



2017
2018

Preliminary Budget **Wayne RESA**

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

April 28, 2017

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 2017-2018. This information was presented to the Wayne County Schools Superintendents Association on April 21, 2017. It was also presented to the Wayne RESA Board of Education on April 19, 2017 for review and discussion. The official "district hearing" will be held at the May 17, 2017, Wayne RESA Board of Education meeting, with the budget also being presented for formal approval at the June 14, 2017, 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 \$500,000. 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

F O R E W O R D

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 \$432 million, Wayne RESA's budget includes more than \$374 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 2017-2018 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.



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.

	2016-17 Approved Budget	2017-18 Proposed Budget
Beginning Fund Balance	\$10,755,075	\$10,524,825
Revenues		
Local Sources	4,342,750	4,343,000
State Sources	10,825,7000	10,779,200
Incoming Transfers – Other Governmental Agencies	470,000	430,000
Incoming Transfers – Other Funds	600,000	600,000
Total Revenues	\$16,238,450	\$16,152,200
Expenditures		
Salaries	\$5,480,400	\$5,608,000
Employee Benefits	3,023,300	3,186,800
Purchased Services	1,877,300	1,685,300
Supplies and Materials	417,500	417,000
Capital Outlay	506,000	335,000
Other Expenses	147,500	151,000
Outgoing Transfers – Other Governmental	218,100	68,100
Other Funds	4,798,600	5,206,500
Total Expenditures	16,468,700	16,657,700
Ending Fund Balance	\$10,524,825	\$10,019,325

Click [HERE](#) for 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 six years.

	2016-17 Approved Budget	2017-18 Proposed Budget
Beginning Fund Balance	\$0	\$0
Revenues		
Local Sources	82,100,100	79,000,000
State Sources	0	0
Incoming Transfers – Other Governmental Agencies	0	0
Incoming Transfers – Other Funds	0	0
Total Revenues	\$82,100,100	\$79,000,000
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	0	0
Other Funds	0	0
Total Expenditures	82,100,100	79,000,000
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.

	2016-17 Approved Budget	2017-18 Proposed Budget
Beginning Fund Balance	\$189,371,801	\$186,277,401
Revenues		
Local Sources	126,196,900	126,250,000
State Sources	29,035,800	29,035,000
Incoming Transfers – Other Governmental Agencies	240,000	240,000
Incoming Transfers – Other Funds	3,000,000	3,000,000
Total Revenues	\$158,472,700	\$158,525,000
Expenditures		
Salaries	0	0
Employee Benefits	0	0
Purchased Services	345,000	355,500
Supplies and Materials	112,000	110,000
Capital Outlay	400,000	500,000
Other Expenses	0	0
Outgoing Transfers – Other Governmental	158,485,100	156,329,500
Other Funds	2,225,000	2,211,400
Total Expenditures	161,567,100	159,506,400
Ending Fund Balance	\$186,277,401	\$185,296,001

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.

	Approved Budget 2016-17	Proposed Budget 2017-18
Beginning Fund Balance	\$1,310,945	\$1,310,945
Revenues		
Local Sources	95,000	95,000
Incoming Transfers – Other Governmental Agencies	8,014,700	8,014,700
Incoming Transfers – Other Funds	4,871,900	5,043,000
Total Revenues	\$12,981,600	\$13,152,700
Expenditures		
Salaries	\$4,749,500	\$4,683,300
Employee Benefits	2,677,300	2,756,000
Purchased Services	4,205,300	4,566,400
Supplies and Materials	495,000	495,500
Capital Outlay	88,200	86,200
Other Expenses	61,800	61,300
Outgoing Transfers – Other Governmental	700,000	700,000
Other Funds	4,000	4,000
Total Expenditures	12,981,600	13,352,700
Ending Fund Balance	\$1,310,945	\$1,110,945

Click [HERE](#) for Cooperative Fund details.

FUNDING 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.

	2016-17 Approved Budget	2017-18 Proposed Budget
Beginning Fund Balance	\$ -0-	\$ -0-
Revenues		
Local Sources	483,585	577,000
State Sources	91,069,985	70,240,000
Federal Sources	95,996,601	86,469,000
Incoming Transfers – Other Governmental Agencies	6,754,593	4,772,000
Incoming Transfers – Other Funds	31,000	0
Total Revenues	\$194,335,764	\$162,058,000
Expenditures		
Salaries	\$7,971,680	\$6,647,600
Employee Benefits	4,057,938	3,383,900
Purchased Services	22,508,606	18,770,100
Supplies and Materials	2,583,928	2,154,800
Capital Outlay	6,415	1,500
Other Expenses	264,212	156,900
Outgoing Transfers – Other Governmental	155,374,775	129,755,500
Other Funds	1,568,210	1,187,700
Total Expenditures	194,335,764	162,058,000
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.

	2015-16 Approved Budget	2016-17 Proposed Budget
Beginning Fund Balance	\$ -0-	\$ -0-
Revenues		
Local Sources	0	0
State Sources	813,800	1,019,000
Federal Sources	0	0
Incoming Transfers – Other Governmental Agencies	0	0
Incoming Transfers – Other Funds	2,225,000	2,211,400
Total Revenues	\$3,038,800	\$3,230,400
Expenditures		
Salaries	\$1,058,100	\$985,400
Employee Benefits	642,400	575,000
Purchased Services	133,500	332,000
Supplies and Materials	15,000	5,000
Capital Outlay	0	0
Other Expenses	2,900	2,400
Outgoing Transfers – Other Governmental	1,086,900	1,240,600
Other Funds	100,000	90,000
Total Expenditures	3,038,800	3,230,400
Ending Fund Balance	\$ -0-	\$ -0-

M E D I C A I D F U N D

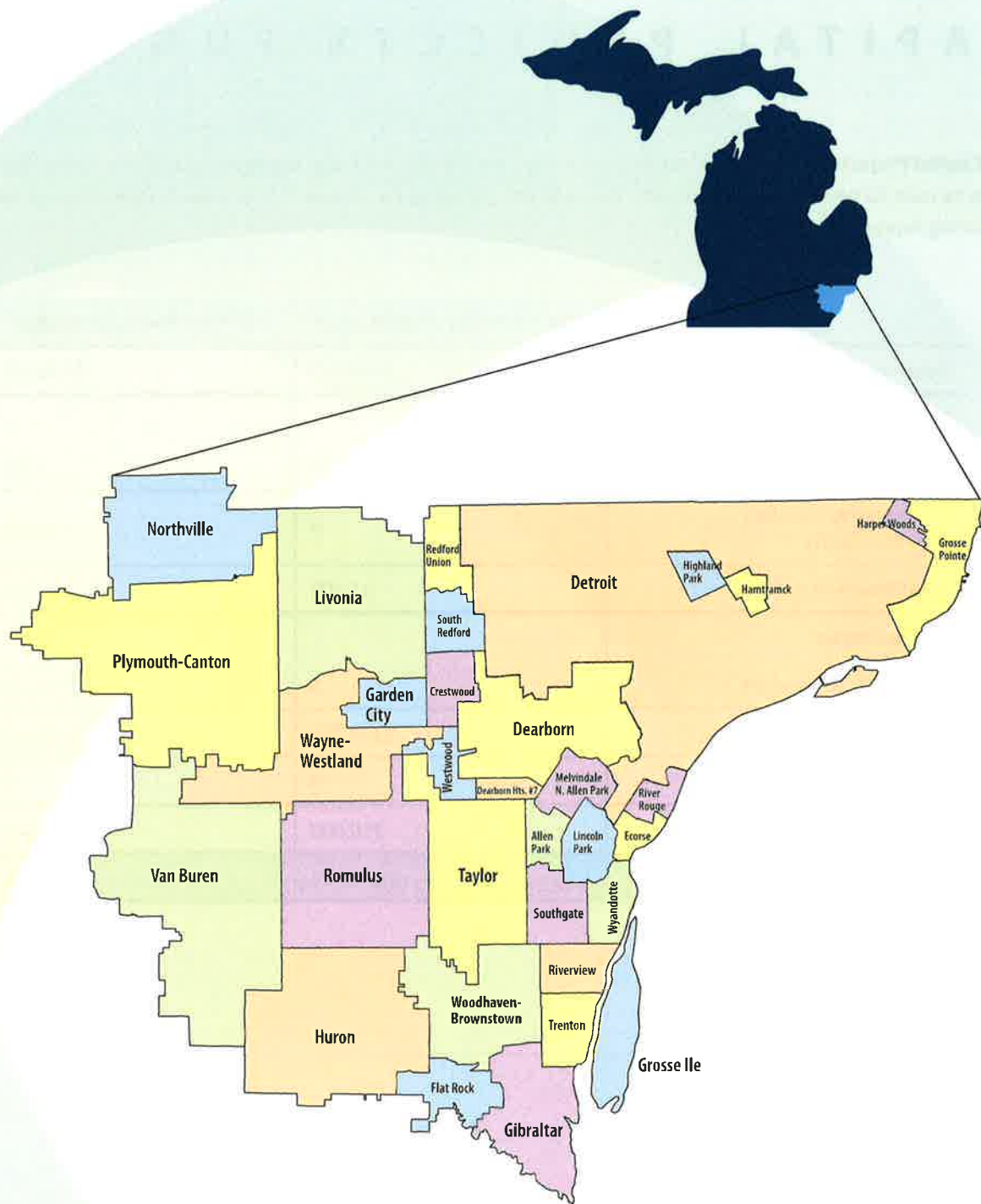
Medicaid Fund represents flow-through funding to the local districts of Wayne RESA for Fee for Service and Administrative Outreach programs. These programs have been made available through an agreement entered into by WRESA on behalf of the constituent districts to provide partial reimbursement for services to Medicaid-eligible special education students.

	2016-17 Approved Budget	2017-18 Proposed Budget
Beginning Fund Balance	\$-0-	\$-0-
Revenues		
Local Sources	11,908,100	12,550,000
Federal Sources	500,000	400,000
Total Revenues	\$12,408,100	\$12,950,000
Expenditures		
Salaries	\$249,600	\$217,900
Employee Benefits	143,800	140,400
Purchased Services	157,050	152,100
Supplies and Materials	500	3500
Capital Outlay	0	0
Other Expenses	100	800
Outgoing Transfers – Other Governmental	7,625,750	9,235,300
Other Funds	4,231,300	3,200,000
Total Expenditures	12,408,100	12,950,000
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.

	2016-17 Approved Budget	2017-18 Proposed Budget
Beginning Fund Balance	\$488,922	\$139,922
Revenues		
Local Sources	1,000	1,000
Incoming Transfers – Other Funds	0	250,000
Total Revenues	\$1,000	\$251,000
Expenditures		
Purchased Services	0	0
Capital Outlay	\$350,000	\$350,000
Other Expenses	0	0
Total Expenditures	350,000	350,000
Ending Fund Balance	\$139,922	\$40,922



**SERVICE
LEADERSHIP
COLLABORATION
EXCELLENCE**

Wayne RESA:

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Board of Education:

James S. Beri • Kenneth E. Berlinn • Mary E. Blackmon • Lynda S. Jackson • James Petrie

Randy A. Liepa, Ph.D., Superintendent

Wayne RESA

2017-2018 Proposed Budget

Frequently Asked Questions

6. How much does the Wayne RESA General Fund contribute toward the support of the Wayne County Computer Consortium and MiStar DNA System?	The General Fund is projected to contribute approximately \$2,360,000 to the Wayne County Computer Consortium in 2017-18. The General Fund continues to pay for the entire cost of the MiStar DNA Project, which is projected to cost \$1,500,000 in 2017-18.
7. What accounts for the overall increase in transfers in from other funds in the Cooperative Fund?	Increases to revenue streams continue to be outpaced by expenditure increases.
8. The budget projections indicate that the Agency will use from the General Fund about \$500 thousand of its fund balance reserves in 2017-2018. Is this expected to be a trend?	The agency has been using fund balance for the last several years in a planned way in order to minimize impact on services to local schools. The projected 2017-2018 operational deficit is reflective of strategic adjustment in costs and how the organization provides services.
9. 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.
10. 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.
11. What is the cause of the increase of revenues and expenditures in the COOP Fund Budget?	The increase in costs are reflective of contracted programming work being done to update the SMART Finance package and related programs to a web environment. This project will be completed in the 2017-2018 fiscal year. The increase in revenues reflects additional General Fund \$\$ transferred to the COOP Fund to support the programming work.
12.	

Wayne RESA

2017-2018 Proposed Budget

Frequently Asked Questions

QUESTION	RESPONSE
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 General State Aid and Property taxes will remain flat for the upcoming fiscal year.
2. What salary adjustments are included in the proposed budget?	Salary adjustments included in the preliminary budget proposal are reflective of current bargaining agreements. Employees eligible for steps will receive those steps and those in one of the bargaining groups at the top step will receive a 1% increase. Also, the 2017-2018 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, computer services and as well as other positions funded thru the Funded projects funds.
3. What assumptions were made about retirement?	The budget holds the retirement rate at a composite rate of 36.88% although the board recognizes that several factors including elements of the state school aid budget 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 3.3% 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, either movement of staff or the granting of steps.

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WAYNE RESA BOARD ELECTION PROCESS, 2017

Timelines for Wayne County Districts

TIME FRAME	TASK
February 16, 2017	Letter received from Wayne RESA Secretary of Board regarding Wayne RESA Board Election with sample resolutions.
Petitions can be filed w/WC From Feb. 16 – May 8, 2017, 4 pm	Interested Board candidates must file Nominating Petitions and/or filing fee and Affidavits of Identity with: Delphine G. Oden, Director, Wayne County Elections (candidate is responsible for filing).
May 12, 2017	Superintendents will receive names of candidate(s) electronically from Wayne RESA, via email.
May 15, 2017	Local boards may begin adopting Resolution naming Designated Elector and the candidate(s) which are to receive the vote, at least on the first ballot. Must be received and on file prior to the June 1 election. Send a copy of signed Board Resolution to: Deidre Thornsburg, Wayne RESA 33500 Van Born, Wayne, MI 48184 OR thornsd@resa.net OR Fax (734) 334-1760
By May 22, 2017	<i>Official Notice of Biennial Election</i> will be sent (via certified mail) to the local district Secretary of the Board of Education
June 5, 2017 – 6:00 p.m.	Wayne RESA Board Election Wayne RESA Boyd Arthurs Auditorium 33500 Van Born Road Wayne, MI 48184 Designated electors from each local board attend to cast vote
June 6, 2017	Districts notified of election results.

5/16/17 update

Parent/District Focus Group Millage Spending Recommendations

The following recommendations have been made for millage spending priorities based on the following focus group meetings or conversations: A District School Improvement Committee bi-annual meeting, an Administrative Staff vision discussion, The District PTO Executive Officers annual meeting, and two open Parent Focus Group meetings.

There were no clear “favorites”, many were closely “tied” in importance. Suggestions are grouped by general categories and listed in alphabetical order within each category.

Mentioned but already addressed:

- Build the required 5% fund balance
- Eliminate pay to play
- Lower class size
- Wood chips at K-5 playgrounds

Frequently mentioned by multiple groups: (Top 10 in bold)

- Athletic improvements @ DMS (practice fields, gym bleachers)
- **Athletic program fully funded (equipment, transportation, mats, etc.)**
Dave Pinkowski is putting together a “menu” of costs that will include adding transportation and funding equipment needs for the athletic department
I recommend we establish a fixed budget increase for the next 5 years of the millage money. That is the best way for Dave to assess and prioritize our needs based on a fixed and expected amount of funding.
- **Athletic trainer**
Theresa McLachlan is gathering information on past costs of the trainer.
- **Auditorium upgrades @DMS and AHS (curtains, sound, lights, seating)**
The bond will cover \$217,000 for AHS. We just received the quote. We hope to cover lights and some sound from bond money. New curtains and track for AHS will cost \$36,000.
- **Bathroom upgrades (especially those the public uses- aud., gym, etc.)**
Bathroom upgrades in the field house: Womens, \$30,000 x 2, Mens, \$15,000 x 2 = \$90,000 for also replace the 4 exterior doors would be an additional \$70,000

Bathrooms near auditorium at DMS (M and W) = \$160,00 (total gut which is recommended). Bathrooms near auditorium at AHS (M and W) = \$170,000 (total gut recommended)

Other bathrooms at DMS and AHS range from \$12,000-70,000.

- Cement work all buildings in addition to bond work
- **Curb appeal all bldgs. (signs, landscape, paint doors and trim, grounds)**
We have requested quotes for painting trim on all buildings, and addresses landscape issues around all buildings
- **Curriculum materials and resources**
I recommend we establish a fixed budget increase for the next 5 years of the millage money. That is the best way for Jill and the Curriculum Committee to assess and prioritize our needs based on a fixed and expected amount of funding.
- **Field house upgrades (new weight room, bathrooms, general upgrades)**
I am meeting next week with some coaches to better determine our needs, then we will decide about quotes.
- Interior upgrades (flooring, paint, windows, drinking fountains, etc.)
- Media Center specialists all buildings (librarians)
Professional staff would be the same as other staffing \$100,000-150,00 per.
- Middle school additional electives (STEAM, life skills)
DMS school improvement team is studying possible elective scenarios
- **Playground upgrades (equipment, play pads, "game" lines on pads)**
Current play pads are sufficient or being redone by bond money. Nate is completing an audit of current equipment and needed repairs.
- **Support programs (tutoring, mentoring, summer and after school programs, addiction awareness, academic support, remediation and intervention classes, vocational classes, special education support staff)**
We are waiting on 31a money, then can assess other needs.
- Support staff increase (K-5 counselors, para-professionals for classrooms and libraries, administrative assistants, general education social workers)
- Technology (1:1 or additional devices for student use)

Also mentioned at least once:

- Athletic competition supervision budget
- Bike racks
- Classroom teaching supply budgets increased
- Clocks
- Concession stand: new
- Content specific PD for staff
- Curriculum department budget
- Early/Middle college program at AHS
Currently in planning stages

- Golf cart (band and athletics)
- Instructional rounds training for teachers
- Maintenance department budget

I recommend we establish a fixed budget increase for the next 5 years of the millage money. That is the best way for Nate and the Maintenance Committee to assess and prioritize our needs based on a fixed and expected amount of funding.

- Motivational assemblies
- STEAM classes all levels
- Testing program (comprehensive/predictive like NWEA, Iowa, etc.)

Mentioned but out of budget range for millage money:

- AC added to all buildings
- Additional classrooms for K-5 specials classes
- Auxiliary gym/indoor practice facility
- Band room: enlarge both
- Community/school recreation center
- Pool: replace
- PTO room: dedicated, new or upgraded
- Track: additional

