

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: FY 2002 Detailed Budgets - Iowa School for the Deaf
Date: July 6, 2001

Recommended Action:

Approve the Iowa School for the Deaf FY 2002 general fund operating budget of \$8,569,353 and the restricted fund budget of \$1,511,798, for a total of \$10,081,151.

Executive Summary:

The Iowa School for the Deaf (ISD) FY 2002 detailed general fund operating budget and restricted fund budget are presented in accordance with the strategic plans of the Board and of the School. The general fund budget is consistent with the conceptual budget information presented in May and June.

The general fund operating budget of \$8.6 million is comprised of direct state appropriations of almost \$8.0 million and other revenues of \$0.6 million. The state appropriations reflect a 5.9% reduction (\$482,769) in base operating appropriations from FY 2001 and a state salary allocation of \$251,533 for increases in employee compensation. The net budget reduction from the revised FY 2001 budget is \$241,236.

Approximately 78% of the ISD FY 2001 budget was personnel costs. To address the budget reductions, four faculty and five staff positions were terminated and one vacancy due to retirement will not be filled. The School has reallocated \$274,485 (3.1% of the revised FY 2001 budget), of which \$189,149 will be used to meet compensation and unemployment costs. The staffing reductions will strain student/teacher ratios in the classroom and resident/staff ratios in the dormitories. The School will make every effort to minimize the effects on students.

The general fund operating budget is allocated by the School's strategic planning goals of quality teaching, pupil personnel and administrative services (\$7.1 million); strengthen and expand creative and innovative programming (\$300,071); maintain facilities and equipment to provide a safe, healthy, learning environment (\$824,865); and flexibility, efficiency, cooperation, and accountability (\$348,844).

The restricted fund budget of \$1.5 million primarily consists of capital appropriations and revenues from serving Nebraska students. The School expects two fewer Nebraska students in FY 2002. The Nebraska funds provide the resources for the additional faculty and staff for the Nebraska students as well as support operating costs.

Background:

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. The 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.

The general fund budget represents the fundamental operations of the School and is primarily funded from state appropriations. The restricted fund budget is designated for specific purposes, such as the education and services of Nebraska students and the capital projects.

The Board's budget process includes a series of budgetary presentations to the Board. In May and June, ISD presented its FY 2002 conceptual general fund operating budget, which demonstrated the likely impact that the 6% reduction in state appropriations would have on the School's strategic plan. The detailed FY 2002 general fund operating budget is consistent with the previous budget submissions. The FY 2002 general fund operating and restricted fund budgets are presented to the Board this month for approval.

The budgets are in line with the strategic plans of the Board and of the School and continue to support educational programs that enable ISD students to leave the School with optimal academic, vocational, interpersonal, and independent living skills. 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.

Analysis:

General Fund Operating Budget — \$8,569,353

The FY 2002 general fund operating budget for ISD includes direct state operating appropriations of \$7.9 million, state funding through the Iowa Department of Education of \$182,888 for the Educational Excellence and the School Technology programs, revenues from sales and services of \$322,693, federal support of \$64,000, and interest of \$53,000.

As illustrated on page 6, the School's FY 2002 budget decreased by \$241,236 from the FY 2001 appropriation. This decrease is the net amount of the base appropriation reduction of \$482,769; the state salary allocation of \$251,533 for partial compensation increases; and a reduction in other state funds of \$10,000.

ISD proposes to take 91% of the base appropriation reduction from salary lines. The School believes that it has exhausted other areas of its budget for reduction purposes. Four faculty and five professional and scientific and merit staff were terminated. One vacancy due to retirement will not be filled. Existing staff will be expected to perform the duties of these terminated positions. Four fewer faculty and two fewer residential counselor positions will strain student/teacher ratios in the classroom and resident/staff ratios in the dormitories.

Other budget actions include reductions in professional development opportunities for faculty and staff; cutback in the summer school program from four weeks to two weeks; and performance of only necessary and/or emergency repairs and maintenance. The School's building repairs expenditure budget will be cut by 44%, from \$449,994 to \$250,000.

The Lied Multipurpose Recreation Complex will be completed during FY 2002, which will add additional utility and maintenance costs. Other projects scheduled during the year include the continued reconstruction and replacement of utility delivery to the South Campus and the second phase of the water-utility distribution replacement project.

ISD proposes to implement the following salary policies for FY 2002, which will cost approximately \$410,682. The state allocation for compensation increases was \$251,533.

- The faculty salary matrix will increase steps by 3.0% 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 Counsel on Education of the Deaf (CED) Professional, CED Provisional, and extra-curricular activities.
- The Professional and Scientific Salary Matrix will be 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 3.0% effective July 1, 2001, according to the collective bargaining agreement. Eligible general service employees will be provided one step on the merit system matrices.
- Institutional officials salary increases will be based on merit.

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

Reallocations assist the School in achieving its primary mission and strategic planning objectives. ISD internal reallocations of \$274,485 represent 3.1% of the revised FY 2001 budget and are consistent with the Board's program for reallocations averaging 2% per year.

For FY 2002, the School proposes to reallocate funds from professional and scientific supplies, building repair/maintenance, equipment, staff development, and psychological services to meet basic operating needs as follows:

- \$159,149 for salary/benefit expenses;
- \$85,336 for utility expenses; and
- \$30,000 for unemployment expenses.

ISD states that its FY 2002 general fund operating budget will support the following high priorities identified in the School's strategic plan:

- 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 or siblings, and academic and vocational classes at the middle school and high school level;
- A parent/infant education program serving families on a year-round basis, which provides educational programs to infants and toddlers with hearing difficulties as well as their families 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 65 students within the elementary, middle school, and high school levels.

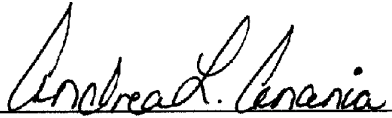
Restricted Fund Budget — \$1,511,798

The restricted fund budget of \$1.5 million is comprised of \$917,878 from Nebraska resources, \$435,000 from state capital appropriations, federal support of \$123,920, and interest of \$30,000. The budget reflects a decrease in Nebraska funding of \$86,266 due to two less Nebraska students during FY 2002, a decrease from 16 students to 14 students.

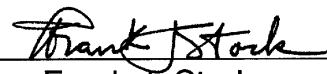
Restricted fund revenues will be used to:

- 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 two 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. The focus will be to replace piping internally on a building-by-building basis.

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, faculty and staff to focus on Individual Educational Program (IEP) outcomes for Nebraska students; 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.



Andrea L. Anania

Approved: 

Frank J. Stork

**IOWA SCHOOL FOR THE DEAF
FY 2002 General Fund Budget Summary**

STRATEGIC PLANNING GOAL				ALLOCATIONS OF NEW REVENUES AND REALLOCATIONS	
Goal #1	Quality Teaching, Pupil Personnel & Administrative Services		\$7,095,573		
Goal #2	Strengthen and Expand Creative & Innovative Programming		300,071	Compensation	\$251,533
Goal #3	Maintain Facilities/Equipment to Provide a Safe, Healthy, Learning Environment		824,865	Strategic Planning Initiatives	<u>(218,284)</u>
Goal #4	Flexibility, Efficiency, Cooperation, & Accountability		<u>348,844</u>	TOTAL	\$33,249
TOTAL			\$8,569,353		
SOURCE OF REVENUE				MANDATORY COST ADJUSTMENTS	
	Original <u>FY 2001</u>	Revised <u>FY 2001</u>	<u>FY 2002</u>		
State Approp.	\$8,178,008	\$8,178,008	\$7,946,772	Compensation (Goal #1)	\$251,533
DOE Funds	191,956	192,888	182,888		
Federal Support	64,000	64,000	64,000		
Interest	53,000	53,000	53,000		
Sales & Service	<u>248,625</u>	<u>322,693</u>	<u>322,693</u>		
TOTAL	\$8,735,589	\$8,810,589	\$8,569,353		
NEW REVENUES AND REALLOCATIONS From Revised FY 2001 Budget				STRATEGIC PLANNING INITIATIVES ADJUSTMENTS (Excluding Mandatory Cost Increases)	
<u>New Revenues</u>					
State Appropriations:					
	Base Reduction	(\$482,769)		Instructional/Student Support (Goal #1)	(\$166,649)
	Salary Increase	<u>251,533</u>		Strengthen Creative Programming (Goal #2)	(7,500)
		(\$231,236)		Maintain Facilities (Goal #3)	(36,635)
	School Technology Funds	<u>(10,000)</u>		Accountability (Goal #4)	<u>(7,500)</u>
	Total Change in Revenue		(\$241,236)	TOTAL	(\$218,284)
	Reallocations		<u>\$274,485</u>		
TOTAL			\$33,249		