

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

A Report to the Mississippi Legislature
Report #726
January 5, 2026



PEER Committee

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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.

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The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.



Joint Legislative Committee on Performance Evaluation and Expenditure Review

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January 5, 2026

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Honorable Delbert Hosemann, Lieutenant Governor

Honorable Jason White, Speaker of the House

Members of the Mississippi State Legislature

On January 5, 2026, the PEER Committee authorized release of the report titled ***FY 2025 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board.***

Senators

Robin Robinson
Vice Chair

Chad McMahan
Secretary

Kevin Blackwell

Lydia Chassaniol

Scott DeLano

Dean Kirby

Charles Younger

A handwritten signature in dark ink that reads "Kevin W. Felsher".

Representative Kevin Felsher, Chair

Executive Director

James F. (Ted) Booth

This report does not recommend increased funding or additional staff.

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Table of Contents

Letter of Transmittal	i
List of Exhibits	vii
Report Highlights	ix
Introduction	1
Authority, Scope, and Purpose	1
Method	1
Background	2
Membership and Staff of the Board	2
Charter School Applicants in the Board's 2025 Application Cycle	3
Charter Schools Serving Students during SY 2024-2025	6
Charter School Performance	7
Update on MCSAB's Evaluation of Charter School Performance	7
Mississippi Academic Assessment Program Data for SY 2024-2025	11
Charter School Accountability Grades for SY 2024-2025	17
Interventions Issued by MCSAB Against Charter Schools in SY 2024-2025	19
Financial Practices of RSI, SR1, and Clarksdale Collegiate	22
Implementation Status of Accountants' FY 2025 Recommendations	22
Summary of Issues Noted in SR1's Independent Auditor's Report	24
Summary of Issues Noted in Clarksdale Collegiate's Independent Auditor's Report	25
Charter School Renewals	27
Charter School Renewals in FY 2025	27
Charter Schools in Conditional Renewal Status	28
Sufficiency of Funding for Charter Schools	29
Sufficiency of State-level Funding	29
Sufficiency of Funding from Local Ad Valorem Taxes	30
Sufficiency of Federal Funding	32
Sufficiency of Funding from Other Sources	32
Charter School Funding Received	33

Efficacy of the State Formula for Authorizer Funding	36
Efficacy of the MCSAB Funding Model	36
MCSAB Expenditures	38
Status of MCSAB’s Agency Independence.....	40
Recommendations	41
Agency Responses	42
Mississippi Charter School Authorizer Board	42
Mississippi Department of Education	43

List of Exhibits

Exhibit 1: Mississippi Charter School Authorizer Board, Current Members and Terms of Service, September 2025	3
Exhibit 2: Approved Mississippi Charter Schools through the 2025 Application Cycle	5
Exhibit 3: Charter Schools and Students Served during SY 2024-2025.....	6
Exhibit 4: MCSAB Performance Framework Report Results for Each Charter School from SY 2018-2019 to SY 2024-2025	9
Exhibit 5: Percentage of Charter School Students that Scored at least “Proficient” Compared to Home Districts and Students Statewide, SY 2024-2025	14
Exhibit 6: Percentage of Charter School Students that Scored at least “Proficient” 3-Year Trends	16
Exhibit 7: Mississippi Charter Schools’ Accountability Grades, School Years 2015-2016 through 2024-2025	18
Exhibit 8: Charter School Revenues in FY 2025, by Funding Source.....	33
Exhibit 9: FY 2025 Charter School Revenues versus Expenditures.....	34
Exhibit 10: FY 2025 Mississippi Charter School Cost Per Student Compared to Cost Per Student for Mississippi Public Schools, Excluding Capital, Depreciation, and Interest Expenses	35
Exhibit 11: MCSAB Appropriations and 3% Fee Revenues Collected Compared to Expenditures, FY 2014 through FY 2025	37
Exhibit 12: MCSAB Expenditures, by Major Budget Category, FY 2014 through FY 2025.....	39

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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.

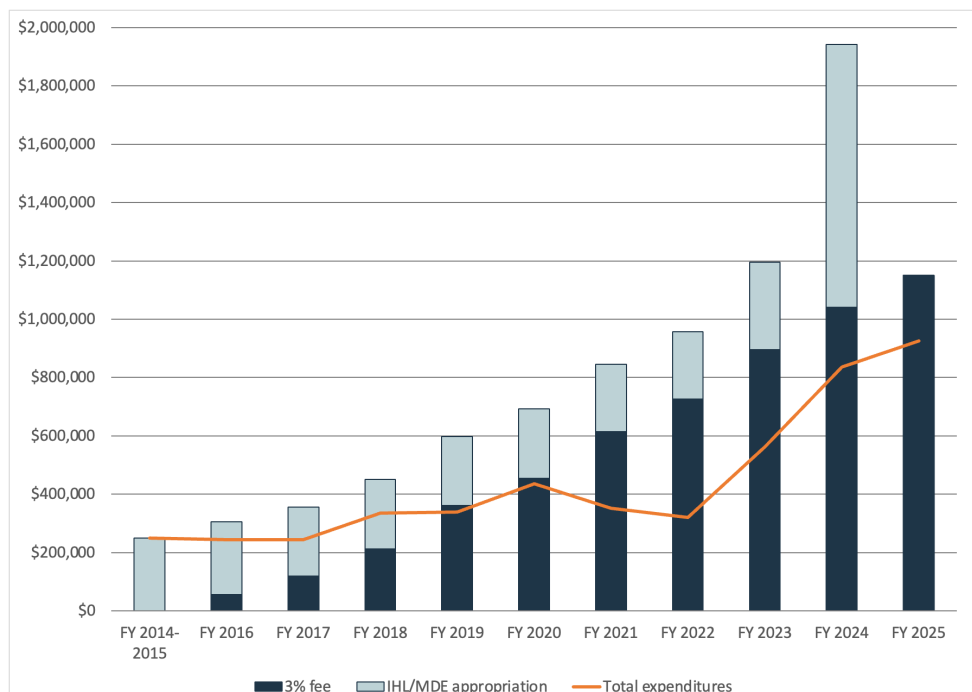
MCSAB did not receive a general fund appropriation for FY 2025 or FY 2026. As of June 30, 2024, MCSAB maintained a special fund balance totaling \$2.5 million. As of June 30, 2025, its special fund balance totaled \$2.7 million.

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.

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

Introduction

Authority, Scope, and Purpose

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

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

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

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

Method

To conduct this analysis, PEER reviewed:

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

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

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

Background

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

- the membership and staff of MCSAB;
- charter school applicants in MCSAB's 2025 application cycle; and,
- charter schools serving students during School Year (SY) 2024–2025.

Membership and Staff of the Board

MCSAB is a state agency of seven appointed members. The staggering of MCSAB Board members' terms has resulted in three of the Board members rotating off in the same year, which could prevent the Board from establishing a quorum at its meetings. MCSAB is the sole authorizing body for charter schools in the state and is responsible for oversight of the schools' operations. In FY 2025, the Board had five staff members.

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

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

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

As PEER noted in previous annual reports on charter schools, although MISS. CODE ANN. Section 37-28-7 (5) (1972) established staggered terms of office for MCSAB, this has resulted in three of the Board members rotating off in the same year, which could prevent the Board from establishing a quorum at its meetings.

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

In FY 2025, MCSAB staff included an Executive Director, a Deputy Director of Accountability and Support, an Attorney (through December 31, 2024), a Program Administrator, and an Office Administrator. As of January 1, 2025, MCSAB staff no longer maintained an attorney on its staff. On July 1, 2025, MCSAB hired a Director of Finance whose responsibilities include, but are not limited to: assisting in the developing and monitoring of MCSAB's budget, reviewing and

approving charter school annual budgets and quarterly financials, and providing annual financial training to charter school board members and personnel.

Exhibit 1: Mississippi Charter School Authorizer Board, Current Members and Terms of Service, September 2025

Board Member	Appointed By	Term End Date*
Candace Robins	Governor	August 30, 2026
Benjamin Morgan	Governor	August 30, 2026
James Carney, II	Governor	August 30, 2026
Marcy Scoggins	Lt. Governor	August 30, 2028
Carol Gary	Lt. Governor	August 30, 2028
Candace Hunt	Lt. Governor	August 30, 2028
Erin Meyer	State Superintendent	August 30, 2027

* All appointees should have a term end date of August 30; however, the appointment letters for the Governor's appointees and the Lieutenant Governor's appointees contain incorrect term end dates of August 31.

SOURCE: PEER analysis of data from the Mississippi Legislature, the Mississippi Charter School Authorizer Board, and state law.

MCSAB employs contractors to satisfy some of its mandate to authorize and oversee charter schools. For example, in FY 2025 MCSAB contracted with a third-party evaluator to provide charter school renewal evaluation support for three charter schools in renewal; and with a private business to perform accounting services. For more information on contract expenditures, see Exhibit 12 on page 39.

Charter School Applicants in the Board's 2025 Application Cycle

Although MCSAB received three letters of intent from potential applicants, it did not receive any complete applications for charter schools in its 2025 application cycle. Prospective applicants were limited to opening schools in only three of the state's school districts as those districts were the only ones with a "D" or "F" rating that year, which is a requirement for opening a new charter school without the approval of the local school board.

Any party seeking to open a charter school in Mississippi must submit an application to MCSAB. Each potential applicant is required to submit a letter of intent along with required documentation which will be reviewed by MCSAB or by an independent evaluator, after which the applicant is deemed eligible or ineligible to submit a full application.

In the 2025 application cycle, MCSAB received three letters of intent—but no complete applications—as follows:

- one prospective applicant was deemed ineligible because it did not submit the proper documentation; and,
- two prospective applicants were deemed eligible; however, both withdrew from the application process. One withdrew because its proposed charter school would have been located in an A-rated district—which would have required approval by the local school board—but that district’s board did not place this item on its agenda and for that reason did not approve the charter for consideration by MCSAB.

Prospective applicants in 2025 were limited to opening schools in only three of the state’s school districts without the approval of the local school board.

Prospective applicants in 2025 were limited to opening schools in only three of the state’s school districts, as these were the only school districts with a “D” or “F” rating that year.²

Exhibit 2 on page 5 lists the charter school applications MCSAB has approved to date (from its 2014 application cycle through its 2025 application cycle), the operational school years, and contract terms.

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

Exhibit 2: Approved Mississippi Charter Schools through the 2025 Application Cycle

Charter School	School District	Charter Operator	First School Year of Operation	Contract/Renewal Term
Midtown Public	Jackson Public	Midtown Partners, Inc.	SY 2015–2016	FY 2016 to FY 2020 FY 2021 to FY 2023 FY 2024 to FY 2027
Reimagine Prep	Jackson Public	RePublic Schools, Inc.	SY 2015–2016	FY 2016 to FY 2020 FY 2021 to FY 2025 FY 2026 to FY 2030
Joel E. Smilow Prep	Jackson Public	RePublic Schools, Inc.	SY 2016–2017	FY 2017 to FY 2021 FY 2022 to FY 2025 FY 2026 to FY 2030
Joel E. Smilow Collegiate	Jackson Public	RePublic Schools, Inc.	SY 2018–2019	FY 2019 to FY 2023 FY 2024 to FY 2028
Clarksdale Collegiate (K-12)	Clarksdale Municipal	Clarksdale Collegiate, Inc.	SY 2018–2019	FY 2019 to FY 2023 FY 2024 to FY 2029
Ambition Preparatory	Jackson Public	Ambition Preparatory Charter School	SY 2019–2020	FY 2020 to FY 2024 FY 2025 to FY 2029
Leflore Legacy Academy	Greenwood Leflore	Mississippi Delta Academies	SY 2020–2021	FY 2021 to FY 2025 FY 2026 to FY 2030
Revive	Jackson Public	RePublic Schools, Inc.	SY 2022–2023	FY 2023 to FY 2027
SR1 College Preparatory and STEM Academy	Canton Public	SR1	SY 2023–2024	FY 2024 to FY 2028
Instant Impact Global Prep	Natchez-Adams	Instant Impact Educational Services	SY 2023-2024	FY 2024 to FY 2028
RePublic High School*	Jackson Public	RePublic Schools, Inc.	TBD ¹	TBD ¹
Archway Charter School*	Humphreys County	Archway Charter School	SY 2026-2027	FY 2027 to FY 2031
Mississippi Global Academy*	West Bolivar Consolidated	Global Public Charter Foundation	TBD ²	FY 2026 to FY 2030

* Charter schools that were not yet in operation during SY 2024-2025.

1. At the time of PEER's review, MCSAB had not generated a contract with RePublic High School.
2. Mississippi Global Academy's charter contract shows that it was scheduled to open in the Fall of 2025; however, according to MCSAB, its opening has been delayed because Mississippi Global Academy could not obtain a permit from the City of Shaw to begin working on the building it purchased.

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

Charter Schools Serving Students during SY 2024–2025

During SY 2024–2025, ten charter schools (six located in Jackson, one located in Clarksdale, one located in Greenwood, one located in Canton, and one located in Natchez) served 3,890 students.

As shown in Exhibit 3 on page 6, ten charter schools located in Jackson, Clarksdale, Greenwood, Canton, and Natchez, enrolled 3,890 students in SY 2024–2025. Grades served ranged from kindergarten to eighth grade. Two charter schools in Jackson have completed ten full school years, while the other eight have completed between two and nine full school years.

Exhibit 3: Charter Schools and Students Served during SY 2024–2025

Charter School	City	# School Years Completed	Grades Served	Enrollment (months 2-3)
Ambition Preparatory	Jackson	6	K-6th	553
Clarksdale Collegiate (K-8)	Clarksdale	7	K-8th	649
Instant Impact Global Prep	Natchez	2	K-3rd	152
Leflore Legacy Academy	Greenwood	5	6th-8th	202
Midtown Public	Jackson	10	K-1st; 4th-8th	409
Reimagine Prep	Jackson	10	5th-8th	449
Revive	Jackson	3	K-3rd	354
Joel E. Smilow Collegiate	Jackson	7	K-4th	529
Joel E. Smilow Prep	Jackson	9	5th-8th	508
SR1 College Preparatory and STEM Academy	Canton	2	K-2nd	85
TOTAL				3,890

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

Charter School Performance

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

- MCSAB's evaluation of charter school performance;
- Mississippi Academic Assessment Program data, SY 2024-2025;
- charter school accountability grades in SY 2024–2025; and,
- interventions issued by MCSAB against charter schools in SY 2024-2025.

Update on MCSAB's Evaluation of Charter School Performance

MCSAB must annually assess each charter school's performance and develop a performance framework report for each school. The SY 2022-2023 performance reports that had not been provided for the four RePublic Schools have since been provided and show that all four schools failed to meet expectations on their financial domains. The SY 2023-2024 performance reports show that five schools met expectations on all three performance domains while the other five schools received mixed results and/or showed no rating on the financial domain. The SY 2024-2025 performance framework reports show that four schools met expectations on all three performance domains while the other six received mix results. Of the six that received mixed results, two—Clarksdale Collegiate and SR1 College Prep—failed to meet expectations on the financial domain.

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

Also, MCSAB must annually assess each charter school's performance on the indicators listed in the performance framework. MISS. CODE ANN. Section 37-28-31 (1972) requires that MCSAB submit a performance report to the Legislature for each charter school it oversees. If a charter school's performance is unsatisfactory, MCSAB must notify the charter school and provide a reasonable opportunity for the school to remedy the problem unless the problem warrants revocation of the charter.

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

For SY 2024-2025, four schools met expectations in all three performance domains, and six schools received mixed results, including Clarksdale Collegiate and SR1 College Prep which failed to meet expectations on their financial performance domains.

Exhibit 4 on pages 9 and 10 shows how each charter school performed on the academic, financial, and organizational performance measures of MCSAB's performance framework from SY 2018-2019 through SY 2024-2025.

As noted in PEER's FY 2024 review of MCSAB, SY 2022-2023 performance framework reports had not been available at that time for the four RePublic Schools—Reimagine Prep, Smilow Prep, Smilow

Collegiate, and Revive—because of concurrent discussions between MCSAB and RePublic Schools, Inc., regarding the financial practices of RePublic Schools, Inc. This information is now available and shown in Exhibit 4.

Summary of Performance from SY 2022-2023 through SY 2024-2025

Academic Performance

Exhibit 4 shows that for SY 2022-2023, Midtown Public, Smilow Prep, Smilow Collegiate, and Leflore Legacy Academy scored "Approaches Expectations" on each one's academic performance domain while the other four schools operating that year—Reimagine Prep, Clarksdale Collegiate, Ambition Prep, and Revive—scored "Meets Expectations" on the academic performance domain.

For SY 2023-2024, all ten schools operating that year scored "Meets Expectations" on the academic performance domain.

For SY 2024-2025, seven of the ten schools— Ambition Prep, Clarksdale Collegiate, Instant Impact Global Prep, Leflore Legacy Academy, Revive, Smilow Collegiate, and, Smilow Prep—scored "Meets Expectations;" and three schools—Midtown Public, Reimagine Prep, and SR1 College Prep—scored "Approaches Expectations."

Financial Performance

Exhibit 4 shows that for SY 2022-2023, all RePublic Schools—Reimagine Prep, Smilow Prep, Smilow Collegiate, and Revive, showed "Fails to Meet Expectations" on each one's financial performance domain, while the other four schools—Midtown Public, Clarksdale Collegiate, Ambition Prep, and Leflore Legacy Academy—scored "Meets Expectations" on the financial performance domain.

For SY 2023-2024, all RePublic Schools showed "No Rating" on each one's financial performance domain; Instant Impact scored "Approaches Expectations" for its first year of operation; and the remaining five schools scored "Meets Expectations" on their respective financial performance domains.

For SY 2024-2025, six of the ten schools— Ambition Prep, Instant Impact, Midtown Public, Reimagine Prep, Smilow Collegiate, and Smilow Prep—scored "Meets Expectations;" two schools—Leflore Legacy Academy, and Revive—scored "Approaches Expectations;" and two schools—Clarksdale Collegiate and SR1 College Prep—scored "Fails to Meet Expectations."

For a discussion on the financial situations of Clarksdale Collegiate, the four RePublic Schools, and SR1 College Prep, see page 22.

Organizational Performance

Exhibit 4 shows that for SY 2022-2023, all eight schools operating that year scored “Meets Expectations” on the organizational performance domain.

For SY 2023-2024, Reimagine Prep and Smilow Prep scored “Approaches Expectations” on the organizational performance domain; and the remaining eight schools operating that year—Midtown Public, Smilow Collegiate, Clarksdale Collegiate, Ambition Prep, Leflore Legacy Academy, Instant Impact, SR1 Global Prep, and Revive—scored “Meets Expectations” on the organizational performance domain.

For SY 2024-2025, all ten schools scored “Meets Expectations” on the organizational performance domain.

Exhibit 4: MCSAB Performance Framework Report Results for Each Charter School from SY 2018-2019 to SY 2024-2025

LEGEND:

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

Charter School	Performance Category	Performance Framework Used						
		Old			New			
		SY18-19	SY19-20	SY20-21	SY21-22	SY 22-23	SY 23-24	SY 24-25
Midtown Public (renewals in 2020 and 2023)	Academic Performance	Approaches	N/A	N/A	Meets	Approaches	Meets	Approaches
	Financial Performance	Meets	N/A	Meets	Meets	Meets	Meets	Meets
	Organizational Performance	Meets	Approaches	Meets	Meets	Meets	Meets	Meets
Reimagine Prep (renewals in 2020 and 2025)	Academic Performance	Meets	N/A	N/A	Meets	Meets	Meets	Approaches
	Financial Performance	Meets	N/A	Meets	Meets	Fails to Meet	No Rating	Meets
	Organizational Performance	Meets	Meets	Meets	Meets	Meets	Approaches	Meets
Smilow Prep (renewals in 2021 and 2025)	Academic Performance	Meets	N/A	N/A	Meets	Approaches	Meets	Meets
	Financial Performance	Meets	N/A	N/A	Meets	Fails to Meet	No Rating	Meets
	Organizational Performance	Meets	Meets	Meets	Meets	Meets	Approaches	Meets

Smilow Collegiate (renewal in 2023)	Academic Performance	N/A	N/A	N/A	Meets	Approaches	Meets	Meets
	Financial Performance	Meets	N/A	Meets	Meets	Fails to Meet	No Rating	Meets
	Organizational Performance	Meets	Meets	Meets	Meets	Meets	Meets	Meets
Clarksdale Collegiate (renewal in 2023)	Academic Performance	N/A	N/A	N/A	Meets	Meets	Meets	Meets
	Financial Performance	Meets	N/A	N/A	Meets	Meets	Meets	Fails to Meet
	Organizational Performance	Meets	Meets	Meets	Meets	Meets	Meets	Meets
Ambition Preparatory (renewal in 2024)	Academic Performance	N/A	N/A	N/A	Meets	Meets	Meets	Meets
	Financial Performance	N/A	N/A	Meets	Meets	Meets	Meets	Meets
	Organizational Performance	N/A	Meets	Meets	Meets	Meets	Meets	Meets
Leflore Legacy Academy (renewal in 2025)	Academic Performance	N/A	N/A	N/A	Meets	Approaches	Meets	Meets
	Financial Performance	N/A	N/A	Meets	Meets	Meets	Meets	Approaches
	Organizational Performance	N/A	N/A	Meets	Meets	Meets	Meets	Meets
Instant Impact Global Prep	Academic Performance	N/A	N/A	N/A	N/A	N/A	Meets	Meets
	Financial Performance	N/A	N/A	N/A	N/A	N/A	Approaches	Meets
	Organizational Performance	N/A	N/A	N/A	N/A	N/A	Meets	Meets
SR1	Academic Performance	N/A	N/A	N/A	N/A	N/A	Meets	Approaches
	Financial Performance	N/A	N/A	N/A	N/A	N/A	Meets	Fails to Meet
	Organizational Performance	N/A	N/A	N/A	N/A	N/A	Meets	Meets
Revive	Academic Performance	N/A	N/A	N/A	N/A	Meets	Meets	Meets
	Financial Performance	N/A	N/A	N/A	N/A	Fails to Meet	No Rating	Approaches
	Organizational Performance	N/A	N/A	N/A	N/A	Meets	Meets	Meets

NOTE: SY 2022-2023 performance framework reports for the four RePublic Schools showed that each one scored “Fails to Meet” expectations in the financial performance domain; however, the SY 2023-2024 performance framework reports for those schools show “No Rating” for both SY 2022-2023 and SY 2023-2024, with the exception of Smilow Collegiate, whose SY 2023-2024 performance framework report does not include SY 2022-2023 data.

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

Mississippi Academic Assessment Program Data SY 2024-2025

PEER analyzed SY 2024-2025 MAAP data, which showed that Clarksdale Collegiate outperformed the other charter schools in English language arts while Ambition Prep outperformed the other charter schools in both math and science. Comparisons between each charter school's performance in all MAAP areas and the performance of each one's home district were mixed for SY 2024-2025. When comparing each charter school's SY 2024-2025 performance in all MAAP areas to its performance the previous year, only two out of seven charter schools improved in English language arts; three out of seven improved in math; and one out of five improved in science.

MAAP is a state assessment that measures students' knowledge, skills, and academic growth in third through eighth grades in English language arts (ELA), math, and science. ELA and math assessments are given in third through eighth grade, while the science assessment is given in fifth and eighth grade.

ELA

Students in nine of the ten charter schools—Midtown Public, Reimagine Prep, Smilow Prep, Smilow Collegiate, Ambition Prep, Revive, Clarksdale Collegiate, Leflore Legacy Academy, and Instant Impact—took the MAAP ELA Assessment. Students who attended SR1 College Prep did not take the ELA assessment in SY 2024-2025 because that year SR1 College Prep did not serve students in third grade or above—the grade levels in which the MAAP ELA assessment is given.

Clarksdale Collegiate had the highest percentage of students scoring at least proficient

Clarksdale Collegiate had the highest percentage (35.9%) of students scoring at least proficient in SY 2024-2025 compared to the other charter schools.

Charter schools compared to their home districts

For SY 2024-2025:

- JPSD had a higher percentage of students who scored at least proficient compared to all six charter schools within its geographic boundaries.
- Clarksdale Collegiate had a higher percentage of students who scored at least proficient compared to Clarksdale Municipal School District.
- Greenwood-Leflore Consolidated School District had a higher percentage of students who scored at least proficient compared to Leflore Legacy Academy.
- Natchez-Adams School District had a higher percentage of students who scored at least proficient compared to Instant Impact Global Prep.

Two charter schools improved from last year

Of the seven charter schools whose students took the MAAP ELA assessment in both SY 2023-2024 and SY 2024-2025, two schools—Smilow Collegiate and Clarksdale Collegiate—showed that a higher percentage of their students scored at least proficient on the SY 2024-2025 test compared to the SY 2023-2024 results.

Math

Students in nine of the ten charter schools—Midtown Public, Reimagine Prep, Smilow Prep, Smilow Collegiate, Ambition Prep, Revive, Clarksdale Collegiate, Leflore Legacy Academy, and Instant Impact—took the MAAP Math Assessment. Students who attended SR1 College Prep did not take the Math assessment in SY 2024-2025 because, as mentioned previously, that year SR1 College Prep did not serve students in third grade or above—the grade levels in which the MAAP Math assessment is given.

Ambition Prep had the highest percentage of students scoring at least proficient

Ambition Prep had the highest percentage (34.9%) of students scoring at least proficient in SY 2024-2025 compared to the other charter schools.

Charter schools compared to their home districts

For SY 2024-2025:

- JPSD had a higher percentage of students who scored at least proficient compared to Reimagine Prep, Smilow Prep, Smilow Collegiate, and Revive; but had a lower percentage of students who scored at least proficient compared to Midtown Public and Ambition Prep.
- Clarksdale Municipal School District had a higher percentage of students who scored at least proficient compared to Clarksdale Collegiate.
- Leflore Legacy Academy had a higher percentage of students who scored at least proficient compared to Greenwood-Leflore Consolidated School District.
- Natchez-Adams School District had a higher percentage of students who scored at least proficient compared to Instant Impact Global Prep.

Three charter schools improved from last year

Of the seven charter schools whose students took the MAAP math assessment in both SY 2023-2024 and SY 2024-2025, three schools—Midtown Public, Smilow Collegiate, and Ambition Prep—showed that a higher percentage of their students scored at least proficient on the SY 2024-2025 test compared to the SY 2023-2024 results.

Science

Students in six of the ten charter schools—Midtown Public, Reimagine Prep, Smilow Prep, Ambition Prep, Clarksdale Collegiate, and Leflore Legacy Academy—took the MAAP science assessment in SY 2024-2025. Students at Smilow Collegiate, Revive, Instant Impact, and SR1 College Prep did not take the science assessment in SY 2024-2025 because that year those schools did not serve fifth or eighth grade students—the grade levels in which the MAAP science assessment is given.

Ambition Prep had the highest percentage of students scoring at least proficient

Ambition Prep had the highest percentage (58.4%) of students scoring at least proficient in SY 2024-2025 compared to the other charter schools.

Charter schools compared to their home districts

For SY 2024-2025:

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

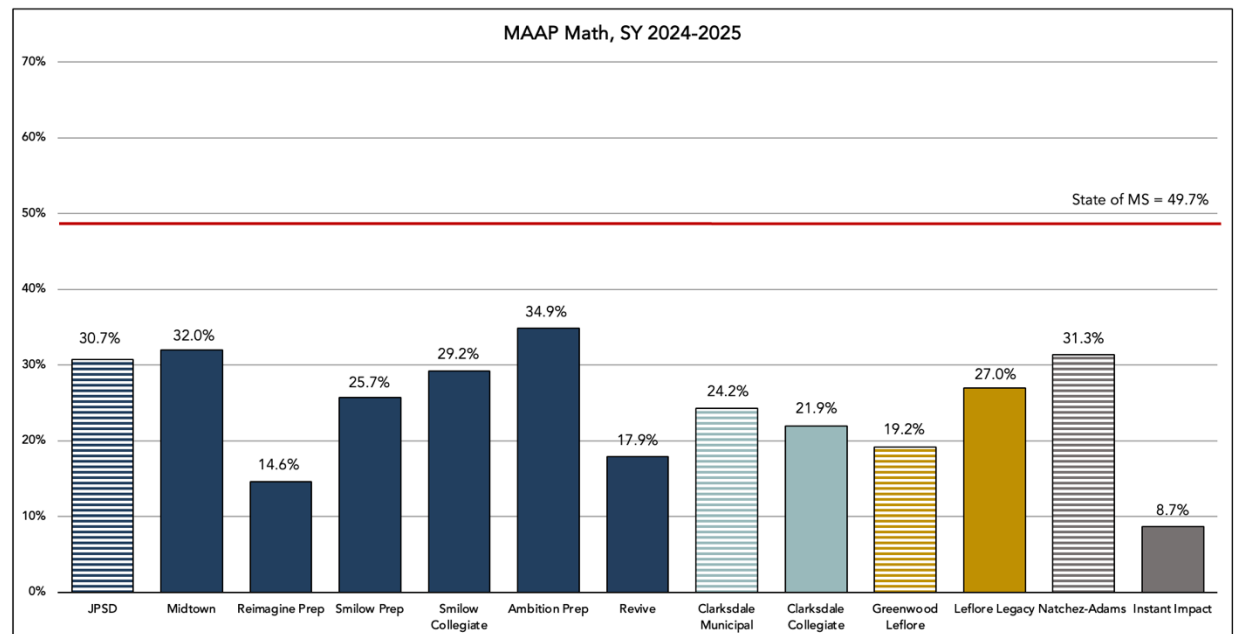
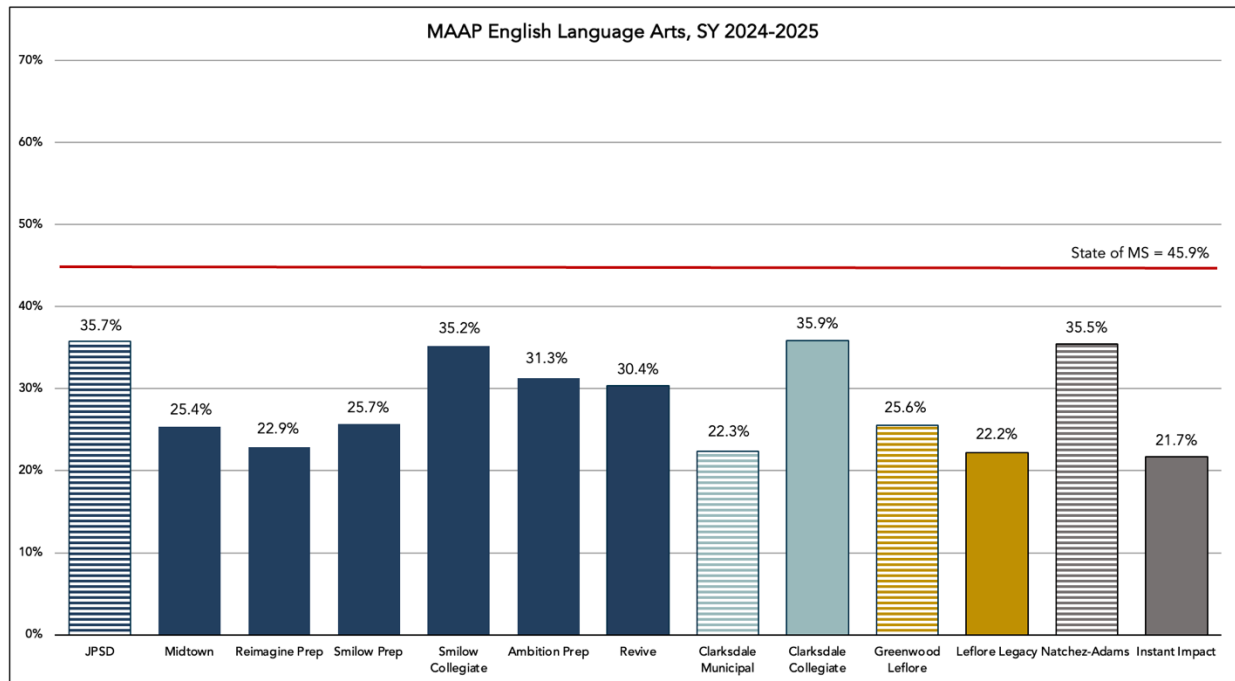
Only Midtown Public improved from last year

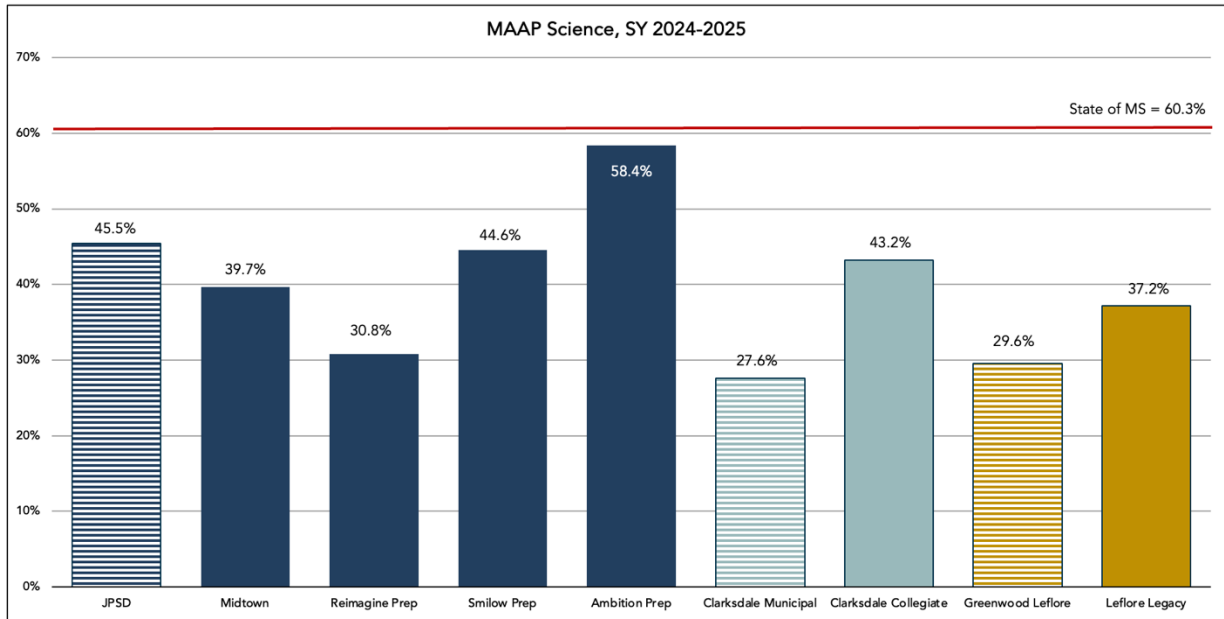
Of the five charter schools whose students took the MAAP science assessment in both SY 2023-2024 and SY 2024-2025, only Midtown Public showed that a higher percentage of its students scored at least proficient on the SY 2024-2025 test compared to SY 2023-2024 results.

Exhibit 5 on pages 14 and 15 illustrates the percentage of charter school students that scored at least proficient on the MAAP ELA, math, and science assessments compared to their home districts and students statewide in SY 2024-2025.

PEER notes that the data shown in Exhibit 5 for JPSD, Clarksdale Municipal School District, Greenwood-Leflore Consolidated School District, Natchez-Adams School District, and the state of Mississippi reflect only elementary and middle schools so as to make a closer comparison with the charter schools, which serve elementary and middle school students. Despite this effort, PEER recognizes that the comparisons will not be exact because of the varied grade levels served by the charter schools.

Exhibit 5: Percentage of Charter School Students that Scored at least "Proficient" Compared to Home Districts and Students Statewide, SY 2024-2025





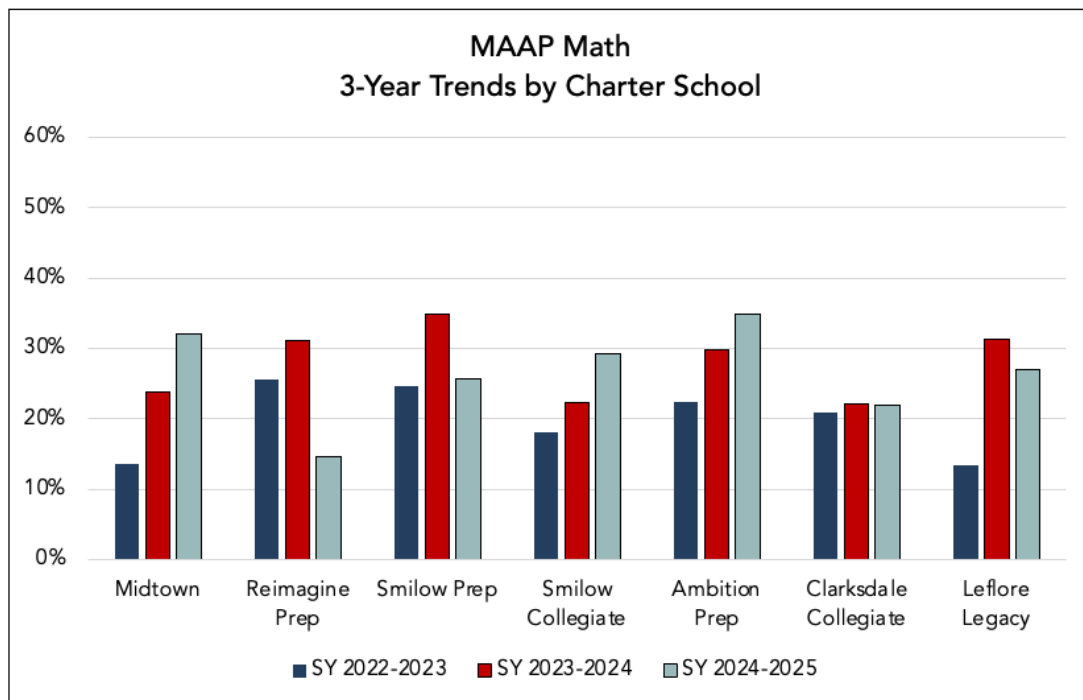
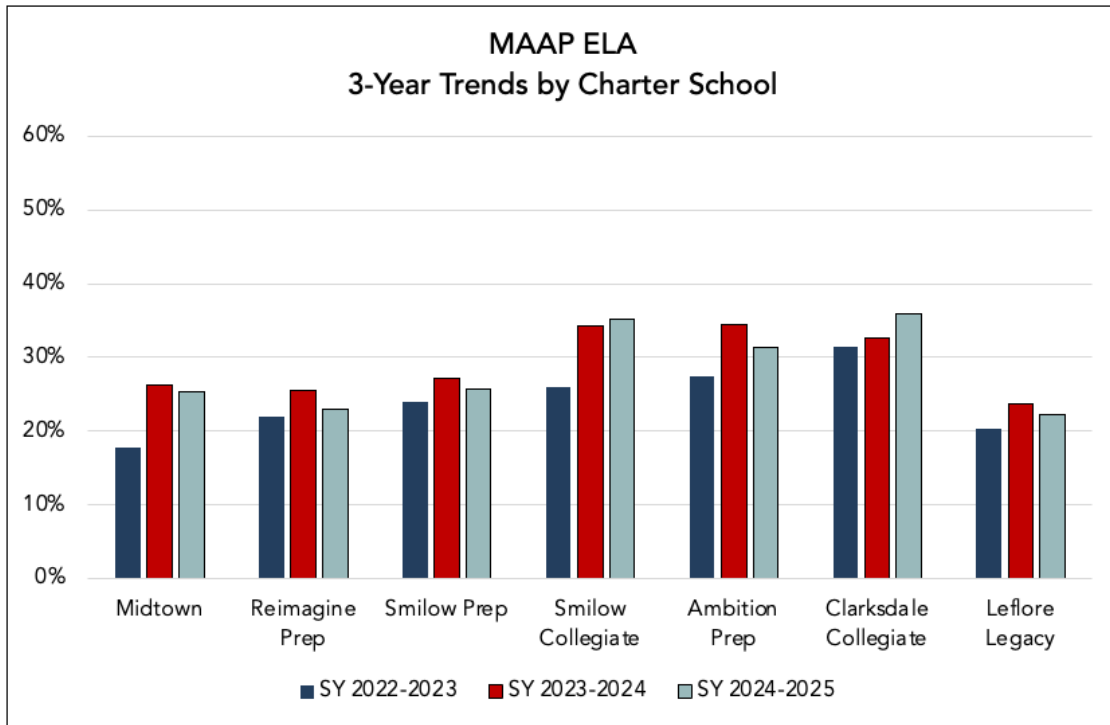
* Patterned columns represent home districts, and solid columns represent charter schools. Like colors indicate that schools are in the same geographic area.

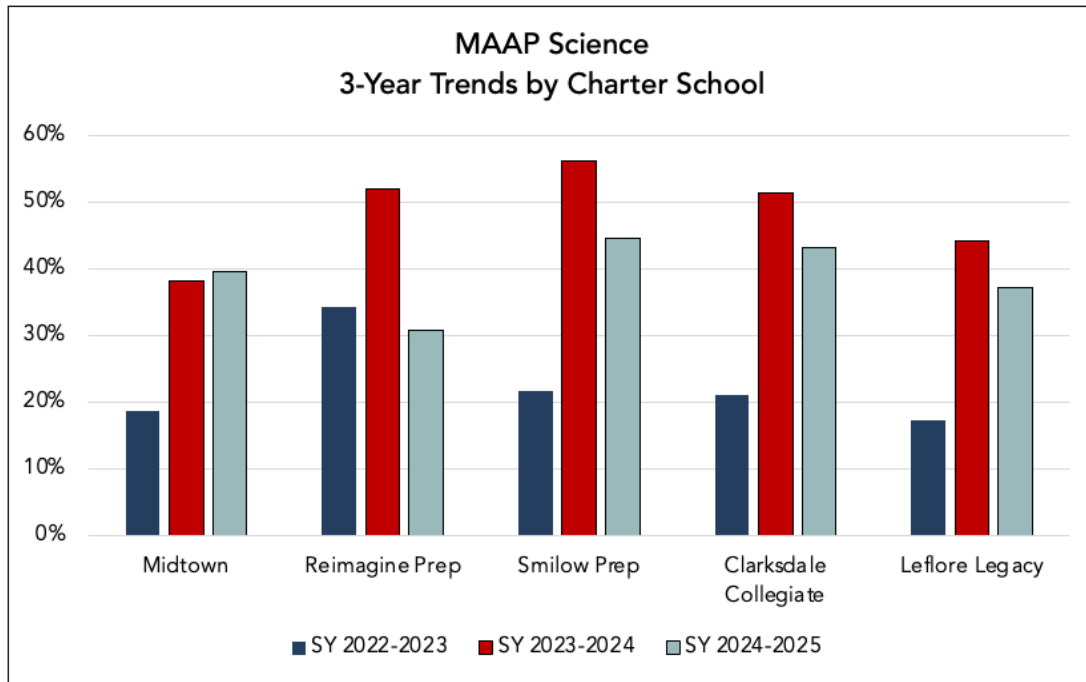
** The data shown for JPSD, Clarksdale Municipal School District, Greenwood-Leflore Consolidated School District, Natchez-Adams School District, and the state of Mississippi reflect only elementary and middle schools. Although the percentages for JPSD, Clarksdale Municipal School District, Greenwood-Leflore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

SOURCE: PEER analysis of Mississippi Department of Education data.

Exhibit 6 on pages 16 and 17 shows the percentage of charter school students that scored at least proficient on the MAAP ELA, math, and science assessments over a three-year period from SY 2022-2023 through SY 2024-2025.

Exhibit 6: Percentage of Charter School Students that Scored at least "Proficient", 3-Year Trends





SOURCE: PEER analysis of Mississippi Department of Education data.

Charter School Accountability Grades in SY 2024-2025

PEER analyzed SY 2024-2025 student accountability letter grades provided by MDE. These letter grades showed that no charter schools received a higher rating compared to last year, two schools received the same rating as last year, and five charter schools received a lower rating.

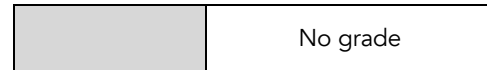
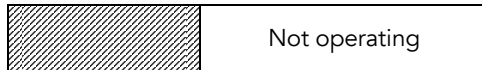
Accountability grades are performance ratings of A, B, C, D, and F assigned by the Mississippi Statewide Accountability System, administered by MDE. Each school is rated based on established criteria regarding student achievement, individual student growth, graduation rate, and participation rate. The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

Of the ten charter schools operating in SY 2024-2025, one received a higher accountability rating than its home district; two received the same accountability rating as their home districts; and four received a lower accountability rating than their home districts; and three—Revive, SR1 College Prep, and Instant Impact—were not yet eligible to receive an accountability rating.

Exhibit 7 on page 18 illustrates charter school accountability grades for SYs 2015-2016 through 2024-2025. Seven charter schools received an accountability rating for SY 2024-2025.

Exhibit 7: Mississippi Charter Schools' Accountability Grades, School Years 2015-2016 through 2024-2025

LEGEND:



Charter School	School Year									
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Midtown Public	F	F	F	D	D		D	F	D	D
Reimagine Prep	D	D	C	B	B		C	D	C	F
Smilow Prep		D	D	C	C		C	D	B	D
Smilow Collegiate							B	F	C	D
Ambition Prep								C	B	C
Clarksdale Collegiate							D	D	D	D
Leflore Legacy							D	F	C	D
Revive										
Instant Impact										
SR1 College Prep										

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

SOURCE: PEER analysis of Mississippi Department of Education data.

Ambition Prep received a C, which was the highest accountability rating among the charter schools for SY 2024-2025. Ambition Prep decreased one letter grade between SY 2023-2024 and SY 2024-

2025. It received the same letter grade in SY 2024-2025 as its home district, Jackson Public Schools.

Five charter schools—Midtown Public, Smilow Prep, Smilow Collegiate, Clarksdale Collegiate, and Leflore Legacy Academy—received a D for SY 2024-2025. Between SY 2023-2024 and SY 2024-2025, two schools—Midtown Public and Clarksdale Collegiate—received the same letter grade; Smilow Collegiate and Leflore Legacy Academy decreased by one letter grade; and Smilow Prep decreased by two letter grades. Clarksdale Collegiate received a letter grade that was higher than its home district—Clarksdale Municipal School District—which received an F during SY 2024-2025. Leflore Legacy Academy received a letter grade that was equal to the letter grade received by its home district—Greenwood Leflore Consolidated School District—which also received a D for SY 2024-2025. Midtown Public, Smilow Prep, and Smilow Collegiate received letter grades that were lower than their home district—Jackson Public Schools—which received a C for SY 2024-2025.

Reimagine Prep received an F for SY 2024-2025, which was two letter grades lower than it received for SY 2023-2024; and two letter grades lower than the grade received by its home district—Jackson Public School—which received a C for SY 2024-2025.

In its annual report to the Legislature each year, MCSAB presents an analysis of the performance of each charter school by using a propensity scoring method which seeks to “limit selection bias when estimating the impact of charter schools on academic achievement.” Because reasons for placing a charter school on the intervention ladder (see page 19) are based mainly on the charter school’s performance framework report and the charter contract, and decisions regarding a charter school’s renewal (see page 27) are based mainly on the charter school’s performance framework report and the renewal application, PEER does not address the propensity scoring results in this report.

Interventions Issued by MCSAB Against Charter Schools in SY 2024-2025

In FY 2025, MCSAB placed six of its ten schools on some level of its Intervention Ladder for failure to meet enrollment obligations or for weak or declining academic or financial performance. Notably, at its December 2025 Board meeting, MCSAB placed SR1 College Prep on Revocation Review. Four schools that were operating during SY 2024-2025 remained in good standing with MCSAB: Ambition Prep, Instant Impact, Smilow Collegiate, and Smilow Prep.

MCSAB maintains an intervention ladder as part of its performance framework so that it can intervene when a charter school’s academic, financial, or organizational performance does not meet MCSAB standards. The intervention ladder is made up of three levels, as follows:

- Level 1 (Notice of Concern) may be issued when MCSAB has concerns about a school’s performance or compliance. Some examples of performance that may result in the issuance of a Notice of Concern include, but are not limited to, when a school receives an overall rating of “Approaches Expectations” on any one area of the performance framework, or when a school shows signs of weak or declining financial, academic, and/or organizational performance. When the charter school remedies the concern, it may return to good standing.

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

SR1 College Prep

As noted in PEER report #713, on April 8, 2024, MCSAB voted to place SR 1 College Prep on Level 1 of the Intervention Ladder (Notice of Concern) because it had not met its enrollment requirement. MCSAB subsequently notified SR1 that, pursuant to its charter contract, it was obligated to enroll 225 students for SY 2024-25; and as part of the requirements for SR1 College Prep to return to good standing, it was to provide documentation to MCSAB indicating the commitment of parents to enroll their children in SR 1 College Prep. However, according to MCSAB staff, SR1 College Prep did not meet the enrollment requirement of 225. Despite this, the board took action to allow SR1 College Prep to operate during SY 2024-2025. According to MDE, SR1's average net enrollment (ANE) for SY 2024-2025 is 85.

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 situations.

Clarksdale Collegiate

As noted in PEER report #713, on September 30, 2024, MCSAB placed Clarksdale Collegiate on Level 3 of the Intervention Ladder (Revocation Review) because of verified testing irregularities caused by educator coaching which occurred at the school during the 2024 Grade 3 Reading Retest 2.

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

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

According to MCSAB staff, Clarksdale Collegiate developed a corrective action plan, and accomplished SY 2024-2025 testing and retesting without testing irregularities.

According to MDE staff, this complaint filed with MDE's Office of Educator Misconduct resolved under an Agreed Order, in lieu of a hearing. Under the Agreed Order, the respondent's educator license was placed on probation for a period of one calendar year.

In January 2025, MCSAB moved Clarksdale Collegiate from Revocation Review to Level 2 (Notice of Breach). In December 2025, MCSAB updated Clarksdale Collegiate's Notice of Breach to include the financial concerns discussed beginning on page 25.

Leflore Legacy Academy

As noted in PEER Report #713, on February 16, 2024, MCSAB placed Leflore Legacy Academy on Level 1 (Notice of Concern) of the Intervention Ladder because the results of its annual performance reports for SY 2021-2022 and SY 2022-2023 showed weak or declining academic and financial performance over time. Specifically:

- on its academic performance, Leflore Legacy Academy was rated a "D" for SY 2021-2022 and was rated an "F" for SY 2022-2023. However, Leflore Legacy Academy has since been rated a "C" for SY 2023-2024 and a "D" for SY 2024-2025.
- on its financial performance for SY 2021-2022 and 2022-2023, Leflore Legacy Academy scored "Approaches Expectations" on the measure that evaluates how well a school is meeting its board approved budget enrollment targets. In response to this concern, Leflore Legacy Academy revised its enrollment projection from 300 students to 215 students for SY 2025-2026.

In December 2025, MCSAB updated Leflore Legacy Academy's Notice of Concern as a result of its score of "Approaches Expectations" on the financial domain of its FY 2024-2025 performance framework and for its decline from a C to a D on its state accountability grade.

Midtown Public

In December 2025, MCSAB updated Midtown Public's Notice of Concern for its score of "Approaches Expectations" on the academic domain of its performance framework report and for its continued poor accountability ratings.

RePublic Schools

In December 2025, MCSAB placed two RePublic Schools on Notice of Concern:

- Revive Prep received a Notice of Concern because of its score of "Approaches Expectations" on the financial domain of its performance framework report; and,
- Reimagine Prep received a Notice of Concern for its score of "Approaches Expectations" on the academic domain of its performance framework report and for declining from a "C" to an "F" on its state accountability grade.

The next chapter provides a more in-depth discussion of financial issues at Clarksdale Collegiate, SR1, and the four RePublic Schools.

Financial Practices of RSI, SR1, and Clarksdale Collegiate

This chapter addresses the following topics:

- implementation status of recommendations set forth in an independent accountants' report for FY 2024 for RePublic Schools, Inc.;
- summary of issues noted in SR1 College Prep's independent auditors' report; and,
- summary of issues noted on Clarksdale Collegiate's independent auditors' report.

Implementation Status of Accountants' FY 2024 Recommendations

In its 2024 annual review, PEER reported that an independent accounting firm concluded that RSI's accounting procedures and records lack transparency and accuracy. Several recommendations were made to remedy these issues to help ensure that the financial position of each of RSI's four schools is clear. While RSI has made some progress towards implementation of the recommendations (e.g., by opening separate Mississippi bank accounts for each of the four schools), monitoring by MCSAB and PEER should continue to ensure full implementation of the recommendations.

MCSAB contracted with Matthews, Cutrer, and Lindsay (MCL) to provide a financial analysis of RePublic Schools, Inc., (RSI) and its related entities as they related to charter school fiscal responsibilities and financial practices. MCL's report noted RSI's accounting procedures and records lack transparency and accuracy. As a result, MCSAB could not obtain an accurate view of RSI's financial position and operations for each of its schools.

MCL noted a number of accounting procedures that obscure RSI's financial operations and position, including:

- lack of financial separation between charter schools;
- lack of financial separation between RSI and RePublic Schools Nashville, Inc. (RSN); and,
- growing receivable and payable balances that are not being reconciled.

The following information details the progress (or lack thereof) made by RSI in resolving the issues identified by MCL.

Progress regarding financial separation between charter schools

In the past, MDE funding for RSI's charter schools was being deposited into one bank account and then allocated to the respective schools via intercompany accounts. Also, the same allocation method was being applied to the payment of a significant portion of these charter schools' normal operating expenses.

MCSAB staff have acknowledged that progress has been and continues to be made in the area of financial separation between charter schools. Specifically, MCSAB reported that the charter schools now maintain their own separate bank accounts, which contributes significantly to accurate financial reporting. Further, according to RSI staff, contracts and invoices will be made at the school level beginning in FY 2026, unless group rate discounts are available. If all schools use one vendor for the same service, all invoices will outline the costs applicable to each school.

MCSAB staff noted that the use of intercompany accounts is still evident from the review of internal financial/progress reports. It remains unclear to what extent progress has been made in "clearing out" the intercompany accounts, which still represent a potentially significant accumulated aggregate of various operating expenses and receipts. RSI staff indicated to PEER that no intercompany transfers would be made going forward; however, intercompany transfers have not been cleared as of September 30, 2025. Therefore, continued monitoring should determine whether this issue has been rectified.

Progress regarding financial separation between RSI and RSN

MCL's report noted that RSI and RePublic Schools Nashville (RSN) shared expenses to improve buying power, and that the two entities also shared employees. The shared expenses and employee costs were accounted for through intercompany transactions, but no money was received or paid to reimburse those transactions. Such transactions obscure the true nature of expenses between the entities.

RSI staff stated to PEER that there would be no payments to RePublic Schools Nashville going forward. A newly formed entity, RePublic Schools Jackson (RSJ), based in Mississippi, will be responsible for providing back-office support for RSI's charter schools. RSJ may conduct these activities in-house or contract with the Charter Management Organization (CMO), RePublic Charter Management, Inc. RSI reiterated that it would cease using intercompany transactions and that each school's expenses would be funded from its respective bank account.

PEER requested and reviewed a copy of the audited financial statements of RSI for the fiscal year ended June 30, 2025, and the accompanying independent auditor's report, both of which were prepared by Daigrepoint & Brian, a CPA firm based in Baton Rouge, Louisiana. According to the statement of financial position, as of June 30, 2025, RSI owed \$1,367,690 to RSN. This suggests that many intercompany receivable and payable transactions have yet to be reconciled. Continued monitoring of these transactions is needed to ensure financial separation between RSI and RSN.

Intercompany Transactions Not Cleared

Intercompany transactions comprise a significant portion of RSI's accounting transactions. Intercompany receivable and payable balances are not consistently reconciled or cleared as should be done for intercompany transactions. According to MCSAB, information in its Epicenter data base shows that as of June 30, 2025, intercompany liabilities to be cleared among the four RePublic schools totaled over \$1.2 billion. Financial statements for the period ending September 30, 2025, submitted by RePublic Schools to MCSAB on December 9, 2025, showed that intercompany liabilities to be cleared continue to total over \$1.2 billion. It is unclear as to how RSI plans to clear these intercompany transactions; therefore, continued monitoring is needed.

In FY 2025, RSI made progress in establishing and utilizing separate bank accounts for its charter schools. For FY 2026, it has committed to: enter into contracts and maintain invoices at the school level; fund each school's expenses from their respective bank accounts; cease using intercompany transactions; and cease making payments to RePublic Schools Nashville.

Summary of Issues Noted in SR1's Independent Auditor's Report

In SR1's independent audit report of its financial statements for FY 2025, the auditors reported a material weakness in SR1's internal controls, and adjustments had to be made to correct certain account balances. Such weaknesses in internal controls can increase the risk of material misstatements in financial reporting, contribute to operational inefficiencies, and present opportunities for fraudulent transactions.

PEER requested and reviewed a copy of the audited financial statements of SR 1 for FY 2025. The auditors identified a material weakness³ in internal controls over the accounting "closing process," whereby an accountant or bookkeeper, either monthly or annually, reviews all relevant financial information and supporting schedules to ensure proper recording of all transactions in accordance with Generally Accepted Accounting Principles (GAAP).

The auditors identified material adjustments that were necessary to correct certain account balances:

- Prepaid expenses were understated by \$18,400.
- Property, plant, and equipment were understated by \$6,993.
- Accounts payable were understated by \$33,330.
- Net assets were overstated by \$34,113.
- Revenue was overstated by \$6,993.
- Certain operating expenses were overstated by \$31,189.

The auditors recommended that SR1 update its year-end closing procedures to include additional review to ensure conformity with GAAP.

Summary schedule of prior audit findings

The auditors followed up on a finding that occurred during the fiscal year 2024 audit. In that year's schedule of findings and questioned costs, the auditors opined on the controls in place regarding cash reconciliation. The auditors deemed the controls in place to be insufficient.

The auditors identified a lack of a structured process for reconciling cash accounts which appears to have resulted from insufficient documentation and inadequate controls over cash management. The lack of more robust procedures led to issues when matching

³ A material weakness in internal controls (as it relates to accounting processes) is a deficiency in protocol that increases the risk that a material misstatement will not be detected and/or prevented in a timely manner and thus lead to an error in financial reporting.

transactions, particularly those transactions related to the receipt of state monies and grants receivable.

The auditors reinforced their prior year recommendations, which included the strengthening of cash management and reconciliation processes by implementing more formal operative and review procedures related thereto.

Summary of Issues Noted in Clarksdale Collegiate's Independent Auditor's Report

In Clarksdale Collegiate's independent audit report of its financial statements for FY 2025, the auditors noted "substantial doubt about the organization's ability to continue" as a going concern. This serious concern results from Clarksdale Collegiate having significant construction loans expiring on May 1, 2026, while having insufficient cash reserves to settle the debt or a guaranteed plan to re-finance the debt.

PEER requested and reviewed a copy of the audited financial statements of Clarksdale Collegiate for FY 2025. The accompanying independent auditors' report included a section titled "Substantial Doubt about the Organization's Ability to Continue as a Going Concern," which reads as follows:

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 12 to the financial statements, the Organization has significant construction loans expiring on May 1, 2026. There is no guarantee that the Organization will be able to secure an extension or consolidated refinancing of the current debt. Further, the cash reserves are not sufficient to settle the current debt. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

With this statement, the auditor is recognizing that there is substantial doubt as to the Organization's ability to continue as a going concern. In accounting parlance, "going concern" refers to a fundamental accounting principle that assumes a business entity, whether it seeks a profit or not, can and will continue to exist until such time as liquidation is desired or becomes advantageous.

Regarding the going concern principle, the accounting profession considers "substantial doubt" to exist when conditions and known events make it *probable* (that is, more likely than not) that a business concern (including nonprofit entities) will be unable to meet its financial obligations as they become due within one year after the issuance date of the audited financial statements. Note 12 to the financial statements points out that the Organization's construction debt expires on May 1, 2026, and that "there are no guarantees that the Organization will secure new financing". As of June 30, 2025, the Organization's cash reserves were insufficient to settle the current facility debt, which, according to Note 11 to the financial statements, amount to more than \$6 million.

PEER requested and reviewed the minutes and appendices from Clarksdale Collegiate's August 26, 2024, board of directors meeting, in which was noted the intention to refinance construction debt existing at that time and to incur approximately \$21 million in new debt for the construction of a new high school facility. Clarksdale Collegiate management was looking to obtain this new financing from the United States Department of Agriculture (USDA) through its "Community

Facilities Program.” PEER also requested and reviewed the minutes and appendices from the June 23, 2025, board of directors meeting, in which Clarksdale Collegiate management noted that Clarksdale Collegiate “would likely have to forego the USDA financing option as their process would not line up with when construction would need to commence.”

It is PEER’s understanding that Clarksdale Collegiate’s management continues to explore other options for the organization’s financing needs and to entertain new ideas for expanding its facilities.

Charter School Renewals

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

- charter school renewals in FY 2025; and,
- charter schools in conditional renewal status.

Charter School Renewals in FY 2025

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

As stated in MISS. CODE ANN. Section 37-28-33 (1) (1972):

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

According to MISS. CODE ANN. Section 37-28-33 (2) (1972), MCSAB is required to issue charter renewal application guidance each year before September 30 to any charter school whose term will expire the following year. On September 30, 2024, MCSAB notified Leflore Legacy Academy, Reimagine Prep, and Smilow Prep—whose respective contracts would end at the conclusion of the 2024-2025 school year—that they were eligible to apply for renewal.

At its Board meeting on October 28, 2024, MCSAB approved a contract with a third-party evaluator for charter school renewal evaluation support.

The third-party evaluator scored all three schools—Leflore Legacy Academy, Reimagine Prep, and Smilow Prep—as “meets expectations” in all three performance domains—academic, financial, and organizational. The scores on the financial performance domain for Reimagine Prep and Smilow Prep are inconsistent with the scores these two schools received on their performance framework reports since SY 2022-2023. Specifically, both schools failed to meet expectations on the financial performance domain of their annual performance framework reports for SY 2022-2023 and neither school received a rating on the financial performance domain for SY 2023-2024.

On April 24, 2025, the third-party evaluator released the renewal recommendation reports to MCSAB for Leflore Legacy Academy and Reimagine Prep; Smilow Prep’s report was released to MCSAB on April 28, 2025.

On April 30, 2025, MCSAB voted as follows:

- to renew Leflore Legacy Academy’s charter contract for a 5-year term;
- to renew Reimagine Prep’s charter contract for a 5-year term, with conditions; and,

- to renew Smilow Prep’s charter contract for a 5-year term, with conditions.

The conditions required of both Reimagine Prep and Smilow Prep are that each of their respective contracts—beginning July 1, 2025, and ending June 30, 2030—are contingent upon RePublic Schools complying with the MOU regarding its restructuring. Its failure to comply with the terms of the MOU could result in revocation of Reimagine Prep and Smilow Prep’s contracts. See PEER report #713 for a discussion of the MOU.

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

Charter Schools in Conditional Renewal Status

Four charter schools are currently under renewal contracts with conditions—Midtown Public, Clarksdale Collegiate, Reimagine Prep, and Smilow Prep. Midtown Public’s renewal term is approved through SY 2026-2027; Clarksdale Collegiate’s renewal term is approved through SY 2028-2029; Reimagine Prep and Smilow Prep’s renewal terms are approved through SY 2029-2030. None of the charter schools have terms that end in 2026.

Charter Schools in Conditional Renewal Status

In addition to Reimagine Prep and Smilow Prep, whose charter contracts were renewed with conditions through SY 2029-2030, Midtown Public and Clarksdale Collegiate (K-12) are also currently in conditional renewal status, specifically:

- In April 2023, MCSAB approved a four-year renewal contract with Midtown Public through SY 2026-2027, with the following conditions: develop and monitor SMART—specific, measurable, achievable, realistic, and timebound—goals.
- In April 2023, MCSAB approved a four-year renewal contract with Clarksdale Collegiate (K-8) through SY 2026-2027, with conditions; however, because of its merger with Clarksdale Collegiate Prep (9-12), which held a 5-year contract with no conditions with MCSAB, the newly merged K-12 school holds a 5-year contract with MCSAB through SY 2028-2029, with one condition: to undergo a mid-term site visit.

There are no charter schools whose contracts end at the conclusion of SY 2025-2026. Midtown Public and Revive have contracts that end at the conclusion of SY 2026-2027 and will therefore go through the renewal process in 2026.

Sufficiency of Funding for Charter Schools

MISS. CODE ANN. Section 37-28-37 (2) (1972) requires, in part, that the PEER Committee prepare an annual report assessing the sufficiency of funding for charter schools. This chapter addresses the following issues regarding the sufficiency of charter school funding:

- sufficiency of state-level funding;
- sufficiency of funding from local ad valorem taxes;⁴
- sufficiency of federal funding;
- sufficiency of funding from other sources, such as grants and gifts; and,
- charter school funding received.

Sufficiency of State-level Funding

The ten charter schools operating during SY 2024-2025 received Mississippi Student Funding Formula (MSFF) funds according to the same weighting system as the traditional public schools.

H.B. 4130 passed during the 2024 Regular Legislative Session, creating the new Mississippi Student Funding Formula (MSFF). MSFF replaces the previous funding formula, the Mississippi Adequate Education Program (MAEP). MSFF was created to calculate funding for public education in the State of Mississippi.

According to MDE, for traditional public school districts and charter schools alike, the FY 2025 MSFF formula:

- begins with the FY 2024 average net enrollment (ANE) for each district or charter school;
- then takes the ANE and applies weights to factors such as poverty, sparsity, English language learner, vo-tech, special education, and gifted; resulting in a final weighted enrollment for each district or charter school;
- then multiplies each final weighted ANE by a base student cost; and,
- then deducts a required local contribution.

⁴ According to Investopedia, an ad valorem tax is a tax based on the assessed value of an item, such as real estate or personal property.

The resulting dollar amount is then compared to each district's or charter school's FY 2024 allocation. Each district or charter school is allocated a hold harmless amount—the higher of the FY 2025 amount or its FY 2024 allocation⁵.

Then ten charter schools operating in FY 2025 received MSFF funding according to the same weighting system as the traditional public schools.

Sufficiency of Funding from Local Ad Valorem Taxes

MISS. CODE ANN. Section 37-151-211(2) (b) (ii) sets forth a local ad valorem pro rata calculation that provides for equal shares between charter schools and school districts. However, because of an inadvertent miscalculation by MDE staff, the ten operating charter schools received local support payments from ad valorem taxes in a manner inconsistent with statute for FY 2025. This resulted in charter schools receiving approximately \$1.7 million that should have been received by sixteen traditional public-school districts whose residents attend charter schools. MDE plans to redirect the FY 2025 funds to the proper school districts and to calculate future local ad valorem funds according to statute.

Under MISS. CODE ANN. Section 37-57-104 (1972), during the submission of its annual budget, the school board of each school district sets local funding for public-school districts up to a maximum of fifty-five mills.⁶ Further, MISS. CODE ANN. Section 37-28-55 (2) (1972) requires each school district in which a charter school is located to distribute a pro rata⁷ share of local ad valorem funds to all charter schools in the district.⁸ Under MISS. CODE ANN. Section 37-28-55 (3) (1972), effective July 1, 2016, if a student who resides in one school district attends a charter school located in another school district, the district in which the student resides distributes its pro rata share of local ad valorem support funds to the charter school the student attends.

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

In 2016, the Legislature amended the "Mississippi Charter Schools Act" to allow students in school districts rated "C," "D," or "F" to cross district lines to attend charter schools. In SY 2024-2025 for the ten charter schools in operation in Mississippi, per-pupil local support payments were based on ad valorem tax receipts received by a student's district of residence for the previous fiscal year.

⁵ The FY 2024 allocations are different from those found in PEER's FY 2024 report #713 because the hold harmless amount includes FY 2024 MAEP, allocation of the \$100 million to MDE based on average daily enrollment (see H. B. 1613, Section 47, Regular Session 2023), and FY 2023 teacher and assistant teacher pay raises).

⁶ For the purpose of property tax assessment, one mill represents \$1 in property taxes for every \$1,000 in assessed property value.

⁷ According to Investopedia, pro rata is a Latin term used to describe a proportionate allocation.

⁸ If the school district does not pay the required local amount to the charter school before January 16, MDE shall reduce the local school district's January transfer of MAEP funds by the amount owed to the charter school and shall redirect that amount to the charter school.

Pro Rata Share of Local Ad Valorem Taxes to Charter Schools

Previous PEER reports have recommended that—in order to make the pro rata distribution of local ad valorem funds equitable between school districts and charter schools—the Legislature consider amending state law to revise the calculation so that traditional public-school students and charter school students in those districts receive equal per-pupil local ad valorem funding.

As noted in PEER report #713, MISS. CODE ANN. Section 37-151-211 (2) (b) (ii) (1972)—a component of the Mississippi Student Funding Formula which became effective July 1, 2024—now requires that students in traditional public schools and students in charter schools receive equal shares of local ad valorem revenue beginning during SY 2024-2025. Specifically, this calculation provides that a school district’s pro-rata amount is determined by dividing its minimum local tax effort by the sum of the net enrollment of the school district and the projected enrollment⁹ of the charter school students.

In FY 2025, Mississippi charter schools received approximately \$1.7 million in local ad valorem funds that should have been distributed to the sixteen traditional public-school districts whose residents attend charter schools. MDE plans to redirect the FY 2025 funds from charter schools to the school districts and distribute future local ad valorem funds according to statute.

However, for FY 2025, the ten operating charter schools received local support payments from local ad valorem taxes in a manner inconsistent with MISS. CODE ANN. Section 37-151-211 (2) (b) (ii). MDE staff inadvertently calculated the SY 2024-2025 local ad valorem per-pupil calculation without including charter school students in the denominator of the calculation, contrary to the requirements of MISS. CODE ANN. Section 37-151-211 (2) (b) (ii). This resulted

in charter school students receiving more per-pupil local ad valorem funds than traditional public-school students received in FY 2025.

PEER estimates that charter school students received approximately \$1.7 million that should have been distributed to the traditional school districts whose residents attend charter schools.

PEER informed MDE staff of this situation and MDE stated to PEER that from January 2026 to June 2026, it plans to withhold—in monthly installments—the amount charter schools owe the school districts and redirect those funds to the appropriate school districts. MDE also stated to PEER that future local ad valorem shares will be distributed equitably to traditional school districts and charter schools according to statute.

⁹ For the pro-rata local ad valorem shares distributed to charter schools and traditional school districts, actual enrollment data for months two and three are available prior to the distribution of those shares. Therefore, actual enrollment data should be used for these calculations rather than percentage change (in the case of the traditional school districts) and projected enrollment (in the case of the charter schools). Further, charter schools do not project enrollment based on the school districts from which they expect their students to come.

Sufficiency of Federal Funding

Federal funds received by MDE are distributed to each public-school district and charter school based on the school's ability to meet federal program requirements. In FY 2025, the charter schools that were operating that year received federal grant funds totaling \$14,606,071.

MISS. CODE ANN. Section 37-28-55 (4) (a) (1972) requires MDE to direct to each qualified charter school a proportional share of all monies generated under applicable federal programs and grants. MDE receives federal grant funds and distributes them to each qualified school based on the standards set forth in each grant's program and agreement and the school's ability to meet these specifications. MDE must comply with the distribution requirements specified by each federal program or grant. The federal government audits the distribution of these funds for compliance with stated program and grant requirements.

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

In FY 2025, charter schools that were operating that year received federal grant funds¹⁰ totaling \$14,606,071.

Sufficiency of Funding from Other Sources

Charter schools apply for grants, gifts, and donations from other sources. In FY 2025, Mississippi's charter schools received \$3,828,410 from other sources.

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

In FY 2025, charter schools received \$3,828,410 from other sources including contributions, grants, donations, and other miscellaneous revenue.

¹⁰ For a description of grant programs that provide funding to Mississippi's charter schools, see Appendix D in the *FY 2017 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board* (PEER Report #615).

Charter School Funding Received

In FY 2025, the ten operating charter schools received between \$1.2 million and \$10.1 million from MSFF funding, local ad valorem taxes, federal funds, and other sources.

Exhibit 8 on page 33 details the amounts received by each charter school in FY 2025. Amounts are organized by funding source.

Exhibit 8: Charter School Revenues in FY 2025, by Funding Source

Charter School	MSFF ¹	FY 2024 ADA Adjustment ²	Local Ad Valorem Taxes	Federal Funds	Other ³	Total
Ambition Prep	\$3,035,288	\$(161,230)	\$2,112,413	\$2,174,044	\$181,907	\$7,342,422
Clarksdale Collegiate	\$4,651,751	\$(193,041)	\$1,509,685	\$3,695,372	\$483,974	\$10,147,741
Instant Impact	\$992,606	\$(340,076)	\$854,531	\$723,281	\$66,488	\$2,296,830
Leflore Legacy	\$1,902,417	\$(405,801)	\$613,700	\$926,688	\$162,242	\$3,199,246
Midtown Public	\$2,708,623	\$(110,210)	\$1,558,270	\$1,681,353	\$477,756	\$6,315,792
Reimagine Prep	\$3,679,459	\$(613,954)	\$1,714,592	\$1,267,859	\$1,030,622	\$7,078,578
Revive	\$2,095,865	\$(522,627)	\$1,355,470	\$786,791	\$94,452	\$3,809,951
Smilow Collegiate	\$3,857,314	\$(158,328)	\$2,028,800	\$1,659,437	\$45,438	\$7,432,661
Smilow Prep	\$3,713,975	\$(249,744)	\$1,934,497	\$1,568,528	\$906,203	\$7,873,459
SR 1 College Prep	\$1,067,304	\$(682,266)	\$406,554	\$122,718	\$379,328	\$1,293,638
Total	\$27,704,602	\$(3,437,277)	\$14,088,512	\$14,606,071	\$3,828,410	\$56,790,318

1. This amount does not include FY 2024 average daily attendance (ADA) adjustments to FY 2025 MSFF (Source: MDE).
2. Because MAEP which had been distributed to charter schools each year had been calculated using projected ADA, MISS. CODE ANN. Section 37-28-55 (1) (b) (1972) required a reconciliation of MAEP funds distributed to charter schools each year. The MAEP reconciliation was applied to the next year's MAEP. Therefore, the MAEP reconciliation resulting from the FY 2024 ADA adjustment is applied to FY 2025 MSFF (Source: MDE).
3. Other sources of funds include grants, donations, in-kind contributions, interest income, gain on debt forgiveness, student activities, and other income.

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

Charter School Revenue Versus Expenditures

PEER reviewed each charter school's audited financial records for FY 2025 to determine whether revenues were sufficient to provide for the schools' expenditures. Exhibit 9 on page 34 shows that eight of the ten charter

Eight charter schools operating in Mississippi received revenues in FY 2025 that were sufficient to cover their expenditures that year. However, two charter schools' expenditures exceeded revenues.

schools operating in Mississippi received revenues in FY 2025 that were sufficient to cover their expenditures that year. Two of the charter schools—Leflore Legacy Academy and SR1 College Prep—did not receive revenues that were sufficient to cover their expenditures. Leflore Legacy's expenditures exceeded its revenues by \$157,153 and SR1 College Prep's expenditures exceeded its revenues by \$488,036.

Exhibit 9: FY 2025 Charter School Revenues versus Expenditures

Charter School	Revenues	Expenditures	Difference
Ambition Prep	\$8,427,714	\$6,836,929	\$1,590,785
Clarksdale Collegiate	\$10,822,978	\$10,131,155	\$691,823
Instant Impact	\$2,300,075	\$2,123,146	\$176,929
Leflore Legacy	\$3,207,003	\$3,364,156	\$(157,153)
Midtown Public	\$6,315,786	\$6,151,421	\$164,365
Reimagine Prep	\$7,668,380	\$5,832,012	\$1,836,368
Revive	\$4,280,070	\$4,192,813	\$87,257
Smilow Collegiate	\$7,490,149	\$5,902,209	\$1,587,940
Smilow Prep	\$8,095,856	\$6,302,969	\$1,792,887
SR 1 College Prep	\$1,306,209	\$1,794,245	\$(488,036)

NOTE: For this exhibit, PEER used total revenues reported by each charter school. These revenues may not match the revenues for those schools shown in Exhibit 8 on page 33 because of the varying requirements of cash versus accrual accounting methods.

SOURCE: PEER analysis of charter schools' FY 2025 audited and unaudited financial records.

As presented in Exhibit 10 on page 35, the estimated cost per student for public schools in the state of Mississippi in FY 2025 was \$14,557, according to the National Education Association (NEA). Two of the ten charter schools—Leflore Legacy Academy and SR1 College Prep—showed a cost per student that was higher than the state collectively in FY 2025.

Two schools—Clarksdale Collegiate and Midtown Public—realized a cost per student that was higher in FY 2025 than it was in FY 2024. The remaining eight schools realized a cost per student that was lower in FY 2025 than it was in FY 2025. Notably, SR1 College Prep and Instant Impact

showed the greatest savings—52% and 41%, respectively—in cost per student between the two years. This was in large part due to the increased enrollment numbers for both schools.

Exhibit 10: FY 2025 Mississippi Charter School Cost Per Student Compared to Cost Per Student for Mississippi Public Schools, Excluding Capital, Depreciation, and Interest Expenses

Charter School	Net Expenditures ¹	Enrollment ²	FY 2025 Cost Per Student	FY 2024 Cost Per Student
Ambition Prep	\$6,027,433	553	\$10,900	\$12,483
Clarksdale Collegiate	\$9,230,829	649	\$14,223	\$14,168
Instant Impact	\$2,011,365	152	\$13,232	\$22,563
Leflore Legacy	\$3,111,256	202	\$15,402	\$16,572
Midtown Public	\$5,926,113	409	\$14,489	\$13,149
Reimagine Prep	\$5,554,242	449	\$12,370	\$15,626
Revive	\$3,778,261	354	\$10,673	\$14,958
Smilow Collegiate	\$5,573,185	529	\$10,535	\$13,999
Smilow Prep	\$6,045,123	508	\$11,900	\$14,369
SR 1 College Prep	\$1,777,642	85	\$20,913	\$42,233
State of Mississippi ³	\$5,679,785,000	390,174	\$14,557	\$14,031

1. For those charter schools that noted such, net expenditures do not include capital expenses, interest expenses, and depreciation and amortization.
2. SY 2024-2025 enrollment, months two and three for charter schools.
3. SY 2024–2025 data from the National Education Association’s (NEA) *Ranking of the States 2024 and Estimates of School Statistics 2025*,¹¹ pages 34, 44 and 45. Notably, page 34 shows an update to FY 2024 ADA for Mississippi. Although the NEA reported FY 2024 ADA to be 396,024, its adjustment shows that FY 2024 ADA was 388,553. Therefore, PEER has recalculated Mississippi’s cost per student for FY 2024 to be \$14,031. PEER Report #713 shows this figure to be \$13,754.

SOURCE: PEER analysis of charter schools’ FY 2025 financial records.

¹¹ https://www.nea.org/sites/default/files/2025-04/2025_rankings_and_estimates_report.pdf

Efficacy of the State Formula for Authorizer Funding

MISS. CODE ANN. Section 37-28-37 (2) (1972) requires that, as part of an annual report, the PEER Committee assess the efficacy of the state formula for funding MCSAB.

This chapter addresses:

- the efficacy of the MCSAB funding model;
- MCSAB expenditures; and,
- status of MCSAB's agency independence.

Efficacy of the MCSAB Funding Model

Under MISS. CODE ANN. Section 37-28-11 (1) (1972), MCSAB receives 3% of annual per-pupil allocations received by charter schools from state and local sources. FY 2025 was the seventh year this statutory formula generated sufficient funding to support MCSAB's activities.

As authorized under MISS. CODE ANN. Section 37-28-11 (1) (1972), MCSAB receives 3% of annual per-pupil allocations received by charter schools from state and local sources. For the purposes of this report, PEER equates efficacy¹² to sufficient revenue from charter school fees to fully fund MCSAB operations. In FY 2019, the statutory formula began generating sufficient funding to support MCSAB's activities.

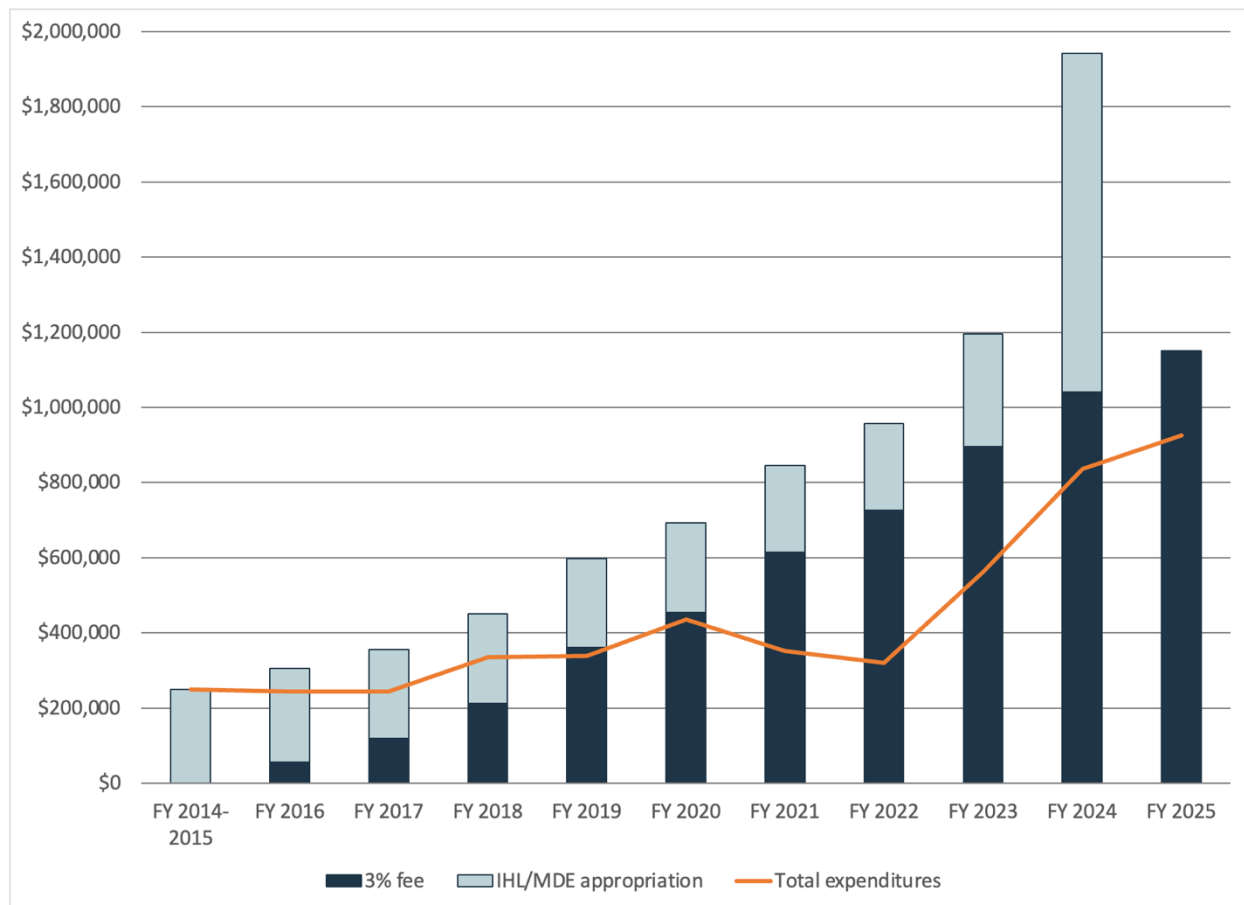
Exhibit 11 on page 37 shows MCSAB's revenues compared to its expenditures since FY 2014, with revenues broken out into MCSAB's legislative appropriation and its 3% fee revenue. MCSAB did not receive a general fund appropriation in FY 2025, but relied only on 3% fee revenues.

The 3% fee revenues¹³ continue to increase each year, with MCSAB collecting \$1,150,675 in FY 2025, which was 10% higher than FY 2024 collections. Likewise, MCSAB's expenditures in FY 2025 were \$925,386, which was 11% higher than FY 2024 expenditures. In FY 2025, MCSAB revenues exceeded expenditures by \$225,289. In FY 2025, MCSAB received sufficient revenue from 3% fees to fully fund MCSAB operations.

¹² Merriam-Webster defines *efficacy* as "the power to produce the desired result or effect."

¹³ In FY 2025, Extended School Year (ESY) funds were not included as part of the dollar amount from which 3% fees are calculated.

Exhibit 11: MCSAB Appropriations and 3% Fee Revenues Collected Compared to Expenditures, FY 2014 through FY 2025



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

MCSAB Expenditures

In FY 2025, MCSAB expended \$925,386 with \$505,661 (55%) of this amount spent on salaries, wages, and fringes; and \$391,369 (42%) spent on contractual services.

PEER notes the following regarding MCSAB's FY 2025 expenditures:

Description of FY 2025 Expenditures

Salaries, Wages, and Fringes Expenditures

MCSAB expended \$505,661 on salaries, wages, and fringes in FY 2025. These expenditures included \$387,051 in salaries and \$118,610 in fringe benefits for MCSAB's five member staff.

Travel Expenditures

MCSAB expended \$12,476 on travel in FY 2025. These expenditures included \$1,316 for in state travel and \$11,160 for out of state travel.

As shown in **Exhibit 12** on page 39, MCSAB expended \$505,661 on salaries and fringe benefits; and \$391,369 on contractual services in FY 2025.

Contractual Services Expenditures

MCSAB expended \$391,369 on contractual services in FY 2025, including \$329,800 to vendors with whom MCSAB had contracts. These expenditures and services are described below:

- \$110,407 to Butler Snow, LLP, for legal services pertaining to the approval, denial, renewal, revocation, or closure of charter schools, MCSAB operations, and to provide representation of MCSAB on any litigation;
- \$80,000 to Basis Policy Research for its annual legislative evaluation of charter school performance for SY 2024-2025;
- \$42,000 to Capitol Resources for governmental relations, including monitoring legislation impacting charter schools in Mississippi and other states, drafting legislation, briefing legislative leadership on charter school progression, and educating members of the legislature regarding charter schools;
- \$33,500 to The Learning Collective for the evaluation of new school applications for the 2024 Call for Quality Schools application cycle (this reflects funds that were paid by MCSAB in FY 2025);
- \$24,000 to Cognia, Inc., for renewal evaluation support for Leflore Legacy Academy, Reimagine Prep, and Smilow Prep in 2025;

- \$22,590 to Cornerstone Consulting for financial and operational support, and human resource and personnel assistance;
- \$6,553 to Ford Research & Solutions for financial consulting services;
- \$4,700 to Cadelo Consulting for charter school pre-opening support for Mississippi Global Academy and Archway Charter School in 2025;
- \$3,600 to CM Schumacher Consulting for providing financial training to MCSAB staff and training charter school governing boards on the MCSAB financial framework; and,
- \$2,450 to U.S. Next for cybersecurity monitoring.

The remaining \$61,569 included costs such as accounting and financial services, subscriptions, technical support, cell phone usage, conference expenses, membership dues, travel, and procurement card purchases.

Commodities Expenditures

MCSAB expended \$14,058 on commodities. These expenditures included \$7,163 on unspecified procurement card purchases, \$6,650 for food for business meetings, and \$245 on other unspecified commodities.

Equipment Expenditures

MCSAB expended \$1,822 on computer equipment.

Exhibit 12: MCSAB Expenditures, by Major Budget Category, FY 2014 through FY 2025

Fiscal Year	Salaries, Wages, & Fringes	Travel	Contractual Services	Commodities	Equipment	Total Expenditures
FY 2017	\$131,269	\$10,447	\$69,468	\$9,102	\$24,090	\$244,376
FY 2018	\$221,178	\$13,196	\$89,238	\$6,351	\$5,923	\$335,886
FY 2019	\$80,352	\$7,432	\$239,417	\$8,869	\$3,487	\$339,557
FY 2020	\$272,778	\$3,597	\$151,751	\$7,051	\$749	\$435,926
FY 2021	\$232,765	\$0	\$112,646	\$6,576	\$0	\$351,987
FY 2022	\$228,213	\$3,839	\$79,079	\$9,323	\$0	\$320,454
FY 2023	\$319,771	\$0	\$237,839	\$3,475	\$2,264	\$563,349
FY 2024	\$457,057	\$5,630	\$327,220	\$21,199	\$24,532	\$835,638
FY 2025	\$505,661	\$12,476	\$391,369	\$14,058	\$1,822	\$925,386

SOURCE: PEER analysis of financial records from MCSAB and DFA.

Federal USDA Grant

During FY 2025, MCSAB received \$499,784 from a federal USDA grant for the purpose of immersive technology for schools. MCSAB granted these funds to Lobaki, Inc., a Mississippi business.

Status of MCSAB's Agency Independence

In FY 2025, MCSAB submitted its own budget request. For the second year in a row, MCSAB was not appropriated any general funds for FY 2026; instead, it will use funds from its special fund for all FY 2026 operating expenses.

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

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

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

In FY 2026, MCSAB again submitted its own budget request for \$1.4 million. For the second year in a row, MCSAB did not receive a general fund appropriation from the Legislature for FY 2026. As of June 30, 2025, the balance in MCSAB's special fund totaled \$2.7 million.

Recommendations

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

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

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

Agency Response - Mississippi Charter School Authorizer Board

The Mississippi Charter School Authorizer Board reviewed the report and elected not to provide a formal agency response, as it noted no issues with the report as written.

SOURCE: Mississippi Charter School Authorizer Board.

Agency Response - Mississippi Department of Education



MISSISSIPPI DEPARTMENT OF EDUCATION

Lance Evans, Ed.D.
State Superintendent

December 16, 2025

James F. Booth, Executive Director
Joint Legislative Committee on Performance Evaluation and Expenditure Review
501 North West Street
Suite 301-A
Jackson, Mississippi 39201

RE: PEER Review of Charter Schools – *Transmitted via electronic mail*

Dear Mr. Booth:

The Mississippi Department of Education (MDE) appreciates the notification regarding the preliminary finding in the annual charter school review. We acknowledge PEER's determination that approximately \$1.7 million in local ad valorem funds were incorrectly distributed to charter schools rather than to the corresponding traditional school districts. Based on our internal review, we agree that the finding is accurate.

Acknowledgment of the Cause of the Error

The Department's analysis confirms that the overpayment resulted from the continued use of the former Mississippi Adequate Education Program (MAEP) calculation method for determining charter schools' local ad valorem pro rata amounts, rather than the method required under the Mississippi Student Funding Formula (MSFF) established in MISS. CODE ANN. § 37-151-201 et seq. The error stemmed from actions of former staff who are no longer employed by the agency.

Statutory Requirement

Under MISS. CODE ANN. § 37-151-211(2)(b), local contributions to charter schools must be calculated in accordance with the MSFF methodology. The inadvertent use of MAEP procedures resulted in an overallocation of local ad valorem revenue to charter schools and a corresponding underpayment to traditional school districts.

Corrective Actions

To ensure accuracy and compliance with statute moving forward, MDE is implementing the following actions:

1. Revision of Internal Procedures

MDE will amend its internal operating procedures to expressly require the use of the MSFF formula in all calculations related to charter school local ad valorem pro rata shares. This procedural update will include verification checkpoints to prevent recurrence.

2. **Third-Party Review**

MDE will utilize the independent accounting firm currently under contract with the agency to provide an objective review of the recalculations, consistent with their role in confirming MSFF projection requirements for the upcoming fiscal year. Independent validation will ensure transparency and accuracy in the final amounts owed.

3. **Formal Reconciliation and Repayment Plan**

MDE has recalculated the correct local ad valorem amounts owed to each traditional school district and identified the amounts overpaid to each charter school. To ensure an orderly and equitable correction, MDE will implement the following repayment plan:

- **Repayment Period:** January 2026 through June 30, 2026 (six months)
- **Method:** Beginning January 2026, monthly charter school allocations will be reduced in proportion to the repayment amounts owed.
- **Redistribution:** The funds recaptured from the charter payments will be added to the affected traditional school districts' monthly MSFF payments during the same period.

This approach ensures that all districts receive the funds to which they are statutorily entitled while minimizing disruption to charter school operations.

Conclusion

MDE is committed to ensuring that all charter schools and traditional school districts receive the correct allocations in accordance with Mississippi law. We appreciate PEER's timely identification of this matter and will continue to work collaboratively to complete the reconciliation accurately, transparently, and promptly.

Sincerely,



Lance Evans, Ed.D.
State Superintendent of Education

c: Julie Winkeljohn, Lead Analyst, PEER
Jennifer Sebren, Deputy Director – PEER
Kym Wiggins, Chief of Operations – MDE
Holly Spivey – Chief of Government Relations, Internal & External Affairs

James F. (Ted) Booth, Executive Director

Reapportionment

Ben Collins

Administration

Kirby Arinder

Stephanie Harris

Gale Taylor

Quality Assurance and Reporting

Tracy Bobo

Bryan "Jay" Giles

Performance Evaluation

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

Sarah Williamson

Julie Winkeljohn