

### Exhibit 3

January 10, 2019

To: Board of Education

From: Scott Reynolds, Superintendent  
Tony Suszek, Assistant Superintendent  
Melissa Cook, Coordinator of Business

Subject: Budget Amendments

Attached for the Board of Education's review and approval are Budget Amendments for 2018-2019 for the General Fund and the Special Education Fund.

General Fund major changes include:

#### Revenues

1. Decrease in state sources from GSRP Preschool Grant.
2. Increase in federal sources from addition of REAP Grant.
3. Decrease in other transactions from reduction in services provided to local districts.

#### Expenditures

1. Decrease in Instructional Services, Business, and Technology based on staffing.
2. Decrease in GSRP and GSC based on Grant funding.
3. Increase in Leadership and Governance based on staffing and training costs.

### General Fund Summary In Thousands

	Approved Budget	Proposed Amendments
Revenues	\$4,352	\$4,003
Expenditures	4,479	4,003
Net Change in Fund Balance	(128)	(0)
Fund Balance, Beginning	1,125	1,185
Fund Balance, Ending	\$998	\$1,185

The ending General Fund equity reflects a projected balance of \$1,185,494 as of 6/30/2019.

## Special Education Fund

### Revenues

1. Increase in Local Sources from Medicaid Reimbursements.
2. Decrease in State Aid funding.
3. Increase in Federal Sources based on additional IDEA grant funding usage.

### Expenses

1. Updates based on staffing, contracts, agreements and retirement cost.
2. Increase in Early Intervening based on program changes.
3. Decrease in Regional MiBLSi based on contract agreement ending.
4. Decrease in Outgoing Transfers based on LEA payouts.

### Special Education Summary In Thousands

	Approved Budget	Proposed Amendments
Revenues	\$8,268	\$8,508
Expenditures	8,729	8,746
Net Change in Fund Balance	(461)	(237)
Fund Balance, Beginning	4,226	4,432
Fund Balance, Ending	\$3,764	\$4,195

The ending Special Education Fund equity reflects a projected balance of \$4,195,327 as of 6/30/2019.

**Recommendation:** Approval of budget amendments in the General Fund and the Special Education Funds.

**ALPENA-MONTMORENCY-ALCONA ESD**  
**PROPOSED AMENDMENT OF GENERAL FUND BUDGET**  
**FOR FISCAL YEAR 2018-19**

	AUDITED 2016-17	AUDITED 2017-18	APPROVED Budget 2018-19	PROPOSED Budget 2018-19	CHANGE IN BUDGET \$	CHANGE IN BUDGET %
REVENUES:						
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LOCAL SOURCES	437,714	437,587	435,932	438,232	2,300	0.53%
STATE SOURCES	2,035,044	2,402,847	2,973,262	2,816,510	(156,752)	-5.27%
FEDERAL SOURCES	33,663	37,750	11,000	27,912	16,912	153.75%
OTHER TRANSACTIONS	689,219	828,274	931,704	720,187	(211,517)	-22.70%
<b>TOTAL REVENUES</b>	<b>3,195,640</b>	<b>3,706,458</b>	<b>4,351,898</b>	<b>4,002,841</b>	<b>(349,057)</b>	<b>-8.02%</b>
EXPENDITURES						
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INSTRUCTIONAL SERVICES						
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INSTRUCTION SERVICES	503,880	533,728	702,196	549,784	(152,412)	-21.71%
GREAT START COLLABORATION	182,202	197,308	286,787	262,861	(23,926)	-8.34%
MATH/SCIENCE/STEM	41,700	76,559	265,797	277,570	11,773	4.43%
GREAT START PRESCHOOL	1,247,913	1,435,059	1,739,395	1,578,468	(160,927)	-9.25%
<b>TOTAL INSTRUCTIONAL</b>	<b>1,975,695</b>	<b>2,242,654</b>	<b>2,994,175</b>	<b>2,668,683</b>	<b>(325,492)</b>	<b>-10.87%</b>
ADMIN. & SUPPORT SV.						
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LEADERSHIP/GOVERNANCE	430,458	377,063	374,471	390,597	16,126	4.31%
BUSINESS/COMPLIANCE	535,239	565,830	579,033	522,141	(56,892)	-9.83%
TECHNOLOGY SERVICES	174,804	283,548	372,553	262,187	(110,366)	-29.62%
OPERATION & MAINTENANC	68,848	90,077	159,233	159,233	0	0.00%
<b>TOTAL OTHER AREAS</b>	<b>1,209,349</b>	<b>1,316,518</b>	<b>1,485,290</b>	<b>1,334,158</b>	<b>-151,132</b>	<b>-10.18%</b>
<b>TOTAL EXPENDITURES</b>	<b>3,185,044</b>	<b>3,559,172</b>	<b>4,479,465</b>	<b>4,002,841</b>	<b>(476,624)</b>	<b>-10.64%</b>
CURRENT CHANGE IN FUND BALANCE	10,596	147,286	(127,567)	0		
BEGINNING BALANCE	1,027,612	1,038,208	1,125,102	1,185,494		
ENDING BALANCE	1,038,208	1,185,494	997,535	1,185,494		

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

	AUDITED 2016-17	AUDITED 2017-18	APPROVED BUDGET 2018-19	PROPOSED Budget 2018-19	\$ Change	% Change
<b>REVENUES:</b>						
LOCAL SOURCES	4,041,781	4,210,331	4,186,743	4,241,743	55,000	1.31%
STATE SOURCES	1,624,535	1,620,874	1,915,461	1,825,628	(89,833)	-4.69%
FEDERAL SOURCES	1,579,366	1,716,719	2,081,992	2,348,579	266,587	12.80%
OTHER TRANSACTIONS	14,573	74,969	83,500	92,500	9,000	12.00%
<b>TOTAL REVENUES</b>	<b>7,260,256</b>	<b>7,622,893</b>	<b>8,267,696</b>	<b>8,508,450</b>	<b>240,754</b>	<b>2.91%</b>
<b>DIRECT INSTRUCTION</b>						
PIED PIPER-MoCI	317,899	353,448	452,758	443,561	(9,197)	-2.03%
PIED PIPER-SCI	404,395	409,220	430,943	460,112	29,169	6.77%
EARLY CHILDHOOD CLASSROOM	204,151	149,401	217,726	200,850	(16,876)	-7.75%
<b>TOTAL DIRECT INSTRUCTION</b>	<b>926,444</b>	<b>912,068</b>	<b>1,101,427</b>	<b>1,104,523</b>	<b>3,096</b>	<b>0.28%</b>
<b>INSTRUCTIONAL SUPPORT</b>						
PSYCHOLOGICAL SERV	647,520	539,144	650,497	668,888	18,391	2.83%
HEARING IMP. CONS.	65	0	0	0	0	0.00%
LEARNING DISABILITIES	95,370	117,358	125,172	125,172	0	0.00%
COGNITIVELY IMPAIRED	222,689	234,980	246,661	250,538	3,877	1.57%
AUTISTIC IMPAIRED	136,451	145,818	147,602	153,295	5,693	3.86%
SPEECH THERAPY	625,637	660,711	771,771	696,029	(75,742)	-9.81%
SOCIAL WORK	42,604	93,332	178,001	186,523	8,522	4.79%
EARLY INTERVENING	318,225	384,377	391,091	512,095	121,004	30.94%
OCCUPATIONAL THERAPY	136,883	151,534	150,721	154,487	3,766	2.50%
PHYSICAL THERAPY	62,153	77,258	87,861	88,608	747	0.85%
IMPROVEMENT OF INSTRUCTION	15,587	12,249	60,086	60,832	746	1.24%
REGIONAL/STATE MIBLSI	143,678	145,895	43,403	16,300	(27,103)	-62.44%
EARLY CHILDHOOD CONSULTANT	133,945	139,807	135,540	136,718	1,178	0.87%
EARLY ON CONSULTANT	39,740	54,373	75,174	99,073	23,899	31.79%
EMOTIONALLY IMPAIRED	255,757	277,902	281,799	287,069	5,270	1.87%
TRANSITION SERVICES	59,444	57,417	50,932	51,082	150	0.29%
<b>TOTAL SUPPORT</b>	<b>2,935,748</b>	<b>3,092,155</b>	<b>3,396,311</b>	<b>3,486,709</b>	<b>90,398</b>	<b>2.66%</b>
<b>ADMINISTRATIVE</b>						
SUPERVISION/MONITORING/DATA C.	853,369	919,332	728,572	775,643	47,071	6.46%
BOARD OF EDUCATION	54,707	74,299	27,000	34,000	7,000	25.93%
<b>TOTAL ADMINISTRATIVE</b>	<b>908,076</b>	<b>993,631</b>	<b>755,572</b>	<b>809,643</b>	<b>54,071</b>	<b>7.16%</b>
<b>OTHER COSTS</b>						
OPERATION AND MAINT.	134,340	137,224	245,937	258,590	12,653	5.14%
CAPITAL OUTLAY	18,154	44,766	85,000	110,000	25,000	29.41%
LOCAL P.A.C.	411	199	750	750	0	0.00%
PUPIL TRANSPORTATION	330,118	481,889	1,041,126	1,043,023	1,897	0.18%
OUTGOING TRANSFERS	1,680,027	2,062,360	2,103,000	1,932,318	(170,682)	-8.12%
<b>TOTAL EXPENDITURES</b>	<b>6,933,319</b>	<b>7,724,292</b>	<b>8,729,123</b>	<b>8,745,556</b>	<b>16,433</b>	<b>0.19%</b>
<b>CURRENT CHANGE IN FUND BALANCE</b>						
BALANCE, JULY 1 RESTRICTED	4,206,896	4,533,833	4,225,870	4,432,433		
<b>ENDING BALANCE - RESTRICTED</b>	<b>4,533,833</b>	<b>4,432,434</b>	<b>3,764,443</b>	<b>4,195,327</b>		