

Wayne RESA

2025-2026 Proposed Budget

Frequently Asked Questions

QUESTION	RESPONSE
1. What are the Agency's assumptions regarding revenue?	Due to the uncertainty of the State School Aid Budget, no increases in State Aid have been budgeted. State Aid related to one-time payments for reimbursement of retirement costs has been removed. Although Property Tax values are not yet available from the counties, we are projecting an increase in taxable values based on current trends. Local revenue has been reduced to reflect decreased tax collections related to the close out of Inkster Public Schools.
2. What salary adjustments are included in the proposed budget?	In 2024-25, reimbursements to employees related to 3% insurance payments through the Office of Retirement Services were budgeted in salaries. The reimbursements have been removed from the proposed 2025-26 budget. No other adjustments have been made related to salaries. Current collective bargaining agreements expire on June 30, 2025.
3. What assumptions were made about retirement costs?	The budget adjusts the retirement rate down to a composite rate of 38% 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 0.2% increase for 2025 to raise the cap, as imposed by law.
5. Why are Transfers to Other Agencies decreasing by \$1.1 million?	In 2024-25, the State paid off the remainder of the debt related to Inkster Public Schools. Wayne RESA was the acting fiduciary of Inkster Schools. As part of the close out process, Wayne RESA distributed taxes received after the debt was paid off to the 4 districts who received students from Inkster after the school district was dissolved. The amount of the reduction in 2025-26 corresponds with the reduction of local revenue mentioned in question 1.

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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 \$4,622,400 to the Wayne County IT Consortium and \$240,100 to IT field services in 2025-26. The General Fund is budgeted to contribute \$980,300 to the MiStar DNA/Illuminate Project.
7. The budget projections indicate that the Agency will have a \$978,000 operating deficit in 2025-26. Is this expected to be a continued trend?	The agency has budgeted to use fund balance in a planned way to minimize impact on services to local schools and to cover one-time costs of necessary capital projects including remodeling and updating aging facilities, as well as upgrades related to security and replacements of equipment for the conference rooms vital to providing professional development. The projected 2025-26 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.
8. What are the revenue assumptions in the Act 18 Special Education fund?	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 2025 property values have been released at this time. Interest income is budgeted to remain stable for the upcoming year based on current market rates.
9. Why are transfers to other agencies increasing in the Act 18 Fund?	Transfers to other agencies (school districts and charter schools) are based on 2025-26 budgets submitted by Center Program Operating Districts.
10. Are one-time payments for unreimbursed special education costs included in the budget?	Yes, one-time payments related to unreimbursed special education and special education transportation costs are included in the 2025-26 budgets. Due to the diminishing level of projected fund balance available and the increase in center program budgets, the one-time payments will be reduced in the 2026-27 budget.

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11. 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 transfers from the General Fund. The 2025-26 budget will use available fund balance from projected unfinished 2025-26 projects as well as an additional allocation from the General Fund. The projects budgeted to be completed in the 2025-26 school year will focus on enhancing conference space and remodeling aging facilities.
12. How will the Enhancement Millage fund be distributed during the 2025-26 Budget year?	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.