

CONCLUSION: Funding from state, local, federal, and other sources was sufficient for charter schools in FY 2022. However, the local ad valorem pro rata calculation required by state law continues to provide for unequal shares between charter schools and school districts. MCSAB receives 3% of annual state and local per-pupil revenues from charter schools. In FY 2022, MCSAB expended \$320,454 on its operations. FY 2022 was the fourth year the statutory formula generated sufficient funding to support MCSAB's activities. Having analyzed several consecutive years of financial data from MCSAB, PEER contends that MCSAB has achieved the financial stability to operate on less than 3% of charter school revenues. MCSAB is operating under a no-cost extension of its federal Charter School Program (CSP) grant with a term end date of September 30, 2023.



BACKGROUND

Background

MISS. CODE ANN. Section 37-28-7 (3) (1972) outlines the composition of the Mississippi Charter School Authorizer Board (MCSAB). The Board is made up of seven appointed members and is the sole authorizing body for charter schools in the state.

Although MCSAB Board members serve staggered terms of office, 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.

As of October 2022, the Board had two staff members.

During the 2022 application cycle, MCSAB approved one charter school application—Instant Impact Global Prep—at the recommendation of its contractor, SchoolWorks.

During SY 2021–2022, seven charter schools (five located in Jackson, one located in Clarksdale, and one located in Greenwood) served 2,686 students. No new charter schools opened during SY 2021–2022.



SUFFICIENCY OF CHARTER SCHOOL FUNDING

- **For FY 2022, MDE distributed Mississippi Adequate Education Program (MAEP) funding to charter schools in the same manner as the local public school districts in which they are located.**
- **For FY 2022, the seven operating charter schools received local support payments from ad valorem taxes in a manner consistent with MISS. CODE ANN. Section 37-28-55 (2) and (3) (1972).**
However, the local ad valorem pro rata calculation required by the statute provides unequal shares between charter schools and school districts.
- **Federal funds received by the Mississippi Department of Education (MDE) are distributed to each public school district and charter school based on the school's ability to meet federal program requirements.**
In FY 2022, the charter schools that were operating that year received federal grant funds totaling \$11,818,985.
- **In FY 2022, the seven operating charter schools received between \$3.1 million and \$7.4 million from MAEP funding, local ad valorem taxes, federal funds, and other sources.**
Six of the seven charter schools operating in Mississippi received revenues in FY 2022 that were sufficient to cover their expenditures that year.
- **Despite state law designating MCSAB as a "state agency," MCSAB's annual appropriation is included in the IHL appropriation.**
- **MCSAB receives 3% of annual per-pupil allocations received by charter schools from state and local sources.**

FY 2022 was the fourth year this statutory formula generated sufficient funding to support MCSAB's activities. In FY 2022, MCSAB did not collect all of the 3% fees it was owed from one charter school because it was the first year in which a school district lacked sufficient January MAEP revenue to provide its pro rata share of funds to a charter school.

Status of the CSP Grant

According to MCSAB staff, it requested a 12-month no-cost extension for its CSP grant on June 2, 2022. USDOE informed MCSAB that it could not rule on its request until late September, and that if another entity from the State of Mississippi were to be approved for an FY 2022 CSP grant, then USDOE would not approve MCSAB's request for a no-cost extension.

On October 3, 2022, Mississippi First announced that it had been awarded a \$19.3 million CSP grant from USDOE. MCSAB wrote a letter to USDOE expressing concern that some of the information provided in Mississippi First's grant application to USDOE was inaccurate. It also requested approval of MCSAB's second no-cost extension.

On October 31, 2022, USDOE responded to MCSAB stating that it is approving a second 12-month no-cost extension to enable MCSAB to continue administering its two remaining subgrants (to SR1 and Revive Prep), including technical assistance to those subgrantees, through September 23, 2023. USDOE also stated that it will re-examine Mississippi First's application to verify the accuracy of the information provided and take appropriate action, if necessary.

Because USDOE has granted both Mississippi First and MCSAB authority to provide CSP subgrants to SR1 and Revive Prep for FY 2023, the roles and responsibilities of Mississippi First and MCSAB are presently ambiguous.

Accountability Grades

In SY 2021-2022, six out of seven charter schools received accountability grades. Joel E. Smilow Collegiate received a B, the highest accountability grade among the charter schools for SY 2021-2022, and was the only Jackson charter school that received a higher grade than its home district.

Charter School Performance

MCSAB must annually assess each charter school's performance. MCSAB's FY 2022 performance report was not yet available as of October 24, 2022; therefore, PEER utilized student Mississippi Academic Assessment Program (MAAP) assessment data and student accountability letter grades provided by MDE.

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 grade, while the science assessment is given in fifth grade.

In SY 2021-2022, each of the seven charter schools experienced mixed MAAP results compared to its home district. In all three academic areas—ELA, math, and science—a higher percentage of students statewide scored proficient or advanced on assessments than students in charter schools and students in charter school home districts.



SUMMARY OF RECOMMENDATIONS

1. The Legislature should consider removing the 3% funding MCSAB receives from charter schools' state and local revenue sources. The Legislature should also consider annually funding MCSAB from any funds available to the Legislature. If the Legislature chooses to keep the 3% funding model, it should consider allowing MCSAB to receive up to 3% of annual per-pupil allocations received by a charter school from state and local funds for each charter school it authorizes. If the Legislature authorizes MCSAB to receive up to 3% of per-pupil allocations, 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. The Legislature should consider enacting a separate appropriations bill for MCSAB.
3. MCSAB should submit a proposed amendment to MISS. CODE ANN. Section 37-28-7 (2) and (3) that revises the calculation so that public school students and charter school students 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. MCSAB should collect the \$2,264.10 in 3% fees from Clarksdale Collegiate and count it as FY 2022 revenue.
6. MCSAB and all of its committees should adhere to policies that MCSAB has approved.
7. The PEER Committee should consider expanding PEER's FY 2023 charter school review to include an assessment of charter school authorizing best practices.