

To: Local District Boards of Education

From: Scott Thomas, Assistant Superintendent for Business Services 

Date: April 26, 2024

Subject: Kalamazoo RESA 2024-2025 Original General Education Fund Budget Narrative and Resolution

Kalamazoo RESA (KRESA) is an intermediate school district dedicated to providing comprehensive educational services to students, schools and families in southwest Michigan. The agency focuses on five Centers of Excellence: Special Education, Early Childhood, Career Connect, Educator Supports and Operational Supports. Through these Centers of Excellence, KRESA is committed to empowering students and educators, fostering a robust and thriving educational environment in the Kalamazoo County region.

KRESA's 2024-2025 Original General Fund budget shows an overall decrease in revenues of approximately 3.4% and an overall decrease in expenditures of approximately 3.3% compared to the 2023-2024 revised budget. These decreases are primarily due to the reduction of grant revenues and their related expenditures, as well as other changes in the various General Fund departments discussed in more detail below. The budget anticipates an overall deficit of \$215,999. This will leave the General Fund with an estimated unassigned fund balance on June 30, 2025 of \$10,243,652 or 15.7% of annual expenditures.

KRESA's sources of General Fund revenues include an operating tax levy of 0.1428 mills on all property in the KRESA area. We are anticipating that property taxable values will increase by 6.0% and that property tax revenue will increase by \$81,684. State aid is received through Section 81 of the State Aid Act and this budget assumes Section 81 State Aid will remain flat. Grants make up a large portion of the revenue received by KRESA, as well as departments that provide services on a fee for service basis or 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 10-1-2024, and a compensation adjustment for staff that includes a 5% increase on pay schedules and step advancements.

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 General Fund portion of 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, 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 is funded by a state grant. KRESA's General Fund budget is projected to contribute an additional \$448,534 to support this department.

Great Start Collaborative (GSC) and Great Start Readiness Program (GSRP): This budget includes early childhood services and programming county-wide. Funding includes state and local grants, and \$21,145 in direct support from KRESA's General Fund budget. The budget assumes funding for 1,984 GSRP preschool slots with 1,530 of these slots being 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 small surplus of \$3,289 that is used to offset future equipment replacement purchases.

Instructional Services and Community Supports: The Instructional Services department is funded with state and federal grants along with local district professional development consortium contributions, fee for service coaching and consulting billings, and a direct contribution from the KRESA General Fund budget of \$461,830. The expenditures include the following grants: Title I Regional Assistance, Sec 35a Early Literacy, MiSTEM Math Action Area, Sec 31n Mental Health and a few other various grants. Instructional Services leads workshops through the professional development consortium, and provides instructional coaching and consulting services to local school districts.

Career Connect Education for the Arts (EFA) and Career & Technical Education (CTE) Consortia: These programs provide arts education, and career and technical education opportunities to all students within the Kalamazoo RESA area. They are funded with a combination of state, federal and local grants, and local district and KRESA funding. EFA and CTE have advisory boards that include local district superintendents that complete annual reviews of the programs including program budgets. Local school districts contribute to the high school programs for both EFA and CTE, as well as support for administrative costs for EFA. The KRESA General Fund budget directly contributes \$100,000 to the administration of the EFA program. The CTE millage was passed in 2019 and some of the costs that were previously paid for by local district contributions and KRESA's General Fund are being paid from the Career Connect Special Revenue Fund. CTE redesign efforts are still ongoing, with the Career Connect Campus building scheduled to open to students in Fall of 2025.

Career Connect YOU: YOU operates programs that provide career learning, job training and education assistance to youth in Kalamazoo, Calhoun, St. Joseph and Branch counties. Programs include MyCity, CareerNow, Bridging Opportunities, WIOA Youth Services, Jobs for Michigan's Graduates, and on-site education programming, such as, Education Reconnection. YOU is funded with a combination of federal, state and local grants, and this budget includes \$4,489,838 in revenues and expenses to operate these programs.

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 and motorcycle testing 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 \$7,012,838 in grant revenues and expenses to operate KRESA's Head Start program, which serves 596 three and four year olds within Kalamazoo County with preschool, family and health support services.

Enhancement Millage: This budget includes \$15,957,930 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 \$465 per student.

Attached to this budget narrative please find the Resolution for Local District Vote on ISD General Fund Budget and KRESA's proposed 2024-2025 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, 2024.

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 here: <https://www.kresa.org/site/Default.aspx?PageID=1882>

Please contact me at 269.250.9363 or [scott.thomas@kresa.org](mailto:scott.thomas@kresa.org) for any questions related to KRESA's 2024-2025 Original General Fund budget. Thank you.

RESOLUTION FOR LOCAL DISTRICT VOTE ON ISD GENERAL FUND BUDGET

Kalamazoo Regional Educational Service Agency  
("ISD")  
GENERAL EDUCATION FUND BUDGET  
RESOLUTION

A \_\_\_\_\_ meeting of the Board of Education of the \_\_\_\_\_ School District was held at the \_\_\_\_\_ on \_\_\_\_\_, 2024, at \_\_\_\_\_.

Members present were: \_\_\_\_\_

The following preamble and resolution were offered by Member \_\_\_\_\_ and seconded by Member \_\_\_\_\_.

WHEREAS:

This Board received the Kalamazoo Regional Educational Service Agency General Education Fund Budget on or before May 1, 2024; and

WHEREAS:

In accordance with Section 380.624 of the Revised School Code, this Board must now adopt a resolution expressing its support or disapproval of the proposed ISD budget, and must submit to the ISD Board any specific objections and/or proposed changes the Board may have to the budget prior to June 1, 2024.

THEREFORE, BE IT RESOLVED THAT:

The ISD General Education Fund Budget for the 2024-2025 school year be ("supported" or "disapproved for the reasons attached hereto"), and that the Secretary of the Board is hereby directed to submit a copy of this Resolution to the Secretary of the ISD Board of Education, along with any specific objections or proposed changes to the budget.

Ayes: Members \_\_\_\_\_

Nays: Members \_\_\_\_\_

Motion declared \_\_\_\_\_.

The undersigned duly qualified and acting Secretary of the Board of Education of \_\_\_\_\_, Michigan hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board at a \_\_\_\_\_ meeting held on \_\_\_\_\_, 2024, the original of which resolution is a part of the Board's minutes, and further certifies that notice of the meeting was given to the public under the Open Meetings Act, 1976 PA 267, as amended.

Signed:

\_\_\_\_\_  
Secretary, Board of Education

**RESOLUTION FOR ADOPTION BY THE BOARD OF EDUCATION OF  
KALAMAZOO REGIONAL EDUCATIONAL SERVICE AGENCY  
2024-2025 ORIGINAL GENERAL EDUCATION FUND BUDGET**

RESOLVED, that this resolution shall be the appropriations of Kalamazoo Regional Educational Service Agency for the 2024-2025 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 2024-2025 is as follows:

	ACTUAL 2022-23	ORIGINAL 2023-24	REVISED 2023-24	ORIGINAL 2024-25
<b>REVENUES:</b>				
Local	21,226,193	21,235,947	21,742,866	22,114,679
State	17,931,463	20,128,028	24,387,581	23,930,246
Federal	11,168,960	11,834,339	13,301,152	11,188,446
Other Sources	7,735,753	8,559,582	8,069,288	8,000,183
<b>Total Revenue</b>	<b>58,062,369</b>	<b>61,757,896</b>	<b>67,500,887</b>	<b>65,233,554</b>

BE IT FURTHER RESOLVED, that \$65,449,553 of the total available to appropriate in the GENERAL EDUCATION FUND is hereby appropriated in the amounts and for the purpose set forth below:

<b>Instruction:</b>				
Basic Programs	4,744,673	6,007,555	5,947,302	5,659,665
Added Needs	801,288	1,068,800	1,185,724	1,242,297
<b>Support Services:</b>				
Pupil	2,803,041	3,307,551	3,377,207	2,042,973
Instructional staff	5,213,970	5,827,392	6,272,643	6,174,200
General Administration	493,782	609,031	857,547	908,240
School Administration	499,625	548,212	605,303	554,254
Business	1,287,509	1,470,539	1,488,806	1,485,094
Operations and Maintenance	1,024,550	1,296,174	1,398,525	1,342,102
Transportation	795,349	938,758	989,743	922,917
Central	9,805,643	10,853,819	11,691,246	11,881,426
Other Support Services	384,402	-	7,500	23,500
Community Services	5,973,220	5,125,460	6,107,130	5,598,336
Other Financing Uses	22,708,957	24,969,407	27,721,596	27,614,549
<b>Total Expenditures</b>	<b>56,536,009</b>	<b>62,022,698</b>	<b>67,650,272</b>	<b>65,449,553</b>
<b>Revenues over Expenses</b>	<b>1,526,360</b>	<b>(264,802)</b>	<b>(149,385)</b>	<b>(215,999)</b>
<b>FUND BALANCE - July 1</b>	<b>9,082,676</b>	<b>8,930,643</b>	<b>10,609,036</b>	<b>10,459,651</b>
<b>FUND BALANCE - JUNE 30</b>	<b>10,609,036</b>	<b>8,665,841</b>	<b>10,459,651</b>	<b>10,243,652</b>

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 6/18/2024)

Note: The General Education tax levy for 2024 is proposed to be 0.1428 mills and the Regional Enhancement tax levy for 2024 is proposed to be 1.5000 mills. These millages will be levied on all properties to be used for operating purposes as described above.