

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Approval of FY 2003 Detailed Budgets — Iowa School for the Deaf  
**Date:** July 8, 2002

**Recommended Action:**

Approve:

1. The final Iowa School for the Deaf (ISD) FY 2003 general fund (operating) budget of \$8,559,913; and
2. The restricted fund budget of \$1,325,692 for a total of \$9,885,605.

**Executive Summary:**

The Iowa School for the Deaf prepared its FY 2003 detailed budgets in accordance with the strategic plans of the Board and of the School.

The FY 2003 budgets consist of the general fund and the restricted fund budgets.

**General Fund**

The general fund budget represents the fundamental operations of the School and is primarily funded from state appropriations. The FY 2003 general fund budget totals \$8.6 million, which is comprised of direct state appropriations of almost \$8.0 million and other revenues of \$0.6 million.

- During FY 2002, the School experienced reductions in state appropriations totaling \$541,940.
- For FY 2003, state appropriations were further reduced for the School by \$193,133.
- State appropriations for salary increases provided only 75% of the funding needed to implement the state's salary policy.

These reductions and salary funding shortages in state appropriations have considerably affected the educational programming at ISD.

**Restricted Fund**

The restricted fund budget is designated for specific purposes, such as capital projects and the education and services of Nebraska students. The restricted fund budget of \$1.3 million primarily consists of capital appropriations and revenues from serving Nebraska students. The Nebraska funds provide the resources for the additional faculty and staff and operating costs for the Nebraska students.

**Strategic Plan**

The educational programs at ISD enable its students to leave the School with optimal academic, vocational, interpersonal, and independent living skills. The strategic planning goals for ISD continue to include:

- Quality Teaching, Pupil Personnel & Administrative Services;
- Strengthen and Expand Creative & Innovative Programming;
- Maintain Facilities / Equipment to Provide a Safe, Healthy, Learning Environment; and
- Flexibility, Efficiency, Cooperation, & Accountability.

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**Background:**

**Purpose**

The Iowa School for the Deaf provides comprehensive educational programs and services to deaf and hard of hearing children and youth in Iowa from early childhood through high school graduation.

Programs are offered throughout the year on campus as well as off campus in a variety of public school settings. Through a contract with the state of Nebraska, ISD also serves the needs of the deaf and hard of hearing students from Nebraska.

**Board Budget Process**

In prior years, the budget process has included a series of budgetary presentations to the Board. This process allows the Board time to consider institutional plans and provide guidance prior to final approval of budgets in July. This process has been modified as a result of delayed actions on appropriations.

In June, the Board considered key budgetary policy issues. This month, the final ISD FY 2003 general fund and restricted fund budgets are presented to the Board for approval.

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**Analysis:**

**General Fund**

**Program Descriptions**

The FY 2003 \$8.6 million general fund budget is focused around the following programs:

- On-Campus Programs – Academic and vocational programming for students, early childhood through high school graduation, designed to meet each child's individual education requirements as specified in their Individual Education Plans (IEP). These programs are expected to serve 130 students, including 11 Nebraska students, during FY 2003.
  - Off-Campus Programs – Educational programming in a variety of public school settings for those students whose IEP specifies opportunities for as much interaction with non-disabled peers as is possible and appropriate. These programs are expected to serve over 115 students during FY 2003.
  - Reverse Mainstream Program – Programming that permits non-disabled students to receive classroom instruction with deaf and hard-of-hearing peers on the ISD campus, including pre-school classes for toddlers of deaf or hard-of-hearing parents or siblings, as well as academic and vocational classes at the middle school and high school level. This program is expected to serve over 20 students and families during FY 2003.
  - Parent / Infant Program – Educational programming that offers year-round services to deaf and hard-of-hearing infants and toddlers and their families prior to when schooling traditionally begins. Home visits are a unique component of this program because parents have an opportunity to see home-based instruction occurring with their child and staff have an opportunity to review parent / infant educational interaction. This program are expected to serve an estimated 18 families during FY 2003.
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General Fund

**General Fund Operating Budget – FY 2003  
Revenue Sources**

|                                       | FY 2002       | FY 2003       |
|---------------------------------------|---------------|---------------|
| Direct State Operating Appropriations | \$7,891,351   | \$7,943,985   |
| Sales and Services                    | 322,693       | 322,693       |
| DOE Funds*                            | 181,783       | 178,450       |
| Federal Support                       | 64,000        | 64,000        |
| Interest                              | <u>53,000</u> | <u>33,000</u> |
| Total                                 | \$8,512,827   | \$8,559,913   |

\* State funding through the Iowa Department of Education for Educational Excellence. The state funding for School Technology programs has been eliminated.

Appropriation  
Reductions and  
Funding Shortfalls

- During FY 2002, the School experienced reductions in state appropriations totaling \$541,940.
- For FY 2003, state appropriations were further reduced for the School by \$193,133.
- State appropriations for salary increases provided only 75% of the funding needed to implement the state's salary policy.

ISD will be reducing its school calendar from 180 days to 175 days; the number of hours of instruction in the school year will remain the same. This change is to evaluate the benefits of establishing an innovative calendar at the School. It is part of a three-year pilot project approved by the legislature during the 2002 session.

Budget Actions

The ISD general fund budget includes:

- Elimination of:
  - Three faculty and one P&S position.
  - The summer school program for FY 2003.
- Reductions in:
  - Contract days for 5 faculty members and work days for 15 residential counselors.
  - Utility and equipment budgets.
  - Repair / maintenance budget (only vital / emergency repairs and maintenance will be performed; deferred maintenance projects will be curtailed).

Impact of Operating  
Reductions

ISD reports that considerable budgetary constraints will be experienced during FY 2003. The School, in implementing budget reductions, has tried to minimize the affects on students, but describes the following impacts:

Ratios:

- Fewer faculty will strain student / teacher ratios in the classroom.
- Fewer staff will diminish effective teaching practices and staff / resident ratios in the dormitories resulting in less supervision during non-structured time.

Staff Development:

- The reduction of residential counselor workdays will have an adverse effect on staff development needs.
- Staff development and faculty tuition reimbursements will be cut by 30%.
- Reductions in opportunities for staff to improve their skills will impede enhanced services to students.

Campus:

- Fire safety issues and deferred maintenance work will be addressed as funding allows.
- Use of the new Lied Multipurpose Complex will be limited.
- School vehicles will be utilized longer, which will increase mileage and the potential for mechanical failures.

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Salary Action

As approved by the Board at its June 2002 meeting, ISD included the following salary actions in its budget:

Faculty:

- The matrix base salary will increase by 2.25% with no change to the step or track percentages;
- Eligible faculty will be provided one step on the salary schedule and progression within the faculty matrix for increased levels of education;
- Merit pay will be provided for qualified sign language proficiency; and
- Stipends will be provided for:
  - Counsel on Education of the Deaf (CED) Professional;
  - CED Provisional; and
  - Extra-curricular activities.

Professional and Scientific:

- The salary matrix will be increased by approximately 3% at the minimum and 4% at the maximum. Average salary increases will be 3.5%;
- Salaries will include vacation and holiday pay for all positions, including part-time employees; and
- Merit pay will be provided for qualified sign language proficiency.

General Service:

- Employees will be provided step increases on their eligibility dates;
- Pay matrices will be increased effective July 1, 2002, according to the collective bargaining agreement; and
- Supervisory employees will be treated in a similar fashion.

Institutional Officials:

- Salary increases will be based on merit.
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Programmatic  
Reallocations

Reallocations assist the School in achieving its primary mission and strategic planning objectives. The FY 2003 budget reflects internal programmatic reallocations totaling \$236,391.

The reallocations represent 2.8% of the revised FY 2002 general fund budget and are consistent with the Board's program of reallocations averaging 2% per year.

The two largest reallocations:

- Salaries - Savings from vacant staff positions and reductions related to the decrease in school days will be reallocated to cover the salary shortfall; and
- The Life Department – The reallocation of funds from the Life Department to the High School and the Middle School shifts the programs for the multi-handicapped students. These students will be required to function in the School's regular classroom environment in elevated academic programs with a faster pace.

**Restricted Fund**

Sources

Revenues generated from Nebraska students are considered restricted funds and are segregated from ISD's general fund appropriation.

**Restricted Fund Budget**

|                              | <u>FY 2002</u>     | <u>FY 2003</u>     |
|------------------------------|--------------------|--------------------|
| Nebraska Resources           | \$917,878          | \$729,601          |
| State Capital Appropriations | 435,000            | 435,000            |
| Federal Support              | 123,920            | 126,091            |
| Interest                     | 30,000             | 30,000             |
| Other Income                 | <u>5,000</u>       | <u>5,000</u>       |
| <b>Total</b>                 | <b>\$1,511,798</b> | <b>\$1,325,692</b> |

The budget reflects a net decrease of \$186,106 from the FY 2002 budget due to:

- An increase of \$7,371 in the Part B Entitlement I.D.E.A. Grant;
- A decrease of \$5,200 in the Hearing Impaired Grant; and
- A decrease of \$188,277 due to three fewer Nebraska students than during FY 2002.

Uses

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Restricted fund revenues will be used to:

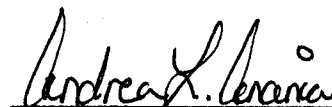
- Support the operating costs of providing academic and residential services for Nebraska students such as staff travel, printing, and in-service; the purchase and upgrade of computers and computer related software; and supplies in the classroom, in the residential program, and for the staff.
- Maintain best practices staffing ratios and purchase technology equipment, supplies, and materials, as well as enhance the recruitment of quality staff.
- Provide salary and benefits for three faculty, three professional and scientific staff, and one merit position associated with incremental educational programs and services for the Nebraska students.
- Continue staff development for faculty and staff opportunities to learn and understand Nebraska special education laws and study Nebraska history for inclusion in student development. This curriculum development is a multi-year process and is done as part of an evaluation cycle.
- Budget for building repair and maintenance to continue to lower deferred maintenance costs.
- Continue work on the campus-wide water distribution system, which addresses all external underground lines.
- Continue work on the School's ongoing tuckpointing project.


Strategic Plan

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Uses of restricted funds are in accordance with the School's strategic plan and will address key result areas for the School, such as:

- Quality faculty and staff;
  - Appropriate staff / student ratios in the Student Life Program;
  - Availability of student enrichment activities;
  - Staff development opportunities; and
  - Student and teacher access to educational technology.
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Andrea L. Anania

Approved:   
Gregory S. Nichols

**IOWA SCHOOL FOR THE DEAF  
FY 2003 General Fund Budget Summary**

| <b>STRATEGIC PLANNING GOALS</b> |  |                    |
|---------------------------------|--|--------------------|
| Goal #1                         | Quality Teaching, Pupil Personnel & Administrative Services                      | \$7,272,120        |
| Goal #2                         | Strengthen and Expand Creative & Innovative Programming                          | 271,675            |
| Goal #3                         | Maintain Facilities / Equipment to Provide a Safe, Healthy, Learning Environment | 695,670            |
| Goal #4                         | Flexibility, Efficiency, Cooperation & Accountability                            | <u>320,448</u>     |
| <b>TOTAL</b>                    |  | <b>\$8,559,913</b> |

|                               | Goal | <b>General Fund<br/>FY 2003 New Revenues and Reallocations</b> |                  |                  |                  |
|-------------------------------|------|--|------------------|------------------|------------------|
|                               |      | Appropriations   | Reallocations    | Other            | Total            |
| <b><u>Reallocations</u></b>   |      |  |                  |                  |                  |
| Salary / Benefit Shortfall    | 1    | 0  | 416,041          | 0                | 416,041          |
| High School and Middle School | 2    | 0  | 236,391          | 0                | 236,391          |
| <b><u>New Revenues</u></b>    |      |  |                  |                  |                  |
| Salary Increase               | 1    | 245,767  | 0                | 0                | 245,767          |
| Base Budget Reduction         |      | (193,133)  | 0                | 0                | (193,133)        |
| School Technology Funds       |      | (3,333)  | 0                | 0                | (3,333)          |
| Other Income                  |      | 0  | 0                | (2,215)          | (2,215)          |
| <b>TOTAL</b>                  |      | <b>\$49,101</b>  | <b>\$652,432</b> | <b>(\$2,215)</b> | <b>\$699,318</b> |