

PRELIMINARY BUDGET Wayne RESA

2019
2020

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

April 26, 2019

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 2019-2020. This information was presented to the Wayne RESA Board of Education on April 17, 2019 for review and discussion. The official "district hearing" will be held at the May 15, 2019, Wayne RESA Board of Education meeting, with the budget also being presented for formal approval at the June 12, 2019, 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.

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, Manager 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



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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.

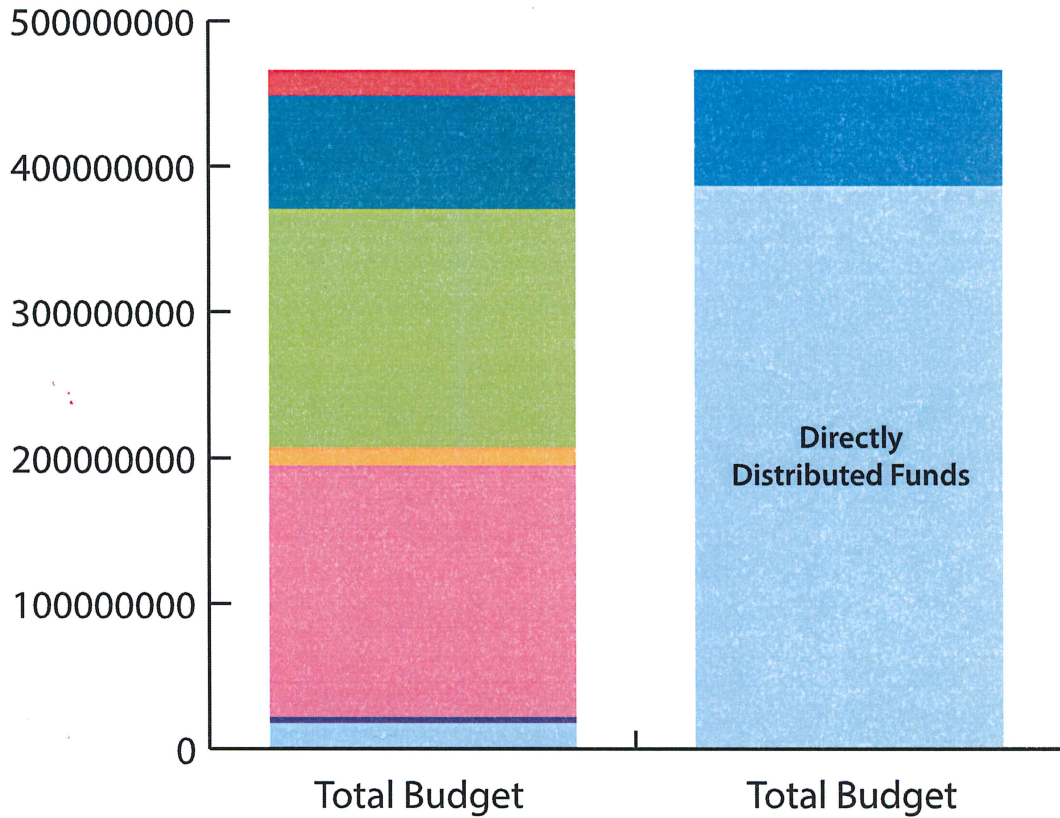
With a projected operating budget of over \$467 million, Wayne RESA's budget includes more than \$386 million that is distributed to local districts and agencies to cover the costs related to special education, Medicaid, the enhancement millage, and other special projects.

The Preliminary Budget reflects the expected revenues and planned expenditures for the 2019-2020 fiscal year. While projections are as precise as available information will permit, it is anticipated that adjustments will be necessary during the coming year.

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.

WRSA 2019-20 BUDGET

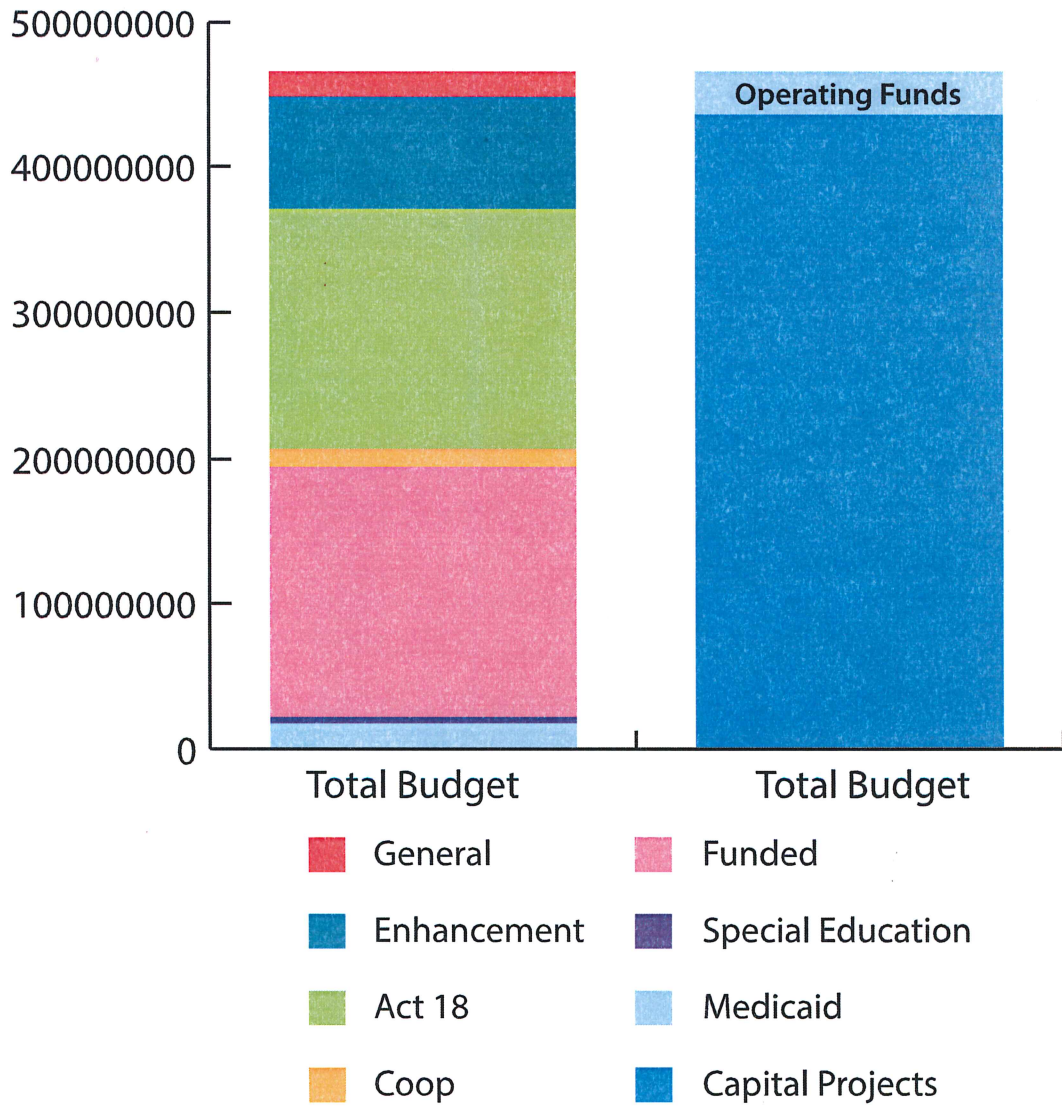
Wayne RESA's total budget across all funds is over \$467 million. Of this, \$386.9 million is directly distributed to schools.



- General
- Funded
- Enhancement
- Special Education
- Act 18
- Medicaid
- Coop
- Capital Projects

WRESA 2019-20 BUDGET

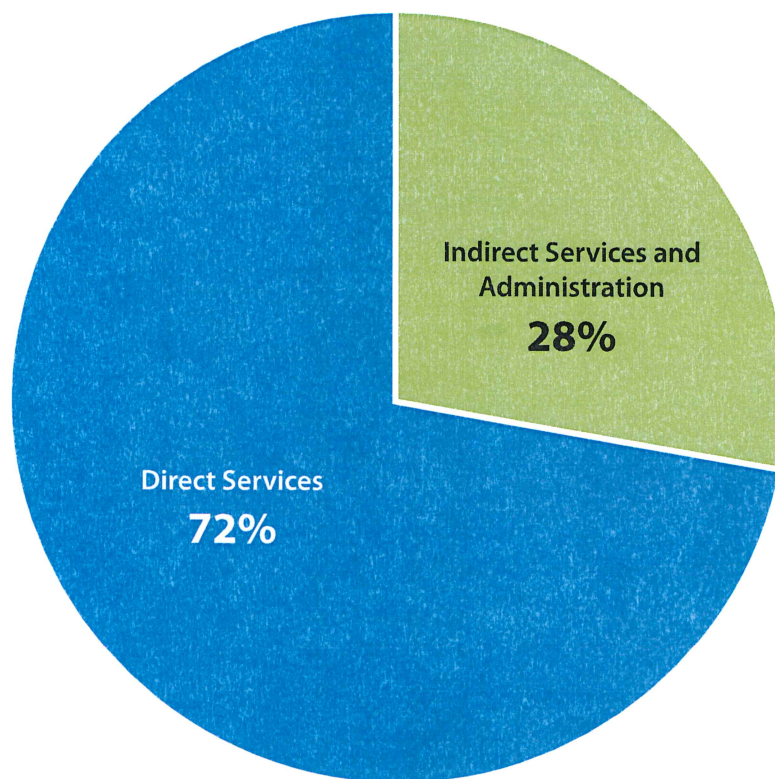
Wayne RESA's Operating Funds, the General and Cooperative Funds, represent less than 7% of all the Agency's expenditures.



WRESA 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 28% of costs, while direct services to districts make up the remaining 72%.

Budget



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.

	2018-19 Approved Budget	2019-20 Proposed Budget
Beginning Fund Balance	\$11,789,916	\$12,231,917
Revenues		
Local Sources	5,087,700	5,159,900
State Sources	11,286,200	11,330,100
Incoming Transfers – Other Governmental Agencies	481,000	481,000
Incoming Transfers – Other Funds	1,030,000	1,095,000
Total Revenues	\$17,884,900	\$18,066,000
Expenditures		
Salaries	\$5,708,600	\$6,123,200
Employee Benefits	3,196,300	3,535,000
Purchased Services	1,654,200	1,754,700
Supplies and Materials	434,100	365,600
Capital Outlay	400,700	288,700
Other Expenses	101,400	101,900
Outgoing Transfers – Other Governmental	81,900	85,900
Other Funds	5,865,700	5,722,500
Total Expenditures	17,442,900	17,977,500
Ending Fund Balance	\$12,231,917	\$12,320,417

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 five years.

	2018-19 Approved Budget	2019-20 Proposed Budget
Beginning Fund Balance	\$0	\$0
Revenues		
Local Sources	77,490,000	77,621,800
State Sources	0	0
Incoming Transfers – Other Governmental Agencies	0	0
Incoming Transfers – Other Funds	0	0
Total Revenues	\$77,490,000	\$77,621,800
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	77,490,000	77,621,800
Other Funds	0	0
Total Expenditures	77,490,000	77,621,800
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.

	2018-19 Approved Budget	2019-20 Proposed Budget
Beginning Fund Balance	\$207,746,475	\$215,559,875
Revenues		
Local Sources	132,229,000	135,679,600
State Sources	28,044,200	29,492,200
Incoming Transfers – Other Governmental Agencies	300,000	300,000
Incoming Transfers – Other Funds	4,500,000	4,500,000
Total Revenues	\$165,073,200	\$169,971,800
Expenditures		
Salaries	0	0
Employee Benefits	0	0
Purchased Services	442,000	450,800
Supplies and Materials	121,000	123,400
Capital Outlay	800,000	816,000
Other Expenses	0	0
Outgoing Transfers – Other Governmental	153,536,600	160,696,300
Other Funds	2,360,200	2,865,800
Total Expenditures	157,259,800	164,952,300
Ending Fund Balance	\$215,559,875	\$220,579,375

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.

	2018-19 Approved Budget	2019-20 Proposed Budget
Beginning Fund Balance	\$1,310,947	\$1,310,947
Revenues		
Local Sources	120,000	110,000
Incoming Transfers – Other Governmental Agencies	7,368,300	6,982,300
Incoming Transfers – Other Funds	5,307,500	5,186,000
Total Revenues	\$12,795,800	\$12,278,300
Expenditures		
Salaries	\$5,002,200	\$5,315,800
Employee Benefits	2,975,400	3,246,400
Purchased Services	3,063,500	2,439,400
Supplies and Materials	545,500	545,500
Capital Outlay	846,000	366,000
Other Expenses	59,700	60,200
Outgoing Transfers – Other Governmental	300,000	300,000
Other Funds	3,500	5,000
Total Expenditures	12,795,800	12,278,300
Ending Fund Balance	\$1,310,947	\$1,310,947

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.

	2018-19 Approved Budget	2019-20 Proposed Budget
Beginning Fund Balance	\$ (37,483)	\$ 0
Revenues		
Local Sources	2,156,095	5,388,500
State Sources	88,651,030	72,417,700
Federal Sources	111,168,457	90,012,500
Incoming Transfers – Other Governmental Agencies	7,288,454	5,050,000
Incoming Transfers – Other Funds	0	0
Total Revenues	\$209,264,036	172,868,700
Expenditures		
Salaries	\$10,717,995	8,854,000
Employee Benefits	6,363,762	5,257,000
Purchased Services	26,026,090	21,500,000
Supplies and Materials	1,283,637	1,060,000
Capital Outlay	42,566	35,000
Other Expenses	89,615	75,000
Outgoing Transfers – Other Governmental	161,479,995	134,787,700
Other Funds	3,222,893	1,300,000
Total Expenditures	209,226,553	172,868,700
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.

	2018-19 Approved Budget	2019-20 Proposed Budget
Beginning Fund Balance	\$ -0-	\$ -0-
Revenues		
Local Sources	0	0
State Sources	1,151,500	1,051,100
Federal Sources	0	0
Incoming Transfers – Other Governmental Agencies	0	0
Incoming Transfers – Other Funds	2,760,200	3,245,800
Total Revenues	\$3,911,700	\$4,296,900
Expenditures		
Salaries	\$1,341,600	\$1,577,900
Employee Benefits	810,600	946,000
Purchased Services	378,500	343,700
Supplies and Materials	100,000	71,000
Capital Outlay	50,000	70,000
Other Expenses	29,700	29,800
Outgoing Transfers – Other Governmental	1,101,300	1,143,500
Other Funds	100,00	115,000
Total Expenditures	3,911,700	4,296,900
Ending Fund Balance	\$ 0	\$ 0

MEDICAID FUND

Medicaid Fund represents flow-through funding to the local districts of Wayne RESA for Fee for Service and Administrative Outreach programs. 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.

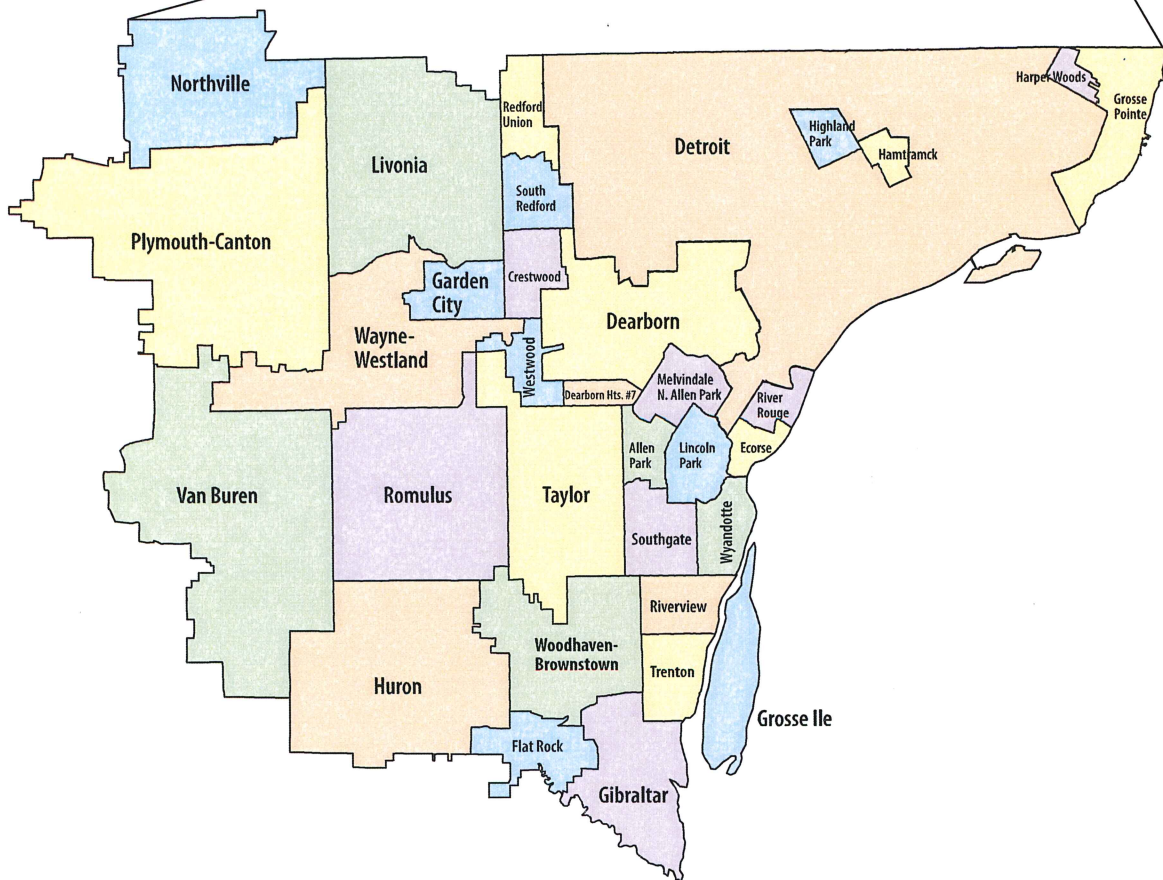
	2018-19 Approved Budget	2019-20 Proposed Budget
Beginning Fund Balance	\$0	\$0
Revenues		
Local Sources	13,800,000	17,275,000
Total Revenues	\$13,800,000	\$17,275,000
Expenditures		
Salaries	\$252,800	259,800
Employee Benefits	140,900	171,600
Purchased Services	14,600	14,600
Supplies and Materials	2,500	2,500
Capital Outlay	0	0
Other Expenses	800	800
Outgoing Transfers – Other Governmental	8,841,900	12,279,200
Other Funds	4,546,500	4,546,500
Total Expenditures	13,800,000	17,275,000
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.

	2018-19 Approved Budget	2019-20 Proposed Budget
Beginning Fund Balance	\$1,688,129	\$393,129
Revenues		
Local Sources	5,000	5,000
Incoming Transfers – Other Funds	500,000	500,000
Total Revenues	\$505,000	\$505,000
Expenditures		
Purchased Services	0	0
Capital Outlay	\$1,800,000	\$500,000
Other Expenses	0	0
Total Expenditures	\$1,800,000	\$500,000
Ending Fund Balance	\$393,129	\$398,129





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Board of Education:

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Randy A. Liepa, Ph.D., Superintendent

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