



To: Local District Boards of Education, Superintendents, and Business Officials

From: Scott Thomas, Assistant Superintendent for Business Services

Date: April 24, 2026

Subject: Kalamazoo RESA 2026-2027 Original General Education Fund Budget Narrative and Resolution

Kalamazoo RESA (KRESA) is an intermediate school district whose mission is to deliver transformative, equitable, and innovative programs, and specialized services that empower learners, families, and schools to thrive in a rapidly changing world. We carry out our mission through each of KRESA's Centers of Excellence, which represents a distinct category—or pillar—of our work, encompassing a wide range of supports tailored to meet the needs of learners, families, and educators. KRESA's five Centers of Excellence are Special Education, Early Childhood, Career Connect, Educator Supports, and Operational Supports. KRESA's General Fund budget supports the work of these Centers of Excellence.

KRESA's 2026-2027 Original General Fund budget shows an overall decrease in revenues of approximately 12.6% and an overall decrease in expenditures of approximately 12.5% compared to the 2025-2026 revised budget. These decreases are primarily due to the reduction of various grant revenues and their related expenditures, moving the Education for the Arts program to the Career Connect Fund, as well as other changes in the various General Fund departments discussed in more detail below. The budget anticipates an overall surplus of \$10,323. This will leave the General Fund with an estimated fund balance at June 30, 2027 of \$13,714,417.

KRESA's sources of General Fund revenues include an operating tax levy of 0.1420 mills on all property in the KRESA area. We are anticipating that property taxable values will increase by 4.0% and that property tax revenue will increase by \$60,617. State aid is received through Section 81 of the State Aid Act and this budget assumes Section 81 State Aid will remain the same. Local, state, and federal grants make up a large portion of the revenue received by KRESA, as well as revenues from departments that provide services on a fee for service basis or through shared service agreements.

KRESA's expenditures include the following assumptions: 3.0% increase in health insurance costs, retirement costs based on ORS published rates effective 10-1-2026, and a compensation adjustment for staff that includes a 3% increase on pay schedules and step advancements for eligible staff.

KRESA's General Fund revenues and expenditures are categorized in the following departments, which are supported by the attached proposed budget resolution:

General Administration and Operations: These expenses include the Board of Education, Superintendent's Office, Communications, Human Resources, Business Office, and Maintenance and Operations departments. These departments are primarily funded through a portion of property tax revenue and Section 81 State Aid revenue.

Southwest MiTech Technology Services: The Southwest MiTech Technology Services department supports the technology needs of KRESA programs, state reporting compliance, on-site technology support staff to schools, the Michigan Data Hub and MiCloud statewide grants, internet bandwidth and phone service to local schools, network engineering, and customer service support personnel. Many of the services provided are on a fee for service model and direct support is charged back to the various KRESA departments. The Michigan Data Hub and MiCloud are statewide activities funded by state grants. KRESA's General Fund budget is projected to contribute an additional \$516,135 to support this department.

Great Start Readiness Program (GSRP): This budget includes early childhood preschool services and programming county-wide. The GSRP program is funded through Section 32d State Aid funding. The budget includes \$15,657,771 in grant revenues and expenditures, and provides funding for 1,350 GSRP preschool children. Funding for 1,078 children is provided to local districts and private providers.

Print Center: The Print Center is funded with fee for service in the areas of our full print shop, graphic arts services, county-wide delivery services, and shredding services. Schools who participate in the program pay a fee for the services they purchase. The Print Center is showing a deficit of \$21,438.

Educator Supports: The Educator Supports department is funded with state and federal grants, local district professional development consortium contributions, fee for service coaching and consulting billings, and a direct contribution from the KRESA General Fund budget of \$496,921. The expenditures include the following grants: Title I Regional Assistance, Sec 35a Early Literacy, Sec 31n Mental Health, and a few other small local grants. Educator Supports leads workshops through the professional development consortium, and provides instructional coaching and consulting services to local school districts.

Regional Transportation Safety Institute (RTSI): RTSI provides training of transportation staff for a nine-county consortium. This includes required training for beginning school bus drivers, continuing education for all bus drivers, and training for transportation supervisor staff. RTSI is a provider for CDL/GDL for the State of Michigan, handles the mandatory drug testing program, and runs the Eaton Proving Grounds program to teach defensive driving classes to school bus drivers. This program is funded through a fee for service model and Section 74 State Aid funding.

Head Start Grant: The budget includes \$7,046,752 in grant revenues and expenses to operate KRESA's Head Start program, which serves 485 three and four year olds within Kalamazoo County with preschool, family, and health support services.

Enhancement Millage: This budget includes \$17,609,610 in revenue for the enhancement millage that was approved by voters in May of 2023. Enhancement millage revenue is distributed back to the local districts and public school academies to support their operations, which equates to approximately \$515 per student.

Attached to this budget narrative please find the Resolution for Local District Vote on ISD General Fund Budget and KRESA's proposed 2026-2027 General Fund Budget Resolution. Local district Boards of Education are required to adopt a resolution expressing its support or disapproval of KRESA's General Fund proposed budget during its May meeting, and submit to KRESA's Board of Education any specific objections and/or proposed changes prior to June 1, 2026.

More information on KRESA's Centers of Excellence, and additional details on KRESA's programs and services, can be found in our annual report. KRESA's most recent annual report can be found on our website.

Please contact me at 269.250.9363 or scott.thomas@kresa.org for any questions related to KRESA's 2026-2027 Original General Fund budget. Thank you.

**RESOLUTION FOR ADOPTION BY THE BOARD OF EDUCATION OF
KALAMAZOO REGIONAL EDUCATIONAL SERVICE AGENCY
2026-2027 ORIGINAL GENERAL EDUCATION FUND BUDGET**

RESOLVED, that this resolution shall be the appropriations of Kalamazoo Regional Educational Service Agency for the 2026-2027 fiscal year; a resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all revenues received by Kalamazoo Regional Educational Service Agency.

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the GENERAL EDUCATION FUND of the Kalamazoo Regional Educational Service Agency for fiscal year 2026-2027 is as follows:

	ACTUAL 2024-25	ORIGINAL 2025-26	REVISED 2025-26	ORIGINAL 2026-27
REVENUES:				
Local	24,946,204	20,866,075	21,327,524	20,546,384
State	29,011,035	36,038,318	39,423,172	31,083,408
Federal	11,478,867	9,085,051	8,758,290	8,536,113
Other Sources	8,504,947	8,051,733	8,146,452	7,725,790
Total Revenue	73,941,053	74,041,177	77,655,438	67,891,695

BE IT FURTHER RESOLVED, that \$67,881,372 of the total available to appropriate in the GENERAL EDUCATION FUND is hereby appropriated in the amounts and for the purpose set forth below:

Instruction:				
Basic Programs	5,939,627	6,133,047	6,090,272	5,168,691
Added Needs	1,036,089	-	-	-
Support Services:				
Pupil	1,885,216	1,505,437	1,291,846	1,318,507
Instructional staff	8,442,473	6,715,418	5,609,159	4,797,026
General Administration	928,554	670,091	662,852	669,729
School Administration	609,591	609,723	637,163	669,659
Business	1,745,409	1,588,561	1,662,213	1,577,945
Operations and Maintenance	1,233,200	1,258,225	1,241,557	1,268,784
Transportation	897,444	1,020,271	883,648	1,034,359
Central	12,347,907	21,195,576	23,029,192	18,230,472
Other Support Services	860,225	-	-	-
Community Services	4,948,555	1,443,267	1,291,457	17,970
Other Financing Uses	31,530,482	31,915,121	35,202,911	33,128,230
Total Expenditures	72,404,772	74,054,737	77,602,270	67,881,372
Revenues over Expenses	1,536,281	(13,560)	53,168	10,323
FUND BALANCE - July 1	12,114,645	12,174,445	13,650,926	13,704,094
FUND BALANCE - JUNE 30	13,650,926	12,160,885	13,704,094	13,714,417

FURTHER RESOLVED, that no board of education member or employee of the school district shall expend any funds or obligate the expenditure of any funds, except pursuant to appropriations made by the board of education and in keeping with the budgetary policy statement hitherto adopted by the board. Changes in the amount appropriated by the board shall require approval by the board.

BE IT FURTHER RESOLVED, that the Superintendent is hereby charged with general supervision on the execution of the budgets adopted by the board and shall hold the department heads responsible for performance of their responsibilities within the amounts appropriated by the board of education and in keeping with the budgetary policy statement hitherto adopted by the board. (Resolution effective 6/16/2026)

Note: The General Education tax levy for 2026 is proposed to be 0.1420 mills and the Regional Enhancement tax levy for 2026 is proposed to be 1.4921 mills. These millages will be levied on all properties to be used for operating purposes as described above.