2018-2019
AMA Educational Service District

General Fund
Special Education Fund

Prepared for the AMA ESD Board of Education
June 14, 2018

Budget Narrative

Following the requirements of the Uniform Budgeting Act, the Alpena-Montmorency-Alcona Educational Service District Board of Education must prepare and adopt a budget prior to the start of each fiscal year (July 1). As we prepare the budgets each year, input is sought from our various constituencies, most important of which are our local school districts.

As the Board may recall, Intermediate School District's (ISD) are required to have our constituent local Boards of Education adopt a resolution offering support for, or opposition to (disapproval) of the ISD's proposed General Fund Budget. In addition, local Boards may offer specific written suggestions or objections to the budget. Both actions are required between May 1 and June 1 of each year.

The budget process requires review and analysis of administrative staff, local administrators, Board of Education members, as well as input from staff members. The initial budget figures were developed for the 2018-2019 year based on our best estimates.

As we complete the process, we continue to be reminded that each program or service area provided for is done so in the name of kids and our community to provide innovative and responsive service through leadership, collaboration and support. Any program or service must also meet:

1. The service is mandated by state or federal law.
2. The service is requested by one or more local district.
3. The resources are available to provide the service.
4. Each service falls within the ESD strategic plan.

General Fund Summary and Comments:

General Fund	*2016-2017 Actual*	*2017-2018 Budget*	*2018-2019 Estimated*
Revenues	$3,195,640	$4,467,521	$4,351,898
Expenses	3,185,044	4,380,627	4,479,465
Excess	10,596	86,894	(127,567)
Fund Balance, Beginning	1,027,612	1,038,208	1,125,102
Fund Balance, Ending	$1,038,208	$1,125,102	$997,535

Fund Balances - General Fund Equity

With the current plan, budgeted expenses will exceed revenues by $127,567 still

permitting the Board of Education to maintain a good fund equity while addressing some of the required needs of the ESD and the local districts. Should additional resources not be needed, our fund balance will end the year at $997,535, an amount which provides the necessary working capital, and reserves with which to operate in subsequent years.

Special Education Fund Summary and Comments:

Special Education Fund	*2016-2017 Actual*	*2017-2018 Budget*	*2018-2019 Estimated*
Revenues	$7,260,256	$7,704,620	$8,267,696
Expenses	6,933,319	8,012,583	8,729,123
Excess	326,937	(307,963)	(461,427)
Fund Balance, Beginning	4,206,896	4,533,833	4,225,870
Fund Balance, Ending	$4,533,833	$4,225,870	$3,764,443

Special Education Equity

With budgeted expenses exceeding estimated revenues by $461,427, the fund balance still provides the Board with ample contingency funds to cover unforeseen expenditures in this next fiscal period and beyond. Should additional resources not be required, our estimated fund balance will total $3,764,443 at June 30, 2019.

Attached are the general assumptions and parameters we have used for the revenue and expenditure estimates.

General Fund
Revenue Assumptions

1. Operating millage set at .2139 mills based on an estimated $1.9 billion in taxable value (increase of $7,835).

2. Interest Income will remain steady ($20,000).

3. Decrease in local contributions.

4. Decrease in Universal Service Fund (USF).

5. State Aid for general operations will increase slightly ($7,120).

6. Transition of Math/Science Grant to Regional STEM Grant.

7. State Aid for Great Start Readiness Preschool Program Funds will decrease due to lower amount of carryover funds available.

8. Reduction in State Aid for portion of reimbursement of Retirement costs.

9. Reduction in State Aid by of CTE Early College Grant.

10. Maintain State Aid funding for Early Literacy Coaches grant.

11. Federal funds have decreased with the ending of the Great Start Trusted Advisors Grant.

12. Increase in Transfer from Hillman Community Schools for additional Technology Services.

13. Incoming transfers have increased with the allowable cost of indirect costs from the Special Education Fund for Human Resources, Business, Technology and Maintenance.

General Fund
Expenditure Assumptions

1. Salary and benefits at negotiated and approved levels, or estimates thereof

2. Continued consultant support of Instructional Services including professional development in various subject areas and support in core curriculum areas.

3. Increase in support for Early Literacy.

4. Transition funding for Regional STEM (AMA, COP, COOR, IOSCO)

5. Continued support in Board of Education cost for publishing and printing of bi-annual community wide publications.

6. Continued Technology support with the additional support in Hillman Community Schools and upgrades at the ESD.

7. Additional costs under Operation and Maintenance for building and grounds projects.

8. Continued support of District Business Offices.

Special Education
Revenue Assumptions

1. Taxable values for all property is $1.9 billion, with millage rate at 1.9743 (increase of $65,714).

2. Interest income will remain steady ($60,000).

3. Medicaid Reimbursement will decrease due to supplemental payment in 2017-18.

4. Reduction in State Aid for portion of reimbursement of Retirement costs.

5. Increase in State Aid for added costs in 2017-18 for both programming and Transportation.

6. Federal Funding will increase due to the addition of staffing.

Special Education
Expenditure Assumptions

1. Current staff salary and benefits based on negotiated agreements or approved levels.

2. Updated staffing positions due to retirements and hiring needs. (added teacher, 2 aides, school psych, social worker, speech therapist).

3. Decrease in Supervision with the retirement of a senior staff member.

4. Decrease in MiBLSi with the termination of service agreement on 9/30/2018.

5. Decrease in Board of Education with the expectation of less taxes to be written off or abated.

6. Increase in Maintenance due to facility needs.

7. Increase in Operation and Maintenance for needed replacement vehicles for staff visits to area schools.

8. Increase in Pupil Transportation based on new contract with Dean Transportation. Reimbursement of 70% to occur in 2019-2020.

9. Increase in outgoing transfers for support of General Fund costs based on indirect costs for Human Resources, Business Service, Technology and Maintenance.

ALPENA-MONTMORENCY-ALCONA ESD

PROPOSED AMENDMENT OF GENERAL FUND BUDGET

FOR FISCAL YEAR 2018-19

	AUDITED 2015-16	AUDITED 2016-17	APPROVED Budget 2017-18	PROPOSED Budget 2018-19	CHANGE IN BUDGET $	CHANGE IN BUDGET %
REVENUES:						

LOCAL SOURCES	426,976	437,714	434,747	435,932	1,185	0.27%
STATE SOURCES	1,924,126	2,035,044	3,164,536	2,973,262	(191,274)	-6.04%
FEDERAL SOURCES	13,826	33,663	36,488	11,000	(25,488)	-69.85%
OTHER TRANSACTIONS	505,821	689,219	831,750	931,704	99,954	12.02%
TOTAL REVENUES	2,870,749	3,195,640	4,467,521	4,351,898	(115,623)	-2.59%
EXPENDITURES						

INSTRUCTIONAL SERVICES						

INSTRUCTION SERVICES	343,277	503,880	563,729	702,196	138,467	24.56%
GREAT START COLLABORATION	144,774	182,202	312,958	286,787	(26,171)	-8.36%
MATH/SCIENCE/STEM	51,348	41,700	156,345	265,797	109,452	70.01%
GREAT START PRESCHOOL	1,247,962	1,247,913	1,944,161	1,739,395	(204,766)	-10.53%
TOTAL INSTRUCTIONAL	1,787,361	1,975,695	2,977,193	2,994,175	16,982	0.57%
ADMIN. & SUPPORT SV.						

LEADERSHIP/GOVERNANCE	379,170	430,458	380,898	374,471	(6,427)	-1.69%
BUSINESS/COMPLIANCE	446,483	535,239	576,732	579,033	2,301	0.40%
TECHNOLOGY SERVICES	59,207	174,804	298,767	372,553	73,786	24.70%
OPERATION & MAINTENANC	50,964	68,848	147,037	159,233	12,196	8.29%
TOTAL OTHER AREAS	935,824	1,209,349	1,403,434	1,485,290	81,856	5.83%
TOTAL EXPENDITURES	2,723,185	3,185,044	4,380,627	4,479,465	98,838	2.26%
CURRENT CHANGE IN FUND BALANCE	147,564	10,596	86,894	(127,567)		
BEGINNING BALANCE	880,048	1,027,612	1,038,208	1,125,102		
ENDING BALANCE	1,027,612	1,038,208	1,125,102	997,535		

ALPENA-MONTMORENCY-ALCONA ESD
PROPOSED AMENDMENT OF 2018-19 BUDGET
SPECIAL EDUCATION FUND

	AUDITED 2015-16	AUDITED 2016-17	APPROVED BUDGET 2017-18	PROPOSED Budget 2018-19	$ Change	% Change
REVENUES:						
LOCAL SOURCES	4,113,561	4,041,781	4,180,369	4,186,743	6,374	0.15%
STATE SOURCES	1,493,581	1,624,535	1,618,443	1,915,461	297,018	18.35%
FEDERAL SOURCES	1,414,136	1,579,366	1,836,577	2,081,992	245,415	13.36%
OTHER TRANSACTIONS	10,078	14,573	69,231	83,500	14,269	97.91%
TOTAL REVENUES	7,031,355	7,260,256	7,704,620	8,267,696	563,076	7.31%
DIRECT INSTRUCTION						
PIED PIPER-MoCI	263,953	317,899	346,691	452,758	106,067	30.59%
PIED PIPER-SCI	466,187	404,395	439,466	430,943	(8,523)	-1.94%
EARLY CHILDHOOD CLASSROOM	198,543	204,151	158,019	217,726	59,707	37.78%
TOTAL DIRECT INSTRUCTION	928,682	926,444	944,176	1,101,427	157,251	16.65%
INSTRUCTIONAL SUPPORT						
PSYCHOLOGICAL SERV	610,466	647,520	541,570	650,497	108,927	20.11%
HEARING IMP. CONS.	0	65	0	0	0	#DIV/0!
LEARNING DISABILITIES	226,519	95,370	117,949	125,172	7,223	6.12%
COGNITIVELY IMPAIRED	166,859	222,689	238,877	246,661	7,784	3.26%
AUTISTIC IMPAIRED	133,682	136,451	145,778	147,602	1,824	1.25%
SPEECH THERAPY	655,126	625,637	674,253	771,771	97,518	14.46%
SOCIAL WORK	20,682	42,604	94,304	178,001	83,697	88.75%
EARLY INTERVENING	295,977	318,225	392,235	391,091	(1,144)	-0.29%
OCCUPATIONAL THERAPY	136,149	136,883	153,400	150,721	(2,679)	-1.75%
PHYSICAL THERAPY	69,745	62,153	77,578	87,861	10,283	13.26%
IMPROVEMENT OF INSTRUCTION	14,428	15,587	60,550	60,086	(464)	-0.77%
REGIONAL/STATE MIBLSI	139,093	143,678	188,734	43,403	(145,331)	-77.00%
VISION CONSULTANT	11,142	0	0	0	0	0.00%
EARLY CHILDHOOD CONSULTANT	108,692	133,945	140,196	135,540	(4,656)	-3.32%
EARLY ON SERVICES	52,683	39,740	79,717	75,174	(4,543)	-5.70%
EMOTIONALLY IMPAIRED	243,579	255,757	285,308	281,799	(3,509)	-1.23%
TRANSITION SERVICES	85,380	59,444	58,623	50,932	(7,691)	-13.12%
TOTAL SUPPORT	2,970,202	2,935,748	3,249,072	3,396,311	147,239	4.53%
ADMINISTRATIVE						
SUPERVISION/MONITORING/DATA C.	781,360	853,369	931,262	728,572	(202,690)	-21.77%
BOARD OF EDUCATION	23,670	54,707	77,500	27,000	(50,500)	-65.16%
TOTAL ADMINISTRATIVE	805,030	908,076	1,008,762	755,572	(253,190)	-25.10%
OTHER COSTS						
OPERATION AND MAINT.	145,305	134,340	145,950	245,937	99,987	68.51%
CAPITAL OUTLAY	12,224	18,154	90,490	85,000	(5,490)	-6.07%
LOCAL P.A.C.	117	411	450	750	300	66.67%
PUPIL TRANSPORTATION	320,946	330,118	508,135	1,041,126	532,991	104.89%
OUTGOING TRANSFERS	1,656,395	1,680,027	2,065,548	2,103,000	37,452	1.81%
TOTAL EXPENDITURES	6,838,903	6,933,319	8,012,583	8,729,123	716,540	8.94%
CURRENT CHANGE IN FUND BALANCE	192,452	326,937	(307,963)	(461,427)		
BALANCE, JULY 1 RESTRICTED	4,014,444	4,206,896	4,533,833	4,225,870		
ENDING BALANCE - RESTRICTED	4,206,896	4,533,833	4,225,870	3,764,443		

Explanation Guide
PROPOSED 2018-2019 GENERAL FUND BUDGET

REVENUES

From Local Sources

Current Property Tax - 100% collection based the allocated millage of .21 mills.

Other Revenues - Interest on investments, contributions, fees for professional development, and Tuition for GSRP.

State Sources

State Aid-Section 81 - Categorical aid received from School Aid Fund specifically for intermediate school districts.

State Aid- Section 99 - Math/Science & STEM– support for Math/Science and Science Technology, Engineering & Mathematics programming and strategic planning.

State Aid Section 32d – Great Start Readiness – provides preschool programs to the ISD community.

State Aid Section 32p – Early Childhood Block – Governor's initiative to educate parents of children 0-5 and to assure all children are ready for kindergarten.

State Aid – Section 35a – Early Literacy funding for coaches to assist teachers.

State Aid Section 147 – Reimbursement of portion of Retirement expenses.

Other Revenues –Renaissance Zone and Data Collection.

Federal Sources

Child and Adult Food Reimbursement –Reimbursement of a portion of Food Expenses in the Great Start Readiness Program.

Incoming Transfers - Transfers from other funds to cover business and other administrative expenses and from other districts to support cooperative programs such as Math Consultant, Data and Instructional Technology and Business Services.

EXPLANATION GUIDE
PROPOSED GENERAL FUND BUDGET
2018-2019

EXPENDITURES

The AMA ESD is currently in the process of Strategic Planning. This includes participation of local districts, parents, community partners and ESD staff groups. This work includes the updating of our Mission and identification of Focus Areas (Service Delivery, Accreditation, Behavior Support, Literacy Support, Human Resource Needs, and a Facility Review) that will help guide our efforts over the next 3 years.

Instructional Services – Includes services to local districts related to instructional programming support to staff and assisting with the content and process of providing learning experiences for pupils. This function includes assisting in planning, developing, and evaluating the process of multi-tiered systems of support (MTSS) and providing challenging and natural learning experiences for pupils. These activities include curriculum development, techniques of instruction, in-service training, SCECH's support, along with data analysis and curriculum support to assist local school districts.

Evaluation of our model of service delivery to meet local needs places greater emphasis on coaching support—through re-alignment of staff, support of district literacy coaches and the efforts to hire an Early Learning Coordinator.

Other instructional services include grants that are currently applied for to meet the Mission of the ESD. The ESD continues to look for grants that can support the local school districts. Currently the ESD has the following major grants: Great Start, Great Start Readiness Preschool Programs, MiSTEM, and Early Literacy Coaches.

Governance and Compliance – Services related to establishing Policy, operating the District, and improving school relations to the community. This area includes following the mandates as required by State or Federal law including keeping Board policies up to date, meeting audit and monitoring requirements, and following sound fiscal responsibilities.

These services include the Superintendent's Office, Business Office, Pupil Accounting Auditors and the Educational Service District's Board of Education. The E.S.D currently has 1.5 Business Office Staff in Alcona Community schools and .5 staff plus additional support in Atlanta Community Schools. In addition to mandated requirements, the E.S.D. provides Administrative leadership, Training, ESD-wide publishing, mentoring, criminal record checks, and technical assistance to local districts.

The ESD Technology Consortium currently has 1.0 technology staff in Alcona Community Schools, 0.40 technology staff in Atlanta Community Schools and 1.0 technology staffing in Hillman Community Schools (increase from 0.60 in 2017-18) to provide technology needs. The ESD also hired a full time Technology Coordinator to support the Consortium at no cost to the local districts.

The ESD will be developing a Facility Plan to address the needs at Pied Piper School and central office. This will include an evaluation of safety, structure, functional and technology needs. The expectation is that these costs shall be significant over the next five to ten years. The budget has allocations for preliminary efforts and work to insure that our facility meets the needs of our students, staff and Community.

EXPLANATION GUIDE
PROPOSED GENERAL FUND BUDGET
2018-2019

EXPENDITURES

Administrative Services – Services related to operational leadership, direct business services, technical support for local district staff involved in administrative related functions.

Leadership & Governance	Insurances, audits, per diem, mileage, legal services, ISD wide newsletters, tax collection fees, dues, policy service and other related Board Expenses
	Expenses of Chief Executive Officer and Human Resource Department which includes Superintendent and Executive Administrative Assistant.
Business Services	Fiscal operations, Pupil Accounting, and other business Services for the ESD as well as technical assistance to local schools. Five staff members. Includes shared staffing with Alcona Community Schools and Atlanta Community Schools.

Instructional Services – Services to local districts related to instructional programming inservice, staff development or consultant.

Instructional Services	Costs for consultant services in basic skills; provides specialized inservice programs to include school improvement and subject area instructional development, stipends and sub reimbursements and grant writing. Increased emphasis in literacy.
Regional STEM	Science technology, engineering and math support for AMA, COP, COOR, and IOSCO ISDs.
Great Start Project	Project engages community to assure a coordinated system of services with duplication for children prenatal through age eight.
Great Start Readiness	GSRP is for preschool aged children who will be four years old by September 1.

Other Services

Technology	Cost of all activities related to technology operation including Internet services. Consortium agreement with Atlanta, Hillman and Alcona Community Schools. Includes 2.65 technicians and 1 manager.
Operation & Maintenance	Utilities, custodian services, facility insurances, repairs and maintenance services.

SPECIAL EDUCATION FUND
PROPOSED 2018-2019 BUDGET

REVENUES

Local Sources

Current Property Taxes – 100% collection based upon a taxable value of $1.9 billion times the special voted millage rate of 1.9743 mills.

Medicaid payments received for School Based Health Services.

Other Local Sources – includes amounts received for investment income and other miscellaneous amounts.

State Sources

Section 51 – monies received for membership at Pied Piper, added costs of educating Special Education students and Transportation.

Section 53 – monies received for students placed from another ISD by courts or state agency.

Section 147(c) – Retirement Funding from the State of Michigan to reimburse schools a portion of MPSERS Unfunded Liability.

MRS Grant – funds received to support transition services.

Federal Sources

IDEA Programs – Series of specially federal funded programs provided through the State to assist students with disabilities.

Infant Toddler Grants – provides funding for services for preprimary children with developmental delays and for education and support for parents of these children.

Other Federal Sources – Medicaid Outreach

Incoming Transfers

From Other Districts – funds received from other districts for out of district and Schools-of-Choice students.

Other Transactions – Insurance refunds and sale of fixed assets.

SPECIAL EDUCATION FUND
PROPOSED 2018-2019 BUDGET

EXPENDITURES

Direct Instruction Classroom programs offered by the ESD for all area students.

Pied Piper – Moderately Cognitively Impaired, Severely Cognitively Impaired, Early Childhood Developmentally Delayed – cost categories for handicapped students educated at Pied Piper and Lincoln School.

Instructional Support Consultants and other support services related to special education students and/or classroom teachers.

Psychological Services – service staff and related costs for five staff members.

Behavioral Specialist/Social Worker – Services districts using PBIS approach, proactive discipline system, classroom management systems and behavioral support. One staff member and related expenses.

Early Childhood Developmentally Delayed Consultant Services – support for one staff member for preschool and infant home services.

Vision Services – support for services of ESD Consultant for visually impaired.

Learning Disabilities – consultant services for special education disability area. One staff consultant and related expenses.

Cognitively Impaired – consultant services for special education disability area. Two staff members and related expenses.

Autistic Impaired – consultant services for area students with one or more autism spectrum disorders, as well as training for local staff members and parents. One staff member and related expenses.

Speech Therapy – service of speech therapist provided to all area districts. Six full-time staff members and related expenses.

Social Work – services of certified school social worker provided to eligible students. Staff member and related expenses.

Occupational Therapy – special services of occupational therapist consultant for impaired students. One full-time staff and related costs.

Early Intervening – One staff member and "STARS" program providing services intended to reduce the incidence of special education referrals and improve outcomes for struggling learners.

Emotionally Impaired – consultant services for special education disability area. Two staff members and related expenses.

Transition Services – To ensure students are prepared for post secondary education, employment, and independent living.

Improvement of Instruction – Providing professional development and inservice activities to staff at ESD, LEAS and students. Includes activities and supplies for curriculum development, techniques of instruction, child development, and understanding.

Physical Therapy – costs of therapy services for physically impaired students. Services provided both at P.T. center at Pied Piper and in homes of impaired students. One staff person and contracted services along with related expenses.

Administrative Services Those services involved in planning, leadership, record keeping, and moving children from home to school and back each day:

Pupil Transportation Services – costs of providing transportation to and from ESD operated classroom programs at Pied Piper, as well as to various student job sites. Services are contracted through Thunder Bay Transportation Authority for the summer 2018 program and switching to a 5 year contract beginning with the 2018-19 school year.

Instructional Supervision – costs to provide overall supervision and direction for ESD and Pied Piper School Special Education programs. Includes all clerical support, director and supervisory staff (four full-time staff and two part-time staff).

Planning, Monitoring and Data collection – costs of monitoring special education classroom programs and services, maintenance of central registry of students with disabilities, federal and state mandated reporting of students with disabilities. Service provided by one planner/monitor and one central registry technician and is funded by federal funds.

Local PAC – costs associated with Parent Advisory Council meetings and member activities.

Board of Education – tax collection fees paid to units of government, fees for Medicaid billing service, and property taxes written off.

Other Services

Operation and Maintenance – heat, lights, custodial services, repairs and maintenance for Pied Piper School. One full-time staff member.

Capital Outlay – Equipment purchases and major capital as necessary.

Outgoing Transfers 1) revenue sharing with local districts from local tax levy; 2) interfund transfers within the ESD; 3) Medicaid reimbursement to local districts for school based health services.