

Contacts: Brad Berg

**FY 2013 SPECIAL SCHOOL BUDGETS, FY 2013 UNIVERSITY BUDGET UPDATE,
AND FY 2012 AMENDED UNIVERSITY OPERATING BUDGETS**

Actions Requested: Consider:

1. Receipt of the FY 2013 budget development update for the universities.
2. Approval of the FY 2013 operating and restricted fund budgets for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School as shown in Attachments D and E beginning on page 9.
3. Approval of the amended FY 2012 operating budgets for each university as presented in the attachments.

Executive Summary:

Consistent with the Board's strategic plan to demonstrate public accountability and effective stewardship of resources, all institutional budgets are approved annually by the Board.

This memorandum incorporates numerous aspects of budgets for the Regent enterprise. This document contains the final proposed FY 2013 budgets for the Special Schools and budget planning updates for each University. Final FY 2013 budgets for the universities, the Board Office, and Iowa Public Radio are scheduled to be presented to the Board at the August 3, 2012 meeting.

Universities - FY 2013 Budget Update

Iowa's public universities have identified primary FY 2013 operating budget developments related to anticipated revenue changes, compensation, and other unavoidable cost increases. The Regent universities have two basic types of funds within the budgets:

- General operating funds include operational appropriations, interest income, tuition and fee revenues, reimbursed indirect costs, and sales and services revenues. Generally, appropriations are designated for specific operating uses and cannot be used for other purposes.
- Restricted funds are specifically designated or restricted for a particular purpose or enterprise and include capital and tuition replacement appropriations, gifts, sponsored funding from federal and private sources, athletics, as well as other auxiliary or independent functions such as residence, parking, and utility systems.

The two primary resource components providing general operating funds for Iowa's public universities include state appropriations and tuition revenues.

- The 2012 General Assembly approved FY 2013 general university operating appropriations totaling \$467.1 million, \$18.3 million higher than FY 2012. Each general university appropriation is increased 3.2% with an additional \$4 million base budget adjustment for UNI. The special purpose units at each university were generally flat-funded compared to FY 2012. An exception is the approximate \$2.96 million increase for the Iowa Math and Science Education Partnership administered by UNI.
- The Board approved a resident undergraduate tuition increase of 3.75% for the 2012-13 academic year at its December 2011 meeting. Non-resident tuition increases of 4.75% at SUI, 2.63% at ISU, and 3.75% at UNI were also approved last December. Enrollment fluctuations at each university impact tuition revenue and the subsequent demands for academic and student support services and are fundamental to the budgeting process.

Salary and related costs comprise approximately 70% of the operating expenses and are one of the highest priorities for budget planning. The universities will adhere to the FY 2013 salary policies as considered by the Board in Agenda Item 5. There are approximately 6,900 university employees in the Regent Merit System. Of this total, approximately 6,400 are in AFSCME bargaining units with the remainder being supervisory or confidential. The FY 2013 negotiated increases for AFSCME staff include a 2% across-the-board increase on July 1, 2012, followed by an additional 1% on January 1, 2013. Eligible employees (those not at the maximum of their pay grade) will also receive a 4.5% step increase on their eligibility dates throughout the year. The attachments contain budget planning information related to salaries and other essential or unavoidable cost increases specific to each university.

The university restricted fund budgets will include the second year of capital funding (FY 2013) approved by the 2011 General Assembly for ISU's Biorenewables Complex-Agricultural and Biosystems Engineering Building, SUI's Dental Science Building Renovation, and UNI's Bartlett Hall Renovation. In addition, the restricted fund budgets will include the \$25.1 million tuition replacement appropriation allocated to the three Regent universities and \$3.0 million to be allocated 35/35/30 among SUI, ISU, and UNI to support economic development projects.

Special Schools – FY 2013 Budgets

The Board is asked to consider approval of the FY 2013 budgets for the Iowa School for the Deaf (ISD), and the Iowa Braille and Sight Saving School (IBSSS) as provided in Attachments D and E. Each of the special schools received a 2% increase in state operating funding for FY 2013, consistent with the allowable growth received by Iowa's K-12 community school districts.

FY 2013 Special School Budgets

	<u>Operating</u>	<u>Restricted</u>	<u>Total</u>
ISD	9,339,802	1,859,301	11,199,103
IBSSS	7,992,679	3,949,386	11,942,065

The 2011 General Assembly originally appropriated \$2 million in FY 2013 to the Regent institutions to be used for fire safety and ADA compliance. The 2012 General Assembly modified the language to allow up to \$2 million to fund the deductibles on property insurance and to provide the necessary match for funds which may be available from FEMA (Federal Emergency Management Agency) resulting from storm damage incurred on the campuses of the special schools during 2011. These funds are included in the special school restricted budgets.

University FY 2012 Budget Amendments

Board policy requires approval of increases in general operating budgets. Proposed FY 2012 operating budget amendments for each university are contained in the attachments

Iowa Public Radio – FY 2013 Budget Update

In December 2004, the Board approved the creation of Iowa Public Radio, which includes WSUI-AM and KSUI-FM at the University of Iowa (KSUI Radio Group); WOI AM and FM, KTPR-FM, KOWI-FM, and KWOI-FM at Iowa State University (WOI Radio Group); and KUNI-FM and KHKE-FM at the University of Northern Iowa (KUNI Radio Group). In May 2007, the Board approved the Public Service Operating Agreement between Iowa Public Radio and the Board of Regents. Under the operating agreement, Iowa Public Radio manages the operations of the Radio Groups.

For FY 2013, the 2012 General Assembly appropriated \$391,568 (the same as the FY 2012 appropriation) to the Board of Regents for Iowa Public Radio operations. The Iowa Public Radio budget is currently scheduled to be presented to the Board at its August meeting.

UNIVERSITY OF IOWA

SUI – FY 2013 Budget Update

The FY 2013 General Education Fund (GEF) budget is being developed based on the most current information available regarding revenue projections and an expenditure plan guided by the University's strategic plan - Renewing the Iowa Promise: "Great Opportunities - Bold Expectations".

Pending the Governor's signature, the general university's FY 2013 state operating appropriation of \$216.4 million is \$6.7 million higher (3.2% increase) than FY 2012. The special purpose operating appropriations for FY 2013 were flat-funded compared to FY 2012 amounts.

The Board approved tuition increases for FY 2013 of 3.75% for all resident students (undergraduate, graduate, and professional) and nonresident professional students. A 4.75% tuition rate increase was approved for nonresident undergraduate and graduate students. The University is anticipating an incoming freshman class at or slightly below the record number from Fall 2011 and expects larger returning classes, improved retention, and a higher mix of non-resident students. In total, the University is projecting \$22.1 million in additional tuition revenue above the original FY 2012 budget.

A complicating factor in projecting indirect cost recoveries is the application of substantial, one-time federal American Recovery and Reinvestment Act (ARRA) awards. The University's current on-campus indirect cost rate is 51.0% and will be effective until July 1, 2014. For FY 2013, the University is currently estimating an 8% decrease (\$4.1 million) in indirect cost recoveries from the FY 2012 budget. The majority of this decrease is due to the reduction of non-recurring federal ARRA awards.

The University's FY 2013 reallocation policy will be guided by the overall operational plan coupled with final determination of available resources and the need to fund unavoidable and other essential cost increases. For FY 2013, the University is anticipating a minimum reallocation policy of approximately 0.5% of the FY 2012 original General Education Fund base. Student financial aid and library acquisitions will be protected from this reallocation policy.

The University will implement the terms of the AFSCME, COGS (graduate assistants), and SEIU (health care workers at UIHC) collective bargaining agreements. The General Education Fund portion of the bargained salary cost increases is estimated at \$3 million. The cost increase includes annualization from the previous year and current year contract costs.

Budget preparation includes the proposed salary policies as included in Agenda Item 5. Funds equal to 2.5% of recurring faculty and non-bargained P&S staff salaries plus projected fringe benefit costs are expected to be allocated to General Education Fund supported budgetary units.

The University completed negotiations with the Federal Department of Health and Human Services in February 2012 which established the FY 2013 fringe benefit rates. The rates are applied to salaries as they are paid to fund the employer's share of fringe benefit costs. For FY 2013, fringe benefit costs related to merit staff will increase by \$0.9 million while P&S and faculty costs will decrease by \$1.9 million. The net effect of changes in fringe benefit rates on the existing General Education Fund is a decrease of \$1.0 million.

Other unavoidable and/or essential cost increases include \$7.6 million for student success initiatives (includes financial aid), \$2.0 million for utilities and opening new buildings, \$2.5 million for building renewal, and \$3.9 million for other expense categories. The University will also allocate approximately \$0.8 million in indirect cost recoveries to those colleges engaged in research activities.

SUI FY 2012 Amended Operating Budgets

The University of Iowa's proposed amended FY 2012 budgets for the General University and the Family Practice appropriated units are provided below.

General University

In August 2011, the Board of Regents approved a FY 2011 budget ceiling increase for the University of Iowa. As reported, a portion of that increase was to support multi-year expenses the Board approved to construct the Library Student Commons project. The FY 2012 budget amendment includes \$4 million of these one-time advanced commitment funds earned in the prior year that are budgeted for the Library Student Commons project in FY 2012, with additional project expenses expected to occur in FY 2013.

Family Practice

Interest income received by the Statewide Family Practice Training Program is expected to slightly exceed the budgeted amount by \$2,500. The funds would help offset travel costs and general expenses associated with University outreach activities at the sites of the community-based residency programs.

	GENERAL UNIVERSITY			FAMILY PRACTICE		
	Current Budget	Adjustments	Amended Budget	Current Budget	Adjustments	Amended Budget
REVENUES						
General Appropriations	209,737,311		209,737,311	1,788,265		1,788,265
Interest	1,666,689		1,666,689	5,000	2,500	7,500
Tuition and Fees	365,684,000		365,684,000			-
Reimb. Indirect Costs	48,588,000		48,588,000			-
Other Income	125,000		125,000			-
Ol: Advanced Commitments	-	4,000,000	4,000,000	-		-
TOTAL REVENUES	625,801,000	4,000,000	629,801,000	1,793,265	2,500	1,795,765
EXPENDITURES						
Fac. & Inst. Off. Salaries	230,636,000		230,636,000	1,430,612		1,430,612
Prof. & Sci. Staff Salaries	121,126,000		121,126,000	272,136		272,136
General Service Staff Sal.	71,028,000		71,028,000	54,250		54,250
Hourly Wages	3,648,000		3,648,000	26,000		26,000
Subtotal - Salaries	426,438,000	-	426,438,000	1,782,998	-	1,782,998
Supplies and Services	49,566,000		49,566,000	10,267	2,500	12,767
Library Acquisitions	16,062,000		16,062,000			-
Rentals	3,200,000		3,200,000			-
Utilities	33,555,000		33,555,000			-
Bldg. Repairs	10,173,000	4,000,000	14,173,000			-
Auditor of State Reimb.	605,000		605,000			-
Equipment	10,139,000		10,139,000			-
Aid to Individuals	76,063,000		76,063,000			-
TOTAL EXPENDITURES	625,801,000	4,000,000	629,801,000	1,793,265	2,500	1,795,765

IOWA STATE UNIVERSITY

ISU FY 2013 Budget Update

Iowa State University's strategic plan, Meeting the Challenges of the 21st Century has guided planning for the FY 2013 budget. ISU continues to conduct planning using the Resource Management Model, a responsibility-centered approach to budget development. The basic tenets of the model are to attribute revenues and fully allocate administrative costs to colleges and other major administrative units. In doing so, the model provides incentives to maximize revenues, rewards cost efficiencies, and results in differentiated impacts for colleges and other major budget units.

Pending the Governor's signature, the general university's FY 2013 state operating appropriation of \$169.6 million is \$5.2 million higher (3.2% increase) than FY 2012. The special purpose operating appropriations for FY 2013 were flat-funded compared to FY 2012 amounts.

The Board approved tuition increases for FY 2013 of 3.75% for all resident undergraduate and graduate students, 2.63% for nonresident undergraduate and graduate students, 6.0% for professional resident students, and 3.5% for nonresident professional students. The rate increases and current enrollment projections are expected to generate \$23.3 million in additional tuition revenue above the amended FY 2012 budget on page 6. Tuition revenue will be committed for college and institutional priorities that include funding increased student financial aid, unavoidable cost increases and a modest salary adjustment plan for faculty and P&S staff.

Indirect cost recoveries are expected to decrease approximately \$0.7 million in FY 2013 compared to the FY 2012 amended budget reflective of estimated expenditures from sponsored funding for the upcoming year.

Redirecting resources to high priority activities is an on-going part of the planning process for budget development. Reallocated resources will support strategic institutional initiatives in building renewal, enterprise administrative systems development and university marketing programs.

Certain cost increases to the University resulting from contractual arrangements and other external cost drivers cannot be avoided. Budget preparation includes the proposed salary policies as included in Agenda Item 5.

The University expects the incremental cost of the AFSCME contract for merit staff, including supervisory and confidential employees, is projected to be \$1.8 million in FY 2013. These cost estimates include the annualization of the step increases occurring in FY 2012 and an estimated 5% increase in the cost of medical and dental benefits. The cost increase for medical and dental benefits for faculty and staff are estimated at \$1.5 million.

The University plans to budget an additional \$1.5 million to address inflation, particularly for continued cost increases for library acquisitions and other unavoidable regulatory or compliance related costs. In addition, ISU currently plans to invest an additional \$5.4 million in financial aid to address the growing numbers of students applying for admission with higher levels of financial need and to maintain the commitment to accessibility. Strategic commitments to increase staffing levels in areas that are critical to maintaining a safe campus environment and a positive student experience are also being planned in key areas, such as public safety, custodial services, financial aid and other student services.

ISU FY 2012 Amended Operating Budget

Iowa State University's proposed amended FY 2012 budget for the General University is provided below.

Tuition revenues are higher than originally budgeted with another year of record enrollment for FY 2012. Consequently, institutional student financial aid was also increased.

Additional sponsored activity generated more indirect cost recoveries. With more sponsored funding in combination with federally required modifications for funding of research efforts, affected budgeted general university faculty salaries were redirected to the applicable grant funds.

The increased enrollments required additional staff and hourly employees, as well as additional supplies and other costs related to the higher enrollment.

The University applied available resources to one-time capital projects, library acquisitions, and temporary restoration of other services that had been cut during previous years.

The mild winter allowed ISU to recognize significant energy savings, resulting in lower utility costs.

	GENERAL UNIVERSITY		
	<u>Current Budget</u>	<u>Adjustments</u>	<u>Amended Budget</u>
REVENUES			
General Appropriations	164,345,198		164,345,198
Interest	140,000		140,000
Tuition and Fees	284,177,470	10,200,000	294,377,470
Reimb. Indirect Costs	19,630,000	1,000,000	20,630,000
Sales and Service			-
Other Income	1,328,000		1,328,000
TOTAL REVENUES	469,620,668	11,200,000	480,820,668
EXPENDITURES			
Fac. & Inst. Off. Salaries	197,000,000	(14,600,000)	182,400,000
Prof. & Sci. Staff Salaries	74,000,000	6,000,000	80,000,000
General Service Staff Sal.	40,000,000	600,000	40,600,000
Hourly Wages	2,500,000	2,800,000	5,300,000
Subtotal - Salaries	313,500,000	(5,200,000)	308,300,000
Supplies and Services	39,080,518	10,000,000	49,080,518
Library Acquisitions	10,115,000	300,000	10,415,000
Rentals	1,400,000	200,000	1,600,000
Utilities	28,000,000	(2,700,000)	25,300,000
Bldg. Repairs	6,000,000	4,000,000	10,000,000
Auditor of State Reimb.	525,150		525,150
Equipment	3,000,000		3,000,000
Aid to Individuals	68,000,000	4,600,000	72,600,000
TOTAL EXPENDITURES	469,620,668	11,200,000	480,820,668

UNIVERSITY OF NORTHERN IOWA

UNI FY 2013 Budget Update

The 2012 General Assembly approved a FY 2013 state operating appropriation of \$81.1 million for the general university, which is \$6.4 million higher (8.5% increase) than FY 2012. The Math and Science Collaboration received a state funding increase of \$2.96 million and was appropriated a total of \$4.7 million for FY 2013. All other special purpose operating appropriations for FY 2013 are flat-funded compared to FY 2012.

The Board approved tuition increases for FY 2013 of 3.75% for both resident and non-resident undergraduate and graduate students. Based on projected enrollment and the tuition rates, the University currently projects tuition revenue to be \$81.7 million, \$1 million over the amended FY 2012 tuition budget shown on the following page.

Indirect cost recoveries for FY 2013 are currently projected to decline approximately \$650,000 compared to the FY 2012 amended budget due to a reduction in federal grant funding. Investment income and sales/services are expected to remain flat with FY 2012.

University budget preparation includes the proposed salary policies which include the mandatory salary and related benefit increases for the faculty and merit employees. A voluntary agreement through collective bargaining was not reached with United Faculty, thus requiring arbitration. The arbitrator awarded pay increases of 2.25% on July 1, 2012, and 1.25% on January 1, 2013. The majority of the projected \$4 million in incremental salary and fringe costs are mandated by the bargained agreements.

Student financial aid is currently budgeted at \$14.6 million, or approximately the same as FY 2012 amended financial aid amount. Other unavoidable cost increases include utilities and insurances and are expected to increase approximately \$0.4 million.

Resources have not been available to make progress to the University's goal to increase the building repair budget to \$2 million over the next three to four years and to \$3 million in five to six years. The closing of the Malcolm Price Lab School (MPLS) will involve one-time costs for asbestos abatement, the potential razing of the building, relocation of the Child Development Center, and utility and access upgrades to the gymnasium. Potential costs are currently being determined for these actions.

The Early Separation Incentive Plan was offered to faculty affected by the closing of MPLS and other programs. While the reductions will provide ongoing annual cost savings, there is an estimated one-time cost for the Plan of approximately \$0.9 million.

UNI FY 2012 Amended Operating Budgets

The University of Northern Iowa's proposed amended FY 2012 budget for the General University is provided below.

The University prepared the budget based upon an enrollment of 13,350 students and realized an actual enrollment of 13,186, resulting in a revenue decrease of approximately \$1.4 million. Interest income and indirect cost reimbursements are now projected to slightly exceed the original budget.

The amended budget includes \$3.6 million of one-time advanced commitment funds earned and reported in prior years and now budgeted for expenditure in FY 2012. These funds are being used to offset a portion of the net revenue shortfall of \$1.2 million and to support core operational needs, adjunct instructors, seed funding for grants, the student information system project, bridge funding to facilitate permanent divisional cuts, and recruitment strategies.

	GENERAL UNIVERSITY		
	<u>Current Budget</u>	<u>Adjustments</u>	<u>Amended Budget</u>
REVENUES			
General Appropriations	74,734,586		74,734,586
Interest	771,000	50,000	821,000
Tuition and Fees	82,070,000	(1,390,141)	80,679,859
Reimb. Indirect Costs	1,971,649	97,235	2,068,884
Sales and Service	520,000		520,000
Ol: Advanced Commitments	-	3,636,614	3,636,614
TOTAL REVENUES	160,067,235	2,393,708	162,460,943
EXPENDITURES			
Fac. & Inst. Off. Salaries	70,802,422	377,584	71,180,006
Prof. & Sci. Staff Salaries	29,178,918	(313,241)	28,865,677
General Service Staff Sal.	24,574,554	(42,808)	24,531,746
Hourly Wages	1,614,879	72,104	1,686,983
Subtotal - Salaries	126,170,773	93,639	126,264,412
Supplies and Services	8,925,560	2,516,069	11,441,629
Library Acquisitions	1,992,009		1,992,009
Rentals	822,421		822,421
Utilities	5,414,000		5,414,000
Bldg. Repairs	1,200,000		1,200,000
Auditor of State Reimb.	255,000		255,000
Equipment	484,242		484,242
Aid to Individuals	14,803,230	(216,000)	14,587,230
TOTAL EXPENDITURES	160,067,235	2,393,708	162,460,943

IOWA SCHOOL FOR THE DEAF

ISD FY 2013 General Operating Budget – page 10

The Iowa School for the Deaf offers educational programs in compliance with federal and state laws to provide free and appropriate public education for deaf and hard of hearing children and youths. Each child's Individual Education Program (IEP) is designed to develop the student's educational potential. In its mission to provide this educational service, ISD has been accredited by the North Central Association of Schools and Colleges, and the Conference of Educational Administrators at Schools and Programs for the Deaf. Budget development ties directly to the strategic plan and more specifically to the following Key Result Areas:

- Meet or exceed state academic standards in reading and math
- Identify and adopt additional tools/strategies to motivate
- Demonstrate that student outcomes assessment enhances teaching
- Demonstrate efficient and productive use of resources

The following educational programs are included in the FY 2013 operating budget:

- On-Campus – The primary on-campus educational program provides academic and vocational programming for 102 deaf and hard of hearing children from early childhood through high school graduation. The educational programming options must be comprehensive enough to meet each child's education requirements specified in the IEP written for the student in conjunction with the parents and the School.
- 4Plus Program - This School-to-Work Transition Program involves students in grades eleven to 4-PLUS (18-21 yrs old). Students are involved in a systematic and developmental program designed to introduce them to on-the-job training in an area of career interest within the community.
- Reverse Mainstream – The program permits non-disabled peers to receive classroom instruction with deaf and hard of hearing students on the ISD campus and will serve approximately 10 students and families during FY 2013. Programming options include preschool classes for toddlers of deaf or hard of hearing parents or siblings, and academic and vocational classes at the Middle and High School levels.
- Parent/Infant Program– The Parent/Infant Program is a collaborative effort with the Green Hills AEA and offers year-round early childhood special education programming support to deaf and hard of hearing infants and toddlers, and their families. ISD estimates 45 families will receive year-round educational services from the parent/infant program as determined by their Individual Family Service Plan. The Program includes home visits by professionals which provides parents an opportunity to see home-based instruction occurring with their child and gives staff an opportunity to review parent/infant educational interaction.

ISD's proposed FY 2013 operating budget is 1.8% higher than the FY 2012 budget due primarily from the 2% increase in state appropriations which is equivalent to the allowable growth provided to Iowa's community school districts.

The FY 2013 budget incorporates the proposed salary policies as described in Agenda Item 5 and includes mandatory cost increases from the negotiated collective bargaining agreement (AFSCME), higher health insurance premiums and retirement plan contributions.

ISD General Operating Fund			
	Final Budget FY 2012	Proposed Budget FY 2013	% Change from FY 2012
REVENUES			
General Appropriation	\$8,679,964	\$8,853,563	2.0%
Appropriations - Other	77,175	82,049	6.3%
Federal Support	54,000	54,000	0.0%
Interest	15,000	5,000	-66.7%
Sales and Services	333,274	333,274	0.0%
Other Income (Princ. Demutualization)	11,916	11,916	0.0%
TOTAL REVENUES	\$9,171,329	\$9,339,802	1.8%
EXPENDITURES			
Salaries	\$7,512,924	\$7,632,929	1.6%
Prof. & Scien. Supplies/Services	1,040,521	1,098,989	5.6%
Library Acquisition	8,226	8,226	0.0%
Utilities	350,520	315,520	-10.0%
Bldg. Repairs	156,442	181,442	16.0%
Aud. of State Reimburse	35,000	35,000	0.0%
Equipment	67,696	67,696	0.0%
TOTAL EXPENDITURES	\$9,171,329	\$9,339,802	1.8%

ISD FY 2013 Restricted Budget – page 11

On August 18, 2011, the Iowa School for the Deaf campus was impacted by severe weather. Each of the buildings on campus was affected to varying degrees, with the Lied Multipurpose Complex suffering extensive hail damage to its roof. Heavy rains occurred in the weeks following the hail storm, resulting in additional damage to the building. The storm required significant corrective work to the Lied Multipurpose Complex. The roof over the gym portion of the Building was replaced and the gym floor removed and replaced. Expenditures to date total more than \$220,000. The remainder of the Lied Multipurpose roof is being replaced and is now under construction with additional roof repairs on other buildings yet to occur. Since 1994, the School has carried property insurance on its facilities with a \$1 million deductible.

ISD's restricted budget includes \$1,000,000 from a capital appropriation to fund actual storm rehabilitation expenses up to the insurance deductible amount. Actual out-of-pocket expense projections are currently slightly less than the budgeted amount.

Primarily from the capital funding described above, the FY 2013 restricted fund budget of \$1,784,301 results in a restricted budget increase of approximately \$958,000 compared to FY 2012.

Revenue generated from students attending ISD from Nebraska will again be treated as restricted funds and will be segregated from ISD's general fund appropriation. The FY 2013 budget anticipates 9 students attending from Nebraska.

These funds will generally be utilized to maintain best practices for staffing ratios; to purchase technology equipment, and enhance the recruitment of quality staff. Curriculum development is a multi-year process and is done as part of the North Central Association evaluation cycle. Participation in various student learning activities will be available, and the maintenance and upgrading of facilities, equipment, vehicles and furnishings will continue.

ISD Restricted Fund			
	Final Budget FY 2012	Proposed Budget FY 2013	% Change from FY 2012
REVENUES			
Capital Appropriations	\$50,000	\$1,000,000	1900.0%
Federal Support	160,249	162,299	1.3%
Interest	5,000	1,500	-70.0%
Sales and Services	683,157	692,502	1.4%
Other Income	<u>3,000</u>	<u>3,000</u>	0.0%
TOTAL REVENUES	\$901,406	\$1,859,301	106.3%
EXPENDITURES			
Salaries	\$782,243	\$804,351	2.8%
Prof. & Scien. Supplies/Services	43,562	38,650	-11.3%
Library Acquisition	500	1,300	160.0%
Utilities	5,000	3,000	-40.0%
Building Repairs	68,000	1,010,000	1385.3%
Auditor of State Reimbursement	500	1,000	100.0%
Equipment	<u>1,601</u>	<u>1,000</u>	-37.5%
TOTAL EXPENDITURES	\$901,406	\$1,859,301	106.3%

IOWA BRAILLE AND SIGHT SAVING SCHOOL

IBSSS FY 2013 General Fund Operating Budget – page 13

The mission of the Iowa Braille and Sight Saving School (Iowa Educational Services for the Blind and Visually Impaired) has two primary components: to provide direct educational services to visually impaired children and youth of the state of Iowa, and to serve a leadership and resource role in statewide efforts to meet the needs of the visually impaired. The School's purpose is to enable Iowa's students, who are blind or visually impaired, to function as independently as possible in all aspects of life, by providing appropriate education opportunities, resources and support services.

The cooperative agreement between the Board of Regents, State of Iowa (Iowa Braille and Sight Saving School), Area Education Agencies, Department of Education, and the Department for the Blind committed to the goal to create a unified system for the delivery of vision services with the statewide system for vision services as the central agency to recruit, train, supervise, and deploy all teachers of visual impairments (TVIs) and certified orientation and mobility instructors (COMS) in the state.

The strategic initiatives of IBSSS supported by the budget proposal include:

- Through collaboration with other service providers, IBSSS shall increase the availability and participation in intense services in regions of the state.
- The development and implementation of a process for determining and meeting the full continuum of service needs, including the long term residential needs of students who are blind or visually impaired.
- Increase the percent of students, who by age 16, have transition plans for improved post-secondary outcomes.
- Meet or exceed state academic standards for performance in reading and mathematics.
- Demonstrate, in conjunction with other partners, that the student outcome assessment programs help students achieve identified learning goals.
- Be increasingly efficient and productive.

IBSSS's proposed FY 2013 operating budget is 2.8% higher than the FY 2012 budget resulting from the 2% increase in state funding and additional projected sales/service revenues. Sales and service revenues are expected to exceed the FY 2012 budget by \$150,000 due to an increase in the AmeriCorps lease and service billing revenue generated from an additional TVI on behalf of the Area Education Agencies. AmeriCorps intends to lease an additional 12,200 square feet from the School as described in Agenda Item 10.

The FY 2013 budget incorporates the proposed salary policies as described in Agenda Item 5 and includes mandatory cost increases from the negotiated collective bargaining agreement (AFSCME). Salary and related benefit costs are expected to increase approximately \$213,000 when compared to FY 2012.

Building repairs supported by the general operating fund are budgeted to decrease \$66,000 compared to FY 2012.

IBSSS General Operating Fund			
	Final Budget FY 2012	Proposed Budget FY 2013	% Change from FY 2012
REVENUES			
General Appropriations	\$3,618,931	\$3,691,310	2.0%
Appropriations - Other	4,874	-	-100.0%
Federal Support	332,000	332,000	0.0%
Interest	300	-	-100.0%
Reimb. Indirect Costs	41,268	41,269	0.0%
Sales and Services	3,778,328	3,928,100	4.0%
TOTAL REVENUES	\$7,775,701	\$7,992,679	2.8%
EXPENDITURES			
Salaries	\$6,416,303	\$6,629,380	3.3%
Prof. & Scien. Supplies/Services	837,712	906,375	8.2%
Library Acquisition	2,000	2,000	0.0%
Utilities	315,000	315,000	0.0%
Bldg. Repairs	124,686	58,824	-52.8%
Aud. of State Reimburse	30,000	31,100	3.7%
Equipment	50,000	50,000	0.0%
TOTAL EXPENDITURES	\$7,775,701	\$7,992,679	2.8%

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Restricted fund revenues are comprised of federal pass-thru grants from the Iowa Department of Education, insurance and FEMA proceeds from storm damage, and a capital appropriation.

On July 11, 2011, the IBSSS campus was impacted by severe storm weather. Each of the buildings on campus was affected to varying degrees, with Old Main and Cottage suffering extensive damage. President Obama declared this storm affecting a six county area to be a Major Disaster for Public Assistance, qualifying the cleanup/repair/restoration of the facilities for federal assistance through FEMA. FEMA eligibility allows the recovery 75% of eligible costs outside the coverage of insurance, which does not cover debris removal. The School carries property insurance with a \$1 million deductible.

IBSSS's restricted budget includes \$1,000,000 from a capital appropriation to fund the deductibles on property insurance and to provide the necessary match for funds which may be available from FEMA. Current projections indicate the School's share of total rehabilitation costs may not total the entire \$1 million.

The increase in "other income" includes the FY 2013 budgeted amount of FEMA and insurance proceeds related to the storm damage reference above. The significant increase in the building repair restricted expense budget line includes expected repairs and mitigation costs to property damaged in the July 2011 storm. IBSSS anticipates spending \$83,400 in restricted and \$6,000 in unrestricted endowment funds primarily for post-secondary education scholarships, specialized equipment, and low-vision services.

IBSSS Restricted Fund			
	Final Budget FY 2012	Proposed Budget FY 2013	% Change from FY 2012
REVENUES			
Capital Appropriations	\$50,000	\$1,000,000	1900.0%
Federal Support	328,378	328,378	0.0%
Other Income	<u>95,400</u>	<u>2,621,008</u>	2647.4%
TOTAL REVENUES	\$473,778	\$3,949,386	733.6%
EXPENDITURES			
Salaries	\$24,200	\$24,200	0.0%
Prof. & Scien. Supplies/Services	311,678	311,678	0.0%
Utilities	55,500	55,500	0.0%
Building Repairs	50,000	3,531,608	6963.2%
Equipment	<u>32,400</u>	<u>26,400</u>	-18.5%
TOTAL EXPENDITURES	\$473,778	\$3,949,386	733.6%