

Academy Budget Variance Analysis

As requested by the Board of Trustees during the May 20, 2024, work session, staff completed a summary analysis comparing the FY2024-2025 requested base budget versus the FY2023-2024 adopted budget and the FY2023-2024 actual spending, as of May 3, 2024.

Non-personnel accounts in the FY2024-2025 requested base budget are decreasing \$25,797 from the FY2023-2024 adopted budget. This is due to Academy staff's line item evaluation of spending.

Non-personnel accounts in the FY2024-2025 requested base budget are \$643,215.20 more than actual FY2023-2024 year-to-date spending, as of May 30, 2024. There is approximately one month left in the current fiscal year, during which Finance staff will be working to capture any non-recorded expenditures. It should be noted that the annual budget is based on a 12-month fiscal year; FY2023-2024 will be a 10-month fiscal year so actuals will be an outlier for actual spending. The Board will be asked to consider a budget amendment for FY2023-2024 to adjust budgets in line with spending during the shorter period. The amendment will also include any transfers between functions, which may be necessary to align budget with corrected or changed account usage.

Within the analysis, the following explanatory terms for variances are defined as:

- Adjusted to Actual: requested base budget accounts have been updated to reflect actual spending expected to continue
- Budget Amendment: FY2023-2024 actual spending is unusual and was unplanned but not expected to continue into FY2024-2025
- Historic Average: requested base budget accounts are based on planned activities in FY2024-2025 and previous spending over several years, not solely on actuals in FY2023-2024
- Projected within Target: FY2023-2024 actual spending is expected to end within the TEA-directed 10% allowable variance from budget
- Reallocation: requested base budget accounts have been adjusted to reflect reorganization within the Academy, correct regular spending previously underbudgeted, or move dollars from an account historically overbudgeted to allow for planned expenditures
- Rising Costs: requested base budget accounts have been increased due to higher costs for planned expenditures
- Rounding: requested base budget accounts were adjusted to rounded figures for best practices and to allow for normal price fluctuations