

PRELIMINARY BUDGET Wayne RESA

2020

2021

Comments from Wayne RESA Superintendent, Randy A. Liepa, Ph.D.

April 24, 2020

Dear Superintendents and Board of Education Members:

This budget package reflects the projected financial profile of the Wayne County Regional Educational Service Agency's operations for fiscal year 2020-2021. This information was sent to the Wayne RESA Board of Education members this week for review and comment. The official "district hearing" will be held at the May 20, 2020, Wayne RESA Board of Education meeting, with the budget also being presented for formal approval at the June 17, 2020, meeting of the Board.

As one of the 56 intermediate school districts in the State of Michigan, Wayne RESA works closely with each of our 33 local school districts to ensure that our programs and services positively impact teaching and learning. We are connecting with, and directing our services, resources and leadership to Wayne County districts and schools with the goal of making these services relevant, cost effective and focused on improving student achievement. Additionally, it is imperative that we continue to assist in targeting and maximizing critical resources and providing cost saving opportunities through economies of scale and collaboration.

This is an especially unusual year for budget planning due to the unprecedented national health crisis we are working through. We have planned for a similar budget to last year for now, but may need to make adjustments in the upcoming months as we learn more about state and local resources. Know that we stand with you and support all of you as we work to provide the best education possible to students in Wayne County for the next school year.

The attached budget document provides a high level of information for your review. Additional detail is available on our website at www.resa.net under "About Us", then "Reports". Many of the questions we are asked can be found in the FAQ document also posted to the report page of our website. The Wayne RESA General Fund continues to have a positive fund balance and the Wayne RESA Board of Education has taken the position that we will manage the use of our fund balance to assure stability in our services from year to year, while optimizing important services to support our districts.

Your questions or points of interest regarding this proposed budget are invited and should be directed to Steve Ezikian, Deputy Superintendent at **(734) 334-1450** or at ezikias@resa.net ; or Tamara Dust, Director of Finance, at **(734) 334-1579** or at dustt@resa.net .

Of course, you are always encouraged to contact me directly if you have any additional questions or comments about any aspect of Wayne RESA.

Sincerely,



Randy A. Liepa, Ph.D.
Superintendent





> Foreword

Who We Are and What We Do



Wayne RESA is a regional educational service agency that provides a wide variety of services to children, families and communities. We coordinate many of our programs with Wayne County's 33 public school districts and over 100 public school academies. We also provide services to local and intermediate school districts in other parts of the state.

The services Wayne RESA provides range from curriculum consulting, leadership and content coaching, and staff development, to helping districts maximize technology in the classroom and in their business and administrative operations. Wayne RESA's services save taxpayers millions of dollars annually and enable districts to concentrate more time, money and energy on the direct education of students.

With a projected operating budget of over \$504 million, Wayne RESA's budget includes more than \$425.7 million that is distributed to local districts and agencies to cover

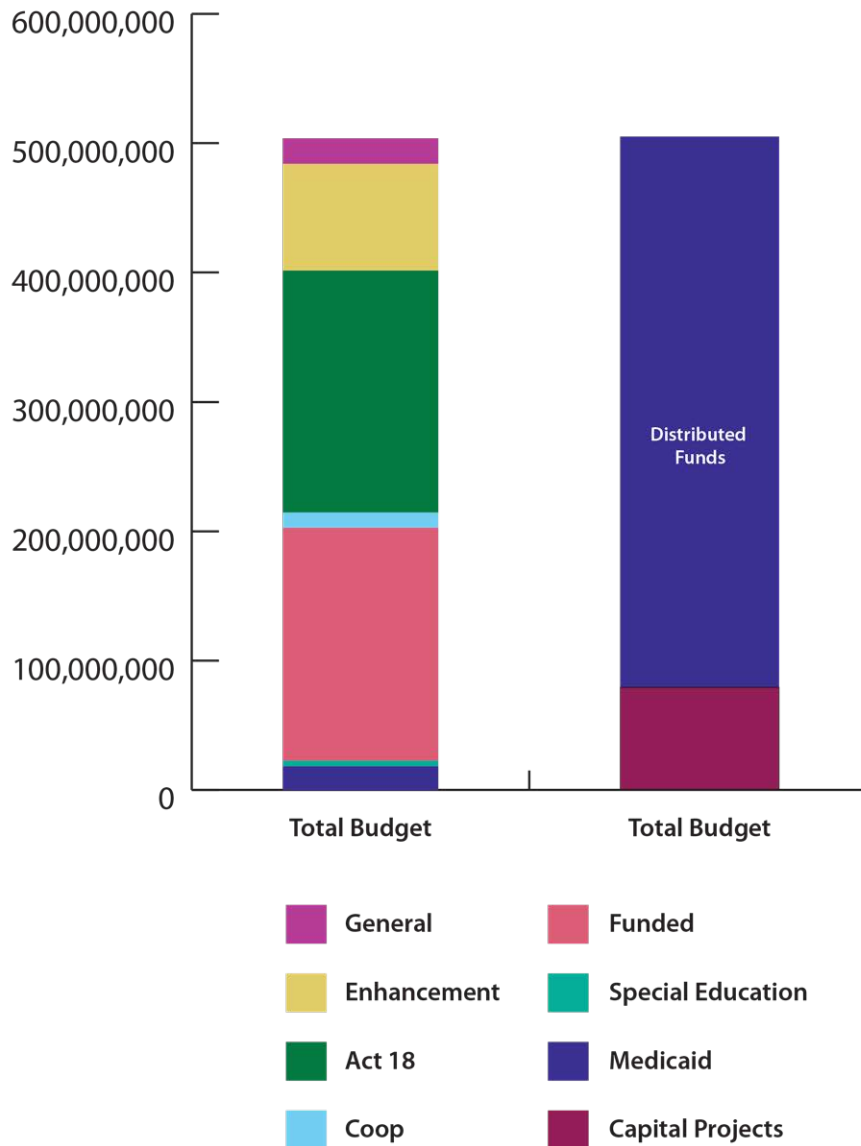
the costs related to special education, Medicaid, the enhancement millage, and other special projects.

The Preliminary Budget reflects the expected revenues and planned expenditures for the 2020-2021 fiscal year. While projections are as precise as available information will permit, it is anticipated that adjustments will be necessary during the coming year, especially given the current uncertainty in funding due to the COVID-19 crisis.

The Preliminary Budget provides a comprehensive financial profile of all of the funds of Wayne RESA, as well as supplementary information to promote a more complete understanding of WRESA's financial structure. Each of the individual funds are accompanied by a narrative summary, and in the case of the General Operating Fund and the Cooperative Fund, are followed by links to detailed budgets for each cost center.

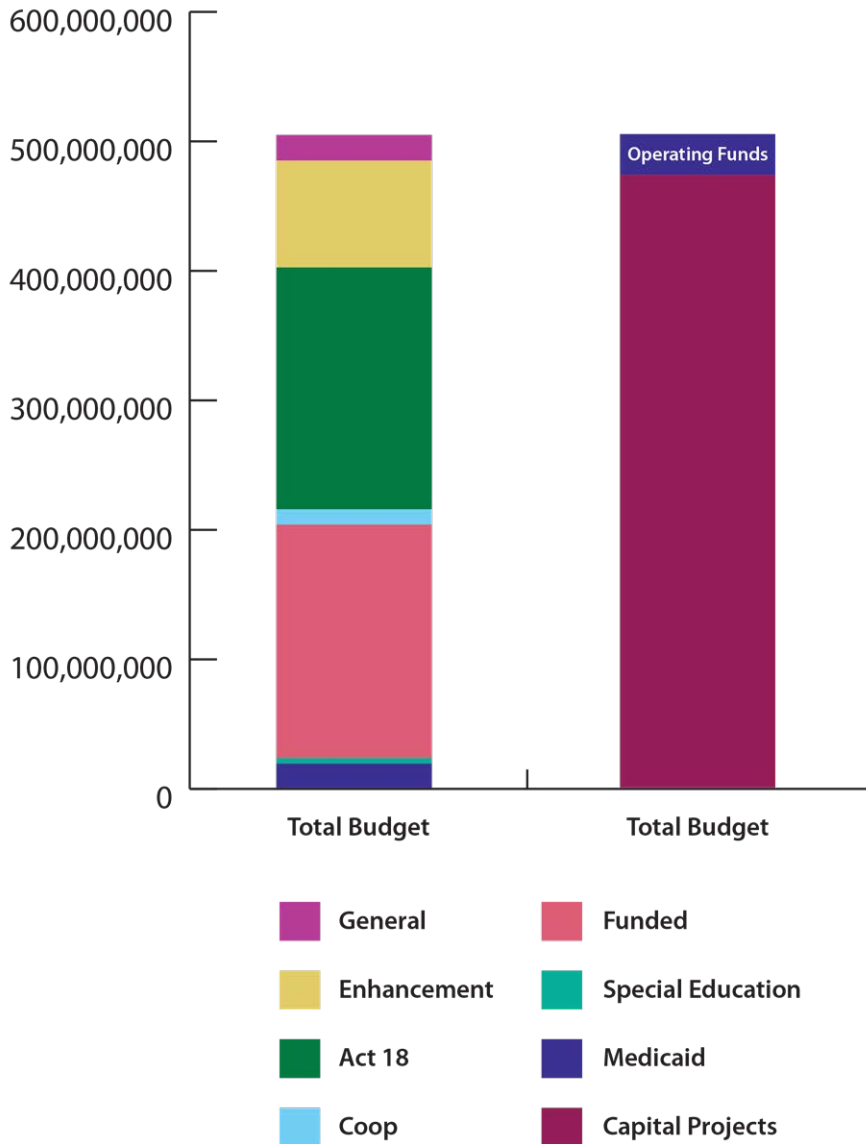
> WRESA 2020-21 Budget

Wayne RESA's total budget across all funds is over \$504 Million. Of this, \$425.7 million is directly distributed to districts, Public School Academies and other governmental agencies.



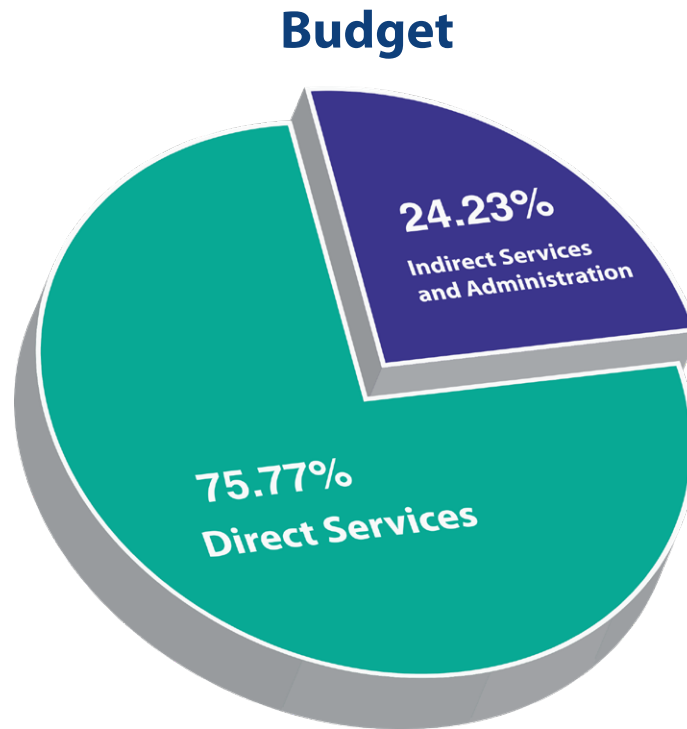
> WRESA 2020-21 Budget

Wayne RESA's Operating Funds, the General and Cooperative Funds, represent approximately 6.25% of all the Agency's expenditures.



> Budget by Service Area

Wayne RESA's Operating Expenditures are further divided into both indirect services and direct services to districts. Indirect services and administration costs account for approximately 24% of costs, while direct services to districts make up the remaining 76%.



> General Fund

The **General Fund Operating Budget** is established to record and report all financial transactions of the Agency except those required by law to be entered in other funds.

	2019-20 Approved Budget	2020-21 Proposed Budget
Beginning Fund Balance	\$13,914,388	\$14,356,388
Revenues		
Local Sources	5,241,200	5,041,000
State Sources	11,678,500	11,678,500
Incoming Transfers – Other Governmental Agencies	538,400	538,400
Incoming Transfers – Other Funds	1,111,000	1,099,300
Total Revenues	\$18,569,100	\$18,357,200
Expenditures		
Salaries	\$6,552,000	\$7,238,500
Employee Benefits	3,668,700	4,189,200
Purchased Services	1,707,400	1,727,800
Supplies and Materials	410,200	411,200
Capital Outlay	279,700	279,700
Other Expenses	103,900	103,900
Outgoing Transfers – Other Governmental	166,000	165,500
Other Funds	5,239,200	5,722,300
Total Expenditures	18,127,100	19,838,100
Ending Fund Balance	\$14,356,388	\$12,875,488

See the [General Fund Program details](#).

> Enhancement Millage Fund

The Wayne County schools **enhancement millage** was approved by voters in November of 2016 to levy two mills on all properties within the school districts in Wayne County. This millage is fully distributed as collected to the 33 school districts of Wayne County and can be used for all allowable school expenditures. It will be up for renewal in one year.

	2019-20 Approved Budget	2020-21 Proposed Budget
Beginning Fund Balance	\$0	\$0
Revenues		
Local Sources	82,549,000	82,500,000
State Sources	0	0
Incoming Transfers – Other Governmental Agencies	0	0
Incoming Transfers – Other Funds	0	0
Total Revenues	\$82,549,000	\$82,500,000
Expenditures		
Salaries	\$0	\$0
Employee Benefits	0	0
Purchased Services	0	0
Supplies and Materials	0	0
Capital Outlay	0	0
Other Expenses	0	0
Outgoing Transfers – Other Governmental	82,549,000	82,500,000
Other Funds	0	0
Total Expenditures	82,549,000	82,500,000
Ending Fund Balance	\$0	\$0

> Act 18 Fund

Act 18 monies are collected and distributed by WRESA primarily to reimburse center program operating districts for allowable added costs. In 2002 an additional 1.5 mill was approved by voters increasing the total authorized millage to 3.5 mill. Act 18 monies are completely segregated from all other WRESA accounts and are distributed according to a county-wide plan recommended by constituent districts and approved by the WRESA Board of Education.

	2019-20 Approved Budget	2020-21 Proposed Budget
Beginning Fund Balance	\$244,118,179	\$244,966,629
Revenues		
Local Sources	140,936,500	138,400,000
State Sources	27,694,800	27,600,000
Incoming Transfers – Other Governmental Agencies	350,000	350,000
Incoming Transfers – Other Funds	5,500,000	5,500,000
Total Revenues	\$174,481,300	\$171,850,000
Expenditures		
Salaries	0	0
Employee Benefits	0	0
Purchased Services	462,800	463,000
Supplies and Materials	122,800	122,000
Capital Outlay	2,900,000	1,200,000
Other Expenses	0	0
Outgoing Transfers – Other Governmental	168,171,900	182,244,000
Other Funds	1,975,350	2,820,000
Total Expenditures	173,632,850	186,849,000
Ending Fund Balance	\$244,966,629	\$229,967,629

> Cooperative Education Fund

The **Cooperative Education Fund** is established to record and report the revenues and expenditures derived from providing services to local districts, agencies and public school academies. Revenues are comprised of user fees and subsidies from the General Operating Fund. Included in this fund are the activities included in Administrative and Instructional Technology Services, MISTAR Data and Assessment, Print Services, Production Services and Consolidated Services.

	2019-20 Approved Budget	2020-21 Proposed Budget
Beginning Fund Balance	\$1,310,945	\$1,310,945
Revenues		
Local Sources	130,000	130,000
Incoming Transfers – Other Governmental Agencies	6,581,100	6,270,300
Incoming Transfers – Other Funds	4,868,700	5,351,800
Total Revenues	\$11,579,800	\$11,752,100
Expenditures		
Salaries	\$5,151,200	\$5,216,300
Employee Benefits	3,179,000	3,286,200
Purchased Services	2,411,000	2,411,000
Supplies and Materials	497,000	497,000
Capital Outlay	221,000	221,000
Other Expenses	60,100	60,100
Outgoing Transfers – Other Governmental	50,000	50,000
Other Funds	10,500	10,500
Total Expenditures	11,579,800	11,752,100
Ending Fund Balance	\$1,310,945	\$1,310,945

[See the Cooperative Fund details.](#)

> Funded Projects Fund

The **Funded Projects Fund Operating Budget** is established to record and report all financial transactions of a combination of grants and initiatives that support General Education and Special Education activities.

	2019-20 Approved Budget	2020-21 Proposed Budget
Beginning Fund Balance	\$ (3,336,742)	\$ 0
Revenues		
Local Sources	2,692,046	2,941,200
State Sources	94,948,961	81,657,400
Federal Sources	118,700,163	90,615,000
Incoming Transfers – Other Governmental Agencies	8,788,768	4,998,000
Incoming Transfers – Other Funds	0	0
Total Revenues	\$225,129,938	180,211,600
Expenditures		
Salaries	\$11,385,633	7,812,300
Employee Benefits	6,575,783	4,522,900
Purchased Services	34,222,254	19,403,500
Supplies and Materials	1,659,578	1,392,000
Capital Outlay	128,000	85,300
Other Expenses	292,516	278,500
Outgoing Transfers – Other Governmental	163,789,082	145,484,300
Other Funds	3,740,350	1,232,800
Total Expenditures	221,793,196	180,211,600
Ending Fund Balance	\$ 0	\$ 0

> Special Education Fund

The **Special Education Services Fund** provides consultant and staff development support for constituent districts to foster free and appropriate special education services for the eligible handicapped population of Wayne County. The fund also includes the distribution of state and other funds to the Michigan School for the Deaf/Blind and certain other residential programs.

	2019-20 Approved Budget	2020-21 Proposed Budget
Beginning Fund Balance	\$ -0-	\$ -0-
Revenues		
Local Sources	0	0
State Sources	1,225,400	1,225,400
Federal Sources	0	0
Incoming Transfers – Other Governmental Agencies	0	0
Incoming Transfers – Other Funds	2,974,150	3,070,000
Total Revenues	\$4,199,550	\$4,295,400
Expenditures		
Salaries	\$1,777,000	\$1,801,200
Employee Benefits	1,068,000	1,139,100
Purchased Services	87,600	88,000
Supplies and Materials	46,500	46,500
Capital Outlay	70,000	70,000
Other Expenses	7,600	7,600
Outgoing Transfers – Other Governmental	954,350	954,000
Other Funds	188,500	189,000
Total Expenditures	4,199,550	4,295,400
Ending Fund Balance	\$ 0	\$ 0

> Medicaid Fund

The **Medicaid Fund** represents flow-through funding to the local districts of Wayne RESA for School-Based Services. These programs have been made available through an agreement entered into by WRESA on behalf of the constituent districts to provide partial reimbursement for services to Medicaid-eligible special education students.

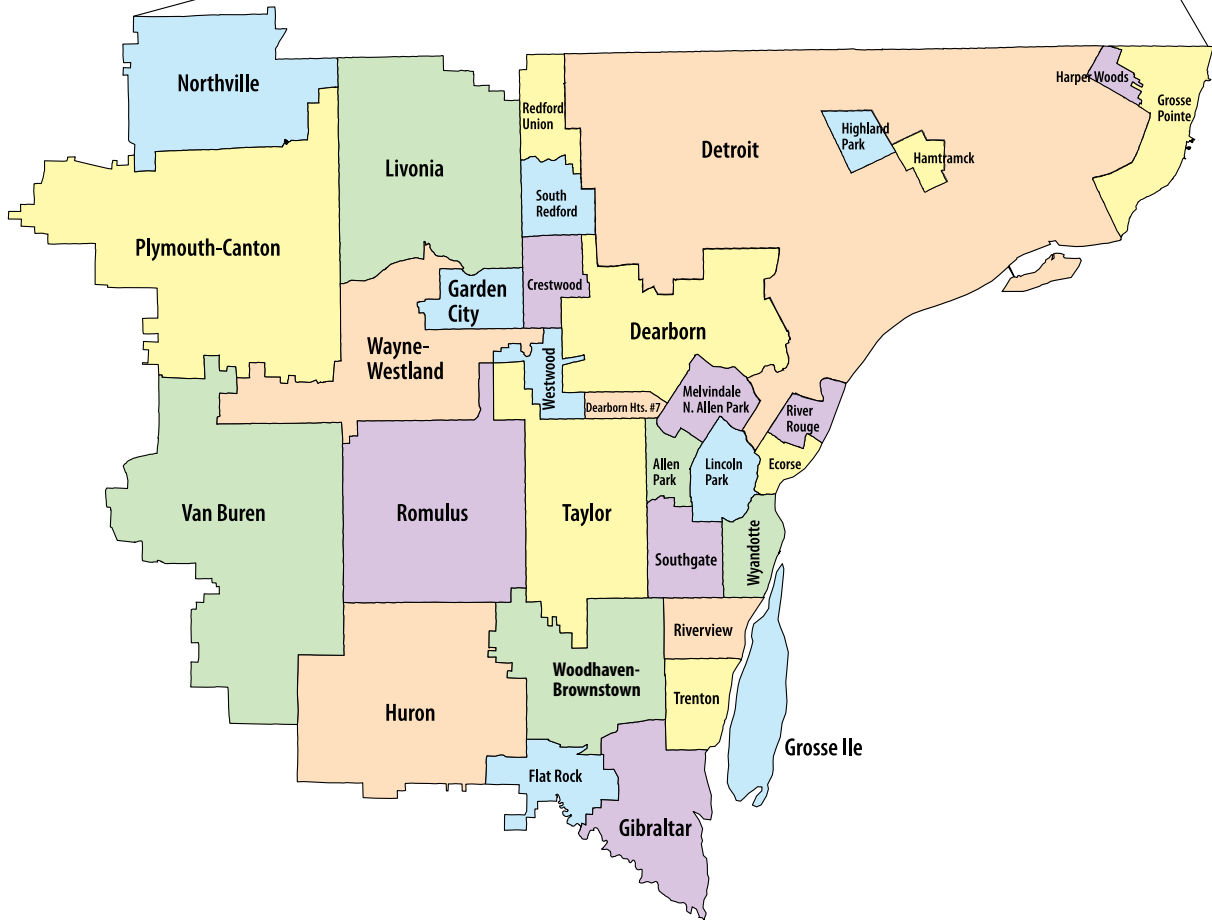
	2018-19 Approved Budget	2019-20 Proposed Budget
Beginning Fund Balance	\$0	\$0
Revenues		
Local Sources	18,959,900	18,700,000
Total Revenues	\$18,959,900	\$18,700,000
Expenditures		
Salaries	\$292,800	318,500
Employee Benefits	162,800	172,300
Purchased Services	16,600	16,600
Supplies and Materials	2,500	2,500
Capital Outlay	0	0
Other Expenses	800	800
Outgoing Transfers – Other Governmental	12,937,900	12,642,800
Other Funds	5,546,500	5,546,500
Total Expenditures	18,959,900	18,700,000
Ending Fund Balance	\$ 0	\$ 0

> Capital Projects Fund

The **Capital Projects Fund** has been established by the Board of Education as a segregated group of accounts that are to be used for non-routine capital items. The Capital Projects Fund is funded through transfers from the General Operating Fund.

	2019-20 Approved Budget	2020-21 Proposed Budget
Beginning Fund Balance	\$1,805,844	\$329,944
Revenues		
Local Sources	5,000	1,000
Incoming Transfers – Other Funds	500,000	500,000
Total Revenues	\$505,000	\$501,000
Expenditures		
Purchased Services	0	0
Capital Outlay	\$1,980,900	\$500,000
Other Expenses	0	0
Total Expenditures	\$1,980,900	\$500,000
Ending Fund Balance	\$329,944	\$330,944





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Board of Education:

James S. Beri • Mary E. Blackmon • Danielle Funderburg • Lynda S. Jackson • James Petrie

Randy A. Liepa, Ph.D., Superintendent