



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

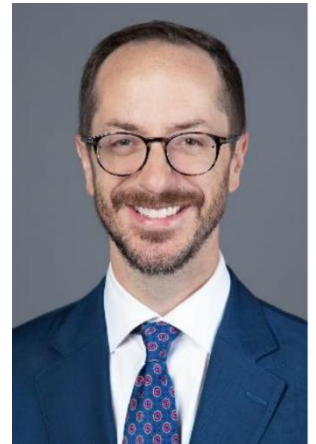
FREDDIE O'CONNELL
MAYOR

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Nashville,

As we celebrate Nashville's strong forward momentum, unique sense of belonging, and the benefits of a reliable and resilient local government, I am pleased to present our FY 2026 Operating Budget. This budget funds a common-sense approach to governing that prioritizes quality schools, reliable services, and safe neighborhoods for Nashvillians.

The FY 2026 budget is built with financial stability in mind, as the city weathers significant inflation, national market volatility, the threat of cancelled federal grants, and the phase-out of COVID-era funding. The \$3.8 billion operating budget includes a combined property tax rate of 2.814, a rate lower than the 3.254 rate of 2021-2025. The new combined property tax rate of 2.814 is the lowest for Nashville in decades, the lowest rate among the largest cities in Tennessee, and one of the lowest in the country.



But it's complicated talking about appraisals, equalization, and the impact on tax because two things are true at once: The median home in Davidson County is now 45% more valuable than it was when last appraised, and that means when we set the new tax rate, many of us will have increased costs, even as we're setting the lowest overall property tax rate in Nashville since 1972. But I believe wholeheartedly in the core services this budget provides: schools we need, services we trust, and the safety we deserve.

Schools

To support quality schools for a growing community, Metro Nashville Public Schools (MNPS) will receive 37.2% of the total budget for FY 2026. The operating budget for schools is 13% greater than FY 2025 to continue building on MNPS' success.

The budget bridges the end of federal emergency funding for MNPS by dedicating \$64.5 million to continue these services through Metro's annual operating budget. College and career readiness support, mental health support, Community Achieves, tutoring, summer learning programs, and safety ambassadors are several of the programs supported through this funding.

The additional investment in schools will support MNPS teachers and grow services like exceptional education for children with disabilities, English learners student support, annual textbook funding, the classroom associate program, and more resources for safety and security on campus.



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Services

During my campaign for mayor, I promised to operate a responsive Metro government that does the little things well and prioritizes customer service.

In the operating budget, \$138 million goes to support services that touch the lives of Nashvillians daily. That includes our parks, libraries, health department, and waste services, as well as a new approach to the housing challenge.

Metro's Planning Department recently released the city's first Unified Housing Strategy, and for the first time Nashville has a full accounting of our investment in affordable housing and a holistic strategy to guide future funding. The first-year implementation represents a total commitment of \$45 million.

The FY 2026 budget also includes an additional investment of \$2.8 million and 30 additional staff to continue the creation of a separate, standalone Department of Waste Services to manage our solid waste.

The Parks Department's operating budget includes additional funding of \$6.7 million. Providing a safe experience is a primary goal for enjoying our beautiful Metro parks. The investment will add security in our parks and community centers.

The budget also funds health and wellness programs like Nashville Strong Babies, HIV/STI prevention and treatment, vaccinations, mobile health programs, mental health support, and nighttime codes inspectors.

Importantly, the budget invests in our Metro workforce by funding a significant restructuring of the employee pay plan to ensure fair and equitable pay and allow us to better recruit and retain employees.

Safety

One of the highest calls of government is to keep people safe and answer the call when help is needed. The budget invests an additional \$49.6 million in our first responders.

The Nashville Fire Department (NFD) will receive an additional \$15.3 million in FY 2026, improving fire response times, enhancing training and education, improving community safety programs, providing better equipment and technology, and enhancing EMS. Primary increases include a new truck company of 18 personnel, a new EMS Unit to improve emergency response and patient care, and staffing improvements to handle increases in calls for Nashville.

The Metro Nashville Police Department (MNPd) will receive an additional investment of \$24.7 million in FY 2026, including \$3.5 million from new Choose How You Move revenues to support the new transit division in MNPd. In addition to transit and additional School Resources Officers for MNPS, MNPd's budget includes 36 new officers to establish a permanent flex unit (D-Detail). MNPd's recently added D-Detail works as a force multiplier by helping precincts across the city, going where they are most needed. Since launching on February 1, D-Detail officers have been



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the primary response unit on more than 1,800 calls and overall police response times countywide are down an average of 10.3 minutes in 2025.

Safety takes many forms and requires many partners, and the FY 2026 will also see the further implementation of the Office of Youth Safety and a Director of Violence Prevention housed in the Mayor's Office to unite, amplify, and complement work underway in Metro and by community partners to promote safety and well-being while reducing interactions with the criminal justice system.

Fiscal Stability in the years ahead

The operating budget reflects a focus on smart financial management. Metro's fund balance policy has earned a strong AA+ bond rating with S&P, cutting borrowing costs and saving Metro money. The policy also helps bring in revenue through interest earned on the reserves. Through the establishment of the budget sustainability reserve, Metro is shielded against unforeseen downturns in revenues or unexpected expenditures and can be used to balance the budget in future years as necessary.

The FY2026 operating budget demonstrates our commitment to maintaining Nashville's positive momentum by investing in schools we need, services we trust, and safety we deserve -- while minimizing the impact to taxpayers.

Freddie O'Connell

A handwritten signature in blue ink, reading "Freddie O'Connell". The signature is written in a cursive, flowing style.

Mayor
Metropolitan Nashville & Davidson County



Executive Summary

Introduction

The FY 2026 Operating Budget reflects Nashville's steady momentum and commitment to fundamentals: quality public schools, reliable services, and safe neighborhoods. The FY 2026 budget is built with financial stability in mind, as the city weathers significant inflation, national market volatility, the threat of cancelled federal grants, and the phase-out of COVID-era funding. The budget directly responds to the need for a reliable government that delivers for its residents.

The \$3.8 billion budget includes the largest single-year investment in public education in Metro's history, launches the implementation of the city's Unified Housing Strategy, and operationalizes the Choose How You Move transit program. It also ensures core service delivery in areas such as public safety, parks, waste services, libraries, and youth engagement - all supported within a disciplined, needs-based funding structure.

Metro remains focused on optimizing every dollar to maintain services and enhance outcomes for the people of Nashville. This is a common-sense approach to the budget that balances necessary investments with the long-term sustainability of city operations.

Economic Outlook

Nashville has experienced extraordinary growth in the past decade. This growth was particularly accelerated in the wake of the pandemic. With the economy steadily returning to a normal cycle post-pandemic and Nashville's revenues being much larger than they were five years ago, this period of robust growth rates for revenues is coming to a close. In the face of slower year-to-date collections and elevated downside risk to the macroeconomic environment, the forecast reflects negative inflation-adjusted (real) growth in revenues for the current fiscal year.

Budget Overview

The FY 2026 Operating Budget totals \$3.8 billion, representing a 15.9% increase from FY 2025.

Key allocations include:

- Education: Continued investment in Metropolitan Nashville Public Schools (MNPS), ensuring competitive compensation and funding for textbooks and inflationary costs.
- Public Safety: Additional resources for the Fire and Police Departments, including funding for equipment and personnel to maintain community safety.
- Infrastructure: Significant investments in transportation, including support for the proposed transit initiatives and maintenance of existing infrastructure.
- Health and Social Services: Enhanced funding for public health programs, mental health services, and community outreach initiatives.
- Unified Housing Strategy: Metro's Planning Department recently released the city's first Unified Housing Strategy, providing a full accounting of our investment in affordable housing and a comprehensive strategy to guide future funding. The first-year implementation represents a total commitment of \$45 million

Fiscal Responsibility

Metro remains committed to prudent fiscal management, maintaining fund balances at or above policy-required minimums. The recommended budget reflects a focus on smart financial management. Metro's fund balance policy has contributed to a strong AA+ bond rating with S&P, cutting borrowing costs and saving Metro money. The policy also helps bring in revenue through interest earned on the reserves. Through the establishment of the budget sustainability reserve, Metro is shielded against unforeseen downturn in revenues or unexpected expenditures and can be used to balance the budget in future years as necessary.



Executive Summary

Budget Priorities

Keeping the Fundamentals

Debt Service

Another factor in fiscal sustainability is ensuring that Metro’s obligations on all outstanding debt - both principal and interest – are fully funded in this budget. This also includes a planned bond issuance to take advantage of low interest rates. Additional details on debt service are provided in Section J.

Debt Service Budget			
(in millions)	FY 2025	FY 2026	FY 2025-2026 Variance
GSD Debt	\$258.3	\$304.6	\$46.3
MNPS Debt	133.2	137.8	4.6
USD Debt	19.4	16.9	(2.5)
Total	\$410.9	\$459.3	48.4

Fiscal Responsibility

It continues to be our primary charge to deliver a balanced budget. This includes matching expenses with revenues and maintaining fund balances at least at minimum policy level. Policy-required minimum balances of 17% of budgeted expenditures for operating funds and 50% of budgeted expenditures for debt service funds is achieved.

Fund Balance				
(in millions)	FY 2024 Year End	FY 2025 Projected	FY2026 Projected	FY 2025-2026 Variance
GSD	\$257.8	\$253.8	\$301.6	\$47.8
GSD Debt	134.1	131.6	143.5	11.9
MNPS	217.1	232.1	235.0	2.9
MNPS Debt	67.6	65.4	66.8	1.4
USD	31.9	32.1	13.2	-18.9
USD Debt	10.2	10.1	8.5	-1.6
Total	\$718.7	\$725.1	\$768.6	\$43.5

Executive Summary

Employees

The FY 2026 pay plan includes a significant restructuring of Metro employee compensation aimed at promoting equity and competitiveness. It provides a 2% across-the-board increase for eligible employees and an estimated 2% merit increase for those who qualify. This plan moves Metro government closer to alignment with peer cities in offering competitive pay and benefits, supporting both recruitment and retention across departments. The budget allocates approximately \$64 million to implement these compensation changes, reinforcing Metro's commitment to investing in its workforce and the essential services they provide.

How Nashville Moves

How Nashville Moves is about building a safe, modern, multi-modal transportation system that reduces Nashvillians' transportation costs and helps them get where they need to go. While Nashvillians have spent more than a decade weighing in on 70 plans and studies about how to improve the city's transportation system, the cost of transportation has grown, our commutes have been ranked as the worst in the nation, and the rates of traffic and pedestrian fatalities have increased. How Nashville Moves focuses on turning plans into action using data and the more than 66,000 points of input collected from Nashville residents.

Choose How You Move

Choose How You Move (CHYM) is Metro's ambitious transportation investment program, made possible by a \$0.5-cent dedicated sales tax that took effect February 1, 2025. The initiative directs major funding to improve transit services, expand pedestrian and bike infrastructure, and modernize traffic management technology across Nashville and Davidson County. With hundreds of improvements planned, CHYM is designed to transform how Nashvillians move safely and reliably through the city.

In the FY 2026 budget, \$1.7 million is appropriated to fund remaining salaries and fringe for 13 positions that were partially funded in the FY25 CHYM supplemental (RS2025-1074) for NDOT, ITS, and the Mayor's Office. WeGo received \$35.7 million to expand transit service, build reserves, reduce reliance on federal capital funds, and transition a portion of its subsidy from the General Fund to CHYM. In addition to these base investments, \$21.8 million is appropriated in contingency to support 51 additional positions and projects across Law, WeGo, NDOT, Mayor's Office, and MNPD. These funds will be released as CHYM projects are finalized and approved, ensuring staffing and resources align with project delivery needs.



For more information, see <https://www.nashville.gov/featured-initiatives/transit>.

Nashville Department of Transportation

The FY 2026 operating budget supports the Nashville Department of Transportation (NDOT) with key investments to improve mobility, safety, and service delivery across the city. New positions in financial management and human resources will help NDOT keep pace with growing project demands and ensure staff recruitment, training, and safety efforts are well supported. To improve traffic operations and event readiness, the budget funds \$300 thousand for overtime for traffic control during special events and adds \$393 thousand for new crews to handle banner installations and barrier setups. NDOT will also enhance its traffic signal maintenance team with \$383 thousand to add four new technicians and fund \$1.2 million for ten positions dedicated to right-of-way permit inspections. Additionally, \$286 thousand will go toward two new positions to monitor the transportation management system and ensure real-time traffic operations run smoothly during peak periods. NDOT also received \$470 thousand for five new enforcement positions, strengthening NDOT's oversight of entertainment zones, transportation activity, and sidewalk vending. Several of these roles, along with other departmental efforts, will also support the implementation of the Choose How You Move (CHYM) program.

Executive Summary

How Nashville Works

How Nashville Works is about services working well, making Nashville the city's premier customer service organization. Nashvillians want affordable housing, safe neighborhoods, and equitable educational opportunities. Underlying each of these issues – and decisions about other big topics that impact Nashvillians' quality of life – is the need for city services that work well. Metro Government should be accessible to all Nashvillians. Decisions about Metro policy should be open and transparent. Metro leaders should hold themselves accountable to Nashvillians. Increased coordination across Metro entities will help expedite solutions to issues Nashvillians face.

Police Department

The FY 2026 Police operating budget reflects a strong commitment to school security by investing an additional \$3.3 million and 23 more FTEs to the Rapid School Safety Team, School Resource Officer Program, and additional resources for school crossing guards. MNPd is including an additional \$4.5 million and 38 more FTEs to bolster their innovative approaches to service delivery through their Alternative Police Response Program, Mobile Field Operations, and D-Detail shift initiative. The Secondary Employment Unit provides the means for local businesses to hire MNPd officers for security services. Increases in officer salaries necessitate a \$1.8 million influx to increase the flat rate of pay for officers providing these services. This will ensure MNPd's ability to meet its contractual agreements and will be offset by a matching increase in revenue. As the department continues to grow, demand for in-service training and initial equipment issue for Police Academy graduates requires an additional \$1.7 million. This includes funding required to cover the need for additional Tasers as more officers join the force.

General Services

As part of the adopted FY 2026 budget, General Services received \$700,000 to expand telematics services, which provide real-time tracking, tools, and data to help improve the performance and productivity of on-road vehicles and equipment. The department has also been approved for 19 new positions, funded at nearly \$1.3 million. Ten of these positions will help launch a mobile maintenance service for grounds and heavy equipment, along with a 24/7 roadside assistance program. The other nine positions will strengthen design, construction, and building operations services, including support for the newly created Real Estate Services Division.

Information Technology Services

As part of the adopted FY 2026 budget, Information Technology Services (ITS) received \$580,000 to fund four new positions and expand in-house training, helping reduce reliance on outside vendors and build internal expertise. The department has also been allocated \$4.7 million to fully fund Microsoft Enterprise Agreements, which were previously covered by special funding. This shift frees up those funds for other important projects. In addition, \$775,000 has been approved to address salary disparities and support efforts to retain skilled staff in a highly competitive IT job market.

Fire

The Nashville Fire Department has received a \$15.3 million increase, reflecting a significant investment in public safety and emergency response. This funding supports expansion across multiple divisions, facilitating both operational growth and targeted service enhancements. A cornerstone of the budget is a \$4.7 million allocation that adds 36 new FTEs. This includes the creation of a new truck company in the South Nashville/Antioch area, which is a strategic initiative to improve emergency response times and bolster fire suppression capabilities in one of the city's fastest-growing communities. To strengthen internal operations, the department received \$1.7 million and 12 FTEs to establish a Workforce Management team, aimed at optimizing staffing levels, improving personnel assignments, and enhancing administrative accountability. In support of emergency medical services, \$1.5 million and 12 FTEs are allocated for the addition of a new Medic unit, which will increase service capacity and response efficiency. Recognizing the growing demand for fire inspections, the department will dedicate \$1.2 million and 9 FTEs to improve staffing and processing speed within the Fire Marshal's Office, ensuring timely oversight of fire code compliance. Additionally, \$540 thousand and three FTEs will be used to expand the REACH program and internal Crisis Counseling services, reinforcing the department's commitment to the mental health and well-being of both the community and its personnel.

Executive Summary

Parks

In the FY 2026 Operating Budget, the Department of Parks and Recreation received over \$6.6 million in investments aimed at improving the visitor experience at Metro Parks. This includes \$580 thousand to hire a six-person ground maintenance and landscaping crew to build and expand multiple parks. It outlays over \$2.5 million to improve security at Metro Parks facilities. To attract and retain employees in critical areas, this budget allocates over \$476 thousand in pay raises for part-time and seasonal employees. The budget allocates \$964 thousand to the department to counter inflation which has reduced the Parks department's purchasing power to buy maintenance materials and repair and upgrade mechanical systems. This budget also funds \$604 thousand to the Old Hickory Regional Community Center to allow it to open to the public with expanded programming.

Health

The FY 2026 Operating Budget for the Health Department invests over \$2.7 million in funding for 25 FTEs. These funds are aimed at delivering better health outcomes for Nashvillians. These investments ensure a nurse in every school. This budget adds \$1.4 million dollars to support 16 healthcare workers helping fight communicable disease and providing family planning services. The REACH program, which deploys mental health workers to respond to individuals experiencing crises, will receive an expansion of \$302 thousand or around 25% of its current budget. During and immediately after the COVID-19 pandemic, calls for Animal Control support have risen dramatically. In response to that, this budget adds \$184 thousand and funds 2 positions to help provide adequate care for the animals at Metro Animal Control.

Waste Services

The FY 2026 budget continues to support the buildout of Waste Services, supported by legislation (BL2025-819) to formalize its status as a standalone department. The budget includes 30 new positions and investments to enhance administrative capacity, improve safety, and optimize service delivery. Waste received financial management and human resources positions to help build internal systems and support recruitment, training, and safety efforts across the department. To improve operational efficiency, the budget allocates \$1.9 million for 17 new positions to enhance collections and recycling services, including drivers and ground crews. There is also a focus on infrastructure, with one-time funding of \$1 million to support engineering and project management services for the operational use of closed landfills. The budget also invests \$847 thousand in operational improvements, including routing software, increased safety uniform funding, and an operations trailer to support field teams.

How Nashville Grows

How Nashville Grows is about building a better Nashville for Nashvillians and being intentional about that. Metro should invest in infrastructure, affordable housing, and other community assets in neighborhoods throughout Nashville at a level that is equivalent in relative impact to the investments being made in the East Bank.

Capital Spending Plan

The FY 2025 Capital Spending Plan contains \$527 million for numerous projects across Metro. Highlights include \$98 million for Metro Schools, \$88 million for the new Juvenile Justice Center, \$103 million for NDOT that includes \$33 million for East Bank infrastructure, \$21 million for Metro Transit, \$28 million for Parks, and \$89 million for General Services. Please see Appendix 3 - Capital for additional details.

Office of Homeless Services

The Office of Homeless Services (OHS) has successfully sustained and expanded its programs, bolstered by a \$5 million investment in this fiscal year. In FY25, OHS assumed responsibility as the asset manager of the newly opened Strobel Center, which has already reached full capacity. Additionally, OHS operated the warming shelter for a record 45 days during the winter of 2024. For FY 2026, OHS is further expanding its initiatives, with a \$2 million increase in its operating budget to manage the Strobel Center. OHS also secured essential funding, including investments for grant cash matches, additional resources for the warming shelter, and enhanced support for day shelter services. The department also received funding through the Unified Housing Strategy to continue its critical role in connecting individuals to shelter, housing, and wraparound services.



Executive Summary

■■■■■■■■■■ Unified Housing Strategy ■■■■■■■■■■

This budget marks the first year of implementation for Nashville’s Unified Housing Strategy, offering a coordinated roadmap for housing investment and policy. The Barnes Fund received \$16 million to support the development and preservation of affordable housing. The Office of Homeless Services was allocated \$2.4 million to continue its rapid rehousing voucher program for individuals and families experiencing homelessness, a program previously supported by federal recovery funds. Planning received \$2.2 million to operate Permanent Supportive Housing units and fund a strategy study for long-term investment, \$1.7 million for anti-displacement efforts including critical home repairs for older adults and vulnerable populations, and \$2.4 million in federal rescue plan funds to support eviction right to counsel. Planning also received new staff positions, including roles focused on compliance, data, and strategy, to increase capacity for implementing housing programs. The budget also includes \$17 million in new and recurring tax abatements through MDHA’s PILOT program to incentivize affordable housing development. To coordinate these efforts across departments and sectors, the Mayor’s Office will add a housing coordinator as part of the broader Imagine Nashville initiative.



All budget priority highlights mentioned are the year over year changes from the FY 2025 operating budget and are detailed in the “Budget Changes and Impact Highlights” section of each department’s narrative in this document. This information is also accessible online via the Citizens’ Guide to the Budget at www.nashville.gov/citizens_budget.

FTE Adjustments

Local government remains the most direct and impactful form of service to residents, and Metropolitan Nashville and Davidson County are committed to delivering that service with stability and purpose. As federal COVID-era funding sunsets, the FY 2026 budget focuses on transitioning essential personnel into the general operating budget to preserve core services—especially in education, public safety, and infrastructure. Strategic staffing additions are proposed to support these priorities and ensure continuity in critical operations. FY 2026 also marks the formal establishment of the East Bank Authority and key staffing support for the implementation of the Choose How You Move initiative, both of which represent major steps forward in managing our city’s growth and mobility future. Furthermore, many departments took proactive steps in FY 2025 to restructure and optimize staffing, building greater internal capacity to serve our residents effectively across all areas of general government.

The table below illustrates changes in full-time equivalent (FTE) counts for FY 2024 through FY 2026 budgets for positions funded by the general funds.

Additional position details can be found with each department’s pages as well as the Expenditure Overview.

FTE Growth Year over Year				
	FY 2024	FY 2025	FY 2026	FY 2025-2026 Variance
GSD	8,777.99	8,796.99	9,328.51	531.52

Executive Summary

At a Glance

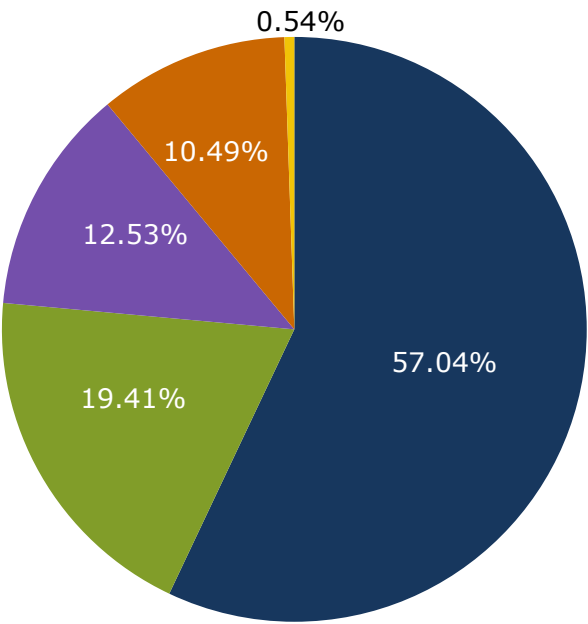
The \$3.8 billion FY 2026 budget for the Metropolitan Government’s six budgetary (tax-supported) funds supports a wide range of public services. This budget represents a 15.6% increase from the FY 2025 budget.

Revenues

Where the Money Comes From-

Total \$3,799,676,000

Property Taxes	\$2,167,232,100
Local Option Sales Tax	737,431,300
Other Government Agencies	476,055,500
All Other Revenues	398,442,500
Fund Balance Appropriated	20,514,600

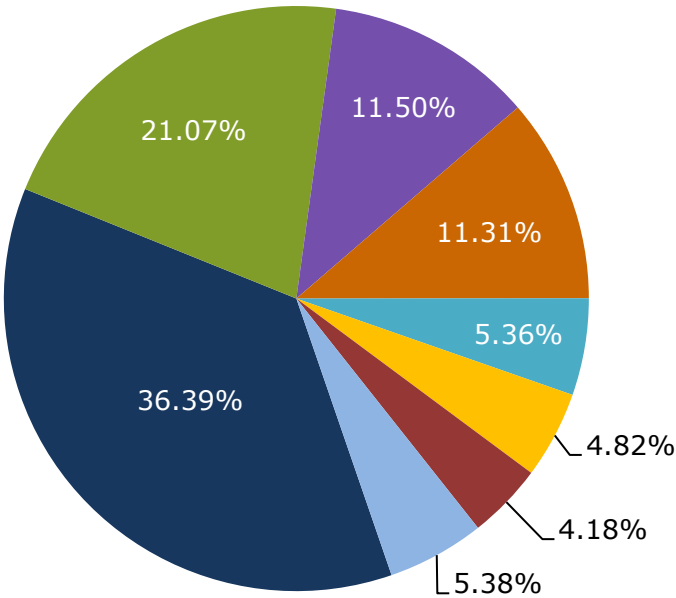


Expenditures

Where the Money Goes-

Total \$3,799,676,000

Education	\$1,382,578,900
Public Safety & Justice	800,414,400
Debt Service	436,894,300
General Government	429,866,500
Infrastructure & Transportation	203,543,200
Health & Social Services	183,138,800
Recreation & Culture	158,696,500
Other	204,543,400



Conclusion

The FY 2026 Operating Budget positions Nashville to navigate economic challenges while investing in critical areas that enhance the quality of life for all residents. Through strategic planning and community engagement, Metro aims to build a more equitable, connected, and prosperous city.