

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Final FY 2001 Detailed Budgets - Iowa School for the Deaf
Date: July 7, 2000

Recommended Action:

Approve the Iowa School for the Deaf final FY 2001 general fund operating budget of \$8,735,589 and the restricted fund budget of \$1,400,068, for a total of \$10,135,657.

Executive Summary:

The final FY 2001 general fund operating budget of \$8.7 million and the restricted fund budget of \$1.4 million at the Iowa School for the Deaf (ISD) are presented in accordance with the strategic plans of the Board and of the institution. These amounts are unchanged from the School's preliminary presentation in June.

The general fund operating budget of \$8.7 million includes partial restoration of the FY 2000 base appropriation reduction; partial state funding for implementation of the state salary policy; workers' compensation allocation (reflects a change in state funding policy and distribution methodology but does not represent a net increase in funding for the School); and Phase III funding. The ISD final FY 2001 general fund operating budget includes reallocations of \$178,862 (2.1% of the revised FY 2000 budget).

The final general fund operating budget is allocated by the School's strategic planning goals of quality teaching, pupil personnel and administrative services (\$7,135,887); strengthen and expand creative and innovative programming (\$303,800); maintain facilities and equipment to provide a safe, healthy, learning environment (\$945,328); and flexibility, efficiency, cooperation, and accountability (\$350,574).

The FY 2001 budget for the restricted fund of \$1.4 million includes: revenues from grants; interest income; a capital appropriation; and tuition revenue for Nebraska students.

Background:

The Iowa School for the Deaf provides comprehensive and appropriate educational programs and services to deaf and hard of hearing children and youth in Iowa from early childhood through high school graduation. The programs are offered throughout the year on campus as well as off campus in a variety of public school settings. ISD also serves the needs of the deaf and hard of hearing students from the State of Nebraska.

ISD presented to the Board its FY 2001 conceptual budget approach in May and its preliminary general fund operating budget in June. The final general fund operating budget is presented to the Board this month for approval. This final budget is consistent with the previous submissions, and strategic plans of the Board and the School.

The strategic planning goals for ISD include:

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

The budget continues to support educational programs that enable ISD students to leave the School with optimal academic, vocational, interpersonal, and independent living skills.

Analysis:

General Fund Operating Budget

The final FY 2001 general fund operating budget for ISD is \$8,735,589. The FY 2001 direct state operating appropriations for ISD total \$8,178,008. The state's allocation for implementation of the state's 4% salary policy was \$169,835, which was less than the \$256,835 needed to fully fund salary increases, excluding health insurance.

To compensate for the shortfall from state appropriations for state salary policy increases, ISD proposes to:

- Use Phase III Educational Excellence funding for existing supplemental pay for teachers as allowed by law;
- Fill the vacant Assistant to the Superintendent position with an internal faculty member and reassign associated duties to existing administrators; and
- Fill two positions vacated by retirements with comparable staff at lower salaries.

Other appropriation increases include partial restoration (\$28,000) to the FY 2000 base appropriation reduction and a workers' compensation allocation (\$43,806.) The increase for workers' compensation reflects a change in state funding policy resulting in a direct appropriation to the School but does not represent a net increase in funding for the School. The increase in Phase III funding (\$67,000) is appropriated to the Department of Education and subsequently allocated to ISD.

The ISD final FY 2001 budget incorporates the salary increase policies as follows:

- The faculty salary matrix, approved by the Board in May, increases steps by 2.5% with no change to the step or track percentages. Eligible faculty will be provided one step on the salary schedule as well as progression within the faculty matrix for increased levels of education. Merit pay will be provided for qualified sign language proficiency. Stipends will be provided for CED (Counsel on Education of the Deaf) Professional, CED Provisional, and extra-curricular activities.
- The Professional and Scientific Salary Matrix was increased by approximately 2% at the minimum and 4% at the maximum. Salaries include vacation and holiday pay for all positions, including part-time employees. Merit pay will be provided for qualified sign language proficiency.
- General service employee pay matrices will be increased by 2.6% effective July 1, 2000, according to the collective bargaining agreement. Eligible general service employees will be provided one step on the new merit system matrices.
- Institutional officials salary increases will be based on merit.

Reallocations assist the school in achieving its primary mission and strategic planning objectives. Increased revenues and reallocations will be used for mandatory cost increases and strategic planning initiatives increases as identified in the budget summary on page 7.

The Iowa School for the Deaf continues to strive to be responsive to the ever-changing needs of students and to the Board's goal of improved operations through support for increased staff efficiency and effectiveness. To accomplish these ends, ISD will continue to review vacant positions; consider additional reallocation of the resources; share between departments; and/or redirect the focus of staff positions.

ISD internal reallocations of \$178,862 represent 2.1% of the FY 2000 revised budget and are consistent with the Board's five-year program for reallocations averaging 2% per year. The School proposes to reallocate funds from the Deaf Resource Center, building repair/maintenance, equipment, faculty support, and residential support for the following purposes:

- \$50,662 for student enrichment;
- \$20,000 for food;
- \$2,000 for audit expenses;
- \$2,924 for utility expenses;
- \$19,576 for increases in operational costs in the educational units and the residential program;
- \$50,000 for increases in health and dental benefits; and
- \$33,700 for administrative support of the institutional program.

The School has indicated that the student/teacher ratio will not be adversely affected at this time.

The ISD final FY 2001 general fund operating budget will support:

- Academic and vocational programming to students, early childhood through high school graduation, designed to meet each child's individual education requirements as specified in their Individual Education Plans (IEP);
- Off-Campus and Mainstream 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;

- A "Reverse Mainstream" programming option 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, as well as those toddlers who have deaf or hard of hearing siblings, and academic and vocational classes at the middle school and high school level;
- A parent/infant education program serving 15 families on a year-round basis, which provides infants and toddlers with hearing difficulties and their families educational programs in the years before schooling traditionally begins; and
- The Summer Learning Adventure program, which provides educational programming for deaf and hard of hearing students from Iowa and Nebraska with a cross-departmental multi-handicapped program component during the month of July, serving 75 students within the elementary, middle school, and high school levels.

Restricted Fund Budget

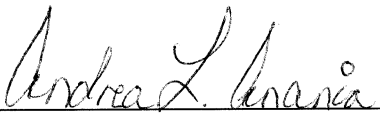
The restricted fund budget of \$1.4 million is also presented in July to the Board for approval. The restricted fund budget includes grant funding (Title VI Innovative Education Program, Hearing Impaired Instruction, and Part B Entitlement I.D.E.A.); a capital appropriation; interest income; and tuition revenue from Nebraska. ISD anticipates a decrease in Nebraska tuition revenue for FY 2001 because three fewer students will be attending the ISD program.

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 to purchase technology equipment, supplies, and materials, as well as to enhance the recruitment of quality staff;
- Provide salary and benefits for three faculty, four professional and scientific staff, and one merit position, budgeted at a cost of \$378,925;
- 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; and

- Begin Phase I of the campus-wide water distribution system which addresses all external underground lines. Subsequent phases will address internal water lines on a building by building basis.

Uses of restricted funds are in accordance with the School's strategic plan and the following key result areas: staff development opportunities; technology purchases and utilization in the educational program hiring of staff and focus on Individual Educational Program (IEP) outcomes for Nebraska students; maintaining staff/student ratios in the Student Life Program student Enrichment activities; attracting faculty and staff of the highest quality; and available and access to technology.



Andrea L. Anania

Approved: 

Frank J. Stork

**IOWA SCHOOL FOR THE DEAF
FY 2001 General Fund Budget Summary**

<p align="center">STRATEGIC PLANNING GOAL</p> <p>Goal #1 Quality Teaching, Pupil Personnel & Administrative Services \$7,135,887</p> <p>Goal #2 Strengthen and Expand Creative & Innovative Programming 303,800</p> <p>Goal #3 Maintain Facilities and Equipment to Provide a Safe, Healthy, Learning Environment 945,328</p> <p>Goal #4 Flexibility, Efficiency, Cooperation, & Accountability <u>350,574</u></p> <p>TOTAL \$8,735,589</p>	<p align="center">ALLOCATION OF NEW REVENUES AND REALLOCATIONS</p> <p>Compensation and Workers Comp. \$280,641</p> <p>Strategic Planning Initiatives Increases <u>206,862</u></p> <p>TOTAL \$487,503</p>																												
<p align="center">SOURCE OF REVENUE</p> <table border="0"> <thead> <tr> <th></th> <th align="right">Original <u>FY 2000</u></th> <th align="right">Revised <u>FY 2000</u></th> <th align="right">Preliminary <u>FY 2001</u></th> </tr> </thead> <tbody> <tr> <td>State Approp</td> <td align="right">\$7,976,998</td> <td align="right">\$7,936,367</td> <td align="right">\$8,178,008</td> </tr> <tr> <td>DOE Funds</td> <td align="right">119,411</td> <td align="right">124,956</td> <td align="right">191,956</td> </tr> <tr> <td>Federal Support</td> <td align="right">64,000</td> <td align="right">64,000</td> <td align="right">64,000</td> </tr> <tr> <td>Interest</td> <td align="right">38,000</td> <td align="right">53,000</td> <td align="right">53,000</td> </tr> <tr> <td>Sales & Service</td> <td align="right"><u>225,000</u></td> <td align="right"><u>248,625</u></td> <td align="right"><u>248,625</u></td> </tr> <tr> <td>TOTAL</td> <td align="right">\$8,423,409</td> <td align="right">\$8,426,948</td> <td align="right">\$8,735,589</td> </tr> </tbody> </table>		Original <u>FY 2000</u>	Revised <u>FY 2000</u>	Preliminary <u>FY 2001</u>	State Approp	\$7,976,998	\$7,936,367	\$8,178,008	DOE Funds	119,411	124,956	191,956	Federal Support	64,000	64,000	64,000	Interest	38,000	53,000	53,000	Sales & Service	<u>225,000</u>	<u>248,625</u>	<u>248,625</u>	TOTAL	\$8,423,409	\$8,426,948	\$8,735,589	<p align="center">MANDATORY COST INCREASES</p> <p>Compensation (Goal #1) \$236,835</p> <p>Workers Compensation <u>43,806</u></p> <p>TOTAL \$280,641</p>
	Original <u>FY 2000</u>	Revised <u>FY 2000</u>	Preliminary <u>FY 2001</u>																										
State Approp	\$7,976,998	\$7,936,367	\$8,178,008																										
DOE Funds	119,411	124,956	191,956																										
Federal Support	64,000	64,000	64,000																										
Interest	38,000	53,000	53,000																										
Sales & Service	<u>225,000</u>	<u>248,625</u>	<u>248,625</u>																										
TOTAL	\$8,423,409	\$8,426,948	\$8,735,589																										
<p align="center">NEW REVENUES AND REALLOCATIONS From Revised FY 2000 Budget</p> <p><u>New Revenue</u></p> <p>State Appropriations:</p> <table border="0"> <tr> <td>Salary Increase</td> <td align="right">\$169,835</td> </tr> <tr> <td>Partial Restoration</td> <td></td> </tr> <tr> <td>--FY 2000 Base Budget</td> <td align="right">28,000</td> </tr> <tr> <td>Workers Compensation</td> <td align="right"><u>43,806</u></td> </tr> <tr> <td>Total New State Approp.</td> <td align="right">241,641</td> </tr> </table> <p>Other State Appropriations:</p> <table border="0"> <tr> <td>Increase in DOE Phase III</td> <td align="right">67,000</td> </tr> <tr> <td>New Revenue</td> <td align="right">\$308,641</td> </tr> </table> <p><u>Internal Reallocations</u></p> <table border="0"> <tr> <td>Programmatic Reallocations</td> <td align="right"><u>\$178,862</u></td> </tr> <tr> <td>TOTAL</td> <td align="right">\$487,503</td> </tr> </table>	Salary Increase	\$169,835	Partial Restoration		--FY 2000 Base Budget	28,000	Workers Compensation	<u>43,806</u>	Total New State Approp.	241,641	Increase in DOE Phase III	67,000	New Revenue	\$308,641	Programmatic Reallocations	<u>\$178,862</u>	TOTAL	\$487,503	<p align="center">STRATEGIC PLANNING INITIATIVES INCREASES (Excluding Mandatory Cost Increases)</p> <p>Instructional/Student Support (Goal #1) \$154,362</p> <p>Curricula Development (Goal #2) 14,576</p> <p>Vocational Tech. Equipment (Goal #2) 30,924</p> <p>Deferred Maintenance (Goal #3) <u>7,000</u></p> <p>TOTAL \$206,862</p>										
Salary Increase	\$169,835																												
Partial Restoration																													
--FY 2000 Base Budget	28,000																												
Workers Compensation	<u>43,806</u>																												
Total New State Approp.	241,641																												
Increase in DOE Phase III	67,000																												
New Revenue	\$308,641																												
Programmatic Reallocations	<u>\$178,862</u>																												
TOTAL	\$487,503																												