



TO: Business Operations Committee, Tennessee Public Charter School Commission

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

DATE: July 12, 2021

SUBJECT: Charter Commission Budgets: FY21, FY22, and FY23

FY21 Budget to Actuals Overview

- While there are still final accruals and closing procedures occurring across the state, we end Fiscal Year 2021 with a strong surplus and can update the Committee with greater certainty on how we anticipate ending the year. Some key additional information is outlined below:
 - As discussed in previous Committee meetings, we still have not been billed for our office space in Davy Crockett Tower. After additional conversation with the TDOE, we believe this cost will be journaled to the Commission as part of their year-end close procedures. We have kept the projected cost (approximately \$19,000) in our forecasted amount to reflect this consideration.
 - At the time this information was compiled, final June 30 payroll had not yet been processed since employees are compensated on a two-week delay. The payroll and benefit forecast amount are for the projected associated costs.
- As discussed in previous meetings, we continue to see some variance across individual budget line items due to the way expenses are classified by TDOE accounting.
- A final FY21 budget to actuals will be presented to the Commission in October 2021 after the year-end close out is complete.

FY22 Revised Budget

- We have revised the FY22 budget to include updates to our state recurring revenue amount, ESSER funding, and our latest authorizer fee and BEP projections. Both enrollment projections and the estimated BEP per pupil amounts have increased since our April meeting.
 - Specifically, you will see an increase in our revenues associated to the implementation of Public Chapter 490 regarding Achievement School District schools applying to the Charter Commission for authorization. We also have increased our expenditures to reflect implementation of this work.
- Based on Committee feedback, we have added additional, more detailed line items to the budget in the hopes of better matching how expenses are classified by accounting. We have also added an "Other" category intended to capture the otherwise individually immaterial costs that appear in single line item categories. We hope to minimize the manual cross-walking of expenses while maintaining transparency in the budget.
- We have increased the budgeted amounts most substantially in State Agency Services. We anticipate that many of our technology expenses that we will incur for outfitting our shared conference room with the State Board in Davey Crockett tower. We have not yet received



quotes for these items and are still in the planning stages; however, we are budgeting conservatively to maximize our flexibility in this area.

- Based on current recommendations from the Department of Education, we have additionally earmarked a portion of our ESSER funding to support in the administrative oversight and monitoring associated with the substantial reporting requirements and to provide additional supports to our schools.
- We have earmarked an additional \$107,000 in ESSER funding to support the implementation of our LEA obligation to provide robust summer learning camps for district student.

FY23 Preliminary Budget

- We drafted a preliminary FY23 budget based on our most current estimates and enrollment projections. Because of the timeline by which we need to submit FY23 budget requests, we are asking for initial approval of this preliminary FY23 budget, and we will bring a revised FY23 budget at the October meeting.
- Additionally, staff will continue to work with the Department of Finance and Administration to submit any necessary adjustments in our FY23 budget request, and we will share that information with the committee at the October meeting.