

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** FY 2005 Budgets – Iowa Braille and Sight Saving School  
**Date:** June 7, 2005

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**Recommended Action:**

Consider the preliminary FY 2005 general fund operating budget for the Iowa Braille and Sight Saving School in the amount of \$5,190,937 and the restricted fund budget of \$1,733,814, for budgets totaling \$6,924,751.

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**Executive Summary:**

The Iowa Braille and Sight Saving School (IBSSS) prepared its FY 2005 detailed budgets in accordance with the strategic plans of the Board and of the School. The School's FY 2005 budget consists of the general fund and the restricted fund components.

**General Fund  
FY 2005**

The general fund budget is primarily funded from state appropriations and represents the fundamental operations of the School.

For FY 2005, the general fund budget totals almost \$5.2 million, which is comprised of direct state appropriations of \$4.7 million and other revenues of almost \$0.5 million.

The state appropriation includes an increase of \$206,183 (4.6%) in base operating appropriations over the revised amount appropriated for FY 2004. \$115,248 of the increase restores the mid-year 2.5% across-the-board cut for FY 2004. The remaining \$90,935 of the appropriation increase represents a 2% base increase similar to the allowable growth increase provided to other K-12 schools.

IBSSS has made every effort to minimize the operating budget effect on students, but the School reports that prior years' budget cuts have seriously damaged services for children and youth who are blind and visually impaired (including those with additional disabilities).

**Restricted  
FY 2005**

The restricted fund budget supports donor-specified activities. The restricted fund budget of \$1.7 million primarily consists of sales and services, capital appropriations, federal grants, and endowment funds.

Strategic Plan

The educational programs at IBSSS enable visually impaired and blind youth throughout Iowa to function as independently as possible in all aspects of life by providing appropriate educational opportunities, resources, and support services.

The School is in its second year of its 2003 – 2007 Strategic Plan that was approved by the Board in January 2003 and includes the following four strategic planning goals:

• Quality Programs for the Visually Impaired	\$3,453,050
• Early Childhood Services	195,978
• Literacy	996,260
• Collaborative Efforts	<u>545,649</u>
Total	\$5,190,937

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**Background:**

Purpose

The Iowa Braille and Sight Saving School provides direct educational services to children and youth in the state of Iowa with visual impairments who require the comprehensive programs provided by the School, whether enrolled as residential students or as part of the outreach program of the School.

Board Budget Process

In prior years, the budget process included a series of budgetary presentations to the Board to allow the Board time to consider institutional plans and provide guidance prior to final approval of budgets.

In April, the Board considered key budgetary issues to provide budget guidance to the institutions. This month, the Board receives the final general and restricted fund budgets for approval.

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**Analysis:**

**General Fund Program Descriptions**

The FY 2005 \$5.2 million general fund budget is focused around the following two academic programs:

- Residential – Extends the normal school day into the evenings, focusing on daily living skills, recreation, and many other educational activities.
  - Outreach – Provides numerous specialized support services to visually impaired and blind students who attend school in their local school districts.
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Operating Budget

General Fund  
Budget Comparison

	FY 2004 Revised <u>Budget</u>	FY 2005 Proposed <u>Budget</u>	<u>Change</u>
<b>REVENUES</b>			
General Appropriations	\$4,531,492	\$4,737,675	\$206,183
Other (DOE Funds*)	88,643	88,643	0
Federal Support	190,452	234,450	43,998
Reimbursed Indirect	69,734	70,817	1,083
<b>Costs</b>			
Sales and Services	24,638	35,813	11,175
Other Income	19,150	20,039	889
Interest	3,500	3,500	0
<b>Total</b>	<b><u>\$4,927,609</u></b>	<b><u>\$5,190,937</u></b>	<b><u>\$263,328</u></b>
<b>EXPENDITURES</b>			
Salaries	\$4,070,001	\$4,307,434	\$237,433
Supplies and Services	576,474	564,369	(12,105)
Utilities	125,165	125,165	0
Building Repairs	87,257	110,257	23,000
Equipment	35,500	50,500	15,000
Auditor of State	26,000	26,000	0
Library Acquisitions	7,212	7,212	0
<b>Total</b>	<b><u>\$4,927,609</u></b>	<b><u>\$5,190,937</u></b>	<b><u>\$263,328</u></b>

\* State funding through the Iowa Department of Education for Educational Excellence.

Revenue Sources

For FY 2005, the IBSSS budget totals almost \$5.2 million and includes:

- Direct state operating appropriations of \$4.7 million, a \$0.2 million (4.6%) increase over last year's revised budget. The School had experienced state appropriation reductions totaling \$410,957. The 2.5% mid-year reduction in FY 2004 was restored in the FY 2005 appropriation.
- An allocation of state funds of \$88,643 received indirectly through the Iowa Department of Education for Phases I, II, and III of the state's Educational Excellence Program.
- Federal support of \$234,450, a \$43,998 (23.1%) increase over last year in anticipation of an increase of state vision grant funding primarily for early childhood services and increased salary costs for a state vision consultant. This money is passed through the Iowa Department of Education to the School.
- Sales and services of \$35,813, an \$11,175 (45.4%) increase from last year primarily due to assisting Area Education Agencies with braille production.

- Principal demutualization funds of \$20,039, similar to FY 2004. This is the third year for this revenue source.
- Interest of \$3,500, equivalent to last year.

Budget Impact

Prior years' budget cuts and underfunding of salaries have resulted in many impacts on the School. IBSSS reports that budget cuts have seriously damaged services for blind and visually impaired (including those with additional disabilities) children and youth by:

- Eliminating four outreach consulting positions that provided statewide services (transition/work experience, early childhood, multiple disabilities, and daily living skills); and
- Reducing merit staff from year-round schedules to primarily nine-month schedules and various P&S staff and institutional officials from twelve-month employment to eleven- or ten-month employment.

Salary Action

To meet the state salary policy, IBSSS included the following salary actions in its budget:

Faculty:

- The matrix base salary will increase by 3.0% with no change to the step or track percentages. Average salary increases will be 5.2%;
- Eligible faculty will be provided one step on the salary matrix and progression within the faculty matrix for increased levels of education;
- Extra-curricular stipends (based on percentage of base pay) reflect minimal fiscal impact over FY 2004.
- Academy for Certification of Vision, Rehabilitation, and Education Professionals (ACVREP) Certification stipends will remain at \$900.

Professional and Scientific:

- The salary matrix will be increased by 2.0% at the minimum and 2.0% at the maximum. Average merit salary increases, excluding equity and promotional adjustments, will be 4.5%.

General Service:

- The salary matrix will be increased by 2.0% effective January 1, 2005, to comply with the negotiated collective bargaining agreement;
- Employees at the top of their pay grade will receive an additional 2.0% on January 1, 2005; and
- Employees will also receive an increase of 4.5% on their anniversary/eligibility date.

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Institutional Officials:

- Salary increases will be based on merit and average 4.5%.

Programmatic  
Reallocations

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Reallocations assist the School in achieving its primary mission and strategic plan. The FY 2005 budget reflects internal programmatic reallocations totaling \$146,112 on a FY 2004 revised base of \$4,927,609.

The reallocations represent 3.0% of the revised FY 2004 general fund budget and are above the Board's program of reallocations.

Reallocations include shifting resources from the superintendent and reallocating the dollars for the following strategic initiatives:

- Continuing the summer program that was reinstated last year (two two-week sessions); and
- Hiring an Early Childhood specialist who will provide and evaluate leadership, statewide strategies, and interventions for families and professionals.

Preliminary FY 2005 General Fund Budget  
Summary of Reallocations

From:	Superintendent		<u>\$146,112</u>
	Total Reallocations		<u>\$146,112</u>
To:	Mandatory Cost Increases:		
	• ISU Administrative Fee	\$11,000	
	• Workers' Compensation	5,076	
	Strategic Initiatives:		
	• Summer Programming	94,866	
	• Early Childhood Services	<u>35,170</u>	
	Total Reallocations		<u>\$146,112</u>

Restricted Fund  
Budget

Restricted funds are segregated from IBSSS's general fund budget.

	Restricted Fund Budget Comparison	
	FY 2004 <u>Revised</u>	FY 2005 <u>Proposed</u>
<b>REVENUES</b>		
Outreach Service Billings	\$1,133,600	\$1,216,229
State Capital Appropriations	100,000	115,000
Federal Grants	283,755	222,290
Endowment Funds	<u>78,525</u>	<u>180,295</u>
Total	<u>\$1,595,880</u>	<u>\$1,733,814</u>
<b>EXPENDITURES</b>		
Salaries	\$1,243,265	\$1,332,342
Supplies and Services	225,615	216,972
Building Repairs	114,500	174,500
Equipment	<u>12,500</u>	<u>10,000</u>
Total	<u>\$1,595,880</u>	<u>\$1,733,814</u>

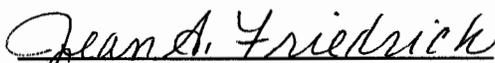
The FY 2005 budget is equivalent to the FY 2004 revised budget.

Uses

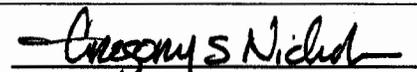
Restricted fund revenues will be used to support donor-specified activities. Unrestricted endowment funds may be used for support of programs and activities.

Strategic Plan

The School is in its second year of its 2003 – 2007 Strategic Plan that was approved by the Board in January 2003. Uses of restricted funds are in accordance with the School's strategic plan.

  
Jean A. Friedrich

Approved:

  
Gregory S. Nichols