

Draft Proposed Prelim. Budget Presented to Board of Directors' Finance Committee 11-25-13
Draft Proposed Prelim. Budget Presented to Superintendents' Finance Committee 12-3-13
Draft Proposed Prelim. Budget Presented to Superintendents' Advisory Council 12-11-13
Draft Proposed Prelim. Budget Presented to Board of Directors 12-19-13
Draft Proposed Prelim. Budget Presented to Board of Directors (second reading) 1-23-14
Budget approved by CAIU Board of Directors 1-23-14

Capital Area Intermediate Unit

General Operating Budget for the 2014-15 Fiscal Year

**Capital Area Intermediate Unit
General Operating Budget
For the 2014-15 Fiscal Year**

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Budget Review and Approval Schedule

November 25, 2013	Meeting with the Board Finance Committee to review budget assumptions and draft of Proposed Preliminary Budget.
December 3, 2013	Draft Proposed Preliminary Budget presented to Superintendents' Finance Committee.
December 11, 2013	Draft Proposed Preliminary Budget presented to Superintendents' Advisory Council.
December 12, 2013	Draft Proposed Preliminary Budget presented to Board Finance Committee. (If needed)
December 19, 2013	Proposed Preliminary Budget presented to CAIU Board of Directors as a first reading.
January 23, 2014	Final Budget presented to CAIU Board of Directors for approval.
Late January, 2014	Budget material distributed to each superintendent for delivery to district School Board members.
January - March 2014	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, 2014	Final budget and summary of school district voting results submitted by CAIU to the Pennsylvania Department of Education.
May 2014	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 experienced substantial growth in revenues in the recent past from services provided to the PDE and statewide programs administered on behalf of PDE, however this revenue growth plateaued in 2010-11 and began to decline in 2011-12.

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. The funding issue, commonly known as the "rate spike", refers to the significant increase in the employer contribution rate in upcoming fiscal years.

The 2010 Patient Protection and Affordability Act and the Health Care and Education Reconciliation Act impose significant requirements and implications on the compensation policies, plans and collective bargaining agreements of school districts and Intermediate Units. The change in health care provisions will have a financial impact on the costs of health care at the CAIU.

Overall Budget

The total budget for 2014-15 is \$4,927,845 this represents an increase of \$64,959 or 1.34% from the approved general operating budget for 2013-14. The proposed 2014-15 budget does not include a transfer from the fund balance to balance the budget.

Budget Changes and Assumptions

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 2014-15 does not include an increase.** This represents 18.31% of the total revenue budget. For 2013-14, the total contribution was 18.55% of the total approved budget.

Salary Increases

The budget for 2014-15 includes a 2.0% salary increase for administrative support employees. The cost of this increase to the general operating budget is approximately \$36,658. The CAIU Act 93 agreement provides for an increase of the lower of the Act 1 index for 2014-15 (which has been set at 2.1%) or the median raise given by the districts in the CAIU service area. The budget includes a 2.1% raise for administrators, if the salary survey for our districts is less than 2.1%, the budget will be adjusted. The cost of this raise is approximately \$17,737.

Benefit Increases

The largest increased line item in the proposed budget is for retirement contributions. According to www.psers.org, **the PSERS employer contribution rate is scheduled to be 21.40% for the 2014-15 year, an increase of 4.47% over the 2013-14 rate of 16.93%**. The 2014-15 rate will be certified at the December PSERS board meeting. With the budgeted salary increases included above, the new PSERS rate will increase the General Operating by \$92,707.

The CAIU has budgeted health care insurance premiums to increase by 22.86% from the 2014-15 year. This equates to a \$72,038 increase to the insurance costs of the budget. The actual rate increase will not be known until rate establishment through the South Central Trust in April/May of 2014.

Debt Service

The CAIU had two debts outstanding for a loan issued in 2007 and one issued in 2008. The CAIU refinanced these loans and also issued new debt in the amount \$1.4 million to complete a replacement of our HVAC system. The actual bids for the HVAC upgrade came in lower than expected and the CAIU has only had to request \$906,674 of the potential \$1.4 million. The old debt had interest rates of 4.22% and 4.10%, the new loan is financed at 2.32%. Even with the issuance of new debt, the CAIU has reduced its debt obligation from 2013-14 to 2014-15 by \$36,000.

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 Curriculum, Business and Operations, Communications, Human Resources, Technology, and Debt Service. Certain projects have restrictions on allowances for indirect cost ranging from 0% up to 9.0%. 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 from 9.5% to 9.0% in the 2014-15 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 2014-15 year. Although the reduction is small, the savings will help offset some of the increases to PSERS and health care costs.

Staffing and Operational Changes

The CAIU general operating budget is increasing by .39 positions from 36.11 to 36.50 as detailed below. Since 2003-04 when the budget had 53.0 positions, the budget has been reduced by 16.50 positions or 31.1%.

	2013-14 Staff	Change	2014-15 Staff
Instructional Materials and Services	1.00	-	1.00
Curriculum, Instruction, and Assessment	2.65	(.25)	2.40
Administration	2.75	-	2.75
Business and Operations	9.00	-	9.00
Buildings and Grounds	6.85	.25	7.10
Human Resources	6.35	.20	6.55
Technology	7.51	.19	7.70
Total	36.11	.39	36.50

Summary of Staffing Changes

On a frequent basis, the job descriptions and duties of CAIU employees are reviewed. Certain staff are required by federal regulations to track their time allotted to projects. If after reviewing job duties and time spent on projects, adjustments are made to salary allocations. The 2014-15 GO budget does not have any significant staffing changes, incremental adjustments were made to employee's prorated salaries to more accurately reflect the work being done for the overall general operations of the IU.

Fund Balance Analysis

As of June 30, 2013, the CAIU has a general fund balance of \$3,338,525, with \$101,763 of this fund balance reserved for inventory and prepaid expenses. The budget for 2014-15 does not include a transfer from the fund balance. The fund balance activity for 2008-09 through 2012-13 is as follows:

Actual Audited Activity

Fund Balance 6-30-08	2,447,581
2008-09 Fiscal Year Net Activity	<u>(286,001)</u>
Fund Balance 6-30-09	2,161,580
2009-10 Fiscal Year Net Activity	<u>104,495</u>
Fund Balance 6-30-10	2,266,075
2010-11 FY Net Activity	<u>515,863</u>
Fund Balance 6-30-11	2,781,938
2011-12 FY Net Activity	<u>18,130</u>
Fund Balance 6-30-12	\$2,800,068
2012-13 FY Net Activity	<u>538,457</u>
Fund Balance 6-30-13	\$3,338,525

The CAIU's board policy states that a fund balance ranging from 4% to 8% of General Fund Expenditures should be maintained for unforeseen financial circumstances and cash flow purposes. The targeted range is a minimum of \$1,400,556 (\$35,013,894 in General Fund Expenditures for 2012-13 x 4%) and a maximum of \$2,801,112 (\$35,013,894 in General Fund Expenditures for 2012-13 x 8%). It is the opinion of CAIU management that the board should take action to assign a portion of the fund balance for use to offset future PSERS and health care increases as well as establishing a capital repairs fund.

Although the net activity for 2012-13 ended with a positive budget to actual position, the events that led to the variance cannot be assumed as standard budget variances. There were salary savings in the amount of \$177,100 due to positions not being replaced, positions being eliminated, vacancies that were only filled part way through the year and unexpected unpaid time off for staff members. The actual costs of medical, dental, and vision came in lower than budgeted saving approximately \$26,500. Tuition reimbursement for the staff members on the general operating budget was under-utilized this year resulting in a budgetary savings of \$25,700. Refinancing of the old debt saved interest expense of approximately \$37,000.

Revenues also had a positive budget to actual variance in 2012-13. The general operating budget is the first budget developed in the CAIU's budget development cycle. The general operating budget relies heavily on indirect revenue. The CAIU manages close to 50 separate budgets. They range from grants and allocations to services for sale on an entrepreneurial basis. When building the general operating budget, many of these grants and allocations are not known, estimates have to be used. It has always been CAIU practice to conservatively estimate the amounts for the upcoming year. Growth for entrepreneurial programs isn't easily quantified because the sales are market driven. A few of the programs are experiencing rapid and unpredictable growth. This is having a positive impact on the general operations budget but it is difficult to quantify. In preparation of the 2014-15 budget, conservative estimates were once again used.

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2014-15 Fiscal Year**

Total Revenue Budget

Revenue by Source	2012-13 Actual	Approved Budget 2013-14	Proposed Budget 2014-15	Increase/ (Decrease)	% of Budget 2014-15	Notes
Local Sources						
6510 Interest on Investments	4,719	4,000	4,000		0.08%	
6821 State Revenue received from other sources	7,250					
6910 Rentals	630,408	612,088	619,907	7,819	12.58%	CAIU Enola facility cost charge back.
6947 Receipts from Members of IU	902,460	902,460	902,460		18.31%	No increase from 13-14
6960 Services Provided to Other Local Government Units & LEA's	129,576	78,561	5,000	(73,561)	0.10%	
6970 Services Provided Other Funds	3,242,554	2,997,736	3,085,352	87,616	62.61%	Indirect charges from programs and projects administered by CAIU.
6990 Refunds & Other Misc. Revenue	35,075	7,500	4,600	(2,900)	0.09%	
6999 Unreserved Fund Balance						Budget balanced without transfer from fund balance.
Total Local Sources	4,952,042	4,602,345	4,621,319	18,974	93.78%	
State Sources						
7810 State Social Security & Medicare Reimb.	72,537	81,089	80,721	(368)	1.64%	Partial reimbursement from State.
7820 State Retirement Reimbursement	120,282	179,452	225,805	46,353	4.58%	Partial reimbursement from State.
Total State Sources	192,819	260,541	306,526	45,985	6.22%	
Total Revenue						
Increase/ (Decrease) from prior year	5,144,860	4,862,886	4,927,845	64,959	100.00%	
				1.34%		

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2014-15 Fiscal Year**

Total Expense Budget

Expense Area/Line Item		2012-13 Actual	Approved Budget 2013-14	Proposed Budget 2014-15	Increase/ (Decrease)	% of Budget 2014-15	Notes	
Salaries (100)								
Official/Administrative	110	601,882	614,977	625,546	10,569		Detail for each department follows on pages 11-19	
Professional - Educational	120							
Professional - Other	130	67,744	68,932	43,907	(25,025)			
Technical	140	289,536	358,991	336,291	(20,700)			
Office/Clerical	150	770,737	849,181	867,130	17,949			
Crafts & Trades	160							
Operative	170							
Service Work & Laborer	180	233,832	229,821	237,438	7,617			
Instructional Assistant	190							
Total Salaries		1,963,731	2,119,902	2,110,312	(9,590)	42.82%		
Employee Benefits (200)								
Group Insurance	210	283,417	327,935	399,973	72,038			
FICA Contribution	220	145,315	162,173	161,440	(733)			
Retirement	230	240,563	358,900	451,607	92,707			
Tuition Reimbursement	240	15,027	32,208	17,808	(14,400)			
Unemployment Compensation	250	7,996	12,000	(12,000)	(12,000)			
Workmens Compensation	260	47,734	24,379	24,269	(110)			
Other Benefits	290							
Total Employee Benefits		740,053	917,595	1,055,097	137,502	21.41%		
Purchased Services (300)								
Official/Administrative	310							
Professional - Educational	320	16,617	32,300	31,500	(800)			
Other Professional	330	131,558	171,380	221,100	49,720			
Technical	340	197,706	198,314	223,044	24,730			
Other Professional/Technical	390	10,000	11,200	12,000	800			
Total Purchased Services		355,881	413,194	487,644	74,450	9.90%		
Purchased Property Services (400)								
Cleaning Services	410	5,886	18,835	19,475	640			
Utility Services	420	104,026	104,724	112,476	7,752			
Repairs & Maintenance	430	278,591	185,404	166,537	(18,867)			
Rentals	440	284,014	257,205	184,256	(72,949)			
Extermination Services	460	3,386	2,520	3,400	880			
Total Purchased Property Services		675,903	568,688	486,144	(82,544)	9.87%		
Other Purchased Services (500)								
Student Transport Services	510							
Insurance - General	520	100,076	95,000	100,000	5,000			
Communications	530	74,927	108,097	109,305	1,208			
Advertising	540	9,645	7,200	11,800	4,600			
Printing & Binding	550	8						
Tuition	560							
Food Services Management	570							
Travel	580	23,879	35,618	30,795	(4,823)			
Misc. Purchased Services	590							
Total Other Purchased Services		208,535	245,915	251,900	5,985	5.11%		
Supplies (600)								
General Supplies	610	102,161	88,117	89,300	1,183			
Energy	620	16,149	26,379	18,500	(7,879)			
Food	630	3,145	4,700	4,000	(700)			
Books & Periodicals	640	2,058	3,100	2,950	(150)			
Total Supplies		123,513	122,296	114,750	(7,546)	2.33%		
Property (700)								
Depreciation	740							
Equipment - Original & Additional	750	70,191	84,000	67,500	(16,500)			
Total Property		70,191	84,000	67,500	(16,500)	1.37%		
Other (800)								
Dues & Fees	810	16,321	14,065	19,498	5,433			
Interest	830	25,160	95,687	50,000	(45,687)			
Total Other		41,481	109,752	69,498	(40,254)	1.41%		
Other Financing Uses (900)								
Redemption of Principal	910	266,992	281,544	285,000	3,456			
Fund Transfers	930	160,721						
Total Other Financing Uses		427,713	281,544	285,000	3,456	5.78%		
Total Expense		4,607,001	4,862,886	4,927,845	64,959	100.00%		
Increase/ (Decrease) from prior year					1.34%			

**Capital Area Intermediate Unit
Proposed General Operating Budget
2014-15 Summary by Function**

Budgeted Area	Total Budget	% of Total	School District Contribution	% of School District Contribution
Instructional Materials	152,078	3.09%	137,815	15.27%
Curriculum, Instruction, and Assessment	344,627	6.99%	294,001	32.58%
Administration	540,268	10.96%	470,644	52.15%
Business and Operations	1,329,570	26.98%		0.00%
Buildings and Grounds	658,103	13.35%		0.00%
Communications	18,000	0.37%		0.00%
Human Resources	638,039	12.95%		0.00%
Technology	912,160	18.51%		0.00%
Debt Service	335,000	6.80%		0.00%
Total Budget	4,927,845	100.00%	902,460	100.00%

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2014-15 Fiscal Year**

Instructional Materials and Services

Budget 2220	2012-13 Actual	Approved Budget 2013-14	Proposed Budget 2014-15	Increase/ (Decrease)	% of Budget 2014-15	Notes	
Revenue							
School District Contributions	6947	133,258	106,131	137,815	31,684	90.62%	15.27% of total S.D. contribution
Services Provided to Other LEA's	6960		44,314		(44,314)	0.00%	
Services Provided to Other Funds	6970					0.00%	
Miscellaneous Revenue	6990					0.00%	
State Social Security & Med. Reimb.	7810	3,982	4,331	3,756	(575)	2.47%	
State Retirement Reimbursement	7820	6,568	9,584	10,507	923	6.91%	
Total Revenue		<u>143,808</u>	<u>164,360</u>	<u>152,078</u>	<u>(12,282)</u>	<u>100.00%</u>	
Expense							
Salaries (100)							
Official/Administrative	110	60,242	61,250	62,515	1,265		.5 - Director of Technology
Professional - Educational	120						
Professional - Other	130						
Technical	140	47,967	51,965	35,682	(16,283)		.5 - Instructional Technology Support
Office/Clerical	150						
Crafts & Trades	160						
Operative	170						
Service Work & Laborer	180						
Instructional Assistant	190						
Total Salaries		<u>108,209</u>	<u>113,215</u>	<u>98,197</u>	<u>(15,018)</u>	<u>64.57%</u>	1 FTE
Employee Benefits (200)							
Group Insurance	210	537	200	6,897	6,697		
FICA Contribution	220	7,963	8,661	7,512	(1,149)	7.65%	
Retirement	230	13,135	19,167	21,014	1,847	21.40%	
Tuition Reimbursement	240		3,600	3,600			reimbursement of college tuition
Unemployment Compensation	250						
Workmens Compensation	260	1,119	1,302	1,129	(173)	1.15%	
Other Benefits	290						
Total Employee Benefits		<u>22,753</u>	<u>32,930</u>	<u>40,152</u>	<u>7,222</u>	<u>26.40%</u>	
Purchased Services (300)							
Official/Administrative	310						
Professional - Educational	320	1,100	3,300	3,000	(300)		workshops and conference registrations
Other Professional	330						
Technical	340	178					
Other Professional/Technical	390						
Total Purchased Services		<u>1,278</u>	<u>3,300</u>	<u>3,000</u>	<u>(300)</u>	<u>1.97%</u>	
Purchased Property Services (400)							
Cleaning Services	410						
Utility Services	420						
Repairs & Maintenance	430						
Rentals	440	3,379	3,343	3,737	394		CAIU Enola facility charge
Extermination Services	460						
Total Purchased Property Services		<u>3,379</u>	<u>3,343</u>	<u>3,737</u>	<u>394</u>	<u>2.46%</u>	
Other Purchased Services (500)							
Student Transport Services	510						
Insurance - General	520						
Communications	530	1,272	1,102	922	(180)		cell phone reimbursement, data cards
Advertising	540						
Printing & Binding	550						
Tuition	560						
Food Services Management	570						
Travel	580	3,129	6,954	2,770	(4,184)		meals, lodging, mileage
Misc. Purchased Services	590						
Total Other Purchased Services		<u>4,401</u>	<u>8,056</u>	<u>3,692</u>	<u>(4,364)</u>	<u>2.43%</u>	
Supplies (600)							
General Supplies	610	2,826	2,500	2,500			computers/office supplies
Energy	620						
Food	630						
Books & Periodicals	640	20					
Total Supplies		<u>2,846</u>	<u>2,500</u>	<u>2,500</u>		<u>1.64%</u>	
Property (700)							
Depreciation	740						
Equipment - Original & Additional	750						
Total Property						<u>0.00%</u>	
Other (800)							
Dues & Fees	810	941	1,016	800	(216)		dues & fees associated with Technology related memberships
Interest	830						
Total Other		<u>941</u>	<u>1,016</u>	<u>800</u>	<u>(216)</u>	<u>0.53%</u>	
Other Financing Uses (900)							
Redemption of Principal	910						
Fund Transfers	930						
Total Other Financing Uses						<u>0.00%</u>	
Total Expense		<u>143,808</u>	<u>164,360</u>	<u>152,078</u>	<u>(12,282)</u>	<u>100.00%</u>	
Increase/ (Decrease) from prior year					<u>-7.47%</u>		
Net Revenue/Expense		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		

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 2014-15 Fiscal Year**

Curriculum, Instruction, and Assessment

Budget 2260	2012-13 Actual	Approved Budget 2013-14	Proposed Budget 2014-15	Increase/ (Decrease)	% of Budget 2014-15	Notes
Revenue						
School District Contributions	6947	245,735	329,521	294,001	(35,520)	85.31% 32.58% of total S.D. contribution
Services Provided to Other LEA's	6960	43,919			0.00%	
Services Provided to Other Funds	6970	21,121	6,496	20,000	13,504	5.80%
Miscellaneous Revenue	6990				0.00%	
State Social Security & Med. Reimb.	7810	8,462	8,890	8,065	(825)	2.34%
State Retirement Reimbursement	7820	14,011	19,674	22,561	2,887	6.55%
Total Revenue		333,247	364,581	344,627	(19,954)	100.00%
Expense						
Salaries (100)						
Official/Administrative	110	118,485	120,499	123,029	2,530	1.0 Director of Curriculum Services
Professional - Educational	120					
Professional - Other	130	67,744	68,932	43,907	(25,025)	.40 Curriculum Specialists
Technical	140					
Office/Clerical	150	42,058	42,984	43,911	927	1.0 Administrative Assistant
Crafts & Trades	160					
Operative	170					
Service Work & Laborer	180					
Instructional Assistant	190					
Total Salaries		228,287	232,415	210,847	(21,568)	61.18% 2.40 FTE's
Employee Benefits (200)						
Group Insurance	210	24,941.37	25,289	26,390	1,101	
FICA Contribution	220	16,923.72	17,780	16,130	(1,650)	7.65%
Retirement	230	28,021.92	39,348	45,121	5,773	21.40%
Tuition Reimbursement	240	798.00	5,352	5,304	(48)	reimbursement of college tuition
Unemployment Compensation	250					
Workmens Compensation	260	2,359.71	2,673	2,425	(248)	1.15%
Other Benefits	290					
Total Employee Benefits		73,044.72	90,442	95,370	4,928	27.67%
Purchased Services (300)						
Official/Administrative	310					
Professional - Educational	320	2,409	5,000	5,000		workshops and conference registrations
Other Professional	330					
Technical	340					
Other Professional/Technical	390					
Total Purchased Services		2,409	5,000	5,000		1.45%
Purchased Property Services (400)						
Cleaning Services	410					
Utility Services	420					
Repairs & Maintenance	430	6,410	4,110	6,704	2,594	maintenance and overage charges on copiers
Rentals	440	13,374	13,257	12,343	(914)	copier lease & CAIU Enola facility charge
Termination Services	460					
Total Purchased Property Services		19,784	17,367	19,047	1,680	5.53%
Other Purchased Services (500)						
Student Transport Services	510					
Insurance - General	520					
Communications	530	852	857	317	(540)	cell phone reimbursement, data cards
Advertising	540					
Printing & Binding	550					
Tuition	560					
Food Services Management	570					
Travel	580	4,034	11,000	8,046	(2,954)	meals, lodging, mileage
Misc. Purchased Services	590					
Total Other Purchased Services		4,886	11,857	8,363	(3,494)	2.43%
Supplies (600)						
General Supplies	610	3,085	5,000	5,000		computers/office supplies
Energy	620					
Food	630	56				
Books & Periodicals	640	12	500	500		
Total Supplies		3,153	5,500	5,500		1.60%
Property (700)						
Depreciation	740					
Equipment - Original & Additional	750					
Total Property						0.00%
Other (800)						
Dues & Fees	810	1,683	2,000	500	(1,500)	dues & fees associated with Curriculum related memberships
Interest	830					
Total Other		1,683	2,000	500	(1,500)	0.15%
Other Financing Uses (900)						
Redemption of Principal	910					
Fund Transfers	930					
Total Other Financing Uses						0.00%
Total Expense		333,247	364,581	344,627	(19,954)	100.00%
Increase/ (Decrease) from prior year					-5.47%	
Net Revenue/Expense		-	-	-	-	

Program Description - The Curriculum Services team provides leadership and support to school districts relating to Curriculum, Assessment, and Instructional Strategies. The Curriculum Services team also supports districts in the implementation of a variety of mandated initiatives such as the coordination of PSSA and Keystone exams, graduation requirements, data analysis, teacher and principal evaluation, PVAAS reporting, and integration of the PA Core Standards. This team coordinates a wide variety of continuing professional educational opportunities including an induction series for new administrators and teachers, sessions in support of PDE initiatives, and a host of summer sessions for teachers and administrators.

**Capital Area Intermediate Unit
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For the 2014-15 Fiscal Year**

Administration

		2012-13	Approved	Proposed	Increase/	% of	
		Actual	Budget	Budget	(Decrease)	Budget	Notes
Budget 2300			2013-14	2014-15		2014-15	
Revenue							
State Revenue received from other sources	6821	7,250				0.00%	
School District Contributions	6947	393,734	466,808	470,644	3,836	87.11%	52.15% of total S.D. contribution
Services Provided to Other LEA's	6960	5,000	5,000	5,000		0.93%	Superintendent of Record for CPAVTS & DCTS
Services Provided to Other Funds	6970	3,332	2,500	19,828	17,328	3.67%	
Miscellaneous Revenue	6990					0.00%	
State Social Security & Med. Reimb.	7810	8,447	11,462	11,797	335	2.18%	
State Retirement Reimbursement	7820	16,005	25,366	32,999	7,633	6.11%	
Total Revenue		433,767	511,136	540,268	29,132	100.00%	
Expense							
Salaries (100)							
Official/Administrative	110	214,352	251,479	254,458	2,979		1.0 Executive Director and .75 Assistant Executive Director
Professional - Educational	120						
Professional - Other	130						
Technical	140						
Office/Clerical	150	47,235	48,180	53,942	5,762		1.0 Administrative Assistant
Crafts & Trades	160						
Operative	170						
Service Work & Laborer	180						
Instructional Assistant	190						
Total Salaries		261,587	299,659	308,400	8,741	57.08%	2.75 FTE's
Employee Benefits (200)							
Group Insurance	210	38,340	47,464	53,618	6,154		
FICA Contribution	220	16,893	22,924	23,593	669	7.65%	
Retirement	230	32,009	50,732	65,998	15,266	21.40%	
Tuition Reimbursement	240						
Unemployment Compensation	250	7,996					
Workmens Compensation	260	2,704	3,446	3,547	101	1.15%	
Other Benefits	290						
Total Employee Benefits		97,942	124,566	146,756	22,190	27.16%	
Purchased Services (300)							
Official/Administrative	310						
Professional - Educational	320	4,856	13,000	12,000	(1,000)		workshops and conference registrations
Other Professional	330	2,049	1,000	1,500	500		PSBA Policy Review
Technical	340						
Other Professional/Technical	390						
Total Purchased Services		6,905	14,000	13,500	(500)	2.50%	
Purchased Property Services (400)							
Cleaning Services	410						
Utility Services	420						
Repairs & Maintenance	430	4,448	7,497	7,475	(22)		maintenance and overage charges on copiers
Rentals	440	38,255	37,370	32,076	(5,294)		copier lease & CAIU Enola facility charge
Extermination Services	460						
Total Purchased Property Services		42,703	44,867	39,551	(5,316)	7.32%	
Other Purchased Services (500)							
Student Transport Services	510						
Insurance - General	520						
Communications	530	960	960	400	(560)		cell phone reimbursement, data cards
Advertising	540	90	200	200			CAIU Board meeting notices
Printing & Binding	550						
Tuition	560						
Food Services Management	570						
Travel	580	6,638	8,500	8,708	208		meals, lodging, mileage
Misc. Purchased Services	590						
Total Other Purchased Services		7,688	9,660	9,308	(352)	1.72%	
Supplies (600)							
General Supplies	610	3,177	5,000	5,500	500		computers/office supplies
Energy	620						
Food	630	2,253	4,000	3,000	(1,000)		board & other meetings
Books & Periodicals	640	1,386	1,300	1,400	100		PA School Code, PA education directories & Education Week
Total Supplies		6,816	10,300	9,900	(400)	1.83%	
Property (700)							
Depreciation	740						
Equipment - Original & Additional	750						
Total Property						0.00%	
Other (800)							
Dues & Fees	810	10,126	8,084	12,853	4,769		professional memberships
Interest	830						
Total Other		10,126	8,084	12,853	4,769	2.38%	
Other Financing Uses (900)							
Redemption of Principal	910						
Fund Transfers	930						
Total Other Financing Uses						0.00%	
Total Expense		433,767	511,136	540,268	29,132	100.00%	
Increase/ (Decrease) from prior year						5.70%	
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
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Business and Operations

		Approved Budget 2013-14	Proposed Budget 2014-15	Increase/ (Decrease)	% of Budget 2014-15	Notes
Budget 2500						
Revenue						
Interest on Investments	6510	4,719	4,000	4,000	0.30%	
Services Provided to LEA's	6960	80,658	29,247	(29,247)	0.00%	
Services Provided to Other Funds	6970	1,752,362	1,175,197	1,254,418	79,221	94.35%
Miscellaneous Revenue	6990	22,743	1,000	2,100	1,100	0.16%
State Social Security & Med. Reimb.	7810	18,699	17,860	18,184	324	1.37%
State Retirement Reimbursement	7820	29,925	39,524	50,868	11,344	3.83%
Total Revenue		1,909,104	1,266,828	1,329,570	62,742	100.00%
Expense						
Salaries (100)						
Official/Administrative	110	31,236				
Professional - Educational	120					
Professional - Other	130					
Technical	140					
Office/Clerical	150	460,933	466,911	475,396	8,485	1.0 Business Operations Supervisor, 3.0 Accountants, 2.0 Clerks,
Crafts & Trades	160					.5 B&G Supervisor, 1.0 Mail Room, .5 Business Assistant,
Operative	170					1.0 Enola Receptionist
Service Work & Laborer	180					
Instructional Assistant	190					
Total Salaries		492,169	466,911	475,396	8,485	35.76% 9.00 FTE's
Employee Benefits (200)						
Group Insurance	210	78,352	76,454	95,665	19,211	
FICA Contribution	220	37,640	35,719	36,368	649	7.65%
Retirement	230	59,851	79,048	101,735	22,687	21.40%
Tuition Reimbursement	240	6,435	10,704	5,304	(5,400)	reimbursement of college tuition
Unemployment Compensation	250					
Workmens Compensation	260	32,523	5,369	5,467	98	1.15%
Other Benefits	290					
Total Employee Benefits		214,801	207,294	244,539	37,245	18.39%
Purchased Services (300)						
Official/Administrative	310					
Professional - Educational	320	1,062	3,000	3,000		workshops and conference registrations
Other Professional	330	101,178	127,580	189,600	62,020	attorney, year end audit & GASB45 Valuation,
Technical	340	113,768	131,244	134,544	3,300	accounting software, imaging services, PAIU
Other Professional/Technical	390					
Total Purchased Services		216,008	261,824	327,144	65,320	24.61%
Purchased Property Services (400)						
Cleaning Services	410					
Utility Services	420					
Repairs & Maintenance	430	15,781	23,601	19,597	(4,004)	maint. agreements on copiers, vehicle maintenance
Rentals	440	107,788	103,996	55,355	(48,641)	copier and fax machine rentals/Enola facility charge
Extermination Services	460					
Total Purchased Property Services		123,569	127,597	74,952	(52,645)	5.64%
Other Purchased Services (500)						
Student Transport Services	510					
Insurance - General	520	100,076	95,000	100,000	5,000	insurance for CAIU operations and activities
Communications	530	47,864	80,812	81,944	1,132	postage for IU, local & long distance phone service
Advertising	540	90	1,000	500	(500)	advertising and bid purchases
Printing & Binding	550					
Tuition	560					
Food Services Management	570					
Travel	580	1,820	2,500	2,000	(500)	meals, lodging and mileage
Misc. Purchased Services	590					
Total Other Purchased Services		149,850	179,312	184,444	5,132	13.87%
Supplies (600)						
General Supplies	610	11,419	15,690	14,500	(1,190)	supplies & computers
Energy	620		3,000	1,500	(1,500)	gas for warehouse vehicle
Food	630	52	200	200	(200)	
Books & Periodicals	640	155	500	300	(200)	
Total Supplies		11,626	19,390	16,300	(3,090)	1.23%
Property (700)						
Depreciation	740					
Equipment - Original & Additional	750		2,500	2,500		scanner and check folder
Total Property			2,500	2,500		0.19%
Other (800)						
Dues & Fees	810	2,501	2,000	4,295	2,295	PASBO, Purchasing Groups, Bank Fees
Interest	830					
Total Other		2,501	2,000	4,295	2,295	0.32%
Other Financing Uses (900)						
Redemption of Principal	910					
Fund Transfers	930	160,721				
Total Other Financing Uses		160,721				0.00%
Total Expense		1,371,245	1,266,828	1,329,570	62,742	100.00%
Increase/ (Decrease) from prior year					4.95%	
Net Revenue/Expense		537,860			-	

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
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Buildings and Grounds

Budget 2600		2012-13 Actual	Approved Budget 2013-14	Proposed Budget 2014-15	Increase/ (Decrease)	% of Budget 2014-15	Notes
Revenue							
Rentals	6910	630,408	612,088	619,907	7,819	94.20%	CAIU Enola facility charge
Services Provided Other Funds (6970)	6970	33,162				0.00%	
Miscellaneous Revenue	6990			2,500	2,500	0.38%	
State Social Security & Med. Reimb.	7810	8,944	9,104	9,400	296	1.43%	
State Retirement Reimbursement	7820	14,451	20,147	26,296	6,149	4.00%	
Total Revenue		686,965	641,339	658,103	16,764	100.00%	
Expense							
Salaries (100)							
Official/Administrative	110						
Professional - Educational	120						
Professional - Other	130						
Technical	140						
Office/Clerical	150		8,175	8,314	139		.1 Supervisor of Operations & Transportation
Crafts & Trades	160						
Operative	170						
Service Work & Laborer	180	233,832	229,821	237,438	7,617		2.0 Maintenance Positions, 2.0 Warehouseman, 3.0 Custodial Staff
Instructional Assistant	190						
Total Salaries		233,832	237,996	245,752	7,756	37.34%	7.10 FTE's
Employee Benefits (200)							
Group Insurance	210	47,588	39,504	69,392	29,888		
FICA Contribution	220	17,888	18,207	18,800	593	7.65%	
Retirement	230	28,902	40,293	52,591	12,298	21.40%	
Tuition Reimbursement	240						
Unemployment Compensation	250		12,000		(12,000)		
Workmens Compensation	260	2,417	2,737	2,826	89	1.15%	
Other Benefits	290						
Total Employee Benefits		96,795	112,741	143,609	30,868	21.82%	
Purchased Services (300)							
Official/Administrative	310						
Professional - Educational	320						
Other Professional	330	3,706	5,000	4,000	(1,000)		shredding services
Technical	340						
Other Professional/Technical	390						
Total Purchased Services		3,706	5,000	4,000	(1,000)	0.61%	
Purchased Property Services (400)							
Cleaning Services	410	5,886	18,835	19,475	640		trash removal, recycling, and snow removal
Utility Services	420	104,026	104,724	112,476	7,752		sewer, water, and electric
Repairs & Maintenance	430	185,692	101,115	77,281	(23,834)		*annual maintenance projects, security, landscaping, vehicle maint., & allowance for other repairs
Rentals	440	415					
Extermination Services	460	3,386	2,520	3,400	880		termite and Pest Control Services
Total Purchased Property Services		299,405	227,194	212,632	(14,562)	32.31%	
Other Purchased Services (500)							
Student Transport Services	510						
Insurance - General	520						
Communications	530	351	360	400	40		night custodian cell phone cost
Advertising	540	1,096		1,100	1,100		advertising and bid purchases
Printing & Binding	550						
Tuition	560						
Food Services Management	570						
Travel	580	10					
Misc. Purchased Services	590						
Total Other Purchased Services		1,457	360	1,500	1,140	0.23%	
Supplies (600)							
General Supplies	610	29,280	28,338	33,500	5,162		misc. maintenance supplies, cleaning supplies and facility supplies, contract for power backup
Energy	620	16,149	23,379	17,000	(6,379)		natural gas and diesel fuel for generator
Food	630						
Books & Periodicals	640						
Total Supplies		45,429	51,717	50,500	(1,217)	7.67%	
Property (700)							
Depreciation	740						
Equipment - Original & Additional	750						
Total Property						0.00%	
Other (800)							
Dues & Fees	810	110	100	110	10		pesticides license
Interest	830	690	381		(381)		
Total Other		800	481	110	(371)	0.02%	
Other Financing Uses (900)							
Redemption of Principal	910	5,541	5,850		(5,850)		
Fund Transfers	930						
Total Other Financing Uses		5,541	5,850		(5,850)	0.00%	
Total Expense		686,965	641,339	658,103	16,764	100.00%	
Increase/ (Decrease) from prior year					2.61%		
Net Revenue/Expense		-	-	-	-		

* Repairs & Maintenance 430 detail - annual R&M see page 22 - \$78,000

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.

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Communications

Budget 2820		2012-13	Approved	Proposed	Increase/	% of	
		Actual	Budget	Budget	(Decrease)	Budget	Notes
			2013-14	2014-15		2014-15	
Revenue							
Services Provided Other Funds	6970	10,936	35,500	18,000	(17,500)	100.00%	
Miscellaneous Revenue	6990					0.00%	
State Social Security & Med. Reimb.	7810					0.00%	
State Retirement Reimbursement	7820					0.00%	
Total Revenue		<u>10,936</u>	<u>35,500</u>	<u>18,000</u>	<u>(17,500)</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	7,185	35,500	18,000	(17,500)		Contracted communications support
Technical	340						
Other Professional/Technical	390						
Total Purchased Services		<u>7,185</u>	<u>35,500</u>	<u>18,000</u>	<u>(17,500)</u>	<u>100.00%</u>	
Purchased Property Services (400)							
Cleaning Services	410						
Utility Services	420						
Repairs & Maintenance	430						
Rentals	440	3,416					
Extermination Services	460						
Total Purchased Property Services		<u>3,416</u>				0.00%	
Other Purchased Services (500)							
Student Transport Services	510						
Insurance - General	520						
Communications	530						
Advertising	540						
Printing & Binding	550	8					
Tuition	560						
Food Services Management	570						
Travel	580						
Misc. Purchased Services	590						
Total Other Purchased Services		<u>8</u>				0.00%	
Supplies (600)							
General Supplies	610	327					
Energy	620						
Food	630						
Books & Periodicals	640						
Total Supplies		<u>327</u>				0.00%	
Property (700)							
Depreciation	740						
Equipment - Original & Additional	750						
Total Property						0.00%	
Other (800)							
Dues & Fees	810						
Interest	830						
Total Other						0.00%	
Other Financing Uses (900)							
Redemption of Principal	910						
Fund Transfers	930						
Total Other Financing Uses						0.00%	
Total Expense		<u>10,936</u>	<u>35,500</u>	<u>18,000</u>	<u>(17,500)</u>	<u>100.00%</u>	
Increase/ (Decrease) from prior year					-49.30%		
Net Revenue/Expense		<u>-</u>			<u>-</u>		

Program Description - Communications provides and contracts for public and media relation services, maintains web site, produces internal communications, supports CAIU staff in presentations and communications, and produces the CAIU annual report.

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2014-15 Fiscal Year**

Human Resources

Budget 2830	2012-13 Actual	Approved Budget 2013-14	Proposed Budget 2014-15	Increase/ (Decrease)	% of Budget 2014-15	Notes
Revenue						
State Revenue received from other sources	6947				0.00%	
School District Contributions	6947				0.00%	
Services Provided to LEA's	6960				0.00%	
Services Provided Other Funds	6970	498,502	586,014	584,416	(1,598)	91.60%
Miscellaneous Revenue	6990	12,332	6,500	(6,500)	0.00%	
State Social Security & Med. Reimb.	7810	11,146	13,949	14,121	172	2.21%
State Retirement Reimbursement	7820	18,384	30,870	39,502	8,632	6.19%
Total Revenue	540,365	637,333	638,039	706	100.00%	
Expense						
Salaries (100)						
Official/Administrative	110	117,324	120,499	123,029	2,530	1.0 Director of Business / Human Resources / Communication
Professional - Educational	120					
Professional - Other	130					
Technical	140					
Office/Clerical	150	182,230	244,171	246,148	1,977	5.55 Human Resource Staff
Crafts & Trades	160					
Operative	170					
Service Work & Laborer	180					
Instructional Assistant	190					
Total Salaries		299,554	364,670	369,177	4,507	57.86% 6.55 FTE's
Employee Benefits (200)						
Group Insurance	210	49,047	65,456	76,803	11,347	
FICA Contribution	220	22,293	27,897	28,242	345	7.65%
Retirement	230	36,768	61,739	79,004	17,265	21.40%
Tuition Reimbursement	240	7,794	5,352	(5,352)		
Unemployment Compensation	250					
Workmens Compensation	260	3,096	4,194	4,246	52	1.15%
Other Benefits	290					
Total Employee Benefits		118,998	164,638	188,295	23,657	29.51%
Purchased Services (300)						
Official/Administrative	310					
Professional - Educational	320	3,457	2,000	3,500	1,500	workshops and conference registrations
Other Professional	330	14,173	2,300	7,000	4,700	School Claims Services and PSBA
Technical	340	2,200				
Other Professional/Technical	390	10,000	11,200	12,000	800	EAP Services
Total Purchased Services		29,830	15,500	22,500	7,000	3.53%
Purchased Property Services (400)						
Cleaning Services	410					
Utility Services	420					
Repairs & Maintenance	430	3,868	3,134	4,100	966	maint. agreements on copiers and photo ID machine
Rentals	440	70,612	69,805	36,560	(33,245)	copier and fax machine rentals, Enola facility charge
Extermination Services	460					
Total Purchased Property Services		74,480	72,939	40,660	(32,279)	6.37%
Other Purchased Services (500)						
Student Transport Services	510					
Insurance - General	520					
Communications	530	270	678	684	6	cell phone stipends
Advertising	540	8,369	6,000	10,000	4,000	job advertisements
Printing & Binding	550					
Tuition	560					
Food Services Management	570					
Travel	580	1,034	958	1,058	100	meals, lodging and mileage
Misc. Purchased Services	590					
Total Other Purchased Services		9,673	7,636	11,742	4,106	1.84%
Supplies (600)						
General Supplies	610	6,166	8,500	3,500	(5,000)	supplies and computers
Energy	620					
Food	630	784	500	1,000	500	
Books & Periodicals	640	465	800	750	(50)	Thompson West, PSBA School Law Book
Total Supplies		7,415	9,800	5,250	(4,550)	0.82%
Property (700)						
Depreciation	740					
Equipment - Original & Additional	750		1,500		(1,500)	
Total Property			1,500		(1,500)	0.00%
Other (800)						
Dues & Fees	810	415	650	415	(235)	professional memberships
Interest	830					
Total Other		415	650	415	(235)	0.07%
Other Financing Uses (900)						
Redemption of Principal	910					
Fund Transfers	930					
Total Other Financing Uses						0.00%
Total Expense		540,365	637,333	638,039	706	100.00%
Increase/ (Decrease) from prior year					0.11%	
Net Revenue/Expense		-			-	

Program Description - The Human Resources Team recruits, retains and places staff; administers collective bargaining agreement and maintains labor relations; conducts surveys; coordinates district human resources exchange meetings; maintains job description database; certification consultation; human resource legal consultation; and superintendent/district administration updates on human resource issues.

**Capital Area Intermediate Unit
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Technology

Budget 2840		2012-13 Actual	Approved Budget 2013-14	Proposed Budget 2014-15	Increase/ (Decrease)	% of Budget 2014-15	Notes
Revenue							
Services Provided to LEA's	6960					0.00%	
Services Provided Other Funds	6970	766,951	821,029	853,690	32,661	93.59%	
Miscellaneous Revenue	6990					0.00%	
State Social Security & Med. Reimb.	7810	12,857	15,493	15,398	(95)	1.69%	
State Retirement Reimbursement	7820	20,939	34,287	43,072	8,785	4.72%	
Total Revenue		<u>800,747</u>	<u>870,809</u>	<u>912,160</u>	<u>41,351</u>	<u>100.00%</u>	
Expense							
Salaries (100)							
Official/Administrative	110	60,243	61,250	62,515	1,265		.5 Director of Technology
Professional - Educational	120						
Professional - Other	130						
Technical	140	241,569	305,026	300,609	(4,417)		2.00 Network Administrators, .20 Data Communications, 4.0 Technology Support Coordinators
Office/Clerical	150	38,281	38,760	39,419	659		1.0 Administrative Assistant
Crafts & Trades	160						
Operative	170						
Service Work & Laborer	180						
Instructional Assistant	190						
Total Salaries		<u>340,093</u>	<u>405,036</u>	<u>402,543</u>	<u>(2,493)</u>	<u>44.13%</u>	7.70 FTE's
Employee Benefits (200)							
Group Insurance	210	44,611	73,568	71,208	(2,360)		
FICA Contribution	220	25,714	30,985	30,795	(190)	7.65%	
Retirement	230	41,877	68,573	86,144	17,571	21.40%	
Tuition Reimbursement	240		7,200	3,600	(3,600)		reimbursement of college tuition
Unemployment Compensation	250						
Workmens Compensation	260	3,515	4,658	4,629	(29)	1.15%	
Other Benefits	290						
Total Employee Benefits		<u>115,718</u>	<u>184,984</u>	<u>196,376</u>	<u>11,392</u>	<u>21.53%</u>	
Purchased Services (300)							
Official/Administrative	310						
Professional - Educational	320	3,733	6,000	5,000	(1,000)		workshops and conference registrations
Other Professional	330	3,267		1,000	1,000		
Technical	340	81,560	67,070	88,500	21,430		Application Dev Support, back up services
Other Professional/Technical	390						
Total Purchased Services		<u>88,560</u>	<u>73,070</u>	<u>94,500</u>	<u>21,430</u>	<u>10.36%</u>	
Purchased Property Services (400)							
Cleaning Services	410						
Utility Services	420						
Repairs & Maintenance	430	62,392	45,947	51,380	5,433		maintenance agreement on copiers, Smartnet warranty, routers, switches
Rentals	440	46,775	29,434	44,185	14,751		copier lease & CAIU Enola facility charge
Extermination Services	460						
Total Purchased Property Services		<u>109,167</u>	<u>75,381</u>	<u>95,565</u>	<u>20,184</u>	<u>10.48%</u>	
Other Purchased Services (500)							
Student Transport Services	510						
Insurance - General	520						
Communications	530	23,358	23,328	24,638	1,310		cell phone reimbursement, data cards & internet connection for CAIU
Advertising	540						
Printing & Binding	550						
Tuition	560						
Food Services Management	570						
Travel	580	7,214	5,706	8,213	2,507		meals, lodging, mileage
Misc. Purchased Services	590						
Total Other Purchased Services		<u>30,572</u>	<u>29,034</u>	<u>32,851</u>	<u>3,817</u>	<u>3.60%</u>	
Supplies (600)							
General Supplies	610	45,881	23,089	24,800	1,711		software, licenses, office supplies and computers
Energy	620						
Food	630						
Books & Periodicals	640	20					
Total Supplies		<u>45,901</u>	<u>23,089</u>	<u>24,800</u>	<u>1,711</u>	<u>2.72%</u>	
Property (700)							
Depreciation	740						
Equipment - Original & Additional	750	70,191	80,000	65,000	(15,000)		servers, routers, switches
Total Property		<u>70,191</u>	<u>80,000</u>	<u>65,000</u>	<u>(15,000)</u>	<u>7.13%</u>	
Other (800)							
Dues & Fees	810	545	215	525	310		dues & fees associated with Technology related memberships
Interest	830						
Total Other		<u>545</u>	<u>215</u>	<u>525</u>	<u>310</u>	<u>0.06%</u>	
Other Financing Uses (900)							
Redemption of Principal	910						
Fund Transfers	930						
Total Other Financing Uses						<u>0.00%</u>	
Total Expense		<u>800,747</u>	<u>870,809</u>	<u>912,160</u>	<u>41,351</u>	<u>100.00%</u>	
Increase/ (Decrease) from prior year					<u>4.75%</u>		
Net Revenue/Expense		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		

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 2014-15 Fiscal Year**

Debt Service

Budget 5100		2012-13 Actual	Approved Budget 2013-14	Proposed Budget 2014-15	Increase/ (Decrease)	% of Budget 2014-15	Notes
Revenue							
School District Contributions	6947	129,733				0.00%	
Services Provided to Other Funds	6970	156,188	371,000	335,000	(36,000)	100.00%	
Total Revenue		285,921	371,000	335,000	(36,000)	100.00%	
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						
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						
Total Property						0.00%	
Other (800)							
Dues & Fees	810						
Interest	830	24,470	95,306	50,000	(45,306)		Loans for capital improvements to Enola
Total Other		24,470	95,306	50,000	(45,306)	14.93%	
Other Financing Uses (900)							
Redemption of Principal	910	261,451	275,694	285,000	9,306		Loans for capital improvements to Enola
Fund Transfers	930						
Total Other Financing Uses		261,451	275,694	285,000	9,306	85.07%	
Total Expense		285,921	371,000	335,000	(36,000)	100.00%	
Increase/ (Decrease) from prior year					-9.70%		
Net Revenue/Expense		-			-		

Program Description - Budget represents debt service interest payments on the 2013 loan. This loan was a refinance of the 2007 and 2008 loan that was used to pay for capital improvements to the Enola facility. The 2013 debt also includes the new debt that was issued for the HVAC upgrade.

Capital Area Intermediate Unit
Capital Repair, New Project, Equipment,
and Maintenance Plan
for Enola Facility
For the Five Year Period of
2014-15 through 2018-19

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. The building is about 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 will be established from unforeseen budgetary savings in 2012-13.

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. \$5,000 a year is budgeted for this purpose.

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 4 years
Parking lot reseal and line	\$35,000 plus every 4 years
Parking lot light lamp replacement	\$5,000 plus every 2 years
Outside walkway light lamp replacement	\$1,500 plus every 2 years
Building lighting lamp and ballast replacement	\$60,000 plus every 5 years

Funding for Capital Projects and Prior Borrowings

The CAIU borrowed \$2.1 million for 10 years in 2007-08 for the new roof, maintenance building, and parking lot expansion projects; and borrowed \$1.1 million for 10 years in 2008-09 for the build out of new space for the Capital Area School for the Arts (\$750,000), which is not part of the general operating budget, and meeting room improvements and issuance costs (\$350,000).

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 2014-15 through 2018-19 follows on the next page.

**Capital Area Intermediate Unit
Maintenance Plan Budget
for Enola Facility
for the Five Year Period of 2014-15 through 2018-19**

	Year 1 2014-15	Year 2 2015-16	Year 3 2016-17	Year 4 2017-18	Year 5 2018-19	Total
Annual Repairs and Maintenance Items						
Carpet Replacement (as needed)	5,000	5,000	5,000	5,000	5,000	25,000
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)					30,000	30,000
Parking Lot Reseal and Line (every 4 years)				35,000		35,000
Parking Lot Light Lamp Replacement (every 2 years)		5,000		5,000		10,000
Outside Walkway Light Lamp Replacement (every 2 years)		1,500		1,500		3,000
Building Lighting Lamp and Ballast Replacement (every 5 years)		60,000				60,000
Total	13,000	79,500	13,000	54,500	43,000	203,000

**Capital Area Intermediate Unit
Proposed General Operating Budget
For the 2014-15 Fiscal Year**

School District Contribution Schedule with 0% Increase

Column #	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		2012-13 Market Value Aid Ratio ¹	(1) - (2)	2010-11 Weighted Ave. Daily Member. ²	Weight Factor ³ (3) x (4)	Excess Expend. \$902,460 /Total Wgt. Fac. 53,079.2944633 = Multiplier	Estimated 2014-15 District Contribution ⁴ (5) x (6)	Estimated 2013-14 District Contribution ⁵	Increase/ (Decrease) Amount (7) - (8)	Increase/ (Decrease) % (9) / (8)
School District										
Big Spring	1.0	- 0.5425	= 0.4575	x 3,412.585	= 1,561.2576375	x 17.002110 =	26,544.67	26,544.67	0.00	0.00%
Camp Hill	1.0	- 0.3754	= 0.6246	x 1,398.598	= 873.5643108	x 17.002110 =	14,852.44	14,852.44	0.00	0.00%
Carlisle Area	1.0	- 0.4259	= 0.5741	x 5,691.594	= 3,267.5441154	x 17.002110 =	55,555.14	55,555.14	0.00	0.00%
Central Dauphin	1.0	- 0.3444	= 0.6556	x 13,160.029	= 8,627.7150124	x 17.002110 =	146,689.37	146,689.37	0.00	0.00%
Cumberland Valley	1.0	- 0.2555	= 0.7445	x 9,002.218	= 6,702.1513010	x 17.002110 =	113,950.71	113,950.71	0.00	0.00%
Derry Township	1.0	- 0.2829	= 0.7171	x 4,247.631	= 3,045.9761901	x 17.002110 =	51,788.02	51,788.02	0.00	0.00%
East Pennsboro Area	1.0	- 0.4735	= 0.5265	x 3,308.405	= 1,741.8752325	x 17.002110 =	29,615.55	29,615.55	0.00	0.00%
Greenwood	1.0	- 0.5814	= 0.4186	x 994.091	= 416.1264926	x 17.002110 =	7,075.03	7,075.03	0.00	0.00%
Halifax Area	1.0	- 0.6266	= 0.3734	x 1,415.445	= 528.5271630	x 17.002110 =	8,986.08	8,986.08	0.00	0.00%
Harrisburg City	1.0	- 0.7406	= 0.2594	x 8,825.634	= 2,289.3694596	x 17.002110 =	38,924.11	38,924.11	0.00	0.00%
Lower Dauphin	1.0	- 0.5062	= 0.4938	x 4,539.750	= 2,241.7285500	x 17.002110 =	38,114.12	38,114.12	0.00	0.00%
Mechanicsburg Area	1.0	- 0.3984	= 0.6016	x 4,430.762	= 2,665.5464192	x 17.002110 =	45,319.91	45,319.91	0.00	0.00%
Middletown Area	1.0	- 0.5200	= 0.4800	x 2,888.699	= 1,386.5755200	x 17.002110 =	23,574.71	23,574.71	0.00	0.00%
Millersburg Area	1.0	- 0.6016	= 0.3984	x 982.892	= 391.5841728	x 17.002110 =	6,657.76	6,657.76	0.00	0.00%
Newport	1.0	- 0.6481	= 0.3519	x 1,386.017	= 487.7393823	x 17.002110 =	8,292.60	8,292.60	0.00	0.00%
Northern York County	1.0	- 0.4715	= 0.5285	x 3,727.840	= 1,970.1634400	x 17.002110 =	33,496.94	33,496.94	0.00	0.00%
Shippensburg Area	1.0	- 0.5210	= 0.4790	x 4,173.238	= 1,998.9810020	x 17.002110 =	33,986.89	33,986.89	0.00	0.00%
South Middleton	1.0	- 0.3124	= 0.6876	x 2,631.201	= 1,809.2138076	x 17.002110 =	30,760.45	30,760.45	0.00	0.00%
Steelton-Highspire	1.0	- 0.7755	= 0.2245	x 1,520.101	= 341.2626745	x 17.002110 =	5,802.19	5,802.19	0.00	0.00%
Susquehanna Township	1.0	- 0.3444	= 0.6556	x 3,627.398	= 2,378.1221288	x 17.002110 =	40,433.09	40,433.09	0.00	0.00%
Susquenita	1.0	- 0.6046	= 0.3954	x 2,272.520	= 898.5544080	x 17.002110 =	15,277.32	15,277.32	0.00	0.00%
Upper Dauphin Area	1.0	- 0.6310	= 0.3690	x 1,474.070	= 543.9318300	x 17.002110 =	9,247.99	9,247.99	0.00	0.00%
West Perry	1.0	- 0.5786	= 0.4214	x 3,209.090	= 1,352.3105260	x 17.002110 =	22,992.13	22,992.13	0.00	0.00%
West Shore	1.0	- 0.3932	= 0.6068	x 9,161.954	= 5,559.4736872	x 17.002110 =	94,522.78	94,522.78	0.00	0.00%
Total				97,481.762	53,079.2944633		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 2014-15 set at \$902,460

Note:

The final contribution amount for each district for 2014-15 will vary from the number above. The Pennsylvania Department of Education hasn't issued preliminary MV AR (for 2013-14) and preliminary WADM (for 2011-12). 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.