

Budget & Finance Committee

Preliminary Questions to Metropolitan Government Departments

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

The amount of the proposed decrease to Nashville MTA's subsidy is \$20.5 million, or a 42% decrease from Metro's current funding support of \$48.635 million in FY'20.

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?**
- b. What impact will such reduction or elimination have on the residents and businesses of Davidson County?**
- c. How many department employees do you anticipate will be impacted by the reduction in funding?**

Due to the availability of one-time transit funding by the Federal Government under the CARES Act, there will be no immediate impact to customers, employees, the services provided by the MTA or the residents of Davidson County in FY2020-21. However, if the \$20.5 million (plus two accumulated years of inflation) cannot be fully restored for the start of FY2021-22, there will be highly destructive service reductions and fare increases that will harm many of Davidson County's most vulnerable citizens. Because these draconian changes would require a lengthy public hearing, regulatory and advance preparation process before enactment; and because any delay in enacting them after July 1, 2021 will be impossible; the Authority will need to develop proposals to balance its FY2021-22 budget for public hearing by the end of January 2021 if there is not a commitment of funding restoration by Metro before that time. Depending on the level of funding that could be restored, the types of actions the MTA Board would need to consider include:

- Elimination of remaining MTA Commuter Express Bus Routes.
- Elimination of up to 7 additional bus routes based on lower levels of ridership relative to the remaining system.
- Reduced availability of Access paratransit services, particularly in the outlying areas of Davidson County.
- Reduced service span, and particularly weekend/holiday service.

The overall magnitude of service reductions would depend on the overall level of Metro Subsidy for FY2021-22. At the maximum level of service reduction, approximately 1/3 of all MTA employees' positions could be eliminated.

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

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

- b. How many unfilled FTE employees does your department currently have?**
- c. How many FTE positions are included in the Mayor's proposed budget?**

The Mayor's Budget only accounts for Metro employees at MTA. This is 1, and it is filled. The Operating Entity for MTA (Davidson Transit Organization) has 721 authorized positions, with approximately 32 vacancies (primarily among Bus Operators).

- 4. Regarding your department's "departmental savings":**
 - a. What is the amount of your department's 'targeted savings' for FY2020?**
 - b. What was your department's budget for FY2020 after the targeted savings?**
 - c. How does that compare with the Mayor's proposed FY2021 budget?**

There was a flat appropriation of \$48,635,900 to MTA for FY2020. There was no reduction in the current fiscal year. The proposed funding level of \$28,135,900 million represents approximately 42% of the Metro subsidy, and 25% of the overall MTA Budget. However, as described above, this cut will be offset in FY2020-21 by Federal CARES Act funding.

- 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?**
 - b. Has any capital spending been audited during the last five years? Ten years?**
 - c. 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).**

The MTA and Regional Transportation Authority (RTA) have annual audits conducted by independent outside CPA's, and these are provided to Metro annually in accordance with the Charter. These audits encompass both operations and capital projects. In addition, the RTA has had two performance audits performed by the Office of State Comptroller during the past 5 years in conjunction with its renewal legislation. The MTA and RTA each receive Triennial reviews from the Federal Transit Administration (FTA) of the USDOT every three years, with the most recent being closed out in 2019. In addition, Metro's Internal Audit Department conducted an audit of the Authority's revenue collection process in 2018, with all issues closed out by 2019.

The only issue from among any of the audits described above still outstanding is relative to the RTA's performance audit by the Office of State Comptroller. This audit asked that the Authority employer fare subsidy program have formal contracts with each employer. This is currently being undertaken in conjunction with the installation of the Authority's new "Next Generation Fare Collection System," and will be closed out within the next several months.