

FY 2018 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board

CONCLUSION: Funding from state, local, federal, and other sources was sufficient for charter schools in FY 2018. However, the local ad valorem pro rata calculation required by state law provides for unequal shares between charter schools and the school districts. Further, state law does not require that local ad valorem support to charter schools be reconciled annually. However, while funding was sufficient for the charter schools, the state funding formula, in which each charter school provides 3% of its state and local revenue to the MCSAB, did not on its own generate sufficient funding to support the board’s activities in FY 2018.

Background:

The Mississippi Charter School Authorizer Board (MCSAB), a state agency of seven appointed members, is the sole authorizing body for charter schools in the state and is responsible for oversight of the schools’ operations. As of September 2018, the board has no staff, as the former Executive Director resigned in June and the Deputy Director resigned in August 2018.

The MCSAB received nine applications for charter schools in its 2018 application cycle. Of those, the MCSAB (with the assistance from the National Association of Charter School Authorizers) approved two applications (for three schools) and denied seven applications. Ambition Prep was approved to open a K–8th grade school for the 2019–2020 school year. RePublic Schools, Inc., which already operates three charter schools in Mississippi, was approved to open two additional schools: Revive Prep, a K–8th grade school, and RePublic High School, the state’s first charter high school, both with plans to open in the 2021–2022 school year.

During the 2017–2018 school year, three charter schools (Midtown Public, ReImagine Prep, and Smilow Prep), all located within the boundaries of JPS, served 885 students. As of September 1, 2018, no students were on waiting lists for these charter schools.

In September 2017, the U.S. Department of Education awarded a five-year, \$15 million grant to the MCSAB to help expand the state’s charter school sector. The MCSAB did not expend any grant funds in FY 2018 but did approve two contracts to assist with various services and activities associated with the grant.

The MCSAB has not released an annual report since December 2016 because it is revising how it evaluates charter school performance. The board does not intend to release its 2017 annual report until 2019.

Charter school funding continues to be a subject of ongoing state court litigation. In 2018 a judge upheld the constitutionality of the state law that established charter schools. The case is currently on appeal in the Mississippi Supreme Court by the Southern Poverty Law Center.

Charter Schools Operating in Mississippi in FY 2018

Charter School	Grades Served
Midtown Public	Grades 5–8
ReImagine Prep	Grades 5–7
Smilow Prep	Grades 5–6



Academic Performance Results, FY 2016–FY 2018

School	Academic Letter Grade		
	2015–2016	2016–2017	2017–2018
Midtown Public	F	F	F
ReImagine Prep	D	D	C
Smilow Prep	n/a	D	D

MCSAB Approves Application for New Schools Despite NACSA Recommendation for Denial

MCSAB approved applications	NACSA recommendation
Ambition Prep	Approve
RePublic Schools, Inc. (for Revive Prep and RePublic High School)	Deny

The MCSAB contracts with the National Association of Charter School Authorizers (NACSA) to manage the application process and provide independent recommendations of approval or denial for each charter school

application. Although NACSA recommended that the MCSAB deny RePublic Schools’ application for Revive Prep and RePublic High School, the MCSAB approved the application.

Equal MAEP Funding Provided to Charter Schools and School Districts

Source of Funds	Midtown	Reimagine Prep	Smilow Prep
MAEP funding without add-ons (per pupil)	\$4,038	\$4,038	\$4,038
MAEP funding with add-ons (per pupil)	\$4,904	\$4,517	\$4,671
Local funding from JPS (per pupil)	\$2,782	\$2,782	\$2,782

In FY 2018 the Mississippi Department of Education distributed MAEP funding to charter schools at an amount of \$4,038 per pupil (before add-on program costs), which was the same amount provided to Jackson Public Schools (JPS), in accordance with statute. In addition, all three schools (at left) received a per-pupil amount of \$2,782 in local ad valorem funding from JPS in FY 2018.

Local Ad Valorem Support to Charter Schools Not Reconciled

Statute does not require that local ad valorem support to charter schools be reconciled annually, as it does for MAEP. Therefore, the per-pupil local ad valorem contributions paid to charter schools each year are not consistent with the actual number of students in attendance at the charter schools for that year.

Recommendation: The Legislature should consider amending MISS. CODE ANN. Sections 37-28-55(2) and (3) to require that local ad valorem contributions to charter schools be reconciled each year as MAEP payments are.



Charter school students received \$98 more per pupil in local ad valorem funding than Jackson Public School students received in FY 2018.

Unequal Shares of Local Ad Valorem Support to Charter Schools Compared to School Districts

The local ad valorem pro rata calculation required by statute provides unequal shares between charter schools and the school districts. The per-pupil amount for charter school students was \$2,782 compared to \$2,684 for students in JPS, a difference of \$98.

Recommendation: The Legislature should, in order to make the pro rata distribution of local ad valorem funds equitable between the school districts and the charter schools, consider amending MISS. CODE ANN. §§ 37-28-55(2) and (3) to include the charter schools' average daily membership for month one of the current year in the denominator of the calculation.

State Funding Formula Insufficient to Cover MCSAB Operations

The state funding formula for the Mississippi Charter School Authorizer Board did not provide enough funds on its own to cover the operations of the board. The MCSAB collected \$212,918 in authorizer fees from the charter schools in FY 2018, but expended \$335,886 that year.



Recommendations:

- The Legislature should consider amending § 37-28-11(1) to replace the 3% authorizer fee with funding from available funds.
- The Legislature should, in order to ensure funding and accountability of appropriations for MCSAB operations, consider the following options:
 - a) enact a separate appropriations bill, with total funds appropriated and PINs allocated, or
 - b) provide a specific line item in the IHL appropriation for total board support and authorized PINs.

Other Recommendation: The MCSAB should formally require all charter schools to adopt MDE's accounting manual for public schools.