

# MNPS/Board of Education – Updated 6/1/2020

## Q&A From WebEx meeting on 5/21/2020

1. Extensive financial statement for MNPS that shows detail by line item, wages and historical information from the last 3 years. The budget document received for the budget hearing was mostly a summary of changes.

**Response:**

[FY17-18 MNPS Operating Budget](#)

[FY18-19 MNPS Operating Budget](#)

[FY19-20 MNPS Operating Budget \(Amendment #1\)](#)

[FY20-21 MNPS Operating Budget \(Proposed\)](#)

2. I'd like to know if a pay parity study has been done and, if not, I'd like whatever is readily available right now, for every position in administration. On the call, it was indicated that MNPS Human Resources has benchmark information with peer cities. I'd like everything they have on hand that addresses full wages/salaries for all central office positions, particularly those making more than \$100,000.
  - a. What means do we have to inspect all financials - profit/loss/per student/teacher pay/staff pay/all expenses and income - for our charter schools?

**Pending Response**

a. Each year, charter schools are audited by a state approved auditor of the school's choice. Those audits are available for public review.

School budgets are also submitted each year. The MNPS Charter Office receives a copy, and one is sent to the state.

The MNPS Charter Office reviews each audit looking for any noted exceptions.

For information about Charter School Audits, see

<https://comptroller.tn.gov/content/dam/cot/la/documents/guidance/general-guidance/WebGuidanceForCharterSchools2015.pdf>

You can use this link <https://comptroller.tn.gov/advanced-search.html> to locate specific audits.

3. The [MNPS Nutrition Services Budget](#) shows a negative fund balance of \$5.3M. Has there been any spending from the schools general fund on nutrition services for FY20?

**Response:** No. If MNPS General Fund is needed to pay down the deficit, it will impact the current year budget reductions needed to offset the local revenue shortfalls.

4. Revenues from other MNPS schools, how does the district adjust resources to make sure the brunt of lost revenues does not adversely impact schools? Are Central Office resources scaled in relation to the enrollment in MNPS schools?

**Response:** For the past several years, MNPS has endured underfunding that required budget cuts. Nevertheless, MNPS did not cut the school budgets, only central office and centralized services.

The proposed MNPS budget includes a reorganization of central office, reducing costs by \$1,000,000. For details, the School Board approved the reorganization at its meeting on Tuesday May 26. The board packet describes the agenda item:

“Central Office Reorganization Plan: Under Tenn. Code Ann. 49-5-511(b) requesting Board Approval to eliminate the following positions based on budget constraints: 1) Associate Superintendent, 2) Executive Officer of Schools and Academic Support, 3) Executive Officer of Organizational Development, 4) Executive Director of Charter and Private Schools, 5) Executive Director of Federal Programs, and 6) Director of School Choice. These positions were not included in the budget presented on May 19, 2020.”

With regard to central office costs – last year, MNPS studied the level of central office spending with an internal analysis and external study and found that the MNPS central office is a remarkably small amount of the budget and far less than most peer school systems. A video of the February 26, 2019 presentation of the budget analysis is only 20 minutes long and can be found here: [https://www.youtube.com/watch?v=G20\\_zJ8naG0](https://www.youtube.com/watch?v=G20_zJ8naG0)

To get a more independent review of the issue, MNPS asked Allovue, our external budget analysis partner that works with school districts around the country, to review the MNPS central office costs and compare it to similar school districts.

Allovue used data and methodology from a national study that Education Resource Strategies conducted. So, the methodology is as consistent as possible across districts. This is the most “apples to apples” comparison we have had to date.

[Allovue’s report is attached](#). It shows:

1. The percentage of local funds budgeted to Administration is less than other districts reviewed (slide 6). As a percentage of the school budget, MNPS spends a lower percentage (4%) on central administration and fixed costs than any of the school districts Allovue studied.
2. Average total compensation for school administrative and teaching positions is below the comparison district reviewed (slide 10).  
Average MNPS teacher is 4.8% lower;  
Average MNPS Elementary School Principal is 12.2% lower;  
Average MNPS Middle School Principal is 11.4% lower; and  
Average High School Principal is 23.9% lower.
3. School network support structures are much leaner than the comparison district reviewed (slide 8).
5. As a follow-up to CM Rosenberg's question, Would MNPS commit to budget for the MLA textbooks as a priority, second only to increases for teacher salaries? This should be an essential, non-negotiable line item.

**Response:** Increasing teacher salaries and textbooks are Board priorities. The challenge is that because of an increase in fixed costs, MNPS would be required to cut approximately \$25 million from the current year’s budget to meet the limitations set by the Mayor’s proposed budget. The Board approved over \$10 million in very difficult cuts, and still needs approximately \$15 million in addition to the funding amount proposed in the Mayor’s budget to meet the current pay scale and without the ELA book adoption.

6. What personnel not required by BEP? The same question in relation to non-classroom certificated personnel like instructional coaches? Does data show they are perceived as effective by teachers and principals rather than staffing additional classroom teachers?

**Response:** The BEP is a funding formula and not a spending plan. It does not fund the needed classroom teaching positions much less necessary supervisory or support positions.

With regard to instructional coaches – on the whole, they are very effective. However, since their efficacy varies from school and situation and may fit into individual Principal’s plans differently, MNPS gives Principals the flexibility within their own Student Based Budgets.

7. I'm concerned some schools wait 5-7 years for needs to be met while other schools are getting things that are nice and justified. How are we making sure we are maximizing capital renovation funds to address the things schools need most?

**Response:** Our capital needs budget relies on an objective measurement index to determine facility condition. For several years, the city has funded a small fraction of MNPS capital needs, and as a result, needed renovations are delayed. [See attached MNPS Capital Needs Information Sheet.](#)

8. How will the uncertainty around COVID impact MNPS funding as it relates to opening schools in the fall? Do you have the funding to supply students with access to technology tools and the internet in the event COVID presents a return to a classroom setting?

**Response:** The uncertainty around COVID-19 certainly makes it difficult to predict the progression of the disease by August. MNPS is planning for various scenarios. With regard to funding for COVID related expenses and technology needs, school districts' application for CARES Act funds was released by the state Tuesday May 26. We expect a response from the state to our application near the end of June. We would appreciate support from the Council on any funding from the city's CARES Act allocation to support our school opening plan.

9. What would MNPS budget look like that's in alignment with the Mayor's proposed budget? Please submit what that impact would be.
- a. What else would be cut to align with the Mayor's proposed budget?

**Response:** The Board-approved budget is a crisis budget. Although it maintains the current pay scale for MNPS employees, it includes no pay increase of any kind – only maintaining the 2020 COLA that the Council approved in December. Since health insurance premiums are increasing, every MNPS employee with health insurance benefits will take home less pay. Including a central office reorganization, the Board-approved budget proposes difficult cuts of over \$10 million from the current year budget which would:

Reduce trash pick-up at the schools;

Move IT and Maintenance cost out of the operating budget to capital (not a sustainable solution); and

Close four school buildings and the Cohn program;

a. The details of the impact of cutting an additional approximately \$15 million to fit within the Mayor's proposed budget will be up to the elected School Board, and it will likely require a 2%-3% cut in each school's budget, resulting in reduction of positions.

10. Additionally, what's the savings for across the board salary cuts:

200,000 -30%

150,000- 20%

100,000-10%

**Response:** The law prohibits MNPS from reducing certificated employees' salaries. T.C.A. 49-3-306(4)(C)(i)

It would be illegal to reduce salaries of certificated employees, including Principals, Assistant Principals and all other certificated administrator positions. In addition, it is important to point out that employees in the \$100,000 range include school-level principals and other central service employees.

**200,000 -30%**

MNPS has only one employee who earns \$200,000 or more. Unilaterally reducing that salary would open the board to liability on several grounds. MNPS has zero non-certificated employees earning \$200,000 or more. The savings would be zero.

**150,000- 20%**

MNPS has 5 non-certificated positions earning \$150,000 or more.

Obviously, decreasing only the salaries of support employees (particularly those who might have the same job class as certificated/certificated admin) would be problematic.

**100,000-10%**

MNPS has 73 non-certificated positions earning between \$100,000 and \$149,999.

Obviously, decreasing only the salaries of support employees (particularly those who might have the same job class as certificated/certificated admin) would be problematic.

Assuming the Board would decide to cut non-certificated employees in the relevant pay ranges by the requested amount, and assuming courts ruled in the Board's favor in the inevitable litigation, the total savings would be approximately \$1 million.