

# Wayne RESA

## 2015-2016 Proposed Budget

### Frequently Asked Questions

<b>QUESTION</b>	<b>RESPONSE</b>
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 State Aid will be flat (with the exception of revenues related to Retirement rate stabilization) and that Property taxes will remain flat for the upcoming fiscal year.
2. What salary adjustments are included in the proposed budget?	There are no general salary adjustments included in the preliminary budget proposal. Employees eligible for steps will receive those steps. Also, the 2015-2016 preliminary budget reflects a full year of salaries for several employees that were hired during the current fiscal year to meet the needs of our constituent districts in Educational Services and as well as other positions funded thru the Funded Projects Funds. Additionally, portions of several positions were moved to funding sources outside the General Fund to more accurately reflect the funding for services provided.
3. What assumptions were made about retirement?	The budget holds the retirement rate at a composite rate of 36.3% although the board recognizes that several factors including elements of the state school aid budget could have the effect of making the rate higher or lower.
4. What about health care?	The preliminary budget reflects the third year of implementation of Public Act 152 hard cap and has included the 2.3% increase to rise the cap.
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.
6. What is the reason for the shift in Revenue in the Medicaid fund from Federal sources to local sources	Reporting requirements from the Michigan Department of Education require this change, although funding retains federal origins and is still reported as federal at the state level.

# Wayne RESA

## 2015-2016 Proposed Budget

### Frequently Asked Questions

7. What accounts for the overall increase in transfers in from other funds in the Cooperative Fund?	The Cooperative fund had a beginning fund balance for 14-15 that will be fully expended at year end. Additional subsidies from the General Fund will be required to meet estimated expenditures
8. How much does the Wayne RESA General Fund contribute toward the support of the Wayne County CLASS A System?	The General Fund is projected to contribute \$1,244,400 in 2015-16 to the Wayne County CLASS A Project.
9. Is there a projected increase in fees for membership in the Wayne County Computer Consortium?	For the sixth year in a row, there will be no increase in the fees for membership in the computer consortium for Wayne County districts.
10. The budget projections indicate that the Agency will use General Fund about \$1 million in fund balance in 2015-2016. Is this expected to be a trend?	The projected decrease in fund balance reflects a structural deficit in the agency. Given the overall fund balance, the agency plans not to decrease services to districts in the near future, but will need to address the imbalance if there are not revenue increases over the next several years.
11. What is the reason behind the decreased revenues in the Funded Projects Fund	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.
12. What is the purpose of the Capital Projects Fund?	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.