

**MEMORANDUM**

**TO:** Board of Regents, State of Iowa  
**FROM:** Jean Friedrich  
**DATE:** June 1, 2005 *ASN*  
**SUBJ:** FY 2006 Budgets – Iowa Braille and Sight Saving School

**Recommended Action:**

Approve the FY 2006 general fund operating budget for the Iowa Braille and Sight Saving School in the amount of \$5,459,871 and the restricted fund budget of \$2,116,907, totaling \$7,576,778.

**Executive Summary:**

The Iowa Braille and Sight Saving School (IBSSS) prepared its FY 2006 detailed budgets in accordance with the strategic plans of the Board and of the School. The School's FY 2006 budget consists of the general fund and the restricted fund components.

General Fund  
FY 2006

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

For FY 2006, the general fund budget totals almost \$5.5 million, which is comprised of direct state appropriations of \$4.9 million and other revenues of almost \$0.6 million.

The state appropriation includes an increase of \$190,000 (4.0%) in base operating appropriations over the revised amount appropriated for FY 2005.

Restricted  
FY 2006

The restricted fund budget supports donor-specified activities. The restricted fund budget of \$2.1 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 third 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	\$3,519,269
• Early Childhood Services	199,998
• Literacy	1,060,130
• Collaborative Efforts	<u>680,474</u>
Total	\$5,459,871

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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 May, 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 2006 \$5.5 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 2005 Final <u>Budget</u>	FY 2006 Proposed <u>Budget</u>	<u>Change</u>
<b>REVENUES</b>			
General Appropriations	\$4,737,675	\$4,930,295	\$192,620 <sup>(1)</sup>
Other (DOE Funds) <sup>(2)</sup>	88,643	88,643	0
Federal Support	234,450	269,868	35,418
Reimbursed Indirect	70,817	106,279	35,462
<b>Costs</b>			
Sales and Services	35,813	41,109	5,296
Other Income	20,039	18,677	-1,362
Interest	<u>3,500</u>	<u>5,000</u>	<u>1,500</u>
Total	<u>\$5,190,937</u>	<u>\$5,459,871</u>	<u>\$268,934</u>
<b>EXPENDITURES</b>			
Salaries	\$4,307,434	\$4,477,634	\$170,200
Supplies and Services	564,369	631,103	66,734
Utilities	125,165	185,165	60,000
Building Repairs	110,257	87,257	-23,000
Equipment	50,500	45,500	-5,000
Auditor of State	26,000	26,000	0
Library Acquisitions	<u>7,212</u>	<u>7,212</u>	<u>0</u>
Total	<u>\$5,190,937</u>	<u>\$5,459,871</u>	<u>\$268,934</u>

<sup>(1)</sup> Represents \$2,620 appropriation distribution from Department of Administrative Services in FY 2005 after the budget was approved and \$190,000 state appropriation increase for FY 2006.

<sup>(2)</sup> State funding through the Iowa Department of Education for Educational Excellence.

Revenue Sources

For FY 2006, the IBSSS budget totals almost \$5.5 million and includes:

- Direct state operating appropriations of \$4.9 million, a \$0.2 million increase over last year's appropriation.
- The FY 2006 appropriation increase represents an increase of 4.0%, comparable to the allowable growth for other K-12 schools.
- 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 \$269,868, a \$35,418 (15.1%) 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 \$41,109, a \$5,296 (14.8%) increase from last year primarily due to assisting Area Education Agencies with Braille production in addition to anticipated vehicle sales.

- Interest of \$5,000, an increase of \$1,500 over last year due to higher than anticipated interest rates.

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 3.3% with no change to the step or track percentages. Average salary increases will be 5.1%;
- 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 2005.
- 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 3.0% at the minimum and 3.0% at the maximum. Average merit salary increases, excluding equity and promotional adjustments, will be 4.5%.

General Service:

- Employees at the top of their pay grade will receive an additional 2.5% on April 1, 2006; 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%.
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Programmatic  
Reallocations

Reallocations assist the School in achieving its primary mission and strategic plan. The FY 2006 budget reflects internal programmatic reallocations totaling \$102,514 on a FY 2005 revised base of \$5,190,937.

The reallocations represent about 2.0% of the revised FY 2005 general fund budget.

Reallocations include shifting resources from the superintendent and reallocating the dollars to cover mandatory cost increases of:

- Salary shortfall;
- Utilities and gasoline; and
- Workers' compensation premiums.

Preliminary FY 2006 General Fund Budget  
Summary of Reallocations

From:	Superintendent	<u>\$102,514</u>
	Total Reallocations	<u>\$102,514</u>
To:	Mandatory Cost Increases:	
	• Salary Shortfall	\$13,734
	• Utilities and Gasoline	60,000
	• Workers' Compensation	<u>28,780</u>
	Total Reallocations	<u>\$102,514</u>

Restricted Fund  
Budget

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

Restricted Fund  
Budget Comparison

	<u>FY 2005 Final Budget</u>	<u>FY 2006 Proposed Budget</u>
<b>REVENUES</b>		
Outreach Service Billings	\$1,216,229	\$1,438,735
State Capital Appropriations	115,000	173,000
Federal Grants	222,290	269,672
Endowment Funds	<u>180,295</u>	<u>235,500</u>
Total	<u>\$1,733,814</u>	\$2,116,907
<b>EXPENDITURES</b>		
Salaries	\$1,332,342	\$1,535,106
Supplies and Services	216,972	322,561
Building Repairs	174,500	231,740
Equipment	10,000	27,000
Library Acquisitions	<u>0</u>	<u>500</u>
Total	<u>\$1,733,814</u>	<u>\$2,116,907</u>

The FY 2006 budget is equivalent to the FY 2005 budget.

Uses

The state capital appropriations of \$173,000 will be used for existing deferred maintenance, technology & telecommunication upgrades, and/or campus landscaping. Several deferred maintenance and fire and environmental safety projects are identified in the School's five-year capital plan presented to the Board this month in Agenda Item 9, Report of the Property and Facilities Committee. Deferred maintenance items would include projects such as roof repair, underground tunnel repair/waterproofing, porch repair, track repair/replacement, interior renovation of classroom, dormitory, and office spaces.

Restricted fund revenues will be used to support donor-specified activities. Unrestricted endowment funds may be used for support of programs and activities, including therapeutic horseback riding, recreation/leisure activities, summer programs, and parent support/development activities.

Strategic Plan

The School is in its third 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.

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