



TO: Business Operations Committee, Tennessee Public Charter School Commission

FROM: Lawrence Walker, Director of Finance and Operations, Tennessee Public Charter School Commission

DATE: October 1, 2026

SUBJECT: Charter Commission Budget Updates

FY26 Closeout Update

- Commission staff is in the final phases of the FY26 Fiscal Closeout, processing final reimbursements, submitting all Final Expenditure Reports, and organizing FY26 Authorizer Fee Reporting.
- All District final expenditure reports are due October 1, reporting final Per Pupil Allocation (PPA). We will update the committee as we are made aware of the final true up numbers.
 - We do not yet have any indication of whether schools will owe or receive money from geographic districts. Local revenue collection and ADM will inform positive or negative PPA fluctuations.
 - Current FY26 PPA:
 - MNPS: \$17,432.43
 - MSCS: \$12,997.34
 - RCS: \$11,113.08

FY27 Budget-to-Actuals Update

- We have updated the FY27 budget-to-actuals to reflect our current spending and drawdown, including expenditures from July 1 until September 15.
- Currently, our K-12 enrollment is approximately 3% over our budgeted enrollment (as compared to the FY27 amended budget). The Tennessee Department of Education will do a revenue true up in October 2026 based on actual student enrollment.
 - We will provide the committee with an update in January on any implications and material changes expected in our authorizer fee revenue. It will be dependent on budgeted revenue from the geographic districts and ongoing enrollment trends.
 - The Commission's current FY27 authorizer fee projection is \$4,573,737. As a reminder, any unused fee is refunded to schools.
- The state recently released Pay for Performance awards in September. Awards are paid directly by the state, and applicable bonus amounts take effect during the September 30 pay period. Amounts will be reflected in the January meeting budget update.

FY27 Grants Outlook

- As a district, the Commission will administer at least \$10M in federal and state grants this school year. This has increased in proportion to the growing district portfolio and the additional schools eligible for funds.
- Consolidated Funding Grants (this includes all Title Programs and IDEA funding) are being drawn down using their initial approved amounts. Commission staff will reallocate and submit revised budgets based on data true-up, carryover, and expiring funds to be announced in October. We will update the committee in January on material changes and implications.

FY27 Vendor Services Updates

- The state-mandated student information system hosting migration and state contract negotiations have increased our previously approved contract amount for PowerSchool.
 - Updated 1-year contract: \$67,784
 - Commission staff is currently participating in demonstrations and focus groups for potential future solutions regarding student information systems.
- As discussed in the July 2026 meeting, Commission staff has engaged in conversations to acquire a grants reimbursement system. We have worked closely with the Central Procurement Office (CPO) on this process.
 - The Commission has been approved by CPO to move forward with the purchase of SmartSimple Cloud using a state-negotiated contract. Pending Commission approval, we estimate a 6-7 month implementation with a maximum Year 1 cost of \$160,000.
 - Implementation is a one-time cost in year 1: \$112,560
 - Recurring licensing cost in year 1: \$47,000 (yearly increase of 5%)
- Both Vendor Services costs are included in the prior approved FY27 Budget.

FY28 Budget Requests

- The Commission requested an additional \$19,601,400 for FY28 Budget Authority to recognize additional revenue and operational expenditures related to projected enrollment. We expect to authorize at least 29 schools, serving 10,750+ students (pending the completion of appeals).
- We did not request any additional positions at this time.