July 14, 2026

KINGSPORT CITY SCHOOLS
FISCAL YEAR 2026-2027
BUDGET AMENDMENT NUMBER TWO

GENERAL PURPOSE SCHOOL FUNDS

ITEM ONE: TISA GROWTH FUNDS/FUND BALANCE

We were recently notified that Kingsport City Schools qualified for TISA growth funds in FY 26. This is calculated by applying the FY 27 TISA enrollment numbers and using the FY 26 TISA factors and comparing the difference in the amounts generated. Due to the change in using the 1.6 multiplier for concentrated poverty, the growth calculated for Kingsport City Schools was 1.56 %. This resulted in growth funds of $764,284.

These funds were accrued and posted as FY 26 revenue and will be added to the Unreserved Fund Balance at the end of FY 26. In order the spend these funds they will have to be appropriated from the fund balance and added to the FY 27 budget. At this time there are $700,000 in expenses related to the Lynn Garden Elementary School project and the Dobyns-Bennett Renovation project that funding is being recommended for. Details of the expenses will be shown below in narrative for each of these projects.

At this time, it is recommended that the estimated revenue for Fund Balance Appropriations and the appropriation for Fund Transfers be increased by $700,000. It is further recommended that $270,000 of these funds be transferred to the Lynn Garden Elementary School project and $430,000 be transferred to the Dobyns-Bennett Renovation project.

ITEM TWO: BALLLAD HEALTH DONATION FOR RESET ROOM

We are receiving another donation from Ballad Health to fund reset rooms in our schools. This donation is for $31,500 and will fund reset rooms for the 7 remaining schools. The schools funded with this donation are Dobyns-Bennett, D-B Excel, Jefferson, Johnson, Kennedy, Lincoln, and Washington. Reset Rooms are provided to aid in positive mental health and stress reduction for students and teachers.

It is recommended estimated revenue for Other Local Revenue and the appropriations for Non-Instructional Equipment be increased by $31,500.

ITEM THREE: FY 27 BUDGET RECONCILIATION WITH THE CITY

You will recall that budget amendment number one appropriated an additional $200,000 of TISA funds to the FY 27 budget. These funds are being used to fund a custodial pay reclassification. Due to miscommunication, the City of Kingsport made a change to the original budget and on second reading of the FY 27 Budget Ordinance increased the General Purpose School Fund budget by $244,400. This amount represents additional TISA funds from the May TISA estimate. These funds were appropriated for the custodial pay increase and for the purchase of the Transportation Software. In order to bring the Board of Education's approved budget in line with the City of Kingsport's approved budget, it is necessary to increase the budget by $44,400.

It is recommended that the estimated revenue for TISA funds and the appropriation for transportation software be increased by $44,400.

Item three of this Board of Education budget amendment will not be included in the Budget Ordinance presented to the Board of Mayor and Aldermen.

GENERAL PROJECT FUND

Lynn Gargen Elementary School

To date the following funds have been appropriated for this project.

General Purpose School Funds	$4,619,798
City of Kingsport Bond Funds	2,600,000
Total	$7,219,798

Current and Future Obligation

Current Obligations	
Advertising Fees	$ 500
Architect Fees	912,767
Projected Obligations	
Architect Fees	2,265,000
State Fire Marshall Fees	50,000
Demolition and Site Work	4,000,000
Contingency	240,000
Miscellaneous	21,531
Total	$7,489,798
Balance	$ (270,000)

It is recommended that the estimated revenue for School Fund Transfers and the appropriations for Architect Fees and Construction Contracts be increased by $270,000.

Dobyns-Bennett Renovations

There were various alternates that were not accepted on this project, due to a lack of funding. With the new TISA growth funds, it is now being recommended that 3 of the remaining alternates be accepted. The alternates are:

Alternate 1 – Renovation of the old office area	$236,000
Alternate 2 – Fire shutter replacement	$160,000
Alternate 9A – IT wiring for new classrooms	$106,000

These alternates total $502,000 and a 6% contingency on these items is $30,120. In addition to these items, it is also recommended that the clocks throughout the school be replaced. This was an alternate in the bid, but it is recommended that this work be handled outside of the Construction Partners contract. The necessary quotes will be requested, and a separate purchase order will be issued. It is anticipated that this will cost $40,000 to $50,000.

Currently there is $152,668 available in this project and the total of the above work is $582,120.

It is recommended that the estimated revenue for School Fund Transfers and the appropriations be increased by $430,000.