



TO: Business Operations Committee, Tennessee Public Charter School Commission

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

DATE: January 26, 2023

SUBJECT: Charter Commission Budget Updates

### **Authorizer Fee Refund**

- Pursuant to T.C.A. § 49-13-128, the Commission submitted our FY22 authorizer fee report to the Tennessee Department of Education, which outlines the agency expenditures funded by the authorizer fee. This report was also sent to school operators.
- Due to our access to GEER funding for FY22 and FY23, we were able to provide an authorizer fee refund of approximately \$200,000 across our portfolio, and the effective authorizer fee used by the Commission was just under 2%.
- Since we have received the final FY22 BEP true up information from the Department of Education, we have notified schools of their final authorizer fee amounts and are processing refunds. Because of the timeline for this true up (December 2022), we cannot collect any authorizer fee revenue on this additional revenue which lowered the overall percent of authorizer fee collected in FY22.

### **FY23 Budget to Actuals Update**

- We have included our current budget-to-actuals for FY23. We are currently under budget across all expenditure categories.
- This reflects updated enrollment information, as well as adjusted BEP rates. Since several schools' enrollment is under their initial enrollment projections for FY23, this resulted in slightly lower authorizer fee projections and BEP passthrough rates from budgeted.
- We have not received grant carryover from the Achievement School District for schools that transitioned to the Commission from the Achievement School District. We will update our grant funding projections once we have received this information.
- The Department of Education has not yet recorded any of our BEP or grant revenue for this fiscal year, and we are in close contact with their staff to ensure that this revenue is properly reflected.
- We are still projecting meeting or exceeding our \$650,000 reversion target, which we consider our minimum, to reflect the clear expectation from the General Assembly that our primary revenue source for our agency operations is the authorizer fee and that we should revert as much of our state funding as possible.

### **FY24 Budget Update**

- We have provided two sample scenarios to reflect potential impact of enrollment variance on our revenue assumptions, but we have not received any projections for our revenue under TISA from the Department of Education. Our hope is that we will be able to provide a more



detailed budget update for review by the Committee during our March meeting after we have greater clarity on our enrollment estimates and have received TISA projections.