

Budget & Finance Committee

MNPS-Board of Education Preliminary Questions to Metropolitan

Government Departments

1. What is the amount of the proposed funding decrease from the previous fiscal year?

NOTE: The School Board Budget Committee will meet May 12, 2020 and may finalize the MNPS Operating Budget prior to the May 21 hearing with Metro Council.

The Mayor proposed \$914,892,600 for MNPS's operating budget, which fulfills the maintenance of effort as required by Tennessee law. In Fiscal Year 2019-20, the School Board and Metro Council approved an initial and an amended operating budgets. The first FY 20 operating budget was approved on July 1, 2020 and was \$914,475,600. The School Board and Metro Council approved a revised operating budget of \$922,053,600 in December 2019 to include the use of MNPS fund balance to pay for a mid-year 3% cost of living adjustment.

FY2020 start of year MNPS operating budget	\$914,475,600
Mayor's Proposed FY2021 MNPS operating budget	\$914,892,600
Increase	\$ 417,000

FY2020 mid-year MNPS operating budget	\$922,053,600
Mayor's Proposed FY2021 MNPS operating budget	\$914,892,600
Decrease	\$ 7,161,000

2. Please provide a statement regarding the impact the proposed reductions will have on your department's operations. Specifically, please be sure to address the following questions:

a. What services currently provided by your department do you anticipate will be reduced/eliminated?

The School Board Budget Committee will meet May 12, 2020 and may finalize the MNPS Operating Budget prior to the May 21 hearing with Metro Council.

b. What impact will such reduction or elimination have on the residents and businesses of Davidson County?

It will be difficult to measure the entire impact of cutting education spending as contemplated in the proposed budget. Every dollar MNPS spends goes to a service to students either directly or indirectly. MNPS will continue to find innovative ways to increase efficiencies, but despite our best efforts, such cuts could impede the education process for students and their families.

c. How many department employees do you anticipate will be impacted by the reduction in funding?

Every MNPS employee will be impacted.

- Because of known increases to health insurance premiums all of the over 8,000 employees who exercise their option for health insurance through the district will receive less take-home pay.
- None of the employees in the district will receive a cost of living, step or merit-based increase.
- The School Board Budget Committee will meet May 12, 2020 and is expected to finalize the MNPS Operating Budget prior to the May 21 hearing with Metro Council. Additional, impact will be known at that time.

3. Regarding the number of FTE employees in your department:

a. How many budgeted employees do you have for the current fiscal year?

9,051.9 in the 2019-20 MNPS Amended Operating Budget

b. How many unfilled FTE employees does your department currently have?

For the operating budget, over 200.

c. How many FTE positions are included in the Mayor's proposed budget?

The School Board Budget Committee will meet May 12, 2020 and may finalize the MNPS Operating Budget prior to the May 21 hearing with Metro Council. If the Board adds positions required by law and maintains the current Pre-K classes, the total FTEs will be 9,097.7.

4. Regarding your department's "departmental savings":

a. What is the amount of your department's 'targeted savings' for FY2020?

The School Board builds targeted savings into its budget request, including the \$6.2 million "targeted savings" suggested by the Finance Department for FY2020.

As a result of a spending freeze and the fact that schools have been off campus due to COVID-19, MNPS will save approximately \$52 million by the end of FY2020.

b. What was your department's budget for FY2020 after the targeted savings?

Initially, \$914,475,600 and then amended pursuant to RS2019-130 to \$922,053,600.

c. How does that compare with the Mayor's proposed FY2021 budget?

The proposed FY2021 budget is \$7,161,000 less.

5. Regarding any previous audits in which your department has participated:

a. What operations or expenditures have been audited within the last three years? Five years? Ten years?

MNPS expenditures are audited every year. The Metro Internal Audit Department's audits can be found online:

<https://www.nashville.gov/Internal-Audit/Audit-Reports-By-Fiscal-Year.aspx>

<https://www.nashville.gov/Internal-Audit/MNPS-2015-Audit-Report.aspx>

<https://www.nashville.gov/Internal-Audit/Investigation-Reports.aspx>

b. Has any capital spending been audited during the last five years? Ten years?

Metro Internal Audit is currently auditing the MNPS capital budget process.

6. Are there any prior audit recommendations still shown as pending/outstanding? If so, please identify these recommendations and provide a response regarding your department's plan to address the recommendation(s).

Our last response was submitted on April 10, 2020. Therefore, there are no further pending/outstanding audit recommendations.