



Mississippi First

**REQUEST FOR PROPOSALS**

**Charter School Financial Systems Expert**

**Release Date: November 18, 2022**

**Introduction**

Mississippi First is a 501(c)3 non-profit whose mission is to champion transformative policy solutions ensuring educational excellence for every Mississippi child. In September 2022, Mississippi First was awarded a 2022 Charter Schools Program (CSP) grant to help double the number of approved, high-quality charter schools in Mississippi. As part of this grant, Mississippi First is hiring several experts to support the improvement of charter school policy in Mississippi. We are requesting proposals for an expert in charter school financial policy to develop best practice financial standards, policies, procedures, and tools, including audit guidance, for Mississippi charter schools. The selected expert should also offer training, coaching, and technical assistance on these best practices to schools, Mississippi First, and any relevant state policymakers. The work outlined in this proposal aligns to Mississippi First's goal of strengthening charter school infrastructure as the sector grows.

**Rationale for Seeking a Financial Systems Expert**

Nearly all of the financial laws relevant to Mississippi charter schools are contained within the Mississippi Charter Schools Act, S 37-28-1, et seq. Section 37-28-45(4) of this law exempts charter schools from other sections of the education code unless those sections are explicitly made applicable to charter schools. This exemption means Mississippi charter schools are largely not required to abide by many of the very specific financial requirements applicable to traditional public schools.

Whereas state law empowers the Mississippi Department of Education (MDE) and the State Auditor to oversee traditional public school finances, the charter law grants broad legal authority to the Mississippi Charter School Authorizer Board (MCSAB), the state's sole authorizer, for charter school financial procedures. MCSAB, therefore, has responsibility for performing routine oversight, regulating the audit process, and intervening when charter schools are out of compliance with applicable laws or MCSAB policies. Furthermore, instead of having much of the financial system spelled out in statute, the charter school law directs the authorizer to create and enforce a robust financial oversight system specific to charter schools and their unique context, within the letter and spirit of the charter law. The law also calls on the authorizer to hold charter schools accountable to financial laws and policies via the charter contract, the performance framework, and the renewal or revocation process.

To date, MCSAB has not developed a coherent regulatory system for financial oversight of charter schools. A regulatory system requires three essential pieces: a set of MCSAB-adopted financial standards and policies, an aligned charter contract binding a school to those standards and policies, and an aligned performance framework evaluating charter schools' adherence to those standards and policies. Such a system should also clearly outline how laws and policies will be enforced, including required

corrective actions or penalties. Finally, the authorizer needs guidance, tools, and other supports to implement the regulatory system, and schools need technical assistance to comply.

Both the first and second iterations of the charter contract contain requirements for charter schools relevant to their financial practices, but these requirements list information to be reported, not what MCSAB should or will do with that information. The contract also does not articulate to any depth rules and regulations for financial operations. (For example, it requires charter schools to have internal controls, and states that MCSAB will approve those controls, but does not set any standards for those controls.) Moreover, MCSAB has never published audit guidance for charter schools—a standard practice of all leading authorizers—or even defined which set of accounting and auditing standards charter schools should use (FASB or GASB for accounting standards? GAGAS for auditing? Something else?).

In short, this lack of an adopted financial system means that charter schools must guess as to whether their practices are sufficient to avoid financial impropriety or risk or whether they will, at some future point, be cited for violating the vague language contained in the charter school contract. Furthermore, the nascent Mississippi charter school sector is at risk of scandal or damage should any school be cited for financial malfeasance or should any school close due to financial reasons.

Mississippi First ultimately cannot control whether the MCSAB or MDE adopt any regulatory system or proposed policies (although we will certainly advocate they do); however, we believe that constructing a set of proposed best practices that charter schools may voluntarily adopt will support charter schools' growth and flourishing in Mississippi.

### **SCOPE OF WORK**

Mississippi First invites proposals from qualified consultants for the services described below. During the contract period, the Contractor will work in close collaboration with the Executive Director of Mississippi First, Rachel Canter.

#### **Develop Best Practices Standards, Policies, Procedures, and Tools**

- Create best practice financial standards, policies, and procedures for Mississippi charter schools while also balancing the needs and legal requirements of Mississippi charter schools.
- Develop best practice audit guidance that will allow comparability across charter schools and between charter schools and Mississippi traditional public schools without compromising the unique legal status and autonomy of charter schools.
- Develop tools and resources that charter schools may use for budgeting and quarterly financial reports based on the Mississippi context.
- Develop tools and resources (such as dashboards or report cards) that charter school boards may use to evaluate the financial health of their charter school and to ensure that charter schools meet their obligations according to the MCSAB performance framework.
- Work collaboratively with Mississippi First and charter schools to lay the foundation for voluntary adoption of these standards, policies, procedures, and tools.

#### **Propose Amendments to Existing MCSAB Financial Documents or New Financial Policies for MCSAB or MDE**

- Propose amendments to the MCSAB charter contract and financial performance framework aligned to the best practices standards, policies, procedures, and tools.
- Propose new standards, policies, procedures, or tools that MCSAB should adopt.
- Review the adopted MDE financial accounting manual and other MDE policies charter schools are told to adhere to and determine how these may be adapted for charter schools' unique legal status and autonomy—or if charter schools should be exempt entirely.

### **Build Capacity During a Pilot**

- Provide training and coaching to charter schools in adopting and implementing standards, policies, and tools.
- Provide training and coaching to Mississippi First staff in understanding the entire system and preparing to support charter schools in the future.
- Provide technical assistance to the MCSAB or MDE, as possible, in understanding and adopting amendments or new policies.

### **Incorporate Feedback and Finalize Products**

- Finalize all work products after the pilot, considering feedback and challenges presented.
- Ensure Mississippi First and participating charter schools are set-up for future success.

### **REQUIRED QUALIFICATIONS**

Respondents must demonstrate

- Support for charter schools and their role in public education and respect for their unique legal status and autonomy.
- Experience working with charter schools, their authorizers, or other policymakers in developing or implementing financial best practices, including standards, policies, or procedures.
- Knowledge of national best practices and trends for financial regulatory frameworks for charter schools.
- The ability to work in collaboration with diverse groups of people with a positive, professional, and solutions-oriented attitude.

### **INFORMATION TO BE PROVIDED BY THE CONTRACTOR**

Provide a proposal fulfilling the scope of work to include, at a minimum, the following:

- Background information and qualifications for the expert or experts to fulfill the contract.
- Descriptions of previous relevant work, including any samples.
- A detailed description of the services to be provided including a timeline, persons responsible, and key deliverables.
- A minimum of three (3) references.
- A proposed budget for services, including all expected costs and the expected number of hours devoted to the contract.

### **EVALUATION CRITERIA**

Proposals will be evaluated on the following criteria:

- Qualifications and experience,
- Demonstrated knowledge of charter school financial best practices,
- Relevance of the proposal to scope of work and project rationale,
- Descriptions and samples of previous work, and
- Cost of services and timeline.

### **CONTRACTING**

The award will be made to the prospective Contractor that best meets Mississippi First's needs and requirements. All aspects of the evaluation criteria will be taken into consideration in awarding this contract. As this project will be funded through federal funds, federal procurement rules are in effect.

### **GOVERNING LAW**

This contract shall be governed by and construed in accordance with the laws of the State of Mississippi, excluding its conflicts of law provisions, and any litigation with respect thereto shall be brought in the courts of the State of Mississippi. The Contractors shall comply with all applicable federal, state, and local laws and regulations.

### **INDEPENDENT CONTRACTOR**

The Contractor shall perform all services as an independent Contractor and shall at no time represent that the Contractor is an employee of Mississippi First.

### **NEGOTIATION AND REJECTION**

Mississippi First reserves the right to reject any and all proposals, to waive any informality or irregularity, to define equals, to negotiate with the best proposed offeror to address issues other than those described in the proposal, to award the contract to one other than the low offeror, or to not make any award if it is determined to be in the best interest of Mississippi First.

### **TIMELINE**

- Prospective respondents may ask questions via email until the proposal deadline.
- Proposals will be reviewed by Mississippi First staff in the 10 business days following the proposal deadline.
- Respondents may be asked to respond to clarifying questions in writing during the 10-day review period.
- Mississippi First will offer the contract within 15 business days of the proposal deadline, if at all feasible.

### **SERVICE PERIOD AND TERMS**

The initial contract will be from the date of the award until September 30, 2024. By September 30, 2023, the primary policies and tools establishing the financial regulatory system should be complete. Between October 1, 2023, and September 30, 2024, the Contractor shall support schools in piloting the system. Following the initial contract, upon authorization for Mississippi First to spend its third year CSP funds, Mississippi First will execute a contract addendum for up to 12 additional months (no longer than September 30, 2025) to provide any needed follow-up services to refine and finalize financial policies or tools.

### **PROPOSAL CONDITIONS & INFORMATION**

Proposals will be received by Mississippi First until December 9, 2022. Proposals must be submitted via email. Please use "RFP-Financial Systems Expert" as the subject line of the submission e-mail. Questions regarding this proposal can be submitted to Rachel Canter by e-mail at [rachel@mississippifirst.org](mailto:rachel@mississippifirst.org).

**Contact:**

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