PEER
MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

FY 2025 Impact Report

A Report to the Mississippi Legislature
Report #Impact2025
January 27, 2026

About PEER:

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker of the House and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U.S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

Mississippi's constitution gives the Legislature broad power to conduct examinations and investigations. PEER is authorized by law to review any public entity, including contractors supported in whole or in part by public funds, and to address any issues that may require legislative action. PEER has statutory access to all state and local records and has subpoena power to compel testimony or the production of documents.

PEER provides a variety of services to the Legislature, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, the agency examined, and the general public.

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.

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Impact: Summary of Legislative Support

Projects

In FY 2025,[1] PEER staff completed 29 projects, including two multi-volume projects in collaboration with Level Data (formerly GlimpseK12).

The following list includes examples of project topics addressed by PEER staff:

- legislative oversight of legal mandates;
- inmate participation in county work release programs;
- provision of routine dental hygiene services offered in nursing homes and state correctional facilities;
- charter school and the Charter School Authorizer Board funding; and,
- oversight and monitoring of subgrants by the Mississippi State Department of Health.

Legislative Assistance

PEER Committee rules state that PEER staff will provide assistance to any legislator or legislative committee upon request. During FY 2025, PEER staff completed 185 legislative assistance requests, ranging from simple information and data requests to more complex direct assistance on behalf of committees or subcommittees.

The following list illustrates the types of assistance provided by PEER staff:

- suicide prevention programs available to veterans;
- state employee workforce statistics for each state agency;
- other state actions on child care and labor participation rates;
- financial reporting at the Mississippi Department of Corrections; and,
- number of PERS member/retiree deaths in the last five years.

Appointee Background Investigations

Since 1977, Senate committees have routinely requested PEER staff to conduct background investigations of appointees to assess each appointee's compliance with statutory qualifications and general fitness to hold office prior to their consideration for advice and consent of the Senate. During FY 2025, PEER staff completed 98 background investigations of gubernatorial and other appointees named to state boards or commissions.

Legislative Task Forces

In FY 2025, PEER staff provided administrative support and assisted in writing reports for five legislative task forces on topics including: early intervention, student mental health resources, mobile-online sports betting, Artificial Intelligence, and criminal justice.

[1] This impact report includes all PEER work products conducted during FY 2025 and CY 2025. Beginning CY 2026, PEER will produce its impact report by calendar year only.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

2023 Update on Financial Soundness of the Public Employees' Retirement System

Report Highlights | #700 July 9, 2024

CONCLUSION: The PEER Committee, under the authority found in MISS. CODE ANN. § 5-3-51 (1972) et seq., carried out the statutorily required review of the financial condition of the Public Employees' Retirement System (PERS). This 2023 report includes an update on the financial soundness of PERS, a review of alternate funding streams for pension systems, and an update on changes made to the Mississippi Highway Safety Patrol Retirement System (MHSPRS) and the Supplemental Legislative Retirement Program (SLRP).

BACKGROUND

The Public Employee's Retirement System of Mississippi (PERS) is a defined benefit retirement plan for a majority of employees (and/or their beneficiaries) of state agencies, counties, cities, colleges and universities, public school districts, and other participating political subdivisions. State law requires PEER to report annually to the Legislature on the financial soundness of PERS.

The PERS system is under the administration of the 10-member PERS Board of Trustees, which has a primary responsibility of ensuring adequate funding of the plans it administers. One way the Board accomplishes this task is by setting contribution rates for employers participating in the plan. For assistance in setting these rates, the PERS Board receives actuarial reports annually and works with independent actuarial advisers to develop comprehensive models that are used to project the financial position of the various plans. These models include components such as investment return assumptions, wage inflation assumptions, retirement tables, and retiree mortality tables.

Each of these components must work in concert with the others for the PERS plan to maintain financial soundness. Underperformance in any one area can cause additional stress on other components and can lead to underperformance of the PERS plan as a whole.

Financial soundness includes an understanding of the role of actuarial soundness and all relevant environmental conditions, such as an understanding of risk and investment management. Therefore, continued analysis of PERS by those responsible for ensuring the long-term financial health of the system is warranted.

Scope Limitation: This report evaluates potential impacts of legislation passed during the 2024 Legislative Session (i.e., Senate Bill 3231 and Senate Bill 2468). Numbers and information attributed to actuarial reports in this review have not been recalculated to account for the impact of legislation passed during the 2024 Legislative Session.

KEY FINDINGS

- **As a result of Cavanaugh Macdonald Consulting's most recent experience study, the PERS Board voted to maintain the current price inflation assumption and the current wage inflation assumption and change the investment return assumption.**
  The PERS Board adopted a decrease in the plan's investment return assumption, reducing the assumption from 7.55% to 7.00%.
- **After the most recent experience study, the PERS Board adopted changes to several of its demographic assumptions.**
  Assumptions that changed include the withdrawal, disability retirement, service retirement, and merit salary increase assumptions.
- **For the past five fiscal years, the PERS average payroll increase has been above the projected annual rate of wage increase; however, over the past 10 fiscal years, it has been below the projected rate.**
  Less-than-expected payroll growth can increase the amortization period of the unfunded actuarial accrued liability (UAAL). However, the upward pressure on the UAAL may be partially or totally offset due to the decrease in the number of future liabilities resulting from a lower payroll amount than assumed in the actuarial model.
- **Based on the results of the evaluation metrics in the funding policy as of June 30, 2023, two of the plan's metrics are at yellow signal-light status and one the of the plan's metrics is at red signal-light status.**
  While one metric remains in the red-light signal status, all three funding policy metric results improved from June 30, 2022, to June 30, 2023.
- **Primarily due to the change in employer contribution rate, the PERS plan has a projected future funding ratio of 65.5% as of 2047. This is increased from the FY 2022 projection of 48.6%.**
  The increase in the future funding level is primarily due to the change in the employer contribution rate but this increase has been partially offset by the reduction in the plan's investment return assumption.

Mississippi Highway Safety Patrol Retirement System

The Mississippi Highway Safety Patrol Retirement System (MHSPRS) plan is a defined benefit retirement plan for the benefit of eligible Mississippi Highway Safety Patrol sworn officers.

As a result of the most recent experience study conducted by the independent actuarial firm Cavanaugh Macdonald Consulting, LLC, the PERS Board adopted changes to the actuarial assumptions used by the MHSPRS plan at its August 2023 meeting. The cumulative effect of these changes for the FY 2023 valuation was a one-time increase to the unfunded actuarial accrued liability of approximately $43 million.

The PERS Board also adopted amendments to the MHSPRS plan funding policy. These amendments changed the assessment metrics of the MHSPRS plan from a single-factor approach to a multi-factor signal-light approach with specific targets tailored to the MSHPRS plan. Based on the results of these metrics from the MHSPRS plan's Fiscal Year 2023 valuation and projection report, the MHSPRS plan's actuary recommended no change to the MHSPRS plan's employer contribution rate.

Supplemental Legislative Retirement Plan

The Supplemental Legislative Retirement Plan (SLRP) is a defined benefit retirement plan for the benefit of eligible Mississippi State Legislators and the President of the Senate. Members of SLRP are also members of PERS. Contributions are made by the members and their employers (i.e., Mississippi Senate and House of Representatives) to both plans.

As a result of the most recent experience study conducted by the independent actuarial firm Cavanaugh Macdonald Consulting, LLC, for the four-year period ended June 30, 2022, the PERS Board adopted changes to the actuarial assumptions used by SLRP at its August 2023 meeting. The cumulative effect of these changes for the FY 2023 valuation was a one-time increase to the unfunded actuarial accrued liability of approximately $1.6 million.

The PERS Board also adopted amendments to the SLRP funding policy. These amendments changed the assessment metrics of the SLRP plan from a single-factor approach to a multi-factor signal-light approach with specific targets tailored to the SLRP plan. Based on the results of these metrics, for the fiscal year ended June 30, 2023, the SLRP actuary recommended a continuation of the plan's employer contribution rate increase, effective July 1, 2024. This increase is projected to increase employer contribution cost by approximately $86,000.

Investment Returns

For FY 2023, the PERS Board had investment management contracts for 60 portfolios (including four that were added and two that were terminated in FY 2023) and paid management fees to investment managers on 55 of these portfolios.

Having realized a market gain of approximately 7.76% in the PERS plan's combined investment portfolio, the market value of assets increased from approximately $31.2 billion to $32 billion during FY 2023, an increase of approximately $0.8 billion. PERS's investment performance for FY 2023 was above the current actuarial model's utilized investment return rate of 7.55%.

Senate Bill 3231

During the 2024 Legislative Session, the Legislature passed Senate Bill 3231. The components of this bill, effective on May 9, 2024, shift the responsibility of setting the employer contribution rate from the PERS Board to the Legislature and institute a statutory plan for increasing the rate over time. The bill shifts the PERS Board to an advisory capacity on setting the employer contribution rate while also requiring additional information be gathered before rate increase recommendations can be made.

Senate Bill 2468

During the 2024 Legislative Session, the Legislature passed Senate Bill 2468. This bill directs the transfer of $110 million from the capital expense fund to the Employers' accumulation account of PERS. This transfer creates a one-time cash infusion into the PERS plan.

Impact of Senate Bills 3231 and 2468

Potential Change in Funding Ratio

An employer contribution rate increase strategy that targets a lower rate, even when coupled with a one-time cash infusion made by the Legislature, may not be sufficient to get the plan back to an all-green signal-light status and could necessitate an ultimate employer contribution rate in excess of the rate initially recommended by the plan's actuary.

However, while the Legislature's approach changes future funding projections for the plan, with the addition of the one-time transfer of $110 million in capital expense funds, the funds projected to be received by the PERS plan for fiscal year 2025 are on par with the funds expected under the PERS Board's plan.

While the funding for the first year is comparable, each year in the future could potentially see a greater deviation in expected employer contribution revenues for the PERS plan. This deviation does not immediately constitute a problem for the PERS plan; however, careful evaluation of the plan's future liabilities and funding needs will be necessary to ensure the sustainability of the PERS plan.

Increased Utilization of State Funds

Of the projected $37.25 million in additional expected employer contributions, approximately $9.5 million would be expected to come from general funds. When this is added to the $110 million that was transferred from the capital expense funds, it totals approximately $119.5 million that comes from wholly derived state funds.

This represents an increase in the use of state funds of approximately 214%. By lowering the increase in the employer contribution rate, and providing a one-time transfer of funds, the Legislature has shifted the funding of PERS more heavily onto the state and reduced the ability to utilize other sources of funding such as federal grant funds, county and municipality funds, and special funds dollars. This new approach deviates from the historical model of providing contributions to the plan based on the covered payroll of each employer within the system.

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Senator Charles Younger, Chair | James F. (Ted) Booth, Executive Director

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Legislative Oversight of Legal Mandates: Strategies for Monitoring Agency Rulemaking

Issue Brief Highlights | #701

August 13, 2024

CONCLUSION: Most states have adopted some form of rules oversight that can benefit a general program or agency. While many programs adopted over the years were found to be unconstitutional, effective programs can be adopted that can reduce the risk of constitutional litigation and provide an effective system of rules oversight. A logical first step in developing a rules review process would be to establish a joint committee with the discretion to review newly adopted or proposed rules and advise the Legislature on the subject of whether or not the rules are consistent with several legal standards including the intention of the Legislature.

BACKGROUND

Agencies authorized by broad laws have been empowered to create their own rules and regulations. Over the years, as government agencies have grown, efforts at the state and federal level have been made to oversee the administrative process, particularly rulemaking.

Legislatures have always had broad authority to review the activities of government, particularly the executive branch. There are many processes that can be used to accomplish this, including appropriations hearings and legislative audits and evaluations.

The purpose of this issue brief is to explain the uses and pitfalls of Mississippi's methods of oversight and critique of agency rulemaking.

RECOMMENDATIONS

Option 1: Establish a joint committee with the power to selectively review newly adopted/proposed rules and give advice to the Legislature on these rules.

Option 2: Adopt a general law empowering a Joint Committee to conduct rules reviews on proposed or new rule adoptions to advise the Legislature on the legality of the rules. Additionally, provide that new rules must be approved by the Legislature through general bills in the session following their adoption. Failure to approve constitutes a rejection of the rule.

Option 3: The PEER Committee could review agency rules in a limited capacity based on its existing enabling legislation through MISS. CODE ANN. Section 5-3-57 (1972).

KEY FINDINGS

- **What forms of oversight does Mississippi currently use to regulate agency rulemaking?**
  Mississippi regularly uses all forms of traditional oversight (e.g., advice and consent, standing committee hearings). The Levin Center for Oversight and Democracy of Wayne State University Law School notes that while Mississippi actively uses these forms of oversight, it is noticeably lacking in any formal method of administrative rules review.
- **What are the options for legislative involvement in the rule review process?**
  Some strategies for enhanced legislative oversight include non-systemic forms of oversight, systemic advisory bodies, rule suspension, and litigation burden shifting. In some states, legislatures combine these strategies.

How are other states' legislatures involved in rules review?

In this issue brief, PEER discussed several states whose experience in administrative rules review might be instructive if Mississippi wished to consider establishing a legislative rules review program. These states generally review newly adopted or proposed rules, and methods vary from state to state.

Of the states discussed, those of Colorado, Kansas, and Tennessee are not likely to raise constitutional concerns in Mississippi and could be used to offer effective oversight of the rulemaking process.

- Colorado and Tennessee have adopted general laws that empower joint committees to conduct rules reviews and advise the state legislatures on the legality of the rules.
- Kansas has established a committee that has been effective in reviewing rules and has had influence on amendments that have enabled rules to become effective without challenges in the Legislature.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Instructional Analysis of 50 Mississippi School Districts: A FY 2023 Comparative Review

Report Highlights | #702 August 13, 2024

BACKGROUND

In FY 2024, PEER received funding to contract with GlimpseK12 (an education technology company headquartered in Huntsville, Alabama) to conduct a comparative review of 50 school districts in Mississippi. This review is a continuation of GlimpseK12's work in 2023, in which Glimpse reviewed FY 2023 data for 30 school districts in Mississippi (see PEER report 693). This report focuses on the area of instruction. For reports on non-instructional areas for FY 2023, see PEER Report #703 Volumes I through VI.

This report contains the following instructional analyses: grade inflation, mastery decline, student proficiency and bubble, and resource implementation fidelity.

GRADE INFLATION

Grade inflation is evidenced when students receive high grades--e.g., As and Bs--but do not score proficient on state evaluation exams.

Grade inflation negatively impacts students because high grades give the impression to students and parents that students have mastered the required content, although subsequent state evaluation exams do not demonstrate that mastery.

KEY FINDINGS

- For the 2022-2023 school year, approximately 31% of the scores of students in grades 3rd through 8th in the districts reporting demonstrated grade inflation in Math and English Language Arts (ELA). Student scores in 7th grade ELA exhibited the highest level of grade inflation at 40%.
- Although some level of grade inflation is expected, districts with greater than 25% inflation in a grade level should conduct a systemic review of grading practices.

MASTERY DECLINE

School districts use benchmark assessments during a school year to monitor students' mastery of a subject. *Mastery decline* is evidenced when a student scores lower on a benchmark assessment at the end of the school year than at the beginning of the school year, even if the decline is one point.

Mastery decline negatively impacts a student's performance and confidence, creates challenges and additional expenses for school districts in addressing such, leads to higher dropout rates, and reduces a student's preparedness for college and career entry.

KEY FINDINGS

- For the 2022-2023 school year, approximately 34% of students in grades 3rd through 8th in the districts reporting demonstrated mastery decline in Math and ELA. Students in 8th grade ELA demonstrated the greatest decline at 49%.
- Factors contributing to mastery decline include absenteeism, summer break, ineffective instructional practices, misaligned resources, course scheduling, and ineffective processes to identify, track, and mitigate students with mastery decline.

To measure students' mastery of a subject, districts use two common types of formative/benchmark assessments:

1) **Adaptive Assessments:** Adaptive assessments are characterized by their ability to assess a student's starting point (on or off grade level) and ending point (on or off grade level). These assessments are useful to track how far a student has progressed from the start of the year to the end regardless of where the student started.

2) **On Grade Level Benchmarking:** On grade level benchmark assessments are characterized by their ability to assess a student's level of mastery based on current grade level content at the beginning of the year and again on current grade level content at the end of the year.

Since each method assesses students' mastery based on different criteria, comparisons and conclusions across the two assessment types should be avoided.

STUDENT PROFICIENCY AND BUBBLE

Education assessments use a benchmark score threshold to identify whether a student is proficient in the required content, with students scoring above the threshold being proficient.

Students scoring within 3% to 5% above or below the proficiency threshold represent an important cohort because these students often vacillate above and below the proficiency threshold and if left unidentified, may struggle to grow academically. This group is referred to in this report as the "bubble" group.

KEY FINDINGS

For the 2022-2023 school year and for students in grades 3rd through 8th in the districts reporting,

- approximately one-fifth of students scored within 3% above or below the proficiency threshold in Math; and,
- approximately one-fifth of students scored within 3% above or below the proficiency threshold in English Language Arts.

RESOURCE IMPLEMENTATION FIDELITY

Resource implementation fidelity refers to the extent to which districts implement an education program or practice as planned or intended by developers.

Deviations from intended use and delivery methods may compromise the effectiveness of the educational program or resource and negatively impact students' educational preparedness.

KEY FINDINGS

For the 2022-2023 school year and for students in grades 3rd through 8th in the districts reporting,

- 22% and 12% of students met the resource implementation fidelity thresholds in Math and English Language Arts, respectively; and,
- 46% and 34% of students met at least 50% of the resource implementation fidelity thresholds in Math and English Language Arts, respectively.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS

Grade Inflation recommendations:

- Implement an annual review process to identify, track, and manage grade inflation each year.
- Review the level of rigor and alignment of assignments and assessments in grade levels presenting high inflation.
- See page 18 for a full listing of recommendations pertaining to grade inflation.

Mastery Decline recommendations:

- Utilize software applications or other processes that automate the identification and tracking of decline in mastery.
- Create detailed reports that provide an overview of decline in mastery at various levels, including district, school, grade, and classroom. These reports should enable educators to pinpoint where decline in mastery is occurring to provide targeted support.
- See page 35 for a full listing of recommendations pertaining to mastery decline.

Student Proficiency and Bubble recommendations:

- Allocate a person or team to manage the proficiency and bubble student analysis process.
- Employ a software application or process that effectively generates proficiency and bubble student analysis and create comprehensive reports at different levels (district, school, grade, and classroom) that will identify the bubble groups.
- See page 67 for a full listing of recommendations pertaining to student proficiency and bubble analysis.

Resource Implementation Fidelity recommendations:

- Maintain a process or software application to monitor closely the resource implementation fidelity and effectiveness of all purchased resources.
- Conduct intra-year evaluations of implementation fidelity and effectiveness.
- See page 77 for a full listing of recommendations pertaining to resource implementation fidelity.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Analysis of Finance and Supply Chain Programs and Expenses in 50 Mississippi School Districts: A FY 2023 Comparative Review (Volume I)

Report Highlights | #703

August 13, 2024

CONCLUSION: A review of the finance and supply chain programs for 50 Mississippi school districts in FY 2023 showed opportunities for districts to strengthen their programs and increase efficiency. For example, nine reporting districts lacked a formal strategic plan, and 15 districts did not provide monthly financial status reports to district and department administrators. There was also wide variance in the performance of districts in key areas such as payroll processing costs and accounts payable department costs, suggesting that districts have room for improvement. As a whole, reporting districts performed favorably compared to regional and national peers in certain areas (e.g., accuracy of payroll processing), while districts underperformed peers in other areas (e.g., time to process invoices).

BACKGROUND

In FY 2024, PEER received funding to contract with GlimpseK12 (an education technology company headquartered in Huntsville, Alabama) to conduct a comparative review of 50 school districts. This report focuses on one of seven areas of review—finance and supply chain (Volume I). Other non-instructional reports include:

- Human Resources (Volume II);
- Information Technology (Volume III);
- Nutrition (Volume IV);
- Operations (Volume V); and,
- Transportation (Volume VI).

KEY FINDINGS

- **Of 47 districts reporting FY 2023 data, nine districts (19%) did not have a formal strategic plan.**
  Strategic planning is crucial for managing district resources.

- **Of 46 districts reporting FY 2023 data, 15 districts (33%) did not provide monthly financial status reports to district and department administrators.**
  Sharing financial information monthly promotes transparency, accountability, and informed decision-making.

- **COVID-19 relief funds impacted district budgets in FY 2023 and impacted districts' abilities to achieve precision in their revenue and expenditure projections.**
  Despite this, reporting districts performed better than regional peers in their projections.

- **As a whole, reporting districts performed better than regional peers in the accuracy of paycheck processing and had less costs associated with worker's compensation.**

- **There was wide variation in districts' performance on key indicators in the area of finance, suggesting that many districts have room for improvement.**
  - Payroll department costs per $100,000 of payroll ranged from $121 in Jackson County to $790 in Winona-Montgomery.
    - In reporting the number of FTEs responsible for payroll processing, some districts might not have considered employees' involvement in other roles, or districts might have estimated FTEs. In these instances, the cost calculations could be inaccurate. District should accurately capture these costs.
  - Paychecks processed per payroll department FTE per month ranged from 153 in Lawrence to 1,122 in Itawamba.
    - The reporting districts' 351 median figure for paychecks processed per payroll department FTE per month is below the regional peer average of 470 and well below the national peer range of 1,048 to 2,498, suggesting opportunities for improvement in payroll administrative costs.

Performance on Key Indicators for Supply Chain Management

- There was wide variation in reporting districts' performance on key indicators in the area of supply chain management. In some cases, reporting districts underperformed regional and national peers, suggesting that many districts have room for improvement.
    - Accounts payable department cost per $100,000 of revenue ranged from $48 in Lowndes to $726 in Baldwyn, which is over 12 times the upper end of the national peer range of $57.
    - As a whole, reporting districts took longer to process an invoice (24 days on average) than regional and national peers.
    - As a whole, reporting districts processed a lower number of invoices per accounts payable department FTE than regional and national peers.

Issues with Data

Some districts were unable or failed to provide critical information needed to assess their performance on key indicators. For example, seven districts failed to provide payroll department costs. Further, East Tallahatchie, Hazlehurst, Newton Municipal, and Pontotoc City failed to provide data for any performance indicators in this report. This lack of information inihibited this review and inhibits a district's ability to effectively manage its finance and supply chain programs.

Cost Savings

Based on FY 2023 data reported, 30 districts could realize annual projected potential savings of up to $964,862 by reducing payroll costs and worker's compensation costs and savings of up to $503,825 by reducing accounts payable costs.

See Exhibit 23 on page 51 for a summary of potential cost savings in reporting districts.

Each district's administration should carefully review the data and recommendations in light of the particular circumstances of the district.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS

1. In FY 2025, each district superintendent, in consultation with the district's finance and supply chain personnel, should review the information from this report and implement each of the relevant district recommendations to increase efficiency, improve service levels, and/or achieve cost-savings. Such recommendations include but are not limited to:
    a. Achieving more precise estimates of revenues and expenditures;
    b. Providing monthly financial status reports to district administration and department leaders;
    c. Creating and updating a formal strategic plan that incorporates goals, objectives, and action steps;
    d. Accurately calculating payroll processing costs;
    e. Reducing workers' compensation costs (e.g., via safety training and risk assessments);
    f. Adopting and tracking competitive procurements; and,
    g. Assessing the viability of utilizing purchasing cards (i.e., p-cards).
2. For districts that were unable to provide certain information during this review pertaining to their finance or supply chain programs (or provided questionable data), relevant district personnel should begin collecting and monitoring precise data on an ongoing basis.
3. District personnel should provide an annual report to the district superintendent regarding the status of the finance and supply chain programs using the measures included in this review.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Analysis of Finance and Supply Chain Programs and Expenses in 50 Mississippi School Districts:
A FY 2023 Comparative Review (Volume I)
For more information, contact: (601) 359-1226 | P.O. Box 1204, Jackson, MS 39215-1204
Senator Charles Younger, Chair | James F. (Ted) Booth, Executive Director

Analysis of Human Resources in 50 Mississippi School Districts: A FY 2023 Comparative Review (Volume II)

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Report Highlights

August 13, 2024

CONCLUSION: A review of the human resources programs and expenditures for 50 Mississippi school districts in FY 2023 showed opportunities for districts to strengthen their programs and increase efficiency. For example, 48% of districts do not track staff absenteeism rates, and 78% do not track daily substitute teacher fill rates. Three districts lack a documented employee handbook. The median overall employee separation rate across districts was 16.3% and the median teacher separation rate was 13.7%, both of which were better than (below) the regional peer average. However, some districts exceeded state, regional, and national separation rates. Among reporting districts, there were 110 employee misconduct investigations and 9 employee discrimination investigations. This review was inhibited by some districts being unable to provide the requested HR data and some districts providing questionable HR data.

BACKGROUND

In FY 2023, PEER received funding to contract with Glimpse K12 (an education technology company headquartered in Huntsville, Alabama) to conduct a comparative review of 30 school districts. This report focuses on one of six areas of review—human resources (Volume II). Other reports include:

- Finance and Supply Chain (Volume I);
- Information Technology (Volume III);
- Nutrition (Volume IV);
- Operations (Volume V); and,
- Transportation (Volume VI).

KEY FINDINGS

- **Of the districts reporting, 22 (48%) do not track staff absenteeism rates.**
  Reasons to track staff absenteeism rates are provided in the blue box below.
- **36 districts (78%) do not track daily substitute teacher fill rates.**
  Tracking these rates is essential to ensure the smooth operation of schools in the event of teacher absences.
- **Three reporting districts lack a documented employee handbook.**
  A handbook promotes consistency, legal compliance, and communication across the district.
- **All but four of the 46 districts reporting have invested in software to support human resources activities.**
  The majority of districts reported using automated time and attendance management software and applicant posting and tracking software.
- **The median HR costs per $100,000 of revenue was $218. The range was from approximately $48 in Picayune to approximately $873 in Baldwyn. A closer examination of these districts' costs finds anomalies that affect each district's reported figures.**
  These anomalies emphasize the importance of proper accounting of district finances to provide district administration officials with accurate information by which to make decisions.

Reasons to Track Staff Absenteeism Rates

- *Cost-savings*: Staff absenteeism can drive up costs. By tracking absenteeism, districts can identify patterns and trends that may help reduce costs by implementing preventive measures or better managing leave requests.
- *Adequate staffing*: When a staff member is absent, it can be challenging to maintain appropriate staffing levels, which may impact student learning. By tracking absences, school districts can identify areas where additional support may be needed and plan accordingly to ensure adequate staffing.
- *Employee health and wellness*: Frequent absences can indicate underlying health or wellness issues among staff members. By tracking staff absences, a district can identify trends that may signal a need for wellness interventions or resources, such as stress management or mental health support.
- *Teacher performance and student achievement*: Staff absenteeism can negatively affect student achievement, particularly if substitute teachers are less effective than regular classroom teachers. By tracking absences, a school district can identify areas where teacher performance may suffer and take steps to address the issue (e.g., providing additional professional development).

A Look at Employee and Teacher Separations

- The median *overall employee separation rate* was 16.3%.
  - Overall separation rates ranged from 0.3% in Prentiss to 24.8% in Holly Springs. Four districts reported overall employee separations higher than state, regional, and national peers.
- The median teacher separation rate was 13.7%.
  - Teacher separation rates ranged from 0% in Lincoln to 33.6% in Marshall. Nine districts reported teacher separation rates above those of state, regional, and national peers.

A Look at Employee Misconduct and Discrimination Complaints

- 19 districts reported a total of 110 employee misconduct investigations in FY 2023. (24 districts reported no investigations.)
  - Because each district has discretion in whether to classify an issue as "misconduct," the number of investigations reported by district ranged from 0 to 40 and a wide range of issues were reported (e.g., breach of contract, falsifying reasons for taking leave time).
- 6 districts reported nine employee discrimination investigations in FY 2023. (37 districts reported no investigations.)

HR Cost Data Not Collected

Some districts did not provide all information requested for this report, which inhibited the assessment team's ability to conduct a complete analysis of human resources functions in the selected districts. Further, some districts reported anomalous data, which indicates a lack of precision in capturing HR costs, in turn inhibiting the districts' abilities to use information to manage HR functions effectively. Several districts encountered difficulties in obtaining accurate information due to the distribution of HR functions among several district personnel, instead of having personnel dedicated to HR functions.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS:

1. In FY 2025, each district superintendent, in consultation with the district's human resources personnel, should review the information from this report and implement each of the relevant district recommendations to increase efficiency, improve service levels, and/or achieve cost-savings. Such recommendations include but are not limited to:
   a. tracking staff absenteeism;
   b. tracking daily substitute fill rates;
   c. keeping a documented employee handbook;
   d. assessing the use of more electronic processing and other technological tools; and,
   e. assessing causes of separation rates for teachers and staff.
2. District administrators should also use the information in this report to compare their performance to that of their peers in Mississippi, as well as regionally and nationally, to identify areas for potential improvement, and take action to improve.
3. For districts unable to provide benchmarking/performance information during this review pertaining to their human resources, relevant district personnel should take action to begin collecting and monitoring precise data on an ongoing basis.
4. District personnel should provide an annual performance report to the district superintendent regarding the status of the human resources programs using the measures included in this review.

SUMMARY OF RECOMMENDATIONS FOR THE MISSISSIPPI DEPARTMENT OF EDUCATION (MDE):

5. MDE should review its *Accounting Manual for Districts* to determine whether it should make revisions that would assist districts in providing greater detail, clarity, and accuracy of district revenue and expenses.
6. MDE should set parameters for districts as to what constitutes an employee misconduct investigation so that comparisons between districts can be made.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Analysis of Human Resources in 50 School Districts: A FY 2023 Comparative Review
For more information, contact: (601) 359-1226 | P.O. Box 1204, Jackson, MS 39215-1204
Senator Charles Younger, Chair | James F. (Ted) Booth, Executive Director

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Analysis of Information Technology in 50 Mississippi School Districts: A FY 2023 Comparative Review (Volume III)

Report Highlights | #703

August 13, 2024

CONCLUSION: A review of the information technology (IT) programs and expenditures for the reviewed Mississippi school districts in FY 2023 showed opportunities for districts to improve service levels and increase efficiency. Many school districts lack critical plans to manage technology and disaster recovery. Eight districts reviewed keep data backups onsite only, which puts IT functions at risk. Ten districts reported that 50% or less of their students' households have access to the internet. All districts reported network bandwidth per student below that of regional and national peers. There have been both state and federal efforts to increase access to quality internet in Mississippi, but implementation of those efforts will take time.

BACKGROUND

In FY 2024, PEER received funding to contract with Glimpse K12 (an education technology company headquartered in Huntsville, Alabama) to conduct a comparative review of 50 school districts. This report focuses on one of six areas of review—information technology (Volume III). Other non-instructional reports include:

- Finance and Supply Chain (Volume I);
- Human Resources (Volume II);
- Nutrition (Volume IV);
- Operations (Volume V); and,
- Transportation (Volume VI).

KEY FINDINGS

- **Of 46 reporting districts, 23 (50%) had a documented technology plan and 30 districts (65%) had a technology disaster recovery plan.**
  Such plans are critical for managing technology and disaster recovery.
- **Eight districts (17%) keep data backups onsite only, which puts district IT functions at risk in the event of an emergency, disaster, or cyberattack.**
  Offsite backup is critical to recovering vital records and data.
- **Seven districts (15%) do not track daily network usage.**
  By tracking daily network usage, a district can identify potential network capacity problems and also have insight into network usage patterns.
- **Of the 23 districts that surveyed student households for FY 2023, ten reported that 50% or less of students' households had access to broadband internet and Wi-Fi capabilities at home.**
  School districts play a critical role in providing students with broadband and Wi-Fi access at school for assignments.
- **All districts reported network bandwidth per student below that of regional and national peers.**
  Such a condition could have negative impacts on students' education.
- **Of the districts reporting, 15 reported at least one day in the school year in which internet usages reached more than 75% of standard available bandwidth for five minutes or longer.**
  If districts and teachers have access to higher bandwidth, additional programs and assignments could become feasible.
- **Of 47 reporting districts, 30 (66%) use a single department for traditional IT support and educational technology support functions. Twelve districts (26%) use two separate IT departments, and four districts use another type of structure.**
  Each model for IT support has advantages and disadvantages.

The Legislature has made efforts to expand broadband in the state, including the creation of the Broadband Expansion and Accessibility of Mississippi (BEAM) office in 2022. The office, functioning under the Mississippi Department of Finance and Administration, is responsible for overseeing all broadband expansion efforts in the state and will administer broadband grants. According to BEAM's website, in May 2023, the U.S. Department of the Treasury approved BEAM's plan for $151.4 million through the Capital Projects Fund (CPF). BEAM recently approved 24 broadband projects to be funded by the CPF; these projects are projected to serve 27,000 households in 19 counties across the state.

Additionally, Mississippi was allocated $1.2 billion from the federal Broadband Equity, Access, and Deployment (BEAD) program. Mississippi's BEAM office will allocate the funds through grants to increase access to quality internet.

Although steps have been taken by policymakers to improve broadband access, implementation of the systems will take time.

A Look at Internet Bandwidth

- For FY 2023, the median network-bandwidth per student was 0.87 for the districts reviewed, while the regional peer average was 26.35 and the lower range for national peers was 256.1. These numbers clearly demonstrate the need for improved bandwidth in the districts.
- Seven districts did not track network usage levels in FY 2023. Of the districts that did track network usage levels, twenty-four reported one day or less when they experienced network capacity issues. Another eight primarily experienced capacity issues during annual testing, ranging from nine to 40 days per year. Five districts reported exceeding 75% capacity for 81 days or more.
- Most districts are only maximizing device usage for testing and not for daily learning. If districts and teachers have access to higher bandwidth, additional programs and assignments could become feasible and offer students a wider range of educational opportunities not currently available due to bandwidth restrictions.
- Districts should balance investments in internet bandwidth and the educational usage of devices.

Device Inventory and Staffing

Based on the data provided, the number of devices per IT staff member ranged from 510 to 2,791. Fifteen districts should remove obsolete devices from their inventories, and then evaluate their staffing levels. In addition to the performance measures in this report, evaluation of staffing should include other factors (e.g., volume and complexity of support tickets, district goals, expertise of IT staff).

Issues with Missing Data

Only 19 of the 50 districts included in this review (38%) provided all of the benchmarking and performance data requested for this review. This inhibited the assessment team's ability to conduct a complete analysis of IT functions in the selected districts.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS

1. In FY 2025, each district superintendent, in consultation with the district's technology program personnel, should review the information from this report and implement each of the relevant district recommendations to increase efficiency, improve service levels, and/or achieve cost-savings.
2. For districts that were unable to provide certain information during this review pertaining to their technology programs (e.g., network usage levels), technology program personnel should begin collecting and monitoring this data on an ongoing basis.
3. Technology program personnel should provide an annual report to the district superintendent regarding the status of the technology program using the measures included in this review.
4. Districts should continue investing in network bandwidth, especially those experiencing capacity issues.
5. Districts should look to their high-performing peers to determine strategies for becoming more cost-effective.

SUMMARY OF RECOMMENDATIONS FOR THE MISSISSIPPI DEPARTMENT OF EDUCATION (MDE)

1. To aid school districts in creating technology and disaster recovery plans, MDE should develop a plan template and provide guidance documents for technology staff to use when developing these plans.
2. MDE should periodically (e.g., every two years) conduct the following surveys, which would enable it to better understand the resources and support needed to assist districts in improving their technology programs:
   a. a detailed technology survey for district technology leaders, and,
   b. a detailed survey for teaching staff regarding technology use in the classroom.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Analysis of Nutrition Programs and Expenses in 50 Mississippi School Districts: A FY 2023 Comparative Review (Volume IV)

Report Highlights | #703

August 13, 2024

CONCLUSION: A review of the nutrition programs for 50 Mississippi school districts in FY 2023 showed opportunities for districts to strengthen their programs and increase efficiency. For example, 31 reporting districts did not participate in an alternative breakfast program, which can increase breakfast participation rates, which increases program revenues. There was also wide variance in the performance of districts in key areas such as meals per labor hour, suggesting that districts have room for improvement. As a whole, reporting districts performed favorably compared to regional and national peers in certain areas (e.g., overall costs per meal), while districts underperformed peers in other areas (e.g., breakfast participation rate).

BACKGROUND

In FY 2024, PEER received funding to contract with Glimpse K12 (an education technology company headquartered in Huntsville, Alabama) to conduct a comparative review of 50 school districts. This report focuses on one of seven areas of review—nutrition (Volume IV). Other non-instructional reports include:

- Finance and Supply Chain (Volume I);
- Human Resources (Volume II);
- Information Technology (III);
- Operations (Volume V); and,
- Transportation (Volume VI).

KEY FINDINGS

- **Of 46 districts reporting, 100% utilize "offer versus serve," which allows students to decline some of the food offered.**
  The goal of "offer versus serve" is to reduce food waste.

- **Of 46 districts reporting, 31 (67%) did not participate in an alternative breakfast program.**
  Alternative breakfast programs can increase program revenues and may positively impact student performance.

- **Of 46 districts reporting, 16 (35%) did not use cycle menus, which are repeated over a specific period of time.**
  Cycle menus can help manage food buying costs, increase efficiency, and provide for more enjoyable meals for students.

- **Of 46 districts reporting, six (13%) reported that there are multiple designees responsible for ordering food for the district.**
  This could result in higher food costs.

- **There was wide variation in districts' performance on key indicators. For example, the number of meals per labor hour across reporting districts ranged from 5.4 to 38.5, which suggests that many districts have room for improvement.**
  Meals per labor hour is a key measure of efficiency in school nutrition programs. Generally, a higher number of meals per labor hour indicates greater efficiency.

Strategies for Improving a District's Meals Per Labor Hour

- Simplify the menu by offering healthy and nutritious options that can be easily prepared.
- Use standardized recipes to ensure meals are consistent in quality and quantity, reducing labor and minimizing waste.
- Optimize the kitchen layout and equipment, investing in high-capacity ovens, mixers, or food processors to streamline meal preparation.
- Implement time-saving techniques, such as batch cooking, ingredient prepping, and using prepared foods.
- Provide training for staff on cooking techniques, equipment usage, and food safety.
- Monitor and adjust labor costs regularly to optimize labor costs without compromising meal quality.

A Look at Selected FY 2023 District Cost Metrics

- *Breakfast Participation Rate*: The rate for reporting districts ranged from 24% in Long Beach to 90% in Quitman County. The median rate for all districts of 45% was well below the regional peer average of 61%.
- *Lunch Participation Rate*: The rate for reporting districts ranged from 48% in Lafayette to 96% in Holly Springs. The median rate for all districts of 72% was near the regional peer average of 71%.
- *Overall Cost per Meal*: The cost per meal ranged from $1.18 in Lawrence to $9.77 in Winona-Montgomery. The median cost for all districts was $4.12, which compares favorably to regional and national peers.
- *Fund Balance Measured in Number of Months of Average Program Expenses*: Fund balances ranged from one-half month of expenses in Holly Springs to approximately 13 months in Newton Municipal.
    - The federal COVID-19 waiver allowing districts to have more than three months of nutrition program expenses in reserve has expired and districts with more than three months of fund balance reserves compared to average monthly expenses must develop a plan to use the funds for allowable purchases such as necessary supplies and equipment.

Estimated annual cost savings: Up to $4.9 million for food and labor cost improvements

Additional projected revenues: Up to $4.7 million by increasing breakfast and lunch participation rates

See Exhibit 13 on page 30 for a summary of cost savings and additional revenues by district.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS

1. In FY 2025, each district superintendent, in consultation with the district's nutrition personnel, should review the information from this report and implement each of the relevant district recommendations to increase efficiency, improve service levels, and/or achieve cost savings.
2. For districts unable to provide benchmarking or performance information during this review pertaining to their nutrition programs (or provided questionable data), relevant district personnel should take action to begin collecting and monitoring precise data on an ongoing basis.
3. District personnel should provide an annual performance report to the district superintendent regarding the status of the nutrition programs using the measures included in this review.
4. District administrators should use the information from annual performance reports to monitor their district's costs and efficiency in administering their nutrition programs.

SUMMARY OF RECOMMENDATIONS FOR THE MISSISSIPPI DEPARTMENT OF EDUCATION (MDE)

1. MDE should develop guidance to assist districts in increasing breakfast participation rates. MDE could use the *Colorado Department of Education's Guide to Increasing School Breakfast Participation* as a starting point in developing a guide for Mississippi's school districts.
2. MDE should develop guidance for districts to improve their meals per labor hour (MPLH).
3. MDE should develop guidance for school districts on using any excess reserves in their nutrition funds for allowable expenses that could contribute to a more efficient nutrition program.

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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Analysis of Operations Programs and Expenses in 50 Mississippi School Districts: A FY 2023 Comparative Review (Volume V)

Report Highlights | #703 August 13, 2024

CONCLUSION: A review of the operations programs for 50 Mississippi school districts in FY 2023 showed opportunities for districts to strengthen their programs and increase efficiency. For example, 26 reporting districts (62%) did not have a formal preventative maintenance program. Without such a program, districts risk unexpected and potentially costly issues with their facilities and equipment. There was also wide variance in the performance of districts in key areas such as custodial cost per square foot and maintenance cost per square foot, suggesting that districts have room for improvement. As a whole, reporting districts performed favorably compared to regional and national peers in certain areas (e.g., custodial costs), while districts underperformed peers in other areas (e.g., maintenance costs).

BACKGROUND

In FY 2024, PEER received funding to contract with Glimpse K12 (an education technology company headquartered in Huntsville, Alabama) to conduct a comparative review of 50 school districts. This report focuses on one of seven areas of review—operations (Volume V). Other non-instructional reports include:

- Finance and Supply Chain (Volume I);
- Human Resources (Volume II);
- Information Technology (Volume III);
- Nutrition (Volume IV); and,
- Transportation (Volume VI).

KEY FINDINGS

- **Of the 42 reporting districts, 15 (36%) did not utilize an electronic maintenance work order system.**
  Such systems could increase efficiency and enhance decision making.
- **26 districts (62%) did not have a formal preventative maintenance program.**
  Without such a program, districts risk unexpected and potentially costly issues with their facilities and equipment.
- **17 districts (40%) did not participate in an energy management program.**
  An energy management program that involves principals and facility leaders could lead to savings and environmental sustainability.
- **22 (52%) did not conduct a formal facilities assessment each year.**
  Such assessments are intended to ensure building safety and can assist administrators in prioritizing repairs and upgrades.
- **Reporting districts performed favorably on custodial cost measures compared to regional peers (e.g., lower cost per square foot and per student); however, districts spent more on maintenance costs per square foot than did regional peers.**

Variance in District Performance

Districts reported a wide range of costs and performance associate with custodial, maintenance, and groundskeeping services. For example:

- Custodial cost per square foot ranged from a low of $0.37 in Quitman County to a high of $3.56 in Greene and Monroe, with a median of $1.41.
- Maintenance cost per square foot ranged from $0.15 in Quitman County to $7.39 in Jackson County, with a median of $3.56.

These wide variances suggest that districts have opportunities to improve their performance on the key indicators in this report, which could result in improved efficiencies, cost savings, and/or improved service levels.

Issues with Missing Data

The conclusions of this report were inhibited by district's inability to provide the requested data. For example:

- 17 districts (34%) failed to provide either the number of total square feet maintained by the district or total annual custodial costs or both;
- 14 districts (28%) were unable to provide information to calculate the average number of days to complete a maintenance work order;
- 10 districts (20%) failed to provide the cost information needed to determine potential cost savings; and,
- East Tallahatchie and Pontotoc City failed to provide any data for this review.

The failure to either collect and/or provide information on key indicators for this review suggests that district administrators do not have the information they need to make decisions regarding their operations functions.

Cost Savings

Based on FY 2023 data reported, of the districts reporting, 26 districts could realize annual projected potential cost savings of up to $19 million by reducing costs associated with their custodial, maintenance, and/or groundskeeping functions.

While the reported data suggests the potential for cost savings for these districts, each district's administration should carefully review the data and recommendations in light of the particular circumstances of the district.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS

1. In FY 2025, each district's superintendent, in consultation with the district's operations personnel, should review the information from this report and implement the relevant recommendations to increase efficiency, improve service levels, and/or achieve cost savings. Such recommendations include, but are not limited to:
    a. implementing an electronic work order system;
    b. conducting formal annual facility assessments;
    c. implementing an energy management program; and,
    d. implementing a formal preventative maintenance program.
2. For districts that were unable to provide certain information during this review pertaining to their operations, relevant district personnel should begin collecting and monitoring this data on an ongoing basis.
3. If feasible, districts should begin tracking custodial, maintenance, and groundskeeping costs separately.
4. District personnel should provide an annual report to the district superintendent regarding the status of the district's operations using the measures included in this review.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Analysis of Transportation Programs and Expenses in 50 Mississippi School Districts: A FY 2023 Comparative Review (Volume VI)

Report Highlights | #703 August 13, 2024

CONCLUSION: A review of the transportation programs for 50 Mississippi school districts in FY 2023 showed opportunities for districts to strengthen their programs and increase efficiency. For example, 23 districts (51%) did not use formal guidelines for student seating, which can offer safety, discipline, and accountability benefits. There was also wide variance in the performance of districts in key areas such as cost per bus and cost per mile, suggesting that districts have room for improvement. Some districts have characteristics that naturally result in greater program efficiency (e.g., dense population of students in a small geographic area). As a whole, reporting districts performed favorably compared to regional peers in certain areas (e.g., cost per rider), while districts slightly underperformed regional peers in other areas (e.g., staffing for maintenance of buses).

BACKGROUND

In FY 2024, PEER received funding to contract with Glimpse K12 (an education technology company headquartered in Huntsville, Alabama) to conduct a comparative review of 50 school districts. This report focuses on one of seven areas of review—transportation (Volume VI). Other non-instructional reports include:

- Finance and Supply Chain (Volume I);
- Human Resources (Volume II);
- Information technology (Volume III);
- Nutrition (Volume IV); and,
- Operations (Volume V).

KEY FINDINGS

- **Of the 45 school districts reporting, 37 (82%) did not utilize routing software to manage their bus routes.**
  Bus routing software is intended to help districts achieve maximum efficiency. However, transportation program staff must be proficient in using the software.

- **23 districts (51%) did not use formal guidelines for student seating on buses.**
  Formal guidelines can offer safety, discipline, and accountability benefits.

- **School districts use various bus route methods. For example, 24 districts indicated that students from all grades in a geographic area ride the bus together and are dropped off at their respective schools, while 7 districts assign a bus to transport students exclusively to and from one school without additional routes.**
  No bus route method can be conclusively deemed superior.

- **19 districts (35.5%) did not have a sufficient number of substitute bus drivers to prevent occasional service delays.**
  Having a pool of substitute drivers can prevent bus service delays.

- **As a whole, reporting districts performed favorably on some key performance indicators as compared to regional peers and unfavorably on other indicators.**
  - Overall, districts spent less per bus, less per mile, and less per rider than regional peers.
  - Additionally, most districts were slightly less efficient in staffing for maintenance of buses than regional peers and slightly less efficient in transporting students than regional peers, as measured by the number of students per bus.

Cost Savings

At least eleven of the 45 reporting districts have the potential for cost savings either through bus route improvements or staffing adjustments. Of the districts reporting, annual projected potential cost savings could be up to $2.65 million for bus route improvements and up to $420,800 for staffing adjustments.

Exhibit 11 on page 29 provides a summary of projected potential cost savings from bus route improvements in eight districts and Exhibit 12 on page 31 provides a summary of projected potential cost savings from transportation staffing adjustments in six districts.

While the reported data suggests the potential for cost savings for these districts, each district's administration should carefully review the data and recommendations in light of the particular circumstances of the district.

Variance in District Performance on Key Indicators

- Of the districts reporting, the average annual cost per bus overall in FY 2023 ranged from approximately $15,000 for Itawamba to approximately $82,000 for Vicksburg-Warren, and the cost per rider ranged from $549 in Itawamba to $2,653 in Leake, suggesting districts could have room for improvement.
- Annual cost per mile ranged from $1.19 in North Pike to $15.72 in Prentiss, approximately three times the state median.
  - The cost per mile measure is driven by data reported by the districts, some of which appears questionable and should be reviewed by district administrators for accuracy.
- Data from three districts (South Panola, Lafayette, and Neshoba) indicates that they may have more buses than needed. Data from four districts (Jackson County, Marion, Lee, and Lincoln) indicates that their bus maintenance function may be understaffed.

Issues with Missing Data

Some districts did not provide all of the information requested for this report, which inhibited the assessment team's ability to conduct a complete analysis of transportation functions in the selected districts.

- East Tallahatchie and Pontotoc City did not provide any data or information for this report. Further, Lamar and Winona-Montgomery provided minimal performance data and no benchmarking information.

Without timely and accurate financial information, the districts' ability to manage costs and allocate taxpayer funds effectively is compromised.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS

1. In FY 2025, each district superintendent, in consultation with the district's transportation program personnel, should review the information from this report and implement each of the relevant district recommendations to increase efficiency, improve service levels, and/or achieve cost savings. These include, but are not limited to:
   a. potential implementation of bus routing software;
   b. potential implementation of formal guidelines for student seating on buses;
   c. annual reviews of bus routes;
   d. identify potential opportunities for bus route optimization;
   e. evaluate approaches for addressing driver absences; and,
   f. assess mechanic staffing levels and spare fleet size.
2. District administrators should also use the information in this report to compare their performance to that of their peers in Mississippi, as well as regionally and nationally, to identify areas for potential improvement, and take action to improve in those areas.
3. For districts unable to provide benchmarking or performance information during this review pertaining to their transportation programs (or provided questionable data), relevant district personnel should take action to begin collecting and monitoring precise transportation data on an ongoing basis.
4. District personnel should provide an annual performance report to the district superintendent regarding the status of the transportation programs using the measures included in this review.
5. District administrators should use the information from annual performance reports to monitor their district's costs and efficiency in operating its transportation program.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Analysis of Transportation Programs and Expenses in 50 Mississippi School Districts:
A FY 2023 Comparative Review (Volume VI)
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Senator Charles Younger, Chair | James F. (Ted) Booth, Executive Director

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Analysis of the Inmate Welfare Fund

Issue Brief #704 | September 10, 2024

BACKGROUND

The Mississippi Legislative PEER Committee authorized a review of the amounts deposited into and expended from the Inmate Welfare Fund (IWF).

The IWF and the core expectations of use of the Fund are established by MISS. CODE ANN. § 47-5-158 (1972).

MDOC Internal Policy Number 02-11 is the only internal policy regarding the IWF. It establishes the expectation and operations of the IWF Committee.

The Deputy Commissioner for Administration and Finance of MDOC is charged with creating and maintaining the internal accounting controls which oversee the IWF, and the general operation of the fund is delegated to the IWF Committee. The Committee is tasked with all administrative and supervisorial tasks related to the IWF, including the creation and oversight of all fund regulations and the approval of any expenditures charged to the fund.

IWF Account Expenditures and Revenues

Annual Expenditures

Across the six years analyzed, FY 2023 had the highest amount expended at $1,985,003, representing a 52.7% increase in expenditures from FY 2018.

Annual Revenues

Revenues increased substantially between FY 2018 and FY 2023, peaking in FY 2023 at $6,184,521.10 and representing a 42.9% increase.

Comparison of Expenditures and Revenues

The IWF's revenues exceed its expenditures in all of the examined years. Across the six examined years an average of 62% of the total revenues was expended.

Expenditure Categories

MDOC and the IWF Committee only track expenditures on a purchase-by-purchase basis (i.e., what was purchased and the purchase price).

The most frequent expenditure category across the six-year period was Education, representing 724 purchases and $3,286,860.20 in expended funds. This focus on education represents a clear adherence to governing statute as well as an adherence to *MDOC Internal Policy Number 02-11.*

IWF Committee Goals and Transparency

The IWF Committee's failure to maintain an annual needs assessment and documented annual goals as dictated by *MDOC Internal Policy Number 02-11* could create uncertainty regarding the management of the fund and the applicability of expenditures.

Applicability of IWF Expenditures

While analysis of all available expenditure data suggests that the IWF Committee works to ensure the applicability of all expenditures, the IWF Committee should maintain clear documentation of needs assessments and goals. In doing this, the Committee will be able to verify that all expenditures align with the purpose of the IWF.

Management of the Fund

IWF Committee Goals and Expenditures

The IWF Committee does not maintain the annual needs assessment of the fund as required by *MDOC Internal Policy Number 02-11*. Because the Committee has full authority over the consideration and approval of all expenditures and is the primary entity responsible for ensuring responsible spending of the IWF, the failure to adhere to this policy means that internal audits surrounding the goals and direction of the fund are not maintained as required.

Examination of Two-quote Adherence

Across 50 examined purchases over the amount of $5,000, MDOC maintained correct documentation of all purchases, providing proof of two-quote consideration process and representing proper maintenance of the IWF.

Recommendations

1. In order to ensure proper adherence to *MDOC Internal Policy 02-11*, the IWF Committee should establish clear, documented procedures for the creation and recording of an annual needs assessment as defined by policy.
2. In order to ensure the continued application of the needs defined in annual assessments and to increase the ease in which the processes of the IWF Committee can be audited, the committee should also clearly identify all goals and projected needs for the fund within the minutes of all Committee meetings.
3. In order to ensure interest earned on the fund is returned to the IWF, MDOC should work with the Office of the Mississippi State Treasurer and the Department of Finance and Administration to ensure that, going forward, all interest is returned to the IWF.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A Review of the Division of Medicaid's Non-Emergency Transportation Program

Report Highlights | #705

October 15, 2024

CONCLUSION: Through the 2023 Medicaid NET broker procurement process, DOM reduced the maximum cost for NET services per month, under the cost cap, to $2,681,795 per month through June 7, 2027. DOM eliminated payments for non-utilizers, switched to making payments for utilizers based on number of NET trips, and capped administrative costs. MTM's unsuccessful protest of 2023 NET contract award cost DOM $5,628,382 more to operate the NET program from October 2023 to April 2024.

BACKGROUND

Background

As a condition for receiving federal funding, DOM is required to provide its Medicaid fee-for-service beneficiaries non-emergency transportation (NET) to and from scheduled covered medical services. DOM contracts with a private broker to connect riders with transportation providers, manage a customer service center, and to administer the contract.

Medical Transportation Management, Inc. (MTM) served as DOM's NET broker from February 1, 2019, to September 30, 2023.

In 2023, DOM issued an Invitation for Bids (IFB) to determine the NET broker for the term October 1, 2023, to September 30, 2026, with an implementation phase that commenced June 8, 2023. Upon evaluating all responsive and responsible bidders, DOM chose to award the bid to ModivCare Solutions, LLC (ModivCare). MTM, DOM's former NET broker, initiated a protest of this award.

MTM 2023 NET Bid Protest:

MTM unsuccessfully protested the awarding of the 2023 NET IFB to ModivCare, delaying the start of the NET contract with ModivCare from October 1, 2023, to June 8, 2024.

Impact of MTM's Protest:

It cost DOM $5,628,382 more to operate the NET program from October 2023 to April 2024 under an emergency contract with MTM than had DOM been permitted to proceed with the winning bidder ModivCare.

DOM's Continued Shift to a Utilization-based Payment Methodology

- **2013 NET Contract: Flat Fee Basis, $3,256,396.08 per month**
- **2018 NET Contract: Utilization Basis, $3,024,251.68 per month**
  - Based on rates for number of utilizers and non-utilizers each month.
  - 95% of actual NET costs were for non-utilizers.
- **2023 NET Contract: Utilization Basis, $2,681,794.65 per month**
  - Under the 2023 IFB, DOM eliminated payments for non-utilizers, switched to making payments for utilizers based on number of NET trips, and eliminated implementation costs.
  - Administrative costs capped at 15% of trip cost each month.

Based on trip data from July 2022 to April 2024, PEER estimates 2024 NET contract costs will be below the cost cap.

Efforts by DOM to Enforce Compliance with Performance Standards

DOM assessed liquidated damages against MTM in the amounts of:

- **2013 NET Contract: $3,007,750**
- **2023 Emergency NET Contract: $632,800**

As part of the 2024 NET contract, DOM added four additional performance metrics for which liquidated damages may be assessed and modified 18 performance metrics from the 2018 NET contract.

Changes to NET Survey Process

2018 NET contract survey process only surveyed NET utilizers.

- NET broker was required to mail surveys only, resulting in a low response rate (11% in CY 2021).

DOM adopted PEER's 2022 recommendation as part of the 2024 NET contract to require the NET broker to conduct satisfaction surveys of NET eligible members, facilities (i.e., medical providers and offices), and NET providers.

- DOM also required the NET broker to contract with a third party (Cigna Health) to conduct the surveys.
- DOM still does not require the NET broker to survey non-utilizers.

Status of State NET Permitting Process

S.B. 2739, 2022 Regular Session – required all NET providers to obtain a permit through Mississippi State Department of Health (MSDH) by July 1, 2023.

S.B. 2613, 2023 Regular Session:

- Exempted DOM NET providers, and,
- Extended deadline to July 1, 2024.

To date, MSDH has issued a permit to six NET providers, while two NET providers are in the permitting process and two have opted to discontinue providing NET services.

NET Utilization and Trends

NET Eligible Members

- December 2022 – peaked at 335,914
- April 2024 – 141,254

NET Non-utilizers

- January 2023 – peaked at 329,309
- April 2024 – 135,641

Number of NET trips stabilized at or below 50,000 per month over last 3.5 years

- Ambulatory trips = 81 to 82% of trips
- Advanced trips = 18 to 19% of trips

Top Reasons for Utilizing NET, April 2024

- 48.6% – Return ride home
- 28.4% – Dialysis
- 8.1% – Specialist
- 2.2% – Physical therapy
- 2.1% – Primary care
- 20.68 miles – average distance per trip leg

MSDH's Pilot Non-Emergency Transportation Program

Citing a 50% no-show rate to county health department appointments, MSDH entered an emergency contract with Uber Health to start a non-emergency transportation program in November 2023 to transport customers to health department appointments, WIC Centers, and pharmacies.

- MSDH reported providing more than 500 rides to county health departments as of August 23, 2024.
- However, the program still needed Uber Health drivers in 36 of Mississippi's 82 counties.
- MSDH plans to expand the federal grant funded program in 2025.

RECOMMENDATION

To increase the effectiveness of the statutory review process, the Legislature should consider amending MISS. CODE ANN. § 43-13-117 (1972) to require the PEER Committee to conduct a performance evaluation of the Division of Medicaid's (DOM) non-emergency transportation (NET) program:

- Option 1 – Once every three years, or,
- Option 2 – Two years after the implementation date of each new contract.

By altering the review cycle to take place two years after the NET contract commences, PEER would review the NET contract prior to the next procurement cycle, but after sufficient time to assess services provided.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A Review of the Division of Medicaid's Non-Emergency Transportation Program
October 15, 2024
For more information, contact: (601) 359-1226 | P.O. Box 1204, Jackson, MS 39215-1204
Senator Charles Younger, Chair | James F. (Ted) Booth, Executive Director

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A Review of the Mississippi State Board of Medical Licensure

Report Highlights | #706

November 6, 2024

CONCLUSION: Regulation of the medical profession is necessary to reduce risks to the public. PEER determined several areas in which the Mississippi State Board of Medical Licensure's (MSBML's) regulation of its licensees could be improved (e.g., through amendments in state laws and changes to MSBML's enforcement process). Further, there are policy options for the Legislature to consider—whether an alternative regulatory structure could benefit the state and ways in which the state could better address scope of practice issues within the healthcare profession.

BACKGROUND

The Medical Practice Act (MISS. CODE ANN. Section 74-43-1 et seq. [1972]) defines the practice of medicine and the authority of MSBML. Serious health and safety risks associated with the practice of medicine create a need for state government to protect the public from unprofessional, improper, and incompetent actions.

MSBML regulates physicians, podiatrists, physician assistants, acupuncturists, radiologist assistants, and limited x-ray operators by issuing licenses and establishing and enforcing its rules and regulations.

MSBML is composed of nine physician members that serve six-year terms. As of July 2024, MSBML employed 28 employees.

MSBML is a special fund agency supported by funds collected primarily from licensing and renewal fees. Its revenues and expenditures for FY 2024 were approximately $5.7 million and $3.9 million respectively.

Risk factors associated with the practice of medicine create a need for state government to protect the public from unprofessional, improper, and incompetent actions.

As of July 2024, MSBML regulated 15,950 licensees, the majority of which are medical doctors (MDs).

KEY FINDINGS

- **The Medical Practice Act is no longer aligned with current best practices for regulating physicians and other licensees overseen by MSBML.**
  The statutes regulating physicians have not been updated in many years, and as a result do not reflect current best practices for regulating physicians. Examples include: a lack of full membership for consumer board members, limits on who may nominate a candidate to serve on the Board, outdated examination requirements, and a lack of Board authority to issue fines as disciplinary actions.
- **MSBML's enforcement process fosters an environment in which potential for bias could occur or be perceived.**
  In particular, the Executive Director's discretionary authority in the investigation of complaints and MSBML's failure to utilize a penalty matrix in disciplinary proceedings can increase the risk of potential appearance of bias and unfair treatment.
- **The Board does not adequately oversee the Mississippi Physician Health Program (MPHP) to ensure that MPHP is achieving its mission to help struggling physicians achieve recovery from addictive disorders while also protecting the public.**
  MSBML does not conduct regular performance audits to ensure that physicians in the program are being treated fairly and that MPHP is achieving its goals, nor does it utilize performance metrics to evaluate the MPHP program's compliance and effectiveness.
- **MSBML has improved the Board's internal controls and compliance with state laws since the State Auditor's 2017 compliance review.**
  MSBML addressed compliance and internal control issues related to submission of the *Public Depositors Annual Report*, proper recording of meeting minutes, the timely deposit of cash receipts, procurement card purchases, approval of travel expenses, and recording of employee leave.
- **As of June 30, 2024, MSBML had an estimated ending cash balance of $10.8 million.**
  Maintaining a large cash balance while continuing to collect fees and fines could undermine licensees' and the public's trust in MSBML.

Possible Alternatives to Current Regulatory Structure for Healthcare Professionals

While some states, including Mississippi, regulate healthcare professionals through independent boards, other states utilize an umbrella agency that oversees licensing or licensing boards of multiple professions, including healthcare professionals. The degree of regulatory authority granted to an umbrella agency varies by state, ranging from administrative shared services duties to comprehensive regulatory authority.

Policymakers should consider whether establishing some form of an umbrella agency in Mississippi could benefit the state by increasing efficiency of resources and improving consistency in regulation across healthcare professions.

Options for Addressing Scope of Practice Questions

In Mississippi and nationwide, the expansion of scopes of practice for non-physician healthcare is an emergent issue that must be addressed by state legislatures. Mississippi lacks an objective body responsible for providing recommendations to the Legislature to address such critical scope of practice issues (e.g., overlapping boundaries of practice) within the various healthcare professions. Without such a body, the Legislature may not have the information it needs to make informed scope of practice policy decisions.

Issues with the MSBML's Current Office Location

MSBML leases its approximately 11,000 square foot office space from a private owner for approximately $148,000 per year. Not being located in state-owned office space could be an inefficient use of public funds. Further, the office is larger than recommended by DFA policy for an agency the size of MSBML. However, until more state office space and shared service spaces are made available for smaller special fund agencies, MSBML's options for relocating to maximize efficiency are limited.

Spotlight on Connecticut's Process for Addressing Scope of Practice Issues

A person or entity may request a scope of practice change by submitting a written request to the Connecticut State Department of Public Health (CTDPH) no later than August 15. If the request meets requirements, the CTDPH Commissioner shall establish and appoint at least four members to a scope of practice review committee, and the CTDPH Commissioner serves as an ex-officio member. The committee considers the request, including its potential impact on the health and safety of members of the public, and provides its written findings to the Joint Public Health Committee of the General Assembly, which is responsible for matters relating to public health.

SUMMARY OF RECOMMENDATIONS

The Legislature should consider:

- amending state law to update the Medical Practice Act to bring it in line with modern best practices for regulating physicians and other professionals regulated by MSBML and implement a repealer to encourage periodic review;
- amending MISS. CODE ANN. § 73-25-27 (1972) to require that MSBML implement a penalty matrix to guide the Board's decisions regarding appropriate penalties for violations;
- creating a shared services relationship between the boards regulating healthcare professions (e.g., MSBML, Board of Nursing, Board of Pharmacy), and also consider whether to place boards regulating healthcare professions under an umbrella agency with some level of regulatory authority; and,
- adopting a formal system to review and provide legislators with recommendations for how to resolve scope of practice questions as they arise, such as through the creation of a new committee representing all healthcare professions that would have the authority to develop findings and recommendations related to the modifications of scopes of practice for the Legislature to consider implementing through legislation.

MSBML should:

1. implement further checks and balances into the complaint investigation process in the event that there is disagreement between the Executive Director, Chief of Staff, and Board Attorney regarding the proper course of action;
2. implement practices that ensure that labels within its enforcement database are relevant to the investigation being conducted;
3. implement formal, written policies and procedures defining instances of potential bias for MSBML members and staff, and the appropriate steps for a Board member or staff member to recuse themselves from an investigation or hearing;
4. establish performance metrics that MSBML can use to effectively evaluate MPHP, and mandate regular performance audits of the program to ensure its effectiveness and compliance with its grant authorization;
5. develop plans to expend the licensees' funds held in reserve in an efficient and effective manner for the accomplishment of the agency's goals and objectives and for the benefit of its licensees; and,
6. work with DFA, when space is made available, to move MSBML into state-owned office space that is both more affordable and more efficient in its use of space.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A Review of the Mississippi Board of Medical Licensure
November 6, 2024
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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

CY 2024 Annual Review of Selected County Work Release Programs

Issue Brief #707 | November 25, 2024

BACKGROUND

Beginning in calendar year 2024, MISS. CODE ANN. § 47-5-473 (1972) requires the PEER Committee to annually review the effectiveness of any pilot work release programs established by the Sheriffs of Harrison, Hinds, Lee, and Rankin counties, and provide a report to the Legislature by December 1st of each year. The statute provides specific requirements that programs must comply with, including providing data to PEER in six-month intervals.

The first and only work release program established under this CODE section was established by the Rankin County Sheriff in May 2021. While Harrison, Hinds, and Lee counties have not established a work release program, it is important to note that these counties are not at odds with any statutory requirements because they are authorized but not required to establish a program.

Definition of a Work Release Program

A work release program is a reentry program for adult offenders that allows low-risk offenders nearing the end of their sentences (i.e., less than one year) to work regular jobs in the community and earn wages to help pay restitution, court costs, child support, and help to offset costs of incarceration.

Program Participation

From January 2022 through September 2024, there have been a cumulative total of 52 offenders that have previously or are currently participating in the work release program. Of these 52 participants, 69% were male. Further, the majority of program participants were convicted on charges related to controlled substances (i.e., possession, sale/distribution, and controlled substance violations).

The average duration that an offender participates in the work release program prior to completion is 283 days or roughly 9.4 months.

Rankin County Compliance with State Law

While the Rankin County Sheriff's Department complies with many of the statutory requirements, it has not fully adhered to the eligibility requirement that an offender must be within one year of release.

From January 2022 through September 2024, 11 of the 52 offenders (21%) participated in the program for more than one year. Therefore, the Department does not comply with this program eligibility requirement established in state law and through its internal policy.

Statutory Requirements	Compliance (√ / X)
Adopt and publish rules for the work release program.	√
No more than 25 participants at a single time.	√
No participating offenders convicted of a crime of violence.	√
Collect and maintain monthly data elements for program participants.	√
Participants shall establish a bank account and distribute wages accordingly.	√
Participating employers shall pay no less than the federal minimum wage.	√
Share all collected data with PEER in six-month intervals.	X
Data shall be submitted to PEER in a sortable, electronic format.	X
No offender having more than one year remaining on his or her sentence.	X

Recommendations

In regard to its work release program, the Rankin County Sheriff's Department should:

- provide PEER with data reports in a sortable, electronic format in six-month intervals as required by MISS. CODE ANN. § 47-5-473;
- ensure that it adheres to the eligibility requirements that an offender be within his or her last year of sentence in order to participate in the program;
- establish a data dictionary and create a formal report template used to provide data to PEER;
- consider amending internal policy to specify and establish a formal process for how participant earning should be divided or distributed once a participant satisfies payment for all fines, restitution, or costs;
- establish a formal report that clearly documents the total number of participants who were arrested for a new criminal offense, convicted of a new crime while in the program, and the total number of participants who completed the program and were convicted of a new crime within three years of completing the program;
- establish objectives, goals, and performance measures that are specific, measurable, attainable, relevant, and time-based; and,
- track and maintain the costs related to operations of its program in order to serve as an example for other counties that are authorized to develop similar programs.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

CY 2024 Annual Review of Selected County Work Release Programs
November 25, 2024
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Senator Charles Younger, Chair | James F. (Ted) Booth, Executive Director

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A Review of the Effectiveness of the Mississippi Development Authority Tourism Advertising Fund

Report Highlights | #708 November 25, 2024

CONCLUSION: The Mississippi Development Authority (MDA) collects data in reviewing advertising and marketing performance. However, PEER recommends changes and additions to data collection methods that would allow MDA to produce a more data-driven response in planning future advertising and marketing activities. PEER's recommendations include, but are not limited to, more frequent tracking of visitor volume and spending, implementing ad tracking surveys, and creating a system to track key performance metrics like visitation number and marketing expenditures by geographic area.

BACKGROUND

House Bill 1093, Regular Session 2022, directed the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) Committee to conduct a review of the advertising and marketing efforts paid for through the MDA Tourism Advertising Fund. The first review is due by December 1, 2024, and every four years thereafter. This review is in addition to the expenditure review required by MISS. CODE ANN § 27-65-74 (24) (b) (1972).

MISS. CODE ANN. § 57-1-64.2 (1972) provides that the PEER may contract with a private contractor or contractors to conduct the review of the MDA Tourism Advertising Fund mandated by the statute. The statute requires that MDA shall be legally and unconditionally required to pay the costs of any work provided by such contractor or contractors in an amount not to exceed One Hundred Thousand Dollars ($100,000) in aggregate.

PEER retained EBP US Inc., (EBP) to perform analysis and review to support PEER in fulfilling its statutory obligations. PEER staff contributed to the overall message of this report and recommendations based on the data and information provided by EBP US, Inc. PEER staff also provided quality assurance and editing for this report to comply with PEER writing standards; however, PEER did not validate the source data collected by EBP US, Inc.

MISS. CODE ANN. § 57-1-64 (1972) created the MDA Tourism Advertising Fund and authorized MDA to sell advertising and promotional information to generate revenues and deposit into the Tourism Advertising Fund.

MISS. CODE ANN. § 27-65-75 (24) (a) (1972) requires that 3% of tax collections from restaurants and hotels are deposited into the Tourism Advertising Fund.

KEY FINDINGS

- **MDA lacks the necessary methods needed for developing metrics to measure the effectiveness of its marketing efforts and programs.**
  Without proper data collection, MDA is unable to evaluate how well its marketing initiatives are performing, limiting its ability to make informed decisions.
- **MDA lacks a method for tracking and collection of visitor volume and spending data at an appropriate frequency.**
  As of September 2024, no data is available on visitor volume or spending trends for the current calendar year.
- **MDA lacks a consistent and effective methodology for estimating revenue and expenditure information.**
  Without a clear benchmark or consistent methodology, MDA risks future inconsistencies in tracking and evaluating visitor data.
- **After moving to reporting in calendar year format from fiscal year format, report inconsistencies emerged.**
  The change to calendar year reporting creates challenges for evaluating the visitor economy, particularly when comparing data over time periods in which the data was previously recorded in fiscal year format.
- **MDA currently does not track data related to the short-term rental and home-sharing markets, despite these segments contributing significantly to the state's tourism economy.**
  MDA lacks a comprehensive view of the state's lodging marketing, which limits its ability to analyze trends, forecast demand, and measure the full impact of tourism.
- **MDA lacks a systematic approach to measuring the effectiveness and performance of its advertising campaigns over time.**
  Without ad tracking surveys, there is no reliable way to collect data on brand awareness, ad recall, or changes in consumer behaviors that result from the advertising efforts.
- **MDA does not effectively evaluate the impact of its marketing initiatives aimed at attracting out-of-state visitors.**
  Without tracking performance metrics by specific regions, it is challenging to identify which markets respond positively to campaigns.

Mississippi's Tourism Economy

- Visitors in Mississippi spent $11.5 billion across a range of sections in 2023 including food and beverage, lodging, recreation/entertainment, retail, and transportation.
- Mississippi draws a larger share of day visitors at 59% than overnight visitors at 41%.
- Mississippi is a predominantly leisure destination with 92% of all visitors indicating pleasure as their purpose of visit.
- MDA's target market audience is defined as an adult out-of-state overnight visitor arriving by car for leisure purposes.
- Room demand in Mississippi in 2024 has trailed the U.S. In September 2024, room demand in Mississippi was 6% lower than in 2023 compared to the U.S., which stood only 2% below the prior year.
- Mississippi's average daily room rate (ADR) has increased steadily since 2020 reaching $106 in 2024, up from $85 in 2019. Mississippi's ADR resilience highlights regional demand dynamics and the impact of local inflation, with rates climbing faster than the national average in recent years.

MDA Tourism Advertising Fund Revenues and Expenditures Since Inception in August 2019

$53.69 million has been deposited in the Tourism Advertising Fund through July 2024.

MDA's total marketing expenditures have amounted to $51.60 million through June 2024, representing 96% of the fund's revenue allocated to marketing.

Social Media Marketing Performance

Social media performance is showing mixed results in 2024, with Facebook showing an increase in activity and Instagram a decrease in activity through May 2024.

RECOMMENDATIONS

1. MDA should collect and maintain data on performance metrics including tracking of advertising campaigns and associated surveys to assist with evaluating travel intentions and the effectiveness of the associated campaigns.
2. MDA should develop and implement a system for more frequent tracking and collection of visitor volume and spending data. Establishing a process for quarterly or monthly data collection will provide MDA with more timely insights into tourism performance.
3. MDA should establish a clear benchmark for visitor volume and spending to ensure consistency in future economic impact assessments. This benchmark should be based on a robust, transparent methodology that is regularly reviewed and updated as needed. MDA should implement a process to document and explain any data revisions, thus providing clarity on how changes are made ensuring that stakeholders understand any discrepancies or shifts in reported outcomes.
4. MDA should request visitor volume and spending data in both calendar year and fiscal year terms. This dual approach will provide greater clarify and continuity, allowing for more accurate assessments of tourism trends and economic impact while meeting the needs of both internal and external stakeholders.
5. MDA should begin tracking data for the short-term and home-sharing markets to gain a complete understanding of these segments' contributions to the state's tourism economy. This data will allow MDA to more accurately assess overall lodging trends, inform marketing strategies, and adapt policies to better support the growing short-term rental and home-sharing sectors, ensuring a more holistic approach to tourism management.
6. MDA should implement ad tracking surveys designed to assess the effectiveness of advertising campaigns over time. The insights gained from these surveys will enable MDA to evaluate the impact of its advertising efforts, making data-driven adjustments to help enhance future marketing strategies to ensure great effectiveness with its target audience.
7. MDA should implement a system to track key performance metrics – such as visitation numbers and marketing expenditures – by geographic area. By focusing on geographic data, MDA can gain valuable insights into which regions are most receptive to its marketing efforts.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A Review of the Effectiveness of the Mississippi Development Authority Tourism Advertising Fund
November 25, 2024
For more information, contact: (601) 359-1226 | P.O. Box 1204, Jackson, MS 39215-1204
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FY 2024 Annual Report: A Review of the Mississippi Development Authority Tourism Advertising Fund

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Report Highlights | #709

December 9, 2024

CONCLUSION: Under the authority of MISS. CODE ANN. § 57-1-64 (1972), the Mississippi Development Authority (MDA) oversees deposits to and expenditures from the Tourism Advertising Fund. As required by state law, PEER conducted a review to detail how funds were spent and deposited in FY 2024. In FY 2024, the Tourism Advertising Fund received approximately $14.7 million in revenues and MDA expended approximately $14.25 million from the fund.

BACKGROUND

Background

MISS CODE ANN. § 27-65-75 (24) (b) (1972) requires the Joint Legislative PEER Committee to provide an annual report to the Legislature reviewing the MDA Tourism Advertising Fund established by MISS CODE ANN. § 57-1-64 (1972) to include the amount of funds and a detail record of how the funds are spent.

MISS. CODE ANN. § 57-1-64 created a special fund in the State Treasury known as the MDA Tourism Advertising Fund (Tourism Advertising Fund).

MDA is authorized to sell advertising and other promotion information and enter into agreements with other tourism associations for the purpose of facilitating revenue to deposit into the Tourism Advertising Fund. Additionally, MISS. CODE ANN. § 27-65-75 (24) (a) requires a certain percentage of each month's sales tax collections from restaurants and hotels to be deposited into the Tourism Advertising Fund.

MISS. CODE ANN. § 27-65-75 (24) (a) requires a 3% of each month's sales tax collections from restaurants and hotels to be deposited into the Tourism Advertising Fund.

KEY FINDINGS

- **As provided by MISS. CODE ANN. § 27-65-75 (24) (a) the Tourism Advertising Fund received approximately $14.7 million in restaurant and hotel sales tax revenue.**
  MISS. CODE ANN. § 27-65-75 (24) (a) mandates a 1% increase in the amount of sales tax collections deposited into the fund from FYs 2020 through 2022. In its second year of full funding (i.e., 3%), the Tourism Advertising Fund saw similar levels of funding as FY 2023 with a difference of approximately $518,000.
- **In FY 2024, MDA expended approximately $14.25 million from the Tourism Advertising Fund, primarily on advertisements promoting tourism in Mississippi.**
  FY 2024 expenditures decreased by $4.9 million from FY 2023 expenditures. MDA worked with three companies to place advertisements in FY 2023. Local destination marketing organizations utilized MDA's cooperative advertisement program to place advertisements during FY 2024, sharing the cost burden of placing advertisements.
- **MDA establishes spending levels based on the revenue collected and deposited into the Tourism Advertising Fund in the previous quarter.**
  Proceeding into FY 2025 and future fiscal years, MDA's goal is to operate the fund at a near net-zero balance. MDA staff anticipates spending an average of $1 million to $1.3 million monthly from the Tourism Advertising Fund.

RECOMMENDATION

The Mississippi Development Authority should ensure that it is planning expenditures around marketing activities that show increased tourism as well as increased restaurant and hotel sales tax revenue collection.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

FY 2024 Annual Report: A Review of the Mississippi Development Authority Tourism Advertising Fund
December 9, 2024

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PEER MISSISSIPPI

Joint Legislative Committee on Performance Evaluation and Expenditure Review

2024 Statutory Review of Mississippi's Education Scholarship Account Program

Report Highlights | #710

December 9, 2024

CONCLUSION: During FYs 2023 and 2024, the Mississippi Department of Education (MDE) disbursed $5.1 million (90%) of ESA funds available. In those two years, 515 ESA participants attended 109 nonpublic schools in Mississippi. Participants used an average of 96% of their ESA funds on tuition expenses. Because resources are limited and the ESA program has few scholarships available to award to new participants, the Legislature should consider its options for allowing more students with disabilities to participate with the resources available (e.g., by revising the funding formula). The state's net cost increase for the ESA program for FYs 2023 and 2024 was approximately $1.2 million and $1.3 million respectively. PEER's satisfaction survey indicated high levels of satisfaction with the program by both parents and students.

BACKGROUND

Background

In 2015, the Mississippi Legislature enacted The Equal Opportunity for Students with Special Needs Act (Chapter 441, *Laws of 2015*). MISS. CODE ANN. Section 37-181-1 (1972) et seq., directs MDE to administer the ESA program.

The program's purpose is to offer parents of children with disabilities financial assistance to place their children in a nonpublic school setting and receive other educational services that parents believe best meet the needs of their child.

This biennial report is the fourth conducted by PEER.

Satisfaction Survey Results

For this year's satisfaction survey, parents indicated that they and their children are highly satisfied with the ESA program and with the disability services provided by nonpublic schools. They also believe their children have shown progress in achieving their academic and disability-related goals through participation in the ESA program. Notably, satisfaction regarding MDE's customer service was higher than in previous surveys.

KEY FINDINGS

- **For FYs 2023 and 2024, the budget for the ESA program was $6 million ($3 million in FY 2023 and $3 million in FY 2024).**
  In FYs 2023 and 2024, MDE disbursed 90% ($5.1 million) of ESA funds available, while 10% ($557,604) lapsed. The 91% disbursement of funds for FY 2024 represents the highest percentage of funds disbursed since the program's inception.
- **During FYs 2023 and 2024, 515 ESA participants attended 109 nonpublic schools in Mississippi.**
  While some of the schools are designed to serve students with disabilities, the majority are not. However, state law allows for ESA participants to enroll in any nonpublic school as long as the school meets the requirements in law and provides services for the student's disability.
- **During FYs 2023 and 2024, participants used an average of 96% of their ESA funds on tuition expenses.**
  Various expense categories accounted for the remaining expenditures (e.g., textbooks, tutoring, education services or therapies).
- **For FYs 2023 and 2024, the state's net cost increase for the ESA program was approximately $1.2 million and $1.3 million respectively.**
  The fiscal impact to public school districts was immaterial.
- **MDE has improved some aspects of its administration of the ESA program since PEER's 2022 report.**
  For example, MDE has met the statutory requirement of requiring recertification of ESA participants after three years of program participation, which helps ensure that the program continues to serve only eligible students with disabilities.
- **Some aspects of MDE's administration of the program still need improvement.**
  For example, MDE has not consistently required nonpublic schools to submit a signed form to help ensure that schools enrolling ESA participants meet requirements in state law.

POLICY CONSIDERATIONS AND RECOMMENDATIONS

Options for Enrolling Additional Students in the ESA Program

Because resources are limited and the ESA program has few scholarships available to award to new participants, the Legislature should consider the following options to allow for more students with disabilities to participate.

1. Revise the ESA funding formula (MISS. CODE ANN. Section 37-181-7 [1]) so that the ESA amount equals the base student cost of the state's education funding formula, which is the same amount of the two other nonpublic school choice scholarships administered by MDE—the Nate Rogers Scholarship and the Dyslexia Therapy Scholarship.
2. Require MDE to advise parents of students who qualify for the two other nonpublic school choice scholarships administered by MDE to apply for those programs rather than the ESA.

Options for Ensuring that All Schools Enrolling ESA Participants are Providing Services

The majority (82%) of nonpublic schools enrolling eligible students are not special purpose schools or nonpublic schools accredited by MDE. Therefore, PEER determined that the Legislature could consider the following options with the goal of helping to ensure that nonpublic schools enrolling ESA students meet the requirements in law and are providing services addressing the ESA student's disability:

3. Require MDE to implement an application process for schools to become "eligible" or a process by which schools may be approved by MDE based on certain standards (e.g., accreditation).
4. Require nonpublic schools to periodically report to MDE the services ESA participants are receiving.

Summary of Other Recommendations

5. To provide an assessment of ESA participants' academic performance, the Legislature should revise MISS. CODE ANN. Section 37-181-15 (1) (f) to:

    a. limit the types of assessments that ESA students can take to either a nationally standardized norm-referenced achievement test or a current state board-approved screener. If neither of these assessment types are appropriate due to the severity of the student's disability, the school should provide a performance-based assessment appropriate for assessing the student's abilities (e.g., a behavior checklist or communications assessment), along with a statement that a standardized achievement test or board-approved screener is not appropriate for the student; and,

    b. require that the pre-assessment given at the beginning of the school year and the post-assessment given at the end of the school year are the same assessment.

6. MDE should continue to improve its administration of the ESA program by:
    a. ensuring that reimbursements are recorded as credits to the students' ESA accounts; and,
    b. developing a policy or procedure to comply with MISS. CODE ANN. Section 37-181-5 (9) (1972), which would include a process to transfer any unused ESA funds by the end of the fiscal year to the school district in which the student attends.

7. If an approval process is not required in law to deem schools eligible to enroll ESA students, MDE should require that all participating schools submit MDE's Participating School Assurances Form.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

2024 Statutory Review of Mississippi's Education Scholarship Account Program
December 9, 2024
For more information, contact: (601) 359-1226 | P.O. Box 1204, Jackson, MS 39215-1204
Senator Charles Younger, Chair | James F. (Ted) Booth, Executive Director

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Mississippi Department of Corrections' FY 2024 Cost Per Inmate Day

Report Highlights | #711

December 9, 2024

Background

State law requires that the state's cost per inmate day be certified annually by a certified public accountant and that the certified cost be used as the basis for verifying the 10% savings required for private contractor costs. Historically, MDOC used the cost of operation of similar units and adjusted them to recognize economies of scale to arrive at a cost of operation of a 500- or 1,000-bed facility.

During its 2012 Regular Session, the Legislature passed H.B. 440 (amending MISS. CODE ANN. Section 47-5-1211 [1972]), which requires the cost per inmate day calculation to occur every two years instead of annually and to require development of a current cost-based model for the calculation. This report serves as the model for the basis of the cost per inmate day calculation.

Using the Cost-Based Model

Given a certain number of inmates and their security classification, the model facility's projected operating costs include costs associated with the required security staffing configuration and common system-wide costs such as medical, food, and associated MDOC administration. By determining the state's cost to operate the model facility, MDOC has a cost per inmate day projection that serves as the basis in negotiating with a potential contractor to operate a private prison facility at the minimum 10% savings required by state law. Because the cost-based model approach is specific to a certain type of privately operated facility, MDOC's state cost projection does not represent MDOC's cost to operate any of the three state operated facilities.

Mississippi Department of Corrections
Schedule of Average Daily Costs Per Inmate for a Model Facility
Year Ended June 30, 2024

Allocated Costs	
Parole Board	$ 0.10
Operating Costs of the Unit	
Security personnel	31.37
Nonsecurity personnel	6.96
Other operating costs	
Food	2.86
Medical	16.04
Utilities	2.07
Total operating costs	59.30
Other Costs	
All other costs	5.95
Total per day cost	$ 65.35

Analysis of Changes in Cost Per Inmate Day

The calculated cost per inmate day increased from $59.24 in FY 2022 to $65.35 in FY 2024, an increase of approximately 10%. This increase was primarily driven by increases in personnel cost (security and non-security), and medical service contract costs. The increase in calculated costs was partially offset by decreases to utility costs and costs associated with the "all other costs" category.

Negotiating Private Prison Payments

MDOC should negotiate private prison contracts to yield savings significantly greater than the 10% required by state law.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Mississippi Department of Corrections' FY 2024 Cost Per Inmate Day
December 9, 2024
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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

CY 2024 Annual Review of MAGCOR's Work Initiative Program

Issue Brief #712 | December 9, 2024

Background

Beginning in Calendar Year 2024, MISS. CODE ANN. § 47-5-579 (1972) requires the PEER Committee to annually review the effectiveness of work initiative programs operated by MAGCOR and provide a report to the Legislature by January 1st of each year. The statute provides specific requirements that programs must comply with, including providing data to PEER in six-month intervals.

The first and only work release program operating under MISS. CODE ANN. § 47-5-579 was established by MAGCOR in September 2022 at the Central Mississippi Correctional Facility.

Definition of a Work Release Program

A work release program is a reentry program for adult offenders that allows low-risk offenders nearing the end of their sentences (i.e., less than two years) to work regular jobs in the community and earn wages to help pay restitution, court costs, child support, and help to offset costs of incarceration.

Program Participation

From September 2022 through September 2024, there have been a cumulative total of 79 offenders that have previously or are currently participating in the work initiative program. Of these 79 participants, all were male. Further, the majority of program participants were convicted on charges related to controlled substances (i.e., possession, sale/distribution, and controlled substance violations).

The average duration that an offender participates in the work initiative program prior to completion is 245 days or roughly 8.2 months.

Statutory Requirements Not Met	Non-compliance
Expand the work initiative to include SMCI, MSP, and MCIW.	X
Provide PEER work initiative data semiannually.	X
Not have more than two years remaining on his or her sentence.	Data not provided

MAGCOR's Compliance with State Law

While MAGCOR complies with many of the statutory requirements, it has not expanded the work initiative program to include the South Mississippi Correctional Institution (SMCI), the Mississippi State Penitentiary (MSP), and the Mississippi Correctional Institute for Women (MCIW).

Summary of Recommendations

The Legislature should amend MISS. CODE ANN. § 47-5-579 to:

- report data for each work initiative participant on the total amounts of any dependent support payments, fines, restitutions, fees, or costs as ordered by the court;
- report data for each work initiative participant on the remaining length of his or her sentence; and,
- reflect the current administrative fee deduction of 15% (currently stated as 10% in statute).

MAGCOR should:

- ensure it complies with all requirements established by MISS. CODE ANN. § 47-5-579; and,
- update its policies and procedures manual to:
  - reflect current statutory requirements;
  - specify and establish a formal process for how any participant earnings can be transferred or utilized while in the program and upon graduation; and,
  - incorporate all newly adopted program goals, objectives, and performance measures.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

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

Report #713 Highlights

December 9, 2024

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.

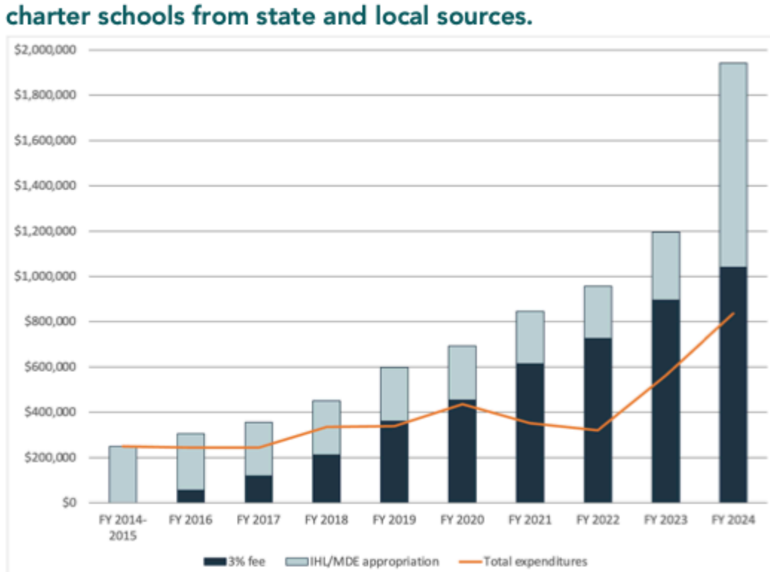
During SY 2023-24, ten charter schools (six in Jackson, one in Clarksdale, one in Greenwood, one in Canton, and one in Natchez) served 3,386 students.

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.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

FY 2024 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board
December 9, 2024

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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

2024 Update of Parker's Law Convictions

Issue Brief | #714

December 9, 2024

Background

In 2022, the Mississippi Legislature adopted *Chapter 401, Laws of 2022,* otherwise known as Parker's Law. The legislation makes it a crime to knowingly deliver or cause the delivery of fentanyl which results in a death. Any person convicted for violating the provisions of this law, could face imprisonment of no less than 20 years to a term of life in the custody of the Mississippi Department of Corrections.

Scope and Authority

State law requires the PEER Committee to annually:

- provide an overview of Parker's Law, and similar provisions of law in the United States; and,
- report the number of convictions that have occurred under Parker's Law since its adoption.

This is the third annual update prepared by PEER. It includes the total number of convictions from July 1, 2022, to November 1, 2024.

Convictions Under Parker's Law

PEER contacted the Administrative Office of the Courts (AOC) to determine how many convictions have occurred under Parker's Law since its adoption. For each review, AOC staff reviewed court records in their possession, including filings maintained in Mississippi Electronic Courts. Since inception of the law there have been no reported convictions.

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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A Review of Selected Policies and Practices of the Mississippi High School Activities Association

Issue Brief #715 | January 6, 2025

Background

The Mississippi High School Activities Association (MHSAA) was incorporated as a not-for-profit organization in 1956. MHSAA's constitution states that its purpose is to "promote the general welfare of member schools in their relations with each other." The MHSAA regulates sixteen sports and six activities in its member schools.

MHSAA has a full-time staff of eleven employees, including its Executive Director. The association has a multi-level governance structure to represent its member schools that includes activity districts and district executive committees at the local level, a Legislative Council, and an Executive Committee. MHSAA sustains its operations primarily through regular payments to the association in the form of annual membership dues from its member schools.

PEER Authority to Conduct Review

MISS. CODE ANN. Section 5-3-57 (b) (1972) provides PEER with comprehensive authority to review the files and functions of agencies and also extends the authority to cover the independent contractors of such agencies when necessary. For the purposes of the statutes addressing PEER's authority, the term "agency" embraces not only those components of state government commonly thought of as agencies, but also local government entities (see MISS. CODE ANN. Section 5-3-53 [1972]).

Overview of Concerns

PEER reviewed matters related to a disciplinary action taken by MHSAA, during the 2023-2024 school year, against a Tupelo High School student athlete involving participation in track and field. Specifically, PEER reviewed MHSAA rules and policies that prohibit athletes from participating in out-of-state events as an unattached contestant (i.e., an athlete who is not representing his or her team or school when participating in a competition) and policies or practices relating to a parent or child's legal representation before MHSAA or any subcommittee thereof dealing with a sanction. Through its review, PEER determined that MHSAA:

- has the potential for inconsistency in enforcement of its bylaws since it relies on its member schools or its members to self-report violations or provide information about infractions;
- lacks clarity and contains contradictory language in some of its bylaws (e.g., prohibited events and activities are not clearly defined); and,
- provides limited options for resolution (e.g., MHSAA is not required to ensure procedural due process).

Recommendations

MHSAA should:

- amend its bylaws to provide written definitions of events and activities listed within its bylaws, formalize and clarify its approval process for participation in defined events and activities, and eliminate contradictory language (i.e., Bylaws 6.2.4 and 7.1.3);
- establish a formal process to ensure that its member schools and coaches have read and understand MHSAA bylaws and any amendments (e.g., attestation form) where they can then educate students and parents on participating in defined events;
- ensure its staff proactively monitors Mississippi student participation in defined events and activities instead of waiting on formal complaints reported by member schools in order to allow for more consistent enforcement of its bylaws;
- create a uniform complaint form that would serve as the official record of the complaint's origin, which should be maintained in one file, along with the notice of penalty and/or other documented resolution;
- retain and log formal and informal complaint information in order to be more transparent, provide useful management information, and to ensure consistency in the enforcement of its bylaws; and,
- implement the proposed modification to its appeals hearing process that would enable legal counsel to present arguments to the Executive Committee on their client's behalf.

If the Mississippi Legislature deems MHSAA's changes to its appeals process inadequate, it could consider establishing a property interest in interscholastic athletics and outlining procedural requirements through statute. This would allow for a student or parent to have a right to be represented by an attorney in a hearing before MHSAA.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A Review of Selected Policies and Practices of the Mississippi High School Activities Association
January 6, 2025
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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

An Expenditure and Revenue Review of the Rankin-Hinds Pearl River Flood and Drainage Control District, FY 2015 to FY 2024

Report #716 Highlights

January 6, 2025

CONCLUSION: The Rankin-Hinds Pearl River Flood and Drainage Control District (District) received $9,907,790.01 in revenue and expended $9,894,428.92 from FY 2015 to FY 2024, a difference of approximately $13,000. More than 93% of its revenue comes from millage assessed on property within the District. District financial data from FY 2015 to FY 2024 shows that funds were used for the purposes of administration of a flood control district, upkeep of current levees and property, and pursuit of a flood control plan.

BACKGROUND

The District was established by order of the Rankin County Chancery Court on May 9, 1962. Responsible for flood control since its inception, the District took over the chief responsibility of planning and executing the Jackson metropolitan area's current flood control and risk management project in 2001.

At present, the District board's membership consists of seven members appointed from the municipalities and areas served by the District. This includes the mayors of Jackson, Flowood, Pearl, and Richland, appointees from the Hinds and Rankin counties' boards of supervisors, and one gubernatorial appointee.

During the 1960s, this board worked with the U. S. Army Corps of Engineers (Corps) to develop the system of levees that is present in Hinds and Rankin counties.

The District continues to work with the Corps to pursue a flood control plan for the Jackson metro area.

Appendix A, page 18, summarizes the proposed flood control plans since the 1979 flood.

District Revenue, FY 2015 to FY 2024

- **From FY 2015 to FY 2024, the District generated $9,907,790.01 in income.**
- **Millage accounts for more than 93% of District revenue.** Assessed at a rate of 4.75 mils on property owners within the District boundary.
- **The District also received a 2019 grant from the Mississippi Development Authority for $300,000.**

The Pearl River Vision Foundation, a private non-profit, funded additional scientific and engineering studies related to the District's pursuit of a flood control plan.

District Expenditures, FY 2015 to FY 2024

- **The District expended $9,894,428.92 over the ten-year-period from FY 2015 to FY 2024.**
- **Expenditures go toward administering the District, maintaining the District's existing flood control structures, and pursuing, as needed, additional flood control projects.**
- **The largest expenditure categories were as follows:**
  - Flood risk management project – 43.26% or $4,280,203.20;
  - Repairs to existing pumps and levees – 18.06% or $1,787,192.41;
  - Payroll and benefits – 15.88% or $1,571,380.01;
    - Includes 9 part-time maintenance staff;
  - Maintenance-related expenses – 7.07% or $699,280.32;
  - Utilities – 4.88% or $488,608.62; and,
  - Other professional fees – 4.83% or $477,949.36;
    - Include legal and accounting fees related to District operations.
- **Exhibit 3 on page 9 provides details of District expenses.**
- **Appendix B on page 22 provides the District's yearly revenue and expenses.**

Flood Control Project Expenses, FY 2015 to FY 2024

Legal Fees – 52.79% or $2,259,524.92

- Include project management fees.

Engineering fees – 43.97%, or $1,882,157.28

- These primarily pertain to completing and revising the Feasibility Study/Economic Impact Statement.
- The District did not provide contracts for portions of work performed by select vendors.

Corps Technical Assistance Fees – 3.24% or $138,521.00

Key Events

July 19, 2012 – The District and the Corps enter into a Section 211 Agreement to complete a Section 211 feasibility report to determine federal interest in Pearl River Watershed project.

- Per the Water Resource Development Act (WRDA) of 2007, a Section 211 Agreement authorizes the Corps to provide specialized or technical services for a local government entity.

June 22, 2022 – The District releases its Section 211 Draft Feasibility Study/Economic Impact Statement.

June 2024 – The Corps releases its Draft Environmental Impact Statement (EIS) evaluating the District's alternatives but also added its own alternatives.

Authorized Funding to Implement Flood Control Project under WRDA

Section 3104 of WRDA authorizes the Assistant Secretary of the Army for Civil Works to choose a flood damage reduction project for the Mississippi Pearl River Basin at a total cost of $205,800,000 (based on 2007 dollars), with an estimated federal cost of $133,770,000 and an estimated non-federal cost of $72,030,000. Adjusted for inflation for FY 2024:

- the total updated authorized project cost is $370,495,000; and,
- the maximum project cost limit imposed by Section 902 of the WRDA 1986 is $440,103,000.

The 2024 cost of $370.5 million would result in a 35% local share of $130 million and a 65% federal share of $240 million.

RECOMMENDATIONS

1. Given the impact on the Jackson metropolitan area and the likelihood any approved Pearl River flood control plan may need state and federal support, the District should update the Legislature and Governor as to any significant changes. As part of the 2010 report, PEER recommended the District report actions taken or progress toward completion of a comprehensive flood control program for the Jackson metropolitan area.

2. The District should consider hiring a record keeper or bookkeeper to better maintain District records, including contracts, purchase orders, professional service agreements, and invoices. The District has not had a full-time superintendent since October 1, 2022, and only recently decided to bring its accounting function in-house on a part-time basis.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

An Expenditure and Revenue Review of the Rankin-Hinds
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Joint Legislative Committee on Performance Evaluation and Expenditure Review

2024 Update on Financial Soundness of the Public Employees' Retirement System

Report Highlights | #717

July 29, 2025

SUMMARY: The PEER Committee, under the authority found in MISS. CODE ANN. § 5-3-51 (1972) et seq., carried out the statutorily required review of the financial condition of the Public Employees' Retirement System of Mississippi (PERS). This 2024 report includes an update on the financial soundness of PERS, sustainability of the PERS plan funding policy, and an update on changes made to PERS, the Supplemental Legislative Retirement Plan (SLRP), and the Optional Retirement Plan (ORP) during the 2025 Legislative Session.

BACKGROUND

The Public Employee's Retirement System of Mississippi (PERS) is a defined benefit retirement plan for a majority of employees (and/or their beneficiaries) of state agencies, counties, cities, colleges and universities, public school districts, and other participating political subdivisions. State law requires PEER to report annually to the Legislature on the financial soundness of PERS.

The PERS system is under the administration of the 10-member PERS Board of Trustees, which has a primary responsibility of ensuring adequate funding of the plans it administers. One way the Board accomplishes this task is by setting contribution rates for employers participating in the plan. For assistance in setting these rates, the PERS Board receives actuarial reports annually and works with independent actuarial advisers to develop comprehensive models that are used to project the financial position of the various plans. These models include components such as investment return assumptions, wage inflation assumptions, retirement tables, and retiree mortality tables.

Each of these components must work in concert with the others for the PERS plan to maintain financial soundness. Underperformance in any one area can cause additional stress on other components and can lead to underperformance of the PERS plan as a whole.

During the 2025 Regular Session, the Legislature passed House Bill 1, which created a "Fifth Tier" for new employees hired into covered positions and further made significant changes to the Supplemental Legislative Retirement Program and the Optional Retirement Plan.

Scope Limitation: This report evaluates potential impacts of legislation passed during the 2025 Legislative Session (i.e., House Bill 1). Numbers and information attributed to actuarial reports in this review have not been recalculated to account for the impact of legislation passed during the 2025 Regular Session.

KEY FINDINGS

- **In 2024 and 2025, the Legislature made significant changes to the PERS plan.**
  Currently, actuarial projections show promising potential for reducing plan liabilities over time. This promise is predicated upon the plan(s) meeting all actuarial assumptions, including investment returns, which are not under the control of PERS or state policy makers.

- **For the past five fiscal years, the PERS average payroll increase has been above the projected annual rate of wage increase; however, over the past 10 fiscal years, it has been below the projected rate.**
  Less-than-expected payroll growth can increase the amortization period of the unfunded actuarial accrued liability (UAAL). However, the upward pressure on the UAAL may be partially or totally offset due to the decrease in the number of future liabilities resulting from a lower payroll amount than assumed in the actuarial model.

- **Based on the results of the evaluation metrics in the funding policy as of June 30, 2024, two of the plan's metrics are at red signal-light status and one the of the plan's metrics is at yellow signal-light status.**
  All three funding policy metric results declined from June 30, 2023, to June 30, 2024.

- **In its 2024 Regular Session, the Legislature assumed responsibility for setting the PERS plan's employer contribution rate and created a statutorily mandated plan for increasing the PERS plan's employer contribution rate to 19.90% by FY 2029.**
  The statutorily mandated funding plan will increase the PERS plan's employer contribution rate from 17.40% to 19.90% through 0.5% increases over a period of five fiscal years (FY 2025 through FY 2029). The mandated rate adjustment plan is slated to start in FY 2025.

Tier Five Provisions

Sections 15 through 23 of House Bill 1 (2025 Regular Session) create a new tier in the PERS System for employees becoming members of the System on or after March 1, 2026, which will consist of a defined benefit component and a defined contribution plan component meeting the requirements of Section 401(a) of the Internal Revenue Code.

Section 23 of House Bill 1 amends MISS. CODE ANN. Section 25-11-123 (1972) to provide that:

- For any employee who became a member of the system on or after March 1, 2026, the employee's contribution will be 9% of earned compensation, with 4% of such earned compensation amount to be deposited into the annuity savings account, and 5% of such earned compensation to be deposited into the employee's defined contribution account authorized in Section 15 of the bill.
- For each member who became a member of the System on or after March 1, 2026, except as provided in Section 15 of the bill, the employer's monthly payment will be applied to the system's accrued liability contribution fund.

Changes to the Supplemental Legislative Retirement Plan

The Supplemental Legislative Retirement Plan (SLRP) is a defined benefit retirement plan for the benefit of eligible Mississippi State Legislators and the President of the Senate. Members of SLRP are also members of PERS. Contributions are made by the members and their employers (i.e., Mississippi Senate and House of Representatives) to both plans.

House Bill 1 closes new SLRP membership. This means that all newly elected members of the State Legislature and the President of the Senate (i.e., the Lieutenant Governor) elected after March 1, 2026, will no longer be eligible for membership in SLRP and will only be members of the new Tier Five of the PERS plan.

Changes to the Optional Retirement Plan

The Optional Retirement Plan (ORP) was established by the Legislature in 1990 to attract qualified and talented institutions of higher learning faculty. This defined contribution plan is designed to be portable and transferable to accommodate university faculty who move from one state to another throughout their careers.

House Bill 1 creates a new payment structure for existing ORP members and a new benefit tier for new members of ORP.

Impact of House Bill 1

Impact of the Addition of Tier Five

Actuarial analysis shows that the adoption of Tier Five will generate cost savings from the reduction of future liabilities. However, it is worth noting that under the new Tier Five, employees are required to shoulder more of the burden for the cost of their retirement benefits (i.e., approximately 75% under Tier Five as compared to 73% under the current PERS structure).

Closing SLRP

The closing of SLRP to new members which have the effect of reducing future liabilities to the plan but will increase costs for the plan in the short-term.

Changes to the ORP

Actuary projections assume that future employment levels in ORP will remain at current levels (approximately 5,000) and are based on current payroll of $510 million.

Investment Returns

For FY 2024, the PERS Board had investment management contracts for 63 portfolios and paid management fees to investment managers on 60 of these portfolios.

Having realized a market gain of approximately 10.78% in the PERS plan's combined investment portfolio, the market value of assets increased from approximately $32 billion to $33.7 billion during FY 2024, an increase of approximately $1.7 billion.

Summary and Conclusions

While actuarial projections show promising potential for reducing plan liabilities over time, a cautionary note relates to the impact the Tier Five changes could have on PERS. An article published in April 2025, by the Jackson Clarion-Ledger notes that some entities in the public sector are concerned that changes in benefits could impact an employee's decision to commence a career in public service or remain in public service. Further, there could be an issue to funding for the plan in the future. Employees choosing or not choosing to begin work, or remain working, in state government positions could impact both wage growth and the active member to retiree ratio.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

2024 Update on Financial Soundness of the Public Employees' Retirement System
July 29, 2025
For more information, contact: (601) 359-1226 | P.O. Box 1204, Jackson, MS 39215-1204
Representative Kevin Felsher, Chair | James F. (Ted) Booth, Executive Director

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A Management Review of the Mississippi Veterans' Home Purchase Board

Report Highlights | #718 July 29, 2025

CONCLUSION: The Mississippi Veterans' Home Purchase Board (VHPB) provides a substantial benefit to Mississippi veterans utilizing the program, with a VHPB mortgage loan potentially creating an average possible savings of $51,600 per loan, across the life of the loan. However, the issues regarding the agency's operational management and employee morale indicate limitations to its overall effectiveness. Whether internal or external, these issues create negative consequences for veterans by diminishing the quality of service VHPB can offer. Improving VHPB's functions and organizational practices would contribute not only to the benefit of the agency and its employees but also to the veterans the agency was created to serve.

BACKGROUND

The Legislature established VHPB in 1936 for the purpose of rehabilitating and rewarding the state's veterans by making available to them mortgage loan money at rates equal to or less than the rates on loans guaranteed by the U.S. Department of Veterans Affairs. Because of the constitutional prohibition against the state's loaning its credit in aid of any person, VHPB purchases the property from the seller, then resells the property on credit to the veteran purchaser. In all other aspects, the agency operates as a traditional mortgage loan organization.

As of March 2025, there were 1,319 veterans with an active mortgage loan with VHPB, accounting for approximately $215 million in mortgage loans receivable. PEER notes that VHPB has not tracked the total number of veterans served or total loan amount provided since its inception.

KEY FINDINGS

Management of VHPB's Mortgage Loan Program

- **There are currently no members on the Board with expertise in the mortgage industry.**

  MISS. CODE ANN. Section 35-7-7 (1972) emphasizes wartime military service without placing an equivalent emphasis on expertise in mortgage lending. While veteran membership is important, it would also be beneficial to have some members with experience in the mortgage industry.

- **VHPB relies heavily on word of mouth to advertise the benefit and does not engage in outreach efforts to make veterans more aware of the program. As a result, VHPB loans are disproportionately distributed across the state.**

  VHPB believes it receives enough applications to negate the need for program outreach. As a result, many veterans may be unaware of the program and may miss an opportunity to benefit, while others may disproportionately benefit from the program. For example, there are some counties with a high number of loans per thousand veterans and others with zero loans.

- **According to state law, the intent of the program is to provide a "one-time benefit" to the veteran. However, VHPB does not consider whether a veteran has had a previous loan with VHPB when determining eligibility.**

  Due to VHPB's interpretation of the statute, loan holders have received multiple loans over time, which could prevent other veterans from receiving the benefit of the program.

- **Between June and December 2022, VHPB kept its interest rates between 2.41 percentage points and 3.87 percentage points below market, a deviation from common practice.**

  Adjustments or non-adjustments to the rates beyond what is typical (i.e., one to two percentage points below the market rate) could create the appearance of favoritism or preferential treatment to a certain group.

- **There are currently two members of the Board who applied for and received a VHPB loan while serving on the Board.**

  This appears to be a violation of Mississippi's Ethics law.

- **Since at least 2015, the Board has maintained a minimum reserve fund balance of $50 million.**

  Based on historical loan data the current reserve balance appears to exceed what is reasonably necessary to protect the program's financial stability.

- **Based on a sample of loan files from CY 2015 through CY 2025, loan processing times have been highly inconsistent and have fallen short of the industry standard of 30 to 50 days.**

  PEER's analysis was hampered by the lack of a consistent and accurate recording of application dates and closing dates by VHPB for the period reviewed.

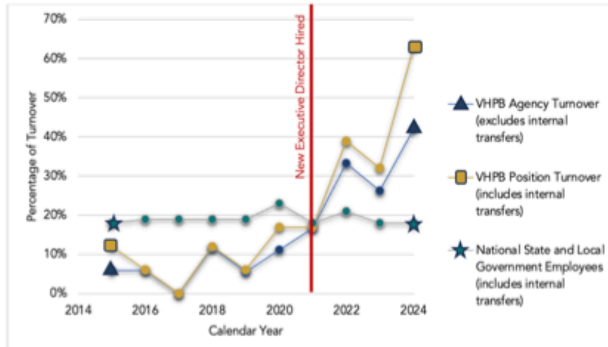
Management of VHPB's Personnel

- **In CY 2024, VHPB had an annual agency turnover rate of 42%, which is nearly 2.5 times higher than the national turnover rate (18%) for state and local government employees.**

  From CY 2021 to CY 2024, 22 employees have left VHPB, with 63% of those employees resigning or transferring to another agency. Reasons reported by former and current staff for high turnover include inefficiencies in the management of organizational and operational changes (e.g., changes were not clearly and effectively communicated); deficiencies in the Executive Director's management of employees (e.g., unprofessional behavior to certain employees); and concerns that the agency feels unstructured and disorganized (e.g., lack of training).

- **VHPB has demonstrated deficiencies in its management of human resources, including the inefficient recruitment, selection, and retention of its employees.**

  There are several issues with VHPB's management of personnel, but most notably is its use of non-state service positions to hire employees into supervisory positions who do not meet the minimum qualifications.



The Impact of High Employee Turnover

The loss of so many employees in such a short amount of time has negatively impacted VHPB's organizational culture and has resulted in increased costs to recruit, hire, and train new employees, low employee morale, employee disengagement, loss of institutional knowledge, and decreased staff productivity.

RECOMMENDATIONS

The following provides a brief summary of the report recommendations. Refer to the report, beginning on page 74, for a complete list.

Board Structure

- The Legislature should amend state law to modify Board composition to include some members with mortgage industry experience.

Populations Served

- VHPB should monitor the distribution of applications and loans across the state and conduct outreach efforts to ensure program awareness, and comply with limitations established in state law regarding the one-time benefit of the program to a veteran.
- PEER's Executive Director should direct a copy of this report to the Mississippi Ethics Commission for its review and consideration regarding the two Board members receiving benefits while serving on the Board.

Interest Rates

- The Legislature should amend state law to require VHPB to set its interest rates consistently between one and two percent below market.

Reserve Funding

- VHPB should use historical data on loan defaults, operational expenses, and reserve fund balances to establish a reasonable reserve amount.

Timeliness of Loan Processing

- VHPB should identify the root causes of delays in loan processing and take steps to improve data quality to track timeliness from application to closing.

High Turnover and its Impact on Employee Morale

- The Board should take steps to rebuild VHPB's organizational culture and address the issues caused by high employee turnover, such as implementing a plan to improve employee retention and recruitment, producing internal policies and procedures, requiring career enhancement courses for all staff and leadership courses for the Executive Director, and hiring employees who meet the minimum qualifications for positions as set by the Mississippi State Personnel Board.
  - The Board should conduct monthly assessments of progress, and after six months, if such efforts are not successful in addressing the organizational culture, the Board should consider taking personnel actions to improve VHPB's work environment and ensure the agency is successful in implementing its mission.
- VHPB should review the salaries for all employees to determine if in-range salary adjustments could be used to bring employees closer to the market rate salary for their positions. In-range salary adjustments should be made utilizing current appropriations.
- During its six-month follow-up of VHPB, the PEER Committee should conduct a survey of VHPB's organizational culture to determine if there have been any improvements.

A FY 2023 Comparative Analysis of 50 Mississippi School Districts: Finance and Supply Chain (Volume I)

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Report Highlights | #719 July 29, 2025

CONCLUSION: A review of the finance and supply chain programs for 50 Mississippi school districts in FY 2023 showed opportunities for districts to strengthen their programs and increase efficiency. For example, eleven reporting districts lack a formal strategic plan, and 10 districts do not provide monthly financial status reports to district and department administrators. There was also wide variance in the performance of districts in key areas such as payroll processing costs and accounts payable department costs, suggesting that districts have room for improvement. As a whole, reporting districts performed favorably compared to regional and national peers in certain areas (e.g., accuracy of payroll processing), while districts underperformed in other areas (e.g., time to process invoices and number of invoices processed per payroll FTE).

BACKGROUND

In FY 2025, PEER received funding to contract with Glimpse K12 (now Level Data) to conduct a comparative review of 50 school districts. This report focuses on one of six non-instructional areas of review—finance and supply chain (Volume I). Other non-instructional reports include:

- Human Resources (Volume II);
- Information Technology (Volume III);
- Nutrition (Volume IV);
- Operations (Volume V); and,
- Transportation (Volume VI).

KEY FINDINGS

- **Of 47 districts reporting, 11 (23%) did not have a formal strategic plan.**
  Strategic planning is crucial for managing district resources.
- **Of 47 districts reporting, 10 (21%) did not provide monthly financial status reports to district and department administrators.**
  Sharing financial information monthly promotes transparency, accountability, and informed decision-making.
- **COVID-19 relief funds impacted district budgets in FY 2023 and impacted districts' abilities to achieve precision in their revenue and expenditure projections.**
  Despite this, reporting districts performed better than regional peers in their projections.
- **As a whole, reporting districts performed better than regional peers in the accuracy of paycheck processing and had less costs associated with worker's compensation.**
- **There was wide variation in districts' performance on key indicators in the area of finance, suggesting that many districts have room for improvement.**
  - Payroll department costs per $100,000 of payroll ranged from $91 in Starkville Oktibbeha to $1,282 in Nettleton.
    - In reporting the number of FTEs responsible for payroll processing, some districts might not have considered employees' involvement in other roles, or districts might have estimated FTEs. In these instances, the cost calculations could be inaccurate. District should accurately capture these costs.
  - Paychecks processed per payroll department FTE per month ranged from 131 in Coffeeville to 970 in Starkville Oktibbeha.
    - The reporting districts' 352.5 median figure for paychecks processed per payroll department FTE per month is below the regional peer average of 454 and well below the national peer range of 1,175 to 2,438, suggesting opportunities for improvement in payroll administrative costs.

Performance on Key Indicators for Supply Chain Management

- There was wide variation in reporting districts' performance on key indicators in the area of supply chain management. In some cases, reporting districts underperformed regional and national peers, suggesting that many districts have room for improvement.
  - Accounts payable department cost per $100,000 of revenue ranged from $45 in Jones to $487 in East Jasper, which is over eight times the upper end of the national peer range of $57.
  - As a whole, reporting districts took longer to process an invoice (25 days on average) than regional and national peers, although there was wide variation among districts.
  - As a whole, reporting districts processed a lower number of invoices per accounts payable department FTE than regional and national peers.

Issues with Data

Some districts were unable or failed to provide critical information needed to assess their performance on key indicators. For example, one district reported approximately only $526,000 in annual payroll for 98 district employees, which led to the district's information being excluded from exhibits that used payroll information. This lack of accurate information inihibited this review and inhibits a district's ability to effectively manage its finance and supply chain programs.

Cost Savings

Based on FY 2023 data reported, 36 districts could realize annual projected potential savings of up to approximately $1.4 million by reducing payroll costs and worker's compensation costs and savings of up to $437,185 by reducing accounts payable costs.

See Exhibit 23 on page 52 for a summary of potential cost savings in reporting districts.

Each district's administration should carefully review the data and recommendations in light of the particular circumstances of the district.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS

1. In FY 2026, each district superintendent, in consultation with the district's finance and supply chain personnel, should review the information from this report and implement each of the relevant district recommendations to increase efficiency, improve service levels, and/or achieve cost-savings. Such recommendations include but are not limited to:
   a. Achieving more precise estimates of revenues and expenditures;
   b. Providing monthly financial status reports to district administration and department leaders;
   c. Creating and updating a formal strategic plan that incorporates goals, objectives, and action steps;
   d. Accurately calculating payroll processing costs;
   e. Reducing workers' compensation costs (e.g., via safety training and risk assessments);
   f. Adopting and tracking competitive procurements; and,
   g. Assessing the viability of utilizing purchasing cards (i.e., p-cards).
2. For districts that were unable to provide certain information during this review pertaining to their finance or supply chain programs (or provided questionable data), relevant district personnel should begin collecting and monitoring precise data on an ongoing basis.
3. District personnel should provide an annual report to the district superintendent regarding the status of the finance and supply chain programs using the measures included in this review.

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Joint Legislative Committee on Performance Evaluation and Expenditure Review

A FY 2023 Comparative Review of 50 Mississippi School Districts:
Finance and Supply Chain (Volume I)
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Representative Kevin Felsher, Chair | James F. (Ted) Booth, Executive Director

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A FY 2023 Comparative Analysis of 50 Mississippi School Districts: Human Resources (Volume II)

Report Highlights | #719 July 29, 2025

CONCLUSION: A review of the human resources programs and expenditures for 50 Mississippi school districts in FY 2023 showed opportunities for districts to strengthen their programs and increase efficiency. For example, 53% of districts do not track staff absenteeism rates, and 78% do not track daily substitute teacher fill rates. The median HR costs per $100,000 of revenue was $213, and the range among districts was $42 to $2,900 per $100,000 of revenue. This review was inhibited by some districts being unable to provide the requested HR data and some districts providing questionable HR cost and/or staffing data. The median overall employee separation rate across districts was 12.6% and the median teacher separation rate was 12.8%, both of which were better than (below) the regional peer average. However, some districts exceeded state, regional, and national separation rates.

BACKGROUND

In FY 2025, PEER received funding to contract with Glimpse K12 (now Level Data) to conduct a comparative review of 50 school districts. This report focuses on one of six non-instructional areas of review—human resources (Volume II). Other reports include:

- Finance and Supply Chain (Volume I);
- Information Technology (Volume III);
- Nutrition (Volume IV);
- Operations (Volume V); and,
- Transportation (Volume VI).

KEY FINDINGS

- **Of the districts reporting, 26 (53%) do not track staff absenteeism rates.** Reasons to track staff absenteeism rates are provided in the blue box below.
- **38 districts (78%) do not track daily substitute teacher fill rates.** Tracking these rates is essential to ensure the smooth operation of schools in the event of teacher absences.
- **All but one district had a documented employee handbook in FY 2023. However, this one district reported it has since adopted a handbook.** A handbook promotes consistency, legal compliance, and communication across the district.
- **All but four of the 46 districts reporting have invested in software to support human resources activities.** The majority of districts reported using automated time and attendance management software and applicant posting and tracking software.
- **The median HR costs per $100,000 of revenue was $213. The range was from approximately $42 in Franklin to approximately $2,900 in Richton. A closer examination of these districts' costs finds anomalies that affect each district's reported figures.** Many districts struggle to report revenue figures, HR department costs, and HR staffing expenses accurately. The anomalies emphasize the importance of proper accounting of district finances to provide district administration officials with accurate information by which to make decisions.

Reasons to Track Staff Absenteeism Rates

- *Cost-savings*: Staff absenteeism can drive up costs. By tracking absenteeism, districts can identify patterns and trends that may help reduce costs by implementing preventive measures or better managing leave requests.
- *Adequate staffing*: When a staff member is absent, it can be challenging to maintain appropriate staffing levels, which may impact student learning. By tracking absences, school districts can identify areas where additional support may be needed and plan accordingly to ensure adequate staffing.
- *Employee health and wellness*: Frequent absences can indicate underlying health or wellness issues among staff members. By tracking staff absences, a district can identify trends that may signal a need for wellness interventions or resources, such as stress management or mental health support.
- *Teacher performance and student achievement*: Staff absenteeism can negatively affect student achievement, particularly if substitute teachers are less effective than regular classroom teachers. By tracking absences, a school district can identify areas where teacher performance may suffer and take steps to address the issue (e.g., providing additional professional development).

A Look at Employee and Teacher Separations

- The median *overall employee separation rate* was 12.6%.
    - Overall separation rates ranged from 3.3% in Jefferson Davis to 27.2% in Hinds. Seven districts reported overall employee separations higher than state, regional, and national peers.
- The median teacher separation rate was 12.8%.
    - Teacher separation rates ranged from 1.0% in Jefferson Davis to 30.1% in Nettleton. Seven districts reported teacher separation rates above those of state, regional, and national peers.

A Look at Employee Misconduct and Discrimination Complaints

- 14 districts reported a total of 83 employee misconduct investigations in FY 2023. 28 districts reported no investigations, and 8 districts did not provide data.
    - Because each district has discretion in whether to classify an issue as "misconduct," the number of investigations reported by district ranged from 0 to 27 and a wide range of issues were reported (e.g., breach of contract, violating district's code of conduct).
- 7 districts reported 10 employee discrimination investigations in FY 2023. 36 districts reported no investigations, and 7 districts did not provide data.

HR Cost Data Not Collected

Some districts did not provide all information requested for this report, which inhibited the assessment team's ability to conduct a complete analysis of human resources functions in the selected districts. Further, some districts reported anomalous data, which indicates a lack of precision in capturing HR costs, in turn inhibiting the districts' abilities to use information to manage HR functions effectively.

Several districts encountered difficulties in obtaining accurate information due to the distribution of HR functions among several district personnel, instead of having personnel dedicated to HR functions.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS:

1. In FY 2026, each district superintendent, in consultation with the district's human resources personnel, should review the information from this report and implement each of the relevant district recommendations to increase efficiency, improve service levels, and/or achieve cost-savings. Such recommendations include but are not limited to:
    a. tracking staff absenteeism;
    b. tracking daily substitute fill rates;
    c. keeping a documented employee handbook;
    d. assessing the use of more electronic processing and other technological tools; and,
    e. assessing causes of separation rates for teachers and staff.
2. District administrators should also use the information in this report to compare their performance to that of their peers in Mississippi, as well as regionally and nationally, to identify areas for potential improvement, and take action to improve.
3. For districts unable to provide benchmarking/performance information during this review pertaining to their human resources, relevant district personnel should take action to begin collecting and monitoring precise data on an ongoing basis.
4. District personnel should provide an annual performance report to the district superintendent regarding the status of the human resources programs using the measures included in this review.

RECOMMENDATION FOR THE MISSISSIPPI DEPARTMENT OF EDUCATION (MDE):

5. MDE should review its *Accounting Manual for Districts* to determine whether it should make revisions that would assist districts in providing greater detail, clarity, and accuracy of district revenue and expenses.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A FY 2023 Comparative Analysis of 50 Mississippi School Districts: Human Resources (Volume II)
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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A FY 2023 Comparative Analysis of 50 Mississippi School Districts: Information Technology (Volume III)

Report Highlights | #719 July 29, 2025

CONCLUSION: A review of the information technology (IT) programs and expenditures for the reviewed Mississippi school districts in FY 2023 showed opportunities for districts to improve service levels and increase efficiency. Many school districts lack critical plans to manage technology and disaster recovery. Fourteen districts reviewed keep data backups onsite only, which puts IT functions at risk. Six districts reported that 50% or less of their students' households have access to the internet. The vast majority of districts reported network bandwidth per student below that of regional and national peers. There have been state and federal efforts to increase access to quality internet, but implementation of those efforts will take time.

BACKGROUND

In FY 2025, PEER received funding to contract with Glimpse K12 (now Level Data) to conduct a comparative review of 50 school districts. This report focuses on one of six non-instructional areas of review—information technology (Volume III). Other non-instructional reports include:

- Finance and Supply Chain (Volume I);
- Human Resources (Volume II);
- Nutrition (Volume IV);
- Operations (Volume V); and,
- Transportation (Volume VI).

KEY FINDINGS

- **Of 49 reporting districts, 20 (41%) had a documented technology plan and 25 districts (51%) had a technology disaster recovery plan.**
  Such plans are critical for managing technology and disaster recovery.

- **Fourteen districts (29%) keep data backups onsite only, which puts district IT functions at risk in the event of an emergency, disaster, or cyberattack.**
  Offsite backup is critical to recovering vital records and data.

- **Twelve districts (24%) do not track daily network usage.**
  By tracking daily network usage, a district can identify potential network capacity problems and also have insight into network usage patterns.

- **Of the 32 districts that surveyed student households for FY 2023, six (19%) reported that 50% or less of students' households had access to broadband internet and Wi-Fi capabilities at home.**
  School districts play a critical role in providing students with broadband and Wi-Fi access at school for assignments.

- **Of 49 reporting districts, 47 (96%) reported network bandwidth per student below that of regional and national peers.**
  Such a condition could have negative impacts on students' education.

- **Of 37 reporting districts, 21 (57%) reported at least two days in the school year in which internet usages reached more than 75% of standard available bandwidth for five minutes or longer.**
  If districts and teachers have access to higher bandwidth, additional programs and assignments could become feasible.

- **Of 49 reporting districts, 36 (74%) use a single department for traditional IT support and educational technology support functions. Eleven districts (22%) use two separate IT departments, and two districts use another type of structure.**
  Each model for IT support has advantages and disadvantages.

The Legislature has made efforts to expand broadband in the state, including the creation of the Broadband Expansion and Accessibility of Mississippi (BEAM) office in 2022. The office, functioning under the Mississippi Department of Finance and Administration, is responsible for overseeing all broadband expansion efforts in the state and will administer broadband grants. According to BEAM's website, in May 2023, the U.S. Department of the Treasury approved BEAM's plan for $151.4 million through the Capital Projects Fund (CPF). BEAM approved 24 broadband projects to be funded by the CPF; these projects are projected to serve 27,000 households in 19 counties across the state.

Additionally, Mississippi was allocated $1.2 billion from the federal Broadband Equity, Access, and Deployment (BEAD) program. Mississippi's BEAM office allocates these funds through grants to increase access to quality internet.

Although steps have been taken by policymakers to improve broadband access, implementation of the systems will take time.

A Look at Internet Bandwidth

- For FY 2023, the median network bandwidth per student was 0.96 for the districts reviewed, while the regional peer average was 20.5 and the lower range for national peers was 248.4. These numbers clearly demonstrate the need for improved bandwidth in the districts.
- Two districts—Jefferson Davis and North Bolivar—reported network bandwidth per student higher than the regional peer average, while all other districts were lower.
- Twelve reporting districts (24%) did not track network usage levels in FY 2023. Of the districts that did track network usage levels, 16 reported one day or less when they experienced network capacity issues. Six districts reported exceeding 75% capacity for 90 days or more.
- Most districts are only maximizing device usage for testing and not for daily learning. If districts and teachers have access to higher internet bandwidth, additional programs and assignments could become feasible and offer students a wider range of educational opportunities not currently available due to bandwidth restrictions.
- Districts should balance investments in internet bandwidth and the educational usage of devices.

Device Inventory and Staffing

Based on the data provided, the number of devices per IT staff member ranged from 381 to 3,383. Seven districts should remove obsolete devices from their inventories, and then evaluate their staffing levels. In addition to the performance measures in this report, evaluation of staffing should include other factors (e.g., volume and complexity of support tickets, district goals, expertise of IT staff).

IT Spending Per Student

For reporting districts, the $369 median IT spending per student is above the regional peer average of $350 per student, indicating that overall, districts in this cohort spend more per student for IT than regional peers.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS

1. In FY 2026, each district superintendent, in consultation with the district's technology program personnel, should review the information from this report and implement each of the relevant district recommendations to increase efficiency, improve service levels, and/or achieve cost-savings.
2. For districts that were unable to provide certain information during this review pertaining to their technology programs (e.g., network usage levels), technology program personnel should begin collecting and monitoring this data on an ongoing basis.
3. Technology program personnel should provide an annual report to the district superintendent regarding the status of the technology program using the measures included in this review.
4. Districts should continue investing in network bandwidth, especially those experiencing capacity issues.
5. Districts should look to their high-performing peers to determine strategies for becoming more cost-effective.

SUMMARY OF RECOMMENDATIONS FOR THE MISSISSIPPI DEPARTMENT OF EDUCATION (MDE)

1. To aid school districts in creating technology and disaster recovery plans, MDE should develop a plan template and provide guidance documents for technology staff to use when developing these plans.
2. MDE should periodically (e.g., every two years) conduct the following surveys, which would enable it to better understand the resources and support needed to assist districts in improving their technology programs:
   a. a detailed technology survey for district technology leaders; and,
   b. a detailed survey for teaching staff regarding technology use in the classroom.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A FY 2023 Comparative Analysis of 50 Mississippi School Districts: Information Technology (Volume III)

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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A FY 2023 Comparative Analysis of 50 Mississippi School Districts: Nutrition (Volume IV)

Report Highlights | #719 July 29, 2025

CONCLUSION: A review of the nutrition programs for 50 Mississippi school districts in FY 2023 showed opportunities for districts to strengthen their programs and increase efficiency. For example, 34 (69%) of the 49 reporting districts did not participate in an alternative breakfast program, which can increase breakfast participation rates, thereby increasing program revenues. There was also wide variance in the performance of districts in key areas such as meals per labor hour, suggesting that districts have room for improvement. As a whole, reporting districts performed favorably compared to regional and national peers in certain areas (e.g., overall costs per meal), while districts underperformed peers in other areas (e.g., breakfast participation rates and number of meals per labor hour).

BACKGROUND

In FY 2025, PEER received funding to contract with Glimpse K12 (now Level Data) to conduct a comparative review of 50 school districts. This report focuses on one of six non-instructional areas of review—nutrition (Volume IV). Other non-instructional reports include:

- Finance and Supply Chain (Volume I);
- Human Resources (Volume II);
- Information Technology (III);
- Operations (Volume V); and,
- Transportation (Volume VI).

KEY FINDINGS

- **Of 49 districts reporting, 100% utilize "offer versus serve," which allows students to decline some of the food offered.**
  The goal of "offer versus serve" is to reduce food waste.
- **34 (69%) did not participate in an alternative breakfast program.**
  Alternative breakfast programs can increase program revenues and may positively impact student performance.
- **24 (49%) did not use cycle menus, which are repeated over a specific period of time.**
  Cycle menus can help manage food buying costs, increase efficiency, and provide for more enjoyable meals for students.
- **Three (6%) reported that there are multiple designees responsible for ordering food for the district.**
  This could result in higher food costs.
- **There was wide variation in districts' performance on key indicators. For example, the number of meals per labor hour across reporting districts ranged from 8.6 to 26.6, which suggests that many districts have room for improvement.**
  Meals per labor hour is a key measure of efficiency in school nutrition programs. Generally, a higher number of meals per labor hour indicates greater efficiency.

Strategies for Improving a District's Meals Per Labor Hour

- Simplify the menu by offering healthy and nutritious options that can be easily prepared.
- Use standardized recipes to ensure meals are consistent in quality and quantity, reducing labor and minimizing waste.
- Optimize the kitchen layout and equipment, investing in high-capacity ovens, mixers, or food processors to streamline meal preparation.
- Implement time-saving techniques, such as batch cooking, ingredient prepping, and using prepared foods.
- Provide training for staff on cooking techniques, equipment usage, and food safety.
- Monitor and adjust labor costs regularly to optimize labor costs without compromising meal quality.

A Look at Selected FY 2023 District Cost Metrics

- *Breakfast Participation Rate*: The rate for reporting districts ranged from 19% in Ocean Springs to 100% in North Bolivar. The median rate for all districts of 45% was well below the regional peer average of 58.5%.
- *Lunch Participation Rate*: The rate for reporting districts ranged from 46% in West Bolivar to 100% in North Bolivar and Gulfport. The median rate for all districts of 72% was equal to the regional peer average.
- *Overall Cost per Meal*: The cost per meal ranged from $1.35 in Western Line to $8.16 in Jefferson Davis. The median cost for all districts was $4.07, which compares favorably to regional and national peers.
- *Fund Balance Measured in Number of Months of Average Program Expenses*: Fund balances ranged from just over one-half month of expenses in Columbia to approximately 16 months in Tunica County.
    - The federal COVID-19 waiver allowing districts to have more than three months of nutrition program expenses in reserve has expired and districts with more than three months of fund balance reserves compared to average monthly expenses must develop a plan to use the funds for allowable purchases such as necessary supplies and equipment.

Estimated annual cost savings: Up to $1.7 million for food and labor cost improvements

Additional projected revenues: Up to $7.6 million by increasing breakfast and lunch participation rates

See Exhibit 13 on page 32 for a summary of cost savings and additional revenues by district.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS

1. In FY 2026, each district superintendent, in consultation with the district's nutrition personnel, should review the information from this report and implement each of the relevant district recommendations to increase efficiency, improve service levels, and/or achieve cost savings.
2. For districts unable to provide benchmarking or performance information during this review pertaining to their nutrition programs (or provided questionable data), relevant district personnel should take action to begin collecting and monitoring precise data on an ongoing basis.
3. District personnel should provide an annual performance report to the district superintendent regarding the status of the nutrition programs using the measures included in this review.
4. District administrators should use the information from annual performance reports to monitor their district's costs and efficiency in administering their nutrition programs.

SUMMARY OF RECOMMENDATIONS FOR THE MISSISSIPPI DEPARTMENT OF EDUCATION (MDE)

1. MDE should develop guidance to assist districts in increasing breakfast participation rates. MDE could use the *Colorado Department of Education's Guide to Increasing School Breakfast Participation* as a starting point in developing a guide for Mississippi's school districts.
2. MDE should develop guidance for districts to improve their meals per labor hour (MPLH).
3. MDE should develop guidance for school districts on using any excess reserves in their nutrition funds for allowable expenses that could contribute to a more efficient nutrition program.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A FY 2023 Comparative Review of 50 Mississippi School Districts: Nutrition (Volume IV)

For more information, contact: (601) 359-1226 | P.O. Box 1204, Jackson, MS 39215-1204
Representative Kevin Felsher, Chair | James F. (Ted) Booth, Executive Director

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A FY 2023 Comparative Analysis of 50 Mississippi School Districts: Operations (Volume V)

Report Highlights | #719

July 29, 2025

CONCLUSION: A review of the operations programs for 50 Mississippi school districts in FY 2023 showed opportunities for districts to strengthen their programs and increase efficiency. For example, 31 reporting districts (63%) did not have a formal preventative maintenance program. Without such a program, districts risk unexpected and potentially costly issues with their facilities and equipment. There was also wide variance in the performance of districts in key areas such as custodial cost per square foot and maintenance cost per square foot, suggesting that districts have room for improvement. As a whole, reporting districts performed favorably compared to regional and national peers in certain areas (e.g., custodial costs), while districts underperformed peers in other areas (e.g., maintenance costs).

BACKGROUND

In FY 2025, PEER received funding to contract with Glimpse K12 (now Level Data) to conduct a comparative review of 50 school districts. This report focuses on one of six non-instructional areas of review—operations (Volume V). Other non-instructional reports include:

- Finance and Supply Chain (Volume I);
- Human Resources (Volume II);
- Information Technology (Volume III);
- Nutrition (Volume IV); and,
- Transportation (Volume VI).

KEY FINDINGS

- **Of the 49 reporting districts, 23 (47%) did not utilize an electronic maintenance work order system.**
  Such systems could increase efficiency and enhance decision making.

- **Of reporting districts, 31 (63%) did not have a formal preventative maintenance program.**
  Without such a program, districts risk unexpected and potentially costly issues with their facilities and equipment.

- **Of reporting districts, 31 (63%) did not participate in an energy management program.**
  An energy management program that involves principals and facility leaders could lead to savings and environmental sustainability.

- **18 (37%) did not conduct a formal facilities assessment each year.**
  Such assessments are intended to ensure building safety and can assist administrators in prioritizing repairs and upgrades.

- **Reporting districts performed favorably on custodial cost measures compared to regional peers (e.g., lower custodial cost per square foot and per student); however, districts spent more on maintenance costs per square foot than did regional peers.**

Variance in District Performance

Districts reported a wide range of costs and performance associate with custodial, maintenance, and groundskeeping services. For example:

- Custodial cost per square foot ranged from $0.37 in Starkville Oktibbeha to $3.95 in Pontotoc County, with a median of $1.37.
- Maintenance cost per square foot ranged from $0.77 in Pontotoc County to $10.31 in Amory, with a median of $4.27.

These wide variances suggest that districts have opportunities to improve their performance on the key indicators in this report, which could result in improved efficiencies, cost savings, and/or improved service levels.

Issues with Missing Data

The conclusions of this report were inhibited by district's inability to provide the requested data. For example:

- 16 districts (32%) did not provide the data needed to determine the custodial cost per student or reported data that could not be clarified and therefore was excluded from the analysis (see Exhibit 4 on page 15);
- 18 districts (36%) did not provide the data needed to determine the custodial supply cost per square foot or provided data that could not be clarified and therefore was excluded (see Exhibit 5 on page 17); and,
- 28 districts (56%) did not provide the total number of acres on their school campuses or the number of groundskeeper FTEs (see Exhibit 10 on page 27).
- Aberdeen failed to provide any data for this review.

The failure to either collect and/or provide information on key indicators for this review suggests that district administrators do not have the information they need to make decisions regarding their operations functions.

Cost Savings

Based on FY 2023 data reported, of the districts reporting, 26 districts could realize annual projected potential cost savings of up to $17 million by reducing costs associated with their custodial, maintenance, and/or groundskeeping functions.

While the reported data suggests the potential for cost savings for these districts, each district's administration should carefully review the data and recommendations in light of the particular circumstances of the district.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS

1. In FY 2026, each district's superintendent, in consultation with the district's operations personnel, should review the information from this report and implement the relevant recommendations to increase efficiency, improve service levels, and/or achieve cost savings. Such recommendations include, but are not limited to:
    a. implementing an electronic work order system;
    b. conducting formal annual facility assessments;
    c. implementing an energy management program; and,
    d. implementing a formal preventative maintenance program.
2. For districts that were unable to provide certain information during this review pertaining to their operations, relevant district personnel should begin collecting and monitoring this data on an ongoing basis.
3. If feasible, districts should begin tracking custodial, maintenance, and groundskeeping costs separately.
4. District personnel should provide an annual report to the district superintendent regarding the status of the district's operations using the measures included in this review.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A FY 2023 Comparative Analysis of 50 Mississippi School Districts: Operations (Volume V)

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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A FY 2023 Comparative Analysis of 50 Mississippi School Districts: Transportation (Volume VI)

Report Highlights | #719

July 29, 2025

CONCLUSION: A review of the transportation programs for 50 Mississippi school districts in FY 2023 showed opportunities for districts to strengthen their programs and increase efficiency. For example, 39 reporting districts (80%) did not use routing software to manage their bus routes, which can help districts achieve maximize efficiency. There was also wide variance in the performance of districts in key areas such as cost per bus and cost per mile, suggesting that districts have room for improvement. Some districts have characteristics that naturally result in greater program efficiency (e.g., dense population of students in a small geographic area). As a whole, reporting districts performed favorably compared to regional peers in certain areas (e.g., cost per mile), while districts slightly underperformed regional peers in other areas (e.g., staffing for maintenance of buses).

BACKGROUND

In FY 2025, PEER received funding to contract with Glimpse K12 (now Level Data) to conduct a comparative review of 50 school districts. This report focuses on one of six non-instructional areas of review—transportation (Volume VI). Other non-instructional reports include:

- Finance and Supply Chain (Volume I);
- Human Resources (Volume II);
- Information technology (Volume III);
- Nutrition (Volume IV);
- Operations (Volume V).

KEY FINDINGS

- **Of the 49 school districts reporting, 39 (80%) did not utilize routing software to manage their bus routes.**
  Bus routing software is intended to help districts achieve maximum efficiency. However, transportation program staff must be proficient in using the software.
- **17 districts (35%) did not use formal guidelines for student seating on buses.**
  Formal guidelines can offer safety, discipline, and accountability benefits.
- **School districts use various bus route methods. For example, 26 districts indicated that students from all grades in a geographic area ride the bus together and are dropped off at their respective schools, while 10 districts assign a bus to transport students exclusively to and from one school without additional routes.**
  No bus route method can be conclusively deemed superior.
- **36 districts (73%) did not have a sufficient number of substitute bus drivers to prevent occasional service delays.**
  Eighteen districts reported using alternative methods to having substitute bus drivers (e.g., merging routes or having transportation department staff provide coverage).
- **As a whole, reporting districts performed favorably on some key performance indicators as compared to regional peers and unfavorably on other indicators.**
  - Overall, districts spent less per bus, less per mile, and less per rider than regional peers.
  - Overall, districts were slightly less efficient in staffing for maintenance of buses than regional peers and slightly less efficient in transporting students than regional peers, as measured by the number of students per bus.

Cost Savings

Twenty-seven of the 45 reporting districts have the potential for cost savings either through bus route improvements or staffing adjustments. Of the districts reporting, annual projected potential cost savings could be up to $2.09 million for bus route improvements and up to $595,000 for staffing adjustments.

Exhibit 11 on page 30 provides a summary of projected potential cost savings from bus route improvements in 20 districts and Exhibit 12 on page 34 provides a summary of projected potential cost savings from transportation staffing adjustments in 16 districts.

While the reported data suggests the potential for cost savings for these districts, each district's administration should carefully review the data and recommendations in light of the particular circumstances of the district.

Variance in District Performance on Key Indicators

- Of the districts reporting on key performance indicators,
  - average annual cost per bus overall in FY 2023 ranged from approximately $16,500 for Richton to approximately $92,000 for Tunica County;
  - cost per rider ranged from $436 in Pontotoc County to $3,462 in Tunica County; and,
  - annual cost per mile ranged from $2.13 in Pontotoc County to $22.51 in Greenwood Leflore.
- In terms of staffing, the number of buses per mechanic ranged from 8.5 in West Tallahatchie to 42 in Tupelo. Some districts' maintenance function may be overstaffed, while other districts' maintenance function may be understaffed.

Issues with Missing Data

Some districts did not provide all of the information requested for this report, which inhibited the assessment team's ability to conduct a complete analysis of transportation functions in the selected districts.

- The transportation department at Aberdeen did not provide any data or information for this report. Further, the departments at Jefferson, Kemper, North Bolivar, Petal, South Pike, and Webster provided a minimal amount of data.

Without timely and accurate financial information, the districts' ability to manage costs and allocate taxpayer funds effectively is compromised.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS

1. In FY 2026, each district superintendent, in consultation with the district's transportation program personnel, should review the information from this report and implement each of the relevant district recommendations to increase efficiency, improve service levels, and/or achieve cost savings. These include, but are not limited to:
   a. potential implementation of bus routing software;
   b. potential implementation of formal guidelines for student seating on buses;
   c. annual reviews of bus routes;
   d. identify potential opportunities for bus route optimization;
   e. evaluate approaches for addressing driver absences; and,
   f. assess mechanic staffing levels and spare fleet size.
2. District administrators should also use the information in this report to compare their performance to that of their peers in Mississippi, as well as regionally and nationally, to identify areas for potential improvement, and take action to improve in those areas.
3. For districts unable to provide benchmarking or performance information during this review pertaining to their transportation programs (or provided questionable data), relevant district personnel should take action to begin collecting and monitoring precise transportation data on an ongoing basis.
4. District personnel should provide an annual performance report to the district superintendent regarding the status of the transportation programs using the measures included in this review.
5. District administrators should use the information from annual performance reports to monitor their district's costs and efficiency in operating its transportation program.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A FY 2023 Comparative Analysis of 50 Mississippi School Districts: Transportation (Volume VI)

For more information, contact: (601) 359-1226 | P.O. Box 1204, Jackson, MS 39215-1204
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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A FY 2024 Comparative Review of 50 Mississippi School Districts: Instruction

Report Highlights | #720

July 29, 2025

BACKGROUND

In FY 2025, PEER received funding to contract with an education technology company to conduct a comparative review of 50 school districts. This report focuses on the area of instruction. For reports on non-instructional areas, see PEER Report #719.

This report contains the following instructional analyses: grade inflation, mastery decline, student proficiency and bubble, and resource implementation fidelity.

GRADE INFLATION

Grade inflation is evidenced when students receive high grades—e.g., As and Bs—but do not score proficient on state evaluation exams.

Grade inflation negatively impacts students because high grades give the impression to students and parents that students have mastered the required content, although subsequent state evaluation exams do not demonstrate that mastery.

KEY FINDINGS

- For districts reporting information for 3rd through 8th grades for the 2023-2024 school year in Math, grade inflation ranged from 22% in 7th grade to 28% in 3rd grade. For English Language Arts (ELA), grade inflation ranged from 20% in 3rd grade to 41% in 6th and 8th grades.
- Although some level of grade inflation is expected, districts with greater than 25% inflation in a grade level should conduct a systemic review of grading practices.

MASTERY DECLINE

School districts use benchmark assessments during a school year to monitor students' mastery of a subject. *Mastery decline* is evidenced when a student scores lower on a benchmark assessment at the end of the school year than at the beginning of the school year, even if the decline is one point.

Mastery decline negatively impacts a student's performance and confidence, creates challenges and additional expenses for school districts in addressing such, leads to higher dropout rates, and reduces a student's preparedness for college and career entry.

KEY FINDINGS

- For districts reporting information for the 2023-2024 school year for 3rd through 8th grades, students demonstrating mastery decline in Math ranged from 31% in 3rd grade to 53% in 8th grade. For ELA, mastery decline ranged from 26% in 4th grade to 50% in 7th grade.
- Factors contributing to mastery decline include absenteeism, summer break, ineffective instructional practices, misaligned resources, course scheduling, and ineffective processes to identify, track, and mitigate students with mastery decline.

To measure students' mastery of a subject, districts use two common types of formative/benchmark assessments:

1) **Adaptive Assessments:** Adaptive assessments are characterized by their ability to assess a student's starting point (on or off grade level) and ending point (on or off grade level). These assessments are useful to track how far a student has progressed from the start of the year to the end regardless of where the student started.

2) **On Grade Level Benchmarking:** On grade level benchmark assessments are characterized by their ability to assess a student's level of mastery based on current grade level content at the beginning of the year and again on current grade level content at the end of the year.

Since each method assesses students' mastery based on different criteria, comparisons and conclusions between the assessments should be avoided. This report differentiates between the two methods using different colors in the relevant mastery decline tables on pages 23 through 34.

STUDENT PROFICIENCY AND BUBBLE

Education assessments use a benchmark score threshold to identify whether a student is proficient in the required content, with students scoring above the threshold being proficient.

Students scoring within 3% above or below the proficiency threshold represent an important cohort because these students often vacillate above and below the proficiency threshold and if left unidentified, may struggle to grow academically. This group is referred to in this report as the "bubble" group.

KEY FINDINGS

For districts reporting information for 3rd through 8th grades for the 2023-2024 school year, students scoring within 3% above or below the proficiency threshold ranged from:

- 11% in 8th grade to 20% in grades 3rd and 6th for Math; and,
- 14% in grades 3rd and 4th to 19% in 6th grade for English Language Arts (ELA).

RESOURCE IMPLEMENTATION FIDELITY

Resource implementation fidelity refers to the extent to which districts implement an education program or practice as planned or intended by developers.

Deviations from intended use and delivery methods may compromise the effectiveness of the educational program or resource and negatively impact students' educational preparedness.

KEY FINDINGS

For the 2023-2024 school year, and for students in third through eighth grades in the districts reporting:

- 55% and 50% of students met the resource implementation fidelity thresholds in Math and ELA, respectively; and,
- 26% and 30% of students did not meet at least 50% of the resource implementation fidelity thresholds in Math and ELA, respectively.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS

Grade Inflation recommendations:

- Implement an annual review process to identify, track, and manage grade inflation each year.
- Review the level of rigor and alignment of assignments and assessments in grade levels presenting high inflation.
- See page 18 for a full listing of recommendations pertaining to grade inflation.

Mastery Decline recommendations:

- Utilize software applications or other processes that automate the identification and tracking of decline in mastery.
- Create detailed reports that provide an overview of decline in mastery at various levels, including district, school, grade, and classroom. These reports should enable educators to pinpoint where decline in mastery is occurring to provide targeted support.
- See page 35 for a full listing of recommendations pertaining to mastery decline.

Student Proficiency and Bubble recommendations:

- Allocate a person or team to manage the proficiency and bubble student analysis process.
- Employ a software application or process that effectively generates proficiency and bubble student analysis, and create comprehensive reports at different levels (district, school, grade, and classroom) that will identify the bubble groups.
- See page 67 for a full listing of recommendations pertaining to student proficiency.

Resource Implementation Fidelity recommendations:

- Maintain a process or software application to closely monitor the resource implementation fidelity and effectiveness of all purchased resources.
- Conduct intra-year evaluations of implementation fidelity and effectiveness.
- See page 78 for a full listing of recommendations pertaining to resource implementation fidelity.

PEER MISSISSIPPI
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A FY 2024 Comparative Review of 50 Mississippi School Districts: Instruction

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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A Review of Disability Determination Services at the Mississippi Department of Rehabilitation Services

Report Highlights | #721

November 18, 2025

CONCLUSION: MDRS DDS and SSA processing times began increasing in FFY 2020 and continued through FFY 2024 as a state and national backlog developed. Since then, MDRS DDS reduced its case backlog from 26,648 cases to below 10,000 cases as of August 2025. Although processing times have decreased, total mean processing time (including staging) remained elevated, averaging 272 days as of August 2025. Staffing losses, including the loss of 122 disability examiners over five years, were the primary cause of increased processing times at the state level.

BACKGROUND

The Social Security Administration (SSA) and state Disability Determination Services (MDRS DDS) offices share responsibility for initial disability determination decisions and assessing continued eligibility.

Social Security Disability Insurance (SSDI) provides benefits to people who have developed a disability or who are blind and who are insured by workers' contributions to the Social Security trust fund. The Supplemental Security Income (SSI) program makes cash payments to people who are aged, blind, or have developed a disability (including children) and who have limited income and resources.

When claimants apply for SSDI and/or SSI benefits, SSA determines whether the claimants meet nonmedical requirements. Then, the state DDS offices make medical determinations on eligibility status. SSA then notifies the applicant of approval or denial, and if approved, takes steps to commence payments to the new beneficiary.

State DDS offices are 100% federally funded. While DDS employees are subject to SSA rules, these employees are considered state employees with state benefits and pay set by the state (i.e., the Mississippi State Personnel Board).

SCOPE and PURPOSE: After receiving a complaint concerning the long processing times for making determinations for SSDI and SSI claims, PEER reviewed MDRS DDS's efforts to process initial cases, reconsideration cases (first line of appeal), and Continuing Disability Review (CDR) cases and issues that led to the backlog.

DDS Data Limitations: SSA and MDRS DDS primarily utilize two tools to track cases and to assess performance: the national Disability Case Processing System (DCPS) and MicroStrategy.

- Early 2020s – SSA mandated each state DDS transition from legacy state case processing systems to the DCPS.
- MicroStrategy – an AI-based tool that pulls data from the DCPS and other sources to produce metrics to track DDS outputs and performance.

SSA denied PEER's data request due to Social Security Personally Identifiable Information (PII) restrictions. Therefore:

1. PEER could not test the accuracy of the MicroStrategy reports MDRS DDS produced, in conjunction with SSA.
2. PEER also could not further assess the DDS determination process to determine and/or verify the causes of the delay and case backlog.

MDRS DDS's Ability to Keep Up with its Caseload: From FFY 2021 to FFY 2024, MDRS DDS processed 23,000 fewer cases than it received, despite its caseload declining 13,000 cases over the same period. This created a backlog of cases to process, extending processing times as cases set in staging waiting to be worked. Through Week 34 of FFY 2025, MDRS DDS processed more than 11,000 cases than it received. However, a case backlog remains.

MDRS DDS Cases Received versus Cases Processed, FFY 2020 to FFY 2025

Federal Fiscal Year	2020	2021	2022	2023	2024	2025 (thru Week 34)	Total
Cases Received	58,736	58,160	56,964	51,515	45,111	29,184	**299,670**
Cases Processed	60,374	50,619	51,693	40,621	45,708	40,627	**289,642**
Net	1,638	-7,541	-5,271	-10,894	597	11,443	**-10,028**

MDRS DDS Performance

- **MDRS DDS versus the national average from FFY 2016 to FFY 2024:**
  - In Mississippi, average processing time increased from 105 days for both SSDI and SSI cases to 297 days for SSDI cases and 353 days for SSI cases.
  - By comparison, average processing time nationally increased from an average of 110 days for SSDI cases and 120 days for SSI cases in FFY 2020 to 168 days for SSDI and 202 days for SSI cases in FFY 2024.

Improvement in FFY 2025 as the Backlog Reduced

- Cases completed in August 2025 spent 32 days less waiting to be assigned to an examiner than cases completed in August 2024.
- MDRS DDS assigned user mean processing time (i.e., the time an examiner is assigned to the case), decreased from 166.3 days in October 2023 to 124.6 days in August 2025, an improvement of 40 days per case.
- Total mean processing time, including staging, remained elevated, averaging 272 days as of August 2025.

MDRS DDS Staff Attrition

MDRS Lost 122 disability examiners over five years.

- This was the primary cause of increased processing times.
- Caseload increased while salary remained lower than other states.
- SSA hiring restrictions – because SSA allocates hires instead of PINs, MDRS DDS cannot replace a departed person unless a hire is available.
  - Legislative elimination of vacant DDS PINs can delay or prevent MDRS DDS from filling positions when SSA authorizes hires.

Other Challenges Impacting Operations

- Medical record review workload increased due to transition to electronic medical records.
- Wait times increased to obtain medical records.
- Difficulty in recruiting and retaining medical consultants and consultative examiners.
  - It takes 117 days to complete consultative exam process in Mississippi, which is 30 days longer than next closest southeast state.

RECOMMENDATIONS

1. Due to SSA's denial of PEER's data request seeking to obtain data to identify the causes and extent of delays in the state processing SSDI and SSI cases, the PEER Committee should forward a copy of this report to Mississippi's Congressional delegation and request that the SSA's Office of the General Counsel revisit its decision denying PEER access to the requested data.
2. MDRS DDS should, in coordination with SSA, seek to develop finely detailed performance data analytic capabilities for MicroStrategy at both the individual level and aggregate level by increasing the sophistication of internal database access (e.g., either custom built, prewritten queries or the ability to write their own queries).
3. MDRS DDS should periodically update the Legislature on any progress made toward reducing processing times or any future changes in staffing or funding that might adversely impact MDRS DDS's efforts to reduce processing times. This would permit an internal oversight entity (e.g., MDRS's Office of Program Integrity) to assess the validity of the data without violating SSA's PII restrictions.
4. MDRS DDS should review its method for assigning cases, including the number and type of cases assigned to each examiner level and the maximum caseload for each examiner level.
5. Given the decline in the number of disability examiners, MDRS DDS should consider reevaluating the number of team leads and case consultants.
6. The Legislative Budget Office should consider pausing elimination of Vacant PINs (Position Identification Number) assigned to MDRS DDS, pending verification with MDRS DDS that they do not intend to fill the PINs.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A Review of the Provision of Routine Dental Hygiene Services in Mississippi Nursing Homes and Correctional Facilities

Report Highlights | #722 November 18, 2025

CONCLUSION: Receiving routine dental hygiene services leads to better oral health outcomes, reduces medical costs, and lowers the risk of developing chronic diseases. Despite the benefits of routine dental hygiene services, nursing home residents and inmates in Mississippi face barriers that affect their ability to receive routine dental care. One of the avenues to expand access to dental care could be to authorize dental hygienists to provide low-risk, routine dental services in public health settings including nursing homes and correctional facilities.

BACKGROUND

Over the course of recent decades, research has emerged establishing a link between oral health and overall health. Poor oral health leads to diseases of the mouth such as cavities and periodontal disease and increases the risk for other chronic diseases such as diabetes, cardiovascular disease, and Alzheimer's disease. Oral disease also takes an economic toll, with approximately $134 billion in direct costs expended on oral conditions in the United States in 2019, according to the World Health Organization.

One of the remedies to poor oral health, along with healthy lifestyle choices, includes routine dental care. Studies have found that receiving preventative dental care leads to better oral health, including fewer cavities, plaque buildup, and tooth loss. It also results in a lower incidence and cost of non-preventative dental care and other medical visits.

KEY FINDINGS

Provision of Routine Dental Hygiene Services in Mississippi Nursing Homes

The Mississippi State Department of Health has licensed 209 nursing homes in the state, which provide care to more than 15,000 individuals. Overall, state and federal regulations impose only limited requirements for providing routine dental hygiene care to nursing home residents.

- **61% of nursing home administrators licensed in Mississippi who responded to PEER's survey reported that 60% or fewer nursing home residents receive routine dental hygiene services at least once a year.**

  Similar results have been reported nationally, indicating that many nursing home residents go without routine dental services. Contributing factors include a lack of Medicaid coverage for dental services, a lack of dental insurance, and a shortage of dental professionals.

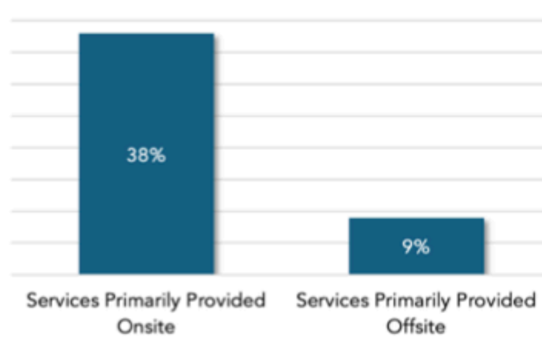
- **In Mississippi, 89% of responding nursing home administrators who confirmed that residents receive a dental assessment upon admission to the facility reported that a nurse conducts the dental assessment, compared to only 5% who reported that a dentist conducts the assessment.**

  Multiple studies and narrative reviews have concluded that nurses underreport issues with oral health when compared to assessments conducted by dental professionals.

- **Approximately 50% of responding nursing home administrators reported that dental services for nursing home residents are primarily provided offsite.**

  Nursing home residents without access to onsite dental care are less likely to receive dental services.

Percentage of Nursing Home Administrators Who Reported that More than 60% of Nursing Home Residents Receive Dental Services at Least Once a Year by Site of Service Provision



- **Some nursing facilities and residents may not be aware that the cost of dental insurance can be reduced from the residents' Medicaid liability at no cost to the resident.**

  These deductions could help allay the financial obstacles to receiving dental services.

In FY 2025, MDOC administered a correctional system comprised of 35 correctional facilities and approximately 19,000 inmates.

- **The insufficient data collection and record-keeping methods utilized by the Mississippi Department of Corrections' (MDOC) medical services contractor VitalCore do not allow for independent analysis of the adequacy of the dental care MDOC and its contractor are offering to inmates.**

  A lack of data on the types of dental services (e.g., routine, emergency) and issues with interpreting the available data prevented PEER's analysis of the quality of dental care for inmates.

- **MDOC could produce limited documentation to PEER showing that it had completed contract monitoring activities.**

  The lack of monitoring lowers MDOC's ability to hold VitalCore accountable for providing services and increases the possibility for inmates to receive insufficient care.

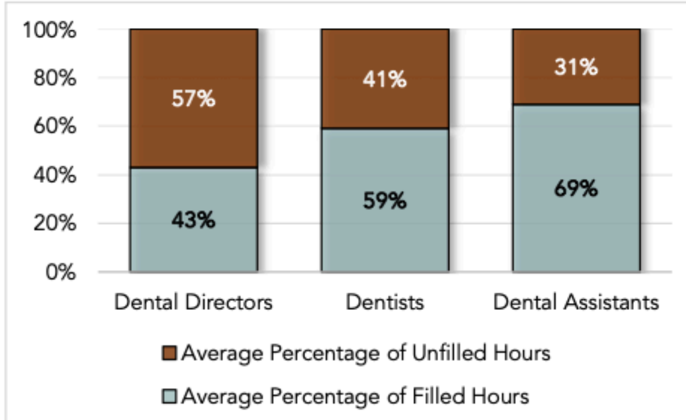
Levels of Supervision for Dental Hygienists in Mississippi and Other States

- **While Mississippi does not allow dental hygienists to operate without a dentist onsite in most public health settings, 43 states do permit hygienists to practice without dentist supervision in public health settings.**

  Of the 43 states permitting direct access for dental hygienists, at least 15 states specify that hygienists may practice in nursing homes and correctional facilities.

- **VitalCore's staffing hours for dental professionals fell below its contractual requirements each month from January to June 2025, with unfilled staffing hours ranging from 31% to 57% across the dental positions.**

  These staffing shortages decrease the likelihood of high-quality dental care for inmates and increase the likelihood of overworking the dental professionals on staff.



RECOMMENDATIONS

The following provides a brief summary of the report recommendations. Refer to the report, beginning on page 47, for a complete list.

Improving Dental Hygiene Services in Correctional Facilities

- MDOC and VitalCore should improve their data collection system, including standardization of records, storage of data in an analyzable file format, and tracking all data points pertinent to compliance with established standards of dental care.
- MDOC should maintain documentation for all activities related to monitoring the medical services contract.
- MDOC should work with VitalCore to resolve the shortages in dental staffing.

Improving Dental Hygiene Services in Nursing Homes

- The Mississippi State Department of Health (MSDH) should educate nursing homes about permissible Medicaid patient liability deductions.
- MSDH should amend its regulations governing nursing homes to require nursing homes to arrange for a dental screening by a dental professional, arrange for dental professionals to offer training to nursing staff, and ensure availability of onsite dental care for residents who request or require it in areas of the state where onsite providers are accessible.
- MSDH should consult with the Mississippi State Board of Dental Examiners to develop oral hygiene policies that shall be incorporated in residents' care plans.

Lowering Supervision Requirements for Dental Hygienists

- The Legislature should consider amending MISS. CODE ANN. §73-9-5 (1972) to allow dental hygienists to provide low-risk, non-invasive services in public health settings under general supervision or collaborative agreement with a licensed dentist.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A Review of the Provision of Routine Dental Hygiene Services in Mississippi Nursing Homes and Correctional Facilities
November 18, 2025
For more information, contact: (601) 359-1226 | P.O. Box 1204, Jackson, MS 39215-1204
Representative Kevin Felsher, Chair | James F. (Ted) Booth, Executive Director

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

FY 2025 Annual Report: A Review of the Mississippi Development Authority Tourism Advertising Fund

Report Highlights | #723

November 18, 2025

CONCLUSION: Under the authority of MISS. CODE ANN. § 57-1-64 (1972), the Mississippi Development Authority (MDA) oversees deposits to and expenditures from the Tourism Advertising Fund. As required by state law, PEER conducted a review to detail how funds were spent and deposited in FY 2025. In FY 2025, the Tourism Advertising Fund received approximately $15.1 million in revenues and MDA expended approximately $13.5 million from the fund to promote tourism in Mississippi.

BACKGROUND

Background

MISS CODE ANN. § 27-65-75 (24) (b) (1972) requires the Joint Legislative PEER Committee to provide an annual report to the Legislature reviewing the MDA Tourism Advertising Fund established by MISS CODE ANN. § 57-1-64 (1972) to include the amount of funds and a detail record of how the funds are spent.

MISS. CODE ANN. § 57-1-64 created a special fund in the State Treasury known as the MDA Tourism Advertising Fund (Tourism Advertising Fund).

MDA is authorized to sell advertising and other promotion information and enter into agreement with other tourism associations for the purpose of facilitating revenue to deposit into the Tourism Advertising Fund. Additionally, MISS. CODE ANN. § 27-65-75 (24) (a) requires a certain percentage of each month's sales tax collections from restaurants and hotels to be deposited into the Tourism Advertising Fund.

MISS. CODE ANN. § 27-65-75 (24) (a) requires a 3% of each month's sales tax collections from restaurants and hotels to be deposited into the Tourism Advertising Fund.

KEY FINDINGS

- **As provided by MISS. CODE ANN. § 27-65-75 (24) (a) the Tourism Advertising Fund received approximately $15.1 million in restaurant and hotel sales tax revenue.**
  MISS. CODE ANN. § 27-65-75 (24) (a) mandates a 1% increase in the amount of sales tax collections deposited into the fund from FYs 2020 through 2022. The Tourism Advertising Fund received an increase of approximately $440,000 over FY 2024 collections.
- **In FY 2025, MDA expended approximately $13.5 million from the Tourism Advertising Fund, primarily on advertisements promoting tourism in Mississippi.**
  FY 2025 expenditures decreased by $700,000 from FY 2024 expenditures. MDA worked with four companies to place advertisements in FY 2025. Local destination marketing organizations utilized MDA's cooperative advertisement program to place advertisements during FY 2025, sharing the cost burden of placing advertisements.
- **MDA establishes spending levels based on the immediate past revenue collected and deposited into the Tourism Advertising Fund.**
  During FY 2025, MDA spent an average of $1.13 million from the Tourism Advertising Fund and received an average of $1.26 million in sales tax collections per month. Proceeding into FY 2026 and future fiscal years, MDA's goal is to operate the fund at a near net-zero balance.

RECOMMENDATION

The Mississippi Development Authoity should ensure that it is planning expenditures around marketing activities that show increased tourism as well as increased restaurant and hotel sales tax revenue collection.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

FY 2025 Biennial Review of State Agency Procurement

Report Highlights | #724

November 18, 2025

CONCLUSION: MISS. CODE ANN. Section 5-3-72 (1972) requires PEER to evaluate on a biennial basis the procurement process used by all state agencies. During a review of state agencies to determine the impact of H.B. 540, which are currently inconclusive, PEER became aware of an issue regarding WFP's use of PayIt as an alternate payment processor since it was not approved by DFA. Currently there is no final ruling on whether WFP has the authority to continue utilizing PayIt, as neither DFA nor EOC have granted PayIt as an authorized alternative. WFP has informed PEER that it has decided to cease using PayIt as its alternate payment processor and will instead use Tyler Technologies, the state's approved payment processor. PEER maintains that clarity in the roles and rules of each entity (DFA, ITS, and EOC) is needed on which entity currently has, or should have, the final approval or disapproval when an agency requests to use an alternate payment processor.

BACKGROUND

MISS. CODE ANN. Section 5-3-72 (1972) requires PEER to evaluate on a biennial basis the procurement process used by all state agencies. Upon completion of this evaluation, the PEER Committee shall submit a report to the Legislature with its recommendations for improving the procurement process. To conduct this review, PEER interviewed staff from DFA, DMR, MDA, ITS, and WFP, reviewed sections of state and federal law, and reviewed policies maintained by DFA and ITS.

This review focuses on the efficiency and effectiveness of H.B. 540 which was passed during the 2023 Regular Legislative Session involving four pilot state agencies. While looking at these agencies, PEER became aware of an issue regarding WFP's use of an alternate payment processor, which was not approved by DFA, for the sales of licenses (e.g., hunting and fishing) through its recreational licensing system.

KEY FINDINGS

Efficiency and Effectiveness of H.B. 540

- **In 2022, PEER found inefficiencies in the state's procurement process. Therefore, in 2023, PEER recommended that the Legislature amend state law.**
  Inefficiencies pertained to expenditures made by agencies to correct errors when their procurements were disapproved and in instances wherein agencies converted procurements into emergency contracts when procurement best practices violations were found.
- **During the 2023 Regular Legislative Session, the Mississippi Legislature amended state law via H.B. 540 to provide that DFA conduct personal and professional services solicitations for four pilot agencies.**
  DFA established the Office of Statewide Strategic Sourcing to administer the solicitation process for the four agencies. Serving primarily as a project manager, the goal of this office is to make the procurement process more efficient by eliminating delays caused by technical deficiencies. As of the time of PEER's review, DFA reported that it had not canceled or re-solicited any procurements due to technical, legal, or regulatory deficiencies for the four agencies.
- **DFA created the Office of Statewide Strategic Sourcing to serve as the project manager and provide oversight during the procurement process for the four pilot agencies.**
  This would ensure that solicitations meet the technical requirements of Mississippi procurement law. The intent of this office is to help make the procurement process more efficient by eliminating delays caused by technical deficiencies.
- **Because H.B. 540 was not implemented until July 1, 2024, PEER determined that only three procurements met the criteria eligible for review—one from DMR and two from MDA.**
  PEER sought to compare the cost efficiency and duration of the three procurements that occurred after the implementation of H.B. 540 to those prior to its implementation. However, the results of PEER's analysis were varied and showed no clear pattern due to the limited number of procurements and lack of available data (e.g., the number of hours agency staff worked on individual procurements). Therefore, the results on the impact of H.B. 540 on the efficiency and effectiveness of the procurement process are currently inconclusive.

Concerns with WFP's Alternate Payment Processor

- **After executing its contract for a recreational licensing system, WFP sought to have its contractor (i.e., S3/PayIt) build the licensing system using an alternate payment processor (i.e., PayIt) despite the contract requiring that it use the state's approved payment processor (i.e., Tyler Technologies).**

  WFP did not adhere to DFA policies requiring that an agency submit a request to use an alternate payment processor prior to entering into the procurement process. WFP then submitted a request after the procurement process had been completed, but DFA did not approve the request. Subsequently, WFP executed an emergency contract with PayIt as the alternate payment processor for its recreational licensing system.

- **The improper use of EOC fees can potentially jeopardize WFP's federal funding.**

  Federal and state law require that revenue received through the sale of hunting and fishing licenses be used for conservation; however, EOC fees are being applied to these licenses and are therefore being used to support Tyler. Although WFP is not using Tyler as its payment processor it is still supporting Tyler through EOC fees because Tyler's contract with the State of Mississippi requires that it be compensated based on EOC fees collected. PEER contends that using PayIt worsens the potential jeopardization of WFP's federal funding because in this scenario the EOC fees WFP's customers pay for the purchase of recreational licenses do not benefit conservation efforts in the state.

- **DFA's administrative rules are inconsistent and outdated.**

  Currently DFA has the official final authority on such approvals. However, DFA maintains two sets of policies for agencies' use of electronic payments. Although an official version of DFA's policies exists as part of the Mississippi Management Reporting System, it has been using an older version of those policies, both of which are outdated. These outdated policies have resulted in confusion among agencies, particularly in instances where practices differ from what is stated in policy. Further, these issues are exacerbated by the loss of staff with technological expertise on electronic payments within DFA and an agency's ability to bypass competitive bid requirements under ITS emergency procurement rules.

- **WFP appears to have made improper use of an emergency contract.**

  WFP did not have the prior approval to use PayIt as its alternate payment processor and therefore it used the emergency purchase procedure through ITS in lieu of the proper procurement process, which is against the intent of the administrative code established by DFA. PEER questions the validity of the emergency contract as it does not appear to qualify as an "emergency" as defined by MISS. CODE ANN. Section 31-7-1(f) (1972).

- **The use of an unauthorized payment processor creates potential weaknesses in data security.**

  The use of an unauthorized alternate payment processor lacks the security assurances that are provided by the state's approved payment processor. Although DFA requires that an agency seeking to use an alternate payment processor submit the appropriate PCI-DSS Attestation of Compliance documentation to DFA, DFA does not have staff knowledgeable of PCI-DSS matters.

RECOMMENDATIONS

- DFA should monitor cost and time data for OSSS staff to determine the effectiveness and efficiency of H.B. 540. DFA should also require that each agency for which it oversees the procurement process submit its own cost and time data to DFA.
- To address the procurement and security issues set out in this report, the Legislature should amend Sections 25-53-5 and 27-104-33, to vest sole authority in the Department of Information Technology to review and approve all procurements and related contracts for electronic payments by credit, charge or debit cards and related services.
- The Department of Wildlife, Fisheries, and Parks should cease using PayIt for processing transactions and instead use the state's approved payment processor, Tyler Technologies.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

FY 2025 Biennial Review of State Agency Procurement
November 18, 2025
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Representative Kevin Felsher, Chair I James F. (Ted) Booth, Executive Director

CY 2025 Annual Review of Selected County Work Release Programs

Report Highlights | #725 November 18, 2025

BACKGROUND

Beginning in calendar year 2024, MISS. CODE ANN. § 47-5-473 (1972) requires the PEER Committee to annually review the effectiveness of any pilot work release programs established by the Sheriffs of Harrison, Hinds, Lee, and Rankin counties, and provide a report to the Legislature by December 1st of each year. The statute provides specific requirements that programs must comply with, including providing data to PEER in six-month intervals.

The first and only work release program established under this CODE section was established by the Rankin County Sheriff in May 2021. While Harrison, Hinds, and Lee counties have not established a work release program, it is important to note that these counties are not at odds with any statutory requirements because they are authorized but not required to establish a program.

Definition of a Work Release Program

A work release program is a reentry program for adult offenders that allows low-risk offenders nearing the end of their sentences (i.e., less than one year) to work regular jobs in the community and earn wages to help pay restitution, court costs, child support, and help to offset costs of incarceration.

Program Participation

From October 2024 through August 2025, there have been a total of 34 offenders that have previously or are currently participating in the work release program. Of these 34 participants, 79% were male. Further, the majority of program participants were convicted on charges related to controlled substances (i.e., possession, sale/distribution, and controlled substance violations).

The average duration that an offender participates in the work release program prior to completion is 245 days or roughly 8.1 months.

Rankin County Compliance with State Law

While the Rankin County Sheriff's Department complies with many of the statutory requirements, it has not fully adhered to the eligibility requirement that an offender must be within one year of release.

From October 2024 through August 2025, 8 of the 34 offenders (24%) participated in the program for more than one year. Therefore, the Department does not comply with this program eligibility requirement established in state law and through its internal policy.

Statutory Requirements	Compliance (√/X)
Adopt and publish rules for the work release program.	√
No more than 25 participants at a single time.	√
No participating offenders convicted of a crime of violence.	√
Collect and maintain monthly data elements for program participants.	√
Participants shall establish a bank account and distribute wages accordingly.	√
Participating employers shall pay no less than the federal minimum wage.	√
Share all collected data with PEER in six-month intervals.	X
Data shall be submitted to PEER in a sortable, electronic format.	√
No offender having more than one year remaining on his or her sentence.	X

Recommendations

In regard to its work release program, the Rankin County Sheriff's Department should:

- provide PEER with data reports in six-month intervals as required by MISS. CODE ANN. § 47-5-473;
- ensure that it adheres to the eligibility requirements that an offender be within his or her last year of sentence in order to participate in the program;
- establish a data dictionary and create a formal report template used to provide data to PEER;
- consider amending internal policy to specify and establish a formal process for how participant earning should be divided or distributed once a participant satisfies payment for all fines, restitution, or costs; and,
- establish formal reports that document:
    - the total number of participants who were arrested for a new criminal offense, convicted of a new crime while in the program, and the total number of participants who completed the program and were convicted of a new crime within three years of completing the program; and,
    - the pilot work release program's compliance with specific, measurable, attainable, relevant, and time-based (SMART) goals.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review
CY 2025 Annual Review of Selected County Work Release Programs
November 18, 2025
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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

FY 2025 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board

Report Highlights | #726 January 5, 2026

CONCLUSION: Funding from state, local, federal, and other sources was sufficient for charter schools in FY 2025. For FY 2025, the charter schools received local support payments from ad valorem taxes in a manner inconsistent with statute; however, MDE plans to correct this miscalculation by re-directing local ad valorem funds from charter schools to the public school districts. MCSAB receives 3% of annual state and local per-pupil revenues from charter schools which, since FY 2019, has generated sufficient funding to support MCSAB's activities. MCSAB did not receive a general fund appropriation for FY 2025 or FY 2026. Independent audit reports for three charter schools showed financial weaknesses.

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 2025, MCSAB staff included five people.

Although 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 2024-2025, ten charter schools served 3,890 students.

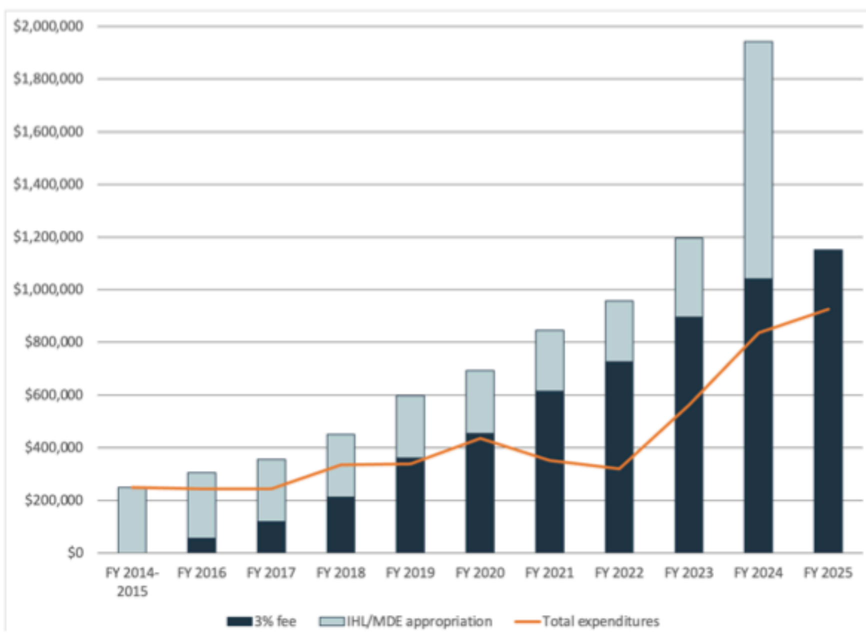
No new charter school applications were approved during the 2025 application cycle because the Board did not receive any completed applications.

MCSAB did not receive a general fund appropriation for FY 2025 or FY 2026. As of June 30, 2024, MCSAB maintained a special fund balance totaling $2.5 million. As of June 30, 2025, its special fund balance totaled $2.7 million.

At its Board meeting in December 2025, MCSAB voted to place SR1 on Revocation Review because of its continued failure to meet enrollment projections, its financial situation—which shows it has one day cash on hand—and that after a review of its FY 2026 first quarter financial audit, there is no indication of progress toward remedying these issues.

SUFFICIENCY OF CHARTER SCHOOL FUNDING

- **For FY 2025, the Mississippi Department of Education (MDE) distributed Mississippi Student Funding Formula (MSFF) funding to charter schools according to the same weighting system as traditional public schools.**
- **For FY 2025, the ten operating charter schools received local support payments from ad valorem taxes in a manner inconsistent with MISS. CODE ANN. Section 37-151-211(2) (b) (ii) (1972).**
  Although the local ad valorem pro rata calculation required by statute now provides for equal shares between charter schools and school districts, MDE inadvertently miscalculated the formula; therefore, charter school students received approximately $1.7 million more in per-pupil local ad valorem funds than traditional public-school students received in FY 2025. MDE plans to redirect the FY 2025 funds from charter schools to the school districts.
- **In FY 2025, the ten operating charter schools received between $1.2 million and $10.2 million from MSFF 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 Issues with RSI, SR1, and Clarksdale Collegiate

In 2024, an independent accounting firm concluded that Republic Schools, Inc.'s (RSI) accounting procedures lacked transparency and accuracy. The accounting firm made recommendations to remedy these issues to help ensure that the financial position of each of RSI's four schools is clear. Although RSI has made some progress towards implementation of the recommendations, PEER and MCSAB should continue monitoring RSI to ensure full implementation of the recommendations.

In SR1's independent audit report of its financial statements for FY 2025, auditors reported material weaknesses in SR1's internal controls, and adjustments had to be made to correct certain account balances.

In Clarksdale Collegiate's independent audit report of its financial statements for FY 2025, auditors noted it had significant construction loans expiring in 2026 but insufficient cash reserves to settle the debt and no guaranteed plan to re-finance the debt. Therefore, the auditors noted "substantial doubt about the organization's ability to continue" as a going concern.

MCSAB renewed the charter contracts for Leflore Legacy, Reimagine Prep, and Smilow Prep, each of whose terms ended at the conclusion of the 2024-2025 school year. Leflore Legacy was renewed with no conditions; Reimagine Prep and Smilow Prep were renewed with conditions.

Accountability Grades

Charter School	School Year	
	2023-2024	2024-2025
Ambition Prep	B	C
Clarksdale Collegiate	D	D
Leflore Legacy Academy	C	D
Midtown Public	D	D
Reimagine Prep	C	F
Smilow Collegiate	C	D
Smilow Prep	B	D

RECOMMENDATIONS

1. The Legislature should consider amending MISS. CODE ANN. Section 37-28-11 (1) (1972) to allow 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. MDE should ensure that school districts receive the local ad valorem revenue they should have received in FY 2025 as set forth in MISS. CODE ANN. Section 37-151-211(2) (b) (ii) (1972). Specifically, MDE should notify each charter school as to the amount it owes to the school districts; and from January 2026 through June 2026, MDE should withhold—in monthly installments—the amount charter schools owe the school districts and redirect those funds to the appropriate school districts. MDE should also ensure that future local ad valorem shares are distributed equitably to traditional districts and charter schools according to statute.
4. The Legislature should consider amending MISS. CODE ANN. Sections 37-151-211(2) (b) (ii) and (iii) such that for the pro-rata local ad valorem calculation only, both traditional school district enrollment and charter school enrollment reflect actual enrollment based on months two and three of the school year for which the local ad valorem funds are being distributed. The amendment to this calculation should only apply to the local ad valorem pro rata calculation and not the enrollment calculation for MSFF.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

Review of the Mississippi State Department of Health's Management of Subgrants

Report Highlights | #727 January 5, 2026

CONCLUSION: Leadership at the Mississippi State Department of Health (MSDH) is aware that historically it has not effectively monitored and provided oversight of its subgrants and that there are many opportunities for improvement. As a result, the Department has been working to implement a comprehensive agency-wide reform to modernize and tighten its grants management and compliance processes. A key to improvement will be to ensure that all staff comply with the new policies, procedures, and processes.

BACKGROUND

MSDH receives and expends hundreds of millions of dollars each year in grants from federal, non-federal, and state sources to protect and advance the health, well-being, and safety of Mississippians. While a majority of grant funding is used by MSDH to fund its internal operations, a portion of funding is distributed by MSDH to other entities, known as subgrantees or subrecipients, to carry out the scope of work and purpose of the grant. Due to the challenges associated with managing subgrants, this review focused on MSDH's management and oversight of the funds it receives and awards to subgrantees through subgrant agreements.

Historically, subgrants have been managed by staff in each MSDH program area, with little oversight from the Central Office leadership. This has led to many of MSDH's issues with subgrant management. The decentralization of subgrant management has led to many of MSDH's issues in this area. However, MSDH is actively working to add more accountability and oversight over each program area.

A **subgrant** is an award provided by a pass-through entity to a subgrantee to carry out part of a federal award received by the pass-through entity.

A **pass-through entity** is a non-federal entity that provides subawards to a subrecipient to carry out part of a federal program.

KEY FINDINGS

- **In FY 2024 and FY 2025, MSDH received approximately $456 million in total grant funding and had total grant expenditures of $434.2 million.**

  During this period, subgrant expenditures accounted for approximately 11% of total grant expenditures. The majority of MSDH's subgrants were awarded to entities for Crime Victim Assistance, the Special Supplemental Nutrition Program Women, Infants, and Children (most commonly known as WIC), and injury prevention and control programs.

- **While MSDH has policies and procedures in place to govern its management of subgrantees, a review of subgrantee documentation showed that the program area staff have not consistently implemented these requirements and practices over the last few years.**

  In a sample of 150 subgrant expenditures, PEER determined some issues with incomplete and inconsistent supporting documentation and limited monitoring and oversight of MSDH subgrants. Most notably, MSDH staff has not conducted risk assessments as required by its policies and procedures, and as a result there has been limited monitoring of subgrantees.

- **While a majority of MSDH issues with subgrants management can be attributed to a lack of enforcement of policies and procedures and limited training, MSDH has taken steps to improve its management subgrants.**

  Subgrant management changes implemented by MSDH, include: working to update subgrant policies and procedures, improving monitoring tools, implementing subgrant training for program area staff, and adding an oversight and compliance component at the Central Office to monitor program area management of subgrants. Overall, the steps taken by MSDH appear to add a level of compliance monitoring for MSDH staff that did not exist before and should help address many of the issues. MSDH must still ensure these changes are properly implemented. This can be done by strengthening internal controls, continuously providing training opportunities for all current staff, new hires, and subgrantees, monitoring compliance with policy requirements, and communicating with staff to advocate for transparency and obtain feedback.

A **subgrantee or subrecipient** is a non-federal entity (e.g., nonprofit) that receives a subaward from a pass-through entity to carry out part of a federal program.

Opportunities for Continued Improvement of Subgrant Management

Continued Improvement of Internal Controls

An effective internal control system can strengthen the management of subgrants. This can include: creating a set of standards, processes, and structures that provide the basis for carrying out internal controls; implementing better document storage; ensuring a segregation of duties; continuously communicating information; and conducting ongoing evaluations of internal controls to identify strengths and weaknesses.

Implementation of Subgrantee Training

A key to successful implementation of grant projects is to provide clear and timely communication regarding expectations, deliverables, and timelines with subgrantees. MSDH should ensure that all current and new subgrantees are provided information regarding all changes to subgrants management at the Department. This should include a subgrant policy manual and regularly scheduled trainings and meetings.

Incorporation of Performance and Evidence into the Subgrant Award Process

Due to the critical role subgrantees can have in public health, it is important to ensure that whenever possible, funds are invested in programs and services that are proven to work. MSDH can work towards incorporating performance and evidence into the subgrant award process by improving the performance measures that are written into subgrant agreements.

Providing More Transparency

MSDH should create an inventory or database of all its grant programs and publish it to its website on a regular basis. This would help provide more transparency to policymakers and further help ensure that public funds are being expended efficiently and effectively.

RECOMMENDATIONS

- PEER should conduct a review of MSDH's management of grants in CY 2028. In light of considerable changes the Department is making to its policies, procedures, and processes, this would allow MSDH the time needed to implement those changes. PEER notes, that in consideration of this future review, MSDH has offered to provide PEER with reports on its progress as it relates to grants management.

- MSDH should proceed with its plans to adopt its proposed subgrant policies and procedures. A year after implementation, MSDH's Executive Leadership should internally conduct a review to determine strengths and weaknesses of implementation and make any necessary amendments to its subgrant policies and procedures and grants management practices. The Department should provide the results of this review to the PEER Committee.

- MSDH should require all entities that it enters into subgrant or contractual agreements to provide detailed information regarding the scope of work that has been completed and the deliverables that are being reimbursed. So that there is no confusion of the work that has been completed, there should be a direct link between the scope of work/work plan and the work that has been completed.

- MSDH and the Department of Finance and Administration should continue working together to determine the documentation that should be submitted for all grant expenditure reimbursements uploaded to MAGIC.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

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PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

CY 2025 Annual Review of MAGCOR's Work Initiative Program

Issue Brief #728 | January 5, 2026

Update

MAGCOR established the first and only work release program operating under MISS. CODE ANN. § 47-5-579 (1972) in September 2022 at the Central Mississippi Correctional Facility (CMCF) with a cap of 25 participants. Although the Legislature required MAGCOR to expand the program to include South Mississippi Correctional Institution (SMCI), Mississippi State Penitentiary (MSP), and Mississippi Correctional Institute for Women (MCIW) in 2024 and Delta Correctional Facility (DCF) in 2025, MAGCOR has not been able to expand the program. MAGCOR cited infrastructure limitations, security concerns, and lack of funding as primary reasons the program has not expanded to date. MDOC requires participants be housed in a secure facility, separate from the general population (including security and entry/exit).

Authority

MISS. CODE ANN. § 47-5-579 requires the PEER Committee to annually review the effectiveness of work initiative programs. This is the third report, including the pilot report.

Program Participation

From September 2022 through June 2025, there have been a cumulative total of 88 offenders that have previously or are currently participating in the work initiative program. Of the 63 participants that exited the program, 37 (59%) participants successfully completed the work initiative program by being paroled or released, while 26 participants (41%) were removed from the program, primarily due to rule violations or termination by their employer. Thare are 25 participants that remain in the program.

The average duration that an offender participates in the work initiative program prior to completion is 286 days or roughly nine months.

Program Status	Number of Program Participants	Average Hours Worked	Average Gross Earnings	Average Fees/Fines Paid	Average Savings
Released from Prison – Completed Program	37	1,796	$1,243	$2,833	$13,592
Removed from Program	26	1,047	$1,096	$2,102	$7,119
Active Participant through June 30, 2025	25	2,641	$1,574	$4,250	$21,739

Participant Earnings

Since the work initiative program began, program participants earned $2,339,897 over the course of 155,993 labor hours through June 7, 2025, an average of $15.00 per hour. After taxes, this nets to $1,950,883.62, an average of $12.51 per hour.

Program Effectiveness

The program has not been in existence long enough to measure recidivism within 36 months. To date, 5 of the 10 participants released by June 30, 2024, have returned to state custody (a recidivism rate of at least 50%). Since then, 34 participants have been released, and one has returned to custody.

Summary of Recommendations

1. **The Legislature should amend MISS. CODE ANN.** § 47-5-579 to reflect the current administrative fee deduction of 15% and require MAGCOR to report the following for each work initiative participant:
    - total amounts of any dependent support payments, fines, restitutions, fees, or costs as ordered by the court; and,
    - the remaining length of his or her sentence.
2. MAGCOR should report actual expenditures, not estimated expenditures, as part of its annual report. In limited instances where MAGCOR identifies a need to report estimated expenditures, MAGCOR should specify the reasoning for doing so.
    - In addition, MAGCOR should report the work initiative program's funding sources, including the amount of funding from each source, and, if applicable, any in-kind support (e.g., MDOC provision of meals to participants).
3. MAGCOR should update its policies and procedures manual to reflect current statutory requirements; specify and establish a formal process for how any participant earnings can be transferred or utilized while in the program and upon graduation; and, incorporate all newly adopted program goals, objectives, and performance measures.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

CY 2025 Annual Review of MAGCOR's Work Initiative Program
January 5, 2026
For more information, contact: (601) 359-1226 | P.O. Box 1204, Jackson, MS 39215-1204
Representative Kevin Felsher, Chair | James F. (Ted) Booth, Executive Director

PEER MISSISSIPPI

Joint Legislative Committee on Performance Evaluation and Expenditure Review

An Efficiency Review of Selected Mississippi State Government Operations

Report Highlights | #729

January 5, 2026

CONCLUSION: Building on previous PEER reviews, PEER compiled this report detailing various cost savings opportunities within Mississippi state government. This report suggests that savings of up to $116 million could be achieved through efforts by the Mississippi Legislature and by state agencies to reduce costs in six key areas—state vehicles, cellular services, shared space and shared services, sales tax discounts, film incentives, and school district operations. An additional $20.7 million in revenue could be generated in the areas of state vehicles and school district nutrition.

Some cost savings opportunities noted in this report provide additional funds for the state's General Fund, which would allow the state to re-direct funds from inefficient programs or operations to other areas. However, some cost savings opportunities involve special funds, which must be used for specific purposes.

STATE VEHICLES

Right sizing the state's vehicle fleet is important to ensure efficient use of taxpayer funds while providing agencies with the resources needed to carry out their missions. As of June 30, 2025, Mississippi had 10,507 fleet vehicles across 56 agencies with an acquisition value of $480.5 million.

Because state vehicles constitute a significant portion of state equipment, decisions regarding the state's vehicles must be made economically and efficiently. PEER's analysis of vehicle usage in FY 2025 suggests an estimated cost-savings opportunity of up to approximately $10.6 million annually through efforts to right size the state's fleet.

Also, the state could generate up to an estimated $7.1 million in one-time revenue through the sales of underutilized state vehicles.

SHARED SPACE AND SHARED SERVICES

Under shared space agreements, agencies have the opportunity to co-locate in spaces where common space (e.g., conference rooms) can be shared. PEER estimates a potential cost savings between $459,285 and $632,535 annually in lease payments by co-locating 17 state agencies into a building in downtown Jackson.

Further, PEER estimates a potential cost-savings of $2.3 million by eliminating unfilled positions in these co-located agencies and utilizing shared staff to perform critical functions across those agencies (e.g., administrative or investigative services).

Additional savings could be achieved through contract service sharing across co-located agencies (e.g., for accounting services).

CELLULAR SERVICES

State agencies must procure cellular services through vendors approved by the Mississippi Department of Information Technology Services (ITS). In FY 2025, Mississippi state agency costs for cellular services totaled approximately $8.3 million.

Based on usage information provided to ITS by the state's cell phone service vendors, there are opportunities for cost savings of up to **$1.6 million** from state agencies converting to lower cost service plans that better align with their cellular usage.

Also, PEER estimates additional cost savings of up to **$252,429** annually by downgrading hotspots.

SALES TAX DISCOUNTS TO RETAILERS

MISS. CODE ANN. Section 27-65-33 (b) (1972) provides multiple sales tax discounts to retailers, essentially rewarding those retailers for complying with state law. By eliminating this discount, the state could generate additional revenues of approximately **$18 million** annually for the General Fund.

FILM INCENTIVE PROGRAM

MISS. CODE ANN. Section 57-89-7 (1972) provides for a film incentive program in the state. Multiple reviews, including one conducted by PEER in 2015, have concluded that film incentive programs result in a negative return on investment. By eliminating this program, the state could generate additional revenues of approximately **$9 million** annually for the General Fund.

SCHOOL DISTRICT OPERATIONS

School district administrators are responsible for spending millions of dollars annually on operational expenses. PEER contracted with Level Data to conduct reviews of Mississippi's FY 2023 school district operational programs and expenses. For the four areas of review with associated cost savings—finance and supply chain, nutrition, operations, and transportation programs—Level Data identified potential savings of up to $74 million and potential revenue generation of up to $13.6 million across 129 reporting school districts. If districts can increase their efficiency in these operational areas, funds could be made available for program improvements or for other key areas such as instruction.

SUMMARY OF RECOMMENDATIONS

State Vehicles

1) The Legislature should consider amending MISS. CODE ANN. Section 25-1-77 (1972) to require that the Bureau of Fleet Management (BFM) within the Department of Finance and Administration shall:
   a) require that each agency with high mileage drivers utilize a state vehicle (either one already owned by a state agency or a new vehicle) in lieu of reimbursing mileage for those employees by September 30, 2026;
   b) require that each agency with underutilized vehicles (i.e., vehicles driven less than 8,200 miles in FY 2025) must submit to BFM specific information by December 31, 2026; and,
   c) require BFM to report to the Legislature by December 31, 2027, the cost savings from efforts to right size the fleet.

Cellular Services

2) The Legislature should consider amending MISS. CODE ANN. Section 25-53-5 (1972) to require that the Department of Information Technology Services (ITS) shall require each agency using cellular services to submit to ITS the following information by September 30, 2026:
   a) an acknowledgement form that the agency has reviewed its usage and cost information from their cell phone vendor;
   b) a signed statement from the agency's Executive Director that asserts the agency has re-solicited quotes for cellular services and is using the best priced plan that matches actual usage and needs; and,
   c) the annual cost savings of any adjustments to the agency's cellular service plan(s) as a result of this effort.

   A report of cost savings compiled by ITS should be provided to the Legislature by December 31, 2026.

Shared Space and Shared Services

3) The Legislature should consider amending MISS. CODE ANN. Section 27-104-7 and 29-5-2 (1972) requiring that the 17 state agency candidates listed in this report co-locate in available office space in the downtown Jackson area by June 30, 2027, if cost-savings can be achieved.
4) After relocation is complete, the Legislature should work with the Legislative Budget Office to eliminate unfilled positions in these agencies. Further, require these agencies to utilize shared staff to perform similar functions (e.g., administrative) and to enter into certain shared contracts for services (e.g., accounting).

Other Programs

5) The Legislature should consider amending MISS. CODE ANN. Section 27-65-33 (b) to eliminate the sales tax discount to retailers.
6) The Legislature should consider amending MISS. CODE ANN. Section 57-89-7 to eliminate the film incentive program.

School District Operations

7) The Legislature should consider creating a new CODE Section 5-3-79.1 directing the PEER Committee to require each school district to submit the following information to PEER by September 30, 2026:
   a) A list of all efficiency indicators from the Level Data reports that are currently being used by the district to assess costs in operational areas, and accompanying data if available; and a summary of actions the district has taken to reduce costs.

   A report of actions taken by school districts and any cost savings achieved should be compiled by PEER and provided to the Legislature by December 31, 2026.

James F. (Ted) Booth, Executive Director

<u>Reapportionment</u>
Ben Collins

<u>Administration</u>
Kirby Arinder
Stephanie Harris
Gale Taylor

<u>Quality Assurance and Reporting</u>
Tracy Bobo
Bryan "Jay" Giles

<u>Performance Evaluation</u>
Lonnie Edgar, Deputy Director
Jennifer Sebren, Deputy Director
Taylor Burns
Emily Cloys
Kim Cummins
Kelsi Ford
Will Harper
Matthew Holmes
Ryan Morgan
Meri Clare Ringer
Colby Spence
Sarah Williamson
Julie Winkeljohn