

Wayne RESA

2019-2020 Proposed Budget

Frequently Asked Questions

| QUESTION | RESPONSE |
|--|---|
| 1. What are the agency's assumptions regarding revenue? | For the two largest revenue categories, State Aid and Property Taxes, the project budget assumes that General State Aid is not currently projected with an increase as the State budget is not complete. Property taxes are projected with a 2% increase for the upcoming fiscal year. |
| 2. What salary adjustments are included in the proposed budget? | Salary Steps and increases that are part of current bargaining unit contracts are included in the budget. |
| 3. What assumptions were made about retirement? | The budget holds the retirement rate at a composite rate of 38% although the board recognizes that several factors including elements of the state school aid budget and proposed changes to the calculation method of Agency retirement costs could have the effect of making the net rate higher or lower. |
| 4. What about health care? | The preliminary budget reflects the continued implementation of Public Act 152 hard cap and has included the 1.9% increase to raise the cap imposed by law. |
| 5. In the General Fund, why are there some program areas with compensation increases, some with decreases and some with virtually no change? | The various programs within the General Fund may have as few as one person or as many as 20+. The variations in individual programs when comparing the current year budget to the projected budget reflect, in most cases, either movement of staff or the granting of steps; as well as the movement of parts of staff between grant funds, the Cooperative Fund and the General Fund. |
| 6. How much does the Wayne RESA General Fund contribute toward the support of the Wayne County IT Consortium and MiStar DNA System? | The General Fund is projected to contribute approximately \$2,490,100 to the Wayne County IT Consortium in 2019-2020. The General Fund continues to pay for the entire cost of the MiStar DNA Project, which is projected to cost \$1,077,400 in 2019-2020. |

Wayne RESA

2019-2020 Proposed Budget

Frequently Asked Questions

| | |
|---|---|
| <p>7. The budget projections indicate that the Agency will have an \$88,000 surplus in 2019-2020. Is this expected to be a continued trend?</p> | <p>The agency had been using fund balance for the last several years in a planned way in order to minimize impact on services to local schools. The projected 2019-2020 operational surplus is reflective of strategic adjustment in costs and how the organization provides services.</p> |
| <p>8. What is the reason behind the decreased revenues in the Funded Projects Fund</p> | <p>This reflects the agency's intent to better align the funding streams within the year they are awarded and reduce carryover expenditures to the extent possible.</p> |
| <p>9. What is the purpose of the Capital Projects Fund and why is there a proposed decrease for the 2019-2020 budget?</p> | <p>This fund was established by the Board of Education to provide for the capital needs of the organization and has been funded through a transfer from the General Fund. The 2019-2020 budget includes remaining costs necessary to upgrade the power backup systems of the Education Center building that are necessary to keep the IT consortium software packages available to districts in the event of power outages. This project began in April of 2019</p> |
| <p>10. Why is the Enhancement Millage Fund predicted to have higher revenue</p> | <p>Property Taxes are expected to increase by approximately 2% in the upcoming year</p> |