

FY 2021 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board

CONCLUSION: Funding from state, local, federal, and other sources was sufficient for charter schools in FY 2021. However, the local ad valorem pro rata calculation required by state law continues to provide for unequal shares between charter schools and the school districts. FY 2021 was the third year the state funding formula, in which each charter school provides 3% of its state and local per-pupil revenue to MCSAB, generated sufficient funding to support the Board's activities for the year. Having analyzed several consecutive years of financial data from MCSAB, PEER believes that MCSAB has achieved the financial stability to operate on less than 3% of charter school revenues. MCSAB plans to request a no-cost extension on its Charter School Program (CSP) grant in 2022 so that it can continue to work toward its goals (e.g., increasing the number of charter schools and charter school seats).

Background

The Mississippi Charter School Authorizer Board (MCSAB), a state agency of seven appointed members, is the sole authorizing body for charter schools in the state and is responsible for oversight of charter school operations. As of December 2021, the Board has three staff members.

During the 2021 application cycle, MCSAB did not approve any charter school applications on the recommendation of its independent evaluator, SchoolWorks.

During the 2020-2021 school year (SY 2020-2021), seven charter schools (five located in Jackson, one located in Clarksdale, and one located in Greenwood) served 2,417 students.

During SY 2020-2021, six charter schools administered the Mississippi Academic Assessment Program (MAAP) to students in 3rd through 8th grade. Academic performance dropped from SY 2018-2019 to SY 2020-2021, presumably due to the learning loss resulting from COVID-19.

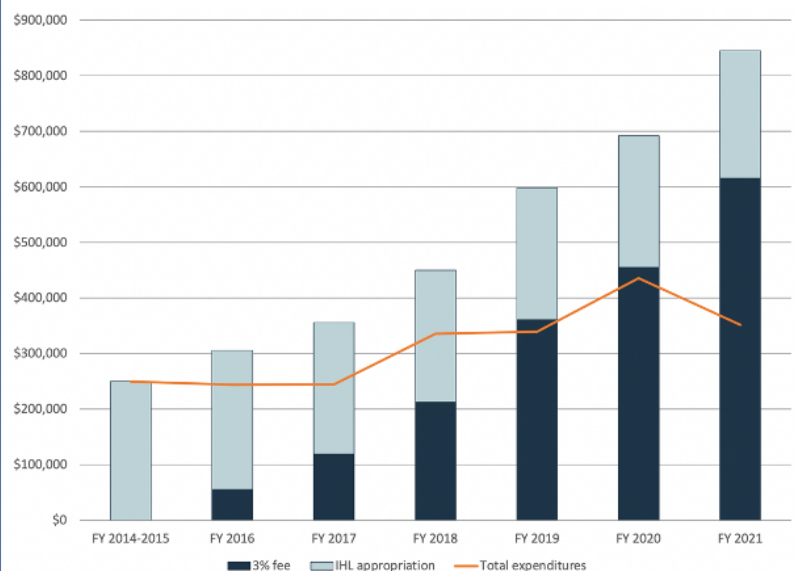
At its June 2021 Board meeting, MCSAB approved a four-year renewal contract for Joel E. Smilow Prep (i.e., Smilow Prep), with conditions.

In 2017, the U.S. Department of Education awarded a five-year, \$15 million CSP grant to MCSAB to help expand the state's charter school sector. MCSAB had spent only 17% of its total grant funds by the end of the fourth year of the grant. At the time of application, MCSAB expected to have expended 74% of its grant funds by FY 2021.

Charter Schools in Operation in FY 2021

Charter School	Grades Served
Midtown Public	Grades 5 through 8
Reimagine Prep	Grades 5 through 8
Smilow Prep	Grades 5 through 8
Smilow Collegiate	Grades K through 3
Clarksdale Collegiate	Grades K through 4
Ambition Prep	Grades K through 2
Leflore Legacy	Grade 6

MCSAB Appropriations and 3% Fee Revenues Compared to Expenditures, FY 2014 through FY 2021



Report Conclusions

1

The current constitution of Board members' staggered terms results in three Board members rolling off at one time, potentially impacting the Board's quorum requirement.

2

On recommendation by its independent evaluator, MCSAB did not approve any applications for charter schools in 2021.

3

Academic performance of the charter schools that administered MAAP assessments in both the 2018-2019 and 2020-2021 school years dropped in all three academic areas, presumably due to the learning loss resulting from COVID-19. Notably, due to school closures resulting from COVID-19, students did not take the MAAP assessments in the 2019-2020 school year.

4

MDE distributed MAEP funding to charter schools at the same amounts it provided MAEP funding to the school districts in which those charter schools were located (before add-on program costs), in accordance with statute.

5

The local ad valorem pro rata calculation required by statute provides unequal shares between charter schools and the school districts. The total dollar amount of unequal funding from FY 2017 to FY 2021 for JPSD was \$1.4 million.

6

FY 2021 was the third year the state funding formula for MCSAB provided enough funds to cover the operations of the Board.

7

MCSAB's 3% fee revenues have increased at a greater rate than its expenditures. Therefore, PEER believes MCSAB has achieved the financial stability to operate on less revenue.

8

Neither MCSAB's contract with Professional Polish to provide assistance to potential and currently operating charter applicants and schools; nor its contract with Champe Carter to develop, create, and implement a "Best Practice Tool Kit" for aspiring, approved, and operating charter schools included performance metrics to help assess the level of services MCSAB is receiving.

Recommendations

1. The Legislature should consider amending the MISS. CODE ANN. § 37-28-11 (1) (1972) to replace the 3% authorizer fee with funding from available funds; or, if the legislature chooses to keep the 3% fee, consider amending § 37-28-11 (1) to allow MCSAB to receive up to 3% of annual per pupil allocations.
2. The Legislature should, because MCSAB is defined as a state agency, consider enacting a separate appropriations bill for the Board. Such a bill should contain the total amount of funds appropriated for the operations of the Board and a total number of authorized full- and part-time positions.
3. MCSAB in consultation with MDE should, in order to make the pro rata distribution of local ad valorem funds equitable between school districts and charter schools, submit to the Senate and House Education Committees by January 1, 2023, a proposed amendment to MISS. CODE ANN. §§ 37-28-55 (2) and (3) (1972) revising the calculation such that traditional public-school students and charter school students in those districts receive equal per-pupil local ad valorem funding.
4. The Legislature should consider reconstituting the Board to establish terms of office that, when concluded, minimize the impact on the Board's operations.
5. As recommended by NACSA, MCSAB should revise its renewal process timeline to allow for earlier renewal decisions so that parents and schools know as early as possible whether the school will continue to operate the following year.
6. To improve the effectiveness of its contracts for the CSP grant, MCSAB should include strategic, measurable, actionable (achievable), relevant, and time-based (SMART) metrics in its contracts and use these metrics to assess the contractor's performance over time.
7. To improve the relevance and utility of its technical assistance provider satisfaction survey, MCSAB should ensure that the survey design incorporates best practices. In particular, MCSAB should:
 - a. adjust the timing of its survey so that results are not skewed based on the approval or denial decisions of MCSAB;
 - b. consider conducting a survey after each phase of the application process; and,
 - c. revise ambiguous survey questions so that they are more clearly stated and provide for more targeted feedback.MCSAB should use the results of the survey to guide the work of its technical assistance provider so that applicants receive the highest level of assistance possible during the application process.