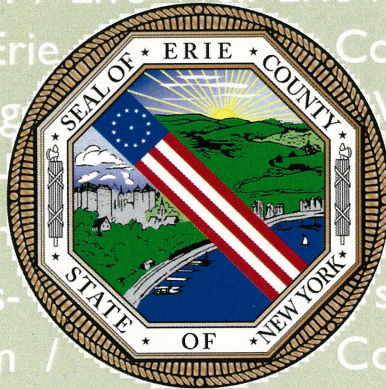


# BUDGET 2020

**COUNTY OF ERIE, BUFFALO, NEW YORK**



## MESSAGE AND SUMMARY

**Mark C. Poloncarz**  
COUNTY EXECUTIVE

**Robert W. Keating**  
DIRECTOR  
BUDGET & MANAGEMENT



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# **Erie County Executive's Budget Message and Summary**



October 1, 2019

Erie County Legislature  
92 Franklin Street 4<sup>TH</sup> Floor  
Buffalo, NY 14202

Dear Honorable Legislators:

Please find enclosed my proposed 2020 Erie County Budget ("2020 Budget") and the 2020-2023 Four Year Financial Plan ("Four Year Plan") for review and approval by your Honorable Body.

The 2020 Budget is balanced and based upon reasonable and conservative assumptions for revenues and expenditures and reflects a 12 cent reduction in the property tax rate to \$4.72 per \$1,000 of assessed valuation and stays under the New York State Property Tax Cap. For the eighth straight year since I assumed office, this Budget maintains and enhances critical health and human service programs and increases our investment in the County's infrastructure. It supports and advances our cultural organizations. This budget is one from which that the entire community will benefit.

### **2020 General Fund Budget**

The 2020 recommended Budget for the General Fund is \$1,555,350,829 (including approximately \$372.3 million of sales tax, which we collect and distribute to local governments, school districts and the Niagara Frontier Transportation Authority), and amounts to a total increase of 1.77 percent over the Adopted 2019 Budget.

After backing out the impact from the growth in shared sales tax, the growth is reduced to 1.67 percent. When backing out the 2020 growth due to



shared sales tax and the new mandates, the growth is further reduced to only 1.29%. For overall operating funds of the County, the 2020 Budget is 2.17 percent greater than the 2019 Adopted Budget.

The largest factors driving the increase in 2020 Budgetary spending are:

- \$16.3 million in increases to payroll costs, largely due to the combined impact of union contract provisions along with mandated program expenditures associated with New York State's Criminal Justice Reforms, Lead Poisoning Measure changes, and the Raise the Age law; and
- \$7.6 million in increased costs related to sales tax sharing.

Another cost-driver in the 2020 Budget is a \$1.4 million increase in fringe benefit costs simply due to the increase in payroll costs. All other areas of 2020 spending increased by a net of \$3.1 million due in part to the benefit from program cost savings.

As in recent budgets we will continue to share this revenue growth with the Buffalo and Erie County Public Library. The County is taking the action to lower the property tax rate per thousand of assessed value from \$4.84 for 2019 to \$4.72 in 2020, and for the third time reduce the eligible amount of Community College chargebacks by \$4.4 million. Even with the 12 cent reduction in the property tax rate for the 2020 Budget, the County will benefit from \$10.3 million of additional 2020 revenue as a result of continued strong economic growth.

### **Sales Tax**

The sales and compensating use tax ("sales tax") is the County's largest revenue source. For 2019, the actual revenue collected has exceeded budget expectations. The sales tax growth over 2018 actual revenue in the 2019 Adopted Budget was 1.54 percent. We expect in 2019 to realize more than budgeted as we have been trending over 3 percent year-to-date growth in our sales tax collections due to a strong local economy. For 2020, we are estimating growth of 1.5 percent in 2020 sales tax revenue over projected 2019 sales tax collections.



## **Four Year Financial Plan**

The 2020 Budget includes a Four Year Financial Plan for fiscal years 2020-2023. The 2020 Budget and projected 2019 year-end numbers form the basis for the Four Year Plan along with assumptions and estimates which are detailed in the Executive Summary and Budget Message. The Four Year Plan forecasts manageable budget scenarios for 2021-2023.

We also are using conservative and appropriate assumptions on property and sales tax revenues. We project a 2 percent assessment growth forecast for 2021-2023. For sales tax we budgeted for 1.5 percent growth in sales tax collections for 2020 and then forecast 1.5 percent growth for 2021-2023.

## **Union Contracts**

Since the 2019 Budget was proposed, we successfully negotiated and signed multi-year contracts with Teamsters Captains & Lieutenants, Teamsters Sworn & Civilian, NYSNA, and Library Clerical & Maintenance. All County Unions are presently under contract. We continue to remain ready and willing to fairly negotiate with all other unions as their contracts expire. We believe in fair contracts with our employees to benefit both the employees and most importantly their bosses – the people of Erie County.

## **New York State Mandates**

The County of Erie will need to meet the challenges of mandates from New York State again in 2020. In particular, three mandated programs will be in full effect: Criminal Justice Reforms, Lead Poisoning Measure changes, and Raise the Age law.

Criminal Justice Reforms were made by New York State regarding bail, discovery, and speedy trial issues. Cash bail is eliminated for most defendants. The prosecution must allow evidence to be provided to defendants well in advance of trial in new Discovery Reform Measures. The third component is Speedy Trial Reform to address long pre-trial periods. As a result of these reforms, the County will need to spend approximately \$1.15 million to meet the changes through increases in personnel and equipment in the District Attorney's Office, Probation Department, and Central Police Services.



New York State also lowered the action level of lead in blood allowable, which impacts the County's Child Lead Poisoning Prevention Programs. Accordingly, the Department of Health will need to perform approximately 800 additional environmental investigations per year and case manage an additional 700 children. The estimated cost associated with this is \$1.99 million, of which 36% will be eligible for Article VI reimbursement by the State.

The third mandated program is the Raise the Age law. The first phase was implemented in October 2018 and the second phase begins now in October 2019. Under its full implementation, 17-year olds are no longer automatically charged as adults. For 2020, the County will spend another \$1.2 million over the money budgeted to be spent in 2019 regarding Raise the Age. Please note that New York State has promised to reimburse the County for Raise the Age related expenses, which began in 2018. As of this writing, the County has yet to be reimbursed, but continues to work with the State to get our fair share of reimbursement.

### **Strengthening and Enhancing Erie County**

In 2020, we will continue to wisely invest in many programs, services and initiatives that strengthen and enhance our community. Funding will be earmarked for programming that citizens have identified as of great importance, including numerous infrastructure improvements throughout the county, the designing and eventual implementation of the "Erie Net" countywide open-access broadband fiber service network, the further implementation of "Live Well Erie," state-of-the-art public safety programs at Central Police Services, and economic development projects throughout the County.

By making prudent fiscal investments that ensure our community is provided with the resources required to remain strong and stand vibrant, we can make a difference in the lives of many county residents. All of this is done with the mentality of maintaining a conservative budgeting approach, with constant monitoring of our short-term, long-term and strategic goals for all county tax dollars.



The 2020 Budget prioritizes funding for the following areas:

- Providing over \$60 million in approved bonded and pay as you go capital project work, including approximately \$30 million in infrastructure improvements on roads and bridges throughout Erie County and includes providing another \$2.5 million to purchase new heavy equipment such as plow trucks, high lifts, and tractors. Although many worthy roads and buildings and other programs need additional work greater than what is already our largest capital funded program to date for 2020, we need to carefully strike a balance between capital improvements and fiscal conservancy. The total 2020 Erie County Capital Plan, including non-County funding, is approximately \$100 million.

Some of the major roadwork includes:

- Preservation of Roads Construction for East & West Road (\$3 million), North Main Street (\$2.5 million), and rehabilitation of Alden Crittenden Road and Bullis Road (\$3 million).
- Federal Aid Construction for Maple Road (\$3 million for sewer replacement with the remaining work to be paid for by state and federal assistance), Wehrle Drive (\$2.4 million, including federal monies), and Elmwood Pedestrian and Bicycle Improvements (\$1.558 million, including federal monies).
- Providing a total of \$2.85 million in capital budget monies for Parks and Recreation, including Countywide Parks Improvements and ADA Accessibility (\$750,000); Countywide Shelter and Buildings (\$500,000), and Park roads, paths, and parking lots (\$300,000).
- Budgeting approximately \$4.33 million of capital monies for Environment & Planning along with outside agencies and groups that include:
  - County efforts: Erie County Agribusiness Park (\$750,020, with \$500,000 coming from County bonded monies) and Bethlehem Steel

Redevelopment (\$2.13 million, which includes both County bonded and New York State monies).

- Capital needs of outside agencies and groups such as (dollar amounts listed are County monies only):
  - Shea's Strategic Expansion and Accessibility (\$750,000);
  - Masten Boys and Girls Club Renovation (\$75,000);
  - Cheektowaga Senior Center Transportation Van (\$50,000).

### **Retiring Public Debt While Improving the County and Its Infrastructure**

We are able to do all of this work in a sound and prudent fiscal manner. Over the course of my administration, I have worked to continuously reduce our Outstanding General Debt – going from the high of \$448,722,295 in 2010 to an estimated \$319,505,197 for 2019. In 2019 alone, \$48,060,000 of bond principal will be retired; whereas, in 2020, I am proposing new bonding of \$47,342,900 for capital programs. We are retiring more in debt than we are taking on in new debt overall.

### **The 2020 Legislative Budget Process**

Your Honorable Body and my administration have worked collaboratively to ensure Erie County's budget is structurally sound for the current fiscal year and is built for long-term financial stability. This strategy has included the annual budget review process and agreed-upon budget amendments, something that I hope to see continue this year and in the future.

Just as in years past, I welcome all discussions with the Legislature concerning the 2020 Budget and hope that we can have an open and honest dialogue about our county's fiscal health and how we spend and invest county tax dollars.

### **Conclusion**

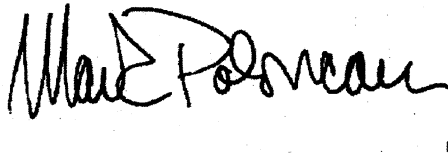
I believe both the 2020 Budget and the accompanying Four Year Plan are conservatively balanced and accurately address the needs of our community. Both of these documents realistically address the challenges we are facing while



also acknowledging that revenue constraints ultimately impact the budget. We all understand and respectfully listen to the requests for enhanced services and programs, but each proposal must be considered with caution as we continue to keep a close eye on the bottom line that ultimately impacts the constituents who we serve. I will continue to advocate against new unfunded mandates from Albany, as the State of New York continues to pass the costs of new measures onto county governments.

I remain committed to maintaining quality services our residents have grown to expect and I am adamant about overseeing a fiscally-stable government that never stops showing the potential to grow, improve and enhance with each passing year. I look forward to continuing to work in partnership with your Honorable Body and the Erie County Fiscal Stability Authority.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mark C. Poloncarz". The signature is fluid and cursive, with the first name "Mark" being more prominent.

Mark C. Poloncarz, Esq.  
Erie County Executive

MCP/sb&dm  
Encl.

cc: Hon. John Flynn, Esq., Erie County District Attorney  
Hon. Timothy Howard, Erie County Sheriff  
Hon. Michael Kearns, Erie County Clerk  
Hon. Stefan Mychajliw, Erie County Comptroller  
Erie County Fiscal Stability Authority





# Four-Year Operations Plan Fiscal Years 2020 - 2023



## **Four Year Financial Plan for Fiscal Years 2020-2023**

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Section 2503 of the Erie County Charter specifies certain budget requirements, including submission of an annual budget proposal and a financial forecast for the next two years. In addition, Public Authorities Law §3957 creating the Erie County Fiscal Stability Authority ("ECFSA") requires that the County Executive submit a Four Year Financial Plan ("Plan") with his proposed budget.

The 2020 Proposed Budget and projected 2019 results largely form the basis for the Plan.

The 2020 Budget and Plan differ as explained in greater detail in the County Executive's budget message and as noted below.

The Plan calls for 2.0% growth in property tax revenue strictly due to assessment growth for years 2021 through 2023. Based on recent year actual assessment growth, that assumption may be conservative. In 2020, the County projects to receive \$10.8 million in assessment growth, of which the County will share \$498,219 with the Buffalo and Erie County Public Library System.

The Plan calls for sales tax revenues to increase by 1.5% in 2020 from the 2019 projected actual amount, and then by 1.5% for 2021-2023.

The Plan is based on reasonable assumptions at the time of submission of the 2020 Budget and Plan on October 1, 2019.

### **KEY ASSUMPTIONS IN FOUR YEAR FINANCIAL PLAN 2020-2023**

<b>Revenue</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Sales Tax Growth	1.50%	1.50%	1.50%
Real Estate Market Value Growth	2.00%	2.00%	2.00%
Property Tax Rate Increase	0%	0%	0%
 <b>Expense</b>	 <b>2021</b>	 <b>2022</b>	 <b>2023</b>
Personal Services Growth	2.50%	2.50%	2.50%
Health Insurance Growth	4.66%	4.04%	4.02%
Pension Rate	13.47%	13.67%	13.87%

Personal services growth is driven by the cost of salaries and other employee payments for all employees. The pension rate is based on estimates provided by the New York State and Local Retirement System. The health insurance growth includes the cost of current employee and retiree health insurance expense.

The Plan includes a modest projected 2021 surplus and modest 2022 and 2023 gaps while eliminating the planned usage of fund balance over the term of the plan. There are a variety of potential mechanisms and initiatives available to the County to close the out-year gaps, including:

- Better than expected sales tax revenue;
- Better than expected property tax assessment growth;
- Reductions in discretionary spending, including in personal services and through deletion of positions;
- Employee retirements due to existing union contract provisions and new contracts;
- Property tax revenue;
- Use of appropriated fund balance;
- Increase to Community College Chargeback revenue;
- Participation in the Employer Contribution Stabilization Program;
- More favorable (lower) caseload trends in social service programs; and
- Reinstatement of Gaming Facilities Aid.



# County of Erie

## 2020-2023 Four-Year Financial Plan

Fund 110 - General Account Type		2018 Actual	2019 Adopted Budget	2020 Executive Recommended Budget	2021 Projection	2022 Projection	2023 Projection
<b>Revenue</b>							
<b>Local Source Revenue</b>							
Property Tax Levy		262,963,604	270,185,414	280,520,242	286,130,647	291,853,260	297,690,325
Property Tax Related							
Sec 520 Exempt Removal		971,858	920,660	863,146	863,146	863,146	863,146
Gain Sale Tax Acquired Prop		8,850	3,250	5,000	5,000	5,000	5,000
Payments In Lieu Of Taxes		5,214,483	5,140,000	5,140,000	4,557,265	4,580,051	4,602,952
Interest & Penalties-Prop Tax		15,507,009	13,422,729	13,800,624	13,938,630	14,078,017	14,218,797
Omitted Taxes		24,894	6,000	7,500	7,500	7,500	7,500
Dec-Prop Tax Def Rev		(7,260,294)	(3,176,919)	(3,551,464)	(3,586,979)	(3,622,848)	(3,659,077)
Property Tax Related Total		14,466,800	16,315,720	16,264,806	15,784,563	15,910,865	16,038,317
Sales Tax							
Sales Tax Original 3%		177,842,138	180,575,183	185,270,714	188,049,775	190,870,521	193,733,579
1% Sales Tax		167,907,863	170,488,501	174,921,477	177,545,299	180,208,479	182,911,606
.25 % Sales Tax		41,962,715	42,605,485	43,715,523	44,371,256	45,036,825	45,712,377
.50% Sales Tax		83,925,430	85,210,972	87,431,046	88,742,512	90,073,649	91,424,754
Sales Tax Total		471,638,146	478,880,141	491,338,760	498,708,841	506,189,474	513,782,316
Sales Tax (Distrib. to Local Gov'ts)		325,881,469	330,889,952	337,955,669	343,025,004	348,170,379	353,392,935
Fees Fines or Charges							
Election Exp Other Govts		7,745,487	6,811,526	7,182,134	7,802,195	8,231,794	8,355,271
All Other Fees Fines or Charges		26,848,562	27,596,307	26,923,753	27,327,609	27,737,523	28,153,586
Fees Fines or Charges Total		34,594,049	34,407,833	34,105,887	35,129,804	35,969,317	36,508,857
Other Sources							
Interest & Earn - Gen Inv		748,095	700,750	551,000	551,000	551,000	551,000
Hotel Occupancy Tax Revenue		11,168,456	11,225,000	11,600,000	11,774,000	11,950,610	12,129,869
Community College Respreads		3,328,238	2,528,178	2,724,895	2,805,100	4,433,151	5,677,483
All Other Sources Accounts		28,619,456	24,835,033	24,052,518	24,913,306	25,487,005	26,869,310
Other Sources Total		43,864,245	39,288,961	38,928,413	40,043,406	42,421,766	45,227,662
Appropriated Fund Balance							
Appropriated Fund Balance - Special		-	-	-	-	-	-
Appropriated Fund Balance County Purposes		-	3,000,000	-	-	-	-
Appropriated Fund Balance		-	3,000,000	-	-	-	-
<b>Local Source Revenue Total</b>		<b>1,153,408,313</b>	<b>1,172,968,021</b>	<b>1,199,113,777</b>	<b>1,218,822,265</b>	<b>1,240,515,062</b>	<b>1,262,640,413</b>
<b>State Aid</b>							
State Aid-Education Of Handicapped Children		29,574,394	30,760,871	33,103,809	33,434,847	33,769,196	34,106,888
State Aid-Mental Health		39,611,442	37,627,581	39,484,433	39,879,277	40,278,070	40,680,851
State Aid-Soc Serv Admin		30,034,685	32,082,041	30,383,976	31,477,565	32,629,908	33,845,388
State Aid-Safety Net Assistance		10,905,311	11,469,958	9,754,704	9,924,850	10,097,548	10,272,837
State Aid-Child Welfare Services		18,159,774	23,491,198	23,161,992	23,627,963	24,103,253	24,588,050
State Aid-Serv For Recipients		8,144,482	7,095,655	6,709,866	6,752,364	6,796,349	6,841,874
State Aid Day Care		5,435,267	6,065,648	4,784,039	4,903,640	5,026,231	5,151,887
State Aid Raise the Age		734,276	6,356,082	7,567,097	7,718,439	7,872,808	8,030,264
All Other State Aid Accounts		23,868,398	24,243,776	27,590,023	27,865,923	28,144,582	28,426,028
State Aid Total		166,468,029	179,192,810	182,539,939	185,584,869	188,717,945	191,944,066
<b>Federal Aid</b>							
Federal Aid-Family Assistance		37,794,296	40,668,583	35,911,320	36,461,436	37,019,804	37,586,548
Federal Aid-Soc Serv Admin		21,620,776	22,166,252	21,639,306	23,395,363	25,244,680	27,194,165
Fed Aid Day Care		19,494,904	20,016,995	23,235,503	23,843,502	24,469,741	25,114,768
Federal Aid-CWS Foster Care		14,826,297	15,389,651	13,086,420	11,865,809	12,150,785	12,441,461
Federal Aid-Safety Net TANF Cases		932,325	941,167	748,457	756,823	765,315	773,934
All Other Federal Aid Accounts		70,670,714	76,905,294	77,472,695	78,247,422	79,029,896	79,820,195
Federal Aid Total		165,339,312	176,087,942	172,093,701	174,570,355	178,680,221	182,931,071
Interfund Revenue		103,439	102,216	1,603,412	200,000	200,000	200,000
<b>Total Fund 110 Revenue</b>		<b>1,485,319,093</b>	<b>1,528,350,989</b>	<b>1,555,350,829</b>	<b>1,579,177,488</b>	<b>1,608,113,228</b>	<b>1,637,715,550</b>

# County of Erie

## 2020-2023 Four-Year Financial Plan

		2018	2019	2020	2021	2022	2023
		Actual	Adopted	Executive Recommended	Projection	Projection	Projection
Fund 110 - General	Account Type						
<b>Expense</b>							
<b>Personal Service Related Expense</b>							
Personal Services							
	Full-Time Salaries	188,949,534	207,415,029	221,795,870	227,340,767	233,024,286	238,849,893
	Part-Time Wages	2,962,825	4,330,793	4,229,927	4,335,675	4,444,067	4,555,169
	Regular Part Time Wages	1,655,663	2,043,314	2,105,368	2,158,002	2,211,952	2,267,251
	Seasonal Emp Wages	847,102	892,971	890,602	912,867	935,689	959,081
	<b>Personal Services Total</b>	<b>194,415,124</b>	<b>214,682,107</b>	<b>229,021,767</b>	<b>234,747,311</b>	<b>240,615,994</b>	<b>246,631,394</b>
Employee Payments non-salary							
	Shift Differential	1,272,125	1,308,906	1,678,180	1,720,135	1,763,138	1,807,216
	Uniform Allowance	900,188	934,950	1,051,225	1,061,737	1,072,355	1,083,078
	Holiday Worked	1,509,923	1,739,308	2,068,133	2,119,836	2,172,832	2,227,153
	Line-Up	2,052,874	2,197,444	2,884,365	2,956,474	3,030,386	3,106,146
	Other Employee Pymts	1,481,977	1,725,641	1,680,705	1,722,723	1,765,791	1,809,935
	Overtime	18,877,194	18,246,529	19,106,603	19,584,268	20,073,875	20,575,722
	<b>Employee Payments non-salary Total</b>	<b>26,094,281</b>	<b>26,152,778</b>	<b>28,469,211</b>	<b>29,165,173</b>	<b>29,878,376</b>	<b>30,609,250</b>
Fringe Benefits							
	Fringe Benefits- FICA	16,337,571	18,320,184	19,580,738	20,071,864	20,572,449	21,085,537
	Fringe Benefits-Medical Insurance	41,171,540	44,420,850	41,977,252	43,930,872	45,701,890	47,544,346
	Fringe Benefits-Workers Compensation	5,858,462	6,532,392	7,013,857	7,339,670	7,635,560	7,943,385
	Fringe Benefits-Unemployment Insur.	233,317	385,094	409,532	428,594	445,872	463,847
	Fringe Benefits-Retiree Med Insur.	29,810,006	36,628,238	36,624,882	38,332,365	39,877,686	41,485,341
	Fringe Benefits-Retirement	29,168,158	31,690,256	33,786,374	35,358,995	36,784,448	38,267,400
	<b>Fringe Benefits Total</b>	<b>122,579,054</b>	<b>137,977,014</b>	<b>139,392,635</b>	<b>145,462,360</b>	<b>151,017,905</b>	<b>156,789,856</b>
Countywide Personnel Adjustments							
	Salary Adjustments						
	Reductions (Vacancy Savings)	-	(1,400,000)	(1,800,000)	(1,400,000)	(1,400,000)	(1,400,000)
	<b>Countywide Personnel Adjustments</b>	<b>-</b>	<b>(1,400,000)</b>	<b>(1,800,000)</b>	<b>(1,400,000)</b>	<b>(1,400,000)</b>	<b>(1,400,000)</b>
<b>Personal Service Related Expense Total</b>		<b>343,088,459</b>	<b>377,411,899</b>	<b>395,083,613</b>	<b>407,974,844</b>	<b>420,112,275</b>	<b>432,630,500</b>
<b>Other Departmental Expense</b>							
Supplies & Repairs							
	Auto Supplies	1,792,566	1,513,825	1,827,875	1,855,293	1,883,123	1,911,369
	All Other	6,069,392	7,357,891	7,219,527	7,327,820	7,437,737	7,549,303
	<b>Supplies and Repairs</b>	<b>7,861,958</b>	<b>8,871,716</b>	<b>9,047,402</b>	<b>9,183,113</b>	<b>9,320,860</b>	<b>9,460,673</b>
Other							
	Risk Retention	2,425,236	3,516,000	4,019,400	6,000,000	4,000,000	4,000,000
	Control Board	(74,112)	510,000	504,000	504,000	504,000	504,000
	Rental	4,893,248	7,607,154	9,316,423	9,409,587	9,503,683	9,598,720
	DSS Pivot Wages/Chargebacks/Training	5,488,740	5,609,341	5,733,208	5,790,540	5,848,445	5,906,930
	Utility Charges	2,171,462	2,607,467	2,627,425	2,666,836	2,706,839	2,747,442
	All Other	4,456,580	6,067,497	6,156,548	6,248,896	6,342,630	6,437,769
	<b>Other Total</b>	<b>19,361,154</b>	<b>25,917,459</b>	<b>28,357,004</b>	<b>30,619,860</b>	<b>28,905,597</b>	<b>29,194,860</b>
Contractual							
Sales Tax as Aid to Local Governments							
	Sales Tax Distrib.to Cities, Towns & Sch Dist. from 3%	325,881,469	330,889,952	337,955,669	343,025,004	348,170,379	353,392,935
	Sales Tax Flat Distrib.to Cities and Towns from 1%	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
	Sales Tax Distributed to NFTA	20,988,484	21,311,031	21,865,186	22,193,164	22,526,061	22,863,952
	Sub Total - Local Gov. Sales Tax	359,369,953	364,700,983	372,320,855	377,718,168	383,196,440	388,756,887
Other Agency Contractual or Mandated Payments							
	Indigent Defense - Legal Aid/Bar Assoc.	12,690,672	12,944,486	13,220,137	13,418,439	13,619,716	13,824,011
	NFTA Sec 18 B	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200
	Contractual-ECMCC Healthcare Network	7,379,861	7,600,197	7,175,477	7,283,109	7,392,356	7,503,241
	Cultural/Community Agencies	6,560,035	7,192,221	6,864,450	6,967,417	7,071,928	7,178,007
	Buffalo Bills Game Day Expense	2,408,593.00	2,531,319	2,629,624	2,708,513	2,789,768	2,873,461
	Stadium - Working Capital Assistance	1,550,906.00	1,630,671	1,693,800	1,744,614	1,796,952	1,850,861
	Social Services/Youth/Mental Health Agencies	78,993,038	79,576,934	81,567,580	82,791,094	84,032,960	85,293,455
	Visit Niagara (CVB) Subsidy	3,488,938	3,559,738	3,630,933	3,685,397	3,740,678	3,796,788
	Bflo Niagara Film Comm WNED	237,430	242,179	247,023	250,728	254,489	258,307
	Convention Center Subsidy	1,795,031	1,830,932	1,867,551	1,895,564	1,923,998	1,952,858
	County Residents at Other Community Colleges	7,124,895	7,005,100	7,188,870	7,332,647	7,479,300	7,628,886
	Legislative Earmarks	454,350	595,621				
	All Other Contractual Accounts	21,426,596	24,937,485	26,808,099	27,210,220	27,618,374	28,032,649
	<b>Contractual Total</b>	<b>507,137,498</b>	<b>518,005,066</b>	<b>528,871,599</b>	<b>536,663,111</b>	<b>544,574,159</b>	<b>552,606,611</b>
<b>Equipment</b>		<b>2,730,131</b>	<b>2,041,495</b>	<b>3,304,167</b>	<b>3,337,209</b>	<b>3,370,581</b>	<b>3,404,287</b>
Allocation							
	Interfund-Erie Community College	16,754,317	17,114,317	17,724,317	18,084,317	18,084,317	18,084,317
	Interfund-Utilities Fund	3,252,235	3,656,067	3,839,133	3,915,916	3,994,234	4,074,119
	County Share - Grants	4,956,342	6,863,237	7,007,564	7,147,715	7,290,670	7,436,483
	Interfund-Road	15,692,129	19,170,857	15,339,104	18,922,582	15,492,495	15,802,345
	Interfund -Library Subsidy						



**County of Erie**  
**2020-2023 Four-Year Financial Plan**

		2020					
		2018	2019	Executive	2021	2022	2023
Fund 110 - General	Account Type	Actual	Adopted Budget	Recommended Budget	Projection	Projection	Projection
	Interfund E911 Subsidy	3,866,462	4,540,026	4,370,528	4,457,939	4,547,097	4,638,039
	Interdepartmental Billings	(3,017,533)	(3,247,152)	(4,171,622)	(4,255,054)	(4,140,156)	(4,222,959)
	All Other Allocation Accounts	1,224,402	1,669,800	3,954,187	4,013,500	4,073,702	4,134,808
	Allocation Total	42,728,354	49,767,152	48,063,211	52,286,913	49,342,360	49,947,152
	Program Related						
	UPL Expense	15,289,128	10,551,306	9,666,299	9,859,625	10,056,817	10,257,954
	Indigent Care Adjustment DSH	4,845,103	5,120,235	5,120,235	5,222,640	5,327,092	5,433,634
	DSH Expense	7,422,570	19,604,166	21,874,808	22,789,306	27,426,745	27,225,608
	Sub Total UPL/DSH/ICA ECMCC Subsidy	27,556,801	35,275,707	36,661,342	37,871,571	42,810,655	42,917,196
	MMIS-Medicaid Local Share	201,579,715	199,546,672	199,920,838	203,919,255	207,997,640	211,857,593
	Family Assistance	38,737,822	41,448,809	36,674,420	37,224,536	37,782,904	38,349,648
	CWS - Foster Care	65,082,428	66,146,927	64,709,227	66,003,412	67,323,480	68,669,950
	Safety Net Assistance	42,493,647	45,199,738	39,114,019	39,700,729	40,296,240	40,900,684
	Child Care-DSS	26,459,665	27,894,324	28,603,798	29,439,810	30,300,448	31,186,443
	Children With Special Needs Program	60,631,433	62,101,491	66,652,922	67,985,980	68,665,840	69,352,499
	State Training School	8,644,291	4,199,859	4,199,859	4,275,456	4,352,414	4,430,757
	All Other Program Related Accounts	2,819,733	2,911,374	2,653,334	2,693,134	2,733,531	2,774,534
	Program Related Total	474,005,535	484,724,901	479,189,759	489,113,884	502,263,153	510,439,304
	Debt Service						
	Interest-Revenue Antic Notes	1,680,733	2,016,127	-	-	-	-
	Interfund Debt Service Subsidy	60,038,114	59,595,174	63,434,074	49,821,535	50,383,197	50,116,727
	Debt Service Total	61,718,847	61,611,301	63,434,074	49,821,535	50,383,197	50,116,727
	Other Departmental Expense Total	1,115,543,477	1,150,939,090	1,160,267,216	1,171,025,624	1,188,159,907	1,205,169,614
Total Fund 110 Expense		1,458,631,936	1,528,350,989	1,555,350,829	1,579,000,468	1,608,272,182	1,637,800,114
Revenue Less Expense - Surplus/(Gap)		26,687,157	-	-	177,020	(158,954)	(84,564)





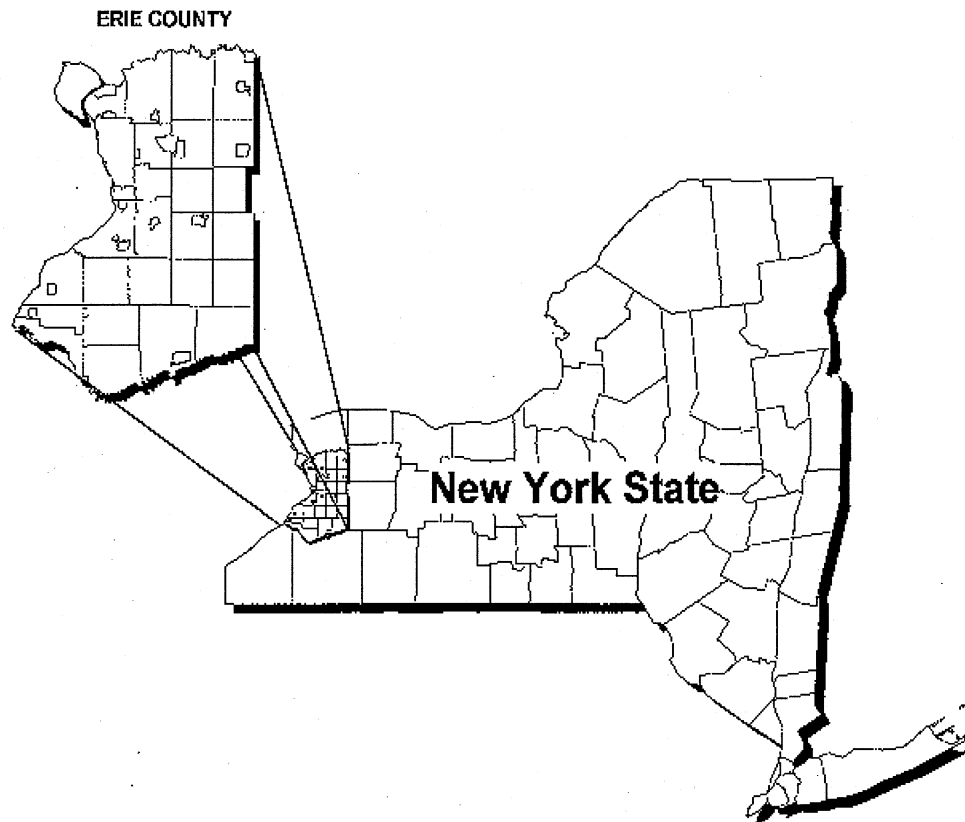


# Overview



## Snapshot of Erie County

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### Geographic Size

Erie County is a metropolitan center located on the western border of the State covering 1,058 square miles. The County is bounded by Lake Erie to the west, Niagara County and Canada to the north, Genesee County and Wyoming County to the east, and Cattaraugus and Chautauqua Counties to the south. Forty percent of the population in both countries as well as half of the personal income created by the United States and Canada are within 500 miles of Erie County. In addition, three-quarters of Canada's manufacturing activity and 55% of the United States' manufacturing activity fall within that radius. Located within the County are three cities and 25 towns, including the City of Buffalo, the second largest city in the State, which serves as the County seat.

## Government

Erie County is governed under a home rule charter which provides for the separation of legislative and executive functions. The County Executive, elected to a four year term, is the chief executive officer and chief budget officer of the County. The County Legislature consists of eleven (11) members elected to two year terms and is the County's governing body. Other elected positions are Comptroller, County Clerk, District Attorney, and Sheriff.

## Population

The Bureau of Census population statistics for Erie County are as follows:

<u>Year</u>	<u>Population</u>
1970	1,113,491
1980	1,015,472
1990	968,532
2000	950,265
2010	919,040
2018*	919,719

\* Estimate as of July 1, 2018 U.S. Census Bureau

The population of the cities and five largest towns are as follows:

<u>Municipality</u>	<u>2010 Population</u>	<u>2018 Estimated Population</u>
Buffalo, City	261,310	256,304
Lackawanna, City	18,141	17,768
Tonawanda, City	15,130	14,798
Amherst, Town	122,366	125,659
Cheektowaga, Town	88,226	86,181
Tonawanda, Town	73,567	71,939
Hamburg, Town	56,936	58,626
West Seneca, Town	44,711	45,325

## Economy

Erie County is a major New York industrial and commercial center. The following tables illustrate some major components of the Buffalo-Niagara Falls Metropolitan Statistical Area economy.

### Ten Largest Employers in WNY

<u>Organization</u>	<u>FTE Employees</u>
State of New York	23,800
Federal Executive Board	14,680
Kaleida Health	8,194
Catholic Health	7,368
Buffalo City School District	7,115
University at Buffalo	7,071
M & T Bank	7,013
County of Erie	5,000
Wegmans Food Markets Inc.	4,989
Tops Markets LLC	4,795

Sources: 2019 *Business First* Book of Lists

### Ten Largest Taxpayers (As of July 1, 2019)

	<u>Equalized Taxable Valuation</u>
National Grid/Niagara Mohawk	\$948,777,944
National Fuel Gas	795,293,745
Benderson Development Co.	733,714,820
Pyramid Co. Of Buffalo	295,506,045
NYSEG	271,161,132
Uniland Development	256,941,394
Ellicott Group, LLC	250,709,648
Verizon	196,571,908
Norfolk/Conrail/CSX	192,423,912
Ciminelli International	182,520,772
<b>TOTAL</b>	<b><u>\$4,123,621,320</u></b>

Source: Erie County Department of Real Property Tax Services, 2019 Annual Report

### Total Market Value of Erie County Real Estate

<u>Year</u>	<u>Equalized Full Market Value Tax Base</u>	<u>Percentage Change from Prior Year</u>
2010	46,120,909,337	
2011	46,738,119,990	1.34%
2012	47,235,307,041	1.06%
2013	47,138,287,212	(.21)%
2014	47,996,864,239	1.82%
2015	49,214,694,098	2.54%
2016	51,961,517,243	5.58%
2017	54,929,481,216	5.71%
2018	58,098,573,862	5.77%
2019	60,970,410,994	4.94%

Source: Erie County Department of Real Property Tax Services







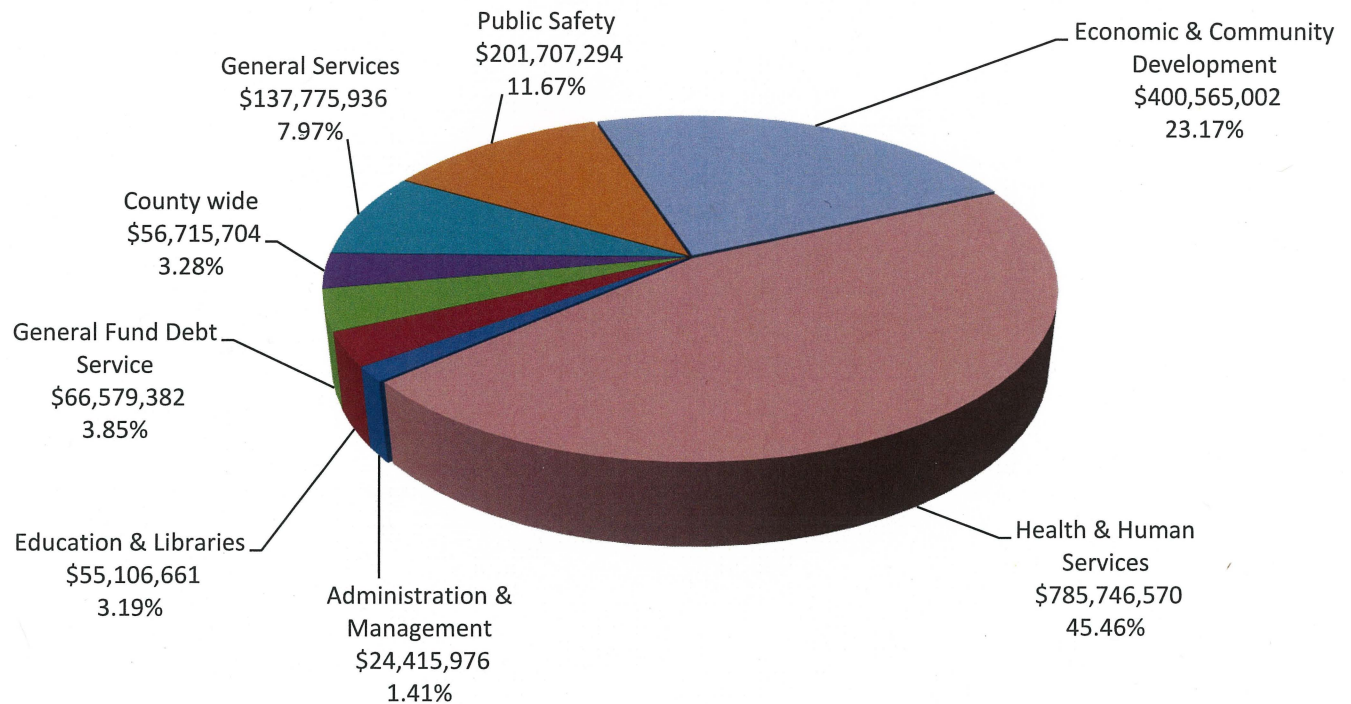


# Understanding the 2020 Erie County Budget



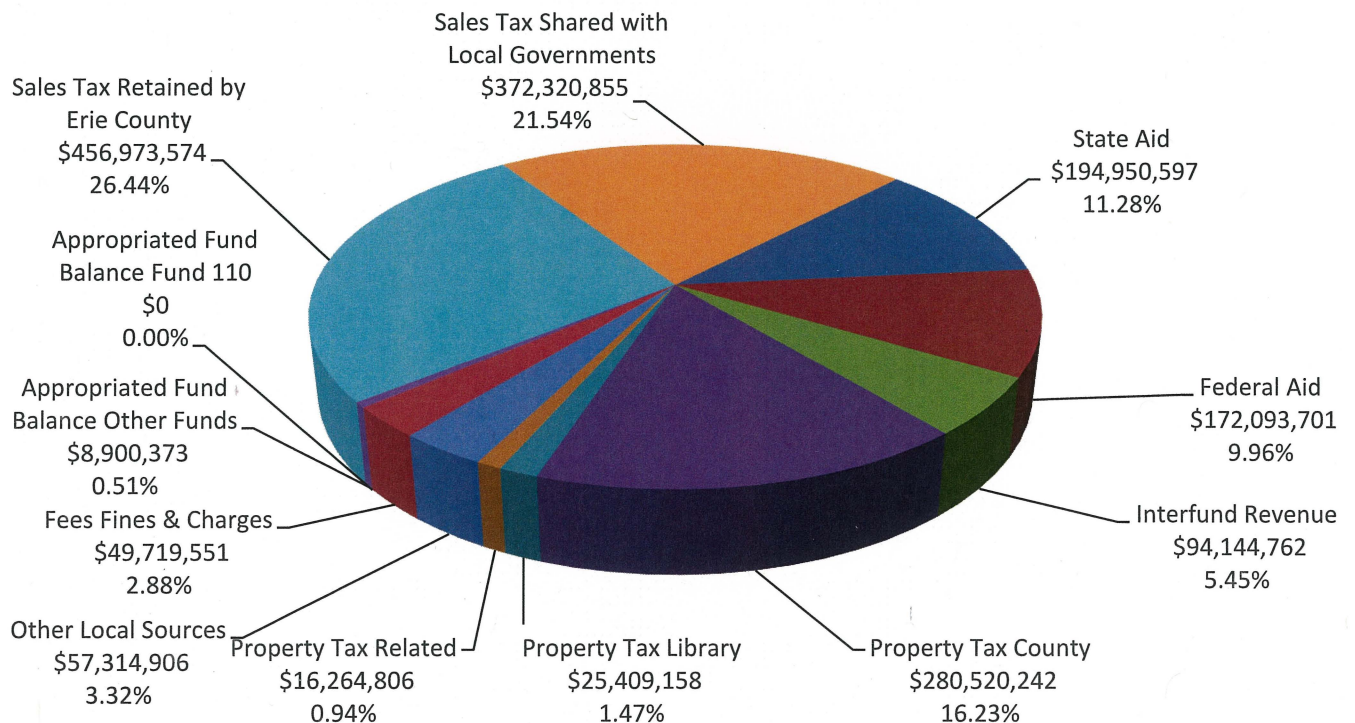
# Understanding the 2020 County Budget

## Where the Funding Goes



**The Total 2020 Budget for All Operating Funds is \$1,728,612,525**

## Where the Revenue Comes From





# Understanding the 2020 County Budget

## Summary of Unassigned/Undesignated Fund Balances for All Funds 2008-2018 (amounts in thousands)

Fund Name	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
110 General	45,389	74,045	66,904	83,489	88,332	89,650	92,218	99,859	100,154	101,939	102,490
210 Road	(4,000)	0	60	0	0	0	0	0	0	0	0
230 E-911	0	0	0	0	0	0	(96)	(43)	0	0	0
820 Library	2,342	3,311	27	1,726	2,942	3,296	2,773	2,096	3,405	3,282	3,689
310 Debt Service	0	0	124	0	0	0	0	0	0	0	0
Total	43,731	77,356	67,115	85,215	91,274	92,946	94,895	101,912	103,559	105,221	106,179

Source: Erie County Comprehensive Annual Financial Reports

## **Understanding the 2020 County Budget**

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### **Overview of All Operating Funds in the 2020 Proposed Budget**

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110 General	\$1,555,350,829
140 Utility Fund	24,055,907
210 Road Fund	44,754,104
230 E-911 Fund	8,642,216
310 Operating Fund Debt Service	66,579,382
820 Library	29,230,087
<hr/>	
Total All Operating Funds	\$1,728,612,525

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### **Additional Funds in the 2020 Proposed Budget**

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220 Sewer Districts	\$66,032,442
281 Grant Fund	34,098,042
290 Community Development Fund	6,272,267
310 Sewer District Debt Service	7,898,004
821 Library Grants	691,800
<hr/>	
Total	\$114,992,555

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Total All Funds	\$1,843,605,080
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## Understanding the 2020 County Budget

### Outstanding General Debt at Year End (Sewer Debt Excluded)

Year	Outstanding Debt	Bond Principal Retired
2010	\$448,722,295	-\$43,507,737
2011	\$416,691,804	-\$48,840,491
2012	\$392,619,957	-\$45,031,847
2013	\$412,285,000	-\$41,804,957
2014	\$391,605,000	-\$45,675,000
2015	\$368,175,000	-\$53,245,000
2016	\$348,165,000	-\$50,715,000
2017	\$327,405,000	-\$52,255,000
2018	\$318,235,000	-\$49,285,000
2019	\$319,505,197*	-\$48,060,000

\* Estimate based on maximum principal authorized for 2019 Bond sale, though final outstanding debt figure will likely be lower.

### Capital Budget Bonded Component by Year (Sewer Bonds Excluded)

Year	Total Capital Projects	Total Bond Principal
2011	\$52,656,516	\$16,810,000
2012	\$71,409,356	\$20,960,000
2013	\$84,147,753	\$61,470,000
2014	\$66,314,728	\$24,995,000
2015	\$63,299,933	\$29,815,000
2016	\$62,911,139	\$30,705,000
2017	\$64,758,572	\$31,495,000
2018	\$79,929,630	\$40,115,000
2019	\$80,316,291	\$49,330,197*
2020	\$100,287,059**	\$47,342,900**

\* Maximum principal authorized for forthcoming 2019 Bond Sale by Legislature.

\*\* Total capital projects and bond principal authorized in 2020 Proposed Erie County Budget.





# Overview of Revenues



# Property Tax Levy

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2019 Budget: \$295,096,353  
2020 Proposed: \$305,929,400

The County property tax levy represents the total amount of real property revenue to be raised by the County for County and Library purposes. The amount of the real property tax levy is the difference between total expenses and all other projected revenue sources, including sales tax. The proposed 2020 County property tax levy totals \$305,929,400.

A breakout of the total property tax levy into two required reporting categories for 2019 and 2020 totals:

	<u>2019 Budget</u>	<u>2020 Proposed</u>
General Fund	\$270,185,414	\$280,520,242
Library Fund	\$ 24,910,939	\$ 25,409,158
<b>Total Property Tax Levy</b>	<b>\$295,096,353</b>	<b>\$305,929,400</b>

## New York State Property Tax Cap Law

On June 24, 2011 New York Governor Andrew M. Cuomo signed the state's new property tax cap legislation into law (Chapter 97 of the NYS Laws of 2011). Under the law, which took effect for Erie County in its 2012 budget year, the tax cap law establishes a limit on the annual growth of property taxes levied by the County to two percent (2%) or the rate of inflation, whichever is less. The County may also carry over "tax cap credits" from a prior year. The County's property tax levy cannot exceed the cap unless 60 percent (60%) of the total voting power of the local governing body approves such increase. For Erie County, a 60% vote by the County Legislature requires that 7 out of 11 legislators must vote to raise property taxes beyond the cap.

For the County's 2020 Budget, the cap, based on the rate of inflation as identified by the consumer price index, is 2.12%. Due to property tax regulations the growth is capped at 2%. Overall taxes are under the cap limit by approximately \$285,000. Under the law, the cap amount includes other elements such as the Buffalo and Erie County Public Library real property tax levy and the County's independent sewer districts' property tax levies, and not just the County-purposes property tax levy.

The share of the tax levy for each jurisdiction is based on its percentage of the County's total equalized full value. For example, if 16.8 percent of the County's equalized full value is located in the Town of Amherst, then Amherst would be responsible for 16.8 percent of the total County property tax levy.

A twenty-one year history on the amount of Erie County's annual property tax levy is shown on the next page.

**Twenty-One Year History  
Erie County Property Tax Levy**

<u>Year</u>	<u>Amount of Property Tax Levy</u>	<u>Tax Rate/Per \$1,000 Assessed Value</u>
2020	305,929,400	4.72
2019	295,096,353	4.84
2018	287,386,093	4.95
2017	272,002,597	4.95
2016	257,638,097	4.96
2015	245,876,811	4.99
2014	241,721,087	5.03
2013	237,270,828	5.03
2012	237,692,831	5.03
2011	235,182,208	5.03
2010	232,413,974	5.03
2009	223,306,326	5.03
2008	211,837,793	4.94
2007	200,031,205	4.94
2006	188,094,445	4.94
2005	157,641,229	4.34
2004	152,529,551	4.42
2003	152,529,551	4.54
2002	152,529,551	4.74
2001	152,529,551	4.78
2000	181,766,441	5.60

**Average County Full Market Value Property Tax Rate**

When the operating budget is presented to the County Legislature, the average tax rate is expressed in terms of a rate per thousand dollars of equalized full value.

The average County property tax rate is calculated by dividing the tax levy by the total amount of County Equalized Full Market Value expressed in thousands:

County Tax Levy	÷	Total Equalized Full Market Value	=	Average County Full Market Property Tax Rate
\$305,929,400	÷	\$64,807,715,713	=	\$4.72 per \$1,000 Assessed Value

**Equalized Full Market Value**

In 2020, the County's equalized full market value tax base will increase by \$3,837,304,719. The amount of equalized full value is determined as follows:

	Total Taxable Assessed Value	÷	Equalization Rate (rounded)	=	Equalized Full Market Value
2019	\$43,811,239,534	÷	.7186	=	\$60,970,410,994
2020	\$43,995,083,310	÷	.6789	=	\$64,807,715,713



A ten-year history of Erie County's equalized full value property tax base is shown below:

Year	Equalized Full Market Value Tax Base	Percentage Change From Prior Year
2011	46,738,119,990	1.34%
2012	47,235,307,041	1.06%
2013	47,138,287,212	(.21)%
2014	47,996,864,239	1.82%
2015	49,214,694,098	2.54%
2016	51,961,517,243	5.58%
2017	54,929,481,216	5.71%
2018	58,098,573,862	5.73%
2019	60,970,410,994	4.94%
2020	64,807,715,713	6.29%

### Constitutional Tax Margin

The constitutional tax margin of the County is determined in accordance with Section 10 of Article VII of the New York State Constitution. This limits the amount counties may raise in real estate taxes in any fiscal year, exclusive of debt service, to 1.5 percent (1.5%) of the five-year average full value of taxable real estate of the County.

The computation of the County's constitutional taxing power for 2020 is set forth below:

#### Estimated Computation of Constitutional Tax Power for 2020

2015	49,214,694,098
2016	51,961,517,243
2017	54,929,481,216
2018	58,098,573,862
2019	60,970,410,994
Total <sup>(a)</sup>	\$275,174,677,413
Five-Year Average Full Valuation	\$55,034,935,483
Tax Limit (1.5%)	825,524,032
Total Exclusions	<u>66,584,171</u>
<b>Total Taxing Limit</b>	<b>892,108,203</b>
<b>Less Total Tax Levy for 2019<sup>(b)</sup></b>	<b><u>315,836,429</u></b>
<b>Unused Tax Limit</b>	<b>\$576,271,774</b>

<sup>(a)</sup>The County's Constitutional Tax Limit is computed utilizing five years of full value as adjusted and provided by the NYS Comptroller's Office.

<sup>(b)</sup>Includes County and Library property taxes, taxes for certain election expenses and community college chargebacks totaling \$9,907,029

## One-Percent Tax Cap

On November 13, 1978, the County enacted a local law limiting its property tax levy to one percent (1%) of the five-year average of full valuation, exclusive of debt service.

Pursuant to the terms of this local law, Erie County's estimated 1% property tax limit, adjusted for debt service, is \$616,933,525 leaving an unused tax margin of \$301,097,096.

The one-percent property tax limit is calculated as follows:

Five-Year Average Full Valuation	\$55,034,935,483
Tax Limit (1.0%)	550,349,354
Total Exclusions	<u>66,584,171</u>
<b>Total Taxing Power</b>	<b>616,933,525</b>
<b>Less Total Levy for 2020<sup>(a)</sup></b>	<b><u>315,836,429</u></b>
<b>Projected 1% Unused Tax Margin</b>	<b>\$301,097,096</b>

<sup>(a)</sup> Includes County and Library property taxes, taxes for certain election expenses and community college chargebacks.

# Sales Tax Revenue

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## 2020 Budget

Sales Tax Retained by Erie County	\$456,973,574
Shared with Cities, Towns, Villages, School Districts & NFTA	\$372,320,855
<b>Total Sales Tax Revenues</b>	<b>\$829,294,429</b>

## Distribution Formula

A general sales and compensating use tax of 8.75 percent is levied on all taxable retail sales in the County. Of the total 8.75 percent tax collected by New York State, 4.00 percent is retained as State revenue and 4.75 percent is returned to the County. In accordance with the sales tax sharing agreements, the 4.75 percent returned to the County is divided between the County and the Cities of Buffalo, Lackawanna, and Tonawanda; the towns, villages, school districts and the NFTA, with the County retaining approximately 55 percent of the total.

### Sales Tax Sharing Formulas 4.75% Sales Tax

	3%	1% <sup>(1)</sup>	.75% <sup>(2)</sup>
<b>County of Erie:</b>	<b>31.1389%</b>	<b>100% (less \$12.5M)</b>	<b>100%</b>
NFTA:	4.1666%	—	—
School Districts:	29.0000%	—	—
Cities:	10.0087%	—	—
Cities, Towns, Villages:	25.6858%	\$12.5 million	—

<sup>(1)</sup> 1% Sales Tax authorization expires November 30, 2020

<sup>(2)</sup> .75% Sales Tax authorization expires November 30, 2020



## **Sales Tax Shared with Other Local Governments**

The following table indicates 2020 estimated sales tax to Erie County and the amount of sales tax shared with local jurisdictions.

	<b>2020 Estimated Collections</b>
<b>County Share of Sales Tax</b>	
3% Sales Tax	\$163,405,528
1% Sales Tax	162,421,477
.75% Sales Tax	131,146,569
 <b>Total 2020 Estimated County Share</b>	 <b>\$456,973,574</b>
<b>Shared Sales Tax</b>	
3% Sales Tax Distributed to Cities, Towns and Schools	\$337,955,669
1% Sales Tax Distributed to Cities & Towns	12,500,000
3% Sales Tax Distributed to NFTA (1/24 <sup>th</sup> of overall 3%)	<u>21,865,186</u>
 <b>Total 2020 to Other Jurisdictions</b>	 <b>\$372,320,855</b>
 <b>Total 2020 Estimated Sales Tax</b>	 <b>\$829,294,429</b>

## **All Other Local Source Revenues**

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2019 Budget: \$93,914,730  
2020 Proposed: \$90,902,518

### **2020 Distribution of All Other Revenues**

	<u>Total</u>
Property Tax Related	\$16,264,806
Welfare Recoveries/Repayments	15,750,541
Hotel Occupancy Tax	11,600,000
Election Expense Re-spread	7,182,134
Interest Earnings-General Investments	550,000
Fees, Fines, Charges	26,923,753
Interfund Revenue	1,603,412
All Other Source Accounts	11,027,872
Total	\$90,902,518

### **Property Tax Related**

2019 Budget: \$16,315,720  
2020 Proposed: \$16,264,806

Property Tax Related revenue includes payments in lieu of taxes, revenue from property tax exemptions, interest and penalties on delinquent tax, provisions for uncollectable taxes, and real property deferred revenue adjustments.

### **Welfare Recoveries/Repayments**

2019 Budget: \$15,947,627  
2020 Proposed: \$15,750,541

Welfare recoveries/repayments are revenues produced by the Department of Social Services (DSS) collection program. DSS recoups excess amounts paid to clients and maximizes collections on all accounts established by fraud, over-grant or assistance repayment requirements. The 2020 amount is based on recent collections and reflects a shift to direct collection by New York State of some repayments and recoveries previously passed through the Department.

### **Hotel Occupancy Tax**

2019 Budget: \$11,225,000  
2020 Proposed: \$11,600,000

Hotel Occupancy Tax ranging from 3% to 5% of room charges was first enacted in 1975. This revenue helps to support tourism and convention operations and activities and along with the property tax and sales tax revenue, supports the total net County cost of all operations.

### **Board of Elections Respread Revenue**

2019 Budget: \$6,811,526 – 2017 election expense  
2020 Proposed: \$7,182,134 – 2018 election expense

This revenue is reimbursement from towns and cities for certain allowable expenses associated with the cost of conducting elections. The actual costs are billed back to the respective towns and cities two years later.

### **Interest Earnings - General Investments**

2019 Budget: \$700,000  
2020 Proposed: \$550,000

Interest earnings, as budgeted in Countywide Accounts–Comptroller, are revenue realized from the regular investment of available funds in certificates of deposit, treasury notes and repurchase agreements. Enhanced earnings are expected due to the inclusion of treasury bills in the County investment portfolio.

### **Fees, Fines, Charges**

2019 Budget: \$27,596,307  
2020 Proposed: \$26,923,753

Revenue is received by many departments from fees or charges for their services which are provided to the public, businesses, or other outside entities. These revenues are directly attributable to departmental operations and offset a portion of their costs of providing the service. Included in this category are such revenues as: County Clerk fees; license, permit and inspection fees; fines and penalties; tax assessment services; parks and recreation fees; public health clinic fees; and others.

### **Appropriated Fund Balance**

2019 Budget: \$3,000,000  
2020 Proposed: \$ 0

The 2020 budget does not utilize unassigned fund balance



### **Interfund Revenue**

2019 Budget:	\$ 102,216
2020 Proposed:	\$1,603,412

The 2020 budget utilizes \$1,333,837 of residual equity transferred to the general fund. The revenue is based on available balances derived from the closing of dormant capital projects with no remaining debt service. In addition \$269,575 is realized as Interfund revenue relating to the partial close-out of the November 2014 Storm fund.

### **All Other Source Accounts**

2019 Budget:	\$12,216,334
2020 Proposed:	\$11,027,872

Other items such as Off Track Betting revenue, Mortgage Tax, sale of scrap, Community College chargebacks, and a variety of miscellaneous receipts are included in this category.

## State Aid

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2019 Budget: \$179,192,810  
2020 Proposed: \$182,539,939

### 2020 Distribution of State Aid General Fund

	<u>Total</u>
Social Services	\$79,183,440
Youth Detention	9,567,520
Youth Bureau	1,916,550
Health Department	4,451,119
Early Intervention/Special Needs	\$38,480,727
Mental Health	42,574,467
Probation	3,355,994
Sheriff Police Services/Jail Management	357,869
Buildings and Grounds	2,206,672
All Other Departments	445,581
Total	\$182,539,939

### Department of Social Services

2019 Budget: \$83,695,633  
2020 Proposed: \$79,183,440

Revenue is received by the Department of Social Services for the State share of Public Assistance and supportive social services programs including Temporary Assistance to Needy Families (TANF), known as Family Assistance in New York State, Safety Net Assistance, Child Care subsidies through the Child Care Development Block Grant (CCDBG), Child Welfare Services, Emergency Assistance, Handicapped Children and Medical Assistance.

Changes in State law revised long standing reimbursement percentages for major programs and further revision may occur as a result of annual State budget action. Family Assistance is now 100 percent Federal, and Safety Net Assistance is 29 percent State and 71 percent local. Child Day Care subsidies for families in receipt of Family Assistance are reimbursed at 75 percent of total cost from the CCDBG.

State reimbursement is also provided for some categories of administrative costs at varying rates, depending on the program administered.

Administrative costs for Medical Assistance continue to be a component of the Medicaid Cap in 2020. Because the local share costs of Medical Assistance administration are included in the Medicaid Cap chargeback, the State will reimburse the non-federal share of Medical Assistance administration in the separate administrative claim. An administrative cap on the non-federal share of Medicaid was newly implemented in 2012 restricting the reimbursement of Medicaid administrative cost to the amount received in calendar year 2010. The Medicaid administrative cap amount will not be exceeded in 2019 or 2020. This cap creates a future concern about cost shifts to the County.

State reimbursements for all foster care services and administration are capped in a Foster Care Block Grant (FCBG) in 2020. Uncapped 62 percent State reimbursement is available for child protection services and for foster care prevention, adoption administration and independent living services. Enhanced funding for adoption subsidies was eliminated in 2011 and these program expenses are now also 62 percent State-funded.

### **Youth Detention**

2019 Budget:	\$7,503,959
2020 Proposed:	\$9,567,520

State revenues are received to offset the operating costs of the secure and non-secure programs at the Youth Services Center. Services for Erie County youth age 15 and under are reimbursed at 49 percent of costs, while services for these youth from other counties are reimbursed at 100 percent. In addition, Youth aged 16 and 17 are reimbursed under the State Raise the Age Program at 100% of cost. The State share of Detention is now subject to a capped allocation. Additionally, reimbursement is received from the New York State Department of Education for the breakfast and lunch program provided at the Detention Facility.

### **Youth Bureau**

2019 Budget:	\$1,559,167
2020 Proposed:	\$1,916,550

State revenues are received from the State Office of Children and Family Services for Youth Development and Delinquency Prevention, Runaway and Homeless Youth, the Partnership for Youth and for the Special Delinquency Prevention program (SDPP). The Supervised Treatment Services for Juvenile Program (STSJP) is included in the Youth Bureau Budget with 62 percent State funding. These programs are aimed at creating a healthy community environment for positive youth development as well as establishing recreational programs in an effort to deter delinquent behavior. A majority of the State revenues are redirected to other municipal and community-based agencies whose programs are monitored for effectiveness by the department. Additionally, State reimbursement is received for 49 percent of the Youth Bureau's administrative costs. Amounts budgeted reflect the impact of state reimbursement reductions expected to continue on an ongoing basis and are consistent with current actual allocations.



## **Health Department**

2019 Budget: \$4,205,887  
2020 Proposed: \$4,451,119

The Health Division is reimbursed at 36 percent of net operating costs for State mandated public health functions including health education, disease control, environmental health, family health and community health assessment services. State reimbursement to the Division of Emergency Medical Services, the Public Health Lab and the Medical Examiner is budgeted at 36 percent of net operating costs.

## **Early Intervention/Pre-K/Special Education/Administration**

2019 Budget: \$35,788,067  
2020 Proposed: \$38,480,727

Revenues are received by the Department of Health from the State Education Department to support State mandated education and therapeutic services for 3 and 4 year old children with developmental delays. Reimbursement is budgeted at 59.5 percent of the eligible costs incurred for evaluations and corresponding services provided to children. Administrative costs for the 3 and 4 year old program are reimbursed at \$75 per child served and/or evaluated. Other administrative costs are reimbursed at 30 percent by the State Health Department. Additionally, State revenues are received to support the Early Intervention Case Management Program serving infants and toddlers aged from birth through 2 with developmental delays and their families. This program provides early intervention therapeutic services at home or in a day care center rather than at a facility-based program. Payments made by the department for screenings/evaluations, case management, and early intervention services such as speech or physical therapy are reimbursed at 50 percent by the New York State Health Department.

## **Department of Mental Health**

2019 Budget: \$40,391,988  
2020 Proposed: \$42,574,467

Reimbursement is received by the Department of Mental Health in four different disability program areas and administration. This revenue includes a combination of 100 percent State funding for many program services and 50 percent deficit funding for other services and administration.

The State Office of Mental Health provides the majority of funding. It supports Department services aimed at prevention and early detection of mental illness, and the maintenance of a comprehensive system of care, treatment and rehabilitation for the mentally ill. State funds from the Office for People with Developmental Disabilities (OPWDD) are received to provide services designed to maintain the independence of developmentally disabled clients in the least restrictive setting. Funds from the State Office of Alcoholism and Substance Abuse Services (OASAS) support services and rehabilitation programs for clients who abuse drugs and for clients who experience the problems of alcoholism and alcohol abuse. Additionally, State revenues are received to support one-half of the cost of forensic mental health services provided to adults and children involved with the criminal court or family court systems.

Increased Medicaid billing by community based contract agencies for clinic treatment and other services substantially offsets the expenses that would otherwise be directly claimed for State Mental Health reimbursement.

### **Probation Department**

2019 Budget:           \$3,116,465  
2020 Proposed:       \$3,355,994

Reimbursement is received from the NYS Division of Criminal Justice Services, Office of Probation and Correctional Alternatives for expenses incurred by the Probation Department. Included in the 2020 Proposed Budget is \$ 2,116,935 in revenue for the Raise the Age program costs.

### **Sheriff's Police Services and Jail Management**

2019 Budget:           \$326,319  
2020 Proposed:       \$357,869

The Police Services Division is reimbursed for expenses related to the patrol and enforcement of navigation and snowmobile laws in Erie County. The Jail receives reimbursement for the provision of court attendants for the Office of Court Administration.

### **Buildings and Grounds**

2019 Budget:           \$2,130,000  
2020 Proposed:       \$2,206,672

State revenues of \$ 2,133,000 are for the reimbursement of the operation and maintenance of court facilities and interest costs associated with court improvements. \$ 73,672 is also budgeted for New York State Energy Research and Development Authority (NYSERDA) revenue.

### **All Other Departments**

2019 Budget:           \$475,325  
2020 Proposed:       \$445,581

Other county departments receive New York State reimbursement for items such as burial costs of indigent veterans, handicapped parking surcharges, a portion of the district attorney's salary and octane testing.

## Federal Aid

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2019 Budget: \$176,087,942  
2020 Proposed: \$172,093,701

### 2020 Distribution of Federal Aid Operating Fund

	<u>Total</u>
Social Services	\$161,250,769
Youth Detention	39,040
Early Intervention/Pre-K/Special Ed	4,174,024
Sheriff Police Services/Jail Mgmt.	157,543
Homeland Security & Emergency Services	346,296
Mental Health	6,053,654
District Attorney	29,000
STOP-DWI Program	43,375
Total	\$172,093,701

### Department of Social Services

2019 Budget: \$165,551,607  
2020 Proposed: \$161,250,769

Reimbursement is received by the Department of Social Services for the federal share of public assistance and supportive social services programs. These programs include Temporary Assistance to Needy Families (TANF) known as Family Assistance in New York State, Child Day Care subsidies through the Child Care Development Block Grant (CCDBG), Medical Assistance, Foster Care and Adoption for children who qualify, and Social Services Block Grant (SSBG) supportive services under Title XX of the Social Security Act. Family Assistance is reimbursed at 100 percent Federal share. Child Day Care subsidies for low income families are reimbursed at 100 percent of cost from the CCDBG up to a fixed allocation ceiling. SSBG services are reimbursed at 100 percent of cost up to a fixed ceiling. Federal reimbursements are also received for administrative costs for programs such as TANF/Family Assistance, Employment program administration, Medical Assistance, Food Stamps, Foster Care and Adoption, and Child Support. Reimbursement of some TANF-funded administrative, transitional services and employment programs is consolidated in the Flexible Fund for Family Fund for Family Services (FFFS).



### **Youth Detention**

2019 Budget: \$55,000  
2020 Proposed: \$39,040

Federal revenue received in the Detention Facility is reimbursement for meals under the School Food Programs.

### **Early Intervention/Pre-K/Special Education**

2019 Budget: \$3,715,072  
2020 Proposed: \$4,174,024

The revenue budgeted represents the county's Federal share of Medicaid partial reimbursement for services given to children in the Preschool Program, ages 3 and 4 and to children in the Early Intervention Program, ages birth through two. The Pre-school Program portion is \$3,861,429 and represents the county's 40.5% share of this Federal revenue for the medical component of the various special education services.

### **Sheriff's Police Services Division and Jail Management**

2019 Budget: \$213,373  
2020 Proposed: \$157,543

Federal revenue is received from the Social Security Administration through the prisoner reporting incentive program. In addition, some Federal aid is provided in the Sheriff Division for drug enforcement activities.

### **Department of Homeland Security & Emergency Services**

2019 Budget: \$347,010  
2020 Proposed: \$346,296

Revenues are received from the Federal Emergency Management Agency to support the planning and coordination of emergency response activities.

### **Department of Mental Health**

2019 Budget: \$6,137,205  
2020 Proposed: \$6,053,654

Revenues are received from the Department of Housing and Urban Development to support housing costs and supportive costs to enable consumers of mental disability and chemical dependency services to be maintained in the community. Where required, these costs are matched by State aid and by the valuation of other community-provided services.

**District Attorney**

2019 Budget:       \$29,750  
2020 Proposed:     \$29,000

Federal money is allocated to the District Attorney's Office for activities associated with the City of Buffalo Police Department.

**STOP-DWI Program**

2019 Budget:       \$38,925  
2020 Proposed:     \$43,375

Federal revenue is received for enhanced enforcement and traffic checkpoint activities associated with certain holiday crack-down efforts.





# Overview of Expenditures



# General Fund Expenditures

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## TOTAL GENERAL FUND EXPENSES FOR COUNTY DEPARTMENTS

2019 Budget: \$1,528,350,989  
2020 Proposed: \$1,555,350,829

### 2020 Distribution of General Fund Expenses

	<u>Total</u>
Personal Services	\$255,690,978
Fringe Benefits	139,392,635
Supplies and Repairs	9,047,402
Sales Tax to Local Governments	372,320,855
Contractual Expense	155,025,613
Intergovernmental Payments for ECMCC	31,541,107
Indigent Care Adjustment	5,120,235
Social Services Assistance & Programs	375,875,495
Early Intervention/Pre-K/Special Ed	68,177,993
Inter-fund Transfers (County Share)	52,234,833
Debt Service	63,434,074
All Other Expenses	27,489,549
Total	\$1,555,350,829

### Personal Services

2019 Budget: \$239,434,885  
2020 Proposed: \$255,690,978

Personal Service appropriations cover salary for full-time positions and all other payroll related wage items such as overtime and part-time expenditures budgeted in the General Fund. This also includes a reduction to personnel expenses in the form of a \$1,800,000 turnover (vacancy savings) account.

### Fringe Benefits

2019 Budget: \$137,977,014  
2020 Proposed: \$139,392,635

Fringe benefit expenses are budgeted at the department level in the operating fund.

### **Supplies and Repairs**

2019 Budget: \$8,871,716  
2020 Proposed: \$9,047,402

This expense category includes general office, medical, repair and maintenance supplies; in addition to food for inmates at the Jail and Correctional Facility. It also includes the purchase of fuel for vehicles countywide.

### **Sales Tax to Local Governments and NFTA**

2019 Budget: \$364,700,983  
2020 Proposed: \$372,320,855

The County shares sales tax collection with cities, towns, villages, school districts and the NFTA. Details can be obtained in the revenue section of this document.

### **Contractual Agency Payments**

2019 Budget: \$151,601,488  
2020 Proposed: \$155,025,673

The major accounts comprising this appropriation include: Social Services contractual agencies – \$29,981,769; and payments to various youth programs such as Operation Prime Time – \$2,653,214. Mental Health contractual agency payments total \$52,687,272. A payment to ECMCC under the 2012 credit mechanism totals \$2,000,000.

Other major agency contractual expense includes: Community College payments for residents enrolled in other Community Colleges – \$7,188,870; Convention & Visitors Bureau/Convention Center – \$5,498,484; Buffalo Niagara Film Commission-WNED – \$247,023; cultural/community/neighborhood development support – \$7,821,262; economic development funding for Invest Buffalo Niagara – \$175,000; Indigent Defense – \$13,220,137; and for NFTA 18-b support – \$3,657,200.

#### *Note on NFTA payments:*

County support for the NFTA not only includes the State-mandated 18-b subsidy of \$3,657,200, equal to 89.2% of the State appropriation (currently \$4,100,000), but also a dedicated portion of Sales Tax.

<b>NFTA</b>	<b>Sales Tax</b>	<b>County Subsidy (18-b)</b>	<b>Total</b>
2019 Budget:	\$21,311,031	\$3,657,200	\$24,968,231
2020 Proposed:	\$21,865,186	\$3,657,200	\$25,522,386

### **Intergovernmental Payments for the benefit of ECMCC**

2019 Budget: \$30,155,472  
2020 Proposed: \$31,541,107

Pursuant to a 2009 agreement, the County must incur an annual obligation on behalf of ECMCC for a minimum of \$16,200,000 for the cost for State mandated supplemental Medicaid payments. Supplemental Medicaid payments are received by the Erie County Home and the Erie County Medical Center and are designed to access the maximum possible federal reimbursement for those public facilities in recognition of their high proportions of Medicaid and indigent care which is provided. Payments to the Erie County Home are known as Upper Payment Limit (UPL) supplements, while payments to the Erie County Medical Center are known as Disproportionate Share (DSH) supplements. These mandated payments require a 50 percent local share match, the costs of which are excluded from the Medicaid Cap.

### **Indigent Care Adjustment DSH-ECMCC Payment**

2019 Budget: \$5,120,235  
2020 Proposed: \$5,120,235

The mandated Indigent Care Adjustment DSH expense represents payments to ECMCC as compensation for their high cost of providing indigent care in a similar manner as described for DSH payments above.

### **Social Services Assistance Payments and Program Expenses**

2019 Budget: \$387,347,703  
2020 Proposed: \$375,875,495

The majority of Social Services Fund expenditures are for assistance payments made to or on behalf of eligible families or individuals. There are seven major assistance programs and a number of other smaller programs:

#### ***Family Assistance (Account 525040)***

2019 Budget: \$41,448,809  
2020 Proposed: \$36,674,420

Public assistance benefit payments are made for basic needs, shelter and utilities, etc., to families eligible for this Federal/State/local program. Under federal changes, welfare became known as Temporary Assistance to Needy Families (TANF) in August 1996. In New York State, TANF is referred to as Family Assistance.

Federal Welfare Reform legislation enacted in December 1996 ended the Federal entitlement to public assistance. It provides funding to the states in the form of fixed block grants to cover temporary assistance to families. Limits are placed on the length of time families may receive Federal TANF (Family Assistance) benefits, and new work requirements are imposed for nearly all adults in Family Assistance



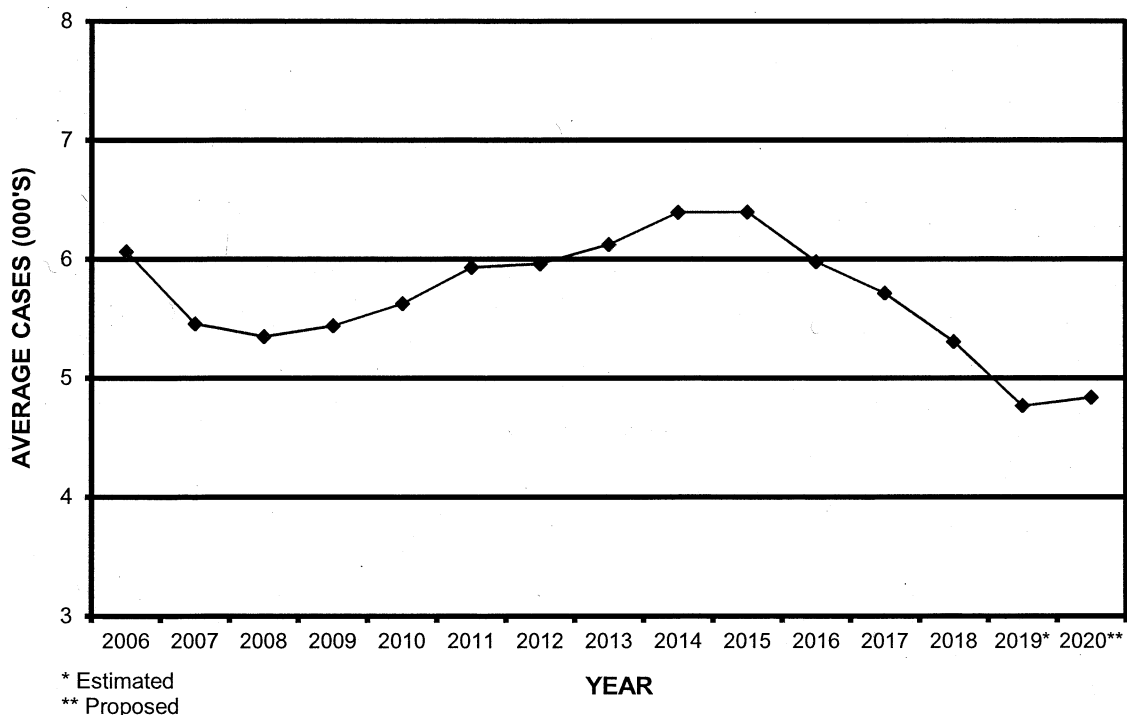
(TANF) cases. There is a five-year (60-month) lifetime limit on Family Assistance benefits. For cases in which individuals fail to comply with drug or alcohol dependency assessment and treatment requirements, benefits must be restricted to non-cash voucher payments to landlords and utility companies with only a small personal needs allowance.

Benefits are also restricted to non-cash voucher payments and small personal needs allowances when the five-year (60-month) lifetime limit on Family Assistance eligibility is reached. This occurred for the first cases in December 2001, and additional cases reach their limit each month thereafter.

Caseloads are funded at an average level of 4,838 cases per month in 2020 with an average base monthly cost per case of \$551.50, including the three 10 percent annual benefit increases enacted by the state in 2009.

The 2020 caseload estimate reflects caseload trends that have occurred to date. It assumes that the current base caseload will continue to increase for the balance of 2019 and 2020 at a monthly rate of 15 cases. This produces a beginning trend caseload estimate for 2020 that averages 4,755 cases per month.

### **TREND OF FAMILY ASSISTANCE CASES (With Time Limit Shifts)**



The 2020 monthly base cost per case estimate of \$551.50 is consistent with current actuals with adjustments to provide for voucher fuel cases.

The appropriation includes added amounts for utility emergency assistance, \$643,372 for supplemental payments to clients as required in an annual reconciliation of fuel allowances to actual costs, \$269,744; and \$2,906,441 for non-utility emergency assistance (formerly EAF). These amounts are consistent with current costs and cost trends.

There is no local County Share cost of the Family Assistance program.

***Safety Net Assistance (Account 525060)***

2019 Budget:	\$45,199,738
2020 Proposed:	\$39,114,019

Public Assistance benefit payments are made for basic needs, shelter and utilities, etc., primarily to single individuals or childless couples who are eligible for this State/local general assistance program. Formerly known as Home Relief, this program now incorporates a two-year lifetime limit on cash benefits. After two years, and for those cases with individuals exempted from work activities because they are in drug or alcohol rehabilitation, or for those failing to comply with assessment and treatment requirements, benefits must be restricted to non-cash direct voucher payments to landlords and utility companies with only a small personal needs allowance.

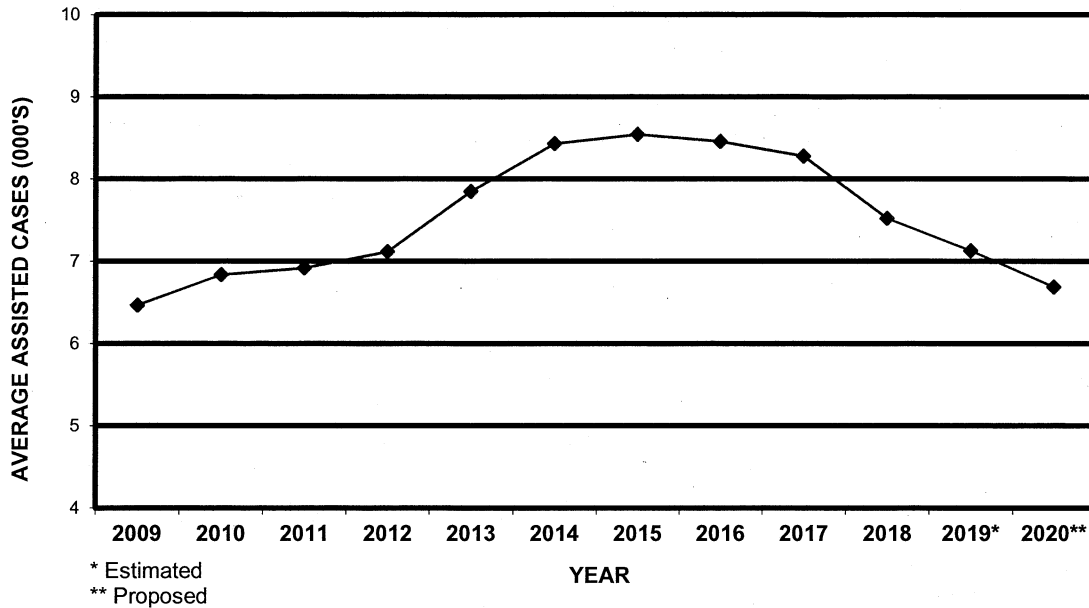
Welfare reform and the creation of the Safety Net Assistance program has affected caseloads and costs per case in much the same way as described above for the Family Assistance Program.

Caseloads are funded at an average level of 6,690 cases per month in 2020, with an average base monthly cost per case of \$468.09, including the three 10 percent annual benefit increases enacted by the state in 2009.

The 2020 caseload estimate is based on caseload trends that have occurred to date. It assumes that the current base caseload will continue to increase for the balance of 2019 and 2020 at a monthly rate of 28 cases. This produces a trend caseload estimate for 2020 that averages 6,690.

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**TREND OF SAFETY NET ASSISTANCE CASE**  
(With Time Limit Shifts)



The County share cost of the Safety Net Assistance program is \$23,892,835 in 2020 after subtracting client repayments, 29 percent State reimbursements and other revenues from the gross appropriation. This is a decrease of \$4,616,331 (16.19%) compared to the 2019 Adopted Budget amount.

**Medicaid – MMIS Local Share (Account 525000)**

2019 Budget:	\$199,546,672 (52 weekly payments)
2020 Proposed:	\$199,920,838 (52 weekly payments)

This appropriation is the County's net local share of all Medicaid – related costs under the State's Local Share Medicaid Cap which was effective beginning January 2006 and a subsequent State phase out of the local share increases starting in 2016. There will be no increase to the statutory cap in 2016 and beyond, as currently legislated. The statutory caps have also been reduced in the past several years by the State to reflect enhanced federal reimbursement under the Affordable Care Act. In any year, if actual local share costs are lower than the Medicaid Cap amount, counties will be refunded the overpayment.

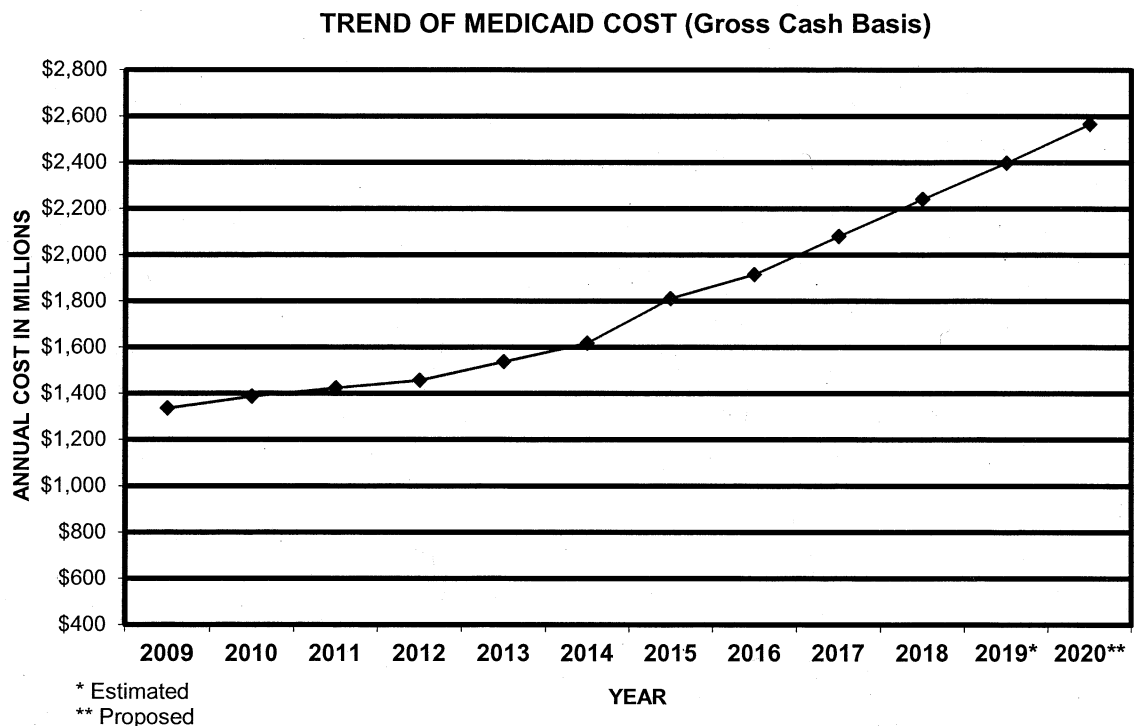
The Medicaid Cap is all inclusive, covering the local share costs of the following components:

- Payments made to providers through the State MMIS billing/payment system (now known as eMedNY) for services rendered to eligible persons. Total medical bills are paid by the eMedNY system and the County is charged back only the local share of the gross payments made.



- Payments made locally by Erie County to insurance companies and other client medical expense reimbursement that are claimed for reimbursement of Federal and State shares.
- Medicaid program administration costs that are part of the monthly reimbursement claim. The non-federal share of Medicaid administration is now capped at 2011 expense amounts. The Department is monitoring this expense and the expectation at this time is that neither 2020 nor 2021 will result in cap overage.
- All revenues associated with Medicaid programs such as repayments.
- Medicare Part A and B premium and copayments and Part B charges that are charged quarterly to Medicaid.
- Other "off-line" payments such as bad debt pool and similar quarterly payments to providers.

Excluded entirely from the Medicaid Cap are costs associated with the Family Health Plus program. The local share of Family Health Plus is entirely assumed by the State.



The 2020 appropriation is the amount of the 2020 Erie County Local Share Medicaid Cap reduced by anticipated increased Federal Share benefit due to provisions in the Affordable Care Act.

The calculation of the required appropriation starts from the total of cash payments required in calendar year 2019.

The amount required for the 2020 calendar year reflects weekly cash payments for the 2019-2020 State Fiscal Year and the 2020-2021 State Fiscal Year Medicaid caps that are both calculated based on the State's payment cycles and are apportioned to the County's 52 weekly payment cycles. The State Fiscal Year Caps reflect adjustments made by the State for additional Federal Aid related to the Affordable Care Act.

Elsewhere in the budget is a separate appropriation in the amount of \$21,874,808 for the local share of supplemental federal payments to the Erie County Medical Center – for Disproportionate Share (DSH). These supplemental payments are specifically excluded from the Medicaid Cap as is the Indigent Care expense of \$5,120,235.

***Medicaid - Gross Local Payments (Account 525030)***

2019 Budget:	\$109,745
2020 Proposed:	\$ 72,801

Certain Medicaid payments are made directly to providers by the Erie County Department of Social Services, rather than through the State MMIS (eMedNY) system. Services paid locally from this appropriation include medical insurance premiums when private insurance coverage is available and cost-effective, and other miscellaneous medical expenses.

All medical transportation services previously paid locally from this account were shifted to the State MMIS payment system.

The 2020 appropriation includes \$11,795 for insurance premiums and \$61,006 for other expenses. The 2020 reduction reflects impacts of the Affordable Care Act on private insurance coverage.

Because of the Medicaid Cap which includes the local share of these local payments there is no separate local share associated with this appropriation. Repayment and other revenues received locally and applied against these costs in the past will be returned to the State in claiming adjustments.

***Child Welfare Services (Account 525050)***

2019 Budget:	\$66,146,927
2020 Proposed:	\$64,709,227

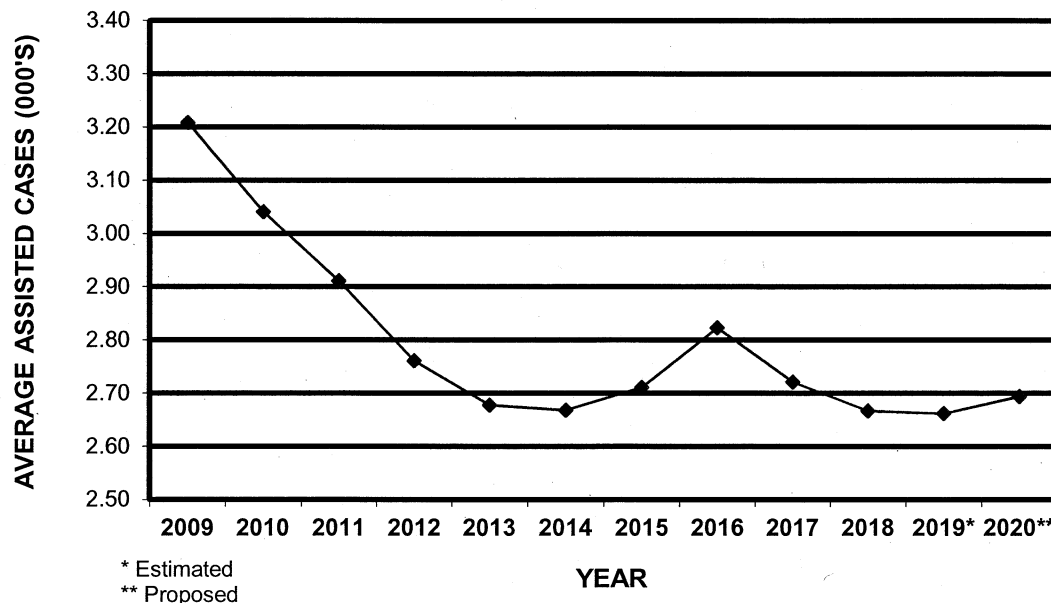
This appropriation is used to pay for the costs of the care of children placed by the Family Court into the custody of the Commissioner of Social Services. These children reside in foster homes, group homes and in child caring institutions. A majority of children are in foster home placements in connection with child protection cases. Placements in group homes and institutions are ordered primarily for Persons in Need of Supervision (PINS) or for Juvenile Delinquents (JD's).

Appropriations in the 2020 budget are estimated based on analyses of historical and current trends of expenditures, children in care, monthly costs per child, and changes in per diem board, tuition and other rates.

Children assisted are funded at an average level of 2,694 per month in 2020, with an overall average monthly cost per child of \$2,002.

Based on present trends, the average monthly number of children funded in 2020 is increased over the 2019 level of children in care. The increase is based on assumed changes to Federal Law governing the provision of foster care services. The ability to hold the total number of children served relatively steady over the last ten years is a major accomplishment after years of steady growth and given recent increases in Child Protection activity that often lead to placement. This reflects final assessment reform, enhanced front door strategies and expanded preventive services options.

### TRENDS OF CWS ASSISTED CHILDREN (Foster Care and Institutional Care)



The County share cost of Child Welfare Services is \$23,161,992 in 2020 after subtracting client repayments and Federal and State reimbursements from the gross appropriation. Federal TANF/EAF revenues for foster care and PINS/JD institutional costs are budgeted at the current estimated ceilings.

Child Welfare Services costs, including foster care and PINS/JD institutional costs which cannot be claimed for federal TANF/EAF reimbursement, are included, along with Foster Care administrative costs, in the State's Foster Care Block Grant (FCBG). The FCBG covers 100 percent of non-federal costs up to the Block Grant ceiling, after which non-federal costs become 100 percent local share. Adoption Subsidy expenses are reimbursed separately from the FCBG with a (net of Federal) State share of 62 percent. There is no fixed cap to adoption subsidy reimbursement.

### ***Child Care Development Block Grant (Account 525092)***

2019 Budget:           \$25,549,344  
2020 Proposed:       \$26,645,367

Child care (daycare) subsidies are provided to low income families and those in receipt of Public Assistance through the Child Care Development Block Grant (CCDBG) to enable them to maintain employment or to engage in work activities. The Department of Social Services seeks to provide daycare services for families at or below 200 percent of the Federal Poverty Level (FPL). Low income families with incomes below 200 percent of the FPL are eligible for subsidies that vary depending on the daycare setting. Child care subsidies are provided for families in receipt of Public Assistance to enable the parent to accept and retain employment or to participate in required work activities. The amount of the subsidy varies with the daycare setting.

The 2020 budgeted amount is based on recent trends in the number of children subsidized in the various daycare settings and payments to providers. A monthly average of 3,132 children in low income families are expected to receive subsidies in 2020. Children in Public Assistance families receiving subsidies are estimated at 1,155 on average each month, a number necessary to support the level of work activity participation required of parents. The 2020 total cost of low income subsidies is budgeted at \$20,266,649. These costs are 100 percent reimbursed with federal funds up to the limit of the Child Care Development Block Grant. The budget includes \$6,378,719 for mandated subsidies to children in Public Assistance Families. These costs are reimbursed with state funds through the Block Grant at 75 percent of cost. The 25 percent local share cost for Public Assistance children is \$1,594,680 in 2020.

### ***Other Programs***

2019 Budget:           \$9,346,468  
2020 Proposed:       \$8,738,823

In this category are appropriations for a number of smaller programs administered by the Department of Social Services. These include: Account 525070 – Emergency Assistance to Adults, \$1,224,723; Account 525080 – Education of Handicapped Children in residential schools, \$667,014; Account 525130 OCFS Youth Residential Facility Chargebacks, \$4,199,859; Accounts 525100 and 525110 – expenses for housekeeping and home-delivered meal assistance, \$106,486; Account 525120 – expenses for the special needs of individuals in Adult Family Homes, \$2,310; and Account 530020 – Independent Living, \$10,000. Amounts budgeted in 2020 reflect current trends in utilization

Child care funded by Title XX (Account 525091), in cases of child protection and for purposes of foster care prevention, totals \$1,958,431 for a monthly average of 238 children, and Home Energy Assistance Program (HEAP) benefit costs total \$570,000 (Account 525140).



## **Early Intervention/Pre-K/Special Ed**

2019 Budget: \$63,804,086  
2020 Proposed: \$68,177,993

Developmental and special education programs are administered by the Department of Health, Division of Services to Persons with Special Needs. Children, birth through two years old, are identified, evaluated and placed in developmental programs by the County's Early Intervention Case Management program. Children three and four-years old are identified evaluated and placed in special education programs by the local school districts. Eligible service costs for three and four-year old children are paid by the County and are reimbursed partially by the State Education Department. Some services to eligible three and four-year-old children also may be claimed for the Federal share of Medicaid.

Under Chapter 243 of the laws of 1989, the County also is responsible for a 10 percent share of the cost of the school age (ages five to twenty-one) summer program which is billed to the County on a net basis at the end of each school year. In addition, the County is responsible for a portion of the cost of the special committees of local school districts which place children in preschool programs.

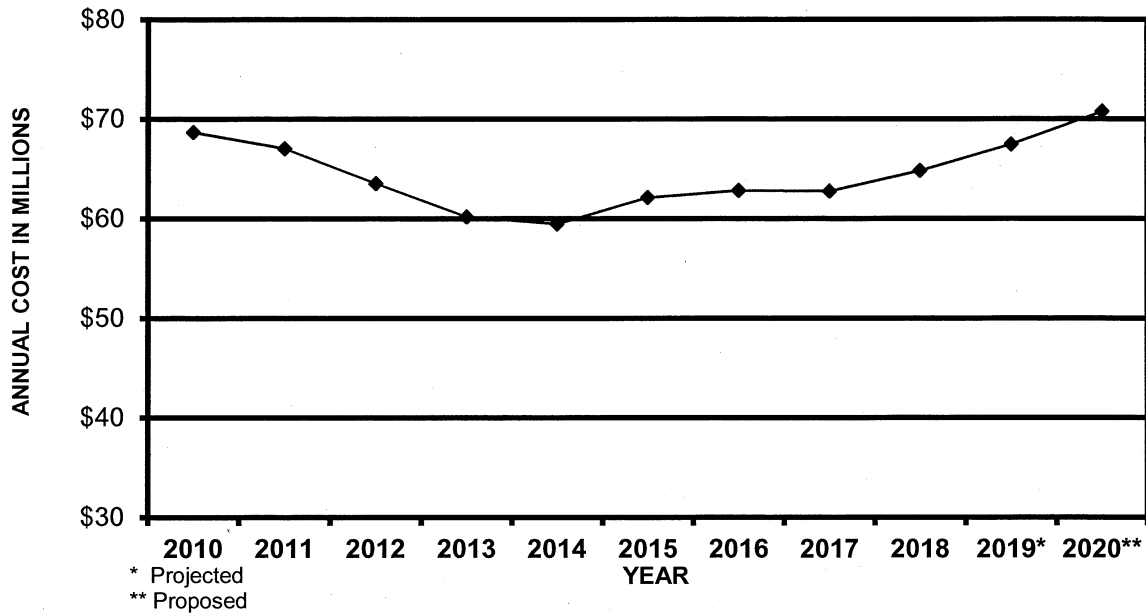
As authorized by 1993 New York State legislation, the County is responsible for the provision of various developmental services such as occupational therapy, physical therapy, speech therapy and pre-school education in the Early Intervention Program for infants and toddlers with developmental delays and their families. Services are based on an Individual Family Service Plan developed by the family, an evaluator, a County case manager and the County local early intervention official (designated by the County Executive). The County cost is offset by Medicaid and third-party insurance reimbursement for eligible children. Remaining eligible service costs are paid by the County and are reimbursed partially by the State Health Department.

The 2020 appropriation for the Children with Special Needs and Early Intervention agency program payment is \$68,177,993. Other program and administrative expenses totaling \$2,578,337 are included elsewhere in the budget summary, in the personal services, interdepartmental payments and all other expense categories.

In the 3 and 4 year old Preschool program, County representatives participate in Committee on Preschool Education (CPSE) meetings and are part of the decision making process regarding services for children in the program. However, school districts, although paying nothing toward the cost of the programs, make the final decisions regarding entrance into and the services provided by the program.

The County administers this program and has implemented a methodology that has improved the quality and lowered the cost of the services provided.

**SERVICES TO CHILDREN WITH SPECIAL NEEDS  
(Gross Program Costs)**



**Comparison of 2020 Proposed Budget to the 2019 Adopted Budget  
Early Intervention and Preschool Special Education Programs**

	Birth-Two Year Old Early Intervention Program	Three & Four Year Old Preschool Program	Administration All Programs	Total
<b>2019 Adopted Budget</b>				
Expense	\$8,235,697	\$55,568,389	\$2,562,213	\$66,336,299
Revenue	<u>4,392,561</u>	<u>34,160,871</u>	<u>1,065,537</u>	<u>39,618,969</u>
Net County Cost	\$3,843,136	\$21,407,518	\$1,496,676	\$26,717,330
<b>2020 Proposed Budget</b>				
Expense	\$8,925,895	\$59,252,098	\$2,578,337	\$70,756,330
Revenue	<u>4,721,140</u>	<u>36,965,238</u>	<u>1,119,573</u>	<u>42,805,951</u>
Net County Cost	\$4,204,755	\$22,286,860	\$1,458,764	\$27,950,379
<b>Variance 2020 to 2019</b>				
Expense	\$690,198	\$3,683,709	\$16,124	\$4,420,031
Revenue	<u>328,579</u>	<u>2,804,367</u>	<u>54,036</u>	<u>3,186,982</u>
Net County Cost	\$361,619	\$879,342	(\$37,912)	\$1,233,049

### **Interfund Transfers (Allocation)**

2019 Budget: \$53,014,304  
2020 Proposed: \$52,234,833

This includes allocations for County share of the Road Fund \$15,339,104; County share of grants \$7,007,564; County share of Utility Fund \$3,839,133, County share of the E-911 Fund \$4,370,528 and \$2,990,800 for Departmental pay-as-you-go capital needs. Also included is the Maintenance of Effort payment of \$17,724,317 and also a one-time payment to SUNY Erie Community College for \$ 963,387.

### **Debt Service**

2019 Budget: \$61,611,301  
2020 Proposed: \$63,434,074

This includes \$63,434,074 for General Obligation Bond Debt Service and \$0 for interest on Revenue Anticipation Notes.

### **All Other Expenses**

2019 Budget: \$24,711,802  
2020 Proposed: \$27,489,549

Included in the Other Expense category is \$504,000 of operational expense for the Erie County Fiscal Stability Authority.

The balance covers all other remaining expenses in the 2020 Budget for the Operating Fund including inter-departmental billings, telephone charges, rentals, risk retention and equipment.

# **Fringe Benefits Expenditures**

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## **Fringe Benefits - All Funds**

Fringe benefits are provided for County employees based on the provisions of the various collective bargaining agreements and/or Federal, State, and local laws. The County is required to provide appropriations for FICA, medical and hospitalization insurance, dental insurance, unemployment insurance and workers' compensation. An appropriation is also provided for retired County employees eligible to participate in a joint retiree-County funded medical and hospitalization insurance program. The basis of the appropriation for each fringe benefit category is explained below.

## **Federal Insurance Contributions Act - FICA**

The FICA contribution totals 7.65% of wages with 6.2% applied toward Social Security and 1.45% for Medicare. The Social Security portion, 6.2%, is applied toward total salary up to a maximum wage base which was capped at \$132,900 for 2019. The Medicare portion, 1.45%, has no cap. The 1.45% Medicare 2020 estimate is applied to all wages.

## **Workers' Compensation**

Workers' Compensation payments are set with a \$934/week maximum for claims paid July 1, 2019 - June 30, 2020. The proposed 2020 appropriation for workers' compensation accounts for increases and were based on the current year's activity, adjusted for anticipated medical costs. The appropriation provides funding for medical and indemnity payments, mandated state assessments and administration fees. The total appropriation is normally budgeted through the various funds and is charged through the payroll system as expenses are incurred.

## **Unemployment Insurance Coverage**

The 2020 appropriation for unemployment insurance anticipates an outlay of approximately \$409,297 based on the continuation of 2019 trends.

## **Medical and Hospitalization Insurance - Active Employees**

The 2020 budget estimate for active employees' medical and hospitalization insurance is based on the County's one source health insurance plan and was adjusted for estimated increases in premium costs for the various plans with an adjustment for those employees enrolled in the waiver program. These estimates were obtained in coordination with our consultant to the Labor-Management Health Care Fund, the entity that manages health insurance for the County.



## **Dental Insurance**

The estimated cost for dental insurance for County employees in 2020 is based on the current premium for all employees, the number of funded positions and the current family/single coverage ratio. A separate ratio was used for each fund.

## **Retirement/Pension**

On a weighted average basis the 2020 employer rates (14.40 %) as provided by the Employees' Retirement System will be less than the rates of 2019 (14.48%). Rates for Tier 4 employees, the single-largest category for Erie County, will increase to 16.10% (as compared to the prior year billing rate of 15.80 %) for the annual payment that will be due February 1, 2021 (or December 15, 2020, if the County opts to pre-pay). The pension retirement expenses for 2020 were calculated factoring-in the 2020 components of the April 1, 2019 through March 31, 2020 and April 1, 2020 through March 31, 2021 billing periods. Estimated costs for each tier and year are based on rates supplied by the Office of the State Comptroller.

## **Medical and Hospitalization Insurance - Retirees**

The County's projected contribution toward retirees' medical and hospitalization insurance is based on expected 2020 costs and was adjusted for estimated increases in premium costs. The County currently expenses retiree health costs on a "pay-as-you-go" basis. The unfunded future retiree health costs are described under the GASB 45 Section.

## **GASB 45**

GASB 45 is an accounting standard that requires governments to reflect in their financial statements the estimated future cost of paying for benefits, such as retiree health insurance, that has been earned due to the service years provided to-date by existing retirees and current employees.

# Union Contracts

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## UNION CONTRACTS

The table below details the status of all County union contracts, contract expiration dates and membership.

The County continues to pursue negotiations with all unions that will enable fair agreements for the benefit of both employees and taxpayers.

Union	Contract Expiration	Represents
Administrator	8/31/20	ECC Administration
Faculty	8/31/20	ECC Faculty Federation
Librarian	12/31/20	BECPLS - Professional Librarians
AFSCME	12/31/21	Blue Collar
CSEA Correction Officers	12/31/21	Sheriff - Correction Officers & Medical Staff
PBA	12/31/21	Sheriff - Police Services Division
Library Clerical & Maintenance	12/31/22	BECPLS - Contracting Libraries Clerical & Maintenance
CSEA	12/31/22	White Collar
NYSNA	12/31/23	Nurses
Teamsters Captains & Lieutenants	12/31/23	Sheriff - Holding Center Captains & Lieutenants
Teamsters Sworn & Civilian	12/31/23	Sheriff - Holding Center Deputies, Sergeants & Correctional Health





# Budget Process and Financial Structure



# Budget Process

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## Dynamics of Budgeting

Budgeting is a dynamic process. It demands continuous monitoring of actual expenses and revenues as well as ongoing study to determine the accuracy of budget estimates and the need for corrective action. Moreover, it requires periodic forecasting to determine how changes in the fiscal environment, revisions to County policies and new service demands will impact future budgetary needs.

While budgeting is a year-round process, the development of the annual budget usually commences nine months prior to the start of the new fiscal year. The procedures governing the preparation, submission and adoption of Erie County's annual budget are prescribed in Article 25 of the Erie County Charter and Article 18 of the Erie County Administrative Code.

## Budget Preparation Calendar

**April:** The County Capital Budget Committee begins review of departmental capital budget requests for the ensuing year.

**May:** Budget planning for the County's next fiscal year begins in a concrete manner once the state budget has been finalized. By law the state budget must be adopted by April 1st. Budget forecasts and targets are developed and evaluated based on: County budget monitoring data, state and federal budget impact data, estimates of inflationary cost increases needed to maintain current service levels, and estimates of the costs associated with new service needs.

**July:** Detailed budget instructions along with personal service reports are issued to department heads to guide the preparation of department budget requests.

**August:** Departments submit their detailed budget requests to the County Executive for consideration on or before August 15th.

**September:** Departmental budget requests continue to be analyzed in detail by staff in the Division of Budget and Management. Each expenditure and revenue account is evaluated to determine the best estimates of revenue available and the most accurate estimates of necessary and optional expenses.

Proposed budget recommendations and alternatives are prepared by the Budget Division for review and consideration by the County Executive. The County Executive's budget decisions are then incorporated by Budget staff into a proposed budget document.



## **Budget Adoption Process**

The County Executive is required by the Erie County Charter and the Administrative Code to submit a proposed budget for the next fiscal year to the Erie County Legislature on or before October 15, 2019. The proposed budget contains estimates of operating revenues and expenses for each administrative unit of County government, a capital budget and a six-year capital program. It must be presented in the form of a line-item budget.

The proposed budget is accompanied by the County Executive's Budget Message. The message highlights important features of the Proposed Budget and outlines the key assumptions, policies and initiatives on which it is based.

After receiving the proposed budget, the Legislature holds public hearings and considers whether proposed budget items should be amended. They may add, delete positions and increase or decrease items of expense (appropriation), except for those items required by law or for repayment of debt.

The Erie County Legislature will hold its annual budget adoption meeting on December 5, 2019, at which time the Legislature votes on any changes to be incorporated into the Adopted Budget.

If the Legislature fails to approve changes to the proposed budget, it is considered to have been adopted with no further action required by the County Executive. If the budget adopted by the Legislature does contain additions or increases, it must be presented to the County Executive on or before the second business day after the sixth of December (December 10, 2019) for consideration of vetoes.

The County Executive may veto any items added or increased by the Legislature to which he objects. Deletions or decreases are not subject to veto. If items are vetoed by the County Executive, a statement indicating the vetoed items and the reason for each veto must be returned to the Legislature on or before the seventh business day after the sixth of December (December 17, 2019).

The Legislature may override the County Executive's vetoes by a two-thirds majority vote. This must be done on or before the tenth business day after the sixth of December (December 19, 2019).

The budget, incorporating any legislative changes, executive vetoes, and legislative veto overrides is considered adopted in final form after the tenth business day after the sixth of December has passed (December 20, 2019).

## **Revisions after Budget Adoption**

Once adopted, no County department may spend funds in excess of the amount appropriated for each line-item of expense. Occasionally, it is necessary to revise the Adopted Budget during the year to adjust appropriations to match actual spending requirements. This is done either by transferring funds from one appropriation to another within the same administrative unit, or by appropriating unanticipated revenue that has been received.

The County Executive may transfer part or all of the unencumbered appropriation balance between line-items of expense within the same administrative unit if the amount for a given line-item transfer is \$10,000 or less. Approval of the Legislature is required, in the form of a legislative resolution, if the transfer exceeds \$10,000 or if it would affect any salary rate or salary total.

The appropriation of any unanticipated revenue requires the approval, by resolution, of the Erie County Legislature, as does the creation or deletion of any staff position associated with an appropriation revision.

Resolutions which seek approval to revise the Adopted Budget are submitted to the Legislature by County administrative units through the County Executive's Office. Elected Officials submit resolutions directly to the Legislature. All submissions are considered by the Legislature throughout the year at their bi-monthly legislative sessions.

### **Budget Monitoring Process**

The Division of Budget and Management produces Budget Monitoring Reports ("BMR"). The BMR reports on appropriation and revenue accounts critical to maintaining a balanced budget. The report also contains impact statements on the local effects of federal and state policies.

The BMR is designed to give management a measurement tool for determining if actual revenues and expenditures are in line with estimated amounts. This timely information allows the County to detect problems and if required take corrective budgetary action.

In addition to the BMR, other reports are generated periodically to evaluate budget performance, including:

- On-going tracking and analysis of personnel matters including overtime usage and all position vacancies.
- On-going tracking and analysis of local share Medicaid expenditures, as well as Safety Net Assistance and Family Assistance caseloads.
- Tracking of all revenues.

# Budget Calendar

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## January

County fiscal year began January 1, 2019.

Division of Budget and Management (DBM) works with Comptroller's Office to close 2018 books.

Tax bills sent to taxpayers in the City of Buffalo and first class towns.

## February

DBM reviews impact of Governor's Proposed Budget.

DBM develops monthly budget allotments for current year budget.

Subjects identified for special studies on cost containment and revenue enhancement.

Tax bills sent to 2<sup>nd</sup> class towns.

## March

Special studies continue.

## April

DBM begins development of ensuing year budget forecast.

The Capital Budget process begins for the ensuing year budget.

## May

Special studies continue.

## June

DBM assembles ensuing year budget instructions including appropriation and revenue worksheets and preparation of personal services data runs.

Special studies are concluded.

DBM begins to develop budget targets for departments.

## July

Budget instructions sent to departments along with personal services reports

Year-end projection instructions sent to departments.

## August

Departments complete submission of personnel change requests to Personnel Department and DBM.

Departments finalize ensuing year budget requests and submit to DBM.

Capital Budget process is concluded.

## September

County Executive and DBM review and make recommendations on requests from Departments and community agencies.

Studies are incorporated into 2020 Proposed Budget.

County Executive and DBM finalize recommendations for 2020 Proposed Budget.

## October

Major revenue and expenditure projections transmitted to Comptroller by October 1, 2019.

County Executive submits Proposed 2020 Budget to Legislature by October 15, 2019.

## November

Legislature reviews Proposed Budget and conducts departmental hearings and public hearing.

## December

Legislature to hold annual budget meeting – Thursday, December 5, 2019.

Deadline for Legislature to return Budget to County Executive if any increases are added – on or before the second business day after the sixth of December. (December 10, 2019).

Deadline for County Executive to veto any increases – on or before the seventh business day after the sixth of December (December 17, 2019).

Deadline for Legislature to meet and consider County Executive vetoes – on or before the tenth business day after the sixth of December (December 19, 2019).

Final equalized tax rates are determined. Legislature adopts final real property tax levies.

# Financial Structure

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## Fiscal Year

The County's fiscal year begins January 1 and ends on December 31 of each calendar year.

## Fund Structure

The County's budgetary and accounting systems are organized and operated on a "Fund" basis. Each fund is considered a separate entity and is made up of a set of inter-related and self-balancing accounts. Together, these accounts comprise a fund's assets, liabilities, fund/balance/retained earnings, revenues and expenditures/expenses.

The accounts in a fund are segregated and related to one another for the purpose of carrying out specific activities or attaining certain objectives. They are created and operated in accordance with law and/or special regulations, restrictions or limitations, or as dictated by generally accepted accounting principles (GAAP).

Erie County utilizes the funds described below. All funds are included in the County's General Purpose Financial Statements.

**General Fund (Budget Fund 110)** The principal operating fund which includes all operations, activities and resources not required to be recorded in other funds.

Funding Sources: Real property taxes; Sales taxes; Departmental charges; State and Federal partial reimbursements; Client recoveries; Fees, Fines and Other Charges; and Hotel Occupancy Tax.

### **Special Revenue Funds:**

Funding Sources: The following funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes and are shown in the same manner in the County's annual financial statements.

### **Grant Fund (Budget Fund 281 and Budget Fund 821 – Library)**

Funding Sources: Transfer payments and/or subsidy from General Fund; State and Federal full or partial reimbursement; grant income.

### **Community Development (Budget Fund 290)**

Funding Source: Federal Reimbursement.

### **Sewer Fund (Budget Fund 220)**

Funding Sources: Sewer Real Property Tax; user fees.

### **Road Fund (Budget Fund 210)**

Funding Sources: Subsidy payment from General Fund; partial State reimbursement; Real Estate Transfer Tax; charges.



***E-911 Fund (Budget Fund 230)***

Funding Sources: Telephone access line surcharge; State reimbursement; subsidy payment from General Fund.

***Public Library Fund (Budget Fund 820)*** This Special Revenue Fund is included in the County's annual financial statements as a component unit.

Funding Sources: Real Property tax; State reimbursement; library charges.

***Debt Service Fund (Budget Fund 310)*** This fund is used to account for current payments of principal and interest on general obligation long-term debt (bonds) and for financial resources accumulated in reserve for payment of future principal and interest on long-term indebtedness.

Funding Sources: Transfers from other funds; interest earnings on reserves.

***Downtown Mall Fund*** Used to account for revenues raised through a special district charge levy and the subsequent expenditure of these monies for the operation and maintenance of a downtown pedestrian/transit mall. *This fund is not included in the Budget documents.*

Funding Sources: Special district assessment.

***Capital Projects Funds (Budget Funds 410-490)*** Used to account for the financial resources to be used for the acquisition, construction or reconstruction of major permanent facilities having a relatively long useful life and for equipment purchased from the proceeds of long-term debt (other than those financed by the Enterprise Fund).

Funding Sources: Proceeds from bonds issued; State reimbursement.

***Enterprise Fund*** Used to account for ongoing organizations or activities that are similar to those found in the private sector which provides goods or services to the general public. The costs of providing goods or services to the public on a continuing basis are financed or recovered primarily through user charges.

***Utilities Fund (Budget Fund 140)***

Funding Sources: Utility user charges.

***Erie Community College*** Used to account for the resources received and used to operate the Community College. The State mandates a fiscal year ending August 31<sup>st</sup> for the Community College. For this reason, and also because of differences in accounting principles for colleges and those for local governments, the Community College budget and financial statements are separate.

Funding Sources: State reimbursement; student tuition; County subsidy from the County budget in the General Fund.

## **Accounting and Budgeting Principles**

The Erie County Charter and Administrative Code require a line-item budget organized or classified on the basis of administrative units. The budget, accounting and reporting system are structured to support this requirement on an ongoing basis for local purposes.

The accounting and budget structure required by the local Charter and Code is not consistent with the Uniform System of Accounts for Counties (USAC) structure required by the State for financial reporting purposes. Specialized account coding is used to convert detailed County accounting data to the USAC structure as required for financial reporting and for the preparation of the annual financial statements.

The County's financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities, and are presented in the USAC format.

## **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Measurement focus is the determination of what is expressed in reporting an entity's financial performance and position, (i.e., expenditures or expenses). A particular measurement focus is accomplished both by considering what resources will be measured and the basis of accounting.

Basis of accounting refers to when revenues, expenditures/expenses, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus.

**Accrual Basis** – Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**Modified Accrual Basis** – Under this basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues from federal, state, or other grants designated for specific County expenditure are recognized when the related expenditures are incurred.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due and expenditures for inventory-type items and for prepayments (except retirement) are recognized at the time of the disbursements.

In the County's Comprehensive Annual Financial Report ("CAFR"), the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary fund financial statement. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar

items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

### **Budgets and Budgetary Data**

Annual appropriated budgets are adopted and employed for control of the General Fund; the Road; Sewer, and E-911 Special Revenue Funds; the Utilities Aggregation Enterprise Fund; and the Debt Service Fund, minimally detailed to the department and account level. These budgets are adopted on a basis consistent with GAAP, except that encumbrances are reported as budgetary expenditures in the year of incurrence of commitment to purchase, as well as in the year of expenditure if the expenditure occurs in a fiscal year subsequent to the commitment in the General and the enumerated Special Revenue Funds. All unencumbered appropriations lapse at the end of the fiscal year. Annual appropriated budgets are not employed for the Grants and Community Development Special Funds. A reconciliation to convert GAAP basis data to the budgetary basis is provided in the financial statements.

### **Account and Budget Codes**

Account and budget codes classify expenditures/appropriations and revenues by category. The structure of account and budget codes used by Erie County is consistent with the local Charter and Code requirements for a line-item budget organized by administrative unit.

**Administrative Unit Codes** – The budget and accounting systems are structured so that budgeting and accounting can be controlled at the fund, business area/fund center and department level as appropriate. Budgets are usually adopted at the department level in the General Fund including Social Services, the Utilities Fund (Enterprise Fund) and Special Revenue Funds. Budgets are adopted for grants and Community Development projects. The Debt Service Fund is adopted at the fund level.

Administrative Unit coding in the budget and accounting systems is categorized according to Fund, Department, and Fund Center (Business Area).

Fund center coding is used to identify separately budgeted administrative units. A three digit Fund Center designates the overall department level. If divisions within a department are separately budgeted, they are designated with a five digit fund center code.

**Account Codes** – Account codes are used to identify appropriated expenditures and revenues.

Revenues and expenditures are appropriated and adopted by the Legislature at the account level, which is indicated by a six-digit account code in the budget. All accounts are part of a hierarchy which serves to group accounts into like categories.

Expenditures/appropriation and revenue coding in the budget and accounting systems is generally categorized according to the following structure:

Expenditure/Appropriation Codes		Revenue Codes	
Account*	Description	Account*	Description
500000-500350	Personal Services	400000-400070	Real Property Tax Revenues
501000	Overtime	402000-402700	Local Source Revenues
502000-502140	Fringe Benefits	405000-409040	State or Other Partial Reimbursement
504992	Contractual Salary Reserve	410000-414190	Federal or Other Partial Reimbursement
504990-504998	Reductions for Turnover Service Restoration	415000-480030	Fees, Other Taxes
505000-507000	Supplies & Repairs	450000-486040	Inter-fund Revenues
510000-555050	Other		
516000-520110	Contractual		
525000-530020	Assistance Payments		
561100-561460	Equipment		
550000-551600	Debt Service		
559000-575040	Inter-fund		
910100-980000	Inter-departmental		

\*Specific descriptive account titles and codes are provided throughout the budget documents for each account.

### Budgeting for Fringe Benefits

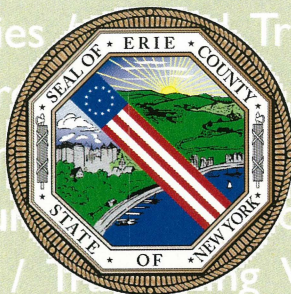
Fringe benefits are appropriated separately in each fund included in the budget which also has budgeted employees and authorized payroll expenses.

Fringe benefits are budgeted at the department level in the operating fund. Fringe Benefits are budgeted at the individual project level for grants and community development projects.









# Glossary



# **Glossary**

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## **Account**

A category of revenues and expenditures/appropriations, such as office supplies, personal services, or utilities.

## **Accrual**

Recognition and recording of earned amounts receivable as revenue and amounts payable as expenditures in the current period, but for which cash receipts or disbursements have not yet occurred.

## **Accrual Accounting**

A basis of accounting in which expenditures and revenues are recorded at the time they are incurred or are available, as opposed to when cash is actually received or spent.

## **Adjusted Budget**

The adopted budget as modified by all changes approved and processed to budgeted revenue and appropriation accounts.

## **Adopted Budget**

The budget plan for the next fiscal year, which has been formally approved pursuant to the provisions of Article 25 of the Erie County Charter.

## **Appropriated Fund Balance**

The amount of unassigned fund balance available from previous years designated for use in the current year.

## **Appropriation**

A specific amount of money authorized by the Legislature for the purchase of goods and services.

## **Assessed Valuation**

The value set upon real property by local tax assessors and the state as the basis for levying real property taxes.

## **Board of Election Re-Spread**

Reimbursement from towns and cities for certain allowable expenses associated with the cost of conducting elections. The actual costs are billed back to the various towns and cities where elections are held and recorded as revenue in the operating fund.

## **Capital Budget/Expenditures**

Budgets/expenditures in Capital Project Funds are for major physical improvements and construction, or for purchase of equipment having a useful life of at least five years. The Capital Budget is included in the annual budget documents, as required by the County Charter, but is not a part of the operating budget, nor is it considered part of the operating fund.

**Community College Re-spread**

Revenue that is attributed to reimbursement from towns and cities for tuition payments made by the County for town and city residents who are enrolled in community colleges outside of Erie County. The tuition costs are billed back to the various towns and cities in the County for the town/city residents for whom tuition was paid.

**Community Development Fund**

A Special Revenue Fund used to assist participating municipalities in the development of locally approved community or economic development activities, including housing programs, which are eligible under Federal program regulations. This fund is included in the County's annual budget documents in order to secure legislative authorizations, but it is not a part of the operating budget nor is it considered an operating fund.

**Contingency**

An appropriation of funds to cover unforeseen events that may occur during the fiscal year, or reserved to cover foreseen future events.

**County Share**

The amount of support required from general county resources (e.g., property or sales taxes); after all other revenue sources attributed to the operations of a department or division are subtracted from total appropriations or expenditures.

**Countywide Appropriations/Revenues**

Appropriations and revenues, such as debt service expenditures or sales tax revenues, which cannot be directly attributed to the operations or operational responsibilities of specific departments.

**Debt Service**

The county's obligation to pay the principal and interest on all bonds and other debt obligations according to a predetermined payment schedule.

**Debt Service Fund**

A special fund established to account for the payment of interest and principal on long-term debt. The Debt Service Fund is a part of the operating budget and is considered an operating fund.

**Deficit**

The excess of expenditures over revenues during an accounting period.

**Downtown Mall Fund**

A Special Revenue Fund used to account for revenues raised through a special district charge and the subsequent expenditure of these monies for the operation and maintenance of a downtown pedestrian/transit mall. This fund is not included in the county's annual budget documents, nor is it considered an operating fund.

**ECIDA**

The Erie County Industrial Development Agency (ECIDA) is a public benefit corporation which coordinates economic development for Erie County. It authorizes industrial revenue bonds for eligible projects and administers a revolving loan program for businesses in specific county areas.



**Encumbrance**

Financial commitments related to unperformed contracts for the purchase of goods and services. Purchase transactions which are not yet completed, but for which funds have been designated and specifically reserved (encumbered) for future payment when the purchase transaction is completed. Outstanding encumbrances at year-end are reported as assignments of fund balance because the commitments will be honored during the subsequent year.

**E-911 Fund**

A self-balancing Special Revenue Fund for appropriations and revenues associated with the operation of the Enhanced 911 emergency telephone system as required by State law when a telephone surcharge is utilized to offset E-911 service cost. The E-911 Fund is part of the operating budget and is considered an operating fund.

**Enterprise Funds**

Self-supporting governmental funds in which the services provided are financed and operated similarly to those of a private business, with user charges providing the majority of the revenues necessary to support operations. The Utility Fund is budgeted as an Enterprise Fund. The Enterprise Fund is a part of the operating budget and is considered part of the operating funds.

**Equalized Full Valuation of Taxable Property**

The term used to indicate the value of all real property in a taxing jurisdiction, appraised at 100% of market value at a specified prior point in time, which has been adjusted by a factor to reflect different rates of housing market price change from area to area. The equalization factor allows comparison of full valuation on an equal dollar basis for all areas and for all time periods.

**Equalized Full Value Tax Rate**

The amount of property tax levied for each \$1,000 of equalized full valuation for all non-exempt property in the county. It is calculated by dividing the equalized full valuation of taxable property by \$1,000 and then dividing the county property tax levy by the result. This rate is used for all comparisons of property tax growth or reduction.

**Full Valuation**

The term used to indicate a real property appraisal at 100% of market value at a specified prior point in time.

**Fund**

A set of inter-related accounts to record revenues and expenditures associated with a specific purpose. Funds are self-balancing. The Erie County budget includes ten (10) funds: General Fund, E-911 Fund; the Utilities Enterprise Fund; Grant Fund; Capital Fund; Sewer Fund; Road Fund; Community Development Fund; the Debt Service Fund; and the Public Library Fund.

**Fund Balance**

The section of the financial statement that reports the results of operations. It can include restricted amounts such as prepaid items along with assignments such as judgments and claims. The remainder of fund balance is the unassigned portion which is available for appropriation when necessary.

**GASB 45**

GASB 45 is an accounting standard that requires governments to reflect in their financial statements the estimated future cost of paying for benefits, such as retiree health insurance, that has been earned due to the service years provided to-date by existing retirees and current employees.

**Gain**

A position and/or job title not currently authorized in a department, which is transferred in from another department or budget entity.

**General Fund**

The principal operating fund of the county, which includes the budgets, revenues and expenditures for most county departments.

**Generally Accepted Accounting Principles (GAAP)**

Conventions, rules and procedures that define accepted accounting and financial reporting practice, including broad guidelines and detailed practices. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**Grant**

A contribution by a government or other organization to support a particular function, service or program.

**Grant Budget/Expenditures**

Budgets/expenditures in the Grant Special Revenue Fund related to defined projects funded by contributions from other governments or organizations to support particular functions, services or programs. The Grant Fund is not a part of the operating budget but appears in the Budget documents in order to secure necessary legislative authorizations.

**Indirect Costs**

Costs associated with, but not directly attributable to, the operation of county departments. These "overhead" costs are usually incurred by other departments in support of all operating departments.

**Inter-departmental Billing**

The reimbursement received by a division, such as Information and Support Services, for services provided to other county departments. Interdepartmental billings are quasi-revenues budgeted as negative appropriations.

**Inter-departmental Payment**

An appropriation of funds for reimbursing other county departments, such as Information and Support Services, for services provided by departments.

**Inter-fund Transfers/Revenue**

Amounts transferred from one fund to another.

**Job Group**

The grouping of similar position classifications and their assignment to a range of salaries within a county pay scale.

**Line-Item Budget**

A budget that lists each expenditure and revenue category separately, along with the amount budgeted for each specified category.

**Local Source Revenue**

Funds that the county receives as income from local sources, such as property and sales taxes, service fees, and interest income, as opposed to funds received from other governments.

**New Position**

A new position in an existing job title and/or a new job title not previously budgeted.

**NFTA**

The Niagara Frontier Transportation Authority, created in 1967 as a public benefit corporation under the Public Authorities Law of the State, administers the regional transit system in Erie and Niagara Counties which includes a transit line, public buses and airport facilities. The NFTA receives a portion of the county sales tax plus a subsidy from the county general fund.

**OTB Revenues**

Revenues received from a portion of profits of the Western Regional Off-Track Betting ("OTB") Corporation from a pari-mutuel wagering tax.

**Other than Personal Services**

Expenditures for all non-personal services, goods and services including supplies, equipment, contractual services, utilities, rental and repairs.

**Personal Services**

Expenditures for salaries and wages for full-time, regular part-time as well as part-time and seasonal employees, overtime costs, shift differential, and holiday pay, etc.

**Project**

A project is a distinct organizational unit with a separate budget which is identified by a unique name usually used in a capital fund.

**Proposed Budget (Tentative Budget)**

The budget plan for the upcoming fiscal year recommended to the County Legislature by the County Executive for its formal approval. The Erie County Charter designates this as the "Tentative Budget." It is popularly known as the "Proposed Budget".

**Public Library Fund**

The Public Library Fund is used to record transactions of the Buffalo and Erie County Public Library which is supported, in whole or in part, by real property taxes. The use of the Library Fund assures compliance with Education Law, Section 259, which provides that all monies received from taxes or other public sources for library purposes shall be kept in a separate fund.

The Public Library Fund is a special revenue fund. The accounting is the same as the General Fund including the use of budgetary, revenue, expenditure and fund balance accounts. It is a part of the county's operating budget and is considered an operating fund.

**Reallocation**

A change in job group but not in position title for a currently authorized position; an upgrading of a position.

**Real Property Tax**

The net County tax requirement determined by subtracting the total estimated revenues from the total proposed expenditures as set forth in the budget (Erie County Charter, Article 26, Financial Procedures, Section 2609).

**Reclassification**

A change in position title which may or may not change the job group for a currently authorized position.

**Reductions from Personal Services Account**

The Reductions from Personal Services account is a net savings calculated by estimating the impact on all personal services budgets caused by employee turnover, vacancies, increased overtime or other personnel transactions. The savings estimate is then adjusted for any negative impact on associated budgeted revenue calculations. The final net savings calculation is budgeted in the form of a negative appropriation.

**Reserve**

Funds which are accumulated, held and set-aside for future use or the payment of some future obligation. Funds held in reserve may be restricted to particular uses or they may be unrestricted.

**Revenue**

Funds that the county receives as income, including tax payments, service fees, receipts from other governments, fines, forfeitures, grants, and interest income, etc.

**Road Fund**

A Special Revenue Fund used to account for all revenues and expenditures related to the maintenance of county roads and bridges, snow removal, and the construction and reconstruction of county roads not required to be recorded in the Capital Projects Fund. The Road Fund is a part of the operating budget of the county and is considered an operating fund.

**Transfer**

A currently authorized position and/or job title in a department, which is transferred to another department or fund.

**Sales Tax**

A charge placed on certain goods when they are purchased from a vendor. Sales Tax revenue accounts for a considerable portion of the discretionary budget. Erie County's local sales tax rate is 4.75%.

**Sewer District Budgets/Expenditures**

Budgets/expenditures in the Sewer Special Revenue Fund related to the annual program and spending plan for sewer facility operations, services and normal maintenance. Sewer districts are self-supporting entities with a separate property tax levy. The Sewer Fund is not a part of the operating budget, nor is it considered an operating fund.



**Source**

A category of revenue, such as local source, state aid, or federal aid.

**Surplus**

The excess of revenues over expenditures during an accounting period.

**Taxable Assessed Valuation**

The value of non-exempt (taxable) real property in a taxing jurisdiction on which the jurisdiction's portion of the County real property tax levy is spread.

**Taxable Assessed Value Tax Rate**

The amount of property tax levied for each \$1,000 of taxable assessed valuation of real property in each taxing jurisdiction. It is calculated by dividing each jurisdiction's share of the County real property tax levy by the taxable assessed valuation of all non-exempt (taxable) real property in the jurisdiction, and dividing the result by 1,000.

**Utilities Fund**

An Enterprise Fund created to provide financial accounting and support necessary for the operation of the Erie County Utilities Aggregation. This fund allows members of the aggregation (cities, towns, villages, and authorities in Erie and neighboring counties) to jointly purchase natural gas, heating oil and electric utilities at reduced cost. The Utilities Fund is part of the operating budget and is considered an operating fund.

**Visit Buffalo Niagara**

Visit Buffalo Niagara, formerly known as the Convention and Visitors Bureau, is an organization funded with taxpayer dollars and organized to serve as the county's marketing arm to the nation and world. Visit Buffalo Niagara is tasked with attracting visitors and conventions to the Buffalo Niagara region.



