

Wayne RESA

2021-2022 Proposed Budget

Frequently Asked Questions

QUESTION	RESPONSE
1. What are the agency's assumptions regarding revenue?	Due to many variables, most notably the continuing COVID-19 situation and the state legislature, 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 budget process resolves at the state level. 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, as well as the filling of several currently open positions are included in the budgets.
3. What assumptions were made about retirement?	The budget holds the retirement rate at a composite rate of 41% although the board recognizes that section 147 elements of the state school aid budget that currently provide additional funding to help offset a portion of the gross retirement expense (14.5%) and have the effect of making the net rate lower than this amount.
4. What about health care?	The preliminary budget reflects the continued compliance with the Public Act 152 hard cap and has included the 3.3% increase to raise the cap, as 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 \$3,205,680 to the Wayne County IT Consortium and \$197,000 to IT field services in 2021-2022. The General Fund will supplement 75% of the cost of the MiStar DNA Project, which is projected to have a total cost of \$1,160,700 in 2021-2022
7. The budget projections indicate that the Agency will have a \$.6m operating deficit in 2021-2022. Is this expected to be a continued trend?	The agency has used 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 2021-2022 operational deficit is reflective of strategic adjustment in costs and how the organization provides services.

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8. What are the revenue assumptions in the Act 18 Special Education fund?	Revenue sources from 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. Changes to PPT legislation that go into effect for the 2021-22 fiscal year will increase state sources by approximately \$2.2m. Interest income is predicted to decline by over 25% for the upcoming year based on current interest rate trends.
9. Why are transfers to other agencies increasing in the Act 18 Fund?	Transfers to other agencies is based on approved budgets for submitted and reviewed 20-21 Center Program Operating Districts. It also includes up to \$15M in payments to districts for unreimbursed Special Education transportation costs, as well as an additional \$15M allocation for other Unreimbursed Special Education expenses to all local districts and PSA's. Independence aide payments to all districts are based on currently approved aides.
10. 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. Any amounts available from carryover of current year allocations will be reflected in the first budget revision of 2021-22.
11. What is the purpose of the Capital Projects Fund and why is there a proposed decrease for the 2021-2022 budget?	This fund was established by the Board of Education to provide for the capital needs of the organization and has been funded through transfers from the General Fund. The 21-22 budget will use available fund balance to support costs necessary to upgrade additional areas of the Education Center roof, carpet & paint in selected areas, as well as the purchase & installation of a building management system to monitor critical building functions
12. Why is the Enhancement Millage Fund predicted to have a decrease in revenue?	Changes to the legislation to correct the process of state reimbursement for foregone Personal Property taxes, will result in revenue that is attributable only to those millages in place prior to the 2013 personal property tax reform legislation. The RESA enhancement millage was not levied until 2016.