

RESOLUTION FOR LOCAL DISTRICT VOTE ON ISD 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 _____,
2012, 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, 2012;
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, 2012.

THEREFORE, BE IT RESOLVED THAT:

The ISD General Education Fund Budget for the 2012-2013 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 _____, 2012, 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
2012-2013 ORIGINAL GENERAL EDUCATION FUND BUDGET**

RESOLVED, that this resolution shall be the appropriations of Kalamazoo Regional Educational Service Agency for the 2012-2013 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 2012-2013 is as follows:

| | ACTUAL 2010-11 | REVISED 2011-12 | ORIGINAL 2012-13 |
|----------------------|-------------------|--------------------|---------------------|
| REVENUES: | | | |
| Local | 15,018,948 | 15,324,544 | 15,041,842 |
| State | 1,890,397 | 4,290,625 | 4,655,878 |
| Federal | 5,014,167 | 4,422,232 | 3,805,584 |
| Other Sources | 3,043,249 | 2,965,000 | 3,030,182 |
| Total Revenue | 24,966,761 | 27,002,400 | 26,533,487 |

BE IT FURTHER RESOLVED, that \$26,780,309 of the total available to appropriate in the GENERAL EDUCATION FUND is hereby appropriated in the amounts and for the purpose set forth below:

| | | | |
|-------------------------------------|-------------------|-------------------|-------------------|
| Instruction: | | | |
| Basic Programs | 551,276 | 522,537 | 532,712 |
| Added Needs | - | 89,000 | 32,246 |
| Support Services: | | | |
| Pupil | 96,953 | 96,963 | 148,560 |
| Instructional staff | 3,802,887 | 3,448,346 | 3,379,001 |
| General Administration | 397,634 | 432,932 | 440,794 |
| School Administration | - | - | - |
| Business | 432,659 | 611,161 | 633,872 |
| Operations and Maintenance | 643,502 | 750,003 | 814,803 |
| Transportation | - | - | - |
| Central | 2,649,732 | 2,843,278 | 2,588,410 |
| Other Support Services | - | - | - |
| Community Services | 4,184,973 | 4,619,964 | 4,584,429 |
| Other Financing Uses | 11,958,091 | 14,021,813 | 13,625,482 |
| Total Expenditures | 24,717,707 | 27,435,997 | 26,780,309 |
| Revenues over Expenses | 249,054 | (433,597) | (246,822) |
| FUND BALANCE - July 1 | 4,346,578 | 4,595,632 | 4,162,035 |
| FUND BALANCE - JUNE 30 | 4,595,632 | 4,162,035 | 3,915,213 |
| ASSIGNED FUND BALANCE - RTSI | 313,292 | 238,688 | 238,688 |
| UNASSIGNED FUND BALANCE | 4,282,340 | 3,923,347 | 3,676,525 |

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 6/14/2012)



To: Local District Boards of Education

From: Holly Norman, Deputy Superintendent
Scott Thomas, Business Manager

Date: April 27, 2012

Subject: Kalamazoo RESA 2012-2013 General Education Fund Budget Narrative

The Kalamazoo RESA 2012-2013 General Fund budget shows an overall decrease in revenues of approximately 1.7% and an overall decrease in expenditures of approximately 2.4%. The budget anticipates an overall deficit of \$246,822 with fund balance being used to sustain our current programming and the services we provide to the County. This will leave the General Fund with an estimated fund balance at June 30, 2013 of \$3,676,525 or 13.7% of annual expenditures. Kalamazoo RESA's overall fund equity is approximately 6.8% of total program expenditures when combined with the Special Education Fund (which has a 1.8% Fund Balance).

Kalamazoo RESA's major sources of General Fund revenues include an operating tax levy of 0.1446 mills on all property in the Kalamazoo RESA area. We are anticipating a 2% decrease in property tax revenue due to decline in property values. Some state aid is received through Section 81 of the State Aid Act. This budget assumes Section 81 State Aid will remain same as what was collected in 2011-2012, with no direct subsidy to individual departments or programs. Grants make up a large portion of the revenue received by the district, as well as, departments that provide services on a fee for service basis. Revenues in the fee for service areas have remained relatively flat to assist our local districts.

Kalamazoo RESA's expenditures are categorized as follows and include assumptions of 14% increase in health insurance costs, retirement cost increase of 11.9% (rate of 27.37% of wages up from 24.46% in 2011-2012), and a compensation adjustment for staff pending Board approval.

General Administration and Maintenance: These expenses include the General Fund portion of the Board of Education, Superintendent's Office, Public Information, Human Resources Department, Business Office, and Maintenance and Operations departments.

Technology Services: The Technology Services department supports the technology needs of Kalamazoo RESA programs, state reporting compliance, on-site technology support staff to schools, 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 Kalamazoo RESA departments. Kalamazoo RESA's General Fund budget is projected to contribute an additional \$167,450 to support this department.

Ready, Set, Succeed!/Great Start: This budget includes the birth to five year old programs county-wide. Funding includes state and local grants, local district contributions of \$65,000 and \$132,367 direct support from the Kalamazoo RESA General Fund budget. This budget assumes no change in state 32J and ECIC funding.

REMC – Media: REMC is funded with a combination of local district membership fees of \$215,767 and fee for service in the areas of our full print shop, graphic arts services, county-wide van delivery services, teachers material center, records management services, shredding services, video and media library, and other various services. This department operates much like a business on a fee for service basis. Schools who participate in the program pay a fee for the services they purchase.

Instructional Center: The Instructional Center is funded largely with state and federal grants along with local district professional development consortium contributions of \$45,000 and direct contribution from the Kalamazoo RESA General Fund budget of \$534,397. The expenditures include the following grants: Teaching American History grant, MiBLSi grant, Doing What Works grant and Irving S. Gilmore grant. The instructional department also administers the research and development department, the Kalamazoo RESA Leadership Institute, and the professional development consortium.

Education for the Arts (EFA) and Education for Employment (EFE): 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 Kalamazoo RESA funding. Both programs 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 EFE, as well as, support for administrative costs for EFA. The Kalamazoo RESA General Fund budget directly contributes \$97,344 to the administration of the EFA programs and \$219,602 to the administration of the EFE program.

Youth Opportunities Unlimited (YOU): YOU is a federally funded program that provides job training and education to at-risk youths ages 16-21. This program is funded with Federal grants administered by the W.E. Upjohn Institute. YOU also runs the Michigan Works Program for youth at our South Street facility and Employment Services for Adults at our Burdick Street facility. Kalamazoo RESA provides the facilities for these programs and the General Fund budget is projected to contribute approximately \$84,453 towards the operations and maintenance of these facilities. Kalamazoo RESA runs all similar programs for St. Joseph County at our Three Rivers location and was recently awarded a contract of the Branch County WIA Youth Program.

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 generates state reimbursement for bus driver training which is reimbursed back to local districts.

Enhancement Millage: This budget includes \$10,913,208 in revenue for the enhancement millage approved by voters in 2011, which is distributed back to the local districts to support their operations.

Medicaid Michigan Outreach: \$85,000 is estimated to be collected for the Medicaid Administrative Outreach Program on behalf of the local districts. This amount will be distributed back to the local districts.

Kalamazoo RESA
GENERAL EDUCATION FUND BUDGET
2012-2013

| | Revised 2011/2012 BUDGET | INCREASE (DECREASE) | Original 2012/2013 BUDGET |
|--------------------------------------|--------------------------------|------------------------|---------------------------------|
| REVENUES: | | | |
| PROPERTY TAXES | 1,062,574 | (21,051) | 1,041,522 |
| STATE AID - SEC 81 | 551,472 | 603,629 | 1,155,101 |
| OTHER | 715,841 | 7,909 | 723,750 |
| TECHNOLOGY SERVICES | 766,981 | (58,516) | 708,465 |
| READY, SET, SUCCEED!/GREAT START | 2,812,333 | 40,682 | 2,853,015 |
| REMC - MEDIA | 1,064,527 | (116,989) | 947,538 |
| INSTRUCTIONAL CENTER | 2,245,368 | (837,640) | 1,407,728 |
| EDUCATION FOR ARTS (EFA) | 1,464,222 | 26,628 | 1,490,850 |
| EDUCATION FOR EMPLOYMENT (EFE) | 1,389,500 | 73,229 | 1,462,729 |
| YOUTH OPPORTUNITIES UNLIMITED (YOU) | 3,429,070 | (1,300) | 3,427,770 |
| REGIONAL TRANSPORTATION (RTSI) | 281,627 | 35,183 | 316,810 |
| ENHANCEMENT MILLAGE | 11,133,886 | (220,678) | 10,913,208 |
| MEDICAID MICHIGAN OUTREACH | 85,000 | 0 | 85,000 |
| TOTAL REVENUE | <u>27,002,400</u> | <u>(468,914)</u> | <u>26,533,487</u> |
| EXPENDITURES: | | | |
| GENERAL ADMINISTRATION & MAINTENANCE | 1,835,963 | 124,799 | 1,960,762 |
| TECHNOLOGY SERVICES | 973,137 | (97,222) | 875,915 |
| READY, SET, SUCCEED!/GREAT START | 2,962,302 | 23,080 | 2,985,382 |
| REMC - MEDIA | 1,007,965 | (89,607) | 918,358 |
| INSTRUCTIONAL CENTER | 2,401,053 | (458,928) | 1,942,125 |
| EDUCATION FOR ARTS (EFA) | 1,561,566 | 26,628 | 1,588,194 |
| EDUCATION FOR EMPLOYMENT (EFE) | 1,606,992 | 75,339 | 1,682,331 |
| YOUTH OPPORTUNITIES UNLIMITED (YOU) | 3,511,902 | 321 | 3,512,223 |
| REGIONAL TRANSPORTATION (RTSI) | 356,231 | (39,420) | 316,810 |
| ENHANCEMENT MILLAGE | 11,133,886 | (220,678) | 10,913,208 |
| MEDICAID MICHIGAN OUTREACH | 85,000 | 0 | 85,000 |
| TOTAL EXPENDITURES | <u>27,435,997</u> | <u>(655,688)</u> | <u>26,780,309</u> |
| REVENUES OVER EXPENDITURES | (433,597) | 186,774 | (246,822) |
| FUND BALANCE - JULY 1 | <u>4,595,632</u> | <u>(433,597)</u> | <u>4,162,035</u> |
| FUND BALANCE - JUNE 30 | 4,162,035 | (246,822) | 3,915,213 |
| ASSIGNED FUND BALANCE - RTSI | <u>238,688</u> | <u>(0)</u> | <u>238,688</u> |
| UNASSIGNED FUND BALANCE | <u>3,923,347</u> | <u>(246,822)</u> | <u>3,676,525</u> |

This budget is supported by a tax levy of 0.1446 mills and Enhancement tax levy of 1.5 mills