



TO: Commissioners, Tennessee Public Charter School Commission

FROM: Melanie Harrell, Director of Finance and Operations

DATE: October 11, 2021

SUBJECT: Charter Commission Budget Updates

FY21 Closed Budget to Actuals Overview

- This represents our closed budget to actuals for Fiscal Year 2021.
- High level notes:
 - We ended the fiscal year with a strong surplus.
 - We were not ultimately billed for our office space in Davy Crockett Tower for FY21, and this represents the only significant change from the information shared in our July meeting.
 - Our regular rent payments for Davy Crockett Tower were set up beginning in FY22 and we are now being billed regularly.

FY22 Revised Budget

- We have updated the current FY22 budget to actuals to reflect our current spending and drawdown.
- Authorizer fee projections have been reduced slightly due a lower than anticipated enrollment at two schools.
- While all revenue is available at the beginning of the year, we intend to update the Committee on how these funds are drawn down and expended over time this year.
- Although we are still projecting a significant surplus overall for FY22, we are currently forecasting slightly greater salary expenses than initially budgeted due to the following reasons:
 - We moved forward with hiring some additional positions earlier than initially anticipated due to increased capacity demands.
 - The increased performance pay incentives released at the end of Fiscal Year 2021 applied to more employees than initially anticipated. The funding for these raises was added to our salary equity amount for Fiscal Year 2022 by the Department of Finance and Administration. Some hires from other state agencies are additionally eligible for longevity bonuses.
 - In order to hire top talent, we made some slight increases in salary amounts for key positions.
- We will continue to watch costs closely and update the Committee should we see any significant overages in any projected overages budget categories.



FY23 Update

- Staff recently entered FY23 budget information for the Department of Finance and Administration, and we continue to work closely with Finance and Administration and the Department of Education on budget submissions.
- We were advised by Finance and Administration that we would need to incorporate an increase for rent for our transition to the 8th floor of Davy Crockett Tower, and this was built into our initial submission.
- We will provide updates on any projected changes to this budget to both this Committee and Finance and Administration as we get a better sense of how many additional schools and students we will be adding to our portfolio in FY23.