

# On Deck – Preparing for Charter School Funding

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# Agenda

- Overview of charter funding
- New charter schools
- Continuing charter schools
- District considerations



# Overview of Charter Funding

# Charter School Funding

- Charter schools receive one hundred percent (100%) of state and local funds received by the LEA pursuant to State Board Rule 0520-14-01-.03
- Charter funding is **more** than TISA funding
  - Step 1 - TISA funding generated by charter school ADM
  - Step 2 - Additional per pupil local funding
  - Step 3 - Changes in enrollment

# Charter School Funding

- Initial funding is based on prior year ADM
- Charter school funding is unique in that funding is adjusted to reflect current year ADM
- Adjustments are made by TDOE in October, February and June
- Final adjustment is made within 5 business days of district's completed (and approved) FER

# Charter School Funding

- Charter school funding has three steps
  - TISA funding calculated by the formula
  - Additional local funding
  - Adjustment for current year change in enrollment (increase or decrease)
- New charter schools are funded differently in year one

# New Charter Schools – Initial Funding

# New Charter School Funding

- Initial funding is based on the anticipated enrollment in the charter agreement
- Authorizer and charter school may agree on a projection of enrollment not to exceed any enrollment caps or maximums set forth in the charter agreement



# New Charter School Funding

- Initial funding allocation is based on the per-student average of all state and local funds received by the geographic LEA in which the charter school is located
- This is Step 3 in the overall charter school funding calculation
- If current year budget for the geographic LEA is not approved in ePlan at the beginning of the year, then prior year actual (if FER has been approved in ePlan) or budgeted revenue (state and local) is used in the calculation

# Sample new charter funding - initial

STEP 3: Current Year Enrollment Adjustments			
Geographic LEA Actual Revenues to District*			\$ 187,656,446.00
Geographic LEA State Funds (Excluding ACT- Administered by State)		+	\$ 342,532,262.72
Total Funding		=	\$ 530,188,708.72
Total Funding to District			\$ 530,188,708.72
Projected ADM (all schools within bounds)		/	50,751.03
Average Per Pupil Local and State Funds		=	\$ 10,446.86
Estimated Change (Positive/Negative) in ADM			765
Average Per Pupil Local and State Funds (Excluding ACT)		x	\$ 10,446.86
Current Year Change in Enrollment Funding		=	\$ 7,991,844.94

# Continuing Charter Schools – Initial Funding

# Continuing Charter Schools – Step 1

- TISA calculation is done for each charter school, base, weights and direct funding
- Prior Year ADM is used for calculations

TISA - FY25 Allocation				
District	Sample Charter	District ID	0	
Element	Amount	Students/Services		Funding
Base	\$ 7,075.00	409.1151856		\$ 2,894,489.94
WEIGHTS	Weight	Students/Services		Funding
Economically Disadvantaged	25%	230.3111111		\$ 407,362.78
Concentrated Poverty	5%	409.1151856		\$ 144,724.50
Small	5%	-		\$ -
Sparse	5%	-		\$ -
ULN 1	15%	49.85224		\$ 52,905.69
ULN 2	20%	34.75797777		\$ 49,182.54
ULN 3	40%	12.066		\$ 34,146.78
ULN 4	60%	1		\$ 4,245.00
ULN 5	70%	-		\$ -
ULN 6	75%	4.818517778		\$ 25,568.26
ULN 7	80%	1.2		\$ 6,792.00
ULN 8	100%	1		\$ 7,075.00
ULN 9	125%	16.77592556		\$ 148,362.09
ULN 10	150%	-		\$ -
DIRECT				
K-3 Literacy	\$ 500.00	315.8929633		\$ 157,946.48
4th Grade Supports	\$ 500.00	43		\$ 21,500.00
CTE	\$ 5,000.00	-		\$ -
ACT (per test)	\$ 93.00	-		\$ -
Charter	\$ 504.20	409.1151856		\$ 206,276.37
OUTCOMES				
TBD				
<b>TOTAL</b>				<b>\$ 4,160,577.43</b>

# Continuing Charter Schools – Step 2

- Additional per pupil local funding for the geographic LEA is calculated
- For initial estimates and allocation, local funding is based on prior year approved budget in ePlan
  - Current year local budgeted revenue is used, if available

STEP 2: Projected Additional Local Per Pupil			
ePlan Approved Local Budget (as of 6/16/24)			\$ 516,657,612.86
ePlan Approved Local Debt Service		-	\$ -
ePlan Approved MDHA (MNPS Only)		-	\$ -
ePlan Approved Trustees Commission		-	\$ 7,500,926.65
Projected Geographic LEA Revenues to District		=	\$ 509,156,686.21
Geographic LEA Actual Revenues to District			\$ 509,156,686.21
Local Required Match		-	\$ 255,545,736.61
Projected Additional Local Funds		=	\$ 253,610,949.60
Projected Additional Local Funds			\$ 253,610,949.60
Projected ADM (all schools within bounds)		/	111,131.23
Projected Additional Local Per Student		=	\$ 2,282.09
Projected Additional Local Per Student			\$ 2,282.09
Charter School ADM		x	409.12
Additional Local Funds for Prior Yr Enrollment		=	\$ 933,635.80

# Continuing Charter Schools – Step 3

- If charter school is expanding, step 3 is used to estimate the additional allocation for expected expansion
  - Overall per pupil funding amount for geographic LEA is calculated
  - Includes
    - District TISA – state and required local contribution
    - District additional local funding
  - Per pupil amount is multiplied by anticipated increase in enrollment



**STEP 3: Projected Current Year Enrollment Adjustments**

Geographic LEA Actual Revenues to District				\$516,657,612.86
Geographic LEA State Funds (excluding ACT and Charter Direct Funding)			+	\$839,876,137.70
Total Funding			=	\$1,356,533,750.56
Total Funding to District				\$1,356,533,750.56
Projected ADM (all schools within bounds)			/	111,131.23
Average Per Pupil Local and State Funds			=	\$12,206.59
Estimated Change (Positive/Negative) in ADM				50
Average Per Pupil Local and State Funds			x	\$12,206.59
Current Year Change in Enrollment Funding			=	\$610,329.50

# Adjustments to Funding

# Adjustments to funding

- Authorizing district local revenue numbers updated as budgets are submitted and approved in ePlan
- ADM for adjusting charter school allocations are pulled from EIS October 16, February 16 and June 16

# Adjustments to funding – new charters

- Only Step 3 is used to make any adjustments in the allocation for a change in ADM
- Local revenues are updated as available from ePlan
- Current year charter school ADM is multiplied by the updated per pupil amount to determine the adjusted allocation
- Repeated following February and June ADM pulls from EIS

**STEP 3: Projected Current Year Enrollment Adjustments**

Geographic LEA Actual Revenues to District				\$187,656,446.00
Geographic LEA State Funds (excluding ACT and Charter Direct Funding)			+	\$342,532,262.72
Total Funding			=	\$530,188,708.72
Total Funding to District				\$530,188,708.72
Projected ADM (all schools within bounds)			/	50,751.03
Average Per Pupil Local and State Funds			=	\$10,446.86
Estimated Change (Positive/Negative) in ADM				-225
Average Per Pupil Local and State Funds			x	\$10,446.86
Current Year Change in Enrollment Funding			=	(\$2,350,542.63)

# Adjustments to funding – continuing charters

- Step 1 (TISA calculation) remains the same throughout the year
- Step 2 is updated using local revenue data from the geographic LEA's approved budget in ePlan, and current year LEA ADM
  - This updates the additional local revenue per pupil amount
- Step 3 is used to make any adjustments in current year ADM
- Repeated following February and June ADM pulls from EIS

# Final True-up

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- Once the geographic LEA completes the State Funds Final Expenditure Report (FER), the final allocation for each charter school is calculated by TDOE
- This generally occurs in September or October if the FER is delayed
- Any amounts owed **by** the charter school or **to** the charter school are settled between the geographic LEA and the charter school





# District Considerations

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- Adjustments to charter school allocations must be made following the October, February and June ADM pulls from EIS
- TDOE will calculate revised allocations and share with charter schools and geographic LEAs
- Geographic LEA may choose to make adjustments more frequently if they wish

# District Considerations

- Districts pay the charter schools at least 9 times per year from the funds that they receive from the state and local funding body
- Be sure to reflect both state and local shares of the payments on the general ledger
- Do not show the total payment as TISA – that is not correct

# District Considerations

- For charters authorized by the Tennessee Public Charter School Commission (TPCSC), the charter school allocations are withheld from the TISA payments to the geographic LEAs and transferred to the TPCSC by TDOE
- Initial allocations are withheld in full
- Withheld amounts are revised following the ADM adjustments in October, February and June

# District Considerations

- Establish good communications with charter schools to stay aware of any changes in enrollment that may impact allocations before they happen
- Communicate known changes to the charter schools, such as changes in revenue projections for their planning purposes



# Thank You!

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