

Capital Area Intermediate Unit

**General Operating Budget
for the 2017-18 Fiscal Year**

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General Operating Budget
For the 2017-18 Fiscal Year**

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Budget Review and Approval Schedule

December 7, 2016	Meeting with the Board Finance Committee to review budget assumptions and Draft Proposed Preliminary Budget.
December 9, 2016	Draft Proposed Preliminary Budget presented to Superintendents' Finance Committee.
December 14, 2016	Draft Proposed Preliminary Budget presented to Superintendents' Advisory Council.
Wk. of Dec. 19, 2016	Draft Proposed Preliminary Budget presented to Board Finance Committee. (If needed)
December 22, 2016	Proposed Preliminary Budget presented to CAIU Board of Directors as a first reading.
January 26, 2017	Final Budget presented to CAIU Board of Directors for approval.
January 27, 2017	Budget material distributed to each superintendent for delivery to district School Board members.
February - April 2017	Budget placed on school board meeting agendas for each school district and acted upon by school boards. Board vote reported back to CAIU by yay, nay, abstain, or absent.
By May 1, 2017	Final budget and summary of school district voting results submitted by CAIU to the Pennsylvania Department of Education.
May 2017	Pennsylvania Department of Education accepts final budget.

Executive Summary

Introduction

Unlike school districts that receive public funding primarily through property taxes and funding from the Commonwealth of Pennsylvania, the CAIU does not receive unrestricted state support. This source of funding was completely eliminated from the State budget in 2011-12. The CAIU therefore operates following a business model and provides a variety of services primarily to school districts and the Pennsylvania Department of Education (PDE).

The CAIU is continuing to experience a shift in its business model to operations based on fee for service and entrepreneurial activities. While certain traditional business segments of the CAIU have leveled off or declined, the CAIU is developing and exploring opportunities for services in the region and statewide.

The cost of the benefit package provided to employees, specifically the cost of healthcare coverage and the Pennsylvania School Employees Retirement System (PSERS), continues to be an area of significant concern.

Overall Budget

The General Operating budget for 2017-18 is \$5,831,756. This represents an increase of \$366,628 or 6.71% from the approved budget for 2016-17.

As was the case in the 2015-16 budget the CAIU is budgeting for technology upgrades to our conference rooms in the amount of \$100,000. These updates will increase the capabilities of video conferencing throughout the Enola facility. The current conference room equipment has exceeded its life expectancy and we are starting to encounter issues with some of the equipment. This is a one-time expense and will not be a recurring charge. The recurring charges will be related to maintenance costs and warranties on the new equipment.

The remaining increase is primarily due to increases related to salary and benefit costs. The PSERS line item alone increased over \$77,200.

The proposed 2017-18 budget does not include a transfer from the fund balance to balance the budget.

Budget Changes and Assumptions

Salary Increases

The budget for 2017-18 includes a 2.75% salary increase for administrative support employees and 2.5% salary increases for Act 93 employees. The cost of this increase to the General Operating budget is approximately \$78,000. The CAIU Act 93 agreement provides for an increase of the lower of the Act 1 index for 2017-18 (which has been set at 2.5%) or the median raise given by the districts in the CAIU service area. The budget includes a 2.5% raise for administrators; if the salary survey for our districts is less than 2.5%, the actual percentage will be used.

Benefit Increases

The CAIU is a member of the South Central Trust and shares risk with other members of the trust. The experience of the CAIU and the trust was better than prior years which results in a projected lower increase to health care costs than in the previous years. **We**

have budgeted our health care costs to increase by 5% for the 2017-18 year. This equates to a \$26,000 increase to the insurance costs of the budget. During the 2017-18 year the CAIU will be implementing a Qualified High Deductible Health Plan (QHDHP). Employees will be given the option of staying on the PPO or moving to the QHDHP. For budgetary purposes we made the conservative assumption that staff would stay on the PPO for the first year. If staff decides to move to the QHDHP there will be a budgetary savings recognized. The actual rate increase will not be known until rate establishment through the South Central Trust in April/May of 2017.

The largest increased benefit line item for the budget is for PSERS. According to www.psers.org, **the PSERS employer contribution rate is scheduled to be 32.57% for the 2017-18 year, an increase over the 2016-17 rate of 30.03%.** With the budgeted salary increases included above, the new PSERS rate will increase the General Operating by \$77,200.

Employee benefits make up approximately 26% of the budget.

Debt Service

The CAIU had two debts outstanding for a loan issued in 2007 and one issued in 2008. The CAIU refinanced these loans in 2013 and also issued new debt to complete a replacement of our HVAC system. The CAIU continues to make payments on this debt. We are scheduled for a principal payment of \$305,000 and about \$28,000 in interest payments. It is projected that the debt will be paid off in 2021.

School District Contribution to CAIU Operating Budget

Based on the Pennsylvania School Code, the 24 school districts of the CAIU contribute towards the General Operating budget based on a formula of Market Value Aid Ratio (MV AR) and Weighted Average Daily Membership (WADM). **The budget of \$902,460 for 2017-18 does not include an increase.** This represents 15.47% of the total revenue budget. For 2016-17, the total contribution was 16.5% of the total approved budget.

Indirect Cost Rate

The CAIU charges an indirect cost rate or administrative fee to programs, projects, and grants that it administers. The revenue generated is used to offset a portion of the costs related to the budgets for Instructional Materials, Curriculum, Administration, Business and Operations, Communications, Human Resources, Technology, and Debt Service. Certain projects have restrictions on allowances for indirect cost ranging from 0% up to 8.25% (as of 16-17). Indirect costs allowed for federal and state projects vary and are typically based on a formula derived from the state referred to as the restricted indirect cost rate.

The indirect cost rate being charged to entrepreneurial programs (including the special education program) is being reduced again from 8.25% to 8.0% in the 2017-18 year. The growth in the enterprise funds is continuing without having to increase the costs in the General Operating budget. The reduced indirect cost rate will be passed through on the rates that are established for the 2017-18 year. Although the reduction is small, the savings will help offset some of the increases to PSERS and health care costs. The indirect rate for enterprise funds was 9.5% in 2013-14; it has been reduced each year since.

Staffing and Operational Changes

There is a slight change in staffing for the 2017-18 year. The Assistant Executive Director was split between two programs in the prior year. This year 100% of her salary and associated costs will be charged to the General Operating Budget. This is an increase of .25 FTE's. The 2017-18 budget consisted of 42 staff members but only 36.75 full time equivalents. On a year to year basis job duties and responsibilities change which result in fluctuations of the full time equivalents. The difference between staff members and FTEs represents staff members that spend time working in multiple projects.

Code Changes

The 2017-18 general operating budget includes some significant accounting code changes between the functions and objects of the budget. The code changes were a requirement of PDE and implemented for the 2016-2017 Annual Financial Report. The 2017-18 budget reflect these changes from a budgetary point of view.

Fund Balance Analysis

As of June 30, 2016, the CAIU has a general fund balance of \$4,854,344. The unassigned portion of this fund balance is \$3,585,570. The assigned portion is detailed below. In addition to the \$1,125,000 of assigned fund balance, \$143,774 is non spendable for inventory and prepaid expenses. The budget for 2017-18 does not include a transfer from the fund balance. The fund balance activity for 2013-14 through 2015-16 is as follows:

<u>Actual Audited Activity</u>	
Fund Balance 6-30-13	3,336,565
2013-14 FY Net Activity	<u>509,948</u>
Fund Balance 6-30-14	3,846,513
2014-15 FY Net Activity	<u>844,712</u>
Fund Balance 6-30-15	4,691,225
2015-16 FY Net Activity	<u>163,119</u>
Fund Balance 6-30-16	\$4,854,344

The CAIU's board policy states that an unassigned fund balance ranging from 4% to 10% of General Fund Expenditures should be maintained for unforeseen financial circumstances and cash flow purposes. The targeted range is a minimum of \$1,503,169 (\$37,579,228 in General Fund Expenditures for 2015-16 x 4%) and a maximum of \$3,757,923 (\$37,579,228 in General Fund Expenditures for 2015-16 x 10%).

The following funds are assigned:

PSERS = \$325,000
Health Care = \$325,000
Facility upgrades = \$475,000
Total = \$1,125,000

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2017-18 Fiscal Year**

Total Revenue Budget

Revenue by Source	2015-16 Actual	Approved Budget 2016-17	Proposed Budget 2017-18	Increase/ (Decrease)	% of Budget 2017-18	Notes
<u>Local Sources</u>						
6510 Interest on Investments	2,561	3,800	2,800	(1,000)	0.05%	
6821 State Revenue received from other sources						
6910 Rentals	723,386	739,616	767,322	27,706	13.16%	CAIU Enola facility cost charge back.
6947 Receipts from Members of IU	902,460	902,460	902,460		15.47%	No increase from 16-17
6960 Services Provided to Other Local Government Units & LEA's	33,928	10,000	26,500	16,500	0.45%	
6970 Services Provided Other Funds	3,791,530	3,376,992	3,658,828	281,836	62.74%	Indirect charges
6990 Refunds & Other Misc. Revenue	17,584	15,500	16,000	500	0.27%	
6999 Fund Balance					0.00%	
Total Local Sources	5,471,449	5,048,368	5,373,910	325,542	92.15%	
<u>State Sources</u>						
7360 Safe Schools						
7810 State Social Security & Medicare Reimb.	79,774	84,614	87,087	2,473	1.49%	Partial reimbursement from State.
7820 State Retirement Reimbursement	271,342	332,146	370,759	38,613	6.36%	Partial reimbursement from State.
Total State Sources	351,116	416,760	457,846	41,086	7.85%	
Total Revenue	5,822,564	5,465,128	5,831,756	366,628	100.00%	
Increase/ (Decrease) from prior year				6.71%		

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2017-18 Fiscal Year**

Total Expense Budget

Expense Area/Line Item		2015-16 Actual	Approved Budget 2016-17	Proposed Budget 2017-18	Increase/ (Decrease)	% of Budget 2017-18	Notes	
Salaries (100)								
Official/Administrative	110	640,586	663,340	822,538	159,198		Detail for each department follows on pages 10-17	
Professional - Educational	120							
Professional - Other	130	44,150	45,206	83,290	38,084			
Technical	140	321,702	354,902	316,165	(38,737)			
Office/Clerical	150	895,830	895,363	796,973	(98,390)			
Crafts & Trades	160							
Operative	170							
Service Work & Laborer	180	243,789	253,264	257,701	4,437			
Instructional Assistant	190							
Total Salaries		2,146,057	2,212,075	2,276,667	64,592	39.04%		
Employee Benefits (200)								
Group Insurance	210	473,574	523,222	547,354	24,132			
FICA Contribution	220	158,505	169,224	174,166	4,942			
Retirement	230	542,687	664,287	741,510	77,223			
Tuition Reimbursement	240	4,560	17,640	18,948	1,308			
Unemployment Compensation	250	7,081						
Workmens Compensation	260	23,130	28,756	27,320	(1,436)			
Other Benefits	290							
Total Employee Benefits		1,209,537	1,403,129	1,509,298	106,169	25.88%		
Purchased Services (300)								
Official/Administrative	310							
Professional - Educational	320	40,426	41,200	43,850	2,650			
Other Professional	330	162,707	162,600	172,000	9,400			
Technical	340	147,485	168,200	192,410	24,210			
Security/Safety Services	350	9,228		10,000	10,000			
Other Professional/Technical	390	8,305	31,000	12,000	(19,000)			
Total Purchased Services		368,151	403,000	430,260	27,260	7.38%		
Purchased Property Services (400)								
Cleaning Services	410	35,922	8,675	41,410	32,735			
Utility Services	420	88,675	116,300	91,600	(24,700)			
Repairs & Maintenance	430	577,993	213,635	215,208	1,573			
Rentals	440	195,410	199,753	195,417	(4,336)			
Extermination Services	460	3,777	3,800	3,800				
Total Purchased Property Services		901,777	542,163	547,435	5,272	9.39%		
Other Purchased Services (500)								
Student Transport Services	510							
Insurance - General	520	116,449	125,000	125,000				
Communications	530	143,977	142,275	148,362	6,087			
Advertising	540	18,618	20,700	20,700				
Printing & Binding	550							
Tuition	560							
Food Services Management	570							
Travel	580	39,332	38,746	48,410	9,664			
Misc. Purchased Services	590	69						
Total Other Purchased Services		318,445	326,721	342,472	15,751	5.87%		
Supplies (600)								
General Supplies	610	137,743	105,185	125,903	20,718			
Energy	620	14,489	15,800	14,000	(1,800)			
Food	630	8,570	7,000	7,250	250			
Books & Periodicals	640	4,919	2,300	7,300	5,000			
Total Supplies		165,721	130,285	154,453	24,168	2.65%		
Property (700)								
Depreciation	740							
Equipment - Original & Additional	750	27,311	67,500	148,500	81,000			
Technology Infrastructure	788	21,855						
Total Property		49,166	67,500	148,500	81,000	2.55%		
Other (800)								
Dues & Fees	810	77,750	44,868	80,769	35,901			
Claims & Judgments	820							
Interest	830	77,837	35,387	29,702	(5,685)			
Total Other		155,587	80,255	110,471	30,216	1.89%		
Other Financing Uses (900)								
Redemption of Principal	910	295,000	300,000	312,200	12,200			
Fund Transfers	930	50,000						
Total Other Financing Uses		345,000	300,000	312,200	12,200	5.35%		
Total Expense		5,659,441	5,465,128	5,831,756	366,628	100.00%		
Increase/ (Decrease) from prior year					6.71%			

**Capital Area Intermediate Unit
Proposed General Operating Budget
2017-18 Summary by Function**

Budgeted Area	Total Budget	% of Total	School District Contribution	% of School District Contribution
Instructional Materials	103,732	1.78%	90,578	10.04%
Curriculum, Instruction, and Assessment	478,945	8.21%	344,683	38.19%
Administration	687,094	11.78%	467,199	51.77%
Business and Operations	1,608,561	27.58%		0.00%
Buildings and Grounds	913,933	15.67%		0.00%
Human Resources	642,581	11.02%		0.00%
Technology	1,063,608	18.24%		0.00%
Debt Service	333,302	5.72%		0.00%
Total Budget	5,831,756	100.00%	902,460	100.00%

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2017-18 Fiscal Year**

Instructional Materials and Services

Budget 2220	2015-16 Actual	Approved Budget 2016-17	Proposed Budget 2017-18	Increase/ (Decrease)	% of Budget 2017-18	Notes	
Revenue							
School District Contributions	6947	136,334	141,106	90,578	(50,528)	87.32%	10.04% of total S.D. contribution
Services Provided to Other LEA's	6960					0.00%	
Services Provided to Other Funds	6970		8,859		(8,859)	0.00%	
Miscellaneous Revenue	6990					0.00%	
State Social Security & Med. Reimb.	7810	3,688	3,894	2,502	(1,392)	2.41%	
State Retirement Reimbursement	7820	12,738	15,285	10,652	(4,633)	10.27%	
Total Revenue		152,760	169,144	103,732	(65,412)	100.00%	
Expense							
Salaries (100)							
Official/Administrative	110	63,482	65,026	65,408	382		.5 - Director of Technology
Professional - Educational	120						
Professional - Other	130						
Technical	140	35,907	36,769		(36,769)		
Office/Clerical	150						
Crafts & Trades	160						
Operative	170						
Service Work & Laborer	180						
Instructional Assistant	190						
Total Salaries		99,389	101,795	65,408	(36,387)	63.05%	.5 FTE
Employee Benefits (200)							
Group Insurance	210	11,339	11,893	4,961	(6,932)		
FICA Contribution	220	7,376	7,787	5,004	(2,783)	7.65%	
Retirement	230	25,476	30,569	21,303	(9,266)	32.57%	
Tuition Reimbursement	240		4,200		(4,200)		reimbursement of college tuition
Unemployment Compensation	250						
Workmens Compensation	260	1,173	1,323	785	(538)	1.20%	
Other Benefits	290						
Total Employee Benefits		45,364	55,772	32,053	(23,719)	30.90%	
Purchased Services (300)							
Official/Administrative	310						
Professional - Educational	320	305	2,000	1,000	(1,000)		workshops and conference registrations
Other Professional	330						
Technical	340	300		150	150		Computer Life Cycle Program
Security/Safety Services	350						
Other Professional/Technical	390						
Total Purchased Services		605	2,000	1,150	(850)	1.11%	
Purchased Property Services (400)							
Cleaning Services	410						
Utility Services	420						
Repairs & Maintenance	430						
Rentals	440	3,477	4,247	2,679	(1,568)		CAIU Enola facility charge
Extermination Services	460						
Total Purchased Property Services		3,477	4,247	2,679	(1,568)	2.58%	
Other Purchased Services (500)							
Student Transport Services	510						
Insurance - General	520						
Communications	530	1,000	960	480	(480)		cell phone reimbursement, data cards
Advertising	540						
Printing & Binding	550						
Tuition	560						
Food Services Management	570						
Travel	580	1,434	2,770	1,100	(1,670)		meals, lodging, mileage
Misc. Purchased Services	590						
Total Other Purchased Services		2,434	3,730	1,580	(2,150)	1.52%	
Supplies (600)							
General Supplies	610	130	1,000	200	(800)		office supplies
Energy	620						
Food	630						
Books & Periodicals	640		300	300			
Total Supplies		130	1,300	500	(800)	0.48%	
Property (700)							
Depreciation	740						
Equipment - Original & Additional	750						
Technology Infrastructure	788						
Total Property						0.00%	
Other (800)							
Dues & Fees	810	1,361	300	362	62		
Claims & Judgments	820						
Interest	830						
Total Other		1,361	300	362	62	0.35%	
Other Financing Uses (900)							
Redemption of Principal	910						
Fund Transfers	930						
Total Other Financing Uses						0.00%	
Total Expense		152,760	169,144	103,732	(65,412)	100.00%	
Increase/ (Decrease) from prior year					-38.67%		
Net Revenue/Expense							

Program Description - The IMS team provides, coordination of the Technology Advisory Council, and information and support to districts. The team provides training and support for the integration of technology with curriculum.

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2017-18 Fiscal Year**

Curriculum, Instruction, and Assessment

		2015-16	Approved	Proposed	Increase/	% of	
		Actual	Budget	Budget	(Decrease)	Budget	Notes
			2016-17	2017-18		2017-18	
Budget 2260							
Revenue							
School District Contributions	6947	295,824	290,508	344,683	54,175	71.97%	38.19% of total S.D. contribution
Services Provided to Other LEA's	6960					0.00%	
Services Provided to Other Funds	6970	43,246	60,506	82,005	21,499	17.12%	
Miscellaneous Revenue	6990					0.00%	
State Social Security & Med. Reimb.	7810	8,016	8,407	9,940	1,533	2.08%	
State Retirement Reimbursement	7820	27,520	33,001	42,317	9,316	8.84%	
Total Revenue		374,606	392,422	478,945	86,523	100.00%	
Expense							
Salaries (100)							
Official/Administrative	110	125,367	128,376	130,815	2,439		1.0 Director of Curriculum Services
Professional - Educational	120						
Professional - Other	130	44,150	45,206	83,290	38,084		.90 Curriculum Specialists
Technical	140						
Office/Clerical	150	45,078	46,202	45,749	(453)		1.0 Administrative Assistant
Crafts & Trades	160						
Operative	170						
Service Work & Laborer	180						
Instructional Assistant	190						
Total Salaries		214,595	219,784	259,854	40,070	54.26%	2.90 FTE's
Employee Benefits (200)							
Group Insurance	210	39,795	41,751	52,441	10,690		
FICA Contribution	220	16,032	16,813	19,879	3,066	7.65%	
Retirement	230	55,039	66,001	84,634	18,633	32.57%	
Tuition Reimbursement	240	1,932	2,520	4,908	2,388		reimbursement of college tuition
Unemployment Compensation	250						
Workmens Compensation	260	2,532	2,857	3,118	261	1.20%	
Other Benefits	290						
Total Employee Benefits		115,330	129,942	164,980	35,038	34.45%	
Purchased Services (300)							
Official/Administrative	310						
Professional - Educational	320	9,364	10,000	11,000	1,000		workshops and conference registrations
Other Professional	330						
Technical	340	720		870	870		Computer Life Cycle Program
Security/Safety Services	350						
Other Professional/Technical	390	700					
Total Purchased Services		10,784	10,000	11,870	1,870	2.48%	
Purchased Property Services (400)							
Cleaning Services	410						
Utility Services	420						
Repairs & Maintenance	430	4,297	3,374	4,500	1,126		maintenance and overage charges on copiers
Rentals	440	10,342	11,083	12,798	1,715		copier lease & CAIU Enola facility charge
Extermination Services	460						
Total Purchased Property Services		14,639	14,457	17,298	2,841	3.61%	
Other Purchased Services (500)							
Student Transport Services	510						
Insurance - General	520						
Communications	530			240	240		data cards
Advertising	540						
Printing & Binding	550						
Tuition	560						
Food Services Management	570						
Travel	580	15,517	10,046	16,980	6,934		meals, lodging, mileage
Misc. Purchased Services	590						
Total Other Purchased Services		15,517	10,046	17,220	7,174	3.60%	
Supplies (600)							
General Supplies	610	933	4,720	4,150	(570)		office supplies
Energy	620						
Food	630	16		100	100		
Books & Periodicals	640	263	400	400			
Total Supplies		1,212	5,120	4,650	(470)	0.97%	
Property (700)							
Depreciation	740						
Equipment - Original & Additional	750						
Technology Infrastructure	788						
Total Property						0.00%	
Other (800)							
Dues & Fees	810	2,529	3,073	3,073			dues & fees associated with curriculum related memberships
Claims & Judgments	820						
Interest	830						
Total Other		2,529	3,073	3,073		0.64%	
Other Financing Uses (900)							
Redemption of Principal	910						
Fund Transfers	930						
Total Other Financing Uses						0.00%	
Total Expense		374,606	392,422	478,945	86,523	100.00%	
Increase/ (Decrease) from prior year						22.05%	
Net Revenue/Expense		-	-	-	-		

Program Description – The Curriculum Services team provides leadership and support to the school districts in our region. Areas of focus include Curriculum, Instruction, Assessment, Online Learning, Instructional Technology, English as a Second Language (ESL), Comprehensive Planning, Gifted Support, Instructional Coaching, and Training/Consultation related to students with special needs. The team provides a wide array of Professional Development and Consultation services designed to help our districts meet the needs of all learners. The team also provides supports specifically related to PDE initiatives and mandates such as PSSA & PASA assessments, Keystone Exams, PVAAS Reporting, School Performance Profiles, and School Improvement Planning.

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2017-18 Fiscal Year**

Administration

Budget 2300		2015-16 Actual	Approved Budget 2016-17	Proposed Budget 2017-18	Increase/ (Decrease)	% of Budget 2017-18	Notes
Revenue							
State Revenue received from other sources	6821					0.00%	
School District Contributions	6947	470,302	470,846	467,199	(3,647)	68.00%	51.77% of total S.D. contribution
Services Provided to Other LEA's	6960	5,342	5,000	5,000		0.73%	Superintendent of Record for CPAVTS & DCTS
Services Provided to Other Funds	6970	101,356	78,467	139,878	61,411	20.36%	
Miscellaneous Revenue	6990					0.00%	
Safe Schools	7360						
State Social Security & Med. Reimb.	7810	10,259	12,741	14,269	1,528	2.08%	
State Retirement Reimbursement	7820	39,616	50,015	60,748	10,733	8.84%	
Total Revenue		626,874	617,069	687,094	70,025	100.00%	
Expense							
Salaries (100)							
Official/Administrative	110	261,291	276,536	314,910	38,374		1.0 Executive Director and 1.0 Assistant Executive Director
Professional - Educational	120						
Professional - Other	130						
Technical	140						
Office/Clerical	150	55,237	56,562	58,117	1,555		1.0 Administrative Assistant
Crafts & Trades	160						
Operative	170						
Service Work & Laborer	180						
Instructional Assistant	190						
Total Salaries		316,528	333,098	373,027	39,929	54.29%	3 FTE's
Employee Benefits (200)							
Group Insurance	210	57,986	58,751	58,307	(444)		
FICA Contribution	220	20,517	25,482	28,537	3,055	7.65%	
Retirement	230	79,232	100,029	121,495	21,466	32.57%	
Tuition Reimbursement	240						
Unemployment Compensation	250						
Workmens Compensation	260	3,735	4,330	4,476	146	1.20%	
Other Benefits	290						
Total Employee Benefits		161,470	188,592	212,815	24,223	30.97%	
Purchased Services (300)							
Official/Administrative	310						
Professional - Educational	320	14,266	16,000	16,000			workshops and conference registrations
Other Professional	330		1,500	1,500			PSBA Policy Review
Technical	340	825		900	900		Computer Life Cycle Program
Security/Safety Services	350						
Other Professional/Technical	390	1,561		2,000	2,000		
Total Purchased Services		16,652	17,500	20,400	2,900	2.97%	
Purchased Property Services (400)							
Cleaning Services	410						
Utility Services	420						
Repairs & Maintenance	430	4,659	5,571	5,571			maintenance and overage charges on copiers
Rentals	440	34,475	33,283	29,357	(3,926)		copier lease & CAIU Enola facility charge
Extermination Services	460						
Total Purchased Property Services		39,134	38,854	34,928	(3,926)	5.08%	
Other Purchased Services (500)							
Student Transport Services	510						
Insurance - General	520						
Communications	530			480	480		Data cards
Advertising	540	126	200	200			CAIU Board meeting notices
Printing & Binding	550						
Tuition	560						
Food Services Management	570						
Travel	580	15,642	15,000	17,000	2,000		meals, lodging, mileage
Misc. Purchased Services	590	69					
Total Other Purchased Services		15,837	15,200	17,680	2,480	2.57%	
Supplies (600)							
General Supplies	610	5,822	5,825	5,000	(825)		office supplies
Energy	620						
Food	630	5,184	2,500	2,500			board & other meetings
Books & Periodicals	640	1,255	500	1,500	1,000		PA School Code, PA education directories & Education Week
Total Supplies		12,261	8,825	9,000	175	1.31%	
Property (700)							
Depreciation	740						
Equipment - Original & Additional	750						
Technology Infrastructure	788						
Total Property						0.00%	
Other (800)							
Dues & Fees	810	14,992	15,000	19,244	4,244		professional memberships
Claims & Judgments	820						
Interest	830						
Total Other		14,992	15,000	19,244	4,244	2.80%	
Other Financing Uses (900)							
Redemption of Principal	910						
Fund Transfers	930	50,000					
Total Other Financing Uses		50,000				0.00%	
Total Expense		626,874	617,069	687,094	70,025	100.00%	
Increase/ (Decrease) from prior year					11.35%		
Net Revenue/Expense		-	-	-	-		

Program Description - The administration team is primarily concerned with establishing and administering policy. The team directs and manages the operations of the CAIU and coordinates the meetings and activities of the Board. Administration also coordinates monthly Superintendents Advisory Council meetings, new superintendents induction, legislative liaison, school district consultation, Superintendents leadership conferences, participation in the PAIU, and CAIU safety program.

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2017-18 Fiscal Year**

Business and Operations

Budget 2500		2015-16 Actual	Approved Budget 2016-17	Proposed Budget 2017-18	Increase/ (Decrease)	% of Budget 2017-18	Notes
Revenue							
Interest on Investments	6510	2,561	3,800	2,800	(1,000)	0.17%	
Services Provided to LEA's	6960	17,412		16,500	16,500	1.03%	
Services Provided to Other Funds	6970	1,444,152	1,327,456	1,463,036	135,580	90.95%	
Miscellaneous Revenue	6990	4,650	3,000	3,500	500	0.22%	
State Social Security & Med. Reimb.	7810	19,852	19,319	23,344	4,025	1.45%	
State Retirement Reimbursement	7820	64,349	75,835	99,381	23,546	6.18%	
Total Revenue		<u>1,552,976</u>	<u>1,429,410</u>	<u>1,608,561</u>	<u>179,151</u>	<u>100.00%</u>	
Expense							
Salaries (100)							
Official/Administrative	110			115,182	115,182		1.0 Business Manager
Professional - Educational	120						
Professional - Other	130						
Technical	140						
Office/Clerical	150	505,240	505,057	415,396	(89,661)		3.0 Accountants, 3.0 Clerks, 1.0 Mail Room, .95 Business Assistant, 1.0 Enola Receptionist
Crafts & Trades	160						
Operative	170						
Service Work & Laborer	180			79,676	79,676		2.0 Warehouseman
Instructional Assistant	190						
Total Salaries		<u>505,240</u>	<u>505,057</u>	<u>610,254</u>	<u>105,197</u>	<u>37.94%</u>	11.95 FTE's
Employee Benefits (200)							
Group Insurance	210	120,651	129,497	174,855	45,358		
FICA Contribution	220	38,662	38,637	46,684	8,047	7.65%	
Retirement	230	128,702	151,669	198,760	47,091	32.57%	
Tuition Reimbursement	240	2,628	10,920	9,828	(1,092)		reimbursement of college tuition
Unemployment Compensation	250	7,081					
Workmens Compensation	260	3,769	6,566	7,323	757	1.20%	
Other Benefits	290						
Total Employee Benefits		<u>301,493</u>	<u>337,289</u>	<u>437,450</u>	<u>100,161</u>	<u>27.20%</u>	
Purchased Services (300)							
Official/Administrative	310						
Professional - Educational	320	3,002	3,000	2,550	(450)		workshops and conference registrations
Other Professional	330	153,845	154,600	152,600	(2,000)		attorney, year end audit & GASB45 Valuation,
Technical	340	53,255	71,500	84,785	13,285		accounting software, imaging services, PAIU
Security/Safety Services	350						
Other Professional/Technical	390						
Total Purchased Services		<u>210,102</u>	<u>229,100</u>	<u>239,935</u>	<u>10,835</u>	<u>14.92%</u>	
Purchased Property Services (400)							
Cleaning Services	410						
Utility Services	420						
Repairs & Maintenance	430	12,899	20,000	16,757	(3,243)		maint. agreements on copiers, vehicle maintenance
Rentals	440	61,142	58,414	64,151	5,737		copier and fax machine rentals/Enola facility charge
Extermination Services	460						
Total Purchased Property Services		<u>74,041</u>	<u>78,414</u>	<u>80,908</u>	<u>2,494</u>	<u>5.03%</u>	
Other Purchased Services (500)							
Student Transport Services	510						
Insurance - General	520	116,449	125,000	43,000	(82,000)		insurance for CAIU operations and activities
Communications	530	110,793	114,920	122,904	7,984		postage for IU, local & long distance phone service
Advertising	540		500	500			advertising and bid purchases
Printing & Binding	550						
Tuition	560						
Food Services Management	570						
Travel	580	1,875	2,100	2,100			meals, lodging and mileage
Misc. Purchased Services	590						
Total Other Purchased Services		<u>229,117</u>	<u>242,520</u>	<u>168,504</u>	<u>(74,016)</u>	<u>10.48%</u>	
Supplies (600)							
General Supplies	610	14,082	13,775	17,725	3,950		supplies
Energy	620						
Food	630						
Books & Periodicals	640	50	350	350			
Total Supplies		<u>14,132</u>	<u>14,125</u>	<u>18,075</u>	<u>3,950</u>	<u>1.12%</u>	
Property (700)							
Depreciation	740						
Equipment - Original & Additional	750		2,500	2,500			scanner and check folder
Technology Infrastructure	788						
Total Property		<u>-</u>	<u>2,500</u>	<u>2,500</u>		<u>0.16%</u>	
Other (800)							
Dues & Fees	810	55,728	20,405	50,935	30,530		PASBO, Purchasing Groups, Bank Fees
Claims & Judgments	820						
Interest	830						
Total Other		<u>55,728</u>	<u>20,405</u>	<u>50,935</u>	<u>30,530</u>	<u>3.17%</u>	
Other Financing Uses (900)							
Redemption of Principal	910						
Fund Transfers	930						
Total Other Financing Uses						<u>0.00%</u>	
Total Expense		<u>1,389,853</u>	<u>1,429,410</u>	<u>1,608,561</u>	<u>179,151</u>	<u>100.00%</u>	
Increase/ (Decrease) from prior year					12.53%		
Net Revenue/Expense		<u>163,123</u>	<u>-</u>	<u>-</u>	<u>-</u>		

Program Description - The business and operations team manages the fiscal activities and general operations of the organization. The activities include general ledger accounting, financial reporting, budget development, financial analysis, accounts payable, accounts receivable, cash management, warehouse, project management, mail room, and receptionist.

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2017-18 Fiscal Year**

Buildings and Grounds

Budget 2600	2015-16 Actual	Approved Budget 2016-17	Proposed Budget 2017-18	Increase/ (Decrease)	% of Budget 2017-18	Notes
Revenue						
Rentals	6910	723,386	739,616	767,322	27,706	83.96% CAIU Enola facility charge
Services Provided Other Funds	6970	402,690		100,000	100,000	10.94%
Miscellaneous Revenue	6990					0.00%
Assigned Fund Balance	6999					0.00%
State Social Security & Med. Reimb.	7810	9,652	10,688	8,866	(1,822)	0.97%
State Retirement Reimbursement	7820	32,392	41,955	37,745	(4,210)	4.13%
Total Revenue		1,168,120	792,259	913,933	121,674	100.00%
Expense						
Salaries (100)						
Official/Administrative	110					
Professional - Educational	120					
Professional - Other	130					
Technical	140					
Office/Clerical	150	8,514	26,155	53,749	27,594	.6 Supervisor of Operations & Transportation
Crafts & Trades	160					
Operative	170					
Service Work & Laborer	180	243,789	253,264	178,025	(75,239)	2.0 Maintenance Positions, 3.0 Custodial Staff
Instructional Assistant	190					
Total Salaries		252,303	279,419	231,774	(47,645)	25.36% 5.60 FTE's
Employee Benefits (200)						
Group Insurance	210	87,374	95,307	66,890	(28,417)	
FICA Contribution	220	19,304	21,376	17,731	(3,645)	7.65%
Retirement	230	64,783	83,910	75,489	(8,421)	32.57%
Tuition Reimbursement	240					
Unemployment Compensation	250					
Workmens Compensation	260	2,977	3,632	2,781	(851)	1.20%
Other Benefits	290					
Total Employee Benefits		174,438	204,225	162,891	(41,334)	17.82%
Purchased Services (300)						
Official/Administrative	310					
Professional - Educational	320	1,000	200	300	100	
Other Professional	330	1,401	5,000	1,400	(3,600)	
Technical	340	930		180	180	
Security/Safety Services	350	9,228		10,000	10,000	Security services
Other Professional/Technical	390					
Total Purchased Services		12,559	5,200	11,880	6,680	1.30%
Purchased Property Services (400)						
Cleaning Services	410	35,922	8,675	41,410	32,735	trash removal, recycling, and snow removal
Utility Services	420	88,675	116,300	91,600	(24,700)	sewer, water, and electric
						*annual maintenance projects, security, landscaping, vehicle maint., & allowance for other repairs.
Repairs & Maintenance	430	524,098	131,380	128,380	(3,000)	
Rentals	440					
Extermination Services	460	3,777	3,800	3,800		termite and Pest Control Services
Total Purchased Property Services		652,472	260,155	265,190	5,035	29.02%
Other Purchased Services (500)						
Student Transport Services	510					
Insurance - General	520			82,000	82,000	Auto Liability Insurance/General Property/Liability Insurance
Communications	530	742	725	888	163	night custodian cell phone cost
Advertising	540					advertising and bid purchases
Printing & Binding	550					
Tuition	560					
Food Services Management	570					
Travel	580	2,327		2,400	2,400	vehicle gas
Misc. Purchased Services	590					
Total Other Purchased Services		3,069	725	85,288	84,563	9.33%
Supplies (600)						
General Supplies	610	58,404	26,590	27,950	1,360	misc. maintenance supplies, cleaning supplies and facility supplies, contract for power backup
Energy	620	14,489	15,800	14,000	(1,800)	natural gas and diesel fuel for generator
Food	630	110		150	150	
Books & Periodicals	640					
Total Supplies		73,003	42,390	42,100	(290)	4.61%
Property (700)						
Depreciation	740					
Equipment - Original & Additional	750			106,000	106,000	Lawnmower purchase, Conference Room Upgrades
Technology Infrastructure	788					
Total Property				106,000	106,000	11.60%
Other (800)						
Dues & Fees	810	276	145	210	65	pesticides license
Claims & Judgments	820					
Interest	830			1,400	1,400	Van interest payment
Total Other		276	145	1,610	1,465	0.18%
Other Financing Uses (900)						
Redemption of Principal	910			7,200	7,200	Van principal payment
Fund Transfers	930					
Total Other Financing Uses				7,200	7,200	0.79%
Total Expense		1,168,120	792,259	913,933	121,674	100.00%
Increase/ (Decrease) from prior year						15.36%
Net Revenue/Expense		-	-	-	-	

* Repairs & Maintenance 430 detail - annual R&M see page 20

Program Description - The buildings and grounds department is responsible for keeping the Enola facility and other CAIU facilities clean and ready for daily use. It includes operating the heating, lighting and ventilating systems and repair and replacement of facilities and equipment. The department maintains the Enola grounds and its improvements through landscaping and snow removal.

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2017-18 Fiscal Year**

Human Resources

		2015-16	Approved	Proposed	Increase/	% of	
Budget 2830		Actual	Budget	Budget	(Decrease)	Budget	Notes
Revenue			2016-17	2017-18		2017-18	
State Revenue received from other sources	6947					0.00%	
School District Contributions	6947					0.00%	
Services Provided to LEA's	6960	11,174	5,000	5,000		0.78%	
Services Provided Other Funds	6970	589,027	615,391	562,275	(53,116)	87.50%	
Miscellaneous Revenue	6990	12,934	12,500	12,500		1.95%	
State Social Security & Med. Reimb.	7810	13,735	13,264	11,946	(1,318)	1.86%	
State Retirement Reimbursement	7820	45,242	52,065	50,860	(1,205)	7.91%	
Total Revenue		672,112	698,220	642,581	(55,639)	100.00%	
Expense							
Salaries (100)							
Official/Administrative	110	126,964	128,376	130,815	2,439		1.0 Director of Organizational Services
Professional - Educational	120						
Professional - Other	130						
Technical	140						
Office/Clerical	150	239,932	218,376	181,491	(36,885)		4.0 Human Resource Staff
Crafts & Trades	160						
Operative	170						
Service Work & Laborer	180						
Instructional Assistant	190						
Total Salaries		366,896	346,752	312,306	(34,446)	48.60%	5.00 FTE's
Employee Benefits (200)							
Group Insurance	210	71,984	87,534	79,497	(8,037)		
FICA Contribution	220	27,470	26,527	23,891	(2,636)	7.65%	
Retirement	230	90,484	104,130	101,718	(2,412)	32.57%	
Tuition Reimbursement	240			4,212	4,212		reimbursement of college tuition
Unemployment Compensation	250						
Workmens Compensation	260	4,329	4,508	3,748	(760)	1.20%	
Other Benefits	290						
Total Employee Benefits		194,267	222,699	213,066	(9,633)	33.16%	
Purchased Services (300)							
Official/Administrative	310						
Professional - Educational	320	2,636	3,500	3,000	(500)		workshops and conference registrations
Other Professional	330	7,461	500	15,500	15,000		School Claims Services and EAP Services
Technical	340	1,800	6,200	1,500	(4,700)		
Security/Safety Services	350						
Other Professional/Technical	390	6,044	31,000	10,000	(21,000)		Communication Contractor
Total Purchased Services		17,941	41,200	30,000	(11,200)	4.67%	
Purchased Property Services (400)							
Cleaning Services	410						
Utility Services	420						
Repairs & Maintenance	430	2,990	3,000	3,000			
Rentals	440	46,851	48,144	41,384	(6,760)		maint. agreements on copiers and photo ID machine copier and fax machine rentals, Enola facility charge
Extermination Services	460						
Total Purchased Property Services		49,841	51,144	44,384	(6,760)	6.91%	
Other Purchased Services (500)							
Student Transport Services	510						
Insurance - General	520						
Communications	530						
Advertising	540	18,492	20,000	20,000			job advertisements
Printing & Binding	550						
Tuition	560						
Food Services Management	570						
Travel	580	510	1,680	1,680			meals, lodging and mileage
Misc. Purchased Services	590						
Total Other Purchased Services		19,002	21,680	21,680		3.37%	
Supplies (600)							
General Supplies	610	9,221	5,800	8,200	2,400		supplies
Energy	620						
Food	630	3,260	4,500	4,500			
Books & Periodicals	640	3,317	750	4,750	4,000		Thompson West, PSBA School Law Book
Total Supplies		15,798	11,050	17,450	6,400	2.72%	
Property (700)							
Depreciation	740						
Equipment - Original & Additional	750	7,162					
Technology Infrastructure	788						
Total Property		7,162				0.00%	
Other (800)							
Dues & Fees	810	1,205	3,695	3,695			professional memberships
Claims & Judgments	820						
Interest	830						
Total Other		1,205	3,695	3,695		0.58%	
Other Financing Uses (900)							
Redemption of Principal	910						
Fund Transfers	930						
Total Other Financing Uses						0.00%	
Total Expense		672,112	698,220	642,581	(55,639)	100.00%	
Increase/ (Decrease) from prior year					-7.97%		
Net Revenue/Expense		-	-	-	-		

HR - Program Description - The Human Resources Team recruits and on-boards staff; administers the collective bargaining agreement and maintains labor relations; conducts surveys; coordinates district human resources advisory meetings and provide districts with updates on human resource issues; administers benefits; maintains job descriptions; and provides certification and human resource consultation.

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2017-18 Fiscal Year**

Technology

Budget 2840	2015-16 Actual	Approved Budget 2016-17	Proposed Budget 2017-18	Increase/ (Decrease)	% of Budget 2017-18	Notes
Revenue						
Services Provided to LEA's	6960				0.00%	
Services Provided Other Funds	6970	838,222	950,926	978,332	27,406	91.98%
Miscellaneous Revenue	6990				0.00%	
State Social Security & Med. Reimb.	7810	14,572	16,301	16,220	(81)	1.52%
State Retirement Reimbursement	7820	49,486	63,990	69,056	5,066	6.49%
Total Revenue	902,279	1,031,217	1,063,608	32,391	100.00%	
Expense						
Salaries (100)						
Official/Administrative	110	63,482	65,026	65,408	382	.5 Director of Technology
Professional - Educational	120					
Professional - Other	130					
Technical	140	285,795	318,133	316,165	(1,968)	2.00 Network Administrators, .25 Data Communications, 4.0 Technology Support Coordinators
Office/Clerical	150	41,829	43,011	42,471	(540)	1.0 Administrative Assistant
Crafts & Trades	160					
Operative	170					
Service Work & Laborer	180					
Instructional Assistant	190					
Total Salaries	391,106	426,170	424,044	(2,126)	39.87%	7.75 FTE's
Employee Benefits (200)						
Group Insurance	210	84,445	98,489	110,403	11,914	
FICA Contribution	220	29,144	32,602	32,440	(162)	7.65%
Retirement	230	98,971	127,979	138,111	10,132	32.57%
Tuition Reimbursement	240					reimbursement of college tuition
Unemployment Compensation	250					
Workmens Compensation	260	4,615	5,540	5,089	(451)	1.20%
Other Benefits	290					
Total Employee Benefits	217,175	264,610	286,043	21,433	26.89%	
Purchased Services (300)						
Official/Administrative	310					
Professional - Educational	320	9,853	6,500	10,000	3,500	workshops and conference registrations
Other Professional	330		1,000	1,000		
Technical	340	89,655	90,500	104,025	13,525	Application Dev Support, back up services
Security/Safety Services	350					
Other Professional/Technical	390					
Total Purchased Services	99,508	98,000	115,025	17,025	10.81%	
Purchased Property Services (400)						
Cleaning Services	410					
Utility Services	420					
Repairs & Maintenance	430	29,050	50,310	57,000	6,690	maintenance agreement on copiers, Smartnet warranty, routers, switches
Rentals	440	39,123	44,582	45,048	466	copier lease & CAIU Enola facility charge
Extermination Services	460					
Total Purchased Property Services	68,173	94,892	102,048	7,156	9.59%	
Other Purchased Services (500)						
Student Transport Services	510					
Insurance - General	520					
Communications	530	31,442	25,670	23,370	(2,300)	cell phone reimbursement, data cards & internet connection for CAIU
Advertising	540					
Printing & Binding	550					
Tuition	560					
Food Services Management	570					
Travel	580	2,027	7,150	7,150		meals, lodging, mileage
Misc. Purchased Services	590					
Total Other Purchased Services	33,469	32,820	30,520	(2,300)	2.87%	
Supplies (600)						
General Supplies	610	49,151	47,475	62,678	15,203	software, licenses, office supplies and computers
Energy	620					
Food	630					
Books & Periodicals	640	34				
Total Supplies	49,185	47,475	62,678	15,203	5.89%	
Property (700)						
Depreciation	740					
Equipment - Original & Additional	750	20,149	65,000	40,000	(25,000)	servers, routers, switches
Technology Infrastructure	788	21,855				
Total Property	42,004	65,000	40,000	(25,000)	3.76%	
Other (800)						
Dues & Fees	810	1,659	2,250	3,250	1,000	dues & fees associated with Technology related memberships
Claims & Judgments	820					
Interest	830					
Total Other	1,659	2,250	3,250	1,000	0.31%	
Other Financing Uses (900)						
Redemption of Principal	910					
Fund Transfers	930					
Total Other Financing Uses					0.00%	
Total Expense	902,279	1,031,217	1,063,608	32,391	100.00%	
Increase/ (Decrease) from prior year				3,14%		
Net Revenue/Expense	-	-	-	-		

Program Description - The Technology Services team provides internal technology networks, systems, and application support for the operation of the CAIU.

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2017-18 Fiscal Year**

Debt Service

Budget 5100		2015-16	Approved	Proposed		% of	
		Actual	Budget	Budget	Increase/	Budget	Notes
			2016-17	2017-18	(Decrease)	2017-18	
Revenue							
Services Provided to Other Funds	6970	372,837	335,387	333,302	(2,085)	100.00%	
Total Revenue		<u>372,837</u>	<u>335,387</u>	<u>333,302</u>	<u>(2,085)</u>	<u>100.00%</u>	
Expense							
Salaries (100)							
Official/Administrative	110						
Professional - Educational	120						
Professional - Other	130						
Technical	140						
Office/Clerical	150						
Crafts & Trades	160						
Operative	170						
Service Work & Laborer	180						
Instructional Assistant	190						
Total Salaries						0.00%	
Employee Benefits (200)							
Group Insurance	210						
FICA Contribution	220						
Retirement	230						
Tuition Reimbursement	240						
Unemployment Compensation	250						
Workmens Compensation	260						
Other Benefits	290						
Total Employee Benefits						0.00%	
Purchased Services (300)							
Official/Administrative	310						
Professional - Educational	320						
Other Professional	330						
Technical	340						
Security/Safety Services	350						
Other Professional/Technical	390						
Total Purchased Services						0.00%	
Purchased Property Services (400)							
Cleaning Services	410						
Utility Services	420						
Repairs & Maintenance	430						
Rentals	440						
Extermination Services	460						
Total Purchased Property Services						0.00%	
Other Purchased Services (500)							
Student Transport Services	510						
Insurance - General	520						
Communications	530						
Advertising	540						
Printing & Binding	550						
Tuition	560						
Food Services Management	570						
Travel	580						
Misc. Purchased Services	590						
Total Other Purchased Services						0.00%	
Supplies (600)							
General Supplies	610						
Energy	620						
Food	630						
Books & Periodicals	640						
Total Supplies						0.00%	
Property (700)							
Depreciation	740						
Equipment - Original & Additional	750						
Technology Infrastructure	788						
Total Property						0.00%	
Other (800)							
Dues & Fees	810						
Claims & Judgments	820						
Interest	830						
Total Other		<u>77,837</u>	<u>35,387</u>	<u>28,302</u>	<u>(7,085)</u>		Loans for capital improvements to Enola
		77,837	35,387	28,302	(7,085)	8.49%	
Other Financing Uses (900)							
Redemption of Principal	910	295,000	300,000	305,000	5,000		Loans for capital improvements to Enola
Fund Transfers	930						
Total Other Financing Uses		<u>295,000</u>	<u>300,000</u>	<u>305,000</u>	<u>5,000</u>	91.51%	
Total Expense		<u>372,837</u>	<u>335,387</u>	<u>333,302</u>	<u>(2,085)</u>	100.00%	
Increase/ (Decrease) from prior year					-0.62%		
Net Revenue/Expense		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		

Program Description - Budget represents debt payments on the 2013 loan.

Capital Area Intermediate Unit
Capital Repair, New Project, Equipment,
and Maintenance Plan
for Enola Facility
For the Five Year Period of
2017-18 through 2021-22

Background

The Capital Area Intermediate Unit Enola facility was built in 1989-90 and is the only building owned by the CAIU. All other facilities and classroom spaces are leased. In 2007-08, a long lasting metal based roof was placed on the pitched roof section of the Enola building. In addition at that time, a detached maintenance building was constructed to store gas powered equipment and gasoline separate from the main building for safety reasons. In the spring/summer of 2008, the parking capacity was expanded on the western side of the building. In June 2008, the upper sections of the building's perimeter walls were insulated to address a deficiency that had existed since the building was constructed. During 2014, a major upgrade was completed to the HVAC system. Also during that fiscal year there were upgrades to bathroom facilities in the main lobby and near the board room. The building is over 25 years old and will need continuing maintenance and renovations in specific areas. At this point, most of these projects can be spread out over time and provided for in the annual Buildings and Grounds budget for repairs and maintenance.

Capital Repair, New Projects, and Equipment

It is the goal of the CAIU management and Board Finance Committee to establish a capital repairs fund. By establishing this fund and reviewing it on a yearly basis, budgetary fluctuations on the General Operating budget can be contained. The capital repair project schedule will be established on a yearly basis by the Buildings & Grounds Supervisor and also reviewed by the Board Buildings & Grounds Committee. The initial funding for this was established from unforeseen budgetary savings in 2013-14.

The 2017-18 budget includes the purchase of two new pieces of equipment. The budget includes a purchase of a new cargo van to replace the current van that is 20 years old and has 250,000 miles on it. The 20 year old van will not be taken out of service but instead used to replace an onsite maintenance vehicle that is 23 years old.

The other purchase is for a new lawnmower. The lawnmower that is currently being used was purchased over 15 years ago.

Annual Repairs and Maintenance Items

Carpet Replacement

A substantial amount of carpet in the Enola building has been replaced with carpet squares or vinyl tiles in the last few years. Carpet will be replaced in the building on a continuing basis as needed. \$10,000 is budgeted this year and \$5,000 a year after that.

Dry Pipe Fire Sprinkler System Repair and Replacement

The attic space in the Enola building is not heated and is subject to temperatures well below freezing in the winter months. Accordingly, the Enola building uses a dry pipe (air in pipe) fire sprinkler system for fire suppression, as opposed to a wet pipe (water in pipe) system. This means that the pipes contain air under pressure until such time a sprinkler is activated, then the air in the pipe is vented and replaced with water. Disadvantages of a dry pipe system include a delay of up to sixty seconds before water is applied to a fire and an increased potential for corrosion of the pipe. Normally, the pipe contains air. However, when the system is activated or tested water goes into the pipe and because of low spots and humidity, it never completely drains or dries out. The remaining water and moisture in the pipe combined with air increases internal corrosion of the pipe and leads to the potential for more leaks than a wet pipe system. Because of this potential for increased corrosion, a dry pipe system should be constructed of galvanized pipe. However as a cost saving measure, when the Enola building was constructed the dry pipe fire sprinkler system was constructed primarily with more corrosive black iron pipe, as opposed to galvanized pipe. Accordingly, the building has experienced water leaks in the system for a number of years. As leaks are identified, the black iron pipe is patched or replaced with galvanized pipe. \$8,000 a year is budgeted for this purpose.

A number of additional projects can be broken down into parts and funded on an annual basis through the Buildings and Grounds repairs and maintenance budget. The largest of these projects include the following:

<u>Project</u>	<u>Annual Cost</u>
Sewage pump replacement/repair (2 pumps)	\$30,000 plus every 6-10 years
Parking lot reseal and line	\$35,000 plus every 4 years
Parking lot light lamp replacement	\$5,000 plus yearly
Outside walkway light lamp replacement	\$1,500 plus yearly

Future Capital Repair Needs

In the time during and beyond the five-year Capital Repair Plan, the CAIU may have additional capital repair items that require attention. A schedule that details the Capital Repair, New Project, Equipment, and Maintenance Plan Budget of the CAIU for 2017-18 through 2021-22 follows on the next page.

**Capital Area Intermediate Unit
Maintenance Plan Budget
for Enola Facility
for the Five Year Period of 2017-18 through 2021-22**

	Year 1 2017-18	Year 2 2018-19	Year 3 2019-20	Year 4 2020-21	Year 5 2021-22	Total
Annual Repairs and Maintenance Items						
Carpet Replacement (as needed)	10,000	5,000	5,000	5,000	5,000	30,000
Dry Pipe Fire Sprinkler System Repair and Replacement (as needed)	8,000	8,000	8,000	8,000	8,000	40,000
Sewage Pump Replacement/Repair (2 pumps every 6-10 years)						-
Parking Lot Reseal and Line (every 4 years)		35,000				35,000
Parking Lot & Exterior Lighting	5,000	5,000	5,000	6,500	6,500	28,000
Total	23,000	53,000	18,000	19,500	19,500	133,000

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2017-18 Fiscal Year**

School District Contribution Schedule with 0% Increase

Column #	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
		2016-17		2014-15		Excess Expend.	Estimated		Increase/	Increase/		
		Market		Weighted	Weight	\$902,460	2017-18	2016-17	(Decrease)	(Decrease)		
		Value Aid		Ave. Daily	Factor³	/Total Wgt. Fac.	District	District	Amount	%		
School District		Ratio¹	(1) - (2)	Member.²	(3) x (4)	= Multiplier	Contribution⁴	Contribution⁵	(7) - (8)	(9) / (8)		
							(5) x (6)					
Big Spring	1.0 -	0.4942	= 0.5058	x	3,190.000	= 1,613.5020000	x	17.149351 =	27,670.51	27,670.51	0.00	0.00%
Camp Hill	1.0 -	0.4565	= 0.5435	x	1,460.000	= 793.5100000	x	17.149351 =	13,608.18	13,608.18	0.00	0.00%
Carlisle Area	1.0 -	0.4869	= 0.5131	x	5,957.000	= 3,056.5367000	x	17.149351 =	52,417.62	52,417.62	0.00	0.00%
Central Dauphin	1.0 -	0.3901	= 0.6099	x	13,530.000	= 8,251.9470000	x	17.149351 =	141,515.52	141,515.52	0.00	0.00%
Cumberland Valley	1.0 -	0.2881	= 0.7119	x	9,832.000	= 6,999.4008000	x	17.149351 =	120,035.18	120,035.18	0.00	0.00%
Derry Township	1.0 -	0.2598	= 0.7402	x	4,058.000	= 3,003.7316000	x	17.149351 =	51,512.05	51,512.05	0.00	0.00%
East Pennsboro Area	1.0 -	0.4508	= 0.5492	x	3,268.000	= 1,794.7856000	x	17.149351 =	30,779.41	30,779.41	0.00	0.00%
Greenwood	1.0 -	0.5615	= 0.4385	x	916.000	= 401.6660000	x	17.149351 =	6,888.31	6,888.31	0.00	0.00%
Halifax Area	1.0 -	0.5977	= 0.4023	x	1,301.000	= 523.3923000	x	17.149351 =	8,975.84	8,975.84	0.00	0.00%
Harrisburg City	1.0 -	0.7168	= 0.2832	x	8,576.000	= 2,428.7232000	x	17.149351 =	41,651.03	41,651.03	0.00	0.00%
Lower Dauphin	1.0 -	0.4484	= 0.5516	x	4,443.000	= 2,450.7588000	x	17.149351 =	42,028.92	42,028.92	0.00	0.00%
Mechanicsburg Area	1.0 -	0.4323	= 0.5677	x	4,574.000	= 2,596.6598000	x	17.149351 =	44,531.03	44,531.03	0.00	0.00%
Middletown Area	1.0 -	0.5181	= 0.4819	x	2,855.000	= 1,375.8245000	x	17.149351 =	23,594.50	23,594.50	0.00	0.00%
Millersburg Area	1.0 -	0.6001	= 0.3999	x	956.000	= 382.3044000	x	17.149351 =	6,556.27	6,556.27	0.00	0.00%
Newport	1.0 -	0.6290	= 0.3710	x	1,296.000	= 480.8160000	x	17.149351 =	8,245.68	8,245.68	0.00	0.00%
Northern York County	1.0 -	0.4916	= 0.5084	x	3,660.000	= 1,860.7440000	x	17.149351 =	31,910.55	31,910.55	0.00	0.00%
Shippensburg Area	1.0 -	0.5279	= 0.4721	x	4,076.000	= 1,924.2796000	x	17.149351 =	33,000.15	33,000.15	0.00	0.00%
South Middleton	1.0 -	0.2791	= 0.7209	x	2,574.000	= 1,855.5966000	x	17.149351 =	31,822.28	31,822.28	0.00	0.00%
Steelton-Highspire	1.0 -	0.8104	= 0.1896	x	1,645.000	= 311.8920000	x	17.149351 =	5,348.75	5,348.75	0.00	0.00%
Susquehanna Township	1.0 -	0.3162	= 0.6838	x	3,391.000	= 2,318.7658000	x	17.149351 =	39,765.33	39,765.33	0.00	0.00%
Susquenita	1.0 -	0.5654	= 0.4346	x	2,103.000	= 913.9638000	x	17.149351 =	15,673.89	15,673.89	0.00	0.00%
Upper Dauphin Area	1.0 -	0.6152	= 0.3848	x	1,464.000	= 563.3472000	x	17.149351 =	9,661.04	9,661.04	0.00	0.00%
West Perry	1.0 -	0.5732	= 0.4268	x	3,066.000	= 1,308.5688000	x	17.149351 =	22,441.11	22,441.11	0.00	0.00%
West Shore	1.0 -	0.4094	= 0.5906	x	9,165.000	= 5,412.8490000	x	17.149351 =	92,826.85	92,826.85	0.00	0.00%
Total					97,356.000	52,623.5655000			902,460.00	902,460.00	0.00	0.00%

Definitions:

¹ Market Value Aid Ratio (MV AR) calculation - $1 - ((\text{school district market value} / \text{school district weighted average daily membership}) / (\text{state total market value} / \text{state total WADM}) \times .5)$

² Weighted Average Daily Membership (WADM) - Weighted average daily membership is the term used for the assignment of weight by grade level to average daily membership (ADM). The current weighting is half-time kindergarten at 0.5, full-time kindergarten and elementary (grades 1-6) at 1.0, and secondary (grades 7-12) at 1.36.

³ Weight Factor calculation - $(1 - \text{Market Value Aid Ratio}) \times \text{Weighted Average Daily Membership}$

⁴ Contribution calculation - $\text{Weight Factor} \times \text{Excess Expenditures} / \text{Total Weight Factor}$

⁵ Does not include any extra subsidy that may be withheld by PDE.

Excess Expenditures for 2017-18 set at \$902,460

Note:

The final contribution amount for each district for 2017-18 will vary from the number above. The Pennsylvania Department of Education hasn't issued preliminary MV AR (for 2017-18) and preliminary WADM (for 2015-16). Inputting updated variables into the schedule when determined will cause the contributions for individual school districts to increase or decrease depending on how much the variables for each district changed in relation to the other districts.