

July 9, 2024

KINGSPORT CITY SCHOOLS  
FISCAL YEAR 2024-2025  
BUDGET AMENDMENT NUMBER ONE

**GENERAL PURPOSE SCHOOL FUNDS**

**ITEM ONE: EMPLOYEE COST OF LIVING INCREASE**

After further evaluation of the FY 2025 budget, economic conditions, and the financial result of operations for FY 2024, the administration of Kingsport City Schools is recommending that the FY 2025 budget be amended to provide for an additional 4 % cost of living increase for all employees. The current approved budget includes a 1 % cost of living increase. With approval of this budget amendment the total cost of living increase for FY 2025 will be 5%.

The total cost of this proposal is \$2,519,600. It is proposed that these funds be appropriated from the Unreserved Fund Balance. The Unreserved Fund Balance was \$11,997,700 at the end of FY 2023. At this time, it is projected that the Unreserved Fund Balance at the end of FY 2024 will be approximately \$12,500,000. This appropriation will reduce that amount to approximately \$10,000,000.

It is recommended that the estimated revenue for Fund Balance Appropriations and the appropriations for various salary and benefit accounts be increased by \$2,519,600 to provide funding for an additional 4% cost of living pay increase for all employees for FY 2025.