HOW OUR SCHOOLS ARE FUNDED

a metropolitan nashville public schools funding primer
Metropolitan Nashville Public Schools (MNPS) is a consolidated city-county school district, serving more than 79,000 students who reside in Nashville and Davidson County, Tennessee. More than 70% of students are economically disadvantaged and 12.7% are English language learners.

Out of 14,000 school districts nationally, MNPS is the 46th largest in the country.

There are 144 public schools in Nashville, 11 of which are charter schools.

There are 72 elementary schools (PK-4), 33 middle schools (5-8), and 21 high schools (9-12).

In addition to traditional schools, MNPS offers three alternative schools and four special education programs.

Sixty-one percent of MNPS teachers hold a master’s degree or higher and 99.75 percent are highly qualified in at least one subject area.

The average teacher salary (without benefits) is $48,413, and the average experience of teachers at all levels is just under 11 years.
Why does Metro Schools need an increase in funding each year?

MNPS is a large organization with more than 10,000 employees, with personnel costs representing 81% of the budget. Just like in the private sector, the cost of health insurance, retirement plans, textbook replacement, and utilities continues to rise. In addition, whenever the state raises teacher salaries, local school systems are required to pay a portion of the cost. In 2011, a 1.6% pay raise for teachers required MNPS to budget an additional $4 million. Maintaining the current level of service requires additional funding each year; otherwise, cuts will be necessary.

STUDENT ETHNIC COMPOSITION

- 46% 36,340 students: Black
- 33% 26,070 students: White
- 17% 13,430 students: Hispanic
- 4% 3,160 students: Asian
Most school system expenses, such as teacher positions, textbooks and transportation, are outlined in the operating budget. Each winter, the school board develops a proposed operating budget for the next fiscal year that will begin on July 1 and presents this information to the mayor. The mayor then recommends a total amount of funding for Metro Schools to the Metropolitan Council, along with proposed budgets for other city agencies as part of the overall city operating budget. The Metro Council must approve a city budget on or before June 30, or the mayor’s proposed budget goes into effect. The mayor and council set the overall funding amount for Metro Schools, but cannot determine how those funds are spent. It is the responsibility of the school board to make those decisions by approving a detailed operating budget.

The total operating budget for Metro Schools for the 2011-2012 fiscal year is $674,034,800. This amount is funded by state and local tax revenues, with 34.25% coming from state direct funds, and more than 60% from the Metro General Fund, such as local property taxes, local option sales taxes, and licenses, permits and other fees. State education funds are largely provided through the BEP formula, which is determined by the governor and state legislature. Capital expenditures are accounted for separately and are generally not a part of the operating budget recommendations. Additionally, federal and state grants and other special-purpose funds are accounted for separately. For example, the School Lunch Fund Program and the MNPS print shop are special-purpose funds that are funded by fees.

In 2006, Nashville voters approved a provision that requires the public to vote on any proposal to raise property taxes above the rate in that year, which was $4.69 per $100 of assessed value. This referendum can be authorized by the mayor or a majority vote of the 40-member Metro Council. However, this requirement may not be permissible under the Tennessee Constitution, so a public referendum could be subject to a legal challenge. Since the current property tax rate is $4.13 per $100 of assessed value, the council could raise the tax rate by $0.56 without triggering the referendum provision.
Capital improvements are any expenditure related to land acquisition, construction or renovation of school facilities, or the purchase of equipment that has a life expectancy of 10 years or longer. The average of age of Metro’s school buildings is 42 years.

The school board must adopt a six-year capital improvements budget each year. Projects with the highest priority are listed in year one. The Capital Improvements Budget (CIB) for all Metro agencies, including MNPS, is compiled by the Metro Planning Commission annually. The mayor and finance director review the agency requests, make changes as needed, and then submit a Mayor’s Recommended CIB to the Metro Council by May 15. The Metro Council then has 30 days to review, amend and adopt the plan.

It is important to note that the annual Capital Improvements Budget (CIB) is just a list of project requests. Adoption of the CIB by the Metro Council does not actually fund individual projects. After the mayor and finance director assess the city’s needs, priorities and the current funding availability (bonding capacity), they may file a Capital Spending Plan for individual projects with the Metro Council. Once the council adopts the Capital Spending Plan, work on these projects can begin.
Federal funds and grants must be spent for a specific purpose and are not reflected in the MNPS operating budget. In 2011-2012, these items totaled more than $93 million and include such areas as special education, state pre-K funding, and a magnet school grant. The largest item in this category is federal Title I dollars ($31.7 million), which help support the education of students in poverty.

This category also includes Race To The Top funds. In the spring of 2010, Tennessee was one of the first states to receive this federal grant to reform K-12 education. Tennessee’s application focused on developing teachers and leaders, creating rigorous standards and assessments, the use of data to drive improvement, and STEM (Science, Technology, Engineering and Math) education. Tennessee will receive a total of $501 million over a four-year period. Metro Schools’ share of the grant will be approximately $37 million during the course of those four years (see chart for allocation).
Local Operating Budget Process

1) MNPS staff prepares a draft budget which is presented to the school board. 2) After the school board considers the budget and hears from the public, the board adopts the proposed budget and 3) presents it to the mayor. 4) With information provided from the Metro Finance Department and other city departments, the mayor develops the proposed city budget and 5) presents it to Metro Council. 6) After a public hearing, the Metro Council adopts the city budget. 7) The adopted city budget is sent to the mayor. 8) The mayor either signs or vetoes the budget and 9) the school board makes changes to the budget as necessary.

State Operating Budget Process

1) The State Department of Education prepares a draft state education budget and presents to the governor. 2) The governor works with the commissioner of finance and administration to develop a proposed state budget. 3) The governor presents the proposed budget to the legislature. 4) The legislature considers and adopts the budget and 5) sends it to the governor to sign or veto.
GET INVOLVED

Friends of Metro Schools is a school funding coalition working to ensure that our community is informed and supportive of adequate school funds so every student can succeed. Without appropriate funding from local, state and federal resources, our public schools will be unable to offer the programs and support needed to help boost our student achievement and close the ever-widening student achievement gap.

To join our coalition, visit:
www.stand.org/foms or www.onenashville.org

How can I help ensure our public schools receive adequate funding?

Mark your calendars. Here’s the timeline for engaging decision makers:

**NOVEMBER - JANUARY:**
Email or call the Governor’s Office to encourage support for pre-K through 12 education funding in the state budget. (*Email bill.haslam@tn.gov, call 615-741-2001 or visit www.tn.gov.*)

**MARCH:**
Email or call your Metro School Board member or speak at the board’s public hearing if you would like to share an opinion about items in the proposed school budget. (*Email board.administrator@mnps.org, call 615-259-8487 or visit www.mnps.org.*)

**APRIL:**
Email or call the Mayor’s Office to encourage “full funding” for Metro Schools. (*Email mayor@nashville.gov, call 615-862-6000 or visit www.nashville.gov/mayor for more information.*)

Email or call your state representative and state senator to support education funding in the state budget. (*Visit www.capitol.tn.gov/legislators/ to find your state legislators and get their contact information.*)

**MAY - JUNE:**
Email or call your Metro Council member and the five at-large council members to encourage “full funding” for Metro Schools. (*Email councilmembers@nashville.gov or call 615-862-6780.*).