

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Preliminary FY 2001 General Fund Operating Budget and Preliminary Restricted Fund Budget - Iowa School for the Deaf
Date: June 5, 2000

Recommended Actions:

1. Consider the preliminary FY 2001 general fund operating budget for the Iowa School for the Deaf in the amount of \$8,735,589.
2. Consider the preliminary FY 2001 restricted fund budget for the Iowa School for the Deaf in the amount of \$1,370,068.

Executive Summary:

The preliminary FY 2001 general fund operating budget and the restricted fund budget at the Iowa School for the Deaf (ISD) are presented in accordance with the Board's strategic plan. ISD will present its final FY 2001 operating and restricted fund budgets to the Board for approval in July.

The School's proposed general fund operating budget totals \$8.7 million. The FY 2001 state operating appropriations are \$12,631 less than the amounts originally appropriated to the School for FY 2000. In addition to the reduced base operating appropriations, the School will receive a salary appropriation allocation of \$169,835 (which is \$87,000 below the level of funding needed to implement the state salary policy of 4%, excluding health insurance) and \$43,806 for workers' compensation to reflect a change in state funding policy and distribution methodology, but does not represent new funding for the School.

The ISD preliminary FY 2001 general fund operating budget, including reallocations of \$178,862 (2.1% of the FY 2000 revised budget) reflects the School's commitment to the strategic plans of the Board and the institution. Internal reallocations address several priorities of the ISD strategic plan, the school improvement plan, and the instructional technology plan.

The FY 2001 preliminary restricted fund budget of \$1.4 million is \$3.8 million less than FY 2000 primarily due to a large decrease from the one-time FY 2000 capital appropriation of \$3.2 million for the new Regional Community Recreation Multipurpose Complex. Further capital details can be found in G.D. 10, FY 2001 Capital Improvement Plans.

Revenue generated from the State of Nebraska students attending ISD accounts for \$1 million of the restricted fund budget. This represents a decrease of \$188,277 from FY 2000 due to three less students expected to attend during FY 2001. Renewal of contracts with Nebraska are included in ISD B-4, Agreements with Nebraska Department of Education.

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.

The Board's budget process for the institutions incorporates strategic planning, reallocations, and state appropriations. The strategic planning goals for the 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

Development of ISD's preliminary general fund budget and restricted fund budget is based on the Board's and institution's strategic plans, the Board's FY 2001 appropriation request to the Governor and General Assembly, and actions of the General Assembly and the Governor.

Analysis:

Preliminary FY 2001 General Fund Operating Budget

The preliminary FY 2001 general fund operating budget for the Iowa School for the Deaf is \$8,735,589, a \$312,180 (3.7%) increase over the FY 2000 revised budget. This preliminary operating budget was developed using the School's strategic planning goals of providing quality teaching services; expanding creative programming; maintaining flexibility, efficiency, cooperation, and accountability; and maintaining facilities and equipment.

ISD's FY 2001 direct state operating appropriations total \$8,178,008. The FY 2001 state operating appropriations include: restoration to the FY 2000 base budget of \$28,000; salary bill allocation of \$169,835; and a workers' compensation allocation of \$43,806 (not a new allocation but rather a change in the state's distribution

method for the workers' compensation funds resulting in a direct appropriation to the school.)

The FY 2001 preliminary 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 Plan (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 with a cross-departmental multi-handicapped program component during the month of July, serving 75 Iowa students within the elementary, middle school, and high school levels.

The ISD preliminary 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 timers. 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, per the collective bargaining agreement. Eligible general service

employees will be provided one step on the new merit system matrices.

- Institutional officials (excluding the Superintendent) salary increases will be based on merit.

To compensate for the shortfall from state appropriations for state salary policy increases averaging 4%, 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. Duties associated with the proposed vacant faculty position will be reassigned to existing administrators; and
- Fill two positions vacated by retirements with comparable staff at lower salaries.

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 by: continuing to review vacant positions; considering reallocation of the resources; sharing between departments; or redirecting the focus of 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 use its FY 2001 internal reallocations as follows:

- \$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.

Preliminary FY 2001 Restricted Budget

The preliminary FY 2001 restricted fund budget for the Iowa School for the Deaf is \$1,370,068, a \$3,781,411 (73.4%) decrease from the FY 2000 budget.

<u>Revenues</u>	<u>Original FY 2000</u>	<u>Preliminary FY 2001</u>
State Appropriation	\$3,850,000	\$250,000
Federal Support	104,058	110,924
Sales & Service	<u>1,197,421</u>	<u>1,009,144</u>
TOTAL	\$5,151,479	\$1,370,068

The legislature appropriated \$3.2 million from the state's infrastructure fund in FY 2000 to help finance the construction of a new Regional Community Recreation Multipurpose Complex at ISD. The decrease in FY 2001 is primarily the result of the change from the one-time capital appropriation.

Revenue generated from Nebraska students attending ISD is estimated at \$1,004,144. A decrease in revenue of approximately \$188,277 is expected from the State of Nebraska due to three fewer students attending the Iowa School for the Deaf in FY 2001. The School proposes to use the Nebraska funds to:

- 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;
- 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; and
- 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 for supplies in the classroom, in the residential program, and for the staff.

Andrea L. Anania
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Approved: _____

Frank J. Stork

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

STRATEGIC PLANNING GOAL				ALLOCATION OF NEW REVENUES AND REALLOCATIONS	
Goal #1	Quality Teaching, Pupil Personnel & Administrative Services	\$7,135,887			
Goal #2	Strengthen and Expand Creative & Innovative Programming	303,800		Compensation and Workers Comp.	\$280,641
Goal #3	Maintain Facilities and Equipment to Provide a Safe, Healthy, Learning Environment	945,328		Strategic Planning Initiatives Increases	<u>206,862</u>
Goal #4	Flexibility, Efficiency, Cooperation, & Accountability	<u>350,574</u>		TOTAL	\$487,503
TOTAL		\$8,735,589			
SOURCE OF REVENUE				MANDATORY COST INCREASES	
	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	Compensation (Goal #1)	\$236,835
DOE Funds	119,411	124,956	191,956	Workers Compensation	<u>43,806</u>
Federal Support	64,000	64,000	64,000	TOTAL	\$280,641
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		
NEW REVENUES AND REALLOCATIONS				STRATEGIC PLANNING INITIATIVES INCREASES (Excluding Mandatory Cost Increases)	
<u>New Revenue</u>					
State Appropriations:					
	Salary Increase	\$169,835		Instructional/Student Support (Goal #1)	\$154,362
	Restoration-FY 00 Base Budget	28,000		Curricula Development (Goal #2)	14,576
	Workers Compensation	<u>43,806</u>		Vocational Tech. Equipment (Goal #2)	30,924
	Total New State Approp.	241,641		Deferred Maintenance (Goal #3)	<u>7,000</u>
Other Revenues:					
	Increase in DOE Phase III	67,000		TOTAL	\$206,862
	New Revenue		\$308,641		
<u>Internal Reallocations</u>					
	Programmatic Reallocations		<u>\$178,862</u>		
TOTAL			\$487,503		