



Tuesday, April 28, 2026

**Kingsport City Schools Board of Education Work Session (Immediately following
Special Called Meeting) - 6:00 PM**

**Administrative Support Center, Tennessee Room (3rd Floor)
400 Clinchfield Street
Kingsport, TN 37660 Phone: (423) 378-2102**

1. **CALL TO ORDER**
2. **REPORTS**
 - 2.1. Community Pre-K Advisory Council Report (Dr. Janice Irvin)
 - 2.2. School Nutrition Services Presentation (Dr. Andy True/Jennifer Walker)
 - 2.3. Random Drug Testing Update (Dr. Andy True/Jim Nash)
 - 2.4. Quarterly Financial Report for 3rd Quarter FY 2025-2026 (David Frye)
 - 2.5. Budget Update for FY 2026-2027 (David Frye)
 - 2.6. Superintendent Evaluation Review (Dr. Brandon Fletcher)
 - 2.7. BOE Committee Reports (Dr. Brandon Fletcher)
 - 2.8. Superintendent Report (Dr. Chris Hampton)
3. **ADJOURNMENT**

School Nutrition Services Update



Board of Education
Work Session
April 28, 2026

SNS Spring 2026 Update

- General Highlights from 2025-26
- Financial Focus
- Community Eligibility Provision Year 2
- Changing Dietary Guidelines



SNS Spring 2026 Update

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General Highlights from 2025-26

- Philosophy of innovation and improvement
 - School-driven improvements
 - Middle School milk dispensers
 - “Tasty Tuesdays”
 - New Recipes



SNS Spring 2026 Update



- General Highlights from 2025-26
- **Financial Focus**
- Community Eligibility Provision Year 2
- Changing Dietary Guidelines



Financial Focus

- Strategic goal: Address 2024-25 operating shortfall
- Current Status: As of December 31, 2025, there is an operating surplus of \$56,193 (per KCS Second Quarter - FY 2025-2026 Financial Update)



PRICE LIST

SNACKS

\$1.00

- Chips
- Rice Krispie Treat
- Brownie

\$0.50

- Baked Cookie - 1 Large
- Baked Cookie - 2 Small

\$0.25

- Mini Rice Krispie Treat

\$0.75

- Fruit Snacks
- Snack Crackers
- Pre-Packaged Cookie
- Muffin
- Cereal
- Cereal Bar
- Pop Tart

ICE CREAM

\$0.75

- Ice Cream Cups - Variety
- Sherbet Cups - Variety
- Juice Rush - Variety
- Mini Ice Cream Sandwich

\$1.00

- Stick Bars - Variety

\$1.25

- Wild Monster Melon Push Pop
- Ice Cream Sandwich - Variety
- Flavored Cones - Variety
- Twister Cups - Variety

DRINKS

\$0.50

- Milk
- Bottled Water

MEALS

\$4.50

- Student 2nd Meal
- Staff

\$5.00

- Non Staff

SNS Spring 2026 Update

- General Highlights from 2025-26
- Financial Focus
- **Community Eligibility Provision Year 2**
- Changing Dietary Guidelines



Why Should KCS Implement CEP?



- Provides every child access to a healthy breakfast and lunch, every day
 - Improves the environment for learning and achievement
 - Maslow's Hierarchy of Needs
- Elimination of all student meal debt

KCS Meal Participation

	Breakfast	Lunch	Snack
SY 2023-24* (pre-CEP)	219,041	468,245	4,365
SY 2024-25* (CEP Yr. 1)	287,691	545,184	2,372
SY 2025-26* (CEP Yr. 2)	350,132	579,942	37,181
Increase 2024-25 to 2025-26			
Increase pre-CEP to Current			

*Through February of each year



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Increase pre-CEP to Current			

*Through February of each year



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Increase 2024-25 to 2025-26	+21.7%	+6.4%	+1,467.5%
Increase pre-CEP to Current	+59.9%	+23.9%	+751.8%



*Through February of each year

SNS Spring 2026 Update

- General Highlights from 2025-26
- Financial Focus
- Community Eligibility Provision Year 2
- **Changing Dietary Guidelines**



Changing Dietary Guidelines

- National School Lunch Program required to mirror Dietary Guidelines for Americans (DGA)
 - Evolution of dietary requirements in school meals over time:
 - Fruits, vegetables and whole grains required to make a meal
 - Lower sodium, sugar, and saturated fats
 - Smart snack compliant food



Changing Dietary Guidelines

- National School Lunch Program required to mirror Dietary Guidelines for Americans (DGA)
- New DGA - Define Ultra Processed Foods (UPF) and reduce
- New DGA - Increase protein requirements
 - New Regulation to ban food dyes/additives
 - 2027 deadline
 - Majority of foods in School Nutrition are compliant now



Final Thoughts & What's Next

- Student worker opportunities
 - Work-Based Learning program
 - Student Interns
 - D-B Culinary Arts program
 - D-B Supply Chain program
- Next year
 - STEM Intern: D-B EXCEL
 - Increased preventative maintenance



MEMORANDUM

TO: The Kingsport Board of Education

FROM: Mr. Jim Nash, Dr. Andy True

DATE: April 28, 2026

RE: BOE Requested Report: Random Student Drug Testing

Per Kingsport Board of Education request, a quarterly report has been prepared to summarize the results of random student drug testing as authorized by Tennessee Code Annotated 49-6-4213 and Kingsport Board of Education Policy 6.3071 – Student Drug Testing. Once per quarter, the Board shall be provided a report listing the total number of tests administered during that quarter, the total number of positive tests reported during that quarter, and a summative total of such data for the current school year.

	Tests Administered	Positive Tests
Q1 (July 1-Sept. 30, 2025) 2 Administrations	40	3
Q2 (Oct. 1 – Dec. 31, 2025) 3 Administrations	67	4
Q3 (Jan. 1 – Mar. 31, 2025) 3 Administrations	66	4
Q4 (Apr. 1 – June 30, 2026) 2 Administrations	-	-
Total:	173	11



Random Drug Testing Regulations and Procedures

**KCS Board of Education
Consideration for Adoption May 12, 2026**

Kingsport City Schools

Random Drug Testing Regulations and Procedures

Kingsport City Schools has a strong commitment to the health, safety, and welfare of all of its students. To support students and families, a proactive approach in the form of a Random Drug Testing Program for deterrence has been instituted, per TCA § 49-6-4213. The purposes of this program are:

1. To maintain order, discipline, safety, supervision, and education of students;
2. To employ education, testing and counseling to deter students from illegally using drugs and thereby enhance the safety and health of students;
3. To undermine the effects of peer pressure by providing students with a legitimate reason to refuse to illegally use drugs; and
4. To encourage students who use illegally use drugs to participate in counseling and drug treatment programs

Definitions

The term *drugs* means:

1. Any scheduled drug as specified in TCA §§ 39-17-405 - 39-17-416.

The term *extracurricular activity* or *extracurricular activities* means:

1. Voluntary participation in TSSAA-sanctioned or TISCA-sanctioned organized athletic activity outside the normal graded academic curriculum (including co-curricular non-graded activities) in grades 9-12; or
2. Voluntary participation in school-sponsored cheerleading and Spirit Shakers in grades 9-12; or
3. Voluntary participation in school-sponsored extracurricular activities.

The term *tested population* means:

1. Students in grades 9-12 who participate in one or more extracurricular activities.
 - a. Exception: Students with disabilities participating in Sparkle Squad and/or Unified Athletics, as identified by the KCS Director of Special Education.

Random Drug Testing

Participation in extracurricular activities is a privilege and not a right. Students in grades 9-12 who voluntarily participate in extracurricular activities are expected to accept the responsibilities that accompany the privileges. Among these is the responsibility to remain drug free. All students who plan to voluntarily participate in extracurricular activities must consent to random drug testing as a condition of participation in such activities.

Randomly throughout the academic school year, students in grades 9-12 who desire to participate in extracurricular activities will be subject to urine testing for drugs.

Testing shall not be conducted for the sole purpose of discovering evidence to be used in a criminal prosecution.

Testing shall be conducted in the presence of a medically trained professional.

Academically Non-Punitive

This policy is not academically punitive. It is designed to promote and sustain a drug-free educational environment for students and to assist students in obtaining help when needed. No student will be penalized academically for testing positive for illegal drugs pursuant to this program. No student will be expelled or suspended from school solely as a result of a positive test under this program, but the students may be prohibited from participation in extracurricular activities as set out herein. No record of participation or of any test results will appear on a student's transcripts. This testing is not conducted for the purpose of discovering evidence to be used in a criminal prosecution and information regarding the results of drug tests will not be disclosed to criminal or juvenile authorities absent legal compulsion by valid and binding subpoena or legal process.

Scope

This program applies to all students in the tested population. No student shall be allowed to participate in extracurricular activities until the student and parent/guardian (if the student is under the age of 18) have signed a written consent (**Exhibit 1**).

Written Consent

The student and parent/guardian will be informed of the policy prior to participation in extracurricular activities and must sign a consent to random drug testing as a condition of participating in an extracurricular activity each school year in which a student is enrolled. Written consent shall be on the form attached as **Exhibit 1**. By completing the Consent Form, the student agrees to participate in the Random Drug Testing program. The student and parent/guardian will be required to submit the completed Consent Form before the student is allowed to participate in any aspect of an extracurricular activity, including training, practice, conditioning, or games.

Testing Procedures

Drug testing will be overseen by an independent drug testing company (the “Company”). Testing will be accomplished by the collection of specimens on the random test dates. The collection will be conducted by a representative of the Company (the “Representative”) under circumstances that ensure the integrity, validity, and accuracy of the test results, but are minimally intrusive and provide maximum privacy to the tested student.

Random Testing

1. The tested population will be subject to unannounced random drug testing for the presence of drugs.
2. A student will enter the tested population each school year on the date he/she submits the written Consent to Random Drug Testing. Once entering the tested population, a student will remain in the tested population for the remainder of that school year (through the May random drug test).
3. Random drug testing will be conducted during the school day on dates determined by the Superintendent of Schools or designee. Testing will take place on ten (10) school days per school year at a rate of one day per month from August through May.
4. The number of students randomly selected for testing will be twenty (20) per test administration, plus those required to test per the requirements of the program.
5. The dates for the random selection of students from the population to be tested will be determined by the Superintendent of Schools or designee.
6. Prior to each random test date, the administrator (as designated by the Superintendent of Schools or designee) will provide the Company an updated list of all students in the tested population. The Company will randomly select twenty (20) students to be tested each testing date.
7. The administrator (as designated by the Superintendent of Schools or designee) will receive the list of students selected for each random test. Notification of those students who have been selected for testing and those required to test per the requirements of the program will be in-person by the administrator (as designated by the Superintendent of Schools or designee) or a school employee designated by the administrator. Selected students must show the administrator/designee and/or the Representative photo identification, either a school ID or a driver’s license. If a student is unable to provide a photo ID, an Administrator or a school employee designated by the Administrator must identify the student.
8. Students selected for testing will be notified and immediately tested. Any student randomly selected for drug testing who is not present and available for testing on the day selected will be tested on the next scheduled testing date if such student is unavailable to test due to:
 - Absence from school.
 - A school-related activity*.
 - *Selected students who are present but off-campus due to an academic-related placement (including, but not limited to

work-based learning, internship) will be notified and required to return to campus (if able) to complete testing.

- An illness confirmed by KCS nursing personnel.
- Being removed from the testing process by a parent/guardian due to a documented medical appointment.

If such student is again not present and available to test on that next testing date, the student will remain on the list to be tested on subsequent testing dates until testing occurs.

9. Parents/guardians will be notified in writing when their student has been tested (**Exhibit 2**). The notice will be given to the student to deliver to his/her parent/guardian. The notice will also be mailed to the student's parent/guardian.
10. If a student does not provide a viable testing sample within the timeframe outlined in the Collection Protocol or refuses to be tested, the test will be considered as a positive test result and the student will be subject to consequences as specified under Consequences for Positive Results.

Collection Protocol

1. The Company will follow established guidelines for all drug testing and follow best practice and standards for administering a drug testing program. Testing will require a designated restroom and area for setup of supplies and equipment.

2. Each student will be given the opportunity to give a specimen to the collector, which shall occur in the presence of the witness who shall be an employee of the Company with the necessary training or licensure to oversee collection of specimens. If the student is unable to provide a specimen sufficient for testing, they will have three (3) hours from the time of the initial collection to provide another specimen. During that time, the student may drink up to forty (40) ounces of fluid. The student must be observed by an employee of the Company during the time between testing attempts, as well as being time monitored and fluid-intake monitored.

3. If it is determined that a specimen is adulterated or that a student has failed to follow the procedures outlined herein for the collection process, the student will be removed from participation in all voluntary extracurricular activities for one calendar year (365 days) or the next applicable step in the Consequences for Positive Results for that student (whichever is greater).

Tested Substances

The Company will perform a 12 panel urine drug screen on provided samples, testing for the following substances:

<u>Substance</u>	<u>Cutoff Value</u>
Methaqualone (300/300)	300 ng/mL
Oxyc/Oxym (100/100)	100 ng/mL
Buprenorphine (10/10-5)	10 ng/mL
Amp/Mamp (1000/500)	1000 ng/mL
Barbiturates (300/300)	300 ng/mL
Benzodiazepines (300/300)	300 ng/mL
Cocaine Metabolite (300/150)	300 ng/mL
Marijuana Metabolites (50/15)	50 ng/mL
Methadone MTB (300/300)	300 ng/mL
Propoxyphene MTB (300/300)	300 ng/mL
Phencyclidine (25/25)	25 ng/mL
Opiates-4 (2000/2000)	2000 ng/mL

Procedures in the Event of a Negative Result

In the case of a negative result, the Company will release the results to the designated administrator (as designated by the Superintendent of Schools or designee).

Procedures in the Event of a Non-Negative Result

In the case of a non-negative result, the Company will contact the student/parent/guardian to confirm if there is a valid prescription. Once the determination has been made, the result will be communicated to the designated administrator (as designated by the Superintendent of Schools or designee).

- Failure to supply information requested by the Company upon inquiry following a non-negative result will subject a student to the consequences as specified under Consequences for Positive Results.

Consequences for Positive Results

For the purpose of positive result consequences, the date of the positive result shall be the date the positive result is verified by the Medical Review Officer.

When a test result indicates the presence of illegal drugs, the following will occur:

First Positive

1. The student will be required to attend a mandatory drug and alcohol counseling program, provided by Kingsport City Schools at its cost, within thirty (30) days from the date of the positive result. If desired, parents may elect to pursue an

alternate counseling program at their own expense, upon approval of the district. If after 30 days the student has not enrolled in the mandatory drug and alcohol counseling program, the student will be suspended from all extracurricular activities until commencement of attendance in the approved drug and alcohol counseling program.

2. The student will be subject to mandatory drug testing for the next three (3) consecutive testing cycles*, at the school district's expense. After the completion of three (3) consecutive negative drug tests, the student will be returned to the random drug testing program. A student's refusal to be tested in the drug testing program will be treated the same as a positive test result and will be counted in the cumulative number of positive test violations.
3. The student will be suspended from all voluntary extracurricular activities for a period of fourteen (14) days from the date of the positive result.

Second Positive

1. The student will be required to attend a mandatory drug and alcohol counseling program, provided by Kingsport City Schools at its cost, within thirty (30) days from the date of the positive result. If desired, parents may elect to pursue an alternate counseling program at their own expense, upon approval of the district. If after 30 days the student has not enrolled in the mandatory drug and alcohol counseling program, the student will be suspended from all extracurricular activities until commencement of attendance in the approved drug and alcohol counseling program.
2. The student will be subject to mandatory drug testing for the next three (3) consecutive testing cycles*, at the school district's expense. After the completion of three (3) consecutive negative drug tests, the student will be returned to the random drug testing program. A student's refusal to be tested in the drug testing program will be treated the same as a positive test result and will be counted in the cumulative number of positive test violations.
3. The student will be suspended from all voluntary extracurricular activities for a period of 180 days from the date of the positive result.

Third Positive

1. The student will be required to attend a mandatory drug and alcohol counseling program, provided by Kingsport City Schools at its cost, within thirty (30) days from the date of the positive result. If desired, parents may elect to pursue an alternate counseling program at their own expense, upon approval of the district. If after 30 days the student has not enrolled in the mandatory drug and alcohol counseling program, the student will be suspended from all extracurricular activities until commencement of attendance in the approved drug and alcohol counseling program.
2. The student will be subject to mandatory drug testing for the next five (5) consecutive testing cycles*, at the school district's expense. After the completion of five (5) consecutive negative drug tests, the student will be returned to the random drug testing program. A student's refusal to be tested in the drug testing

program will be treated the same as a positive test result and will be counted in the cumulative number of positive test violations.

3. The student will be suspended from all voluntary extracurricular activities for a period of one calendar year (365 days) from the date of the positive result.

Fourth Positive

1. The student will be ineligible for participation in voluntary extracurricular activities for the remainder of his/her high school career.

*Should a student withdraw from KCS during mandatory participation in testing cycles, all mandatory testing cycles must be completed if/when the student returns to enrollment in KCS before returning to the random drug testing program.

Appeal

If a student, parent or guardian wishes to contest the results of a positive test, a written appeal must be submitted to the Superintendent of Schools or designee within five (5) working days of the date of notification of the positive test. Either the student, parent, or guardian may challenge any procedure related to the collection or testing of the specimen. Upon appeal, the Company will be instructed to submit the specimen for re-testing. The student may not participate in voluntary extracurricular activities until the appeal process has been completed.

- If a student or parent/guardian elects to appeal/contest the results of the Random Drug Test, the District will pay the expense for one (1) split test per student. Expenses of any subsequent split tests shall be paid by the student or student's parent/guardian for the remainder of student's high school career.

Other Notes

- Confidentiality of test results must be maintained at all levels, including the Company, school administrators, and all KCS employees (Exhibit 3). The school administrator will be responsible for conducting an annual meeting with school faculty and staff regarding the student drug testing policy, related procedures, and confidentiality requirements. A Confidentiality Agreement (Exhibit 3) will be signed by all KCS employees participating in the student random drug testing process.
- All positive testing records held by Kingsport City Schools will be maintained by the KCS records administrator.
- A student who is prohibited from participating in extracurricular activities cannot participate in any extracurricular activities at any level. **The KCS records administrator is responsible for monitoring the eligibility of students prohibited from participating in extracurricular activities and ensuring participation occurs per the requirements of the program.**
- All consequences for positive results will be issued in a cumulative fashion over the course of a student's high school career.



Consent to Random Drug Testing Exhibit 1

I have received a copy of Kingsport City Schools Random Drug Testing Program. I understand that by signing this form:

- I agree to participate in the Random Drug Testing Program.
- I agree that participation in voluntary extracurricular activities is a privilege that may be withdrawn if I do not adhere to the requirements of the program.
- I agree to provide a urine sample for drug testing when requested to do so in accordance with the program.
- I agree sanctions for violation of the KCS Random Drug Testing Regulations and Procedures may be imposed upon me.
- I authorize the notification of my parent or guardian of any positive drug test results. I further authorize the confidential release of this information to other individuals, including Kingsport City Schools officials, as provided in the Random Student Drug Testing program description.

Student Name _____ Birth Date ____/____/____ Grade ____

Student Signature _____ Date _____

.....

I am the parent/guardian of a student at Dobyns-Bennett High School and I have received a copy of Kingsport City Schools Random Drug Testing Program. I understand that by signing this form:

- I agree to allow my student to participate in the Random Drug Testing Program.
- I agree that participation in extracurricular activities is a privilege that may be withdrawn if my student does not adhere to the requirements of the program.
- I agree that my student may provide a urine sample for drug testing when requested to do so in accordance with the program.
- I agree sanctions for violation of the KCS Random Drug Testing Regulations and Procedures may be imposed upon my student.

I understand that this Consent is binding as long as my student attends the Kingsport City Schools or until this Consent is revoked by me in writing and delivered to the Superintendent of Schools.

Name _____ Student Grade _____

Signature _____ Date _____

Home Phone _____ Work Phone _____



**Kingsport City Schools
Parent/Guardian Notification of Urine Drug Test
Exhibit 2**

Date _____

Parent/Guardian _____

Address _____

Student Name _____

Dear _____:
Parent/Guardian

This is to inform you that your student, _____, submitted a urine specimen on _____ pursuant to the Kingsport City Schools Board Policy 6.3071 - Student Drug Testing policy and the procedures outlined in the Kingsport City Schools Random Drug Testing Regulations and Procedures.

School Administrator



**Confidentiality Statement
Student Random Drug Testing Program
Exhibit 3**

I understand that I will be exposed to privileged and confidential information associated with the Kingsport City Schools Random Student Drug Testing Program, which may include the names and identities of students tested and the results of such tests. I understand that I am prohibited from disclosing this information to anyone except as allowed by Law, by Policy, or by the Random Student Drug Testing Program, or with the properly obtained permission of the parent or guardian, or the student if age 18. I understand that if I disclose this information in violation of this agreement I will be subject to discipline, which may include termination of my employment.

Printed Name: _____

Signature: _____

Position: _____

Date: _____

BOE Approved - 3/25/2025

49-6-4213. Testing of students for drugs — Referral information and assistance for students testing positive.

(a)

(1) A student may be subject to testing for the presence of drugs in the student's body in accordance with this section and the policy of the LEA if there are reasonable indications to the principal that such student may have used or be under the influence of drugs. The need for testing may be brought to the attention of the principal through a search authorized by § 49-6-4204 or § 49-6-4205, observed or reported use of drugs by the student on school property, or other reasonable information received from a teacher, staff member or other student. All of the following standards of reasonableness shall be met:

(A) A particular student has violated school policy;

(B) The test will yield evidence of the violation of school policy or will establish that a student either was impaired due to drug use or did not use drugs;

(C) The test is in pursuit of legitimate interests of the school in maintaining order, discipline, safety, supervision and education of students;

(D) The test is not conducted for the sole purpose of discovering evidence to be used in a criminal prosecution; and

(E) Tests shall be conducted in the presence of a witness. Persons who shall act as witnesses shall be designated in the policy of the local board of education.

(2) A student participating in voluntary extracurricular activities may be subject to random drug testing in the absence of individualized reasonable suspicion provided the standards set forth in subdivisions (a)(1)(B)-(E) are met.

(b) As used in this section and § 49-6-4203, "drugs" means:

(1) Any scheduled drug as specified in §§ 39-17-405 — 39-17-416; and

(2) Alcohol.

(c) Before a drug testing program is implemented in any LEA, the local board of education in that LEA shall establish policies, procedures and guidelines to implement this section within that LEA. The state board of education shall prepare a model policy, procedure and guidelines that may be adopted by local boards of education.

(d) Tests shall be conducted by properly trained persons in circumstances that ensure the integrity, validity and accuracy of the test results but are minimally intrusive and provide maximum privacy to the tested student. All tests shall be performed by an accredited laboratory. Specimens confirmed as positive shall be retained for at least ten (10) days for possible retesting or reanalysis.

(e) Students shall be advised in writing at the time of their enrollment that they are subject to testing. Notice to each student shall include grounds for testing, the procedures that will be followed and possible penalties. Students shall be advised of their right to refuse to undergo drug testing and the consequences of refusal.

(f)

(1) A parent of the student or a person legally responsible for the student shall be notified before any drug test is administered to the student.

(2) If an LEA adopts a policy permitting random drug testing of students in voluntary extracurricular activities, then, prior to a student participating in an extracurricular activity, the

LEA shall notify the parents and guardians of any such student that the student may be subjected to random drug testing. A parent or guardian of a student participating in a volunteer extracurricular activity shall provide written consent for random drug testing prior to the student participating in the voluntary extracurricular activity.

(g) The LEA shall pay the cost of any testing required under this section.

(h) In any school where LEA or school policy allows tests provided for by this section, in-service training of principals and teachers will be conducted in signs and symptoms of student drug use and abuse and in the school policy for handling of these students. The department of mental health and substance abuse services shall cause qualified trainers to be available to the schools to conduct this training.

(i) Test reports from laboratories shall include the specimen number assigned by the submitting LEA, the drug testing laboratory accession number and results of the drug tests. Certified copies of all analytical results shall be available from the laboratory when requested by the LEA or the parents of the student. The laboratory shall not be permitted to provide testing results verbally by telephone.

(j)

(1) All specimens testing negative on the initial screening test or negative on the confirmatory test shall be reported as negative.

(2) If a student is tested and the results of the test are negative, all records of the test, request for a test or indication a student has been tested shall be expunged from all records, including school records.

(k)

(1) If a student is tested in a drug testing program and the results of the test are positive, all records of the test, request for a test or indication a student has been tested shall be confidential student records in accordance with § 10-7-504(a)(4)(A).

(2) No student who is tested under a random drug testing program and who tests positive shall be suspended or expelled from school solely as the result of the positive test.

(3) The principal or school counselor of the school in which a student who tests positive in a drug testing program is enrolled shall provide referral information to the student and to the student's parents or guardian. The information shall include information on inpatient, outpatient and community-based drug and alcohol treatment programs.

(l) Each LEA participating in the drug testing of students authorized in subsection (a) shall promulgate policies and procedures to ensure that those students testing positive receive the assistance needed. The assistance shall include an assessment to determine the severity of the student's alcohol and drug problem and a recommendation for referral to intervention or treatment resources as appropriate. Nothing in this section shall be construed to require LEAs to administer drug tests to students. Any system that elects to participate shall supply the testing materials and any subsequent counseling within existing local funds.

(m) Malicious use of authority granted by this section may be grounds for dismissal of the person so acting.

History

Acts 1988, ch. 940, § 1; 1999, ch. 367, § 5; 2000, ch. 947, § 6; 2010, ch. 1100, § 78; 2010, ch. 1136, §§ 1-4; 2012, ch. 575, § 1.

BOE Approved - June 2025

MEMORANDUM

TO: Board of Education
Dr. Chris Hampton, Superintendent of Schools

FROM: David J. Frye, Chief Finance Office DJF

DATE: April 28, 2026

SUBJECT: Third Quarter - FY 2025-2026 Financial Update

Attached to this memo are revenue and budget summaries for fiscal year 2025-2026, as of March 31, 2026. Overall, our expenditures are roughly at 72% of budget, which is in line for this time of year. I will elaborate on some specifics that you need to be aware of in the following:

REVENUE

State Revenues

- TISA Funds - The current estimate of TISA funds is \$49,644,600. The amount collected as of March 31, 2026, is \$39,936,144. This includes the Outcomes funding, in the amount of \$837,466. The final allocation was \$48,923,425. With the Outcomes payment included the total TISA funds collected will be \$49,760,891. This will exceed the estimate by \$116,291.
- Other State Funds – Included in this account is \$1,362,151 received for the teacher bonus funds. There has been an additional \$1,214,286 received from the State. These funds are being distributed to high-performing LEAs, where at least fifty percent of the schools in the LEA received an “A” letter grade. LEAs with 11-20 schools are scheduled to receive \$2,000,000. The amount that we have received represents a pro-rata distribution based on the amounts of funds available for distribution. There is the potential of receiving the full amount, pending legislative approval.
- Paid Parental Leave – The estimate for Paid Parental Leave funds is \$225,000. As of March 31, 2026, there has been \$124,867 received. I would expect the third reimbursement to be approximately \$100,000, which will bring us close to the estimate by the end of the year.

County Revenue

- Current Year Property Taxes: As of March 31, 2026, we have received \$14,846,952 in Current Year Property Taxes. The estimate is \$15,000,000. As reported in the 1st quarter financial update, we potentially could be \$135,000 short in property taxes for the current year. I would estimated we will receive an additional \$50,000-\$100,000.
- Sales Tax: Through December we have received 77.0 % of the estimated amount for the year. This is \$241,794 more than this time last year. This represents a 2.0 % increase from the same time last year. At this time, I would estimate that our actual collections may meet

the estimated amount by the end of the year.

Charges for Services

- Tuition – Regular Students: We are currently collecting about \$29,000 per month in tuition. As of March 31, 2026, the amount collected was \$233,405. With a total of \$58,000 collected over the next two months, that would bring the total for the year to approximately \$290,000, which will exceed our estimate of \$250,000.
- Early Childhood Fees: At this time, we have collected 71.5% of the anticipated revenues for the year. This is \$26,937 more than was collected at this time last year. The budget is 74.7% expended. After accounting for bonus payments and FY 25 purchase orders that were carried forward, these programs have a combined FY 26 operating deficit of \$33,073. The Washington program has a deficit of \$17,404 and the Adams program has a deficit of \$15,669.
- After-School Programs: At this time, we have collected 66.4 % of the estimated revenue for the year. The budget is 61.1% expended. As of March 31, there is a surplus of \$54,248.

Other Sources

Fund Balance Appropriation: As of March 31, 2026, there was a total of \$7,160,526 appropriated from the Unreserved Fund Balance. This amount consists of the following:

FY 2025 Unpaid Purchases Orders Carried Forward	\$1,132,126
Appropriation to Fund the FY 26 Budget	3,003,400
Washington HVAC Replacement Appropriation	2,675,000
Robinson Fire Alarm Replacement Appropriation	50,000
Lynn Garden Elementary School Appropriation	300,000

The audited Unreserved Fund Balance at June 30, 2025, was \$13,680,235. After these appropriations the current Unreserved Fund Balance is \$6,519,709.

Also included with this update is a comparison of revenues as of March 31, 2025 and 2026. I do not have any specific comments about this spreadsheet, but would be glad to address any questions or concerns that you may have.

EXPENDITURES

At this time, I am not aware of any expenditures that are not occurring as budgeted.

SCHOOL NUTRITION FUND

The approved School Nutrition Services budget for FY 2026 includes a Fund Balance appropriation of \$670,000. There was \$59,500 budgeted for the one-time bonus and \$292,000 budgeted for capital outlay. This means that there was \$318,500 budgeted from Fund Balance to fund the operated budget for FY 2026.

I am pleased to report that as of March 31, 2026, that there is an operating surplus of \$118,572. This includes the bonus payment and also includes \$80,912 of capital expenditures. I have met with the SNS staff to review the current numbers, and it appears that we are on track to end the year with an operating surplus.

We are seeing increases in A La Carte sales and are also seeing increases in federal reimbursements. The increases in federal reimbursements are due to increases in participation. It appears that we may exceed our budgeted amount for food expenses, but this is due to the increase in participation. The growing pains that we experienced with the first year as a NETCO member have been resolved and we are now seeing the reduction of food costs as a result of the NETCO cooperative purchasing.

**KINGSPORT CITY SCHOOLS
DETAIL REVENUE ESTIMATES
FISCAL YEAR 2025- 2026**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2025-2026 ESTIMATED	2025-2026 ACTUAL	OVER (UNDER)
FEDERAL DIRECT FUNDS				
141-0000-336.76-40	ROTC REIMBURSEMENT	\$ 97,000	\$ 55,287	\$ (41,713)
TOTAL FEDERAL DIRECT FUNDS		\$ 97,000	\$ 55,287	\$ (41,713)
FEDERAL FUNDS THROUGH STATE:				
141-0000-337.71-43	EDUCATION OF HANDICAPPED ACT High Cost Funds	\$ 52,000	\$ 28,652	\$ (23,348)
TOTAL FEDERAL FUNDS THROUGH STATE		\$ 52,000	\$ 28,652	\$ (23,348)
STATE EDUCATION FUNDS:				
141-0000-338.61-75	ON-BEHALF CONTRIBUTION FOR OPEB	\$ 350,000	\$ 0	(350,000)
141-0000-338.65-10	TN INVESTMENT IN STUDENT ACHIEVEMENT April Estimate \$48,869,600 Includes \$775,000 in Outcomes Funding Received \$779,000 in FY 2025	49,644,600	39,936,144	\$ (9,708,456)
141-0000-338.65-90	OTHER STATE EDUCATION FUNDS State Teacher Bonus Funds - \$1,407,100	1,407,100	2,576,437	1,169,337
141-0000-338.65-96	PAID PARENTAL LEAVE	225,000	124,867	(100,133)
141-0000-338.66-10	CAREER LADDER	30,000	14,097	(15,903)
TOTAL STATE FUNDS		\$ 51,656,700	\$ 42,651,545	\$ (8,655,155)
COUNTY REVENUE:				
141-0000-339.01-10	CURRENT PROPERTY TAX Includes a 2.5% increase is assessed value Includes a TIF Adjustment of (\$325,000)	\$ 15,000,000	\$ 14,846,952	\$ (153,048)
141-0000-339.01-20	TRUSTEE'S COLLECT/PR YR	450,000	409,820	(40,180)
141-0000-339.01-30	CIRCUIT CLK & MSTR/PR YR	250,000	87,644	(162,356)
141-0000-339.01-40	INTEREST AND PENALTY	175,000	87,147	(87,853)
141-0000-339.01-50	PICK UP TAXES	400,000	588,569	188,569
141-0000-339.02-10	LOCAL OPTION SALES TAX Current Year Estimate \$15,050,000 FY 25 estimate is 3.0% above the FY 24 estimated actual amount.	15,600,000	12,012,348	(3,587,652)
141-0000-339.02-40	WHEEL TAX	14,000	12,125	(1,875)
141-0000-339.03-90	OTHER STATUTORY LOCAL TAX	75,000	50,663	(24,337)
TOTAL COUNTY REVENUE		\$ 31,964,000	\$ 28,095,268	\$ (3,868,732)

**KINGSPORT CITY SCHOOLS
DETAIL REVENUE ESTIMATES
FISCAL YEAR 2025- 2026**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2025-2026 ESTIMATED	2025-2026 ACTUAL	OVER (UNDER)
CHARGES FOR SERVICES:				
141-0000-349.35-11	TUITION-REG DAY STUDENT	\$ 250,000	\$ 233,405	\$ (16,595)
141-0000-349.35-81	FEES - PALMER CENTER ECLC	0	0	0
141-0000-349.35-82	FEES - WASHINGTON ECLC	421,000	280,680	(140,320)
141-0000-349.35-83	FEES - WASHINGTON DAY CARE	193,800	119,739	(74,061)
141-0000-349.35-84	FEES - ADAMS DAY CARE	102,800	85,265	(17,535)
141-0000-349.35-85	FEES - ADAMS ECLC	450,600	342,150	(108,450)
141-0000-349.35-87	FEES - JOHNSON DAY CARE	104,300	61,131	(43,169)
TOTAL CHARGES FOR SERVICES		\$ 1,522,500	\$ 1,122,370	\$ (400,130)
OTHER LOCAL REVENUES:				
141-0000-361.10-00	EARNINGS ON INVESTMENTS	\$ 0	\$ 81,664	\$ 81,664
141-0000-369.41-20	LEASE/RENTALS	5,000	3,505	(1,495)
141-0000-369.41-46	ERATE FUNDING	760,000	383,436	(376,564)
141-0000-369.49-90	OTHER LOCAL REVENUE	369,884	241,465	(128,419)
	Includes \$20,000 for 1:1 fees			
	Includes \$80,000 for miscellaneous			
141-0000-369.49-91	ACTIVITIES PAYMENTS	80,000	172,431	92,431
TOTAL OTHER LOCAL REVENUES		\$ 1,214,884	\$ 882,501	\$ (332,383)
OTHER SOURCES:				
141-0000-392.01-00	FUND BALANCE APPROPRIATIONS	\$ 7,160,526	\$ 0	\$ (7,160,526)
141-0000-399.98-00	FEDERAL PROJECTS- INDIRECT COSTS	75,000	71,379	(3,621)
141-0000-399.98-10	CITY GENERAL FUND TRANSFERS	11,245,300	8,433,975	(2,811,325)
141-0000-399.98-11	CITY GENERAL FUND TRANSFERS - DEBT	4,441,400	3,697,593	(743,807)
TOTAL OTHER SOURCES		\$ 22,922,226	\$ 12,202,947	\$ (10,719,279)
TOTAL GENERAL PURPOSE REVENUE		\$ 109,429,310	\$ 85,038,570	\$ (24,040,740)

**KINGSPORT CITY SCHOOLS
DETAIL REVENUE
2024-2025 COMPARED TO 2025-2026
AS OF MARCH 31, 2026**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2024-2025 ACTUAL	2025-2026 ACTUAL	OVER (UNDER)
FEDERAL DIRECT FUNDS				
141-0000-336.76-40	ROTC REIMBURSEMENT	\$ 64,480	\$ 55,287	\$ (9,193)
TOTAL FEDERAL DIRECT FUNDS		\$ 64,480	\$ 55,287	\$ (9,193)
FEDERAL FUNDS THROUGH STATE:				
141-0000-337.71-43	EDUCATION OF THE HANDICAPPED ACT	\$ 48,277	\$ 28,652	\$ (19,625)
141-0000-337.75-90	OTHER FEDERAL THROUGH STATE	0	0	0
TOTAL FEDERAL FUNDS THROUGH STATE		\$ 48,277	\$ 28,652	\$ (19,625)
STATE EDUCATION FUNDS:				
141-0000-338.65-11	TN INVESTMENT IN STUDENT ACHIEVEMEN	\$ 38,432,833	\$ 39,936,144	\$ 1,503,311
141-0000-338.65-90	OTHER STATE EDUCATION FUNDS	0	2,576,437	2,576,437
141-0000-338.65-96	PAID PARENTAL LEAVE	168,546	124,867	(43,679)
141-0000-338.66-10	CAREER LADDER	18,853	14,097	(4,756)
TOTAL STATE FUNDS		\$ 38,620,232	\$ 42,651,545	\$ 4,031,313
COUNTY REVENUE:				
141-0000-339.01-10	CURRENT PROPERTY TAX	\$ 15,605,822	\$ 14,846,952	\$ (758,870)
141-0000-339.01-20	TRUSTEE'S COLLECT/PR YR	386,806	409,820	23,014
141-0000-339.01-30	CIRCUIT CLK & MSTR/PR YR	136,186	87,644	(48,542)
141-0000-339.01-40	INTEREST AND PENALTY	111,851	87,147	(24,704)
141-0000-339.01-50	PICK UP TAXES	528,882	588,569	59,687
141-0000-339.02-10	LOCAL OPTION SALES TAX	11,770,554	12,012,348	241,794
141-0000-339.02-40	WHEEL TAX	10,704	12,125	1,421
141-0000-339.03-90	OTHER STATUTORY LOCAL TAX	73,150	50,663	(22,487)
TOTAL COUNTY REVENUE		\$ 28,623,955	\$ 28,095,268	\$ (528,687)

**KINGSPORT CITY SCHOOLS
DETAIL REVENUE
2024-2025 COMPARED TO 2025-2026
AS OF MARCH 31, 2026**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2024-2025 ACTUAL	2025-2026 ACTUAL	OVER (UNDER)
CHARGES FOR SERVICES:				
141-0000-349.35-11	TUITION-REG DAY STUDENT	\$ 199,618	\$ 233,405	\$ 33,787
141-0000-349.35-81	FEES - PALMER CENTER ECLC	191,997	0	(191,997)
141-0000-349.35-82	FEES - WASHINGTON ECLC	287,963	280,680	(7,283)
141-0000-349.35-83	FEES - WASHINGTON DAY CARE	111,782	119,739	7,957
141-0000-349.35-84	FEES - ADAMS DAY CARE	66,036	85,265	19,229
141-0000-349.35-85	FEES - ADAMS ECLC	307,930	342,150	34,220
141-0000-349.35-87	FEES - JOHNSON DAY CARE	53,281	61,131	7,850
TOTAL CHARGES FOR SERVICES		\$ 1,218,607	\$ 1,122,370	\$ (96,237)
OTHER LOCAL REVENUES:				
141-0000-361.10-00	INTEREST EARNINGS	\$ 0	\$ 81,664	\$ 81,664
141-0000-369.41-20	LEASE/RENTALS	5,635	3,505	(2,130)
141-0000-369.41-46	ERATE FUNDING	383,436	431,366	47,930
141-0000-369.49-90	OTHER LOCAL REVENUE	125,894	241,465	115,571
141-0000-369.49-91	ACTIVITY PAYMENTS	50,765	172,431	121,666
TOTAL OTHER LOCAL REVENUES		\$ 565,730	\$ 930,431	\$ 364,701
OTHER SOURCES:				
141-0000-399.98-00	OPERATING TRANSFERS- INDIRECT COSTS	\$ 76,146	\$ 71,379	\$ (4,767)
141-0000-399.98-10	CITY GENERAL FUND TRANSFERS	8,433,975	8,433,975	0
141-0000-399.98-20	CITY GENERAL FUND TRANSFERS - DEBT	3,704,232	3,697,593	(6,639)
TOTAL OTHER SOURCES		\$ 12,214,353	\$ 12,202,947	\$ (11,406)
TOTAL GENERAL PURPOSE REVENUE		\$ 81,355,634	\$ 85,086,500	\$ 3,730,866

**KINGSPORT CITY SCHOOLS
BUDGET SUMMARY
FISCAL YEAR 2025- 2026**

SERIES	2025-2026 BUDGET	2025-2026 ACTUAL	UNDER/(OVER) BUDGET	PERCENT OBLIGATED
INSTRUCTION:				
REGULAR EDUCATION PROGRAM	\$ 49,081,797	\$ 34,297,275	\$ 14,784,522	69.88
SPECIAL EDUCATION PROGRAM	8,511,600	5,692,348	2,819,252	66.88
VOCATIONAL EDUCATION PROGRAM	2,254,668	1,417,567	837,101	62.87
TOTAL INSTRUCTION	\$ 59,848,065	\$ 41,407,190	\$ 18,440,875	69.19
SUPPORT SERVICES: STUDENTS:				
ATTENDANCE	\$ 110,200	\$ 75,375	\$ 34,825	68.40
HEALTH SERVICES	1,753,700	1,175,154	578,546	67.01
OTHER STUDENT SUPPORT	3,970,908	3,205,413	765,495	80.72
TOTAL STUDENT SUPPORT	\$ 5,834,808	\$ 4,455,942	\$ 1,378,866	76.37
INSTRUCTIONAL STAFF:				
REGULAR EDUCATION PROGRAM	\$ 5,401,859	\$ 3,755,337	\$ 1,646,522	69.52
SPECIAL EDUCATION PROGRAM	1,473,600	1,055,680	417,920	71.64
VOCATIONAL EDUCATION PROGRAM	267,963	207,614	60,349	77.48
TECHNOLOGY	3,895,758	2,915,909	979,849	74.85
TOTAL INSTRUCTIONAL STAFF	\$ 11,039,180	\$ 7,934,540	\$ 3,104,640	71.88
GENERAL ADMINISTRATION:				
BOARD OF EDUCATION SERVICES	\$ 1,314,500	\$ 1,111,954	\$ 202,546	84.59
OFFICE OF THE SUPERINTENDENT	989,300	694,071	295,229	70.16
TOTAL GENERAL ADMINISTRATION	\$ 2,303,800	\$ 1,806,025	\$ 497,775	78.39

**KINGSPORT CITY SCHOOLS
BUDGET SUMMARY
FISCAL YEAR 2025- 2026**

SERIES	2025-2026 BUDGET	2025-2026 ACTUAL	UNDER/(OVER) BUDGET	PERCENT OBLIGATED
SCHOOL ADMINISTRATION:				
OFFICE OF THE PRINCIPAL	\$ 5,090,149	\$ 3,815,353	\$ 1,274,796	74.96
TOTAL SCHOOL ADMINISTRATION	\$ 5,090,149	\$ 3,815,353	\$ 1,274,796	74.96
BUSINESS ADMINISTRATION:				
FISCAL SERVICES	\$ 715,400	\$ 530,634	\$ 184,766	74.17
HUMAN RESOURCES	517,118	374,213	142,905	72.37
TOTAL BUSINESS ADMINISTRATION	\$ 1,232,518	\$ 904,847	\$ 327,671	73.41
OPERATION AND MAINT. OF PLANT:				
OPERATION OF PLANT	\$ 6,912,447	\$ 4,717,194	\$ 2,195,253	68.24
MAINTENANCE OF PLANT	3,576,838	2,507,346	1,069,492	70.10
TOTAL OPERATION/MAINT OF PLANT	\$ 10,489,285	\$ 7,224,540	\$ 3,264,745	68.88
STUDENT TRANSPORTATION:				
TRANSPORTATION	\$ 3,040,600	\$ 2,435,527	\$ 605,073	80.10
TOTAL STUDENT TRANSPORTATION	\$ 3,040,600	\$ 2,435,527	\$ 605,073	80.10
TOTAL SUPPORT SERVICES	\$ 39,030,340	\$ 28,576,774	\$ 10,453,566	73.22
OPERATION OF NON- INSTRUCTIONAL SERVICES:				
COMMUNITY SERVICES	\$ 1,269,328	\$ 901,393	\$ 367,935	71.01
TOTAL OPERATION OF NON- INSTRUCTIONAL SERVICES	\$ 1,269,328	\$ 901,393	\$ 367,935	71.01

**KINGSPORT CITY SCHOOLS
BUDGET SUMMARY
FISCAL YEAR 2025- 2026**

SERIES	2025-2026 BUDGET	2025-2026 ACTUAL	UNDER/(OVER) BUDGET	PERCENT OBLIGATED
CAPITAL OUTLAY:				
REGULAR CAPITAL OUTLAY	\$ 1,232,277	\$ 841,504	\$ 390,773	68.29
TOTAL CAPITAL OUTLAY	\$ 1,232,277	\$ 841,504	\$ 390,773	68.29
DEBT SERVICE:				
DEBT SERVICE	\$ 4,819,300	\$ 4,029,246	\$ 790,054	83.61
TOTAL DEBT SERVICE	\$ 4,819,300	\$ 4,029,246	\$ 790,054	83.61
OTHER USES:				
TRANSFERS	\$ 3,230,000	\$ 2,746,537	\$ 483,463	85.03
TOTAL OTHER USES	\$ 3,230,000	\$ 2,746,537	\$ 483,463	85.03
TOTAL-GENERAL PURPOSE	\$ 109,429,310	\$ 78,502,644	\$ 30,926,666	71.74

Kingsport City Schools

FY 2026-2027 Budget Presentation

To: City of Kingsport
Board of Education

April 28, 2026



FY 2026-27 BUDGET



- State Revenue
 - Tennessee Investment in Student Achievement Funds (TISA)
 - The March 2026 estimate of TISA funds for FY 2027 for Kingsport City Schools is \$73,091,777. The final allocation amount for FY 2026 was \$69,502,479. This is an increase of **\$3,589,298**. This amount represents the total amount for Kingsport City Schools and includes the State amount and the required local contribution.
 - Local Education Agencies (LEAs) must fund 30% of the total state-wide TISA allocation for base and weighted funding.

FY 2026-27 BUDGET



- State Revenue
 - Tennessee Investment in Student Achievement Funds (TISA)
 - The base funding amount per student was increased from \$7,295 to \$7,530. This represents an increase of \$235 per student. The FY 2027 estimate is based on 7,353 students. 7,353 students at \$235 per students is \$1,727,955.

FY 2026-27 BUDGET

TISA Funds



	2027	2026	Change
Base	55,371,091	53,734,357	1,636,734
Weights			
Economically Disadvantaged	4,334,537	4,199,262	135,275
Concentrated Poverty	2,579,963	1,168,321	1,411,642
ULNs	7,152,436	6,861,710	290,726
Direct Funding			
K-3 Literary	1,072,283	1,092,161	(19,878)
4th Grade Supports	141,500	141,500	0
CTE	2,391,855	2,255,090	136,765
Post-Secondary Tests	48,112	50,077	(1,965)
Total	73,091,777	69,502,478	3,589,299
Local	21,408,206	20,579,054	829,152
State	51,683,571	48,923,425	2,760,146
Percent State	70.71%	70.39%	

FY 2026-27 BUDGET



- State Revenue
 - Tennessee Investment in Student Achievement Funds (TISA)
 - The increase in TISA funds includes funding required to be spent on teacher salary improvements. The State budget includes \$125 Million to transition the minimum teacher salary to \$50,000. The required amount to be spent by KCS for teacher salary improvements in FY 2027 is \$968,427.

FY 2026-27 BUDGET



- State Revenue
 - Tennessee Investment in Student Achievement Funds (TISA)
 - The economically disadvantaged students funded in FY 2026 was 2,302. The number of students in FY 2027 is 1,864. This change had the potential to reduce TISA funding to KCS by \$798,802. This drop is due to a change in the way these students qualified after Covid qualifications were removed. This affected the majority of the school systems in Tennessee. As a result, the State implemented a hold harmless clause that funded 100% of this decrease.

FY 2026-27 BUDGET



- State Revenue
 - Tennessee Investment in Student Achievement Funds (TISA)
 - Due to the hold harmless provision KCS will be funded for 2,302 economically disadvantaged students. This represents an increase in TISA funding of \$135,275.

FY 2026-27 BUDGET



- State Revenue
 - Tennessee Investment in Student Achievement Funds (TISA)
 - Due to the change in poverty factor used in our Title I application KCS will be funded for 6,852.5 students that qualify for concentrated poverty. This is an increase of 3,649.5 from the previous year. This represents a gross increase in TISA funding of \$1,411,642 or an increase in the State portion of \$998,150.

FY 2026-27 BUDGET



- State Revenue
 - Tennessee Investment in Student Achievement Funds (TISA)
 - The preliminary State share of the TISA allocation for Kingsport City Schools is \$51,635,500.
 - The amount included in the FY 2026 budget is \$48,819,500.
 - The increase from the FY 2026 budget to the FY 2027 March estimate is \$2,816,000.
 - An April estimate should be received prior to the approval of the FY2027 budget.

FY 2026-27 BUDGET



- County Revenue

- Property Taxes

- The FY 2027 estimate for Current Year Property Taxes is \$15,018,000.
 - This estimate is based on a 1 % increase in the FY 2026 assessed value.
 - The estimate also includes a negative TIF (Tax Increment Financing) adjustment of \$325,000.
 - The FY 2027 estimate is \$18,000 more than the FY 2026 estimate.

FY 2026-27 BUDGET



- County Revenue
 - Local Option Sales Tax
 - The FY 2027 estimate for Local Option Sales Tax is \$16,075,000.
 - The FY 2027 estimate is \$475,000 greater than the FY 2026 estimate of \$15,600,000.
 - This estimate is based on an estimated actual FY 2026 collection amount of \$15,760,000, with a 2.0% increase in collections.

FY 2026-27 BUDGET



Fund Balance Appropriation FY 2025-26:

- For Operations: The FY 2026 estimated revenue included an appropriation from Fund Balance of \$2,372,400 to balance the operating budget (recurring expenditures). This was a one-time revenue source which results in a decrease of revenue in the FY 2026-27 budget.
- For One-Time Local Bonus: There was also an appropriation from Fund Balance of \$630,000 to fund a one-time local bonus. Since this was a one-time revenue source funding a one-time expenditure there is no effect on the FY 2026-27 budget.

FY 2026-27 BUDGET



Transfers from the City of Kingsport:

- For Operations: The FY 2027 estimated revenue includes \$11,245,300 for Transfers from the City for Operations. This amount has not changed since FY 2020.
- For Debt Service: The amount included for Transfers for Debt Service has increased by \$254,700, for a new amount of \$4,696,100.

FY 2026-27 BUDGET



- Expenditures

Personnel Expenditures

To meet the required minimum expenditure for teacher salary improvements, KCS will need to fund teacher step increases and a teacher 1% cost of living increase. In addition, classified employees will receive their step increases and a 1% cost of living increase.

FY 2026-27 BUDGET



- Expenditures

- Certified

— Step Increases	\$ 660,000
— 1 % Cost of Living Increase	<u>560,000</u>
Total Funds for Certified Pay Increases	<u>\$1,220,000</u>

FY 2026-27 BUDGET



- Expenditures

- Classified Personnel

– Classified Step Increases (2% Steps)	\$257,000
– Classified Cost of Living Increase (1%)	<u>133,000</u>
Total Costs of Classified Pay Increases	<u>\$390,000</u>

FY 2026-27 BUDGET



- Expenditures

- Employee Pay Increases

- Certified Pay Increases

\$1,220,000

- Classified Pay Increases

390,000

- Total Costs of Employee Pay
Increases

\$1,610,000

FY 2026-27 BUDGET



- Expenditures

- Personnel

— Special Ed Pre-K Teacher	\$ 81,000
— Special Ed Teacher	81,000
— Special Ed Assistant	31,000
— Special Ed Health Assistant	50,000
— CTE Associate Principal (0.5)	52,000
— Previously funded by ISM grant.	
— Additional Days for Health Assistants	10,000
Total Costs of New Positions	\$ 305,000

FY 2026-27 BUDGET



- Expenditures

- Other Personnel Increases

– Health Insurance Increase (10.0%)	\$ 550,000
– Retiree Health Insurance	120,000
– Classified Retirement	91,500
– Teacher Retirement	171,800
– Coaching Supplements/Stipends	97,200
Total	\$1,030,500

FY 2026-27 BUDGET



• Expenditures	
Other Changes	
– Technology Budget	\$ 338,000
– Vehicle Maintenance	210,000
– Bank Service Charges	25,000
– Voluntary Pre-K Grant	10,000
– Transition School to Work Grant	10,000
– Telephone/Internet/E-Rate	(210,000)
– City Risk	(153,000)
– Liability, Building, Worker’s Compensation Insurance, and Risk Administration	
Total	\$ 230,000

FY 2026-27 BUDGET



Summary

• Major Changes in Revenue	
• TISA	\$ 2,816,000
• County Property Tax	18,000
• Local Option Sales Tax	475,000
• Interest Earnings	100,000
• Fund Balance Appropriation	(2,372,400)
Total	\$ 1,036,600

FY 2026-27 BUDGET



Summary

- Major Changes in Expenditures
 - Pay Increases (Steps & 1% COLA) \$ 1,610,000
 - New Positions 305,000
 - Other Personnel Increases 1,030,500
 - Other Changes 230,000
 - Total \$ 3,175,500