

December 12, 2023

**KINGSPORT CITY SCHOOLS  
FISCAL YEAR 2023-2024  
BUDGET AMENDMENT NUMBER SIX**

**LINCOLN/JOHNSON HVAC PROJECTS AND ESSER FUNDS**

At the October Board of Education meeting, the Board approved the bids for the Lincoln and Johnson HVAC replacements. These projects were being partially funded with \$1,311,422 of ESSER 3 funds. The ESSER funds were only going to pay for equipment and not labor, therefore the bid documents did not specify that Davis-Bacon wages would be required. It has recently been discovered that if any portion of the projects are funded with federal funds, Davis-Bacon wages will apply.

Since the bids did not specify Davis-Bacon wages, the ESSER funds that have been allocated to these projects need to be replaced with local funds. After consulting with the State Department of Education, we have determined that some items currently budgeted in the General Purpose School Fund can be funded with ESSER funds. This will free up local funds that can be used to fund the HVAC replacement projects.

The items and their associated cost that have been identified to be funded with ESSER funds are:

Instructional Design Specialists	\$693,400
Student One to One Computers	\$500,000
Teacher Classroom Computers	\$118,022

**GENERAL PURPOSE SCHOOL FUND**

**EXPENSES TO BE RECLASSIFIED TO ESSER 3**

It has been determined the Instructional Design Specialists, the One to One student computer purchase, and teacher classroom computer purchases that are budgeted in the FY 24 General Purpose School Fund are eligible to be funded with ESSER funds. This will allow the funds that have been budgeted for these expenses to be moved to a Fund Transfer line item to be transferred to the General Project Fund to fund the Lincoln and Johnson HVAC replacement projects.

It is recommended that the appropriations for the salaries and benefits budgeted for the Instructional Design Specialists of \$693,400, the Instructional Equipment funds budgeted for student and teachers computer purchases of \$618,022 be decreased by a total of \$1,311,422. It is also recommended that the appropriation for Fund Transfers be increased by \$1,311,422 and that these funds be transferred to the HVAC Replacement Project in the General Project Fund.

## **GENERAL PROJECT FUND**

### **SCHOOLS HVAC REPLACEMENT PROJECT**

The replacement of the HVAC systems at Lincoln and Johnson Elementary Schools has a total cost of \$6,777,317. There is local current funding in place of \$5,465,895. An additional amount of \$1,311,422 will be provided from the General Purpose School Fund. These funds will replace the ESSER funds that had previously been allocated to this project.

It is recommended that the Schools HVAC replacement project be amended by increasing the estimated revenue for Transfers from the School Fund and be increasing the appropriations for Construction Contracts by \$1,311,422.