

Title 10: Education Institutions and Agencies

Part 424: Charter School Merger Process and Application

Part 424, Chapter 1: Charter School Merger Guidance and Application Process

Source: Miss. Code Ann. § 37-28-9.



## **Charter School Merger Guidance and Application Process**

## Merger Request Application

Non-Profit Organization(s): \_\_\_\_\_

Name of School(s) Affected by Request: \_\_\_\_\_

Board President(s)/Chairperson(s): \_\_\_\_\_

Current Contract Terms (by school): \_\_\_\_\_

Date of Board Meeting(s) and Board Minutes Approving the Merger: \_\_\_\_\_

**Submission Instructions:** Applications are due no later than close of business on **January 5<sup>th</sup>** the year before the planned merger. If that date falls on the weekend, the application will be due no later than close of business the following Monday. Completed applications should be emailed to [charterschoolsupport@mcsab.ms.gov](mailto:charterschoolsupport@mcsab.ms.gov). Completed applications should not exceed 50 pages. For applications submitted in 2024, the due date shall be February 5, 2024.

**Merger:** A merger occurs when two or more existing nonprofit corporations combine, with the corporate existence of one of the nonprofit corporations continuing as the surviving corporation while the corporate existence of the other nonprofit corporation terminates or when two public charter schools as Local Education Agencies (“LEA(s)”) under the same nonprofit corporation seek consolidation. MCSAB will consider consolidations that are solely contractual when appropriate.

Merger requests will be considered for approval during the regularly scheduled April board meeting the year before the planned merger.

**Merger Timeline:** In order to accommodate MDE deadlines, mergers will go into effect on July 1<sup>st</sup> approximately 18 months after the application is due. (For example, if the planned merger is for July 1, 2026 (FY2027), the application would be due January 5, 2025) See **Exhibit A** for a list of MDE deadlines associated with this process.

If nonprofit governing boards are merging during this process, applicants must comply with Mississippi Code Annotated Section 79-11-319 through 79-11-327. **The Authorizer strongly recommends that each merging entity seek legal advice regarding the merger.**

Prior to <b>January 5</b> of the year before the planned merger	School governing board(s) take action to merge; compliance with nonprofit merger laws, if applicable
<b>January 5</b> of the year before the planned merger	Application due to Authorizer
<b>April Authorizer Board Meeting</b> , the year before the planned merger	Merger approved or denied
<b>July 1</b> , the year of the planned merger	Approved merger effective, Articles of merger filed with SOS (if applicable), new school contract effective

## Objective.

The objective of the merger application is to provide the Authorizer with details that support the applicants' rationale for merging. The application also provides information about the schools and explains how the proposed merger will impact school configurations, governance, community, finance, academic policies, programming, and staff. **Because each school merger presents unique circumstances, the Authorizer may ask for additional information and/or documentation in order to complete its review of the Merger Application.**

### Section A. Executive Summary. (narrative not to exceed 3 pages)

1. Provide a brief summary of the proposed merger.
2. Address the rationale for merging by addressing each of the following guiding questions through narrative:
  - a. How will merging benefit students?
  - b. How will merging affect the mission and vision of the school?
  - c. How will merging improve the governing boards' capacity to govern the schools?
  - d. How will merging improve the schools' operations and finances?
  - e. What additional benefits are anticipated as a result of a merger?
3. Indicate any anticipated challenges resulting from the merger and how those challenges will be addressed.

### Section B. Nonprofit Entity Configuration.

1. Provide a copy of the minutes of each nonprofit governing board showing approval of the merger.
2.
  - a. If applicable, provide a copy of the Plan of merger as required by Miss. Code Ann. Section 79-11-319. The plan must detail the transfer of all assets and liabilities (physical and monetary) of each nonprofit corporation being merged and must specify that no liabilities are being avoided, and no assets are removed by merging existing nonprofit corporations.
  - b. If not merging nonprofit corporations, provide a plan that details the transfer of all assets and liabilities (physical and monetary) to the surviving LEA. This plan must specify that no liabilities are being avoided and no assets are removed by merging existing LEAs.

### Section C. School Configuration.

1. Use the table below to describe the current configurations and proposed changes of each school affected by the merger. Add rows to table as needed.

School Name	Current Grades Offered	Maximum Approved Grades	Current Enrollment	Maximum Approved Enrollment	Proposed Changes Post Merger
School 1					
School 2					
School 3					

2. Describe any changes to recruitment and enrollment policies.

## Section D. Governance

Use the table below to describe the board configuration post-merger. Add rows to the table as needed. If any board members of the merged school are not previous board members of another school, please provide background information on those individuals.

School Name	Name of Current Board Members	Name of Board Member Post-Merger with contact information	Position of Board Members Post-Merger (e.g., Chair, Treasurer, Member)	Terms of Board Members Post-Merger
School 1				
School 2				
School 3				

1. Provide the following Governing Board materials for the proposed merged nonprofit entity:
  - a. Bylaws and
  - b. Meeting calendar
2. Describe any additional anticipated impact on school governance post-merger.
3. Provide evidence of resultant board capacity to oversee merged schools.
4. Describe any proposed changes to any education service provider contracts (for charter schools with CMOs, partner entities, or school design providers) including, but not limited to:
  - a. Changes to fees,
  - b. Changes to services provided,
  - c. Contract consolidation, and/or
  - d. Relationship between school and nonprofit entity.

## Section E. School Community

1. Describe the outreach/engagement conducted up to this point to solicit the community's feedback on the proposed merger.
2. Provide evidence of community feedback (including results) received thus far.

## Section F. Finance

1. Provide a five-year budget projection for the merged school.
2. Provide a first-year cash flow projection for the merged school.
3. Describe any impact of the proposed merger on:
  - a. Accounting software,
  - b. Administrative functions (front office and back office),
  - c. Policy and Procedure Manual,
  - d. Food, transportation, and health services,

- e. Purchasing and contracting,
  - f. Insurance,
  - g. Dissolution procedures, and
  - h. Financial audits, including single audits.
4. If applicable, provide a corrective action plan addressing any annual financial audit finding(s) from the past two years from all entities.
  5. Provide a copy of the most recent management letter received from each school by its independent auditor, along with documentation of steps taken to resolve each deficiency raised in the letter.
  6. If applicable, provide a narrative addressing steps taken to resolve any issues raised on the last performance framework for each school.

#### **Section G. Academic Policies and Programming**

Describe how merging will affect students in regards to:

1. Discipline policies, including those for special education students,
2. Transfer of students between schools,
3. Academic programming and alignment with state standards and current school model,
4. Instructional design, type of learning environment, class size and structure, curriculum overview, and teaching methods,
5. Provision of academic program to at risk students (including provision of services to students with disabilities, English Language Learners, students who are academically behind and gifted students),
6. Co-curricular and/or extracurricular programs and how those programs will be funded and delivered, and
7. Any additional anticipated impact on students post-merger.

#### **Section H. Staff**

1. Describe how merging will affect staff in regards to:
  - a. The hiring/termination processes,
  - b. Utilization of staff at merged school, and
  - c. Any additional anticipated impact on staff post-merger.
2. Provide proof that the merged school will retain sufficient staffing to implement key design elements of the school's mission/vision.
3. Provide certifications of all teachers and an analysis of how the merged school will comply with the certification requirements in Miss. Code Ann. § 37-28-47.

I certify that I have the authority to submit this Merger Request Application and that all the information contained herein is complete and accurate. I understand that a merger of schools is not effective until the Charter School Authorizer Board approves the merger and the appropriate filings have been made with the Mississippi Secretary of State's Office, if applicable, and the Mississippi Department of Education. I also understand that upon approval by the Authorizer Board, I must also sign a new charter contract for the merged school in order for this merger to be effective.

Additional signature lines may be added as needed.

**Signature of Board President/Chairperson (School 1):**

\_\_\_\_\_

**Date:** \_\_\_\_\_

**Signature of Board President/Chairperson (School 2):**

\_\_\_\_\_

**Date:** \_\_\_\_\_

**Signature of Board President/Chairperson (School 3):**

\_\_\_\_\_

**Date:** \_\_\_\_\_

## Exhibit A. MDE Deadlines

- **June**, the year before the planned merger: preliminary enrollment data for first year of operation due to the Office of School Financial Services.
- **December**, the year before the planned merger: Final enrollment data for first year of operation due to the Office of School Financial Services.

\*There may be deadlines not listed here for any of the following MDE program offices, please contact them in order to verify deadlines and information needed:

- Office of Accreditation
- Data Analysis and Reporting
- Core School Applications
- Program Evaluation & Public Reporting
- Office of School Improvement
- Office of Grants Management
- Office of School Financial Services