

Wayne RESA

2020-2021 Proposed Budget

Frequently Asked Questions

QUESTION	RESPONSE
1. What are the agency's assumptions regarding revenue?	Due to many variables, most notably the COVID-19 Executive orders by the Governor, our two largest revenue categories, State Aid and Property are reflected with no increase or decrease. As the agency does not currently know where these revenues will land when the current crisis resolves. The State School Aid budget is not complete and Property Tax values are not yet available from the counties.
2. What salary adjustments are included in the proposed budget?	Salary steps that are part of current bargaining unit contracts are included in the budget.
3. What assumptions were made about retirement?	The budget holds the retirement rate at a composite rate of 39.5% although the board recognizes that several factors including elements of the state school aid budget and proposed changes to the calculation method of Agency retirement costs could have the effect of making the net rate higher or lower.
4. What about health care?	The preliminary budget reflects the continued implementation of Public Act 152 hard cap and has included the 2.0% increase to raise the cap imposed by law.
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, reflects either movement of staff or the granting of steps; as well as the movement of staff between grant funds, the Cooperative Fund and the General Fund.
6. How much does the Wayne RESA General Fund contribute toward the support of the Wayne County IT Consortium and MiStar DNA System?	The General Fund is projected to contribute approximately \$3,346,500 to the Wayne County IT Consortium in 2020-2021. The General Fund continues to pay for the entire cost of the MiStar DNA Project, which is projected to cost \$1,082,200 in 2020-2021

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<p>7. The budget projections indicate that the Agency will have a \$1.5m operating deficit in 2020-2021. Is this expected to be a continued trend?</p>	<p>The agency has been using fund balance for many of the last several years in a planned way in order to minimize impact on services to local schools. The projected 2020-2021 operational deficit is reflective of strategic adjustment in costs and how the organization provides services.</p>
<p>8. What are the revenue assumptions in the Act 18 Special Education fund?</p>	<p>Revenue sources from both State Aid and Property taxes are projected as flat at this time. Neither the State School Aid Budget nor the 2020 property values have been released at this time. Interest income is predicted to decline by over 50% based on interest rate trends.</p>
<p>9. Why are transfers to other agencies increasing in the Act 18 Fund?</p>	<p>Transfers to other agencies is based on approved budgets for submitted and reviewed 20-21 Center Program Operating Districts. It also includes up to \$13M in payments to districts for unreimbursed Special Education transportation costs, as well as an additional \$6M allocation for capital improvements to district equipment and facilities that house center based programs. Independence aide payments to all districts are based on currently approved aides.</p>
<p>10. What is the reason behind the decreased revenues in the Funded Projects Fund</p>	<p>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.</p>
<p>11. What is the purpose of the Capital Projects Fund and why is there a proposed decrease for the 2020-2021 budget?</p>	<p>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. The 2019-2020 budget includes costs necessary to upgrade additional areas in our electrical system systems of the Education Center building that are necessary to keep the IT consortium software packages available to districts in the event of power outages. These additional updates were identified during the initial backup power upgrade that occurred during the current fiscal year. Other projects include upgrades to security systems to the Education Center.</p>
<p>12. Why is the Enhancement Millage Fund predicted to have no increase in revenue?</p>	<p>Property Tax values are not yet released by the counties. Additionally, the effects of the current Covid-19 pandemic on property values in this area of the state are not yet known.</p>