grade 3 Reading Retest 2.

Testing irregularities which led to revocation review

In a letter from MDE to the executive director of Clarksdale Collegiate, dated July 15, 2024, MDE staff explained that in its annual statistical analysis of assessment results for every MAAP test that is administered statewide, it detected anomalies showing that "tests with instances of wrong-to-right answer changes and statistically significant score [gains]" were "inconsistent with established patterns of achievement." MDE requested that Clarksdale Collegiate conduct an inquiry into the situation and submit the results of its investigation to MDE.

In a letter dated August 5, 2024, the executive director of Clarksdale Collegiate provided the results of its investigation to MDE, stating that two Clarksdale Collegiate employees "violated school testing procedures by 'interfering with responses' during the test administration by continuously and excessively prompting scholars to recheck questions already answered." As a result, Clarksdale Collegiate demoted both employees and stated that both would no longer be involved in testing at the school.

In a letter dated August 9, 2024, MDE staff notified the executive director of Clarksdale Collegiate that, based on its review of documentation submitted by Clarksdale Collegiate, it determined that educator coaching had occurred. Therefore, MDE invalidated the Grade 3 Reading Retest 2 of the affected students and offered Clarksdale Collegiate the option to either accept a final retest opportunity for the eight affected students or to retain the students.

According to MDE staff, Clarksdale Collegiate cooperated with the retest of students that were still enrolled in the school. MDE conducted the retesting.

Penalties applied to Clarksdale Collegiate by MCSAB and MDE

In its letter to Clarksdale Collegiate dated October 18, 2024, MCSAB stated that in order to return to good standing, Clarksdale Collegiate must take a number of actions including, but not exclusive to, the following:

- develop a CAP to remove deficiencies in relation to testing irregularities and systems for promotion of students;
- comply with MISS. CODE ANN. Section 37-28-49 (4) (a) (1972) by terminating staff involved in the educator coaching; and,
- accomplish the 2025 testing and retesting without any testing irregularities.

In addition to MDE's response to the investigation made by Clarksdale Collegiate, an investigation under MDE's Office of Educator Misconduct remains open.

Leflore Legacy Academy

On February 16, 2024, MCSAB placed Leflore Legacy Academy on Level 1 (Notice of Concern) of the Intervention Ladder because the results of its annual performance reports for SY 2021-2022 and SY 2022-2023 showed weak or declining academic and financial performance over time.

Specifically, Leflore Legacy Academy was rated a “D” on its academic performance for SY 2021-2022 and was rated an “F” on its academic performance for SY 2022-2023. On its financial performance for SY 2021-2022 and 2022-2023, Leflore Legacy Academy “approached expectations” on the measure that evaluates how well a school is meeting its board approved budget enrollment targets.

Leflore Legacy Academy remains under the Notice of Concern pending the results of its SY 2023-2024 performance framework report, which was not yet available during PEER’s fieldwork.

Midtown Public

On February 16, 2024, MCSAB placed Midtown Public on Level 1 (Notice of Concern) of the Intervention Ladder because the results of its annual performance reports for SY 2021-2022 and SY 2022-2023 showed weak or declining academic performance over time.

Specifically, like Leflore Legacy Academy, Midtown Public was rated a “D” on its academic performance for SY 2021-2022 and was rated an “F” on its academic performance for SY 2022-2023. Midtown also “approached expectations” on its academic proficiency indicator for both SY 2021-2022 and SY 2022-2023.

Midtown remains under the Notice of Concern pending the results of its SY 2023-2024 performance framework report, which was not yet available during PEER’s fieldwork.

RePublic Schools

MCSAB placed all four Mississippi RePublic charter schools on Notice of Concern

During MCSAB’s SY 2021-2022 annual performance framework review of Smilow Collegiate at the end of 2022, it determined that Smilow Collegiate had only nine days cash on hand. RePublic Schools, Inc. (RSI), the charter management organization (CMO) for Smilow Collegiate and three other charter schools, stated to MCSAB that the CMO as a whole maintained enough cash on hand and that it treats its charter schools as members of one district. MCSAB’s concern then extended beyond Smilow Collegiate, but to all of RSI’s Mississippi-based charter schools. In addition, MCSAB staff stated to PEER that it was concerned about the possible commingling of funds. Therefore, on February 23, 2023, MCSAB placed all four RePublic Schools—Reimagine Prep, Smilow Prep, Smilow Collegiate, and Revive—on Level 1 of the Intervention Ladder (Notice of Concern).

MCSAB placed all four Mississippi RePublic charter schools on Notice of Breach

MCSAB contracted with Matthews, Cutrer & Lindsay, P.A., to provide a financial analysis of RePublic Schools, Inc., and its related entities as they related to charter school fiscal responsibilities and financial practices.

As a result of MCL’s findings—namely for violations of MISS. CODE ANN. Section 37-28-39 (1972) which require that (1) each charter school that is part of a charter contract be separate and distinct from any other charter school, (2) a charter school must function as a local education agency, and (3) that charter schools adhere to GAAP (generally accepted accounting principles)—MCSAB placed the four RSI schools on Level 2 of the Intervention Ladder (Notice of Breach) on April 17, 2024.

Steps to avoid Revocation Review

To avoid placing each of the RePublic Schools on Revocation Review, MCSAB met with RSI staff during the executive session portion of its June 10, 2024, Board meeting. Subsequently, on June 30, 2024, MCSAB and RSI entered into a Memorandum of Understanding (MOU) in which they agreed that the Notice of Concern and Notice of Breach previously issued would be withdrawn so that the parties could engage in good faith negotiations; and that RSI would present a proposal to MCSAB for reorganizing in order to resolve the related issues. MCSAB approved RSI's proposal during its September 30, 2024, Board meeting.

The next chapter provides a more in-depth discussion on MCL's report and RSI's proposal.

Financial Practices of RePublic Schools, Inc.

This chapter addresses the following topics:

- summary and analysis of an independent accountant’s report;
- conclusion and recommendations of the independent accountant’s report; and,
- problems with RSI’s proposal for operational modifications.

Summary and Analysis of Independent Accountant’s Report

MCSAB contracted with Matthews, Cutrer & Lindsay, P.A. (MCL), to provide a financial analysis of RePublic Schools, Inc. (RSI), and its related entities as they related to charter school fiscal responsibilities and financial practices. Among its findings, MCL noted that RSI’s accounting procedures and records lack transparency.

During its analysis of MCSAB expenditures, PEER requested all contracts to which MCSAB was a party during FY 2024. In response to that request, MCSAB provided a copy of its contract with Matthews, Cutrer & Lindsay, P.A. (MCL). MCSAB contracted with MCL to provide a financial analysis of RePublic Schools, Inc., and its related entities as they related to charter school fiscal responsibilities and financial practices. As is standard during fieldwork, PEER requested and received the deliverable that resulted from that contract, which was a report by MCL.

RSI accounting procedures and records lack transparency

MISS. CODE ANN. Section 37-28-39 (4) states:

To the extent approved by the authorizer, a charter contract may consist of one or more schools. Each charter school that is part of a charter contract must be separate and distinct from any other charter school.

MCL’s report noted several instances in which RSI’s accounting records do not meet the legal requirement of “separate and distinct from any other charter school.” As a result of these instances, PEER reasons that RSI’s financial operations and records lack transparency and accuracy which could hinder MCSAB from obtaining an accurate view of RSI’s financial position and operations.

Lack of financial separation between charter schools

- MDE funding for three RSI charter schools is deposited into one bank account and then allocated to the respective schools via intercompany transactions; no cash is transferred between entities to clear intercompany balances;

- Payroll for RSI's four charter schools is paid from one bank account and then allocated to the respective schools through intercompany transactions; no cash is transferred to clear the intercompany balances; and,
- A significant portion of RSI's normal operating expenses are paid from one bank account and then allocated to the respective schools via intercompany transactions; no cash is transferred between entities to clear intercompany balances.

Lack of financial separation between RSI and RePublic Schools Nashville (RSN)

- According to RSI's management, RSI and RSN (which are related parties) share expenses to improve buying power and reduce costs. RSI and RSN also share employees. The shared expenses and employee costs are accounted for through intercompany transactions, but no money is received or paid to reimburse these transactions; and,
- RSI has a management contract with RSN to provide RSN management services in exchange for a monthly fee. In one instance, the monthly fee was not received from RSN but instead, RSN paid health insurance for RSI to offset the monthly service fee owed to RSI.

Such transactions obscure the true nature of expenses between the entities and RSI's financial position.

RSI has not adhered to generally accepted accounting principles

MCL determined that RSI has not been adhering to generally accepted accounting principles.

MISS. CODE ANN. Section 37-28-57 (1) states:

A charter school must adhere to generally accepted accounting principles.

MCL stated that RSI's charter schools' June 30, 2023, financial statements submitted to MCSAB were not prepared in accordance with generally accepted accounting principles (GAAP), which are the standard accounting rules and guidelines for preparing and reporting financial statements in the United States. PEER notes that in addition to not following state law, using a method of accounting other than GAAP for the preparation of financial statements inhibits third parties from obtaining a clear view of the financial position of RSI's charter schools.

RSI's charter schools do not function as local education agencies

MISS. CODE ANN. Section 37-28-39 (6) states:

A charter school must function as a local education agency, and as such, a charter school is responsible for meeting the requirements of local education agencies under applicable federal laws, including those relating to special education, receipt of funds, and compliance with funding requirements.

As noted, RSI and RSN are related entities sharing board members, co-guaranteeing debt, commingling funds, and sharing expenses which, although accounted for through intercompany transactions, are not being cleared.

Conclusion and Recommendations of Independent Accountant's Report

Due to a lack of transparency regarding RSI's financial records, MCL could not verify that all MDE funding received by RSI was spent on Mississippi students and schools. MCL's recommendations included that each charter school be separate and distinct from other charter schools, that schools should not have transactions with RSN, that Mississippi schools' money be held in Mississippi bank accounts, and that charter schools follow the MDE chart of accounts for transparency.

Based on its review, MCL made the following conclusion:

RSI's current accounting practices and procedures create a lack of transparency into each school's true financial performance. Based on the information provided, we cannot verify that all of the MDE funding received by RSI was spent on Mississippi students/schools.

MCL recommended the following actions:

- Each school should be separate and distinct from other charter schools.
 - A bank account for each school should be opened.
 - Each school's income and expenditures should go through its respective bank accounts.
 - Intercompany accounts should be eliminated.
 - Each school's payroll should be funded from its respective bank account.
 - Each school's accounts payable should be funded from its respective bank accounts.
- Schools should not have transactions with RSN.
- Mississippi schools' money should be held in Mississippi bank accounts.
- Charter schools should follow the MDE chart of accounts for transparency.
- Consolidated financial statements of all of RSI's entities could be allowed if consolidating schedules are included to allow MCSAB to perform financial analysis for each charter school.

Problems with RSI's Proposal for Operational Modifications

RSI's proposal for operational modifications does not specifically address the issues raised by MCL. Under RSI's proposal, current processes and procedures could still be conducted through the CMO rather than complying with MCL's recommendations. Unless RSI changes the policies, procedures, and practices of its accounting operations, simply using a new CMO does not change the current accounting environment and the resulting issues noted in MCL's report.

As noted on page 22, RSI was to present a proposal to MCSAB for reorganizing in order to resolve the related issues. RSI presented its proposal to MCSAB during the executive session portion of MCSAB's September 30, 2024, meeting. MCSAB accepted RSI's proposal.

RSI's Proposal for Operational Modifications

RSI stated that its proposal was intended to increase transparency of its operations; to demonstrate that each of its Mississippi schools is separate and distinct; and to demonstrate a more distinct separation between RSN and RSI.

RSI proposed:

- to form a new Mississippi non-profit corporation, pending IRS approval, into which RSI will move its charter management organization's (CMO) operations, assets, and liabilities;
- that the new CMO will enter into individualized agreements with each of RSI's existing schools to assist in the management of each school bringing the educational and financial efficiencies of a centralized office with expertise in school management;
- that the new CMO will enter into an agreement with RSN and the existing agreement between RSI and RSN will be terminated;
- that RSI and RSN will have separate boards and will not have common members;
- that RSI will prepare consolidated financial statements with individual financial information for each school in supplemental pages; and,
- that RSI will continue to grant MCSAB accountants access to Bill.com, applicable checking accounts, and RSI's accountants (to provide context and analysis)—as needed and upon periodic request—as RSI has done previously.

Deficiencies Regarding RSI's Proposal

PEER notes that one of MCL's main recommendations dealt with RSI's charter schools being separate and distinct—with each charter school having its own bank accounts, having transparent and clear accounting records for each school, and ceasing to use intercompany transactions.

RSI's proposal states that a new CMO will be formed which will enter into agreements with each charter school. However, such an arrangement does not specifically address the issues raised by MCL. Notably, RSI does not commit to separate bank accounts or to cease using intercompany transactions. Under RSI's proposal, current processes and procedures could still be conducted through the CMO rather than complying with MCL's recommendations. Unless RSI changes the policies, procedures, and practices of its accounting operations, simply using a new CMO does not change the current accounting environment and the resulting issues noted in MCL's report.

Charter School Renewals

This chapter serves as an update to previous PEER reports on the following information:

- charter school renewals in FY 2024; and,
- charter schools in conditional renewal status and upcoming charter school renewal.

Charter School Renewal in FY 2024

MCSAB renewed the charter contract for Ambition Prep, whose term ended at the conclusion of SY 2023-2024. Ambition Prep was renewed for a five-year term with no conditions.

As stated in MISS. CODE ANN. Section 37-28-33 (1972):

A charter may be renewed for successive five-year terms of duration. The authorizer may grant renewal with specific conditions for necessary improvements to a charter school and may lessen the renewal term based on the performance, demonstrated capacities and particular circumstances of each charter school.

According to MISS. CODE ANN. Section 37-28-33, MCSAB is required to issue charter renewal application guidance each year before September 30 to any charter school whose term will expire the following year. MCSAB used the same renewal guidance and rubric it used last year. It expects to use a new renewal process in SY 2025-2026. On September 28, 2023, MCSAB notified Ambition Prep, whose contract would end at the conclusion of the 2023-2024 school year, that it was eligible to apply for renewal.

MCSAB expects to use a new renewal process in SY 2025-2026.

At its Board meeting on December 11, 2023, MCSAB approved a contract with a third-party evaluator for charter school renewal evaluation support.

The third-party evaluator scored Ambition Prep as “meets expectations” in all three performance domains—academic, financial, and organizational. These scores are consistent with the scores Ambition Prep received on its performance framework reports since it began operating in SY 2019-2020.

On March 6, 2024, the third-party evaluator released the renewal recommendation report to MCSAB for Ambition Prep. In April 2024, MCSAB voted to renew Ambition Prep for a five-year term.

According to MCSAB staff, the renewal process and rubric that was used during SY 2022-2023 to evaluate schools was also used in SY 2023-2024 and will be used in SY 2024-2025. A new renewal process will occur during SY 2025-2026.

Upcoming Charter School Renewals

Three charter schools—Reimagine Prep, Smilow Prep, and Leflore Legacy Academy—have terms that end in 2025, at which time MCSAB will consider a renewal contract. Three charter schools are currently under renewal contracts with conditions—Smilow Prep, Midtown Public, and Clarksdale Collegiate (K-12). Smilow Prep’s renewal term is approved through SY 2024-2025, Midtown Public’s renewal term is approved through SY 2026-2027, and Clarksdale Collegiate’s (K-12) renewal term is approved through SY 2028-2029.

Upcoming Charter School in Renewals in 2025

Reimagine Prep, Smilow Prep, and Leflore Legacy Academy will be eligible for renewal in 2025:

- Both Reimagine Prep and Smilow Prep will complete their second charter terms at the end of SY 2024-2025.
- Leflore Legacy Academy will complete its first charter term at the end of SY 2024-2025.

Charter Schools in Conditional Renewal Status

Smilow Prep, Midtown Public, and Clarksdale Collegiate (K-12) are currently in conditional⁷ renewal status:

- In June 2021, MCSAB approved a four-year renewal contract with Smilow Prep through SY 2024-2025, with conditions.
- In April 2023, MCSAB approved a four-year renewal contract with Midtown Public through SY 2026-2027, with conditions.
- In April 2023, MCSAB approved a four-year renewal contract with Clarksdale Collegiate (K-8) through SY 2026-2027, with conditions; however, because of its merger with Clarksdale Collegiate Prep (9-12), which held a five-year contract with no conditions with MCSAB, the newly merged K-12 school now holds a five-year contract with MCSAB through SY 2028-2029, with one condition.

⁷ Examples of conditions include developing a teacher certification plan ensuring no more than 25% of teachers are exempt from state licensure programs, developing and monitoring SMART—specific, measurable, achievable, realistic, and timebound—goals, and undergoing a mid-term site visit and school quality review.

Sufficiency of Funding for Charter Schools

MISS. CODE ANN. Section 37-28-37 (2) requires, in part, that the PEER Committee prepare an annual report assessing the sufficiency of funding for charter schools. This chapter addresses the following issues regarding the sufficiency of charter school funding:

- state-level funding;
- funding from local ad valorem taxes;⁸
- federal funding;
- funding from other sources, such as grants and gifts; and,
- charter school funding received.

PEER notes that the information provided in this chapter reflects how the state funding formula was calculated for SY 2023-2024. The new funding formula took effect starting with SY 2024-2025, which will be discussed in next year's report.

Sufficiency of State-level Funding

For FY 2024, MDE distributed Mississippi Adequate Education Program funding to charter schools in the same manner as the local public-school districts in which they are located.

The Mississippi Legislature defines what constitutes adequate funding to public schools through a formula known as the Mississippi Adequate Education Program (MAEP). MISS. CODE ANN. Section 37-151-5 (a) (1972) states:

"Adequate program" or "adequate education program" or "Mississippi Adequate Education Program (MAEP)" shall mean the program to establish adequate current operation funding levels necessary for the programs of such school district to meet at least a successful Level III rating of the accreditation system as established by the State Board of Education using current statistically relevant state assessment data.

Different stakeholders may define "adequate funding" and "sufficient funding" in varying terms, but for purposes of this review, to assess the sufficiency of funding for charter schools as required by statute, PEER equates sufficient funding to the Legislature's definition of adequate funding through the MAEP formula.

⁸ According to Investopedia, an ad valorem tax is a tax based on the assessed value of an item, such as real estate or personal property.

For FY 2024, MDE distributed MAEP funding to charter schools in the same manner as the local public-school districts in which they are located.⁹ For example:

- MDE distributed MAEP funding to Midtown Public, Reimagine Prep, Smilow Prep, Smilow Collegiate, Ambition Prep, and Revive in a manner consistent with its provision of MAEP funds to JPSD;
- MDE distributed MAEP funding to Clarksdale Collegiate in a manner consistent with its provision of MAEP funds to the Clarksdale Municipal School District;
- MDE distributed MAEP funding to Leflore Legacy Academy in a manner consistent with its provision of MAEP funds to the Greenwood-Leflore Consolidated School District;
- MDE distributed MAEP funding to Instant Impact Global Prep in a manner consistent with its provision of MAEP funds to the Natchez-Adams School District; and,
- MDE distributed MAEP funding to SR1 College Preparatory and STEM Academy in a manner consistent with its provision of MAEP funds to the Canton Public School District.

Sufficiency of Funding from Local Ad Valorem Taxes

For FY 2024, the ten operating charter schools received local support payments from ad valorem taxes in a manner consistent with MISS. CODE ANN. Section 37-28-55 (2) and (3) (1972). However, the local ad valorem pro rata calculation required by the statute provides unequal shares between charter schools and school districts.

Under MISS. CODE ANN. Section 37-57-104 (1972), during the submission of its annual budget, the school board of each school district sets local funding for public-school districts up to a maximum of fifty-five mills.¹⁰ Further, MISS. CODE ANN. Section 37-28-55 (2) requires each school district in which a charter school is located to distribute a pro rata¹¹ share of local ad valorem funds to all charter schools in the district.¹² Under MISS. CODE ANN. Section 37-28-55 (3), effective July 1, 2016, if a student who resides in one school district attends a charter school located in another school district, the district in which the student resides distributes its pro rata share of local ad valorem support funds to the charter school the student attends.

For purposes of this review, PEER equates the sufficiency of local funding levels for each charter school to the funding levels provided to other schools in the same district. For FY 2024, the ten

⁹ Charter schools and the school districts in which they are located receive the same amount of per-pupil MAEP funding before add-ons but receive different amounts of per-pupil add-ons. For charter schools: SY 2023–2024 per-pupil amounts are based on SY 2023–2024 enrollment projections for each charter school. MISS. CODE ANN. Section 37-28-55 (1) (b) states that the enrollment figure used for MAEP funding for charter schools is to be the projected enrollment stated in the charter school contract.

¹⁰ For the purpose of property tax assessment, one mill represents \$1 in property taxes for every \$1,000 in assessed property value.

¹¹ According to Investopedia, pro rata is a Latin term used to describe a proportionate allocation.

¹² If the school district does not pay the required local amount to the charter school before January 16, MDE shall reduce the local school district's January transfer of MAEP funds by the amount owed to the charter school and shall redirect that amount to the charter school.

operating charter schools received local support payments from ad valorem taxes in a manner consistent with MISS. CODE ANN. Section 37-28-55 (2) and (3).

In 2016, the Legislature amended the "Mississippi Charter Schools Act" to allow students in school districts rated "C," "D," or "F" to cross district lines to attend charter schools. In SY 2023-2024 for the ten charter schools in operation in Mississippi, per-pupil local support payments were based on ad valorem tax receipts received by a student's district of residence for the previous fiscal year.

Pro Rata Share of Local Ad Valorem Taxes to Charter Schools

Regarding local ad valorem taxes to be paid to charter schools, MISS. CODE ANN. Section 37-28-55 (2) requires the following:

For students attending a charter school located in the school district in which the student resides, the school district in which a charter school is located shall pay directly to the charter school an amount for each student enrolled in the charter school equal to the ad valorem tax receipts and in-lieu payments received per pupil for the support of the local school district in which the student resides.

Determining the pro rata share of local ad valorem taxes to be remitted to charter schools in accordance with the provisions of MISS. CODE ANN. Section 37-28-55 (2) and (3) results in the charter schools receiving more funds per pupil than the school district in which the student resides.

Subsection (3) of Section 37-28-55 requires that the pro rata amount must be calculated by dividing the local school district's months one through nine average daily membership (ADM)¹³ of the previous year into the total amount of ad valorem receipts and in-lieu receipts.

For example, the total amount of ad valorem receipts collected by JPSD during SY 2022-2023 was \$67,554,484.36. Months one through nine of ADM, not including students enrolled in charter schools was 17,779. During SY 2023-2024, there were seven charter schools with a total enrollment of 2,724 operating within JPSD.

To determine the pro rata share of local ad valorem tax collections to be remitted to the charter schools, JPSD divided the total collections (\$67,554,484.36) by the district's enrollment¹⁴ (17,779 students), which resulted in a per-pupil amount of \$3,799.68 for the charter schools. JPSD then multiplied the per-pupil amount (\$3,799.68) by the charter schools' student enrollment¹⁵ (2,724) to determine the pro rata share of ad valorem tax collections to be remitted to the charter schools—i.e., \$10,350,328.32.

Because state law does not require a home district to calculate total enrollment to include all students living within the district by adding the enrollment of charter schools operating within a district to the enrollment for the district, the home district receives a lower per-pupil pro rata share of local ad valorem collections. In the case of JPSD for SY 2023-2024, charter schools operating within the district received a per-pupil local ad valorem amount of \$3,799.68 while JPSD received a per-pupil local ad valorem amount of \$3,217.51, a difference of \$582.17 per pupil. Exhibit 7 on

¹³ ADM is the average number of students per day who are enrolled. This is different from ADA, which is the average number of students per day recorded as "present."

¹⁴ ADM for months one through nine of the previous year.

¹⁵ ADM for month one of the current year.

page 32 illustrates how the difference in per-pupil ad valorem funding between JPSD has increased each year since FY 2017 in favor of the charter schools.

Exhibit 7: Comparison of Charter School* Per-pupil Ad Valorem Funding to JPSD Per-pupil Ad Valorem Funding, FY 2017 through FY 2024

Fiscal Year	Charter School Per-pupil Ad Valorem Funding	JPSD Per-pupil Ad Valorem Funding	Per-pupil Difference	Total Dollar Amount of Unequal Funding
FY 2017	\$2,700.93	\$2,649.85	\$51.08	\$25,767
FY 2018	\$2,782.15	\$2,684.18	\$97.97	\$87,440
FY 2019	\$2,922.39	\$2,754.45	\$167.94	\$225,997
FY 2020	\$3,011.84	\$2,774.12	\$237.72	\$403,428
FY 2021	\$3,276.39	\$2,948.06	\$328.33	\$649,964
FY 2022	\$3,650.20	\$3,240.88	\$409.32	\$821,490
FY 2023	\$3,716.85	\$3,231.35	\$485.50	\$1,045,194
FY 2024	\$3,799.68	\$3,217.51	\$582.17	\$1,375,134

* For this exhibit, the charter schools are those within the geographical boundaries of JPSD.

SOURCE: PEER analysis of Mississippi Department of Education documents.

As the number of charter schools grows, this statutory calculation will affect the school districts more adversely, particularly districts in which multiple charter schools are operating.

As shown in Exhibit 7, the amount of unequal local ad valorem funding between JPSD and the district’s charter schools from FY 2017 to FY 2024 ranged from \$25,767 in FY 2017 to \$1,375,134 in FY 2024. The total dollar amount of unequal funding from FY 2017 to FY 2024 was \$4,634,414.

PEER notes that per MISS. CODE ANN. Section 37-151-211 (2) (b) (ii)—a component of the Mississippi Student Funding Formula which became effective July 1, 2024—students in traditional public schools and students in charter schools now receive equal shares of local ad valorem revenue beginning during SY 2024-2025.

Sufficiency of Federal Funding

Federal funds received by MDE are distributed to each public-school district and charter school based on the school’s ability to meet federal program requirements. In FY 2024, the charter schools that were operating that year received federal grant funds totaling \$16,426,383, including \$246,468 from the Charter Schools Program grant through MCSAB.

MISS. CODE ANN. Section 37-28-55 (4) (a) requires MDE to direct to each qualified charter school a proportional share of all monies generated under applicable federal programs and grants. MDE receives federal grant funds and distributes them to each qualified school based on the standards

set forth in each grant's program and agreement and the school's ability to meet these specifications. MDE must comply with the distribution requirements specified by each federal program or grant. The federal government audits the distribution of these funds for compliance with stated program and grant requirements.

Within this framework for the distribution of federal funds, charter schools have equal access to apply for and receive federal funds. Regarding sufficiency, the amount a charter school receives in federal funds depends on its characteristics related to meeting the requirements set forth by the federal program or grant.

In FY 2024, charter schools that were operating that year received federal grant funds totaling \$16,426,383, including \$246,468 from the CSP grant.¹⁶

Sufficiency of Funding from Other Sources

Charter schools apply for grants, gifts, and donations from other sources. In FY 2024, Mississippi's charter schools received \$3,399,226 from other sources.

MISS. CODE ANN. Section 37-28-59 (2) (1972) grants charter schools the authority to receive other forms of support (e.g., charitable contributions and private grants). Like federal funds, these other sources of revenue are variable and depend upon a charter school's ability to apply successfully for grants and to attract donations and gifts from other sources. Therefore, sufficiency of funding from these sources is unique to each charter school, and the amount received from these sources will vary among charter schools.

In FY 2024, charter schools received \$3,399,226 from other sources including contributions, grants, donations, and other miscellaneous revenue.

Charter School Funding Received

In FY 2024, the ten operating charter schools received between \$1.1 million and \$8.8 million from MAEP funding, local ad valorem taxes, federal funds, and other sources.

Exhibit 8 on page 34 details the amounts received by each charter school in FY 2024. Amounts are organized by funding source.

¹⁶ For a description of grant programs that provide funding to Mississippi's charter schools, see Appendix D on page 42 in the *FY 2017 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board* (PEER Report #615).

Exhibit 8: Charter School Revenues in FY 2024, by Funding Source

Charter School	MAEP ¹	FY 2023 ADA Adjustment ²	Local Ad Valorem Taxes	CSP Funds through MCSAB	Other Federal Funds ³	Other ⁴	Total
Midtown Public	\$2,092,627	\$(273,035)	\$1,405,972	N/A	\$1,253,132	\$283,728	\$4,762,424
Reimagine Prep	\$3,341,925	\$(625,080)	\$2,008,348	N/A	\$2,232,492	\$329,254	\$7,286,939
Smilow Prep	\$3,331,298	\$(282,467)	\$2,148,340	N/A	\$2,745,842	\$367,739	\$8,310,752
Smilow Collegiate	\$3,195,835	\$(241,082)	\$2,176,876	N/A	\$2,266,479	\$225,519	\$7,623,627
Ambition Prep	\$2,669,990	\$(145,697)	\$1,798,493	N/A	\$2,132,822	\$122,280	\$6,577,888
Clarksdale Collegiate	\$3,758,302	\$(170,223)	\$1,355,925	N/A	\$3,061,937	\$778,577	\$8,784,518
Leflore Legacy	\$1,790,227	\$(344,321)	\$675,362	N/A	\$1,185,352	\$638,240	\$3,944,860
Revive	\$2,060,804	\$(497,531)	\$1,087,383	\$246,468	\$659,775	\$544,370	\$4,101,269
Instant Impact	\$957,545	N/A	\$413,289	N/A	\$520,678	\$74,117	\$1,965,629
SR1 College Prep	\$939,613	N/A	\$74,364	N/A	\$121,406	\$35,402	\$1,170,785
Total	\$24,138,166	\$(2,579,436)	\$13,144,352	\$246,468	\$16,179,915	\$3,399,226	\$54,528,691

1. MAEP reflects amounts received by the charter schools after reductions for less than full MAEP funding. There were no budget cuts ordered by the Governor for FY 2024 MAEP. This amount does not include FY 2023 average daily attendance (ADA) adjustments to FY 2024 MAEP (Source: MDE).
2. Because MAEP distributed to charter schools each year is calculated using projected ADA, MISS. CODE ANN. Section 37-28-55 (1) (b) requires a reconciliation of MAEP funds distributed to charter schools each year. The MAEP reconciliation is applied to the next year’s MAEP. Therefore, the MAEP reconciliation resulting from the FY 2023 ADA adjustment is applied to FY 2024 MAEP (Source: MDE).
3. Other federal funds reflect the amount received by the charter school from federal sources other than the CSP grant that had been administered by MCSAB from FY 2018 until FY 2022. Other federal funds include Titles I, II, IV, and V funding, USDA grants, special education, school improvement program (SIP) funds, IDEA, various Elementary and Secondary School Emergency Relief Fund (ESSER) grants, federal food service funds, E-rate, congressional grants, CARES funds, Charter Schools Program (CSP) grant through Mississippi First, and federal 21st century grants (Source: Charter schools’ financial records).
4. Other sources of funds include grants, donations, program service fees, teacher pay raise, Extended School Year funds, average daily enrollment allocation, interest, investment revenue, student activities, lease revenue, other income, and miscellaneous revenue.

SOURCE: PEER analysis of financial records from the Mississippi Department of Education, Department of Finance and Administration, and charter schools’ financial records.

Charter School Revenue versus Expenditures

PEER reviewed each charter school’s unaudited financial records for FY 2024 to determine whether revenues were sufficient to provide for the schools’ expenditures. Exhibit 9 on page 35 shows that all ten charter schools operating in Mississippi received revenues in FY 2024 that were sufficient to cover their expenditures that year.

All ten charter schools operating in Mississippi received revenues in FY 2024 that were sufficient to cover their expenditures that year.

Exhibit 9: FY 2024 Charter School Revenues versus Expenditures

Charter School	Revenues	Expenditures	Difference
Midtown	\$4,762,426	\$4,447,028	\$315,398
Reimagine Prep	\$7,282,507	\$7,234,809	\$47,698
Smilow Prep	\$7,913,809	\$7,629,734	\$284,075
Smilow Collegiate	\$7,528,009	\$7,335,637	\$192,372
Ambition Prep	\$6,791,699	\$6,077,412	\$714,287
Clarksdale Collegiate	\$8,763,860	\$8,463,510	\$300,350
Leflore Legacy	\$3,945,178	\$3,671,986	\$273,192
Revive	\$3,929,704	\$3,724,470	\$205,234
Instant Impact	\$2,104,726	\$1,892,259	\$212,467
SR1 College Prep	\$1,159,490	\$518,792	\$640,698

NOTE: For this exhibit, PEER used total revenues reported by each charter school. These revenues may not match the revenues for those schools shown in Exhibit 8 on page 34 because of the varying requirements of cash versus accrual accounting methods.

SOURCE: PEER analysis of charter schools’ FY 2024 unaudited financial records.

As presented in Exhibit 10 on page 36, the estimated cost per student for public schools in the State of Mississippi in FY 2024 was \$13,767, according to the National Education Association (NEA). Eight of the ten charter schools showed a cost per student that was higher than the state collectively in FY 2024. Midtown Public and Ambition Prep showed a cost per student that was lower than the state collectively.

Five schools—Midtown Public, Reimagine Prep, Smilow Collegiate, Ambition Prep, and Revive—realized a cost per student that was lower in FY 2024 than it was in FY 2023. The percentage difference between the two years among four of the five schools ranged from 1% to 6%; however, Revive showed the greatest savings—31%—in cost per student between the two years.

Three schools—Smilow Prep, Clarksdale Collegiate, and Leflore Legacy Academy—showed a cost per student that was higher in FY 2024 than it was in FY 2023, each with a percentage difference that ranged between 4% and 6%.

The two start-up charter schools, Instant Impact and SR1 College Prep’s cost per student during each one’s first year was markedly higher than that of the other eight charter schools in operation in SY 2023-2024.

Specifically, Instant Impact’s cost per student for SY 2023-2024 was 57% higher than the average cost per student for the eight schools that were not in their first year of operation. Instant Impact’s high cost per student is not unlike Revive’s cost per student during its first year of operation in SY 2022-2023 which was 51% higher than that of the other charter schools that year. Without economies of scale, the cost per student for newer charter schools could be expected to be higher than that for schools or districts with larger student populations.

However, SR1 College Prep’s cost per student for SY 2023-2024 was 200% higher than the average cost per student for the eight schools that were not in their first year of operation. Specifically, SR1 College Prep’s low enrollment number during SY 2023-2024 was a significant factor in its high cost per student.

Exhibit 10: FY 2024 Mississippi Charter School Cost Per Student Compared to Cost Per Student for Mississippi Public Schools, Excluding Capital, Depreciation, and Interest Expenses

Charter School	Net Expenditures ¹	Enrollment ²	FY 2024 Cost Per Student	FY 2023 Cost Per Student
Midtown Public	\$4,286,509	326	\$13,149	\$13,733
Reimagine Prep	\$7,234,809	463	\$15,626	\$16,570
Smilow Prep	\$7,629,734	531	\$14,369	\$13,532
Smilow Collegiate	\$7,335,637	524	\$13,999	\$14,888
Ambition Prep	\$5,392,694	432	\$12,483	\$12,647
Clarksdale Collegiate	\$7,806,462	551	\$14,168	\$13,424
Leflore Legacy	\$3,579,614	216	\$16,572	\$15,940
Revive	\$3,724,470	249	\$14,958	\$21,783
Instant Impact	\$1,850,183	82	\$22,563	N/A
SR1 College Prep	\$518,792	12	\$43,233	N/A
State of Mississippi ³	\$5,451,976,000	396,024	\$13,767	\$13,754

1. For those charter schools that noted such, net expenditures do not include capital expenses, interest expenses, and depreciation and amortization.
2. SY 2023-2024 ADA, months two and three.
3. SY 2023–2024 data from the National Education Association’s (NEA) *Ranking of the States 2023 and Estimates of School Statistics 2024* (https://www.nea.org/sites/default/files/2024-04/2024_rankings_and_estimates_report.pdf), pages 38 and 48. Notably, pages 38 and 48 of that document show updates to FY 2023 ADA and net expenditures for Mississippi. Although the NEA reported FY 2023 ADA to be 390,374, its adjustment shows that FY 2023 ADA was 392,408. Therefore, PEER has recalculated Mississippi’s cost per student for FY 2023 to be \$13,754. PEER Report #697 shows this figure to be \$13,673.

SOURCE: PEER analysis of charter schools’ FY 2024 financial records.

Efficacy of the State Formula for Authorizer Funding

MISS. CODE ANN. Section 37-28-37 (2) requires that, as part of an annual report, the PEER Committee assess the efficacy of the state formula for funding MCSAB.

This chapter addresses:

- the efficacy of the MCSAB funding model;
- MCSAB expenditures;
- final expenditures made with Charter Schools Program Grant funds; and,
- the status of MCSAB’s agency independence.

Efficacy of the MCSAB Funding Model

Under MISS. CODE ANN. Section 37-28-11 (1) (1972), MCSAB receives 3% of annual per-pupil allocations received by charter schools from state and local sources. FY 2024 was the sixth year this statutory formula generated sufficient funding to support MCSAB’s activities.

As authorized under MISS. CODE ANN. Section 37-28-11 (1), MCSAB receives 3% of annual per-pupil allocations received by charter schools from state and local sources. For purposes of this report, PEER equates efficacy¹⁷ to sufficient revenue from charter school fees to fully fund MCSAB operations. In FY 2019, the statutory formula began generating sufficient funding to support MCSAB’s activities.

Exhibit 11 on page 38 shows MCSAB’s revenues compared to its expenditures since FY 2014, with revenues broken out into MCSAB’s legislative appropriation and its 3% fee revenue. MCSAB’s annual general fund appropriation decreased slightly from \$250,000 in FY 2014 and FY 2015 to \$229,890 in FY 2022; however, it increased to \$300,000 in FY 2023, and to \$900,000 in FY 2024. The 3% fee revenues continue to increase each year, with MCSAB collecting \$1,041,835 in FY 2024. However, while expenditures had decreased from FY 2020 to FY 2022, expenditures in FY 2023 were 76% higher than they were in FY 2022, and 48% higher in FY 2024 than they were in FY 2023. Despite MCSAB’s increase in expenditures in FY 2023 and FY 2024, PEER maintains—as it has in previous years—that MCSAB continues to sustain the financial stability to operate on less revenue. Notably, at the end of FY 2024, \$64,362 lapsed to the general fund; and, MCSAB maintained a cumulative special fund balance of \$2.5 million.

MCSAB staff stated that it was necessary for its general fund appropriation to increase from \$300,000 in FY 2023 to \$900,000 in FY 2024 because its request for an extension to spend funds

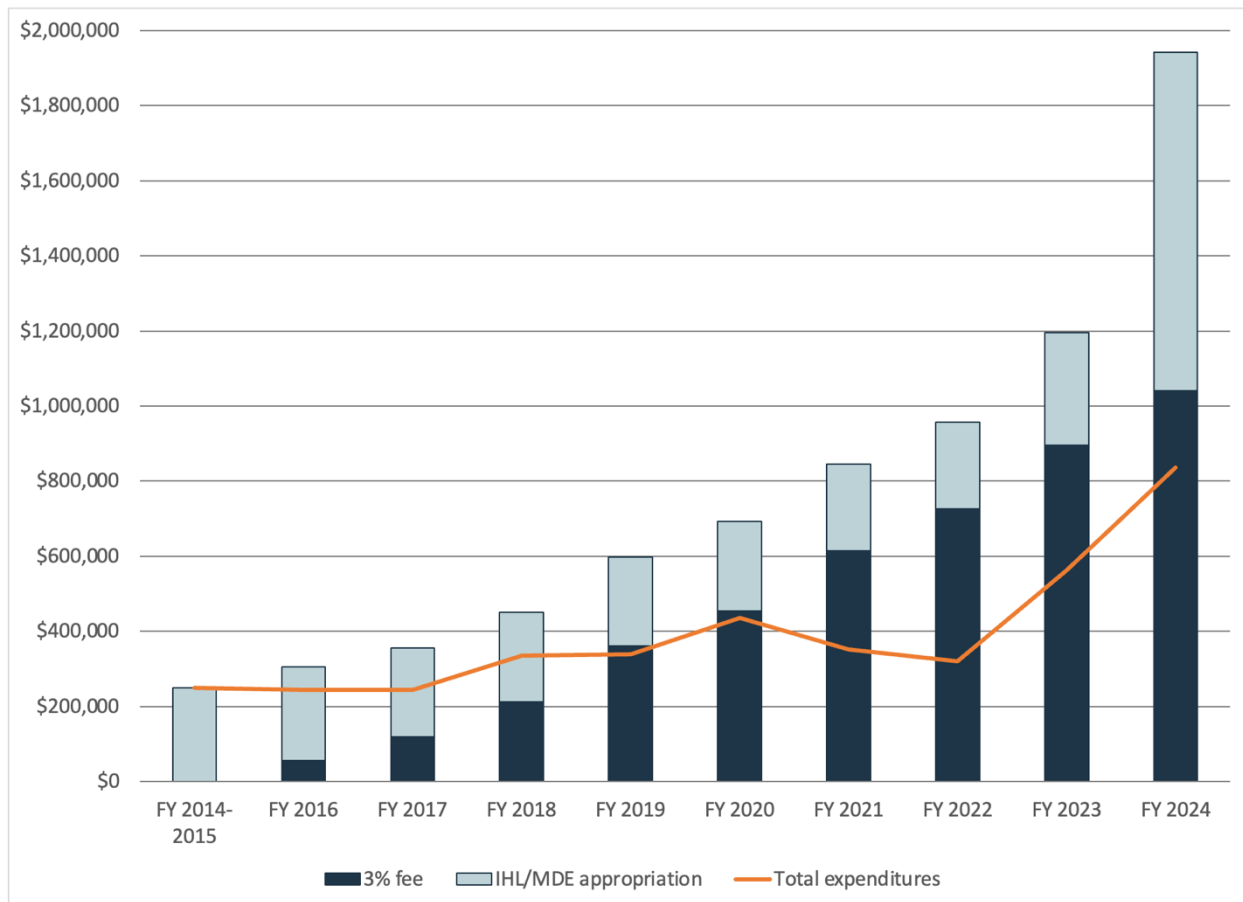
¹⁷ Merriam-Webster defines *efficacy* as “the power to produce the desired result or effect.”

from the Federal Charter Schools Program (CSP) grant—which it had administered since 2017—had been denied by the U.S. Department of Education in August 2023. Specifically, MCSAB staff indicated that funds were needed to cover salaries, renewal evaluation, and technical assistance.

PEER notes, however, that with the expiration of the CSP grant also came the expiration of the obligations associated with that grant. In FY 2023, the U.S. Department of Education awarded the CSP grant to Mississippi First. Therefore, Mississippi First—not MCSAB—is obligated to fulfill the purpose of the grant. Further, if MCSAB had received \$300,000 in general funds in FY 2024 instead of \$900,000, the \$300,000 appropriation—together with the \$1,041,835 it collected in 3% fees—still would have exceeded its expenses of \$835,638 by \$506,197.

Notably, MCSAB did not receive a general fund appropriation from the Legislature for FY 2025. Instead, MCSAB will use funds from its special fund for all FY 2025 operating expenses. As of June 30, 2024, the balance in MCSAB’s special fund totaled \$2.5 million.

Exhibit 11: MCSAB Appropriations and 3% Fee Revenues Collected Compared to Expenditures, FY 2014 through FY 2024



NOTE: According to MCSAB staff, Instant Impact Global Prep requested an extension to pay the \$41,125 in 3% fees that it owes MCSAB due to cash flow challenges. Instant Impact has been mainly affected by the new state funding formula and local ad valorem funds from the school districts that are not due to Instant Impact until January 2025.

SOURCE: PEER analysis of documents provided by the Mississippi Legislature, Mississippi Charter School Authorizer Board, Institutions of Higher Learning, and Mississippi Department of Education.

MCSAB Expenditures

In FY 2024, MCSAB expended \$835,638 with \$457,057 (55%) of this amount spent on personal services; \$327,220 (39%) spent on contractual services; \$24,532 (3%) spent on equipment; \$21,199 (3%) spent on commodities; and \$5,630 (less than 1%) spent on travel.

The following sections discuss MCSAB's FY 2024 expenditures by major budget category.

Description of FY 2024 Expenditures

Personal Services Expenditures

MCSAB expended \$457,057 on personal services in FY 2024. These expenditures included \$347,605 in salaries and \$109,452 in fringe benefits for MCSAB's five member staff.

As noted previously, MCSAB hired two new employees in FY 2024. The Deputy Director of Accountability and Support was hired January 1, 2024, to be responsible for managing the oversight and accountability for charter schools, leading the annual performance review of charter schools, ensuring the renewal process for charter schools is conducted in accordance with board policy, and coordinating the pre-opening of charter schools. The Program Administrator was hired January 1, 2024, to be responsible for providing support in reviewing and rating proposals, analyzing data, providing technical assistance to schools in the application process and in the pre-opening process, collecting performance data on charter schools, and providing support for trainings.

Travel Expenditures

MCSAB expended \$5,630 on travel in FY 2024. These expenditures included \$1,109 for in-state travel and \$4,521 for out-of-state travel.

Contractual Services Expenditures

MCSAB expended \$327,220 on contractual services in FY 2024, including \$285,475 to vendors with whom MCSAB had contracts. These expenditures and services are described below:

- \$75,000 to Basis Policy Research for its annual legislative evaluation of charter school performance for SY 2022-2023;
- \$46,524 to Butler Snow, LLP, for legal services pertaining to the approval, denial, renewal, revocation, or closure of charter schools; MCSAB operations; and to provide representation of MCSAB on any litigation. This work resulted in the creation of a memorandum of understanding between RePublic Schools and MCSAB, and subsequently a proposal submitted by RePublic Schools for its operational modifications;
- \$42,000 to Capitol Resources for governmental relations, including monitoring legislation impacting charter schools in Mississippi and other states, drafting legislation, briefing legislative leadership on charter school progression, and educating members of the legislature regarding charter schools;

- \$35,000 to Matthews, Cutrer, and Lindsay, CPA, for a financial analysis of RePublic Schools, Inc., and its related entities; Matthews, Cutrer, and Lindsay, CPA, completed its financial report on April 8, 2024;
- \$21,094 to the Institute for Excellence in Education (dba National Charter Schools Institute) for the following:
 - \$10,900 to provide MCSAB with technical support related to its use of Epicenter, a web-based software system to assist with document management, compliance, performance, and board governance;
 - \$10,194 to provide a comprehensive evaluation of MCSAB;
- \$21,000 to Advanced Leadership Strategists for the evaluation of new school applications for the 2023 Call for Quality Schools application cycle (this reflects funds that were paid by MCSAB in October 2023);
- \$18,067 to Cornerstone Consulting for financial and operational support, and human resource and personnel assistance;
- \$12,000 to Cognia, Inc., for renewal evaluation support for Ambition Prep in 2024;
- \$5,840 to CM Schumacher Consulting for providing financial training to MCSAB staff, training charter school governing boards on the MCSAB financial framework, and providing assistance to MCSAB in its initial issuance of Notice of Concern to RePublic Schools, Inc.;
- \$4,950 to Cadelo Consulting for charter school pre-opening support for SR1 College Prep and Instant Impact Global Prep in 2023; and,
- \$4,000 to The Learning Collective for the evaluation of new school applications for the 2024 Call for Quality Schools application cycle (this reflects funds that were paid by MCSAB in June 2024).

The remaining \$41,745 of contractual expenditures included costs such as a legal settlement, subscriptions, membership dues, software, advertising, and cell phone usage.

Commodities Expenditures

MCSAB expended \$21,199 on commodities. These expenditures included \$14,476 on unspecified procurement card purchases, \$4,966 on furniture and equipment, \$1,282 for food for business meetings, \$250 on printing supplies, and \$225 on office supplies and materials.

Equipment Expenditures

MCSAB expended \$24,532 on equipment. These expenditures included \$23,052 on office furniture and \$1,480 on computer equipment.

Subsidies, Loans, and Grants Expenditures

During FY 2024, MCSAB did not expend any state dollars on subsidies loans and grants.

As shown in Exhibit 12 on page 41, MCSAB expended \$457,057 on personal services and \$327,220 on contractual services in FY 2024.

Exhibit 12: MCSAB Expenditures,* by Major Budget Category, FY 2014 through FY 2024

Fiscal Year	Personal Services	Travel	Contractual Services	Commodities	Equipment	Subsidies, Loans, and Grants	Total Expenditures
FY 2017	\$131,269	\$10,447	\$69,468	\$9,102	\$24,090	\$0	\$244,376
FY 2018	\$221,178	\$13,196	\$89,238	\$6,351	\$5,923	\$0	\$335,886
FY 2019	\$80,352	\$7,432	\$239,417	\$8,869	\$3,487	\$0	\$339,557
FY 2020	\$272,778	\$3,597	\$151,751	\$7,051	\$749	\$0	\$435,926
FY 2021	\$232,765	\$0	\$112,646	\$6,576	\$0	\$0	\$351,987
FY 2022	\$228,213	\$3,839	\$79,079	\$9,323	\$0	\$0	\$320,454
FY 2023	\$319,771	\$0	\$237,839	\$3,475	\$2,264	\$0	\$563,349
FY 2024	\$457,057	\$5,630	\$327,220	\$21,199	\$24,532	\$0	\$835,638

* These expenditures do not include expenditures made with funds from the federal Charter Schools Program grant. Exhibit 12 shows expenditures made only with state dollars. For expenditures made with Charter School Program grant funds, see Exhibit 13 on page 42.

SOURCE: PEER analysis of financial records from the Mississippi Charter School Authorizer Board and Department of Finance and Administration.

MCSAB's Final Expenditures Made with Federal Charter Schools Program Grant Funds

MCSAB spent \$4,279,449 (48%) of its \$9 million revised federal Charter Schools Program Grant by the end of FY 2024.

MCSAB made its final subgrantee reimbursement to Revive during FY 2024.¹⁸ As shown in Exhibit 13 on page 42, MCSAB spent \$4.3 million (48%) of its \$9 million federal Charter Schools Program Grant by the end of FY 2024.

¹⁸ The reimbursement made by MCSAB to Revive in FY 2024 was for expenses incurred by Revive prior to the expiration of MCSAB's CSP grant.

Exhibit 13: MCSAB Expenditures from the Federal Charter Schools Program Grant, FY 2018 through FY 2024

Budget Category	Expenditures through FY 2024
Administration	\$139,680
Contractual	\$579,110
Subgrants	\$3,560,659
Total	\$4,279,449

SOURCE: PEER analysis of financial records from the Mississippi Charter School Authorizer Board and Department of Finance and Administration.

As shown in Exhibit 14 on page 42, MCSAB distributed \$3,560,659 in CSP subgrants to five charter schools (Clarksdale Collegiate, Ambition Prep, Leflore Legacy Academy, Revive, and SR1) from FY 2018 to FY 2024.

Exhibit 14: MCSAB Reimbursements to Subgrantees from the Federal Charter Schools Program Grant, FY 2018 through FY 2024

Subgrantee	Total
Clarksdale Collegiate	\$900,001
Ambition Prep	\$900,000
Leflore Legacy Academy	\$899,693
Revive	\$545,033
SR1	\$315,932
Total	\$3,560,659

SOURCE: Department of Finance and Administration and Mississippi Charter School Authorizer Board.

Status of MCSAB's Agency Independence

In FY 2025, MCSAB was included as a program within MDE's budget and submitted its own budget request. For FY 2025, MCSAB received a special fund appropriation of \$1.4 million.

In FY 2014 and FY 2015—before any charter schools were in operation—the Legislature provided an appropriation from the Capital Expense Fund to the Institutions of Higher Learning (IHL) for the purpose of defraying the costs of MCSAB's general operations. Then, from FY 2016 through FY 2023, the Legislature provided an appropriation each year from its general funds to IHL which was to be earmarked for MCSAB. During these years, Mississippi's Accountability System for Government Information and Collaboration (MAGIC) showed that MCSAB was an appropriation unit within IHL with its own accounting fund.

During the 2023 Legislative Session, H.B. 1613 stated that of the funds appropriated to MDE for FY 2024, \$1.4 million was to be provided to MCSAB (i.e., for FY 2024, MDE—rather than IHL—received an appropriation which was to be earmarked for MCSAB). Although the FY 2024 funds were earmarked for MCSAB, MCSAB was not included as a program within MDE's budget nor did MCSAB submit its own budget request for the FY 2024 funds.

In FY 2025, MCSAB was included as a program within MDE's budget and submitted its own budget request for \$1.4 million (\$900,000 in general funds and \$500,000 in special fund spending authority). However, MCSAB did not receive a general fund appropriation from the Legislature for FY 2025. Instead, MCSAB will use funds from its special fund for all FY 2025 operating expenses. As of June 30, 2024, the balance in MCSAB's special fund totaled \$2.5 million.

Recommendations

1. Under the current funding model, MCSAB receives 3% of the state and local funds received by charter schools. Therefore, the total amount of funds from sources available to charter schools on a per-pupil basis is less than the total amount of funds provided to public schools on a per-pupil basis. As such, to provide fully equitable state and local funding between public school and charter school pupils, the Legislature should consider amending MISS. CODE ANN. Section 37-28-11 (1) (1972) to remove the 3% funding MCSAB receives from charter schools' state and local revenue sources. To replace the 3% funding, the Legislature should also consider amending the same section to provide that MCSAB shall be annually funded from any funds available to the Legislature.

If the Legislature chooses to keep the 3% funding model, it should consider amending MISS. CODE ANN. Section 37-28-11 (1) to allow for MCSAB to receive **up to** 3% of annual per-pupil allocations received by a charter school from state and local funds for each charter school it authorizes.

If the Legislature authorizes MCSAB to receive up to 3% of per-pupil allocations, then MCSAB should develop a policy for determining the appropriate calculation of fees for charter schools, based on several consecutive years of MCSAB's financial data.

2. Although MISS. CODE ANN. Section 37-28-7 (5) (1972) established staggered terms of office for the Board, this has resulted in three of the Board members rotating off in the same year and could impact the Board's quorum requirement. Because this issue will continue in the future, the Legislature should consider reconstituting the Board to establish terms of office that, when concluded, minimize the impact on the Board's operations. For example, one Board member appointed by the Governor and one member appointed by the Lieutenant Governor could rotate off each year, leaving five Board members in place in any given year.
3. MCSAB should clarify its policy for merging charter schools to specify which aspects of a surviving LEA should remain (e.g., contract term lengths and conditions)
4. MCSAB should finalize all outstanding performance framework reports for SY 2022-2023 and post such reports to MCSAB's website.
5. MCSAB should ensure that RePublic Schools, Inc., implements the recommendations made by Matthews, Cutrer and Lindsay, P.A., specifically the following:
 - Each school should be separate and distinct from other charter schools.
 - A bank account for each school should be opened.
 - Each school's income and expenditures should go through its respective bank accounts.
 - Intercompany accounts should be eliminated.
 - Each school's payroll should be funded from its respective bank account.
 - Each school's accounts payable should be funded from its respective bank accounts.

- Schools should not have transactions with RePublic Schools Nashville.
- Mississippi schools' money should be held in Mississippi bank accounts.
- Charter schools should follow the MDE chart of accounts for transparency.
- Consolidated financial statements of all of RSI's entities could be allowed if consolidating schedules are included to allow MCSAB to perform financial analysis for each charter school.

Agency Response



Pursuing Excellence Through Options

12/6/2024

Mr. James F. (Ted) Booth, Executive Director
Joint Committee on Performance Evaluation and Expenditure Review (PEER)
P.O. Box 1204
Jackson, MS 39215

Dear Mr. Booth,

The Mississippi Charter School Authorizer Board (MCSAB) has reviewed the PEER Committee's FY2024 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board. *The annually mandated report features an assessment of the sufficiency of funding for charter school, the efficacy of the state formula for authorizer funding which are prescribed by the Mississippi Charter Schools Act of 2013 and any suggested changes in state law or policy necessary to strengthen the state's charter schools.* Below are the 2024 responses to the PEER Committee's recommendations:

Recommendation 1: Under the current funding model, MCSAB receives 3% of the state and local funds received by charter schools. Therefore, the total amount of funds from sources available to charter schools on a per-pupil basis is less than the total amount of funds provided to public schools on a per-pupil basis. As such, to provide fully equitable state and local funding between public school and charter school pupils, the Legislature should consider amending MISS. CODE ANN. Section 37-28-11 (1) (1972) to remove the 3% funding MCSAB receives from charter schools' state and local revenue sources. **To replace the 3% funding, the Legislature should also consider amending the same section to provide that MCSAB shall be annually funded from any funds available to the Legislature.**

If the Legislature chooses to keep the 3% funding model, it should consider amending MISS. CODE ANN. Section 37-28-11 (1) to allow for MCSAB to receive up to 3% of annual per-pupil allocations received by a charter school from state and local funds for each charter school it authorizes. Because the 3% fees alone have been sufficient to cover MCSAB's expenses for the past five fiscal years, MCSAB may be ready to operate on less state and local funds. If the Legislature authorizes MCSAB to receive up to 3% of per-pupil allocations, then MCSAB should develop a policy for determining the appropriate calculation of fees for charter schools, based on several consecutive years of MCSAB's financial data.

Response to Recommendation 1:

MCSAB maintains that the three percent authorizer fee is currently an essential factor in ensuring the agency has adequate funds to operate and execute its charter school authorizing and oversight functions successfully as aligned to national best practices. The elimination of the 3% fee would increase reliance on general funds therefore placing an additional burden on the taxpayers of Mississippi.

Recommendation 2: Although MISS. CODE ANN. Section 37-28-7 (5) (1972) established staggered terms of office for the Board, this has resulted in three of the Board members rotating off in the same year and could impact the Board’s quorum requirement. Because this issue will continue in the future, the Legislature should consider reconstituting the Board to establish terms of office that, when concluded, minimize the impact on the Board’s operations. For example, one Board member appointed by the Governor and one member appointed by the Lieutenant Governor could rotate off each year, leaving five Board members in place in any given year.

Response to Recommendation 2:

No response.

Recommendation 3: MCSAB should clarify its policy for merging charter schools to specify which aspects of a surviving LEA should remain (e.g., contract term lengths and conditions).

Response to Recommendation 3:

No response.

Recommendation 4. MCSAB should finalize all outstanding performance framework reports for SY2022-2023 and post such reports to MCSAB’s website.

Response to Recommendation 4:

MCSAB agrees with this recommendation and will work toward transparency by ensuring all schools’ Performance Frameworks are available on the MCSAB website.

Recommendation 5: MCSAB should ensure that Republic Schools Inc., implements the recommendations made by Matthews, Cutrer, and Lindsay, P.A.A. specifically the following:

- Each school should be separate and distinct from other charter schools.
 - A bank account for each school should be opened.
 - Each school’s income and expenditures should go through its respective bank accounts.
 - Intercompany accounts should be eliminated.
 - Each school’s payroll should be funded from its respective bank account.
 - Each schools accounts payable should be funded from its respective bank accounts.
- Schools should not have transactions with Republic Schools Nashville.
- Mississippi schools’ money should be held in Mississippi bank accounts
- Charter schools should follow the MDE chart of accounts for transparency.
- Consolidated financial statements of all of RSI’s entities could be allowed if consolidating schedules are included to allow MCSAB to perform financial analysis for each charter school.

Response to Recommendation 5: No response.

It is with much appreciation and respect that I submit this response on behalf of the Mississippi Charter School Authorizer Board. The professionalism and integrity you and your staff demonstrate each year during the evaluation of our work is to be commended.

Respectfully,

Lisa Karmacharya

Dr. Lisa Karmacharya
Executive Director
Mississippi Charter School Authorizer Board

James F. (Ted) Booth, Executive Director

Legal and Reapportionment

Ben Collins

Administration

Kirby Arinder

Stephanie Harris

Gale Taylor

Quality Assurance and Reporting

Tracy Bobo

Performance Evaluation

Lonnie Edgar, Deputy Director

Jennifer Sebren, Deputy Director

Taylor Burns

Emily Cloys

Kim Cummins

Matthew Dry

Rucell Harris

Matthew Holmes

Drew Johnson

Chelsey Little

Billy Loper

Debra Monroe

Meri Clare Ringer

Sarah Williamson

Julie Winkeljohn

Ray Wright