

Knox County R-I School District

2026-2027 Preliminary Budget

Knox County R-I School District 052-096

2026-2027 Budget

This budget approved by action of the Knox County R-I School Board of Education on June 16, 2026.

**Shelly Bugh - Board President
Kim Jansen- Board Vice-President
Jason Doss - Board Treasurer
Karisha Devlin - Board Secretary
Carolyn Primm - Board Member
Marty Strange - Board Member
Jaron Poor - Board Member**

President (Signature)

Secretary (Signature)

Treasurer (Signature)

Knox County R-1 Budget Message

As we look ahead to the 2026-2027 school year, our primary goal is to return our school district to a position of strong financial stability by correcting recent budget imbalances and protecting our core educational mission. This budget directly accomplishes that goal by tackling our recent deficits head-on, streamlining our operational costs, and implementing strict new oversight tools to ensure every single dollar is accurately tracked and controlled. Managing a budget requires constant adjustment, and while this past year brought unexpected financial tightening, we have taken immediate, necessary action to ensure our schools remain vibrant, safe places for our children to learn.

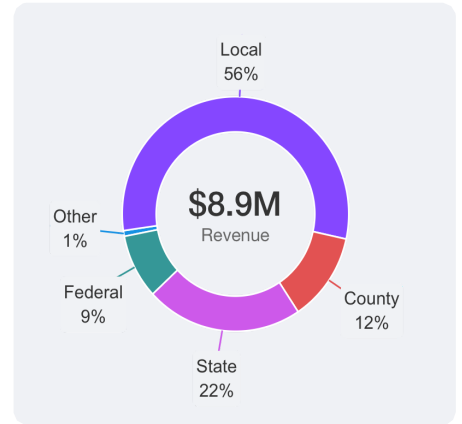
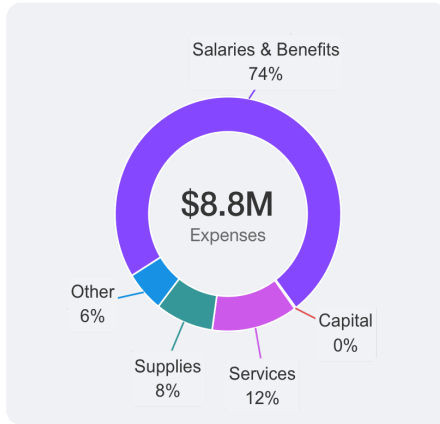
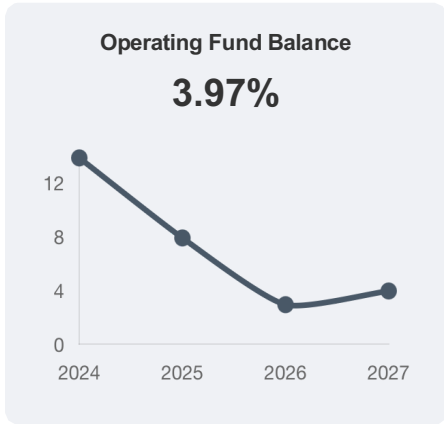
Our funding landscape saw significant changes this year, particularly at the state level. We designed this budget assuming the State Adequacy Target will sit at \$6,830 per student, a drop from the \$7,145 per student we were previously told to expect. Had the state kept funding at that higher level, our district would have received an additional \$153,000 in revenue. Furthermore, our final state revenue for the current year was reduced by a prior-year calculation adjustment of \$93,936 due to an overestimation of student enrollment. When combined with a \$135,000 solar project tax rebate that did not materialize this fiscal year, our total revenues fell short. To balance these state-level reductions, we are looking closely at local property values. Historically, our county's Assessed Values grow by an average of 3.6% during non-reassessment years, which would normally generate about \$137,000 in local revenue. However, to keep our budget as safe and responsible as possible, we are modeling our local tax and utility revenues as completely flat until the county delivers final, certified numbers.

On the expense side, we recognized that our spending had outpaced our income, particularly within student activities and support services. To correct this and protect the district's financial health, we built this budget from the ground up, making the difficult but necessary decision to reduce our overall expenditures by \$1,301,484. Bringing our total spending down from \$10.1 million to \$8.8 million. These reductions include adjusting our staffing by two high school teachers, 3.5 paraprofessionals, alongside trimming \$25,000 from new technology purchases. We also successfully phased out \$775,000 in one-time construction costs from our 2024 lease-purchase project. While these personnel choices are always difficult, they were made strategically to preserve core classroom sizes and protect the quality of daily instruction. Because of these challenges, our fund reserves are projected to land a concerning 3% as we close out June. However, by removing these legacy expenses, we are steering our reserves onto a clear, upward three-to-five-year growth track.

Ultimately, this budget successfully fulfills our primary goal because we chose to face our financial realities with transparency and discipline. This plan demonstrates the deep love we have for our students because it protects the integrity of their daily learning environments, the respect we have for our staff because it secures the long-term solvency of their district, and the strict responsibility we hold toward our taxpayers because we have eliminated over \$1.37 million in excess costs to deliver a proposed budget that is \$59,862 in the good. By weathering this storm together and narrowing our focus to what truly matters, we ensure our community's resources are directly transforming the lives of our students.

Fiscal Year 2027 Budget

	2023	2024	2025	2026 - Budget	2027 - Proposed	Difference
Revenue	\$10,385,026	\$12,166,308	\$10,123,386	\$8,903,077	\$8,884,369	\$-18,708
Expense	\$10,512,863	\$11,170,909	\$12,625,532	\$10,077,275	\$8,781,065	\$-1,296,210
Net	\$-127,837	\$995,399	\$-2,502,146	\$-1,174,198	\$103,304	\$1,277,502



Budget Summary

	Total	Operating	General	Teacher	Debt	Capital
Tax Levy	\$3.9000	\$0.0000	\$3.6395	\$0.0000	\$0.2605	\$0
Opening Balance	\$648,857	\$269,243	\$269,243	\$0	\$379,614	\$0
Estimated Revenue	\$8,884,368	\$8,415,285	\$5,550,605	\$2,864,680	\$327,083	\$142,000
Estimated Receipts and Balances	\$9,533,225	\$8,684,528	\$5,819,848	\$2,864,680	\$706,697	\$142,000
Estimated Expenditures	\$8,781,064	\$8,287,284	\$3,397,377	\$4,889,907	\$283,156	\$210,624
Revenue - Expenditures	\$103,304	\$128,001	\$2,153,228	-\$2,025,227	\$43,927	-\$68,624
Balance Prior to Transfer	\$752,161	\$397,244	\$2,422,471	-\$2,025,227	\$423,541	-\$68,624
Transfers	\$0	-\$68,624	-\$2,093,851	\$2,025,227	\$0	\$68,624
Zero Teach Fund Balance	\$0	\$0	-\$2,025,227	\$2,025,227	\$0	\$0
7% Capital Transfer	\$0	-\$68,624	-\$68,624	\$0	\$0	\$68,624
Estimated Fund Balance 2027	\$752,161	\$328,620	\$328,620	\$0	\$423,541	\$0
Estimated Restricted Money	\$0	\$0	\$0	\$0	\$0	\$0
Estimated Unrestricted Money	\$752,161	\$328,620	\$328,620	\$0	\$423,541	\$0
% Unrestricted Fund Balance		3.97%				

Revenue by Source and Fund

Object	General	Teacher	Debt	Capital
Local (5100-5199)	\$3,873,836	\$737,455	\$264,953	\$72,000
County (5200-5299)	\$1,001,359	\$25,000	\$62,130	\$0
State (5300-5399)	\$366,430	\$1,621,427	\$0	\$0
Federal (5400-5499)	\$308,981	\$480,798	\$0	\$0
Other (5500+)	\$0	\$0	\$0	\$70,000
Total	\$5,550,606	\$2,864,680	\$327,083	\$142,000

Expense by Object and Fund

Object	General	Teacher	Debt	Capital
Certified Salaries	\$6,000	\$3,259,160	\$0	\$0
Non-Certified Salaries	\$1,160,064	\$425,693	\$0	\$0
Benefits	\$415,483	\$1,190,055	\$0	\$0
Purchased Services	\$1,065,182	\$15,000	\$0	\$0
Supplies	\$729,555	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$18,700
Principal, Interest, and Fees	\$21,094	\$0	\$283,156	\$191,925
Total	\$3,397,377	\$4,889,907	\$283,156	\$210,625

Expense by Object over Time

Object	2023	2024	2025	2026 - Budget	2027 - Proposed	Change
Certified Salaries	\$3,194,268	\$3,456,698	\$3,724,758	\$3,351,076	\$3,265,160	-\$85,916
Non-Certified Salaries	\$1,408,162	\$1,655,677	\$1,874,611	\$1,737,027	\$1,585,756	-\$151,271
Benefits	\$1,487,343	\$1,648,540	\$1,683,963	\$1,634,129	\$1,605,538	-\$28,591
Purchased Services	\$957,858	\$1,016,155	\$911,709	\$1,161,932	\$1,080,182	-\$81,750
Supplies	\$899,739	\$868,458	\$880,098	\$877,637	\$729,555	-\$148,082
Capital Outlay	\$2,379,298	\$2,234,972	\$3,113,284	\$814,577	\$18,700	-\$795,877
Principal, Interest, and Fees	\$186,196	\$290,410	\$437,109	\$500,897	\$496,174	-\$4,723
Total	\$10,512,864	\$11,170,910	\$12,625,532	\$10,077,275	\$8,781,065	-\$1,296,210

Account	2023	2024	2025	2026 - Budget	2027 - Proposed	Change
	2023	2024	2025	2026 - Budget	2027 - Proposed	Change
revenue	\$10,385,026	\$12,166,308	\$10,123,386	\$8,903,077	\$8,884,369	\$-18,708
5100 - Local	\$4,084,947	\$4,667,824	\$4,690,074	\$5,082,967	\$4,948,244	\$-134,724
5110 - Taxes	\$3,691,930	\$4,044,557	\$4,153,072	\$4,688,066	\$4,614,381	\$-73,686
5120 - Tuition	\$0	\$0	\$2,945	\$13,500	\$9,000	\$-4,500
5130 - Transportation	\$991	\$0	\$0	\$0	\$0	\$0
5140 - Earnings on Investments	\$130,820	\$309,198	\$176,018	\$41,000	\$41,000	\$0
5150 - Food Service - ProgramsPupils	\$61,317	\$58,363	\$70,004	\$60,000	\$60,000	\$0
5160 - Food Service - ProgramsAdults	\$31,955	\$40,748	\$43,384	\$50,000	\$50,000	\$0
5170 - Enterprise Sources	\$151,898	\$176,599	\$222,418	\$193,126	\$141,863	\$-51,263
5190 - Other Revenue From Local Sources	\$16,037	\$38,360	\$22,233	\$37,275	\$32,000	\$-5,275
5200 - County	\$1,209,311	\$1,249,896	\$1,057,086	\$1,083,960	\$1,088,489	\$4,529
5210 - Court Related - County	\$17,604	\$14,883	\$13,716	\$20,471	\$25,000	\$4,529
5220 - Tax Collected by County for the LEA	\$1,191,707	\$1,235,013	\$1,043,371	\$1,063,489	\$1,063,489	\$0
5300 - State	\$1,561,382	\$1,956,257	\$2,178,606	\$1,926,535	\$1,987,857	\$61,322
5310 - Foundation Formula State Aid	\$1,475,514	\$1,674,631	\$1,856,925	\$1,695,028	\$1,795,427	\$100,399
5320 - Foundation Formula State Aid	\$35,311	\$30,212	\$27,518	\$23,000	\$28,000	\$5,000
5330 - State Revenue	\$50,558	\$191,413	\$239,523	\$195,797	\$164,430	\$-31,367
5360 - State Revenue	\$0	\$0	\$20,000	\$0	\$0	\$0
5380 - State Revenue	\$0	\$50,000	\$0	\$0	\$0	\$0
5390 - State Revenue	\$0	\$10,000	\$34,640	\$12,710	\$0	\$-12,710

Revenue

5400 - Federal	\$3,528,502	\$1,945,190	\$883,478	\$809,115	\$789,779	\$-19,336
5410 - Federal Unrestricted Direct	\$42,047	\$46,754	\$72,404	\$60,000	\$60,000	\$0
5420 - Federal-Restricted	\$900,571	\$1,024,359	\$2,615	\$0	\$0	\$0
5426 - Federal-Restricted	\$0	\$3,655	\$0	\$0	\$0	\$0
5430 - Federal-Restricted	\$0	\$21,978	\$0	\$0	\$0	\$0
5440 - Federal-Restricted	\$401,714	\$364,894	\$340,139	\$351,854	\$376,375	\$24,521
5450 - Federal-Restricted	\$285,857	\$403,663	\$379,856	\$370,000	\$275,000	\$-95,000
5460 - Other Federal - Restricted	\$71,489	\$60,211	\$70,993	\$0	\$49,423	\$49,423
5480 - Other Federal - Restricted	\$14,674	\$17,580	\$12,459	\$12,280	\$14,000	\$1,720
5490 - Other Federal - Restricted	\$1,812,150	\$2,097	\$5,011	\$14,981	\$14,981	\$0
5600 - Non-Current	\$883	\$2,335,919	\$1,314,143	\$500	\$70,000	\$69,500
5610 - Sale of Bonds	\$0	\$2,250,000	\$857,950	\$0	\$0	\$0
5640 - Sale of School Buses	\$0	\$63,000	\$0	\$500	\$0	\$-500
5650 - Sale of Other Property	\$883	\$22,919	\$64,143	\$0	\$70,000	\$70,000
5660 - Other Non-Current Revenue	\$0	\$0	\$392,050	\$0	\$0	\$0
5800 - From Other LEAs	\$0	\$11,221	\$0	\$0	\$0	\$0
5830 - Tuition From Other LEAs	\$0	\$11,221	\$0	\$0	\$0	\$0

Account	2023	2024	2025	2026 - Budget	2027 - Proposed	Change
	2023	2024	2025	2026 - Budget	2027 - Proposed	Change
expense	\$10,512,863	\$11,170,909	\$12,625,532	\$10,077,275	\$8,781,065	\$-1,296,210
1000 - Instruction	\$4,226,499	\$4,682,172	\$4,695,041	\$4,671,116	\$4,263,704	\$-407,412
1100 - Regular Programs	\$2,299,965	\$2,518,600	\$2,444,403	\$2,329,271	\$2,239,806	\$-89,465
1200 - Special Programs	\$1,040,328	\$1,211,011	\$1,332,718	\$1,390,941	\$1,165,453	\$-225,488
1300 - Career Education Programs	\$370,558	\$378,467	\$347,887	\$341,936	\$331,065	\$-10,870
1400 - Student Activities	\$476,846	\$516,456	\$521,452	\$556,219	\$475,988	\$-80,231
1600 - Adult Education Programs	\$15,182	\$15,184	\$15,199	\$16,370	\$16,392	\$21
1900 - Payments to Other Districts	\$23,620	\$42,454	\$33,381	\$36,379	\$35,000	\$-1,379
2000 - Support	\$5,801,616	\$5,505,930	\$7,117,700	\$4,605,510	\$3,772,208	\$-833,302
2100 - Support Services - Pupils	\$493,021	\$510,044	\$539,994	\$446,803	\$461,593	\$14,790
2200 - Support Services - Instructional Staff	\$235,936	\$240,202	\$249,836	\$165,289	\$169,684	\$4,396
2300 - Support Services - General Administration	\$619,233	\$568,244	\$789,564	\$620,595	\$557,250	\$-63,345
2400 - Support Services - Building Level Administration	\$459,809	\$477,293	\$477,818	\$490,808	\$478,233	\$-12,574
2500 - Business Support Services	\$3,993,616	\$3,710,146	\$5,060,489	\$2,882,016	\$2,105,448	\$-776,568
3000 - Early Childhood and Public Services	\$236,878	\$217,305	\$234,782	\$242,128	\$248,979	\$6,851
3500 - Early Childhood Program	\$223,192	\$204,684	\$206,249	\$231,918	\$231,979	\$61
3600 - Welfare Activities Services	\$0	\$0	\$5,059	\$0	\$0	\$0
3900 - Other Community Services	\$13,686	\$12,621	\$23,474	\$10,210	\$17,000	\$6,790
4000 - Facilities Acquisition and Construction	\$61,675	\$475,092	\$140,900	\$57,624	\$0	\$-57,624
4000 - Facilities Acquisition and	\$61,675	\$475,092	\$140,900	\$57,624	\$0	\$-57,624

Expenses

Construction Services						
5000 - Debt Related Fees	\$186,196	\$290,410	\$437,109	\$500,897	\$496,174	\$-4,723
5100 - Principal	\$160,000	\$165,000	\$240,425	\$310,425	\$310,425	\$0
5200 - Interest	\$25,878	\$82,992	\$144,931	\$177,455	\$172,732	\$-4,723
5300 - Other Debt Related Fees	\$318	\$42,418	\$51,754	\$13,018	\$13,018	\$0