



# 2019-2020 AMA Educational Service District

General Fund  
Special Education Fund



Prepared for the AMA ESD Board of Education  
June 13, 2019

## **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 2019-2020 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:**

<b><i>General Fund</i></b>	<b><i>2017-2018 Actual</i></b>	<b><i>2018-2019 Budget</i></b>	<b><i>2019-2020 Estimated</i></b>
<b><i>Revenues</i></b>	\$3,706,458	\$4,445,019	\$3,800,320
<b><i>Expenses</i></b>	3,559,172	4,452,681	3,890,380
<b><i>Increase (Decrease)</i></b>	147,286	(7,662)	(90,060)
<b><i>Fund Balance, Beginning</i></b>	1,038,208	1,185,494	1,177,832
<b><i>Committed</i></b>	0	200,000	200,000
<b><i>Assigned</i></b>	0	23,917	23,917
<b><i>Fund Balance, Ending</i></b>	\$1,185,494	\$953,915	\$863,855

## Fund Balances - General Fund Equity

With the current plan, budgeted expenses will exceed revenues by \$90,060 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 \$863,855, an amount which provides the necessary working capital, and reserves with which to operate in subsequent years.

### **Special Education Fund Summary and Comments:**

<b><i>Special Education Fund</i></b>	<b><i>2017-2018 Actual</i></b>	<b><i>2018-2019 Budget</i></b>	<b><i>2019-2020 Estimated</i></b>
<b><i>Revenues</i></b>	\$7,622,893	\$8,773,325	\$8,238,409
<b><i>Expenses</i></b>	7,724,292	8,825,685	8,900,916
<b><i>Excess</i></b>	(101,399)	(52,360)	(661,607)
<b><i>Fund Balance, Beginning Committed</i></b>	4,533,833	4,432,433 600,000	4,380,073 600,000
<b><i>Fund Balance, Ending</i></b>	\$4,432,433	\$3,780,073	\$3,118,466

### Special Education Equity

With budgeted expenses exceeding estimated revenues by \$661,607, 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 \$3,118,466 at June 30, 2020.

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 \$6,947).
2. No increase in State Aid for general operations due to no approved State budget.
3. Transition of STEM Grant to COP ESD. (\$237,000)
4. State Aid for Great Start Readiness Preschool Program Funds will decrease due to lower amount of carryover funds available.
5. Carryover of State revenue for Mental Health Grant. (\$437,357)
6. Maintain State Aid funding for Early Literacy Coaches grant.
7. Decrease in Transfers from other districts due to ending of Tech Consortium and Business Services in Alcona.
8. Decrease in Other Transactions due to less grants

## ***General Fund Expenditure Assumptions***

1. Current staff salary and benefits based on negotiated agreements or approved levels.
2. Updated staffing positions due to a retirement and staff assignments.
3. Continued consultant support of Instructional Services including professional development in various subject areas and support in core curriculum areas.
4. Transition funding for Regional STEM from AMA to COP ESD.
5. Decrease in GSRP due to reduced carryover of grant funds.
6. Additional costs under Operation and Maintenance for building and grounds projects.
7. Included funds for maintenance and facility upgrades.

## ***Special Education Revenue Assumptions***

1. Taxable values for all property is \$1.9 billion, with millage rate at 1.9743 (increase of \$64,121).
2. Decrease in interest income.
3. Increase in State Aid for added costs in 2018-19 for both programming and Transportation.
4. Increase in State Revenue for Safety grant.
5. Federal Funding will decrease due to spending of carryover funds.

## ***Special Education Expenditure Assumptions***

1. Current staff salary and benefits based on negotiated agreements or approved levels.
2. Updated staffing positions due to staffing assignments.
3. Decrease in Supervision with the reduction of an Administrative position.
4. Increase for Safety grant.
5. Increase in Capital Outlay due to facility upgrades in phase 1 of the facility plan.
6. Decrease in Operation and Maintenance due to staff car purchases in 2018-19.
7. Decrease in Pupil Transportation based on current transportation needs for AMA and Alpena Public.
8. Decrease 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 2019-20**

	AUDITED 2016-17	AUDITED 2017-18	APPROVED Budget 2018-19	PROPOSED Budget 2019-20	CHANGE IN BUDGET \$	CHANGE IN BUDGET %
REVENUES:						
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LOCAL SOURCES	437,714	437,587	447,551	439,979	(7,572)	-1.69%
STATE SOURCES	2,035,044	2,402,847	3,261,025	2,771,798	(489,227)	-15.00%
FEDERAL SOURCES	33,663	37,750	27,912	27,912	0	0.00%
OTHER TRANSACTIONS	689,219	828,274	708,531	560,631	(147,900)	-20.87%
TOTAL REVENUES	3,195,640	3,706,458	4,445,019	3,800,320	(644,699)	-14.50%
EXPENDITURES						
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INSTRUCTIONAL SERVICES						
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INSTRUCTION SERVICES	503,880	533,728	555,636	532,999	(22,637)	-4.07%
GREAT START COLLABORATION	182,202	197,308	262,861	262,211	(650)	-0.25%
MATH/SCIENCE/STEM	41,700	76,559	240,867	0	(240,867)	-100.00%
GREAT START PRESCHOOL	1,247,913	1,435,059	1,633,661	1,464,550	(169,111)	-10.35%
MENTAL HEALTH GRANT	0	0	437,357	437,357	0	100.00%
TOTAL INSTRUCTIONAL	1,975,695	2,242,654	3,130,382	2,697,117	(433,265)	-13.84%
ADMIN. & SUPPORT SV.						
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LEADERSHIP/GOVERNANCE	430,458	377,063	403,239	414,625	11,386	2.82%
BUSINESS/COMPLIANCE	535,239	565,830	519,588	410,280	(109,308)	-21.04%
TECHNOLOGY SERVICES	174,804	283,548	257,725	202,094	(55,631)	-21.59%
OPERATION & MAINTENANC	68,848	90,077	141,747	166,264	24,517	17.30%
TOTAL OTHER AREAS	1,209,349	1,316,518	1,322,299	1,193,263	(129,036)	-9.76%
TOTAL EXPENDITURES	3,185,044	3,559,172	4,452,681	3,890,380	(562,301)	-12.63%
CURRENT CHANGE IN FUND BALANCE	10,596	147,286	(7,662)	(90,060)		
BEGINNING BALANCE	1,027,612	1,038,208	1,185,494	1,177,832		
COMMITTED FUNDS	0	0	200,000	200,000		
ASSIGNED FUNDS	0	0	23,917	23,917		
ENDING BALANCE	1,038,208	1,185,494	953,915	863,855		



**ALPENA-MONTMORENCY-ALCONA ESD  
PROPOSED AMENDMENT OF 2019-20 BUDGET  
SPECIAL EDUCATION FUND**

	AUDITED 2016-17	AUDITED 2017-18	APPROVED BUDGET 2018-19	PROPOSED Budget 2019-20	\$ Change	% Change
<b>REVENUES:</b>						
LOCAL SOURCES	4,041,781	4,210,331	4,313,316	4,297,865	(15,451)	-0.36%
STATE SOURCES	1,624,535	1,620,874	1,948,084	2,080,127	132,043	6.78%
FEDERAL SOURCES	1,579,366	1,716,719	2,349,675	1,726,917	(622,758)	-26.50%
OTHER TRANSACTIONS	14,573	74,969	162,250	133,500	(28,750)	-38.35%
<b>TOTAL REVENUES</b>	<b>7,260,256</b>	<b>7,622,893</b>	<b>8,773,325</b>	<b>8,238,409</b>	<b>(534,916)</b>	<b>-6.10%</b>
<b>DIRECT INSTRUCTION</b>						
PIED PIPER-MoCI	317,899	353,448	408,048	409,744	1,696	0.42%
PIED PIPER-SCI	404,395	409,220	456,264	454,724	(1,540)	-0.34%
EARLY CHILDHOOD CLASSROOM	204,151	149,401	231,368	237,680	6,312	2.73%
<b>TOTAL DIRECT INSTRUCTION</b>	<b>926,444</b>	<b>912,068</b>	<b>1,095,680</b>	<b>1,102,148</b>	<b>6,468</b>	<b>0.59%</b>
<b>INSTRUCTIONAL SUPPORT</b>						
PSYCHOLOGICAL SERV	647,520	539,144	675,876	757,600	81,724	12.09%
HEARING IMP. CONS.	65	0	0	0	0	0.00%
LEARNING DISABILITIES	95,370	117,358	125,172	127,878	2,706	2.16%
COGNITIVELY IMPAIRED	222,689	234,980	250,538	251,423	885	0.35%
AUTISTIC IMPAIRED	136,451	145,818	160,380	140,370	(20,010)	-12.48%
SPEECH THERAPY	625,637	660,711	699,387	705,293	5,906	0.84%
SOCIAL WORK	42,604	93,332	194,409	187,745	(6,664)	-3.43%
EARLY INTERVENING	318,225	384,377	503,577	313,981	(189,596)	-37.65%
OCCUPATIONAL THERAPY	136,883	151,534	148,071	152,013	3,942	2.66%
PHYSICAL THERAPY	62,153	77,258	96,048	87,809	(8,239)	-8.58%
IMPROVEMENT OF INSTRUCTION	15,587	12,249	60,832	28,714	(32,118)	-52.80%
REGIONAL/STATE MIBLSI	143,678	145,895	16,300	0	(16,300)	-100.00%
EARLY CHILDHOOD CONSULTANT	133,945	139,807	149,766	140,821	(8,945)	-5.97%
EARLY ON CONSULTANT	39,740	54,373	99,073	54,162	(44,911)	-45.33%
EMOTIONALLY IMPAIRED	255,757	277,902	288,569	286,343	(2,226)	-0.77%
TRANSITION SERVICES	59,444	57,417	51,082	50,596	(486)	-0.95%
<b>TOTAL SUPPORT</b>	<b>2,935,748</b>	<b>3,092,155</b>	<b>3,519,080</b>	<b>3,284,748</b>	<b>(234,332)</b>	<b>-6.66%</b>
<b>ADMINISTRATIVE</b>						
SUPERVISION/MONITORING/DATA C.	853,369	919,332	790,620	717,712	(72,908)	-9.22%
BOARD OF EDUCATION	54,707	74,299	29,000	32,500	3,500	12.07%
<b>TOTAL ADMINISTRATIVE</b>	<b>908,076</b>	<b>993,631</b>	<b>819,620</b>	<b>750,212</b>	<b>(69,408)</b>	<b>-8.47%</b>
<b>OTHER COSTS</b>						
OPERATION AND MAINT.	134,340	137,224	264,437	197,601	(66,836)	-25.27%
SAFETY GRANT	0	0	0	114,601	114,601	100.00%
CAPITAL OUTLAY	18,154	44,766	110,000	530,000	420,000	381.82%
LOCAL P.A.C.	411	199	750	750	0	0.00%
PUPIL TRANSPORTATION	330,118	481,889	1,105,261	1,044,364	(60,897)	-5.51%
OUTGOING TRANSFERS	1,680,027	2,062,360	1,910,857	1,875,592	(35,265)	-1.85%
<b>TOTAL EXPENDITURES</b>	<b>6,933,319</b>	<b>7,724,292</b>	<b>8,825,685</b>	<b>8,900,016</b>	<b>74,331</b>	<b>0.84%</b>
CURRENT CHANGE IN FUND BALANCE	326,937	(101,399)	(52,360)	(661,607)		
BALANCE, JULY 1 RESTRICTED	4,206,896	4,533,833	4,432,433	4,380,073		
COMMITTED FUNDS	0	0	600,000	600,000		
<b>ENDING BALANCE - RESTRICTED</b>	<b>4,533,833</b>	<b>4,432,434</b>	<b>3,780,073</b>	<b>3,118,466</b>		

Explanation Guide  
PROPOSED 2019-2020 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 miscellaneous.

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 31n – School Mental Health and Support Services – provides mental health and support services and behavioral health team pilot programs.

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

State Aid Section 32j – 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.

REAP – Rural and Educational Achievement Program under ESEA used to carry out activities authorized under Title I, II, III, or IV.

Incoming Transfers – Transfers from the Special Education Fund to support Business, Human Resources, technology and maintenance expenses and from other districts to support cooperative programs such as Data and Instructional Technology and Business Services.

**EXPLANATION GUIDE  
PROPOSED GENERAL FUND BUDGET  
2019-2020**

EXPENDITURES

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, Coaching support, in-service training, SCECH’s support, along with data analysis and curriculum support to assist local school districts.

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, School Mental Health and Support services, REAP 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 0.5 Business Office Staff in Alcona Community schools and .5 staff plus additional support in Atlanta Community Schools. The Business Office staff in Alcona will be eliminated in the 2019-20 budget. In addition to mandated requirements, the E.S.D. provides Administrative leadership, Training, ESD-wide publishing, mentoring, and criminal record checks to local districts.

The ESD has developed a Facility Plan. This plan includes 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  
2019-2020

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. Three and one half staff members. Includes shared staffing with 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.

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.

School Mental Health

School mental health and support services, and behavior health team pilot program.

Other Services

Technology

Cost of all activities related to technology operation.

Operation & Maintenance

Utilities, custodian services, facility insurances, repairs and maintenance services.

SPECIAL EDUCATION FUND  
PROPOSED 2019-2020 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 – Reimbursement of portion of Retirement expenses.

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 and specialized transportation.

Other Transactions – Insurance refunds and sale of fixed assets.

SPECIAL EDUCATION FUND  
PROPOSED 2019-2020 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..

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

Learning Disabilities – consultant services for special education disability area.

Cognitively Impaired – consultant services for special education disability area.

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

Speech Therapy – service of speech therapist provided to all area districts.

Social Work – services of certified school social worker provided to eligible students.

Occupational Therapy – special services of occupational therapist consultant for impaired students.

Early Intervening – 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.

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.

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

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.

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.

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.

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.

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

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.