

# Wayne RESA

## 2023-2024 Proposed Budget

### Frequently Asked Questions

<b>QUESTION</b>	<b>RESPONSE</b>
1. What are the Agency's assumptions regarding revenue?	A 5% increase in ISD State Aid based on the Governor's budget proposal. Although Property Tax values are not yet available from the counties, we are projecting an increase in taxable values based on current trends.
2. What salary adjustments are included in the proposed budget?	Salary steps, increases, and one-time off-schedule payments that are part of current bargaining unit contracts combined with a full year of salary and benefits for positions that were unfilled for a portion of the prior year. All collective bargaining agreements expire on June 30, 2025.
3. What assumptions were made about retirement costs?	The budget holds the retirement rate at a composite rate of 41% including passthrough revenue related to Section 147c of the state school aid budget to help offset a portion of the gross retirement expense.
4. What assumptions were made about health care costs?	The preliminary budget reflects the continued compliance with the Public Act 152 hard cap and has included the 1.3% increase for 2023 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 more than 20 people. The variations in individual programs when comparing the current year budget to the projected budget reflect, in most cases, contractually negotiated pay increases and changes in the allocation 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 the MiStar DNA/Illuminate Project?	The General Fund is budgeted to contribute \$3,224,500 to the Wayne County IT Consortium and \$744,400 to IT field services in 2023-2024. The General Fund will supplement 75% of the cost of the MiStar DNA/Illuminate Project, which is budgeted to have a total cost of \$1,151,900 in 2023-2024.

# Wayne RESA

## 2023-2024 Proposed Budget

### Frequently Asked Questions

<p>7. The budget projections indicate that the Agency will have a \$2.03M operating deficit in 2023-2024. Is this expected to be a continued trend?</p>	<p>The agency has budgeted to use fund balance in a planned way in order to minimize impact on services to local schools and to cover one-time costs of necessary capital projects including upgrades related to security and replacements of equipment for the conference rooms vital to providing professional development. The projected 2023-2024 operational deficit is reflective of that planned use of fund balance. The Wayne RESA Board's long-term strategy has been to maintain fund balance necessary to provide stability in the delivery of operational services to constituent districts.</p>
<p>8. What are the revenue assumptions in the Act 18 Special Education fund?</p>	<p>Property tax revenues are budgeted to increase due to expected increases in taxable values across the county. Neither the State School Aid Budget nor the 2023 property values have been released at this time. Interest income is budgeted to remain stable for the upcoming year based on current market rates.</p>
<p>9. Why are transfers to other agencies decreasing in the Act 18 Fund?</p>	<p>Transfers to other agencies (school districts and charter schools) are based on 2023-24 budgets submitted by Center Program Operating Districts. One-time payments for rent to Operating Districts with separate facilities has been reduced by 80% to one year of payments, since multiple years of payments were paid in 2022-23.</p>
<p>10. Are one-time payments for unreimbursed special education costs included in the budget?</p>	<p>Yes, one-time payments related to unreimbursed special education and special education transportation costs are included in the 2023-24 budgets.</p>

# Wayne RESA

2023-2024 Proposed Budget

## Frequently Asked Questions

<p>11. What is the purpose of the Capital Projects Fund and why is there a proposed increase for the 2023-2024 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 transfers from the General Fund. The 2023-24 budget will use available fund balance from projected unfinished 2022-23 projects as well as an additional allocation from the General Fund. The following projects are budgeted to be completed in the 2023-24 school year: Education Center Security enhancements, Lighting, HVAC – IT Data Center, stairwell renovations, and replacement of outdated equipment in conferences rooms, and renovations to the Gilead/Beacon school.</p>
<p>12. How will the Enhancement Millage fund be distributed during the 2023-24 Budget year?</p>	<p>The Renewal of the Enhancement Millage in 2020 and changes to legislation require RESA to distribute current year collections to both local Districts and Public School academies. An increase in total current collections is budgeted based on projected property value increases.</p>