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**FY 2015 SPECIAL SCHOOL BUDGETS, FY 2015 UNIVERSITY BUDGET UPDATE,
AND FY 2014 AMENDED UNIVERSITY OPERATING BUDGETS**

Actions Requested: Consider:

1. Receipt of the FY 2015 budget development update for the universities.
2. Approval of the amended FY 2014 operating budgets for Iowa State University and the University of Northern Iowa as provided in Attachments B and C.
3. Approval of the FY 2015 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.

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 several aspects of budgets for the Regent enterprise. This document contains budget planning updates for each university, amended FY 2014 operating budgets for ISU and UNI, and the final proposed FY 2015 budgets for each of the Special Schools. Final FY 2015 budgets for the universities and the Board Office are scheduled to be presented to the Board at the August meeting.

Universities - FY 2015 Budget Update

Iowa's public universities have identified primary FY 2015 operating budget developments related to anticipated revenue changes, compensation, and other cost increases. The Regent universities have two basic types of funds within the budgets:

- General operating funds include operational appropriations, interest income, tuition 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 2014 General Assembly approved FY 2015 general university operating appropriations totaling \$501.0 million, \$21.8 million higher than FY 2014. Each general university appropriation is increased 4.0% with an additional \$2.625 million for UNI. Note: Appropriation bills have not yet been signed by the Governor.
- Last December, the Board approved the second consecutive freeze on resident undergraduate tuition (0% increase) for the 2014-15 academic year. Non-resident undergraduate tuition increases of 1.8% at SUI, 1.7% at ISU, and 2.5% at UNI were also approved at the December 2013 meeting. Enrollment fluctuations impact tuition revenue and the subsequent demands for academic and student support services which 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 2015 salary policies as considered by the Board in Agenda Item 7. The Board of Regents employs approximately 6,900 university employees in the Regent Merit System. Of this total, approximately 6,500 are in AFSCME bargaining units with the remainder being supervisory or confidential employees. The statewide collective bargaining agreement with AFSCME provides for no increase on July 1, 2014. However, eligible employees (those not at the maximum of their pay grade) will 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 FY 2015 restricted fund budgets will include the final year of capital funding previously approved by the General Assembly for the following capital projects.

- SUI – Dental Science Building Renovation \$ 8.00 million
- ISU - Agricultural and Biosystems Engineering Building \$18.60 million
- UNI – Bartlett Hall Renovation \$ 1.95 million

In addition, the 2014 General Assembly approved first-year funding of \$2 million each for SUI's Pharmacy Building, ISU's Biosciences Facilities, and UNI's Schindler Education Center. The restricted budgets will also include an approximate \$29.7 million tuition replacement appropriation to be allocated among the three Regent universities and \$3.0 million from the Regent Innovation Fund to support economic development initiatives to be split 35/35/30 among SUI, ISU, and UNI respectively.

University FY 2014 Budget Amendments

Board policy requires approval of increases to the general operating budgets. Proposed FY 2014 operating budget increases for ISU and UNI are contained in Attachments B and C respectively.

Special Schools – FY 2015 Budgets

The Board is asked to consider approval of the FY 2015 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. Pending the Governor's signature, each of the special schools will receive a 4% increase in state operating funding for FY 2015.

FY 2015 Special School Budgets

	<u>Operating</u>	<u>Restricted</u>	<u>Total</u>
ISD	\$ 10,398,918	\$ 1,000,526	\$ 11,399,444
IBSSS	8,628,077	338,680	8,966,757

UNIVERSITY OF IOWA

SUI – FY 2015 Budget Update

The FY 2015 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". The plan identifies four complementary areas of investment: Student Success, Knowledge and Practice, New Frontiers in the Arts, and Better Futures for Iowans.

Pending the Governor's signature, the general university's FY 2015 state operating appropriation of \$230.9 million is \$8.9 million higher (4.0% increase) than FY 2014. The legislature also appropriated one-time incremental funding of \$1.2 million for the Iowa Flood Center for soil and groundwater monitoring. All other special purpose operating appropriations for FY 2015 were flat-funded when compared to FY 2014.

In December 2013, the Board froze tuition (0% increase) for FY 2015 for undergraduate resident students and approved a 1.8% increase for nonresident undergraduates and for most graduate and professional students (College of Law's Juris Doctor tuition was reduced by 16.4%). The University anticipates an incoming freshman class larger than Fall 2013 and projects increased first year enrollments in the College of Law and a higher number of Iowa resident students. Graduate student enrollment is expected to remain lower than previous years. The University projects \$9.8 million in additional FY 2015 tuition revenue when compared to the FY 2014 budget.

The University currently projects FY 2015 indirect cost recoveries to decline approximately \$1.7 million when compared to the FY 2014 budget, primarily due to the federal budget sequestration and its impact on federal research funding. Interest income is also expected to be \$0.3 million less than the FY 2014 budget.

Budget preparation includes the proposed salary policies as included in Agenda Item 7. Funds equal to 2.0% 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 overall average salary increase within each college, vice presidential unit, or other major administrative unit will be between 2.0% and 3.0%. All individual increases will be based upon performance, competitive market factors, and equity issues. In addition, the University will hire additional tenure track faculty in areas of demand and within the cluster hiring program in FY 2015.

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 for AFSCME and COGS employees is estimated at \$1.2 million. The cost increase includes annualization from the previous year and current year contract costs.

The University completed negotiations with the Federal Department of Health and Human Services in April 2014 which established the FY 2015 fringe benefit rates. The rates are applied to salaries as they are paid to fund the employer's share of fringe benefit costs. Annual changes in approved fringe rates are attributable to cumulative historic costs of benefits, salary changes in each benefit pool, and University-driven cost savings measures. For FY 2015, a total decrease in fringe benefit rates on the existing General Education Fund base will be \$2.1 million.

The projected incremental cost of new or reassigned GEF-supported buildings for FY 2015 is expected to be \$1.9 million. This includes utilities, custodial services, information technology, and maintenance. Also, the University will continue to support financial aid with inflation adjustments for cost of attendance, enrollment growth, graduate assistants scholarships, and greater eligibility in award programs.

IOWA STATE UNIVERSITY

ISU FY 2015 Budget Update

Iowa State University's strategic plan, Meeting the Challenges of the 21st Century, is closely aligned with its land grant mission. Budget planning and development are grounded on the principles of educating and serving students; innovating and discovering through research; and extending ISU's impact beyond campus to improve the lives and livelihoods of Iowans.

Pending the Governor's signature, the general university's FY 2015 state operating appropriation of \$180.9 million is \$7.0 million higher (4% increase) than FY 2014. Appropriated changes in funding for special purpose units include an incremental \$1.8 million for ISU's Agriculture Experiment Station, \$0.24 million for the Veterinary Diagnostic Laboratory, and a \$0.175 million reduction to the Nutrient Management Center established in FY 2014. All other existing special purpose units were flat-funded compared to FY 2014.

In December 2013, the Board froze tuition (0% increase) for FY 2015 for undergraduate resident students and approved a 1.74% increase for nonresident undergraduates. Increases of 1.81% for graduate resident student tuition and 3.2% for graduate nonresidents were also approved. The University expects another record year for enrollment. The approved tuition rates and the most recent enrollment projections are expected to generate an additional \$26.2 million in tuition revenue when compared to the proposed FY 2014 amended budget on the following page.

The University expects indirect cost recoveries to decrease \$1.3 million in FY 2015 from a reduction in recovery rates. Other revenue sources, including interest income, are projected to decrease slightly.

Budget preparation includes the proposed salary policies as included in Agenda Item 7. For FY 2015, the minimum salary increase for faculty and P&S staff with satisfactory performance is 1.0%. The P&S pay matrix is proposed to increase 1.25% at the minimums and maximums for each pay grade.

The University expects the incremental cost to the General University of the AFSCME contract for merit staff, including supervisory and confidential employees, to be \$1.0 million in FY 2015. This cost estimate includes the annualization of the step increases occurring in FY 2014 and an estimated 8% increase in the cost of medical and dental benefits.

Other unavoidable cost increases (estimated at \$2.5 million) include library acquisition inflation, opening new buildings, utility rate increases, city bus and fire protection services, and insurance. The University will begin operating the new Sukup and Elings Halls (two buildings in the Ag & Biosystems Engineering Complex) during FY 2015.

ISU FY 2014 Amended Operating Budget

Iowa State University's proposed amended FY 2014 budget for the General University is provided below.

Tuition revenues are higher than originally budgeted with another year of record enrollment for FY 2014. Indirect cost revenues, interest income, and other revenues are also forecasted to exceed the current budget.

Higher enrollments will result in additional spending on financial aid, faculty, and hourly employees to meet the demand. Supplies/Services have also been adjusted to more accurately reflect current year-end projections.

	GENERAL UNIVERSITY		
	<u>Current Budget</u>	<u>Adjustments</u>	<u>Amended Budget</u>
REVENUES			
General Appropriations	173,986,353		173,986,353
Interest	2,500,000	250,000	2,750,000
Tuition and Fees	344,539,000	9,900,000	354,439,000
Reimb. Indirect Costs	16,790,600	2,600,000	19,390,600
Other Income	1,350,000	200,000	1,550,000
TOTAL REVENUES	539,165,953	12,950,000	552,115,953
EXPENDITURES			
Fac. & Inst. Off. Salaries	202,000,000	3,725,000	205,725,000
Prof. & Sci. Staff Salaries	98,300,000		98,300,000
General Service Staff Sal.	41,600,000		41,600,000
Hourly Wages	4,600,000	3,800,000	8,400,000
Subtotal - Salaries	346,500,000	7,525,000	354,025,000
Supplies and Services	43,413,553	4,425,000	47,838,553
Library Acquisitions	11,000,000		11,000,000
Rentals	1,600,000		1,600,000
Utilities	29,000,000		29,000,000
Bldg. Repairs	20,100,000		20,100,000
Auditor of State Reimb.	552,400		552,400
Equipment	4,000,000		4,000,000
Aid to Individuals	83,000,000	1,000,000	84,000,000
TOTAL EXPENDITURES	539,165,953	12,950,000	552,115,953

UNIVERSITY OF NORTHERN IOWA

UNI FY 2015 Budget Update

Operational budget decisions are made with a strong focus on University goals and priorities as identified in the strategic plan: Leadership and Innovation for the Future: Transforming Opportunities into Reality. UNI's primary goals are to provide a strong liberal arts foundation, provide a rigorous and relevant graduate education, lead the state and nation in pre K-12 education, create an inclusive environment, enhance economic development of the state, and ensure accountability, affordability, and access.

With more than one-half of UNI's operating revenues coming from state appropriations, the state budget reductions implemented during FY's 2009-2012 had a disproportionate negative impact on the University's operations. The Board's FY 2015 state funding request for UNI included a 4.0% increase to the FY 2014 appropriation plus making the \$10 million in one-time funds previously appropriated (see below) a permanent part of the base. The total FY 2015 appropriation request for the general university was approximately \$97.0 million.

Pending the Governor's signature, the general university's FY 2015 base state operating appropriation of \$89.2 million is \$6.0 million higher than the FY 2014 base amount. Also, the 2013 General Assembly appropriated a total of \$10 million in one-time funds available in FY 2014 and FY 2015. With \$6 million of this one-time appropriation budgeted for FY 2014, the remaining \$4 million will be included in the FY 2015 budget. In total, UNI's general university appropriations (base and one-time) for FY 2015 exceed FY 2014 amounts by \$3.95 million. Note: None of the one-time funds will be available for FY 2016.

<u>UNI - General University</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Difference</u>
Appropriation-Base	83,222,819	89,176,732	5,953,913
Appropriation-One Time	<u>6,000,000</u>	<u>4,000,000</u>	<u>(2,000,000)</u>
Total	89,222,819	93,176,732	3,953,913

In December 2013, the Board froze tuition (0% increase) for FY 2015 for undergraduate resident students and approved a 2.0% increase for resident graduate students. All nonresident tuition rates were increased 2.5%. Based on the projected enrollment and approved tuition rates, the University currently projects FY 2015 tuition revenue to be \$0.9 million more than current FY 2014 estimates.

All other revenue sources for FY 2015 (indirect cost recoveries, interest income, sales and services) are expected to remain flat compared to the amended FY 2014 budget provided on the following page.

University budget preparation includes the proposed salary policies which include the mandatory salary and related benefit increases for the faculty and merit employees. United Faculty salaries will increase 2.25% on July 1, 2014, and eligible AFSCME employees will receive a 4.5% step increase on their employment anniversary dates. Salary increases for non-bargained P&S staff will average 2.25%, comparable to the faculty increases. Health insurance costs are projected to increase by 7%. The total projected increase in salary, salary related benefits, and fringe costs are expected to increase \$3.5 million for FY 2015.

The University expects student financial aid for FY 2015 to remain relatively flat with FY 2014. Additional funding may be allocated to financial aid depending on actual Fall 2014 enrollment. Other cost adjustments for the general university in FY 2015 include the last reduction of a three-year plan to reduce university support for Athletics by a combined \$0.5 million and an increase in support for Iowa Public Radio.

FY 2014 Amended Operating Budgets

The University of Northern Iowa's proposed amended FY 2014 budgets for the General University, Metal Casting, and MyEntrenet are provided below. Board policy requires Regent institutions receive Board approval for proposed increases in budget ceilings to the operating budgets.

General University

Tuition revenue is projected to exceed the original budget due to higher than budgeted enrollment. The budget amendment also includes one-time advanced commitment funds earned in prior years and updated projections for interest income and sales/services. The additional revenues are being used to fund student recruitment strategies and student success initiatives.

Metal Casting & MyEntrenet

The Metal Casting and MyEntrenet units have carryforward authority and the amended budgets include the budgeted expense of revenues received in prior years. Expense budget lines have been updated to reflect current projections.

	GENERAL UNIVERSITY			METAL CASTING CENTER			MYENTRENET		
	Current Budget	Adjustments	Amended Budget	Current Budget	Adjustments	Amended Budget	Current Budget	Adjustments	Amended Budget
REVENUES									
General Appropriations	83,222,819		83,222,819	57,453		57,453	273,389		273,389
Appropriations-nonrecurring	6,000,000		6,000,000			-			-
Interest	821,000	(37,000)	784,000			-			-
Tuition and Fees	75,600,139	415,441	76,015,580			-			-
Reimb. Indirect Costs	1,316,649		1,316,649			-			-
Sales and Service	608,393	(150,241)	458,152			-			-
Other Income/Adv Commitments	-	1,561,499	1,561,499		15,791	15,791		26,373	26,373
TOTAL REVENUES	167,569,000	1,789,699	169,358,699	57,453	15,791	73,244	273,389	26,373	299,762
EXPENDITURES									
Fac. & Inst. Off. Salaries	74,645,533	(640,448)	74,005,085			-			-
Prof. & Sci. Staff Salaries	31,730,958	346,806	32,077,764	25,863	15,791	41,654	219,146		219,146
General Service Staff Sal.	25,721,728	(10,917)	25,710,811	31,590		31,590			-
Hourly Wages	1,738,770	109,158	1,847,928			-	14,500		14,500
Subtotal - Salaries	133,836,989	(195,401)	133,641,588	57,453	15,791	73,244	233,646	-	233,646
Supplies and Services	9,488,482	1,985,100	11,473,582			-	39,743	26,373	66,116
Library Acquisitions	1,992,009		1,992,009			-			-
Rentals	822,421		822,421			-			-
Utilities	5,618,466		5,618,466			-			-
Bldg. Repairs	1,400,000		1,400,000			-			-
Auditor of State Reimb.	272,150		272,150			-			-
Equipment	446,467		446,467			-			-
Aid to Individuals	13,692,016		13,692,016			-			-
TOTAL EXPENDITURES	167,569,000	1,789,699	169,358,699	57,453	15,791	73,244	273,389	26,373	299,762

IOWA SCHOOL FOR THE DEAF

The proposed FY 2015 operating and restricted fund budgets for the Iowa School for the Deaf total \$11.4 million and are provided at the bottom of the following page.

ISD FY 2015 General Operating Budget

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. The primary mission is to provide quality programs for students, enabling them to leave ISD with optimal academic, vocational, interpersonal and independent living skills. 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 2015 operating budget:

- On-Campus – The primary on-campus educational program provides academic and vocational programming for 106 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 educational requirements as specified in the IEP, which is written for each 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 2015. 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. Each family's educational program is determined by their Individual Family Service Plan. It is estimated that this program will serve 45 families during FY 2015. The Program includes on-campus parent/infant instruction and home visits by professionals which gives parents an opportunity to see home-based instruction occurring with their child and gives staff an opportunity to review parent/infant educational interaction.

The 2014 General Assembly appropriated a 4% increase (approximately \$361,000) in state operating funding for FY 2015 resulting in a similar increase in the total budget when compared to FY 2014.

IOWA SCHOOL FOR THE DEAF - BUDGET COMPARISON

	FY 2014 Budget	FY 2015 Proposed	FY14 to FY15 % Change
Operating	\$ 9,977,687	\$ 10,398,918	4.2%
Restricted	906,038	1,000,526	10.4%
Total	\$ 10,883,725	\$ 11,399,444	4.7%

The FY 2015 budget incorporates the proposed salary policies as described in Agenda Item 7 and includes mandatory cost increases from the negotiated collective bargaining agreement (AFSCME). Total salary and benefit costs are expected to decrease 2.5% from FY 2014 largely from reduced insurance costs from the switch to ISU's health/dental plans from the State plans and also from several retirements.

Teachers, guidance counselors, and registered nurses at ISD are included in the statewide education unit. This unit which also includes employees in state classifications was organized by AFSCME earlier this year. Negotiations are in the initial stages for the first collective bargaining agreement for this unit. Salaries policies and related matrices will be subject to the outcome of these negotiations.

ISD FY 2015 Restricted Budget

As reflected in the above table, the FY 2015 restricted budget is 10% higher than FY 2014. The restricted fund budget increase is from additional federal grant monies to support a Federal Hearing Impaired Consultant.

Revenue generated from students attending ISD from Nebraska is included in the restricted funds and is segregated from ISD's general fund appropriation. The FY 2015 budget anticipates 8 students attending from Nebraska. A portion of the Nebraska revenue will continue to provide for staffing expenses.

FY 2015 IOWA SCHOOL FOR THE DEAF PROPOSED BUDGET			
	Operating Budget	Restricted Budget	Total Budget
REVENUES			
General Appropriation	\$ 9,391,859	\$ -	\$ 9,391,859
Appropriations - Other	82,049		82,049
Federal Support	56,970	287,026	343,996
Interest	1,000	500	1,500
Sales and Services	806,520	710,000	1,516,520
Other Income (Princ. Demutualization)	60,520	3,000	63,520
TOTAL REVENUES	\$10,398,918	\$ 1,000,526	\$ 11,399,444
EXPENDITURES			
Salaries	\$ 8,004,181	\$ 603,167	\$ 8,607,348
Prof. & Scien. Supplies/Services	1,171,501	273,886	1,445,387
Library Acquisition	8,400	600	9,000
Utilities	388,250	52,273	440,523
Bldg. Repairs	712,286	37,500	749,786
Aud. of State Reimburse	36,000	3,100	39,100
Equipment	78,300	30,000	108,300
TOTAL EXPENDITURES	\$10,398,918	\$ 1,000,526	\$ 11,399,444

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The proposed FY 2015 operating and restricted fund budgets for the Iowa Braille and Sight Saving School total \$9.0 million and are provided on the following page.

IBSSS FY 2015 General Fund Operating Budget

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.

A cooperative agreement between the Board of Regents, Area Education Agencies, the 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 the Iowa Educational Services for the Blind and Visually Impaired 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 percentage 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.

The goals of the Iowa Education Services for the Blind and Visually Impaired are:

- A. Provide equitable access to a continuum of high quality services for all students in Iowa who are blind and visually impaired, including those with multiple disabilities;
- B. Assure an adequate supply of highly trained TVIs and COMs;
- C. Assure adequate and professional supervision, ongoing professional development and equitable job assignments for professionals working with blind and visually impaired students;
- D. Eliminate duplication in service delivery by creating a seamless coordinated system of services to blind and visually impaired students across multiple funding sources and agencies responsible for this population;
- E. Maintain a center of excellence in Iowa for discipline specific expertise at the Vinton Campus.

IBSSS's proposed FY 2015 operating budget is 3.3% higher than the FY 2014 budget due to increases of 4% in state operating funding and 3.1% in sales/services revenue. The sales and service revenue increase is primarily from the increase in service billing revenues from the Area Education Agencies.

IBSSS - BUDGET COMPARISON

	FY 2014 Budget	FY 2015 Proposed	FY14 to FY15 % Change
Operating	\$ 8,350,270	\$ 8,628,077	3.3%
Restricted	390,930	338,680	-13.4%
Total	\$ 8,741,200	\$ 8,966,757	2.6%

The FY 2015 budget incorporates the proposed salary policies as described in Agenda Item 7 and includes mandatory cost increases from the negotiated collective bargaining agreement (AFSCME). Total salary and benefit costs are expected to decrease 2.3% from FY 2014 largely from insurance premium savings since converting from the State plans to ISU's health and dental plans.

Other projected cost increases include replacement of the gymnasium floor (building repairs) and Extended Learning Program expansion (professional supplies/services).

IBSSS FY 2015 Restricted Budget

As reflected in the above table, IBSSS's FY 2015 restricted budget is 13.4% less than FY 2014. The FY 2014 restricted budget included a \$50,000 appropriation allocation for deferred maintenance/ADA compliance/fire safety projects that was not available for FY 2015.

The FY 2015 restricted budget includes three federal pass-thru grants from the Iowa Department of Education and gift/endowment funds. In addition to blind-deaf services, the federal grants also support training programs for the TVIs and COMs, assistive devices, and a summer institute. The endowment funds support activities/programs in conjunction with the strategic plan.

FY 2015 IOWA BRAILLE & SIGHT SAVING SCHOOL PROPOSED BUDGET			
	Operating Budget	Restricted Budget	Total Budget
REVENUES			
General Appropriation	\$ 3,915,741	\$ -	\$3,915,741
Federal Support	411,351	249,280	660,631
Reimb. Indirect Costs	41,270		41,270
Sales and Services	4,259,715		4,259,715
Other Income	-	89,400	89,400
TOTAL REVENUES	\$ 8,628,077	\$ 338,680	\$ 8,966,757
EXPENDITURES			
Salaries	\$ 6,715,912	\$ 47,545	\$6,763,457
Prof. & Scien. Supplies/Services	1,155,545	233,735	1,389,280
Library Acquisition	8,700	1,000	9,700
Utilities	304,750	30,000	334,750
Bldg. Repairs	320,670		320,670
Aud. of State Reimburse	30,000		30,000
Equipment	92,500	26,400	118,900
TOTAL EXPENDITURES	\$ 8,628,077	\$ 338,680	\$ 8,966,757