

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.

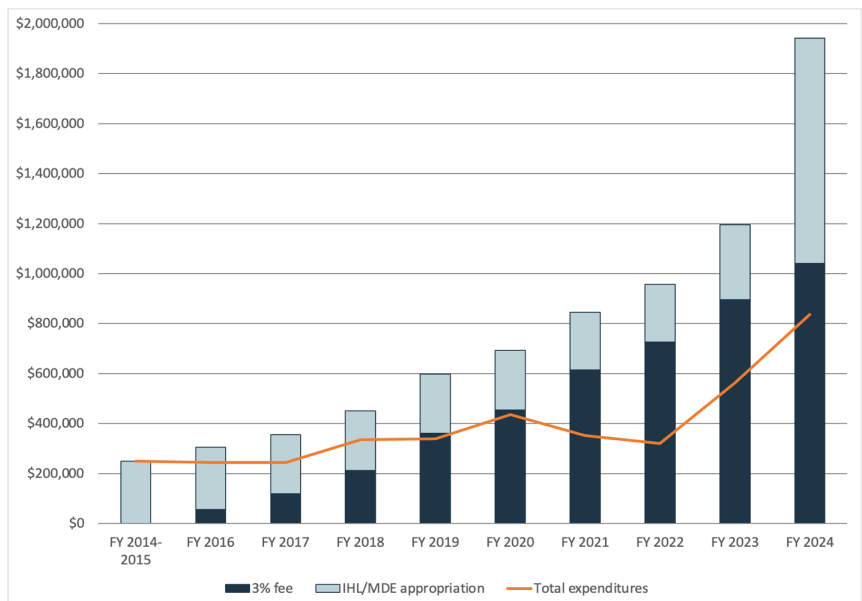
During SY 2023-24, ten charter schools (six in Jackson, one in Clarksdale, one in Greenwood, one in Canton, and one in Natchez) served 3,386 students.

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.