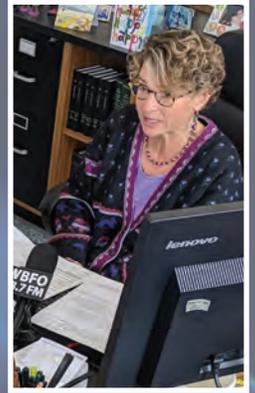


2021 BUDGET

COUNTY OF ERIE, BUFFALO, NEW YORK



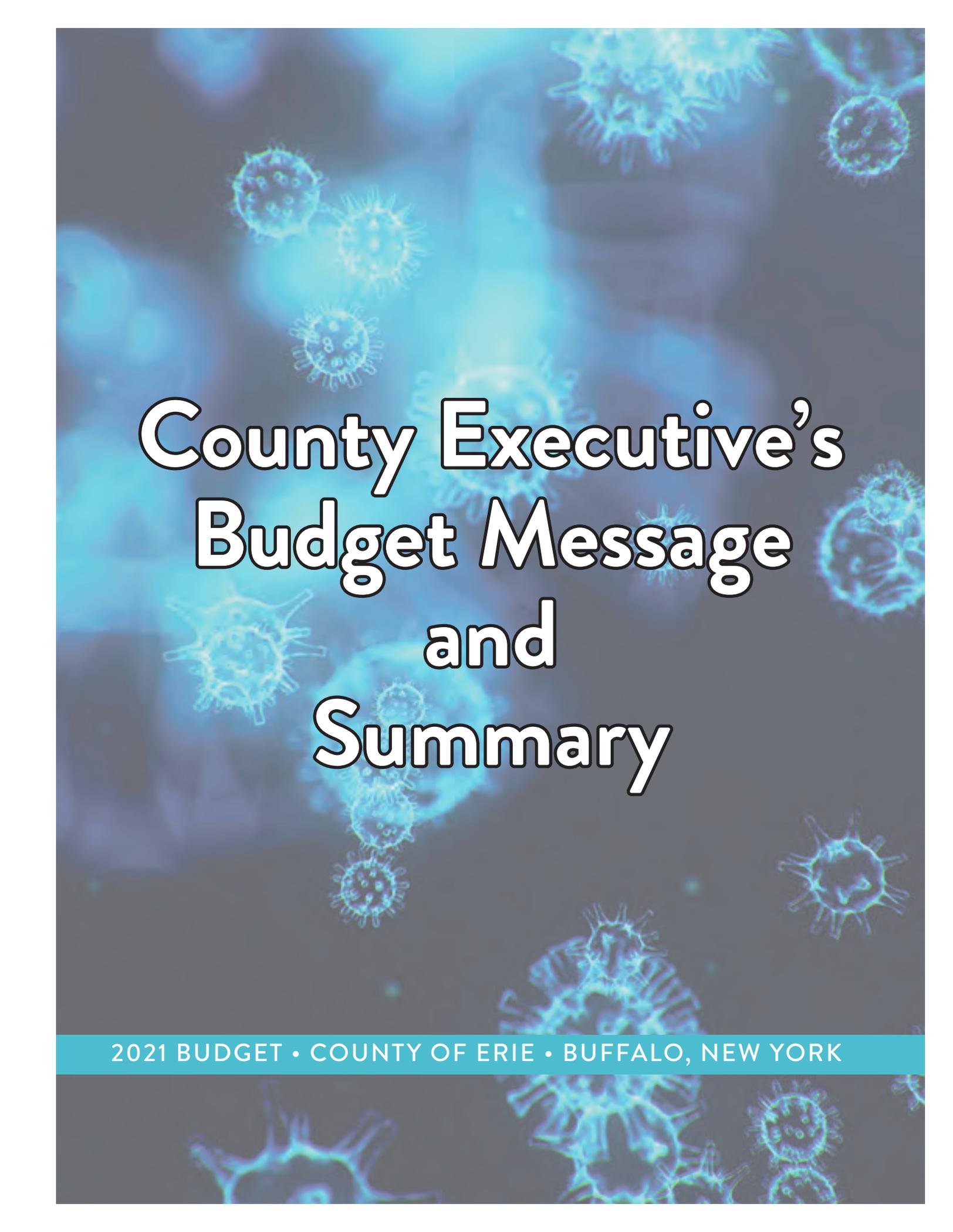
MESSAGE AND SUMMARY

Mark C. Poloncarz
County Executive

Robert W. Keating
Director
Budget and Management

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County Executive's Budget Message and Summary

2021 BUDGET • COUNTY OF ERIE • BUFFALO, NEW YORK



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

October 15, 2020

92 Franklin Street 4TH Floor
Buffalo, NY 14202

Dear Honorable Legislators:

Please find enclosed my proposed 2021 Erie County Budget ("2021 Budget") and the 2021-2024 Four Year Financial Plan ("Four Year Plan") for review and approval by your Honorable Body.

In the face of COVID-19 this budget represents a responsible and conservative approach to confronting the two great challenges facing Erie County: protecting public health while also protecting the county's finances in the face of major revenue shortfalls. Erie County, New York State, and the entire nation face challenges not seen in a century. Not only will Erie County face significant costs associated with COVID-19 operations throughout 2021, but we must also grapple with the economic impact of the virus including reduced consumer activity and New York State's own significant deficit. In a time of crisis, we must make hard choices to avoid the failures of the past while working to secure the future. This budget embodies those goals.

2021 General Fund Budget

The 2021 recommended Budget for the General Fund is \$1,473,105,849 (including approximately \$349 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 decrease of 5.25 percent over the Adopted 2020 Budget, and a 7.05 percent increase over the amended 2020 Budget after the implementation of the deficit remediation plan in June.

After initial submissions from departments and independent elected officials, the Division of Budget and Management was presented with a budget gap of nearly \$82 million. In order to close that gap a number of significant measures were taken.

- Implementation of 5% cut packages submitted by departments
- Additional cuts for departments that did not submit cut packages
- Conversion of pay-as-you-go capital projects to bonded projects
- Budgeting for expected Revenue Anticipation Note (RAN) premium
- The use of \$10 million in undesignated fund balance

All told this budget eliminated 98 positions as compared to the adjusted 2020 mid-year budget and 246 positions compared to the adopted 2020 budget.

As in recent budgets we will continue to share modest revenue growth with the Buffalo and Erie County Public Library.

In order to provide some property tax relief and to stay under the New York State Tax Cap I am once again proposing action to lower the property tax rate per thousand of assessed value from \$4.71 for 2020 to \$4.43 in 2021, and for the fourth time reduce the eligible amount of Community College chargebacks by \$4.4 million. This is by far the largest property tax rate reduction of my administration and the largest property tax rate reduction in two decades. Even with the 28-cent reduction in the property tax rate for the 2021 Budget, the County will benefit from \$7 million of additional 2021 revenue as a result of a robust real-estate market that continues to see property values increase significantly, especially in the City of Buffalo.

Sales Tax

The sales and compensating use tax (“sales tax”) is the County’s largest revenue source. COVID-19 has had a significant impact on this consumption tax as a wide array of businesses and industries were forced to shut-down or change operations as the result of the pandemic. Recent sales tax figures including those received on October 5th and 8th have been much better than projected in the county’s 2020 deficit remediation plan.

In fact, whereas Erie County’s sales tax receipts were nearly 9% below 2019 receipts prior to the most recent NYS reconciliation received, now we are only 2.5%

below 2019 and revised revenue figures show 2021 is projected to decrease by a modest .66% over 2020. Several categories of spending including online shopping and automotive sales have helped to buoy this revenue source even as brick and mortar retail, restaurant, and hotel establishments struggle. It should be noted that new sales tax intercepts from New York State in 2021 will cost the county over \$4 million, in addition to existing intercepts for Aid to Municipalities (AIM). Given Erie County's reliance up on sales tax and the limits on property tax growth imposed by state tax cap, additional state intercepts of county revenue will need to be closely monitored.

Four Year Financial Plan

The 2021 Budget includes a Four-Year Financial Plan for fiscal years 2021-2024. The 2021 Budget and projected 2020 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 2021-2024 in spite of current recession.

We also are using conservative and appropriate assumptions on property and sales tax revenues. We project a 2.5% percent assessment growth forecast for 2021-2024. This number is limited by the New York State Tax Cap which forces the county to forgo assessment growth. For sales tax we budgeted for .5% decrease in sales tax collections for 2021 and then forecast 1.5% percent growth for 2022-2024. While we use \$10 million in reserve funds as part of the 2021 budget, improved property and sales tax revenues will eliminate the need for continued fund balance usage in 2022-2024 assuming economic conditions improve after 2021.

Responding to COVID-19

Erie County has largely been able to fund COVID-19 response operations including testing, contact tracing, PPE distribution and more through the use of Federal Coronavirus Aid, Relief, and Economic Stability (CARES) Act Coronavirus Relief Funds (CRF). These funds must be used by December 30th 2020. In the absence of additional Federal relief, in 2021 Erie County must fund these operations on our own. Based on estimates from the Erie County Department of Health, we are budgeting just over \$20 million for COVID-19 operations in 2021, of

which 75% will be eligible for FEMA reimbursement so long as the national state of emergency stays in effect.

New York State Cuts

The 2020-2021 New York State budget contained language giving the State Budget Director broad powers to withhold funding and make unilateral cuts subject to optional modifications from the State Legislature. To-date, NYS has been withholding 20% of most payments on a wide array of programs. By all accounts the State Budget Office is attempting to hold out for a deal on federal stimulus aid to states which would allow state government to fully or partially ameliorate the revenue impact of COVID-19. In the absence of federal aid, the proposed 2021 Erie County Budget conservatively estimates approximately a 20% reduction in state aid revenues.

Continuing to Provide Essential Services & the People's Mandates

Despite the significant reductions in revenue Erie County is facing from reduced sales tax and state aid, the budget continues to provide the essential services Erie County residents rely upon, and minimizes the negative economic impact spending cuts would have on our community.

While all but the smallest departments were subject to further reductions from their already reduced mid-year 2020 budgets, these cuts were strategically chosen to minimize the impact on county operations and services to Erie County residents. All existing county services will remain intact, though some at a reduced level, despite this unprecedented fiscal challenge.

The proposed budget includes \$26.7 million in road and bridge capital funding. Major infrastructure projects will include the reconstruction of Borden and Bullis Roads, and the remediation of the slide on Back Creek Rd.

Erie County Parks have been a tremendous resource to Erie County residents seeking safe, socially distanced activities. The proposed budget continues my administration's commitment to keeping our parks in great shape and offering programs and activities, including \$3.1 million dollars in capital funding.

Through great effort, and as further evidence of my commitment to ensuring our high quality of life at these uncertain times, the proposed budget maintains previous levels of funding for cultural and community organizations, such as Visit Buffalo-Niagara, the Buffalo Zoo, the Science Museum and many others. While we will not be increasing funding to any organization, nor providing new assistance to organizations that were not funded in 2020, no organization will see a reduction in their allocation from Erie County. In many cases Erie County is the number one funding source for these not-for-profit agencies, and our commitment to their funding is a commitment to ensuring these theaters, museums, and other important community resources are able to survive the pandemic's economic toll.

Federal Aid

As was the case when I submitted the deficit remediation plan, many states and localities across the nation wait for further action by the Federal Government to address COVID-19 related revenue shortfalls. As Federal Reserve Chairman Jerome Powell has repeatedly noted, additional federal stimulus is needed to hasten the economic recovery and improve the job market. A key part of any such stimulus will be aid to states and localities who have already laid off or furloughed over 1.5 million workers.

Unfortunately, as of today, Congress has not passed a relief package nor is there is a three-way deal on a relief package between the House of Representatives, the Senate, and the White House. President Trump has ordered his team to cease all negotiations on a relief package deal until at least after November 4th 2020, and then only if he wins re-election. Due to this political uncertainty, Erie County cannot count on federal revenue relief at this time, and we will not budget for it in 2021.

Should federal aid be received by New York State and/or Erie County at a later date, my administration will prepare a resolution package detailing the reversal of various cuts and modification of revenue lines to account for the aid.

Conclusion

While we all wish the situation were different, it is our responsibility to see Erie County government and our community through this difficult time. This

Conclusion

While we all wish the situation were different, it is our responsibility to see Erie County government and our community through this difficult time. This budget takes the necessary steps to cut costs in the face of declining revenue, while funding important priorities including public health operations to continue Erie County's regional leadership role in confronting COVID-19 in 2021.

My team and I look forward to discussing our proposed budget with your honorable body, and I hope together we can see our way through this ongoing crisis to better days ahead for Erie County, our state and our nation.

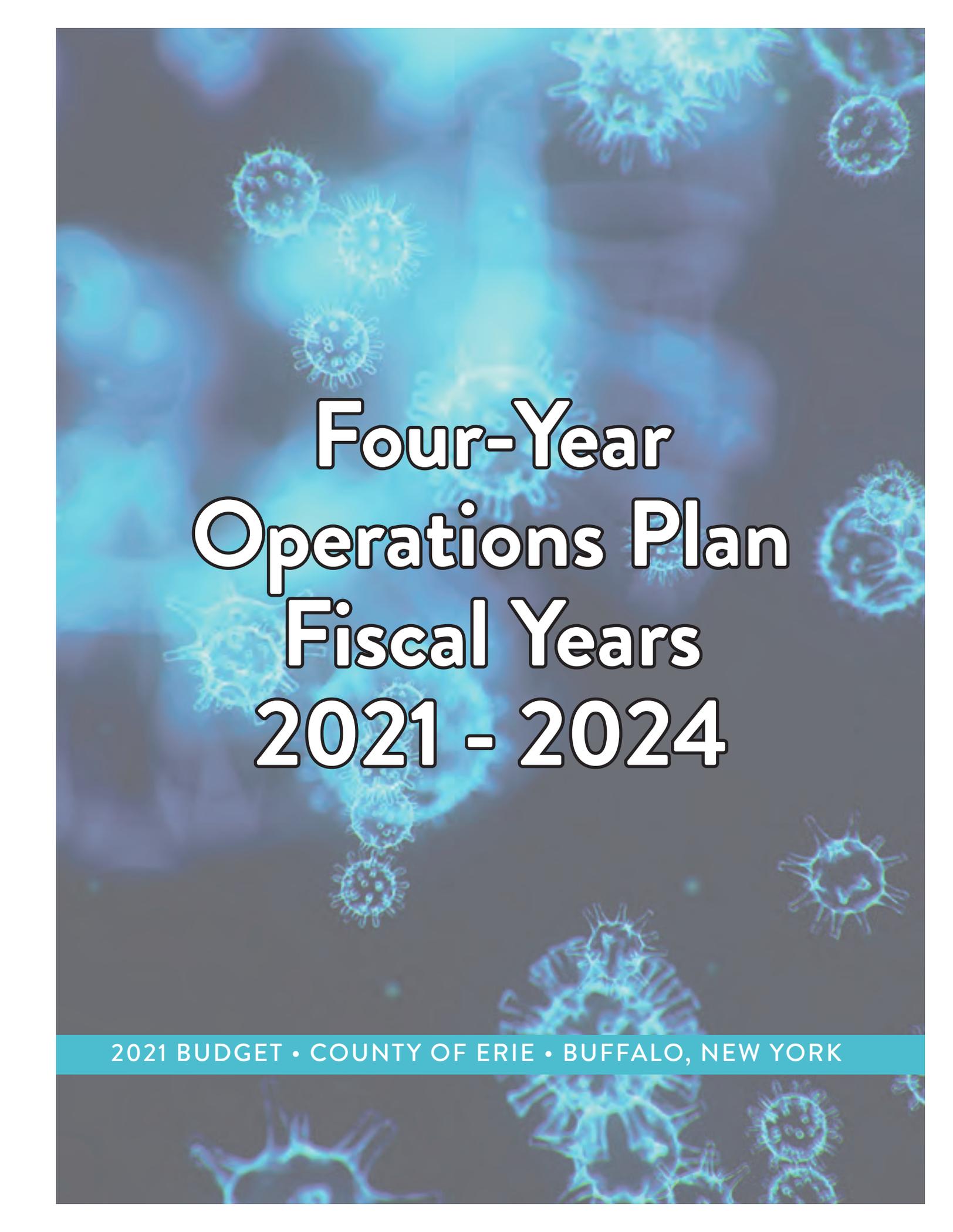
Sincerely yours,

A handwritten signature in blue ink that reads "Mark C. Poloncarz". The signature is written in a cursive, flowing style.

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/bqs
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 2021 - 2024

2021 BUDGET • COUNTY OF ERIE • BUFFALO, NEW YORK

Four Year Financial Plan for Fiscal Years 2021-2024

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 2021 Proposed Budget and projected 2020 results largely form the basis for the Plan.

The 2021 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% growth in property tax revenue strictly due to assessment growth for years 2022 through 2024. Based on recent year actual assessment growth, that assumption may be conservative. In 2021, the County projects to receive \$7.5 million in assessment growth, of which the County will share \$508,183 with the Buffalo and Erie County Public Library System.

The Plan calls for sales tax revenues to decrease by 0.48% in 2021 from the 2020 projected actual amount, and then increase by 2.5% for 2022 and 2% in 2023-2024.

The Plan is based on reasonable assumptions at the time of submission of the 2021 Budget and Plan on October 15, 2020.

KEY ASSUMPTIONS IN FOUR YEAR FINANCIAL PLAN 2022-2024

Revenue	2022	2023	2024
Sales Tax Growth	2.50%	2.00%	2.00%
Real Estate Market Value Growth	2.50%	2.50%	2.50%
Property Tax Rate Increase	0%	0%	0%
Expense	2022	2023	2024
Personal Services Growth	2.50%	2.50%	2.50%
Health Insurance Growth	6.10%	4.54%	4.54%
Pension Rate	14.42%	14.40%	14.36%

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 overall plan continues the assumption of a State Revenue decrease for 2022 and 2023 which contributes to a projected bottom line shortfall for these years. 2024 projects a modest surplus and assumes a return to higher State Aid reimbursement levels. There is no 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;
- Federal stimulus funding;
- Reduction in State Aid cutback levels;
- Better than expected property tax assessment growth;
- Reductions in discretionary spending, including in personal services and through deletion of positions;
- Property tax revenue;
- Use of appropriated fund balance;
- Increase to Community College Chargeback revenue;
- More favorable (lower) caseload trends in social service programs; and
- Reinstatement of Gaming Facilities Aid.

County of Erie
2021-2024 Four-Year Financial Plan

Fund 110 - General Account Type	2019 Actual	2020 Legislative Adopted Budget	2021 Executive Recommended Budget	2022 Projection	2023 Projection	2024 Projection
Revenue						
Local Source Revenue						
Property Tax Levy	270,185,414	279,863,754	286,888,334	292,626,101	298,478,623	304,448,195
Property Tax Related						
Sec 520 Exempt Removal	922,792	863,146	876,148	876,148	876,148	876,148
Gain Sale Tax Acquired Prop	12,250	5,000	7,000	7,000	7,000	7,000
Payments In Lieu Of Taxes	4,788,179	5,140,000	5,140,000	5,165,700	5,191,529	5,217,486
Interest & Penalties-Prop Tax	14,157,639	13,800,624	12,733,993	12,861,333	12,989,946	13,119,846
Omitted Taxes	7,489	7,500	1,780	1,780	1,780	1,780
Dec-Prop Tax Def Rev	(4,288,532)	(3,551,464)	(4,455,252)	(4,499,805)	(4,544,803)	(4,590,251)
Property Tax Related Total	15,599,817	16,264,806	14,303,669	14,412,156	14,521,600	14,632,009
Sales Tax						
Sales Tax Original 3%	184,959,153	185,270,714	172,531,111	176,844,389	180,381,277	183,988,902
1% Sales Tax	174,627,324	174,921,477	162,893,514	166,965,852	170,305,169	173,711,272
.25 % Sales Tax	43,641,608	43,715,523	40,709,178	41,726,907	42,561,446	43,412,675
.50% Sales Tax	87,283,215	87,431,046	81,418,356	83,453,815	85,122,891	86,825,349
Sales Tax Total	490,511,300	491,338,760	457,552,159	468,990,963	478,370,782	487,938,198
Sales Tax (Distrib. to Local Gov'ts)	338,922,828	337,955,669	316,149,457	324,053,193	330,534,257	337,144,942
Fees Fines or Charges						
Election Exp Other Govts	6,811,526	7,182,134	7,581,812	7,902,195	7,820,728	7,938,039
All Other Fees Fines or Charges	26,470,077	26,923,753	25,142,844	25,519,987	25,902,786	26,291,328
Fees Fines or Charges Total	33,281,603	34,105,887	32,724,656	33,422,182	33,723,514	34,229,367
Other Sources						
Interest & Earn - Gen Inv	1,339,545	551,000	200,100	200,100	200,100	200,100
Hotel Occupancy Tax Revenue	11,953,351	11,600,000	9,562,689	9,706,129	9,851,721	9,999,497
Community College Respreads	2,528,178	2,724,895	2,981,088	3,010,899	3,041,008	3,071,418
All Other Sources Accounts	31,410,018	24,052,518	28,695,287	29,125,716	29,562,602	30,006,041
Other Sources Total	47,231,092	38,928,413	41,439,164	42,042,845	42,655,431	43,277,056
Appropriated Fund Balance						
Appropriated Fund Balance - Special	-	-	-	-	-	-
Appropriated Fund Balance County Purposes	-	-	10,000,000	-	-	-
Appropriated Fund Balance	-	-	10,000,000	-	-	-
Local Source Revenue Total	1,195,732,054	1,198,457,289	1,159,057,439	1,175,547,440	1,198,284,208	1,221,669,768
State Aid						
State Aid-Education Of Handicapped Children	34,552,724	33,103,809	31,460,139	31,774,740	32,092,488	32,413,413
State Aid-Mental Health	40,592,002	39,484,433	40,468,705	40,873,392	41,282,126	41,694,947
State Aid-Soc Serv Admin	30,457,410	30,383,976	32,907,805	33,669,240	34,449,711	35,249,694
State Aid-Safety Net Assistance	9,468,743	9,754,704	8,694,262	8,855,521	9,019,199	9,185,332
State Aid-Child Welfare Services	16,776,192	23,161,992	23,252,617	23,713,201	24,182,997	24,662,189
State Aid-Serv For Recipients	6,802,223	6,709,866	4,997,798	5,032,880	5,069,190	5,106,771
State Aid Day Care	4,437,109	4,784,039	4,784,039	4,823,880	4,864,718	4,906,576
State Aid Raise the Age	5,333,653	7,567,097	6,794,875	6,869,619	6,945,184	7,021,581
All Other State Aid Accounts	22,647,890	27,590,023	29,195,296	29,487,249	29,782,121	30,079,943
State Aid Revenue Offset	-	-	(38,300,000)	(19,150,000)	(9,575,000)	0
State Aid Total	171,067,946	182,539,939	144,255,536	165,949,722	178,112,735	190,320,446
Federal Aid						
Federal Aid-Family Assistance	33,795,522	35,911,320	34,727,326	35,257,823	35,796,277	36,342,808
Federal Aid-Soc Serv Admin	21,919,777	21,639,306	19,182,498	19,662,060	20,153,612	20,657,452
Fed Aid Day Care	20,657,470	23,235,503	23,203,076	23,904,572	24,627,113	25,371,331
Federal Aid-CWS Foster Care	12,949,470	13,086,420	14,616,248	14,892,407	15,174,089	15,461,405
Federal Aid-Safety Net TANF Cases	729,824	748,457	564,749	572,679	580,727	588,896
All Other Federal Aid Accounts	70,226,073	77,472,695	76,833,194	77,601,526	78,377,541	79,161,317
Federal Aid Total	160,278,136	172,093,701	169,127,091	171,891,067	174,709,359	177,583,209
Interfund Revenue	102,217	1,603,412	665,783	200,000	200,000	200,000
Total Fund 110 Revenue	1,527,180,353	1,554,694,341	1,473,105,849	1,513,588,229	1,551,306,302	1,589,773,423

County of Erie
2021-2024 Four-Year Financial Plan

Fund 110 - General Account Type	2019 Actual	2020 Legislative Adopted Budget	2021 Executive Recommended Budget	2022 Projection	2023 Projection	2024 Projection
Expense						
Personal Service Related Expense						
Personal Services						
Full-Time Salaries	197,560,133	221,301,546	218,706,015	224,173,665	229,778,007	235,522,457
Part-Time Wages	3,003,380	4,229,927	3,279,120	3,361,098	3,445,125	3,531,254
Regular Part Time Wages	1,679,116	2,205,368	1,419,093	1,454,570	1,490,935	1,528,208
Seasonal Emp Wages	734,761	890,602	912,836	935,657	959,048	983,025
Personal Services Total	202,977,390	228,627,443	224,317,064	229,924,991	235,673,115	241,564,943
Employee Payments non-salary						
Shift Differential	1,508,258	1,678,180	1,620,645	1,661,161	1,702,690	1,745,257
Uniform Allowance	1,022,250	1,051,225	908,600	917,686	926,863	936,131
Holiday Worked	1,824,913	2,068,133	1,840,583	1,886,598	1,933,763	1,982,107
Line-Up	2,261,717	2,884,365	2,552,179	2,615,983	2,681,383	2,748,418
Other Employee Pymts	1,746,587	1,680,705	1,728,985	1,772,210	1,816,515	1,861,928
Overtime	19,893,756	19,106,603	13,066,177	13,392,831	13,727,652	14,070,844
Employee Payments non-salary Total	28,257,481	28,469,211	21,717,169	22,246,469	22,788,866	23,344,684
Fringe Benefits						
Fringe Benefits- FICA	17,067,285	19,530,194	18,544,107	19,291,117	19,772,342	20,265,587
Fringe Benefits-Medical Insurance	41,489,454	38,826,761	38,085,632	40,408,459	42,244,794	44,164,614
Fringe Benefits-Workers Compensation	4,959,465	6,961,230	6,565,981	6,833,847	7,004,320	7,179,051
Fringe Benefits-Unemployment Insur.	213,239	357,415	714,830	438,778	449,724	460,943
Fringe Benefits-Retiree Med Insur.	26,983,063	36,915,896	32,337,265	33,471,474	34,134,902	34,811,506
Fringe Benefits-Retirement	30,896,473	33,699,158	34,783,144	36,114,231	36,941,085	37,786,900
Fringe Benefits Total	121,608,979	136,290,654	131,030,959	136,557,906	140,547,167	144,668,601
				4.22%	2.92%	2.93%
Countywide Personnel Adjustments	52.59%	53.01%	53.26%	54.15%	54.38%	54.61%
Salary Adjustments						
Reductions (Vacancy Savings)	-	(1,800,000)	(3,627,601)	(1,800,000)	(1,800,000)	(1,800,000)
Countywide Personnel Adjustments	-	(1,800,000)	(3,627,601)	(1,800,000)	(1,800,000)	(1,800,000)
Personal Service Related Expense Total	352,843,850	391,587,308	373,437,591	386,929,366	397,209,148	407,778,229
Other Departmental Expense						
Supplies & Repairs						
Auto Supplies	1,616,871	1,827,875	1,616,875	1,641,128	1,665,745	1,690,731
All Other	5,947,910	8,264,527	6,049,573	6,140,317	6,232,421	6,325,908
Supplies and Repairs	7,564,781	10,092,402	7,666,448	7,781,445	7,898,166	8,016,639
Other						
Risk Retention	2,687,253	3,019,400	5,019,400	3,000,000	3,000,000	3,000,000
Control Board	153,998	504,000	504,000	504,000	504,000	504,000
Rental	7,997,570	9,350,348	9,716,087	9,813,248	9,911,380	10,010,494
DSS Pivot Wages/Chargebacks/Training	5,028,802	5,733,208	5,691,136	5,748,047	5,805,528	5,863,583
Utility Charges	2,346,528	2,628,425	2,735,248	2,776,277	2,817,921	2,860,190
All Other	4,312,656	6,267,948	5,600,285	5,684,289	5,769,554	5,856,097
Other Total	22,526,807	27,503,329	29,266,156	27,525,861	27,808,383	28,094,364
Contractual						
Sales Tax as Aid to Local Governments						
Sales Tax Distrib.to Cities, Towns & Sch Dist. from 3%	338,922,828	337,955,669	316,149,457	324,053,193	330,534,257	337,144,942
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	21,828,416	21,865,186	20,361,690	20,870,732	21,288,147	21,713,910
Sub Total - Local Gov. Sales Tax	373,251,244	372,320,855	349,011,147	357,423,926	364,322,404	371,358,852
Other Agency Contractual or Mandated Payments						
Indigent Defense - Legal Aid/Bar Assoc.	12,944,486	13,220,137	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	7,433,552	7,175,477	7,735,641	7,851,676	7,969,451	8,088,993
Cultural/Community Agencies	7,256,090	7,277,700	6,860,900	6,963,814	7,068,271	7,174,295
Buffalo Bills Game Day Expense	2,510,818	2,629,624	2,649,291	2,728,770	2,810,633	2,894,952
Stadium - Working Capital Assistance	1,611,556	1,693,800	1,695,750	1,746,623	1,799,021	1,852,992
Social Services/Youth/Mental Health Agencies	81,596,516	81,632,080	87,371,826	88,682,403	90,012,639	91,362,829
Visit Niagara (CVB) Subsidy	3,559,738	3,630,933	3,630,933	3,685,397	3,740,678	3,796,788
Bflo Niagara Film Comm WNED	292,000	247,023	247,023	250,728	254,489	258,307
Convention Center Subsidy	1,830,932	1,867,551	1,867,551	1,895,564	1,923,998	1,952,858
County Residents at Other Community Colleges	7,381,087	7,188,870	7,243,300	7,388,166	7,535,929	7,686,648
Legislative Earmarks	16,500	-	-	0	0	0
All Other Contractual Accounts	22,876,853	28,817,587	25,136,577	25,513,626	25,896,330	26,284,775
Contractual Total	526,218,572	531,358,837	510,327,276	521,206,331	530,610,759	540,193,499
Equipment	3,004,140	3,311,167	1,425,979	1,497,278	1,572,142	1,650,749
Allocation						
Interfund-Erie Community College	17,114,317	17,724,317	18,084,317	18,084,317	18,084,317	18,084,317
Interfund-Utilities Fund	3,048,700	3,839,133	3,650,089	3,704,840	3,760,413	3,816,819
County Share - Grants	5,773,939	7,007,564	6,809,630	6,945,823	7,084,739	7,226,434
Interfund-Road	19,170,857	15,939,104	9,505,868	14,743,515	15,600,927	16,412,945
Interfund -Library Subsidy	-	-	-	-	-	-
Interfund E911 Subsidy	3,818,787	4,370,528	4,089,578	4,171,370	4,254,797	4,339,893
Interfund COVID Response	-	-	5,070,900	-	-	-
Interdepartmental Billings	(3,791,522)	(4,171,622)	(4,005,756)	(4,085,871)	(3,967,589)	(4,046,940)
All Other Allocation Accounts	1,969,800	3,954,187	300,000	304,500	309,068	313,704
Allocation Total	47,104,878	48,663,211	43,504,626	43,868,493	45,126,672	46,147,171

County of Erie
2021-2024 Four-Year Financial Plan

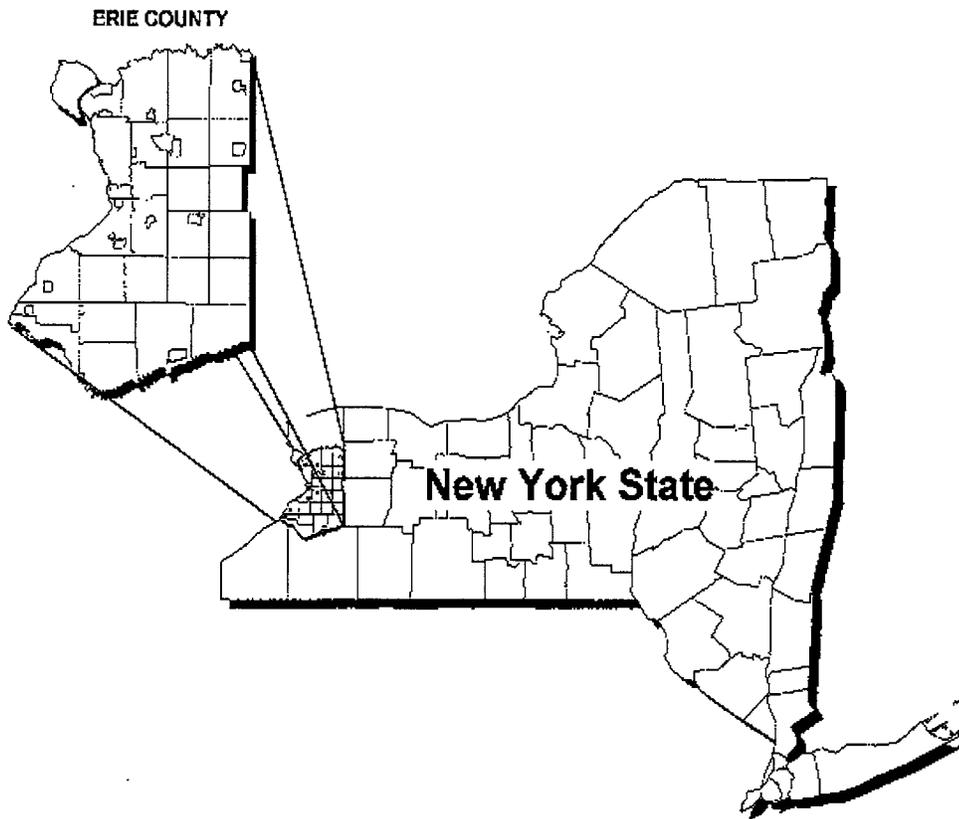
Fund 110 - General	Account Type	2019 Actual	2020 Legislative Adopted Budget	2021 Executive Recommended Budget	2022 Projection	2023 Projection	2024 Projection
Program Related							
	UPL Expense	2,627,010	9,666,299	8,315,840	8,288,642	8,718,967	8,862,409
	Indigent Care Adjustment DSH	6,311,134	5,120,235	5,423,774	5,532,249	5,642,894	5,755,752
	DSH Expense	<u>42,830,942</u>	<u>21,874,808</u>	<u>28,042,934</u>	<u>27,951,218</u>	<u>29,402,373</u>	<u>29,886,091</u>
	Sub Total UPL/DSH/ICA ECMCC Subsidy	51,769,086	36,661,342	41,782,548	41,772,109	43,764,234	44,504,252
	MMIS-Medicaid Local Share	207,965,036	199,920,838	178,436,357	189,005,084	193,730,211	202,392,187
	Family Assistance	34,605,090	36,674,420	35,366,441	35,896,938	36,435,392	36,981,923
	CWS - Foster Care	60,725,675	64,709,227	63,961,163	65,240,386	66,545,194	67,876,098
	Safety Net Assistance	38,217,112	39,114,019	37,071,148	37,627,215	38,191,623	39,264,497
	Child Care-DSS	25,892,320	28,603,798	28,238,175	29,049,376	29,884,931	30,745,574
	Children With Special Needs Program	67,786,423	66,652,922	62,863,441	63,523,507	64,190,504	64,864,504
	State Training School	8,349,133	4,199,859	4,832,998	4,919,992	5,008,552	5,098,706
	All Other Program Related Accounts	2,130,190	2,653,334	2,867,041	2,910,047	2,953,697	2,998,003
	Program Related Total	497,440,065	479,189,759	455,419,312	469,944,654	480,704,339	494,725,744
Debt Service							
	Interest-Revenue Anticipation Notes	2,016,126	-	3,739,584	2,133,074	2,186,400	2,241,060
	Interfund Debt Service Subsidy	59,595,174	62,988,328	48,318,877	55,170,436	58,807,830	60,062,765
	Debt Service Total	61,611,300	62,988,328	52,058,461	57,303,510	60,994,230	62,303,825
Other Departmental Expense Total		1,165,470,543	1,163,107,033	1,099,668,258	1,129,127,572	1,154,714,691	1,181,131,992
Total Fund 110 Expense		1,518,314,393	1,554,694,341	1,473,105,849	1,516,056,937	1,551,923,839	1,588,910,220
Revenue Less Expense - Surplus/(Gap)		8,865,960	-	-	(2,468,709)	(617,537)	863,202



Overview

2021 BUDGET • COUNTY OF ERIE • BUFFALO, NEW YORK

Snapshot of Erie County



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
2019*	918,702

* Estimate as of July 1, 2019 U.S. Census Bureau

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

<u>Municipality</u>	<u>2010 Population</u>	<u>2019 Estimated Population</u>
Buffalo, City	261,310	255,284
Lackawanna, City	18,141	17,720
Tonawanda, City	15,130	14,745
Amherst, Town	122,366	125,082
Cheektowaga, Town	88,226	85,844
Tonawanda, Town	73,567	71,675
Hamburg, Town	56,936	58,730
West Seneca, Town	44,711	45,224

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	23,600
Federal Executive Board	15,000
Kaleida Health	8,359
Catholic Health	7,623
M & T Bank	7,400
University at Buffalo	7,076
Buffalo City School District	6,528
Tops Markets LLC	5,374
Erie County	5,010
Erie County Medical Center	3,800

Sources: 2020 *Business First* Book of Lists

Ten Largest Taxpayers (As of July 1, 2019)

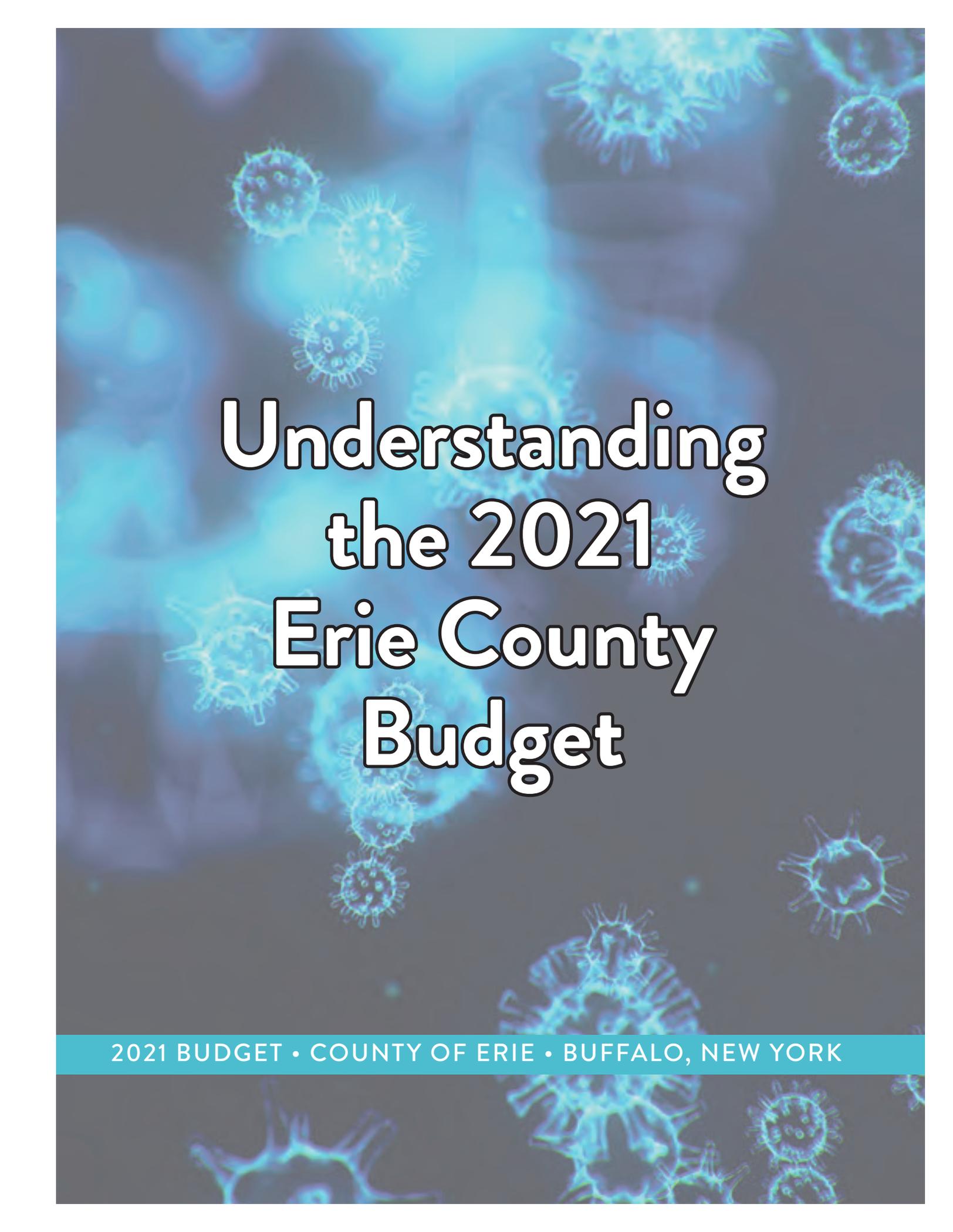
	<u>Equalized Taxable Valuation</u>
National Grid/Niagara Mohawk	\$1,024,620,712
National Fuel Gas	\$802,400,396
Benderson Development Co.	\$786,518,237
Pyramid Co. Of Buffalo	\$286,889,688
NYSEG	\$284,934,352
Uniland Development	\$279,058,907
Ellicott Group, LLC	\$256,501,713
Norfolk/Conrail/CSX	\$225,284,896
Verizon	\$211,727,474
Ciminelli International	\$169,245,742
TOTAL	<u>\$4,327,182,117</u>

Source: Erie County Department of Real Property Tax Services, 2020 Annual Report

Total Market Value of Erie County Real Estate

Year	Equalized Full Market Value Tax Base	Percentage Change from Prior Year
2011	46,738,119,990	
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%
2020	64,771,315,474	6.23%

Source: Erie County Department of Real Property Tax Services

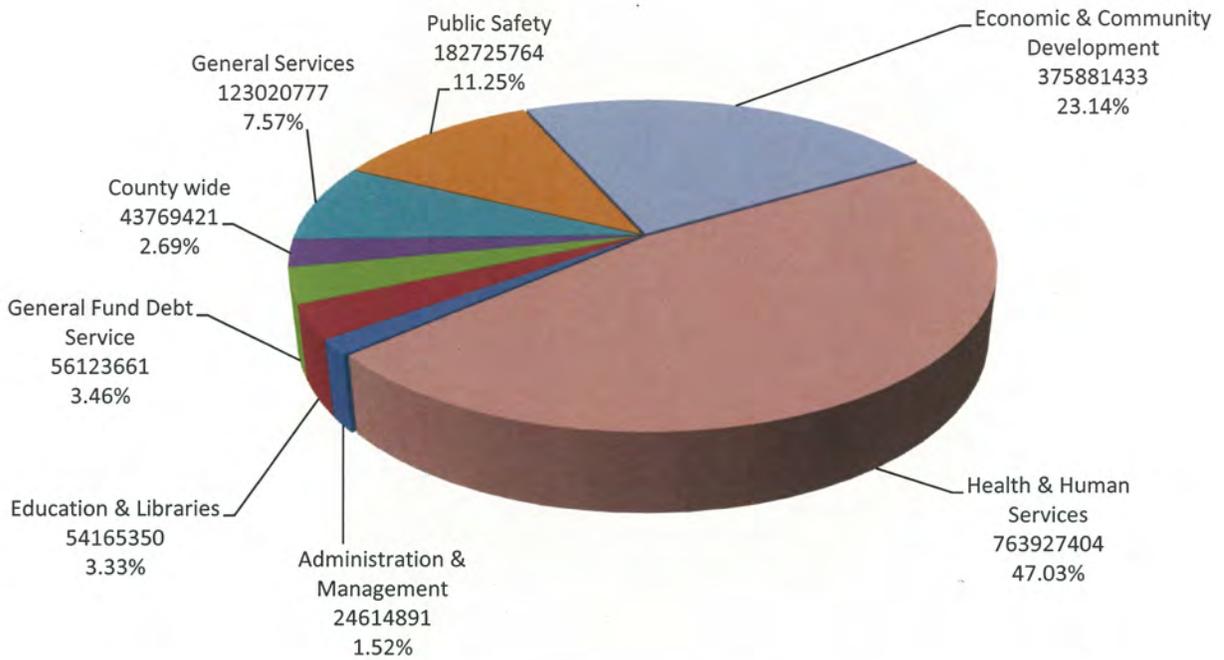


Understanding the 2021 Erie County Budget

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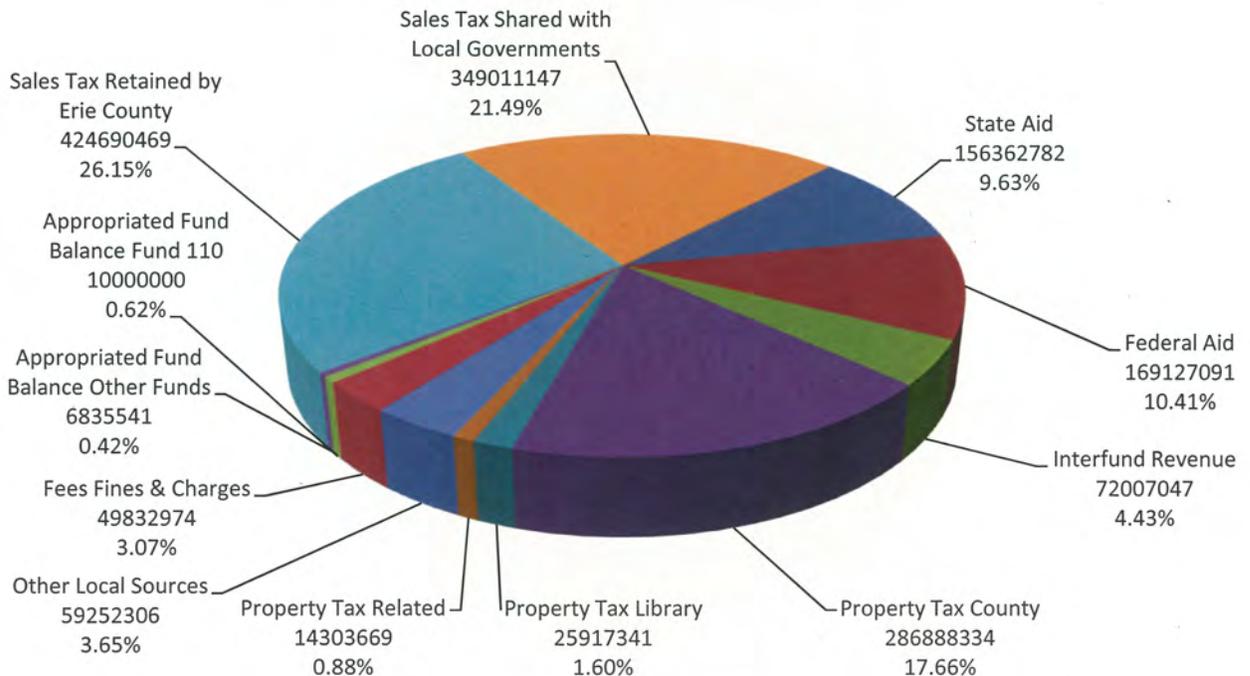
UNDERSTANDING THE 2021 COUNTY BUDGET

Where the Funding Goes



The Total 2021 Budget for All Operating Funds is \$1,624,228,701

Where the Revenue Comes From



Understanding the 2021 County Budget

Summary of Unassigned/Undesignated Fund Balances for All Funds 2009-2019 (amounts in thousands)

Fund Name	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
110 General	74,045	66,904	83,489	88,332	89,650	92,218	99,859	100,154	101,939	102,490	102,898
210 Road	0	60	0	0	0	0	0	0	0	0	0
230 E-911	0	0	0	0	0	(96)	(43)	0	0	0	0
820 Library	3,311	27	1,726	2,942	3,296	2,773	2,096	3,405	3,282	3,689	3,446
310 Debt Service	0	124	0	0	0	0	0	0	0	0	0
Total	77,356	67,115	85,215	91,274	92,946	94,895	101,912	103,559	105,221	106,179	106,344

Source: Erie County Comprehensive Annual Financial Reports

Understanding the 2021 County Budget

Overview of All Operating Funds in the 2021 Proposed Budget

110 General	\$1,473,105,849
140 Utility Fund	25,163,579
210 Road Fund	36,279,868
230 E-911 Fund	8,457,595
310 Operating Fund Debt Service	52,384,077
820 Library	28,837,733
Total All Operating Funds	\$1,624,228,701

Additional Funds in the 2021 Proposed Budget

220 Sewer Districts	\$66,500,461
252 COVID-19 Relief	20,283,600
281 Grant Fund	34,685,047
290 Community Development Fund	6,417,172
310 Sewer District Debt Service	8,149,919
821 Library Grants	606,509
Total	\$136,642,708
Total All Funds	\$1,760,871,409

Understanding the 2021 County Budget

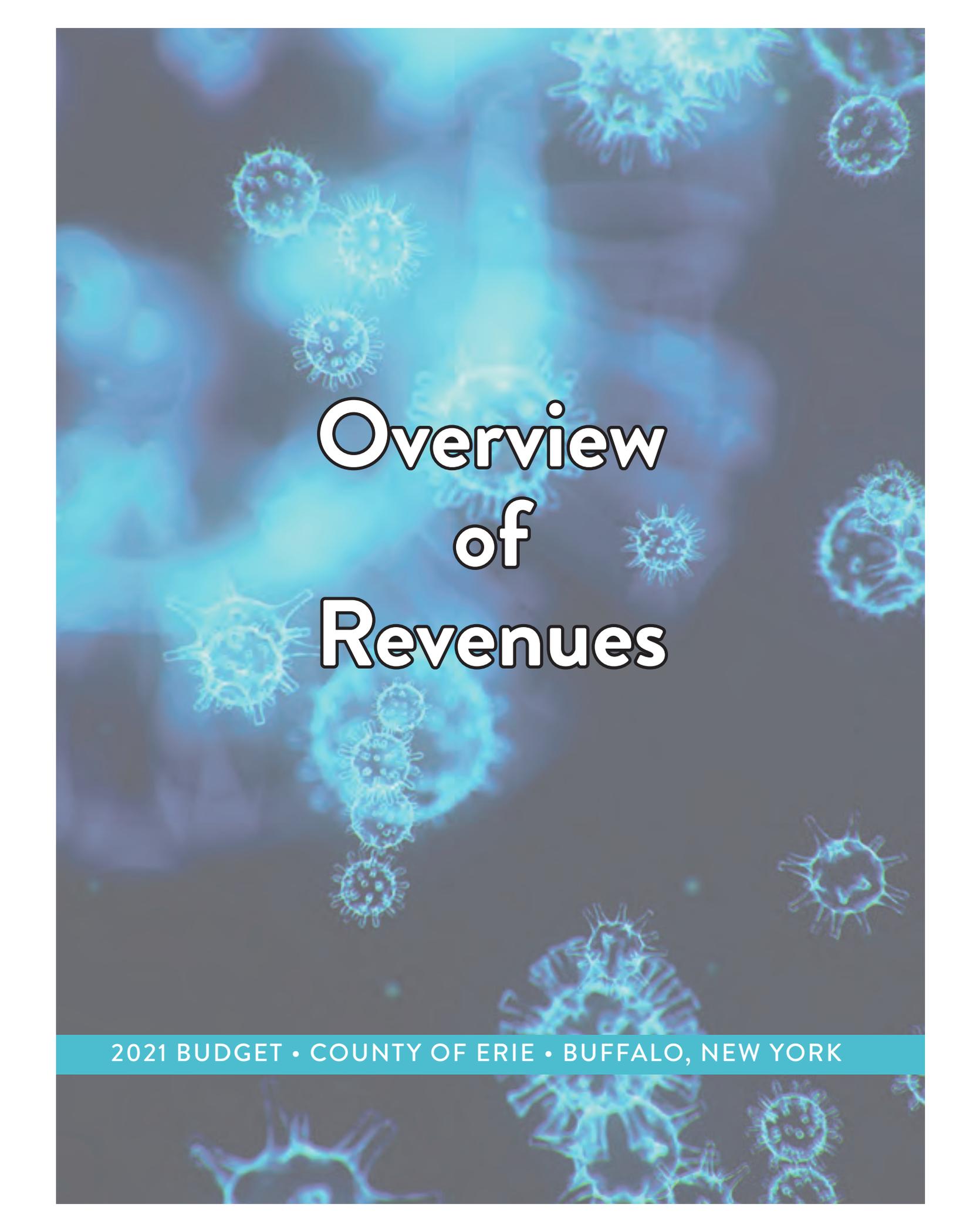
Outstanding General Debt at Year End (Sewer Debt Excluded)

Year	Outstanding Debt	Bond Principal Retired
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	\$310,830,000	-\$48,060,000
2020	\$290,605,000	-\$52,065,000

Capital Budget Bonded Component by Year

Year	Total Capital Projects	Total Bond Principal
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	\$40,655,000
2020	\$72,602,667	\$31,840,000
2021	\$50,568,000	\$38,853,000*

* Total capital projects and bond principal authorized in 2021 Proposed Erie County Budget.



Overview of Revenues

2021 BUDGET • COUNTY OF ERIE • BUFFALO, NEW YORK

Property Tax Levy

2020 Budget: \$305,272,912
2021 Proposed: \$312,805,675

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 2021 County property tax levy totals \$312,805,675

A breakout of the total property tax levy into two required reporting categories for 2020 and 2021 totals:

	<u>2020 Budget</u>	<u>2021 Proposed</u>
General Fund	\$279,863,754	\$286,888,334
Library Fund	\$ 25,409,158	\$ 25,917,341
Total Property Tax Levy	\$305,272,912	\$312,805,675

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 2021 Budget, the cap, based on the rate of inflation as identified by the consumer price index, is 1.56 %. Due to property tax regulations the growth is capped at 2%. Overall taxes are under the cap limit by approximately \$103,000. 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-two year history on the amount of Erie County's annual property tax levy is shown on the next page.

**Twenty-Two 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>
2021	312,805,675	4.43
2020	305,272,912	4.71
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
\$312,805,675	÷	\$70,678,675,799	=	\$4.43 per \$1,000 Assessed Value

Equalized Full Market Value

In 2021, the County's equalized full market value tax base will increase by \$5,907,360,325. The amount of equalized full value is determined as follows:

	Total Taxable Assessed Value	÷	Equalization Rate (rounded)	=	Equalized Full Market Value
2020	\$43,964,519,282	÷	.6788	=	\$64,771,315,474
2021	\$50,835,837,620	÷	.7193	=	\$70,678,675,799

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
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	64,771,315,474	6.23%
2021	70,678,675,799	9.12%

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 2021 is set forth below:

Estimated Computation of Constitutional Tax Power for 2021

2016	51,961,517,243
2017	54,929,481,216
2018	58,098,573,862
2019	60,970,410,994
2020	64,771,315,474
Total ^(a)	\$290,731,298,789
Five-Year Average Full Valuation	\$58,146,259,758
Tax Limit (1.5%)	872,193,896
Total Exclusions	69,912,071
Total Taxing Limit	942,105,967
Less Total Tax Levy for 2021^(b)	323,368,575
Unused Tax Limit	\$618,737,392

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

^(b)Includes County and Library property taxes, taxes for certain election expenses and community college chargebacks totaling \$10,562,900

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 \$651,374,669 leaving an unused tax margin of \$328,006,094.

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

Five-Year Average Full Valuation	\$58,146,259,758
Tax Limit (1.0%)	581,462,598
Total Exclusions	<u>69,912,071</u>
Total Taxing Power	651,374,669
Less Total Levy for 2021^(a)	<u>323,368,575</u>
Projected 1% Unused Tax Margin	\$328,006,094

^(a) Includes County and Library property taxes, taxes for certain election expenses and community college chargebacks.

Sales Tax Revenue

2021 Budget

Sales Tax Retained by Erie County	\$424,690,469
Shared with Cities, Towns, Villages, School Districts & NFTA	\$349,011,147
Total Sales Tax Revenues	\$773,701,616

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

⁽¹⁾ 1% Sales Tax authorization expires November 30, 2023

⁽²⁾ .75% Sales Tax authorization expires November 30, 2023

Sales Tax Shared with Other Local Governments

The following table indicates 2021 estimated sales tax to Erie County and the amount of sales tax shared with local jurisdictions.

	2021 Estimated Collections
County Share of Sales Tax	
3% Sales Tax	\$152,169,421
1% Sales Tax	150,393,514
.75% Sales Tax	122,127,534
Total 2021 Estimated County Share	\$424,690,469
Shared Sales Tax	
3% Sales Tax Distributed to Cities, Towns and Schools	\$316,149,457
1% Sales Tax Distributed to Cities & Towns	12,500,000
3% Sales Tax Distributed to NFTA (1/24 th of overall 3%)	<u>20,361,690</u>
Total 2021 to Other Jurisdictions	\$349,011,147
Total 2021 Estimated Sales Tax	\$773,701,616

All Other Local Source Revenues

2021 Budget: \$99,133,272
2020 Budget: \$90,902,518

2021 Distribution of All Other Revenues

	<u>Total</u>
Property Tax Related	\$14,303,669
Welfare Recoveries/Repayments	17,974,562
Hotel Occupancy Tax	9,562,689
Election Expense Re-spread	7,581,812
Interest Earnings-General Investments	200,100
Fees, Fines, Charges	25,142,844
Appropriated Fund Balance	10,000,000
Interfund Revenue	665,783
All Other Source Accounts	13,701,813
Total	\$99,133,272

Property Tax Related

2021 Budget: \$14,303,669
2020 Budget: \$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

2021 Budget: \$17,974,562
2020 Budget: \$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 2021 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

2021 Budget: \$ 9,562,689
2020 Budget: \$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

2021 Budget: \$7,581,812
2020 Budget: \$7,182,134

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

2021 Budget: \$200,100
2020 Budget: \$551,000

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

2021 Budget: \$25,142,844
2020 Budget: \$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

2021 Budget:	\$10,000,000
2020 Budget:	\$ 0

A significant amount of undesignated fund balance is utilized in the 2021 Budget to help offset the negative impact to county revenue caused by the COVID-19 crisis.

Interfund Revenue

2021 Budget:	\$ 665,783
2020 Budget:	\$1,603,412

The 2021 budget utilizes \$29,746 of residual equity transferred to the general fund. This revenue is based on available balances derived from the closing of dormant capital projects with no remaining debt service. In addition \$636,037 is realized as Interfund revenue relating to the partial close-out of the November 2014 Storm fund.

All Other Source Accounts

2021 Budget:	\$13,701,813
2020 Budget:	\$11,026,872

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

2021 Budget: \$144,255,536
2020 Budget: \$182,539,939

2021 Distribution of State Aid General Fund

	<u>Total</u>
Social Services	\$81,484,017
Youth Detention	8,077,190
Youth Bureau	1,839,167
Health Department	4,779,680
Early Intervention/Special Needs	36,449,574
Mental Health	43,659,253
Probation	3,180,831
Sheriff Police Services/Jail Management	364,890
Buildings and Grounds	2,298,466
All Other Departments	422,468
Reserve for Reduction in State Aid	(38,300,000)
Total	\$144,255,536

Department of Social Services

2021 Budget: \$81,484,017
2020 Budget: \$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 2021. 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 created 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 2020 or 2021. 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 2021. 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

2021 Budget:	\$8,077,190
2020 Budget :	\$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

2021 Budget:	\$1,839,167
2020 Budget :	\$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

2021 Budget: \$4,779,680
2020 Budget: \$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

2021 Budget: \$36,449,574
2020 Budget: \$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

2021 Budget: \$43,659,253
2020 Budget: \$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 alcohol. 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 or family court systems. Increased Medicaid billing by community based contract agencies for clinic treatment

and other services offsets the expenses that would be directly claimed for State Mental Health.

Probation Department

2021 Budget: \$3,116,465

2020 Budget: \$3,180,831

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 2021 Proposed Budget is \$1,938,747 in revenue for the Raise the Age program.

Sheriff's Police Services and Jail Management

2021 Budget: \$364,890

2020 Budget: \$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

2021 Budget: \$2,298,466

2020 Budget: \$2,206,672

State revenues of \$2,298,466 are for the reimbursement of the operation and maintenance of court facilities and interest costs associated with court improvements. \$75,603 is also budgeted for New York State Energy Research and Development Authority (NYSERDA) revenue.

All Other Departments

2021 Budget: \$475,325

2020 Budget: \$422,468

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.

Reserve for Reduction in State Aid

2021 Budget: \$(38,300,000)

2020 Budget: \$ -

New York State is withholding 20% of state aid payments due to the COVID-19 pandemic and related state revenue shortfalls.

Federal Aid

2021 Budget: \$169,127,091
2020 Budget: \$172,093,701

2021 Distribution of Federal Aid Operating Fund

	<u>Total</u>
Social Services	\$158,453,874
Youth Detention	47,342
Early Intervention/Pre-K/Special Ed	3,792,001
Sheriff Police Services/Jail Mgmt.	117,543
Homeland Security & Emergency Services	340,602
Mental Health	6,293,979
District Attorney	28,375
STOP-DWI Program	43,375
Central Police Services	10,000
Total	\$169,127,091

Department of Social Services

2021 Budget: \$158,453,874
2020 Budget: \$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

2021 Budget: \$47,342
2020 Budget: \$39,040

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

Early Intervention/Pre-K/Special Education

2021 Budget: \$3,792,001
2020 Budget: \$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 \$3,668,358 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

2021 Budget: \$117,543
2020 Budget: \$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

2021 Budget: \$340,602
2020 Budget: \$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

2021 Budget: \$6,293,979
2020 Budget: \$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

2021 Budget: \$28,375
2020 Budget: \$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

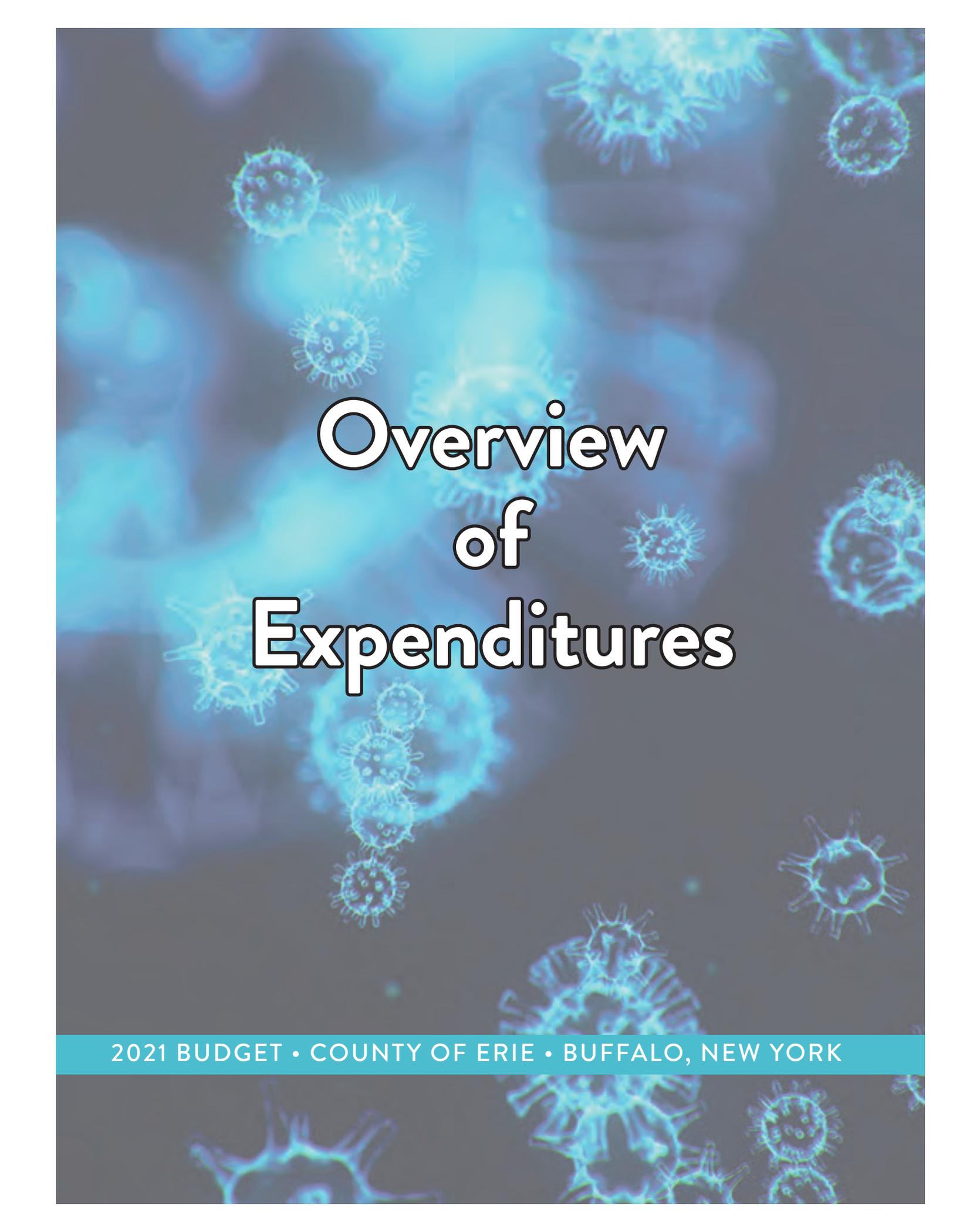
2021 Budget: \$43,375
2020 Budget: \$43,375

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

Central Police Services

2021 Budget: \$10,000
2020 Budget: \$ -

Federal revenue is received from the Department of Justice to purchase supplies for DNA testing.



Overview of Expenditures

2021 BUDGET • COUNTY OF ERIE • BUFFALO, NEW YORK

General Fund Expenditures

TOTAL GENERAL FUND EXPENSES FOR COUNTY DEPARTMENTS

2021 Budget: \$1,473,105,849
2020 Budget: \$1,554,694,341

2021 Distribution of General Fund Expenses

	<u>Total</u>
Personal Services	\$242,406,632
Fringe Benefits	131,030,959
Supplies and Repairs	7,666,448
Sales Tax to Local Governments	349,011,147
Contractual Expense	153,580,488
Intergovernmental Payments for ECMCC	36,358,774
Indigent Care Adjustment	5,423,774
Social Services Assistance & Programs	350,773,323
Early Intervention/Pre-K/Special Ed	64,312,259
Inter-fund Transfers (County Share)	47,510,382
Debt Service	52,058,461
All Other Expenses	32,973,202
Total	\$1,473,105,849

Personal Services

2021 Budget: \$242,406,632
2020 Budget: \$255,296,654

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 \$3,627,601 turnover (vacancy savings) account.

Fringe Benefits

2021 Budget: \$131,030,959
2020 Budget: \$136,290,654

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

Supplies and Repairs

2021 Budget: \$ 7,666,448
2020 Budget: \$10,092,402

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

2021 Budget: \$349,011,147
2020 Budget: \$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

2021 Budget: \$153,580,488
2020 Budget: \$155,862,505

The major accounts comprising this appropriation include: Social Services contractual agencies – \$34,464,061; and payments to various youth programs such as Operation Prime Time – \$2,583,214. Mental Health contractual agency payments total \$54,417,008. 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 – \$7,243,300; Convention & Visitors Bureau/Convention Center – \$5,498,484; Buffalo Niagara Film Commission-WNED – \$247,023; cultural/community/neighborhood development support – \$7,517,712; 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.

NFTA	Sales Tax	County Subsidy (18-b)	Total
2021 Budget:	\$20,361,690	\$3,657,200	\$24,018,890
2020 Budget:	\$21,865,186	\$3,657,200	\$25,522,386

Intergovernmental Payments for the benefit of ECMCC

2021 Budget: \$36,358,774
2020 Budget: \$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

2021 Budget: \$5,423,774
2020 Budget: \$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

2021 Budget: \$350,773,323
2020 Budget: \$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)

2021 Budget: \$35,366,441
2020 Budget: \$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

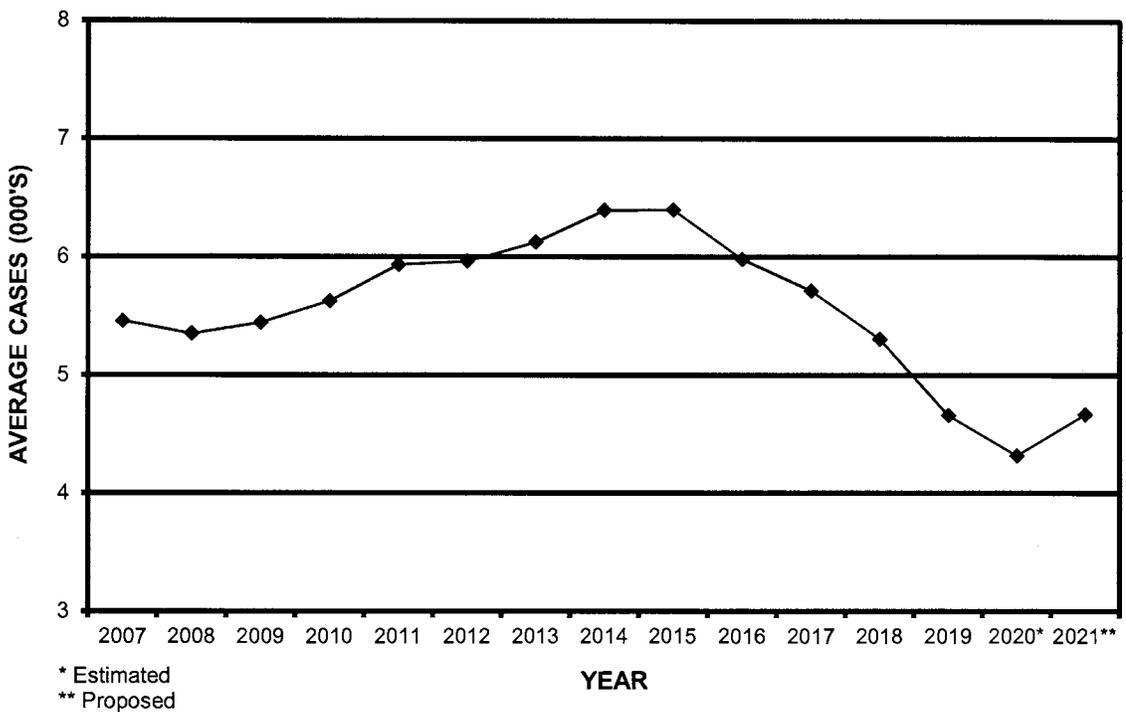
(TANF) cases. There is a five-year (60-month) lifetime limit on Family Assistance benefits. For cases in which individuals fail to comply with drug or alcohol dependency assessment and treatment requirements, benefits must be restricted to non-cash voucher payments to landlords and utility companies 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 4,668 cases per month in 2021 with an average base monthly cost per case of \$631.36.

The 2021 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 2020 and 2021 at a monthly rate of 40 cases.

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



The 2021 monthly base cost per case estimate of \$607.75 is consistent with current actuals with adjustments to provide for voucher fuel cases.

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

Safety Net Assistance (Account 525060)

2021 Budget: \$37,071,148
2020 Budget: \$39,114,019

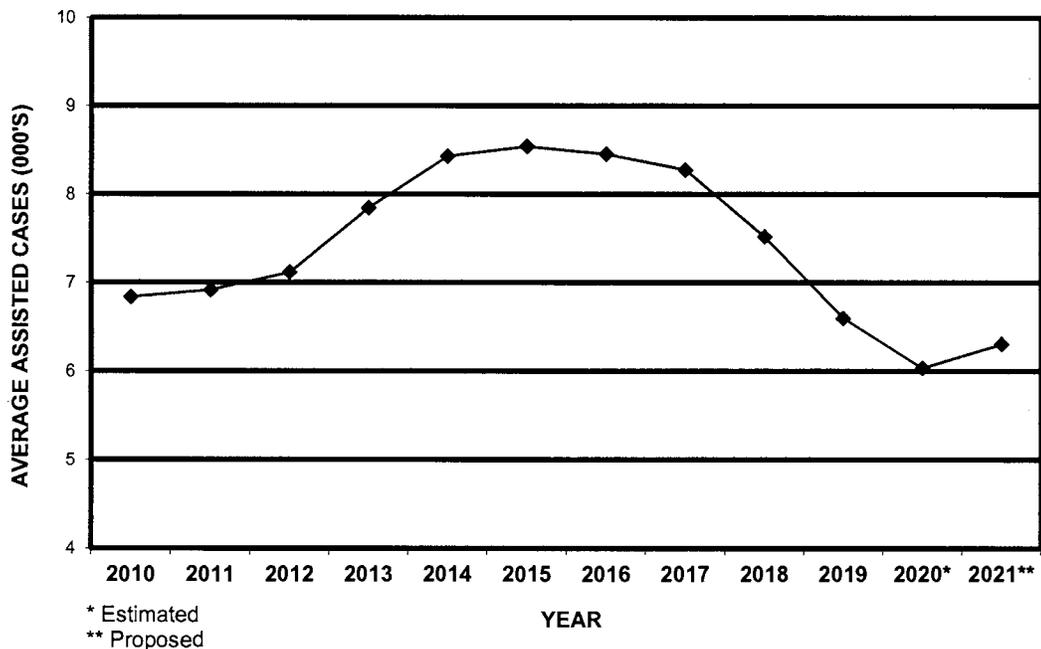
Public Assistance benefit payments are made for basic needs, shelter and utilities, etc., primarily to single individuals or childless couples who are eligible for this State/local general assistance program. Formerly known as Home Relief, this program now incorporates a two-year lifetime limit on cash 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 6,308 cases per month in 2021, with an average base monthly cost per case of \$489.74.

The 2021 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 2020 and 2021 at a monthly rate of 29 cases. This produces a trend caseload estimate for 2021 that averages 6,308.

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



The County share cost of the Safety Net Assistance program is \$21,334,120 in 2021 after subtracting client repayments, 29 percent State reimbursements and other revenues from the gross appropriation. This is a decrease of \$2,558,715 (10.7%) compared to the 2020 Adopted Budget amount.

Medicaid – MMIS Local Share (Account 525000)

2021 Budget: \$178,436,357 (52 weekly payments)
2020 Budget: \$199,920,838 (52 weekly payments)

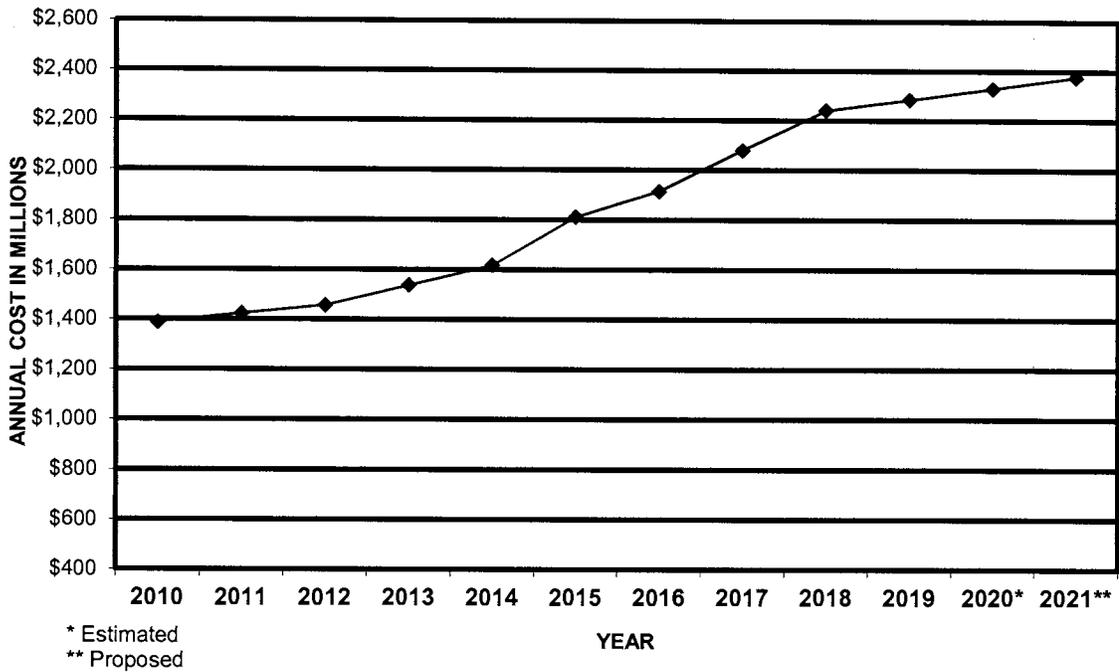
This appropriation is the County's net local share of all Medicaid – related costs under the State's Local Share Medicaid Cap which was effective beginning January 2006 and a subsequent State phase out of the local share increases starting in 2016. There will be no increase to the statutory cap in 2016 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.

TREND OF MEDICAID COST (Gross Cash Basis)



The 2021 appropriation is the amount of the 2021 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 2020.

The amount required for the 2021 calendar year reflects weekly cash payments for the 2020-2021 State Fiscal Year and the 2021-2022 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 \$23,782,934 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 \$5,423,774.

Medicaid - Gross Local Payments (Account 525030)

2021 Budget:	\$ 39,919
2020 Budget:	\$ 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 2021 appropriation includes \$28,191 for insurance premiums and \$11,728 for other expenses. The 2021 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)

2021 Budget:	\$63,961,163
2020 Budget:	\$64,709,227

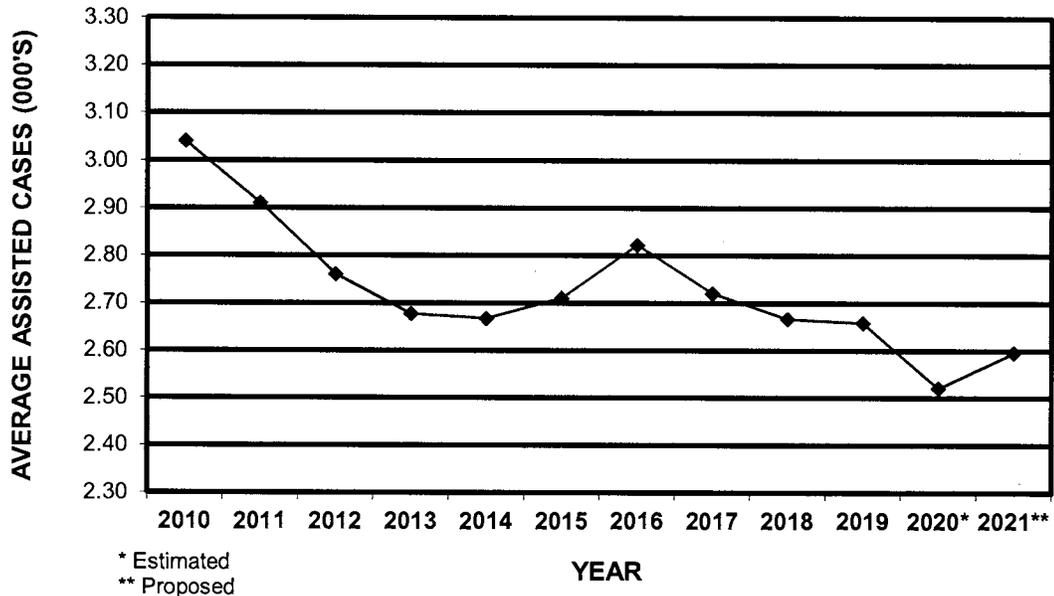
This appropriation is used to pay for the costs of the care of children placed by the Family Court into the custody of the Commissioner of Social Services. These children reside in foster homes, group homes and in child caring institutions. A majority of children are in foster home placements in connection 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 2021 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 2,596 per month in 2021, with an overall average monthly cost per child of \$2,053.

Based on present trends, the average monthly number of children funded in 2021 is increased over the 2020 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 \$3,817,704 in 2021 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)

2021 Budget: \$26,621,489
2020 Budget: \$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 2021 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 3,032 children in low income families are expected to receive subsidies in 2021. Children in Public Assistance families receiving subsidies are estimated at 587 on average each month, a number necessary to support the level of work activity participation required of parents. The 2021 total cost of low income subsidies is budgeted at \$23,382,425. These costs are 100 percent reimbursed with federal funds up to the limit of the Child Care Development Block Grant. The budget includes \$3,239,064 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 \$804,766 in 2021.

Other Programs

2021 Budget:	\$9,274,806
2020 Budget:	\$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, \$1,427,644 Account 525080 – Education of Handicapped Children in residential schools, \$710,682; Account 525130 OCFS Youth Residential Facility Chargebacks, \$4,832,998; 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 2021 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 \$1,616,686 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

2021 Budget:	\$64,312,259
2020 Budget:	\$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.

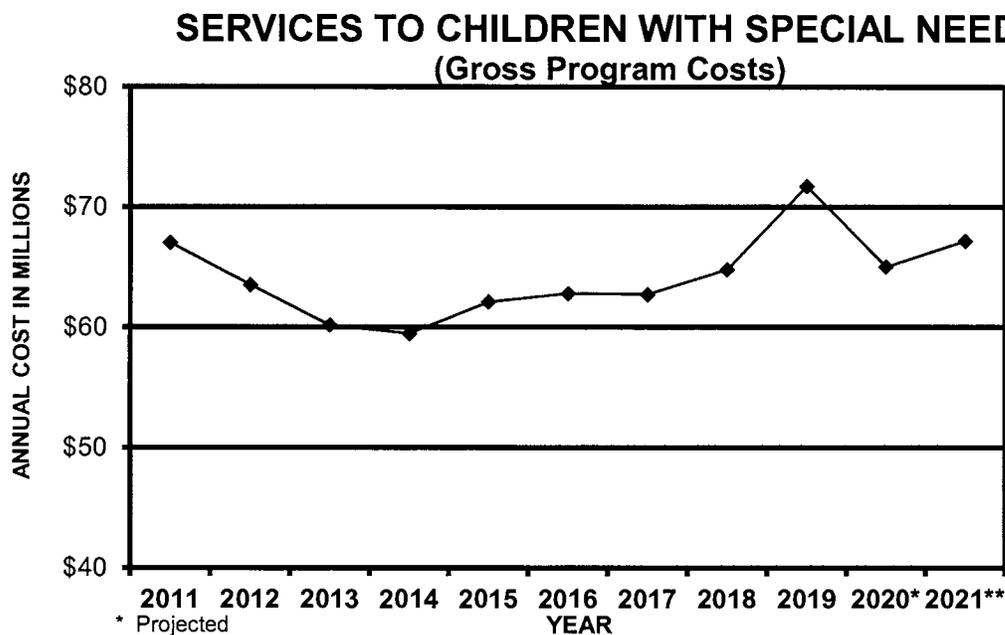
Under Chapter 243 of the laws of 1989, the County also is responsible for a 10 percent share of the cost of the school age (ages five to twenty-one) summer program which is billed to the County on a net basis at the end of each school year. In addition, the County is responsible for a portion of the 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 2021 appropriation for the Children with Special Needs and Early Intervention agency program payment is \$64,312,259. Other program and administrative expenses totaling \$2,862,737 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.



**Comparison of 2021 Proposed Budget to the 2020 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
2020 Adopted Budget				
Expense	\$8,925,895	\$59,252,098	\$2,843,951	\$71,021,944
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	\$1,724,378	\$28,215,993
2021 Proposed Budget				
Expense	\$8,022,766	\$56,289,493	\$2,862,737	\$67,174,996
Revenue	<u>4,176,441</u>	<u>35,128,497</u>	<u>1,080,277</u>	<u>40,385,215</u>
Net County Cost	\$3,846,325	\$21,160,996	\$1,782,460	\$26,789,781
Variance 2021 to 2020				
Expense	(\$903,129)	(\$2,962,605)	\$18,786	(\$3,846,948)
Revenue	<u>(544,699)</u>	<u>(1,836,741)</u>	<u>(39,296)</u>	<u>(2,420,736)</u>
Net County Cost	(\$358,430)	(\$1,125,864)	\$58,082	(\$1,426,212)

Interfund Transfers (Allocation)

2021 Budget: \$47,510,382
2020 Budget: \$52,834,833

This includes allocations for County share of the Road Fund \$9,505,868; County share of grants \$6,809,630; County share of Utility Fund \$3,650,089, County share of the E-911 Fund \$4,089,578 and \$300,000 for Departmental pay-as-you-go capital needs. Also included are the Maintenance of Effort payment of \$18,084,317 to SUNY Erie Community College and a payment of \$5,070,900 to the COVID Fund.

Debt Service

2021 Budget: \$52,058,461
2020 Budget: \$62,988,328

This includes \$48,318,877 for General Obligation Bond Debt Service and \$3,739,584 for interest on Revenue Anticipation Notes.

All Other Expenses

2019 Budget:	\$32,973,202
2020 Budget:	\$27,489,609

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 2021 Budget for the Operating Fund including inter-departmental billings, telephone charges, rentals, risk retention and equipment.

Fringe Benefits Expenditures

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 \$132,700 for 2020. The Medicare portion, 1.45%, has no cap. The 1.45% Medicare 2021 estimate is applied to all wages.

Workers' Compensation

Workers' Compensation payments are set with a \$967/week maximum for claims paid July 1, 2020 - June 30, 2021. The proposed 2021 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 2021 appropriation for unemployment insurance anticipates an outlay of approximately \$714,830 based on the continuation of 2020 trends.

Medical and Hospitalization Insurance - Active Employees

The 2021 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 2021 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 (15.53%) as provided by the Employees' Retirement System will be greater than the rates of 2020 (14.40%). Rates for Tier 4 employees, the single-largest category for Erie County, will increase to 18.20% (as compared to the prior year billing rate of 16.10%) for the annual payment that will be due February 1, 2022 (or December 15, 2021, if the County opts to pre-pay). The pension retirement expenses for 2021 were calculated factoring-in the 2021 components of the April 1, 2020 through March 31, 2021 and April 1, 2021 through March 31, 2022 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 2021 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.

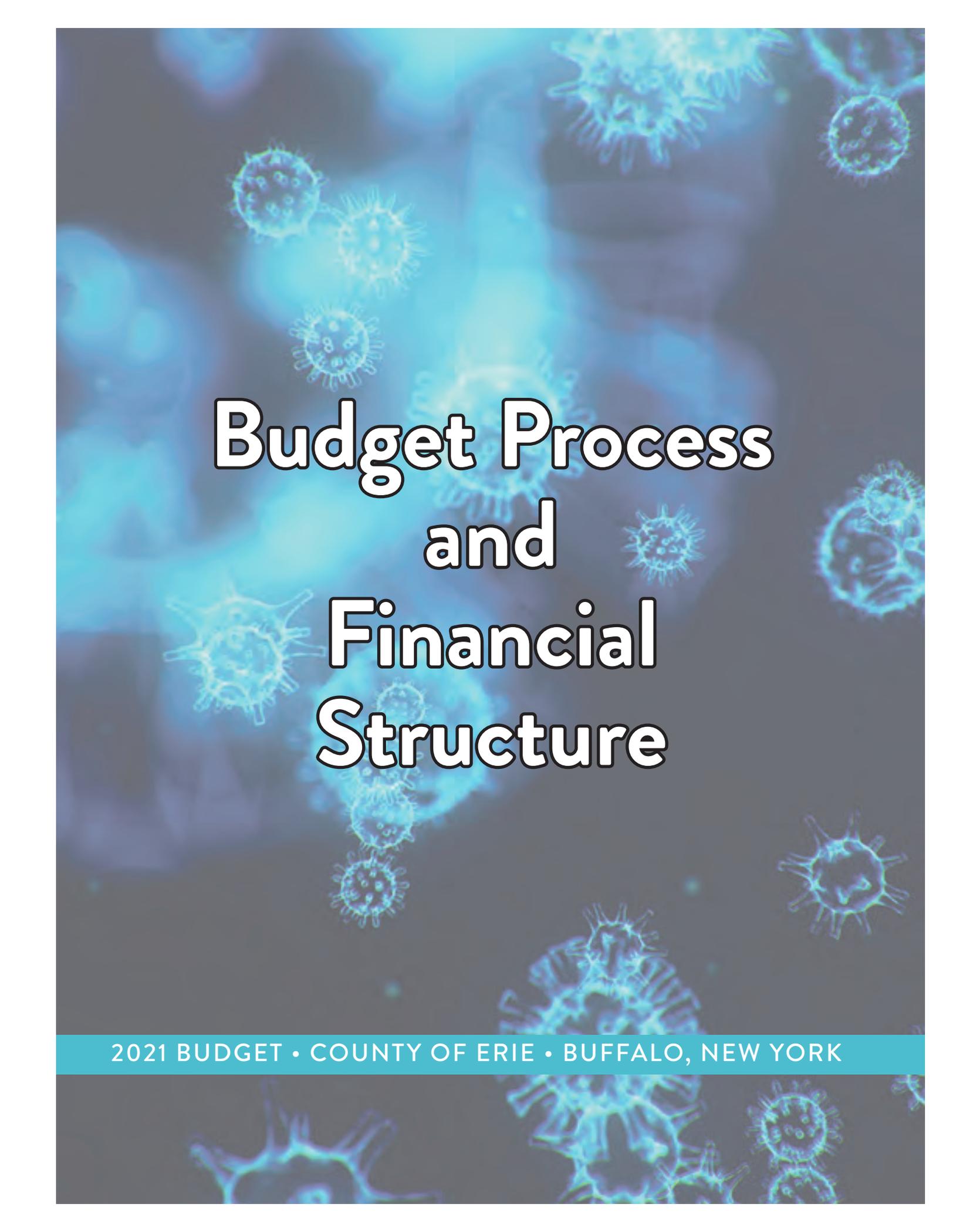
Union Contracts

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

2021 BUDGET • COUNTY OF ERIE • BUFFALO, NEW YORK

Budget Process

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, 2020. 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 3, 2020, 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 8, 2020) 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 15, 2020).

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 17, 2020).

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 18, 2020).

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

January

County fiscal year began January 1.

Division of Budget and Management (DBM) works with Comptroller's Office to close 2019 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 2nd 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 2021 Proposed Budget.

County Executive and DBM finalize recommendations for 2021 Proposed Budget.

October

Major revenue and expenditure projections transmitted to Comptroller by October 1, 2020.

County Executive submits Proposed 2021 Budget to Legislature by October 15, 2020.

November

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

December

Legislature to hold annual budget meeting – Thursday, December 3, 2020.

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 8, 2020).

Deadline for County Executive to veto any increases – on or before the seventh business day after the sixth of December (December 15, 2020).

Deadline for Legislature to meet and consider County Executive vetoes – on or before the tenth business day after the sixth of December (December 18, 2020).

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

Financial Structure

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 31st 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:

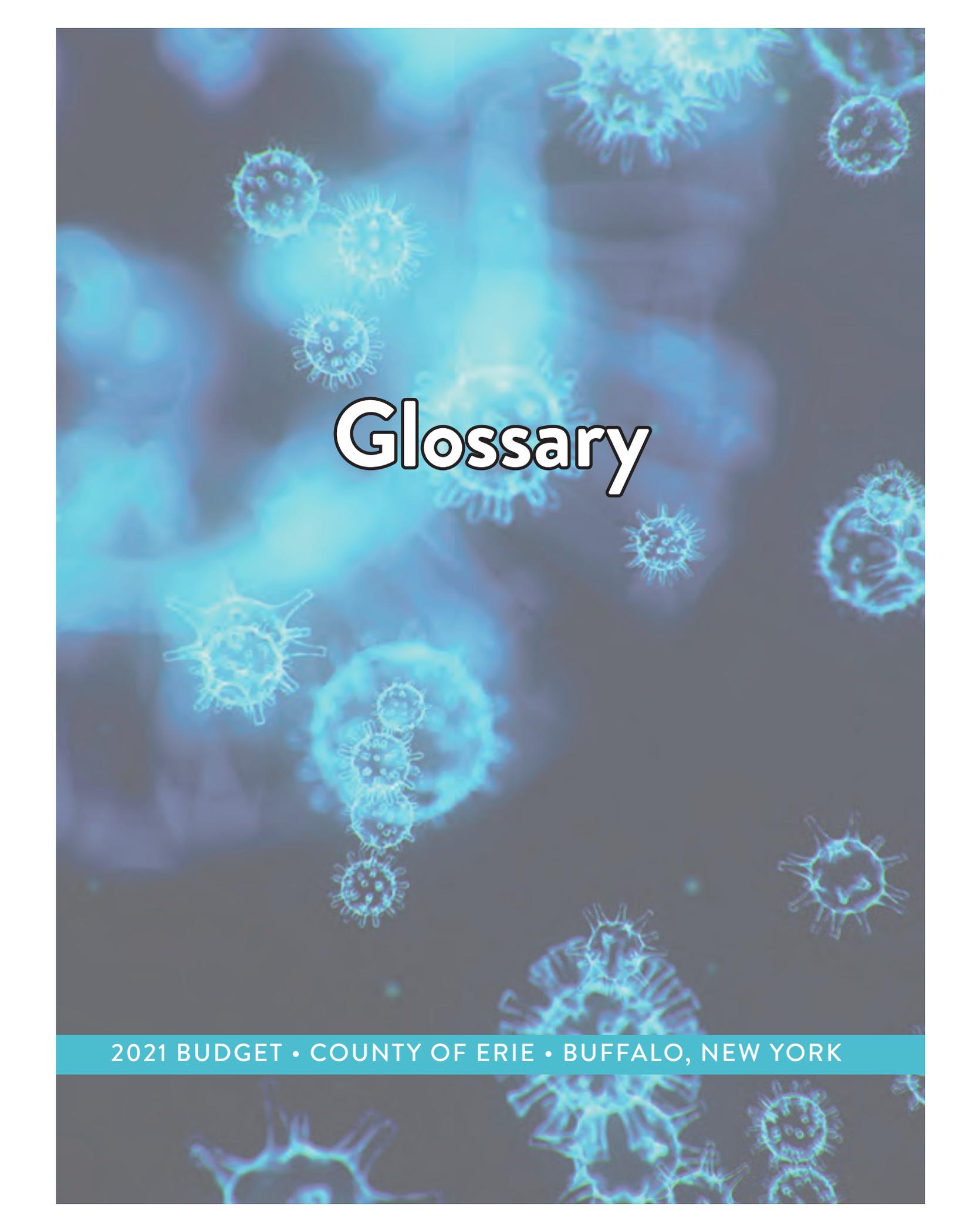
Expenditure/Appropriation Codes		Revenue Codes	
Account*	Description	Account*	Description
500000-500350	Personal Services	400000-400070	Real Property Tax Revenues
501000	Overtime	402000-402700	Local Source Revenues
502000-502140	Fringe Benefits	405000-409040	State or Other Partial Reimbursement
504992	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

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Glossary

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.

