



**Wayne Regional Educational Service Agency
Board of Education
Action/Information Item
February 20, 2019**

2018-2019 Budget Amendment – Wayne County RESA

Executive Summary

Budget amendments for the 2018-2019 fiscal year for the General, Cooperative, Enhancement Millage, Act 18, Special Education Operating, Medicaid, Capital Projects and Funded Projects funds are being presented for the consideration and approval of the Board of Education. The purpose of the amendments is to more accurately state estimated revenues and expenditures based on current data and projections made since the budget was originally adopted. The significant changes in the budget are as follows by fund:

General Fund

- Revenues
 - Local sources have been increased to reflect increased interest on investments and finger printing fees
 - State sources have been increased to reflect additional allocations for retirement cost stabilization and offsets funded through section 147c
 - Increases to incoming transfers from other funds are a result of the timing of the recognition of indirect cost charges and administrative fees from various programs. \$200K of this is a one-time revenue of prior period administrative fees collected on the Private Non-Public program with DPSCD
- Expenditures
 - Salaries and benefits increases are reflective of current staffing levels that are aligned to more adequately reflect departmental work. Portions of several positions were moved from the Cooperative Fund as the staff work on our local network is best aligned within the General Fund
 - Supplies and materials have been increased to reflect expected costs for Web and Local Area Network software licensing thru Microsoft
 - Equipment increases are reflective of expected network hardware replacements as part of our internal disaster recovery plan
 - Outgoing transfers have been increased to reflect increases to the Cooperative Fund as we right size our charges for Network and Business field services

Cooperative Fund

- Revenues
 - Transfers from Other Agencies have been decreased to reflect reduced payments from districts for cooperative purchasing of online courses through Genesee ISD. Local districts are now paying Genesee directly based on consortium rates.
- Expenditures
 - Salaries and Benefits are slightly decreased to reflect both the movement of some IT staff to the General fund and the addition of additional field services staff that provide additional services to districts for additional fees
 - Purchased services increases are a result of increased licensing fees for Illuminate, the data and assessment software used by districts offset by reductions in district initiated contracts for contracted support services for DPSCD.
 - Capital outlay increases are reflective of replacement equipment costs for the disaster recovery project.
 - Outgoing transfers to other agencies are a result of decreased payments to Genesee ISD for online courses which are now paid directly by local districts

Act 18 Fund

- Revenues
 - Local revenues have been increased to reflect increased investment earnings that are partially offset by decreases to delinquent tax collections based collections to date from Wayne County Treasurer's office.
 - Incoming transfers have been decreased to reflect conservative estimates for Medicaid revenue based on the current payment schedule.
- Expenditures
 - Outgoing transfers to other agencies estimates have been adjusted to reflect current approved costs for Center Program Operators as well as an addition of \$13 million in reimbursement to districts for Special Education transportation costs. Initial estimates were developed before Operator budgets were approved in 2018.
 - Outgoing transfers to other funds are increased to reflect the movement of the Wayne Assistive Technology Team (WATT) to the Wayne RESA Special Education Operating Fund as a directly run Wayne RESA program. These costs were previously reflected in the outgoing transfers to other agencies line item.

Special Education Operating Fund

- Addition of WATT program (Wayne Assistive Technology Team) originally funded directly through Act 18 via payments of approximately \$700K to Lincoln Park and Detroit is now operated directly by Wayne RESA. These additions account for the majority of the changes to this fund
- Outgoing transfers to other agencies has been reduced due to reduced tuition payments to the Michigan School for the Deaf and other residential special education programs.

Capital Projects Fund

- Increased expenditures reflect updated estimates for completion of the electrical and generator systems upgrades currently estimated at \$1.7M, as well as approximately \$100k in furniture to reconfigure office space on the third floor of the Education Center in order to most efficiently accommodate current staffing levels.

Enhancement Millage

- Revenue estimates have been updated to reflect expected collection rates based upon first 2 years of collections and to reflect timing of delinquent collections most notably late 2017 collections from Wayne County Treasurer
- Expenditures have been adjusted to reflect full distribution of revised revenue estimates

Funded Programs

- Revenues and Expenditures have been adjusted to reflect currently approved programs including carryover amounts from previous funding years that span multiple fiscal years. Carryover amounts were not available at the time the original budget was adopted.

Motion Required

I move that the Board approve the Wayne RESA 2018-2019 Amended Appropriations Resolutions of the General, Cooperative, Enhancement Millage, Act 18, Special Education Operating, Medicaid, Capital Projects and Funded Projects funds.

AMENDMENT TO GENERAL APPROPRIATION

Resolution by the Board of Education of the Wayne County Regional Educational Service Agency

RESOLVED, that the General Appropriation for the **General Fund** of Wayne County Regional Educational Service Agency for the fiscal year 2018-2019 is amended as follows:

	APPROVED BUDGET	AMENDED BUDGET
Fund Balance July 1, 2018	\$11,789,916	\$11,789,916
<i>Revenues</i>		
Local Sources	4,633,100	5,087,700
State Sources	11,045,500	11,286,200
Incoming Transfers – Other Governmental Agencies	477,000	481,000
Incoming Transfers – Other Funds	616,500	1,030,000
Total Revenues	<u>\$16,772,100</u>	<u>\$17,884,900</u>
Amount Available to Appropriate	<u>\$28,512,016</u>	<u>\$29,674,816</u>

BE IT FURTHER RESOLVED, that the following amounts are hereby appropriated for the General Fund for the purposes as set forth below:

	APPROVED BUDGET	AMENDED BUDGET
<i>Expenditures</i>		
Salaries	\$5,484,800	\$5,708,600
Employee Benefits	3,223,200	3,196,300
Purchased Services	1,635,900	1,654,200
Supplies and Materials	392,000	434,100
Capital Outlay	336,500	400,700
Other Expenses	97,300	101,400
Outgoing Transfers – Other Governmental	81,900	81,900
Other Funds	<u>5,723,100</u>	<u>5,865,700</u>
Total Expenditures	<u>\$16,974,700</u>	<u>\$17,442,900</u>
Projected Fund Balance June 30, 2019	<u>\$11,537,316</u>	<u>\$12,231,916</u>

AMENDMENT TO GENERAL APPROPRIATION

Resolution by the Board of Education of the Wayne County Regional Educational Service Agency

RESOLVED, that the General Appropriation for the **Cooperative Fund** of Wayne County Regional Educational Service Agency for the fiscal year 2018-2019 is amended as follows:

	APPROVED BUDGET	AMENDED BUDGET
Fund Balance July 1, 2018	\$1,310,945	\$1,310,945
<i>Revenues</i>		
Local Sources	120,000	120,000
Incoming Transfers – Other Governmental Agencies	7,680,555	7,368,300
Incoming Transfers – Other Funds	5,314,645	5,307,500
Total Revenues	<u>\$13,115,200</u>	<u>\$12,795,800</u>
Amount Available to Appropriate	<u>\$14,226,145</u>	<u>\$14,106,745</u>

BE IT FURTHER RESOLVED, that the following amounts are hereby appropriated for the Cooperative Fund for the purposes as set forth below:

	APPROVED BUDGET	AMENDED BUDGET
<i>Expenditures</i>		
Salaries	\$5,106,000	\$5,002,200
Employee Benefits	3,020,000	2,975,400
Purchased Services	2,935,400	3,063,500
Supplies and Materials	544,500	545,500
Capital Outlay	746,000	846,000
Other Expenses	59,800	59,700
Outgoing Transfers – Other Governmental	700,000	300,000
Outgoing Transfers – Other Funds	<u>3,500</u>	<u>3,500</u>
Total Expenditures	<u>\$13,115,200</u>	<u>\$12,795,800</u>
Projected Fund Balance June 30, 2019	<u>\$1,310,945</u>	<u>\$1,310,945</u>

AMENDMENT TO GENERAL APPROPRIATION

Resolution by the Board of Education of the Wayne County Regional Educational Service Agency

RESOLVED, that the General Appropriation for the **County Wide Enhancement Millage** Fund of Wayne County Regional Educational Service Agency for the fiscal year 2018-2019 is amended as follows:

	APPROVED BUDGET	AMENDED BUDGET
Fund Balance July 1, 2018	0	0
<i>Revenues</i>		
Local Sources	\$76,690,000	\$77,490,000
Total Revenues	<u>\$76,690,000</u>	<u>\$77,490,000</u>
Amount Available to Appropriate	<u>\$76,690,000</u>	<u>\$77,490,000</u>

BE IT FURTHER RESOLVED, that the following amounts are hereby appropriated for the County Wide Enhancement Millage for the purposes as set forth below:

	APPROVED BUDGET	AMENDED BUDGET
<i>Expenditures</i>		
Outgoing Transfers – Other Governmental	\$76,690,000	\$77,490,000
Total Expenditures	<u>\$76,690,000</u>	<u>\$77,490,000</u>
Projected Fund Balance June 30, 2019	<u>\$0</u>	<u>\$0</u>

AMENDMENT TO GENERAL APPROPRIATION

Resolution by the Board of Education of the Wayne County Regional Educational Service Agency

RESOLVED, that the General Appropriation for the **Act 18 Special Education** Fund of Wayne County Regional Educational Service Agency for the fiscal year 2018-2019 is amended as follows:

	APPROVED BUDGET	AMENDED BUDGET
Fund Balance July 1, 2018	\$207,746,475	\$207,746,475
<i>Revenues</i>		
Local Sources	131,229,000	132,229,000
State Sources	27,997,000	28,044,200
Incoming Transfers – Other Governmental Agencies	300,000	300,000
Incoming Transfers – Other Funds	5,000,000	4,500,000
Total Revenues	<u>\$164,526,000</u>	<u>\$165,073,200</u>
Amount Available to Appropriate	<u>\$372,272,475</u>	<u>\$372,819,675</u>

BE IT FURTHER RESOLVED, that the following amounts are hereby appropriated for the Act 18 Special Education Fund for the purposes as set forth below:

	APPROVED BUDGET	AMENDED BUDGET
<i>Expenditures</i>		
Salaries	\$-0-	\$-0-
Employee Benefits	-0-	-0-
Purchased Services	392,000	442,000
Supplies and Materials	113,000	121,000
Capital Outlay	600,000	800,000
Other Expenses	0	0
Outgoing Transfers – Other Governmental	159,900,000	153,536,600
Outgoing Transfers – Other Funds	<u>1,905,100</u>	<u>2,360,200</u>
Total Expenditures	<u>\$162,910,100</u>	<u>\$157,259,800</u>
Projected Fund Balance June 30, 2019	<u>\$209,362,375</u>	<u>\$215,559,875</u>

AMENDMENT TO GENERAL APPROPRIATION

Resolution by the Board of Education of the Wayne County Regional Educational Service Agency

RESOLVED, that the General Appropriation for the **Special Education Operating Fund** of Wayne County Regional Educational Service Agency for the fiscal year 2018-2019 is amended as follows:

	APPROVED BUDGET	AMENDED BUDGET
Fund Balance July 1, 2018	0	0
<i>Revenues</i>		
State Sources	\$1,103,200	1,151,500
Incoming Transfers – Other Funds	2,305,100	2,760,200
Total Revenues	<u>\$3,408,300</u>	<u>\$3,911,700</u>
Amount Available to Appropriate	<u>\$3,408,000</u>	<u>\$3,911,700</u>

BE IT FURTHER RESOLVED, that the following amounts are hereby appropriated for the Special Education Operating Fund for the purposes as set forth below:

	APPROVED BUDGET	AMENDED BUDGET
<i>Expenditures</i>		
Salaries	\$978,900	\$1,341,600
Employee Benefits	599,900	810,600
Purchased Services	335,000	378,500
Supplies and Materials	9,000	100,000
Capital Outlay	0	50,000
Other Expenses	4,700	29,700
Outgoing Transfers – Other Governmental	1,390,800	1,101,300
Outgoing Transfers – Other Funds	<u>90,000</u>	<u>100,000</u>
Total Expenditures	<u>\$3,408,300</u>	<u>\$3,911,700</u>
Projected Fund Balance June 30, 2019	<u>\$0</u>	<u>\$0</u>

AMENDMENT TO GENERAL APPROPRIATION

Resolution by the Board of Education of the Wayne County Regional Educational Service Agency

RESOLVED, that the General Appropriation for the **Medicaid Fund** of Wayne County Regional Educational Service Agency for the fiscal year 2018-2019 is amended as follows:

	APPROVED BUDGET	AMENDED BUDGET
Fund Balance July 1, 2018	0	0
<i>Revenues</i>		
Local Sources	\$14,211,000	\$13,800,000
Incoming Transfers – Other Funds	0	0
Total Revenues	<u>\$14,211,000</u>	<u>\$13,800,000</u>
Amount Available to Appropriate	<u>\$14,211,000</u>	<u>\$13,800,000</u>

BE IT FURTHER RESOLVED, that the following amounts are hereby appropriated for the Medicaid Fund for the purposes as set forth below:

	APPROVED BUDGET	AMENDED BUDGET
<i>Expenditures</i>		
Salaries	\$229,300	\$252,800
Employee Benefits	\$149,900	\$140,900
Purchased Services	\$11,400	\$14,600
Supplies and Materials	\$2,500	\$2,500
Capital Outlay	0	0
Other Expenses	\$800	\$800
Outgoing Transfers – Other Governmental	\$8,770,600	\$8,841,900
Outgoing Transfers – Other Funds	<u>\$5,046,500</u>	<u>\$4,546,500</u>
Total Expenditures	<u>\$14,211,000</u>	<u>\$13,800,000</u>
Projected Fund Balance June 30, 2019	<u>\$0</u>	<u>\$0</u>

AMENDMENT TO GENERAL APPROPRIATION

Resolution by the Board of Education of the Wayne County Regional Educational Service Agency

RESOLVED, that the General Appropriation for the **Funded Projects** Fund of Wayne County Regional Educational Service Agency for the fiscal year 2018-2019 is amended as follows:

	APPROVED BUDGET	AMENDED BUDGET
Fund Balance July 1, 2018	\$-37,479	\$-37,479
<i>Revenues</i>		
Local Sources	321,500	2,156,095
State Sources	72,018,000	88,651,030
Federal Sources	87,766,279	111,168,457
Incoming Transfers – Other Governmental Agencies	4,210,000	7,288,454
Incoming Transfers – Other Funds	0	0
Total Revenues	<u>\$164,315,779</u>	<u>\$209,264,036</u>
Amount Available to Appropriate	<u>\$164,278,300</u>	<u>\$209,226,557</u>

BE IT FURTHER RESOLVED, that the following amounts are hereby appropriated for the Funded Projects Fund for the purposes as set forth below:

	APPROVED BUDGET	AMENDED BUDGET
<i>Expenditures</i>		
Salaries	\$5,750,000	\$10,717,995
Employee Benefits	3,250,000	6,363,762
Purchased Services	9,600,000	26,026,094
Supplies and Materials	950,000	1,283,637
Capital Outlay	1,500	42,566
Other Expenses	156,900	89,615
Outgoing Transfers – Other Governmental	<u>143,369,900</u>	<u>161,479,995</u>
Outgoing Transfers – Other Funds	<u>1,200,000</u>	<u>3,222,893</u>
Total Expenditures	<u>\$164,278,300</u>	<u>\$209,226,557</u>
Projected Fund Balance June 30, 2019	<u>\$-37,479</u>	<u>\$-0-</u>

AMENDMENT TO GENERAL APPROPRIATION

Resolution by the Board of Education of the Wayne County Regional Educational Service Agency

RESOLVED, that the General Appropriation for the **Capital Projects** Fund of Wayne County Regional Educational Service Agency for the fiscal year 2018-2019 is amended as follows:

	APPROVED BUDGET	AMENDED BUDGET
Fund Balance July 1, 2018	\$1,688,129	\$1,688,129
<i>Revenues</i>		
Local Sources	\$1,000	\$5,000
Incoming transfers- Other Funds	<u>\$500,000</u>	<u>\$500,000</u>
Total Revenues	<u>\$501,000</u>	<u>\$505,000</u>
Amount Available to Appropriate	<u>\$2,189,129</u>	<u>\$2,193,129</u>

BE IT FURTHER RESOLVED, that the following amounts are hereby appropriated for the County Wide Enhancement Millage for the purposes as set forth below:

	APPROVED BUDGET	AMENDED BUDGET
<i>Expenditures</i>		
Capital Improvements	<u>\$500,000</u>	<u>\$1,800,000</u>
Total Expenditures	<u>\$500,000</u>	<u>\$1,800,000</u>
Projected Fund Balance June 30, 2019	<u>\$2,190,129</u>	<u>\$393,129</u>

BE IT 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.

This appropriation resolution is to take immediate effect.

Signed: _____

Mary Blackmon, Secretary

February 20, 2019