



TO: Business Operations Committee, Tennessee Public Charter School Commission

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

DATE: July 25, 2024

SUBJECT: Charter Commission Budget Updates

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 May 31.
- We received our final TISA average daily membership (ADM) true up in June, which included adjustments for changes in ADM. Overall, we saw a slight decrease in the average per pupil amount allocated to our schools compared to beginning of the year. We will receive the final revenue true up in the fall, which will finalize amounts owed either to or from our schools.
- We anticipate authorizer fee collections covering approximately 77.5% of expenditures for FY24; however, we may see adjustments after the final revenue true up.
- We continue to hear that sales tax revenue is declining across the state, particularly in Davidson County. While we do not have any firm revenue information to share, we prepared our schools for a potential decline in local revenue.

FY25 Amended Budget

- The Committee has an amended FY25 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. Notably, we do not have final TISA projects for our new and expanding schools, but we have tried to project revenue conservatively.
- The draft budget projects the authorizer fee covering just under 95% of agency expenses for FY25.
- Our FY25 funding request to Finance and Administration included one (1) additional position to support English Learner programs. We hired our new English Learners Coordinator, John Bowyer, effective July 15th.

FY26 Initial Budget

- The initial FY26 proposed budget is provided to the Committee. The revenue and authorizer fee estimates are based on the current estimated TISA rates. We anticipate these estimates will likely increase as additional budgeted revenue information is submitted by resident districts.
- The current proposed budget anticipates an enrollment of approximately 8,100 students across 21 already-approved schools. Base projections have the authorizer fee covering 100% of expenses in FY26, but this will adjust as we receive budgeted revenue projections the year.
- The expenditure estimates include current staffing levels and static assumptions for most expenses, except for contracted service amounts that will grow as we have more students and the expected average employee pay raise.



- As we move through this year's new start appeal cycle and get a better sense of our future portfolio size, we anticipate that we may request an additional position from the General Assembly for FY26. We will update the Committee on our budget requests during our October meeting.