



TO: Business Operations Committee, Tennessee Public Charter School Commission

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

DATE: September 30, 2024

SUBJECT: Charter Commission Budget Updates

FY25 Budget-to-Actuals Update

- The provided updated the FY25 budget-to-actuals to reflect our current spending and drawdown, reflective of information from July 1 through August 31.
- We will receive the first true up for both average daily membership (ADM) and budgeted revenue in October. This true up will result in adjustments for both our state and local passthrough funds and authorizer fee projections.
- Currently, our K-12 enrollment is approximately 1.5% under budgeted enrollment overall. Whether this will result in a material change in our expected authorizer fee revenue will be dependent on the budgeted revenue from the geographic districts and ongoing enrollment trends. We will provide the Committee with an update in January.
- The state recently released pay for performance awards, which were higher than anticipated. Final bonus amounts are not reflected on our books yet, and the amounts may adjust our final expenditures higher. The revenue for these awards comes from additional state appropriations.
- We are anticipating that, due to declining local tax revenue, our Davidson County schools may owe money back to the geographic LEA after the final FY24 revenue true up. Final expenditure reports are due October 1, and we should have a firm calculation of money owed between districts shortly thereafter. We can provide the Committee with an update on this final true up at our next meeting.

FY25 Grants Status

- We will be administering at least \$7M in grants this school year. This amount is slightly lower than last year due to the expiration of ESSER funding and fewer schools in our portfolio eligible for school improvement grants.
- Most of our grant funds have been released and activities are fully underway, including for extended learning grants, school improvement grants, remaining ESSER funds, and voluntary pre-K.
- While all initial budgets have been submitted for the Consolidated Funding Application, which includes all Title programs and IDEA funding, we are awaiting the transfer of additional funding from the ASD.
- Additionally, we are required to true up our new and expanding charter schools for any additional ESSA and IDEA funding. Currently, there is a delay in receiving Medicaid certification data from the state, which is preventing us from being able to run preliminary adjustments at this time.



FY26 Budget Request

- Our FY26 budget request to Finance and Administration included a request for two (2) additional positions to support district functions.
- If approved by the General Assembly, we will assess the anticipated growth of the district for the 2025-26 school year to determine how to best deploy those positions. Preliminarily, we are planning these positions to support academic initiatives, compliance, and parent engagement.