

Preliminary Budget

Wayne RESA

2018
2019

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

April 26, 2018

Dear Superintendents and Board of Education Members:

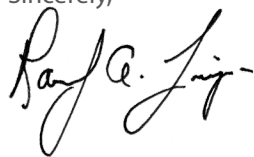
This budget package reflects the projected financial profile of the Wayne County Regional Educational Service Agency's operations for fiscal year 2018-2019. This information was presented to the Wayne RESA Board of Education on April 25, 2018 for review and discussion. The official "district hearing" will be held at the May 16, 2018, Wayne RESA Board of Education meeting, with the budget also being presented for formal approval at the June 20, 2018, 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. While the Wayne RESA General Fund continues to have a positive fund balance, there continues to be an operating deficit of approximately \$200,000. 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 either me at (734) 334-1442 or at liepar@resa.net; or to Steve Ezikian, Deputy Superintendent at (734) 334-1450 or at ezikias@resa.net; or to Tamara Dust, Manager of Finance, at (734) 334-1450 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 \$449 million, Wayne RESA's budget includes more than \$380 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.

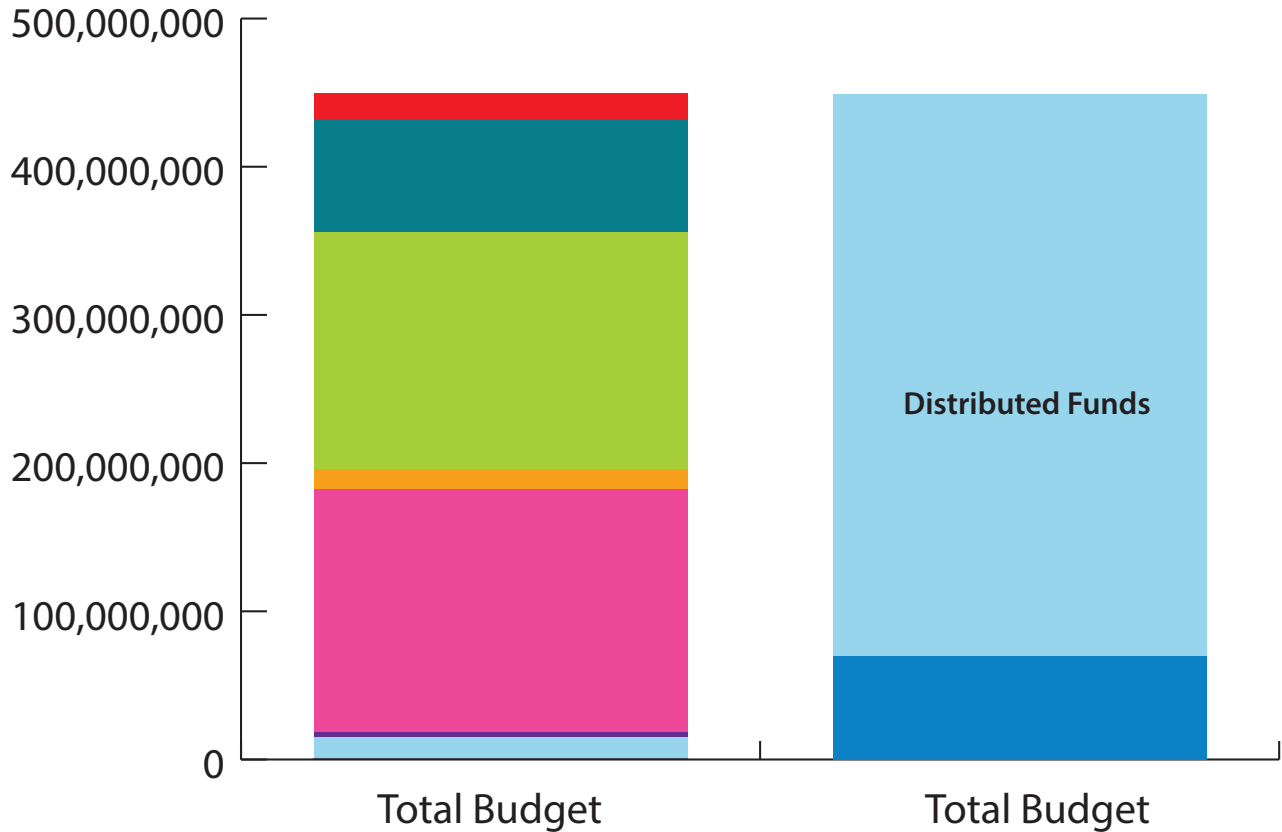
The Preliminary Budget reflects the expected revenues and planned expenditures for the 2018-2019 fiscal year. While projections are as precise as available information will permit, it is anticipated that adjustments will be necessary during the coming year.

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.



WRESA 2018-19 BUDGET

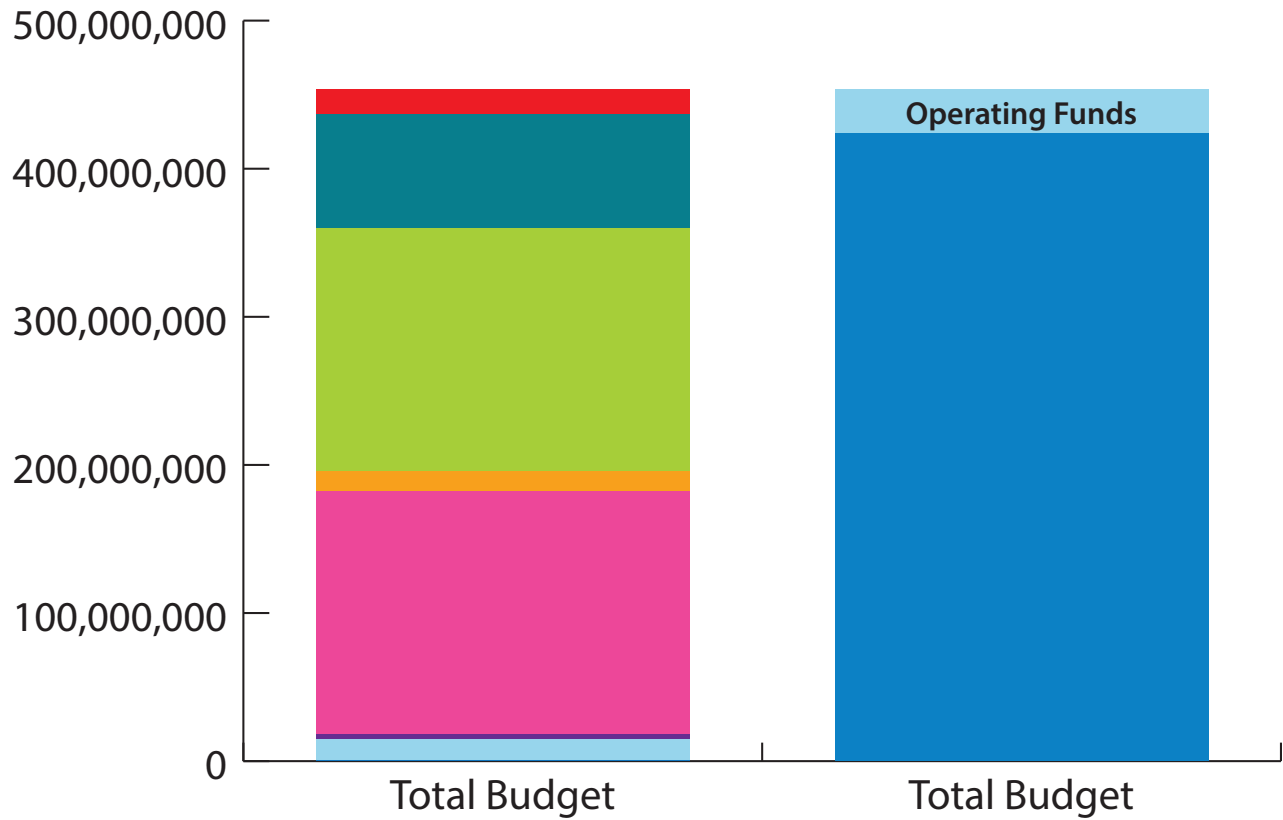
Wayne RESA's total budget across all funds is almost \$450 million. Of this, almost \$380 million is directly distributed to schools.



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

WRESA 2018-19 BUDGET

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

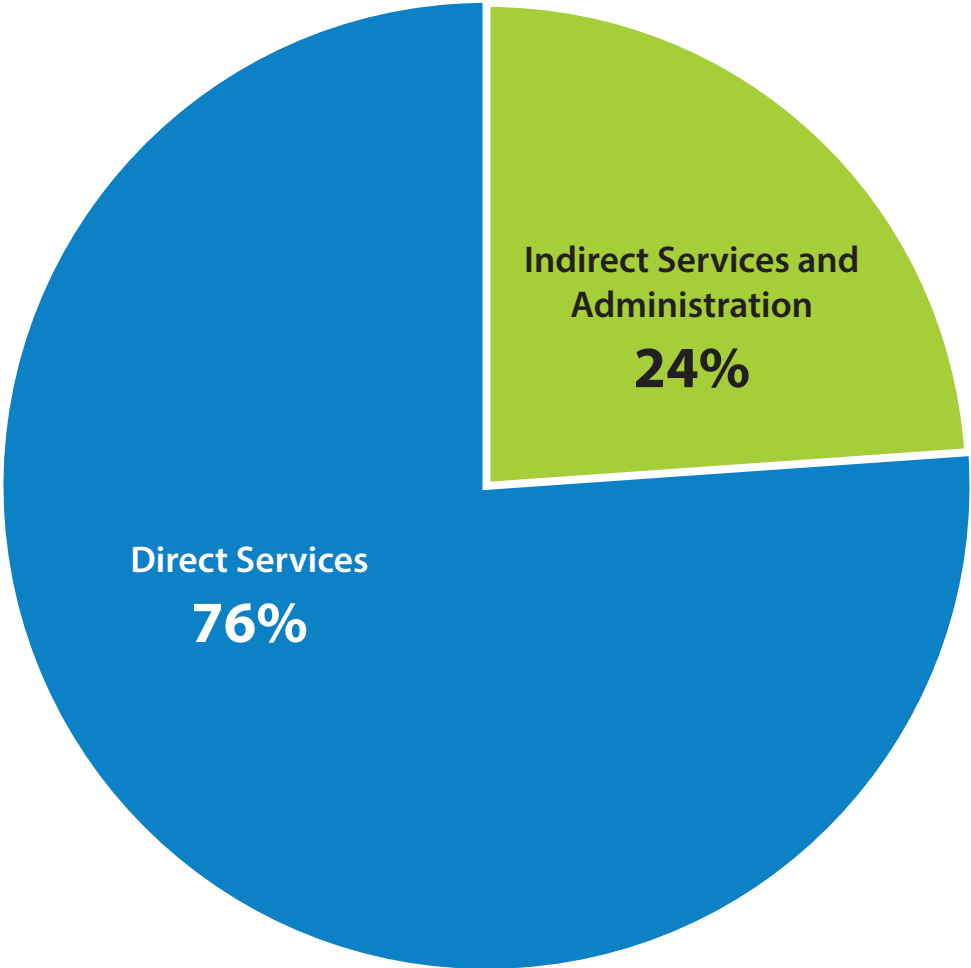


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WRESA BUDGET BY SERVICE AREA

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 24% of costs, while direct services to districts make up the remaining 76%.

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.

	2017-18 Approved Budget	2018-19 Proposed Budget
Beginning Fund Balance	\$10,516,716	\$10,187,716
Revenues		
Local Sources	4,420,500	4,633,100
State Sources	11,228,900	11,045,500
Incoming Transfers – Other Governmental Agencies	471,400	477,000
Incoming Transfers – Other Funds	600,000	616,500
Total Revenues	\$16,720,800	\$16,772,100
Expenditures		
Salaries	\$5,523,700	5,484,800
Employee Benefits	3,227,700	3,223,200
Purchased Services	1,718,700	1,635,900
Supplies and Materials	393,500	392,000
Capital Outlay	335,000	336,500
Other Expenses	104,500	97,300
Outgoing Transfers – Other Governmental	79,200	81,900
Other Funds	5,667,500	5,723,100
Total Expenditures	17,049,800	16,974,700
Ending Fund Balance	\$10,187,716	\$9,985,116

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.

	2017-18 Approved Budget	2018-19 Proposed Budget
Beginning Fund Balance	\$0	\$0
Revenues		
Local Sources	76,655,000	76,690,000
State Sources	0	0
Incoming Transfers – Other Governmental Agencies	0	0
Incoming Transfers – Other Funds	0	0
Total Revenues	\$76,655,000	\$76,690,000
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	76,655,000	76,690,000
Other Funds	0	0
Total Expenditures	76,655,000	76,690,000
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.

	2017-18 Approved Budget	2018-19 Proposed Budget
Beginning Fund Balance	\$190,282,589	\$191,703,389
Revenues		
Local Sources	129,629,000	131,229,000
State Sources	27,997,000	27,997,000
Incoming Transfers – Other Governmental Agencies	300,000	300,000
Incoming Transfers – Other Funds	4,300,000	5,000,000
Total Revenues	\$162,226,000	\$164,526,000
Expenditures		
Salaries	0	0
Employee Benefits	0	0
Purchased Services	375,500	392,000
Supplies and Materials	110,000	113,000
Capital Outlay	500,000	600,000
Other Expenses	0	0
Outgoing Transfers – Other Governmental	157,608,300	159,900,000
Other Funds	2,211,400	1,905,100
Total Expenditures	160,805,200	162,910,100
Ending Fund Balance	\$191,703,389	\$193,319,289

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.

	2017-18 Approved Budget	2018-19 Proposed Budget
Beginning Fund Balance	\$1,310,945	\$1,110,945
Revenues		
Local Sources	115,000	120,000
Incoming Transfers – Other Governmental Agencies	7,698,900	7,680,555
Incoming Transfers – Other Funds	5,094,600	5,314,645
Total Revenues	\$12,908,500	\$13,115,200
Expenditures		
Salaries	\$4,832,900	\$5,106,000
Employee Benefits	3,001,100	3,020,000
Purchased Services	3,987,500	2,935,400
Supplies and Materials	370,500	544,500
Capital Outlay	150,200	746,000
Other Expenses	62,300	59,800
Outgoing Transfers – Other Governmental	700,000	700,000
Other Funds	4,000	3,500
Total Expenditures	13,108,500	13,115,200
Ending Fund Balance	\$1,110,945	\$1,110,945

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.

	2017-18 Approved Budget	2018-19 Proposed Budget
Beginning Fund Balance	\$ (35,841)	\$ 0
Revenues		
Local Sources	254,076	321,500
State Sources	85,877,686	72,018,000
Federal Sources	98,839,710	87,728,800
Incoming Transfers – Other Governmental Agencies	6,611,760	4,210,000
Incoming Transfers – Other Funds	0	0
Total Revenues	\$191,583,232	164,278,300
Expenditures		
Salaries	\$7,405,405	5,750,000
Employee Benefits	4,406,207	3,250,000
Purchased Services	21,565,895	9,600,000
Supplies and Materials	1,356,084	950,000
Capital Outlay	31,000	1,500
Other Expenses	270,215	156,900
Outgoing Transfers – Other Governmental	154,194,210	143,369,900
Other Funds	2,318,375	1,200,000
Total Expenditures	191,547,391	164,278,300
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.

	2017-18 Approved Budget	2018-19 Proposed Budget
Beginning Fund Balance	\$ -0-	\$ -0-
Revenues		
Local Sources	0	0
State Sources	1,019,000	1,103,200
Federal Sources	0	0
Incoming Transfers – Other Governmental Agencies	0	0
Incoming Transfers – Other Funds	2,211,400	2,305,100
Total Revenues	\$3,230,400	\$3,408,300
Expenditures		
Salaries	\$985,400	\$978,900
Employee Benefits	575,000	599,900
Purchased Services	332,000	335,000
Supplies and Materials	5,000	9,000
Capital Outlay	0	0
Other Expenses	2,400	4,700
Outgoing Transfers – Other Governmental	1,240,600	1,390,800
Other Funds	90,000	90,000
Total Expenditures	3,230,400	3,408,300
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.

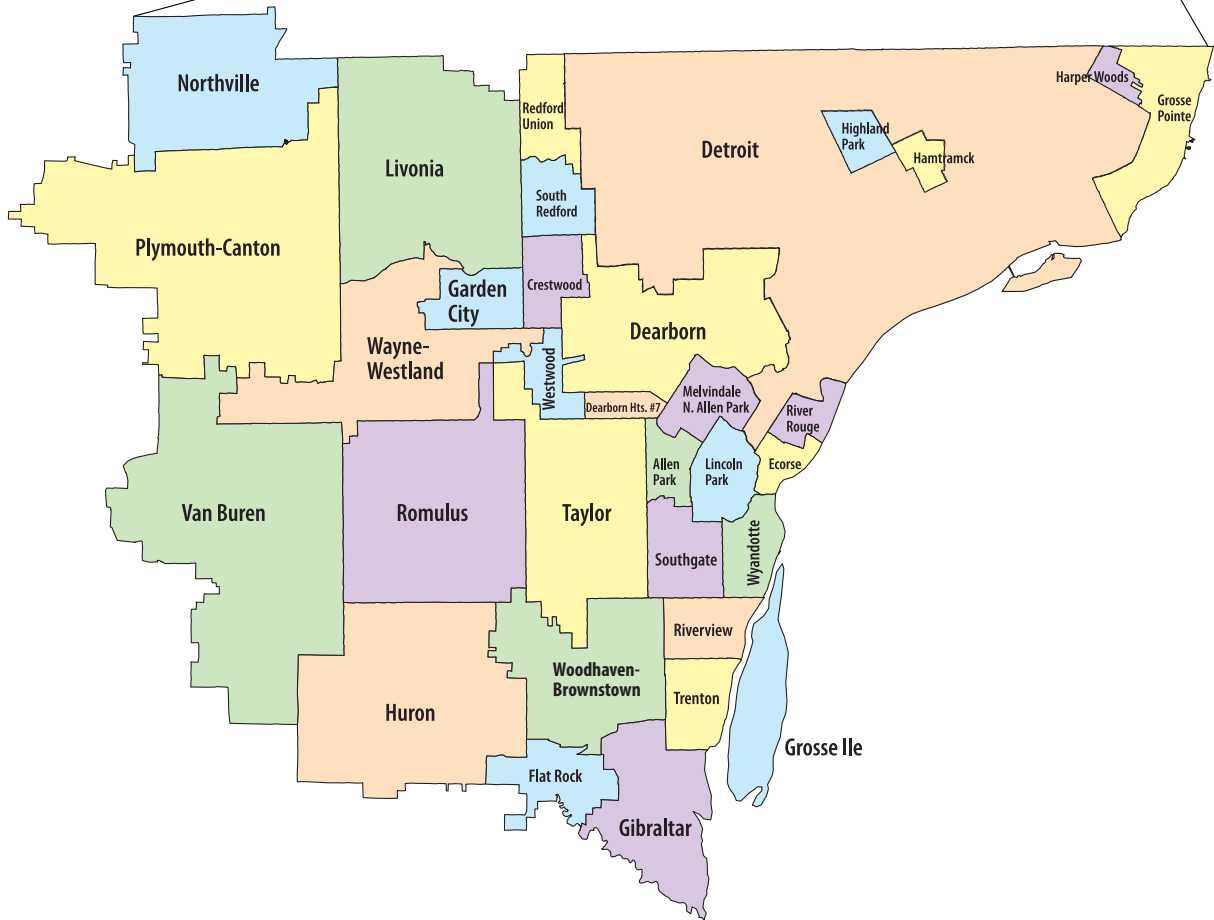
	2017-18 Approved Budget	2018-19 Proposed Budget
Beginning Fund Balance	\$0	\$0
Revenues		
Local Sources	12,550,000	14,211,000
Federal Sources	400,000	0
Total Revenues	\$12,950,000	\$14,211,000
Expenditures		
Salaries	\$217,900	229,300
Employee Benefits	140,400	149,900
Purchased Services	152,100	11,400
Supplies and Materials	3,500	2,500
Capital Outlay	0	0
Other Expenses	800	800
Outgoing Transfers – Other Governmental	9,235,300	8,770,600
Other Funds	3,200,000	5,046,500
Total Expenditures	12,950,000	14,211,000
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.

	2017-18 Approved Budget	2018-19 Proposed Budget
Beginning Fund Balance	\$823,965	\$724,965
Revenues		
Local Sources	1,000	1,000
Incoming Transfers – Other Funds	250,000	500,000
Total Revenues	\$251,000	\$501,000
Expenditures		
Purchased Services	0	0
Capital Outlay	\$350,000	\$500,000
Other Expenses	0	0
Total Expenditures	350,000	\$500,000
Ending Fund Balance	\$724,965	\$725,965





**SERVICE
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COLLABORATION
EXCELLENCE**

Wayne RESA:

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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