



TO: Business Operations Committee, Tennessee Public Charter School Commission

FROM: Melanie Harrell, Director of Finance and Operations, Tennessee Public Charter School Commission

DATE: January 25, 2024

SUBJECT: Charter Commission Budget Updates

FY23 Authorizer Fee Report

- We submitted our authorizer fee report to the Department of Education on December 1.
- Based on the report, we are estimating a refund of approximately \$300,000 back to our schools. This estimate is contingent on the final FY23 revenue true up, which we are hoping to receive by the end of this month.
- As a reminder, we received federal GEER funding from the TDOE to support the work to facilitate the transition of schools from the ASD. That funding was no longer available after the end of the last federal fiscal year, and costs previously covered by GEER funding have been allocated to the authorizer fee.
- We have communicated to our operators refunds or the amount of refunds are not guaranteed annually.

FY24 Budget-to-Actuals Update

- We have updated the FY24 budget-to-actuals to reflect our current spending and drawdown, reflective of information from July 1 through December 15.
- We received our first TISA true up in October, which included both ADM and revenue adjustments. There was a decline in the local contribution estimates for Davidson County schools, which resulted in a slight decline in our authorizer fee revenue and expected passthrough.
- State Pay for Performance awards were much greater than budgeted and additional state revenue was allocated by Finance and Administration to the agency to reflect these awards. Both our revenue and expense assumptions were updated after the adjustments for these bonuses were released.
- While not reflected on the spreadsheet, the district has received additional passthrough grant funding, and we anticipate passthrough grant amounts of approximately \$10M. However, the district has not received final Title program or IDEA allocations from the department for FY24. We have implemented a contingency plan to make a portion of initial allocations available to our schools for reimbursement.

FY25 Budget Updates

- The Committee has a draft version of an updated budget. This draft includes updated revenue assumptions based on current year TISA and enrollment data, and schools currently slated to open or expand in school year 2024-25.



- The draft budget projects the authorizer fee covering over 95% of expenses. We continue to prioritize moving toward self-sustainability on the authorizer fee and are encouraged that we are on track to reach sustainability in FY26.
- In March, we will provide an additional update on FY25 projections and will bring a final amended budget in July 2024.
- Our FY25 funding request to Finance and Administration included one (1) additional position to support English Learner programs. The position would be funded entirely by the authorizer fee. We are not requesting additional state appropriations from the General Fund. We will know after the State of the State if our request is included in the Governor's proposed budget.