TENNESSEE
PUBLIC CHARTER SCHOOL COMMISSION

TO: Business Operations Committee, Tennessee Public Charter School Commission

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

DATE: July 23, 2026

SUBJECT: Charter Commission Budget Updates

FY26 Fiscal Updates

- We have received the June 2026 average daily membership (ADM) true up (5th adjustment) for SY25-26. June TISA payments/payment requests have been processed. There is one additional adjustment in October which will provide the final adjustment for SY25-26. Schools are encouraged to plan for final adjustments in either direction.
    - June 2026 Adjusted Per Pupil Allocation:
        - Metro Nashville Public Schools (MNPS): $17,356.39
        - Memphis Shelby County Schools (MSCS): $12,773.32
        - Rutherford County Schools (RCS): $10,863.20

FY26 Budget-to-Actuals Update

- We have updated the FY26 budget-to-actuals to reflect our current spending and drawdown, reflective of expenditures from July 1, 2025 until June 15, 2026.
- Since April's meeting, we have received the two ADM true-ups from the TDOE. Adjustments had the following effect on authorizer fee collection:
    - August Projected Authorizer Fee - $3,732,420
    - October Adjustment - $3,658,819
    - December Adjustment - $3,621,598
    - February Adjustment - $3,661,885
    - April Adjustment - $3,661,885
    - June Adjustment - **$3,888,192**
- As of the June adjustment, the authorizer fee would cover all agency operating expenses for FY26. The last opportunity for fluctuation will happen as districts submit Final Expenditure Reports (FERs) by October 1. We will update Commissioners during the next committee meeting. Any unused authorizer fee will be refunded to schools in accordance with statute and State Board of Education rule.

Vendor Services Updates

- Commission staff is in the process of evaluating state contracted vendors for a Grants Management Platform to increase capacity and standardize grants administration across the district. As we continue to scale operations with our current staff, it is essential that we implement sustainable systems to efficiently steward funds. We are seeking approval for proceeding with procurement and will present the exact dollar amount once all official quotes have been received.

FY27 Amended Budget

- An updated FY27 budget is included for review and approval. Note that this budget is created with updated revenue assumptions based on FY26 TISA and enrollment data along with our most current enrollment projections for new and expanding schools for SY26-27. These are conservative estimates and are calculated using current per-pupil rates.
- There has been a significant increase in MNPS PPA from the October 2025 to June 2026 true up ($1,676 per student). While the current MNPS PPA was used for the FY27 amended budget, we will update the projected revenues once we receive the final PPA.
- Staffing levels are to remain consistent with currently approved positions and legislative budget authority. All expected expenditure increases are related to the growth in our student population and the resulting increased agency administration costs.
- All factors considered, the amended FY27 budget projects a reversion and authorizer fee self-sufficiency.

FY28 Preliminary Budget

- The Committee has also been provided with a preliminary FY28 budget for approval. This draft includes updated revenue assumptions based on FY26 TISA and enrollment data, and schools expanding in school year 2027-28. There are no additional projections about growth beyond already approved expansions.
- As with FY27, staffing levels are assumed to remain consistent with currently approved positions and legislative budget authority. Most other expenditure estimates are static, except for contracted service amounts that will grow as we have more students and employee travel costs.
- As we move through this year's authorization cycle and get a better sense of our future portfolio size, we will work with the Department of Finance and Administration on any necessary requests this fall. We will update the Committee on our budget requests during the next meeting.