

ERIE COUNTY BUDGET

2008

COUNTY EXECUTIVE'S BUDGET MESSAGE & SUMMARY

ERIE COUNTY, NEW YORK



JOEL A. GIAMBRA
COUNTY EXECUTIVE



JAMES M. HARTMAN
DIRECTOR OF
BUDGET AND MANAGEMENT

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COUNTY EXECUTIVE'S
BUDGET MESSAGE



County of Erie

JOEL A. GIAMBRA
COUNTY EXECUTIVE

October 15, 2007

The Honorable
Erie County Legislature
25 Delaware Avenue
Buffalo, NY 14202

Honorable Members:

Enclosed is the Erie County Executive Recommended 2008 budget for review and approval by Your Honorable Body. This document is the eighth and final budget that I will submit in my tenure as County Executive. It is a budget that is structurally balanced based upon reasonable assumptions about revenues and expenditures. This budget reflects the restoration of fiscal stability in Erie County. We also have included our four-year operating budget plan and six-year strategy for capital development.

2008 Executive Budget

This budget does not propose any increase in the countywide property tax rate. It does assume that we will have a tax lien sale for year-end 2008 uncollected taxes. It also incorporates revenue from a nearly 6% increase in the value of assessed property in Erie County. It conservatively estimates a 2.5% growth rate for the sales tax off a healthy base of those revenues in 2007.

This budget was developed with a theme of austerity -- despite the fact that the property tax rate today is \$4.94 per \$1,000 of assessed value compared to \$6.85 in 2000 when I took office. In nominal dollars, not adjusted for inflation, the property tax rate in my proposed 2008 budget is 28.4% lower than when I took office.

I decided to keep the property tax levy low -- much less than other large counties in New York State -- because of relentless increases in town, city and school taxes in this region. The Erie County property tax levy is a small part of the total property tax bill,

but it has been and remains my policy to demonstrate restraint, and to encourage cost-saving functional consolidations among Erie County jurisdictions.

Meanwhile, mandated expenditures continue to devour more than 90% of our overall budget. The structural problem facing county governments in New York is that State government persists in shifting costs for its programs to the counties, and we have no choice but to pay. Thus, in order to meet our obligations under State law without increasing the tax burden on Erie County residents, we decided for 2008 not to fund most of the requested new spending items from our Executive departments, from independent elected officials, and from various community groups. At the same time, we have avoided reducing essential County services. We also have been able to provide for a select number of new initiatives:

- We propose to dedicate the proceeds of the hotel occupancy tax to the Convention and Visitors Bureau. This dedication will double the resources available to the CVB for an expanded program to promote Erie County as a convention and tourist destination.
- We propose to earmark 3% of the property tax revenue for support of our treasured cultural institutions. This designation will help to provide financial stability to those organizations which contribute so immensely to our Western New York quality of life, and continue to stimulate over \$150 million in annual economic activity, sustain thousands of jobs, and leverage tens of millions of dollars in philanthropy.
- We are creating 10 new positions in the Department of Probation – which has suffered damaging staff shortages in recent years. These new positions will focus upon improved completion of Pre-Sentence Investigation reports and are part of our strategy to relieve the inmate overcrowding in the Holding Center and Correction facilities.
- To further address inmate overcrowding, we propose creation of a new Criminal Justice System Coordinating Council – similar to those which exist in other counties. This entity will be comprised of all the components of the criminal justice system and will be responsible for implementing long-range alternative to incarceration programs. We have redefined one position in the County Executive's office to be the staff director for this council. I urge the next County Executive to adopt this initiative.
- We have increased the operating subsidy to Erie Community College by nearly \$2 million, consistent with our responsibilities under State law as a community college sponsor, and in order to restrain the need for future increases in student tuition.
- We are adding 52 new positions in Social Services to lower client caseloads and to improve services to the most needy citizens of our community. These positions are largely funded with State dollars.

- At the request of Your Honorable Body, we have begun to pay the annual cost of the road repaving program with current revenue rather than borrowed funds – and we allocated \$2.2 million for this purpose in 2008.
- We will continue to maintain the dedicated E-911 surcharge fund for Emergency Dispatch operations at the Public Safety Campus, where we expect regional dispatch functions to expand as New York State mandates adherence to its standard on public safety answering points.
- We have provided the funding to keep our beaches open seven days per week in the 2008 summer season.

I ask Your Honorable Body to preserve these initiatives as you work towards completion of an adopted budget.

Four-Year Operating Plan

We have updated the four-year operating plan to encompass fiscal years 2008 through 2011. In the future years, expenses grow at about a 3.5% annual rate and revenues grow at about a 2.6% annual rate. The result is out-year budget gaps that increase incrementally by about \$10 million per year.

These gaps represent less than 1% of the total budget and they can be closed with various management strategies outlined in the plan. **There should be no need for property tax increases in the years immediately ahead.** The message is clear: We have restored structural balance to the Erie County budget. As reported earlier this year, we are operating a government that has the lowest per capita revenue and lowest per capita expenditure of the 10 major counties in New York State. (See tables below)

Six-Year Capital Plan

The biggest challenge for Erie County government in the years ahead is to maintain our vast physical infrastructure in a state of good repair. This task has been a fundamental policy precept of my Administration in the last eight years. Despite our investments, the capital needs of the County are still large and growing.

For 2008, we are proposing \$58 million of new capital projects – in addition to the \$17 million already authorized for the city campus of Erie Community College. I expect to be criticized for this capital budget. But those critics who would abandon or neglect public property in order to achieve short-term savings are wrong and ill-informed. Please examine carefully the list of projects. There is nothing on the list that is unnecessary for the operation of government and delivery of vital public services. Cutting the proposed funding will not make maintenance and repair problems go away – it will only make fixing roads, bridges, and public buildings more expensive in the future.

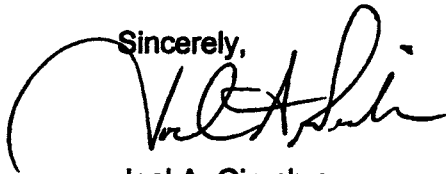
Looking ahead, we recognize that Erie County requires an annual capital budget of approximately \$60 million. At present, Erie County's debt burden compares favorably to the debt in other large counties in New York. (See accompanying table) However, the future challenge is to fund needed capital spending and still keep our debt burden manageable. Thus, I urge the new County Executive to pursue our idea for changing the method by which the County provides financial assistance to our school districts. We should eliminate the present method of revenue sharing and replace it with our proposed Erie School Tax Credit program. The school districts will not be hurt, but we will free up almost \$30 million of annual revenue for the County. This money can be combined with borrowed funds to support a responsible capital budget.

Working Together

The members of my Administration and I look forward to working with Your Honorable Body, as well as with the new County Executive, on adoption of the 2008 budget. We are prepared to provide any requested information, respond to inquiries, and to explain the details of this Executive Budget.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joel A. Giambra', with a large, sweeping initial 'J'.

Joel A. Giambra
County Executive

2007 BUDGET EXPENDITURES

Top 10 New York State Counties

Expenditures Per Capita:

Nassau	\$1,833
Rockland	1,765
Suffolk	1,693
Westchester	1,689
Onondaga	1,579
Albany	1,505
Orange	1,361
Dutchess	1,307
Monroe	1,290
Erie	1,204

Source: Division of Budget Analysis

2007 LOCAL COUNTY REVENUES

Top 10 New York State Counties

Local Revenues Per Capita:

Nassau	\$1,602
Suffolk	1,364
Rockland	1,262
Westchester	1,249
Orange	1,181
Onondaga	1,113
Monroe	1,068
Albany	1,011
Dutchess	915
Erie	827

Source: Division of Budget Analysis

**Long-Term Debt Service as a
Percentage of 2007 Budget Expenditures**

Top 10 New York State Counties

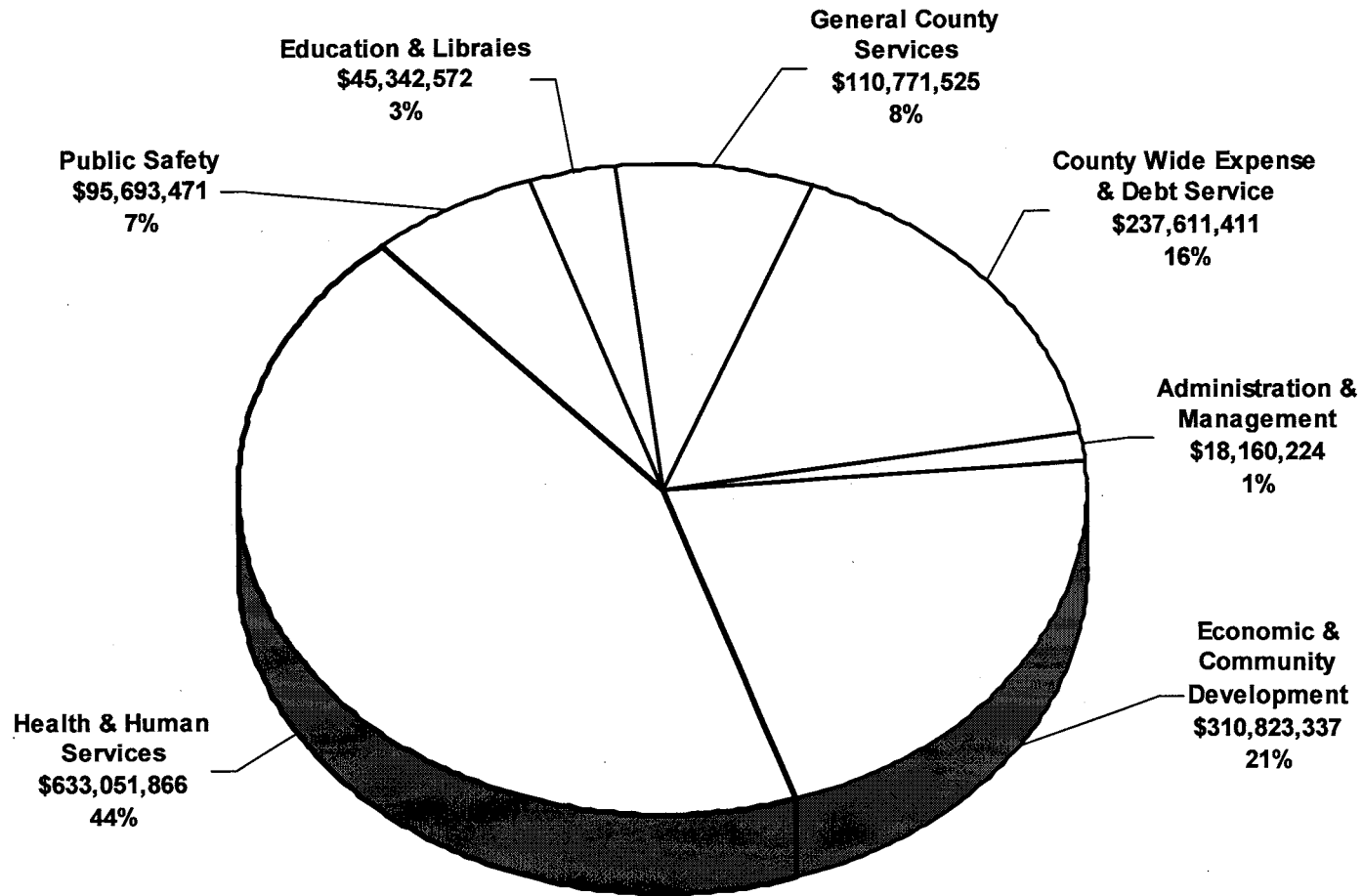
Nassau	12.28%
Monroe	6.60%
Rockland	7.05%
Albany	4.93%
Westchester	4.43%
Erie	4.40%
Onondaga	4.28%
Orange	3.70%
Suffolk	3.36%
Dutchess	2.19%

Source: Division of Budget Analysis

UNDERSTANDING
THE 2008
ERIE COUNTY BUDGET

UNDERSTANDING THE 2008 COUNTY BUDGET

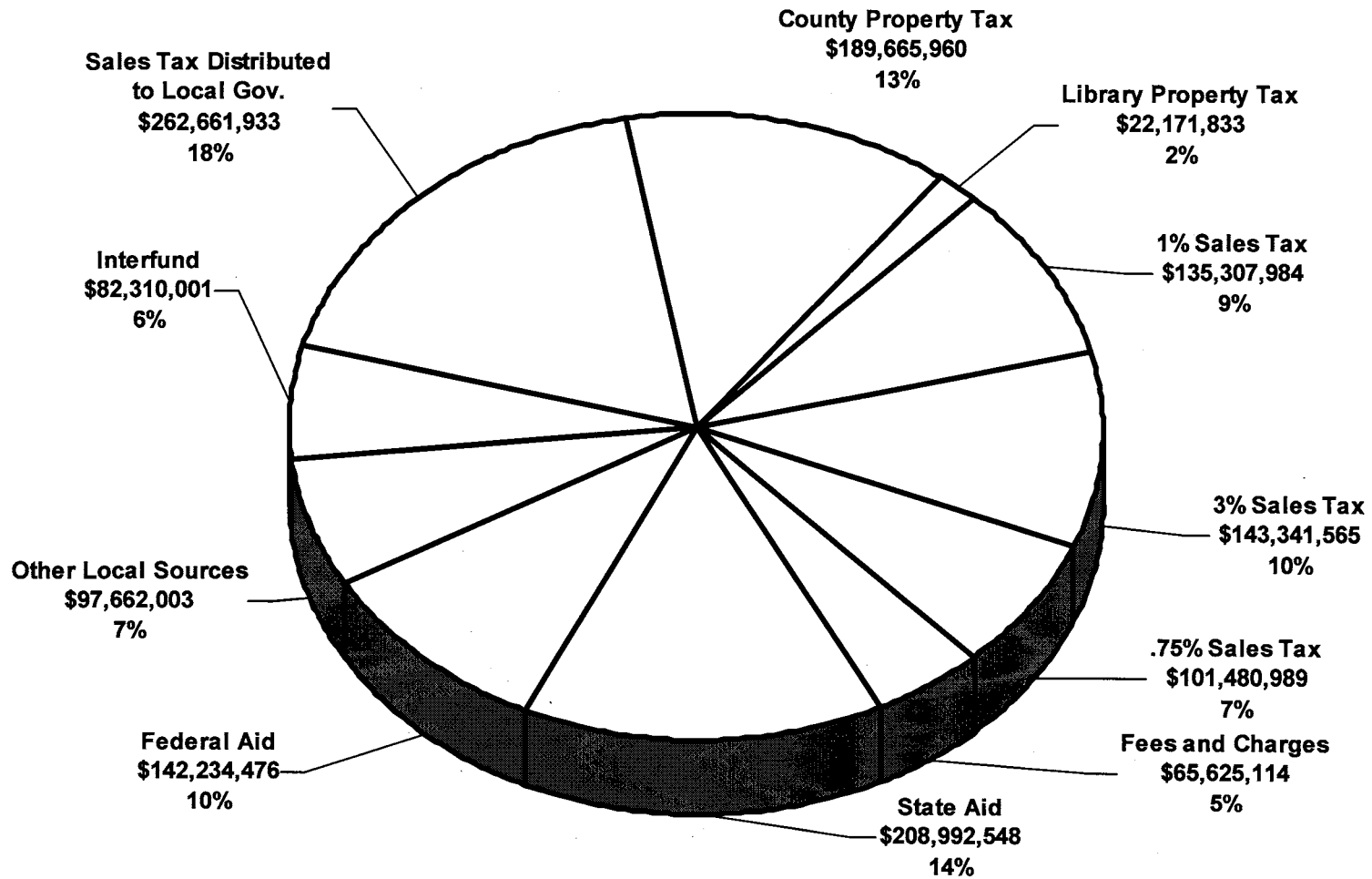
Where Your Tax Dollars Go



The 2008 Proposed Budget totals \$1,451,454,406.

UNDERSTANDING THE 2008 COUNTY BUDGET

Where the Dollars Come From



The pie chart apportions 2008 revenues totaling \$1,451,454,406 into eleven major revenue categories.

UNDERSTANDING THE 2008 PROPOSED COUNTY BUDGET

State Mandated County Share Expenditures	2007 Adopted	2008 Proposed	Amt. Change	% Change
Social Services				
Medicaid	185.96	191.22		
Family & Safety Net Assistance	25.62	25.70		
Child Welfare Services	16.11	18.38		
DSS Other Programs & Costs	26.67	26.76		
Mandated Social Services Total	254.36	262.06	7.70	3.03%
Law Enforcement				
Sheriff Division of Jail Management	63.07	66.40		
Indigent Defense	8.46	8.13		
Probation & District Attorney	17.21	18.86		
Mandated Law Enforcement Total	88.74	93.39	4.65	5.24%
Other Programs				
NFTA	20.08	20.57		
Services to Handicapped Children	22.90	24.56		
ECC Payments	17.24	19.14		
Control Board Exp	1.43	0.98		
Sales Tax Distributed to Local Governments	267.60	275.16		
Other State Mandates	80.11	90.35		
Mandated Other Program Total	409.36	430.76	21.40	5.23%
Total State Mandated Expenditures	752.46	786.21	33.75	4.49%

UNDERSTANDING THE 2008 COUNTY BUDGET

County Share Revenues (In Millions)	2008 Proposed
Sales Tax Co Share of 3%	\$ 143.34
Sales Tax 1%	135.31
Sales Tax .25%	33.83
Sales Tax .50%	67.65
Sales Tax Local Gov. Share of 3%	262.66
Interest Earnings	5.43
Real Property Tax Items	14.32
Appropriated Fund Balance - General Fund	-
Other County Revenues	13.57
Total	\$ 676.11

The 2008 Proposed Budget sets County Share Revenue, exclusive of the property tax, at \$676,110,431.

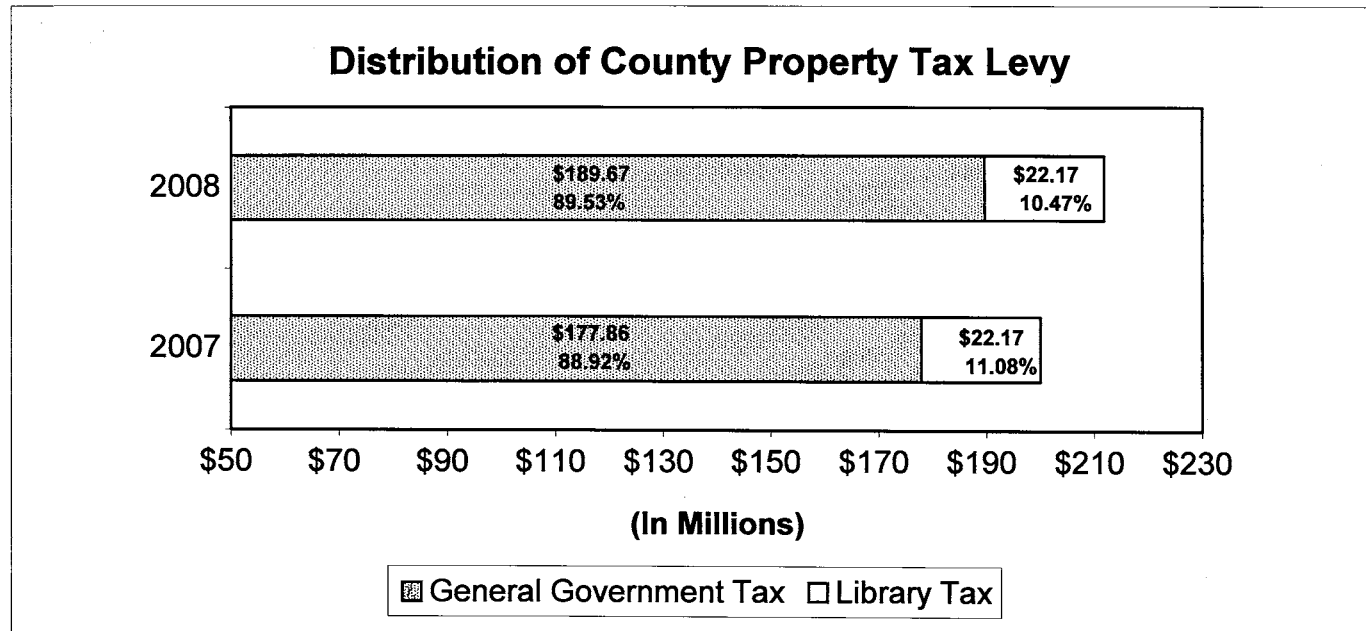
UNDERSTANDING THE 2008 COUNTY BUDGET

Calculation of Proposed 2008 Property Tax Levy

2008 County Share Expenditures	\$887,948,224
Less 2008 County wide Local Revenues (Exclusive of Property Taxes)	<u>676,110,431</u>
2008 Property Tax Levy	\$211,837,793
2007 Property Tax Levy	\$200,031,205
Property Tax Levy Change	<u>\$11,806,588</u>

When 2008 non-property tax revenues of \$676,110,431 are applied against 2008 County share expenditures of \$887,948,224 a combined 2008 County property tax levy totaling \$211,806,588 is derived.

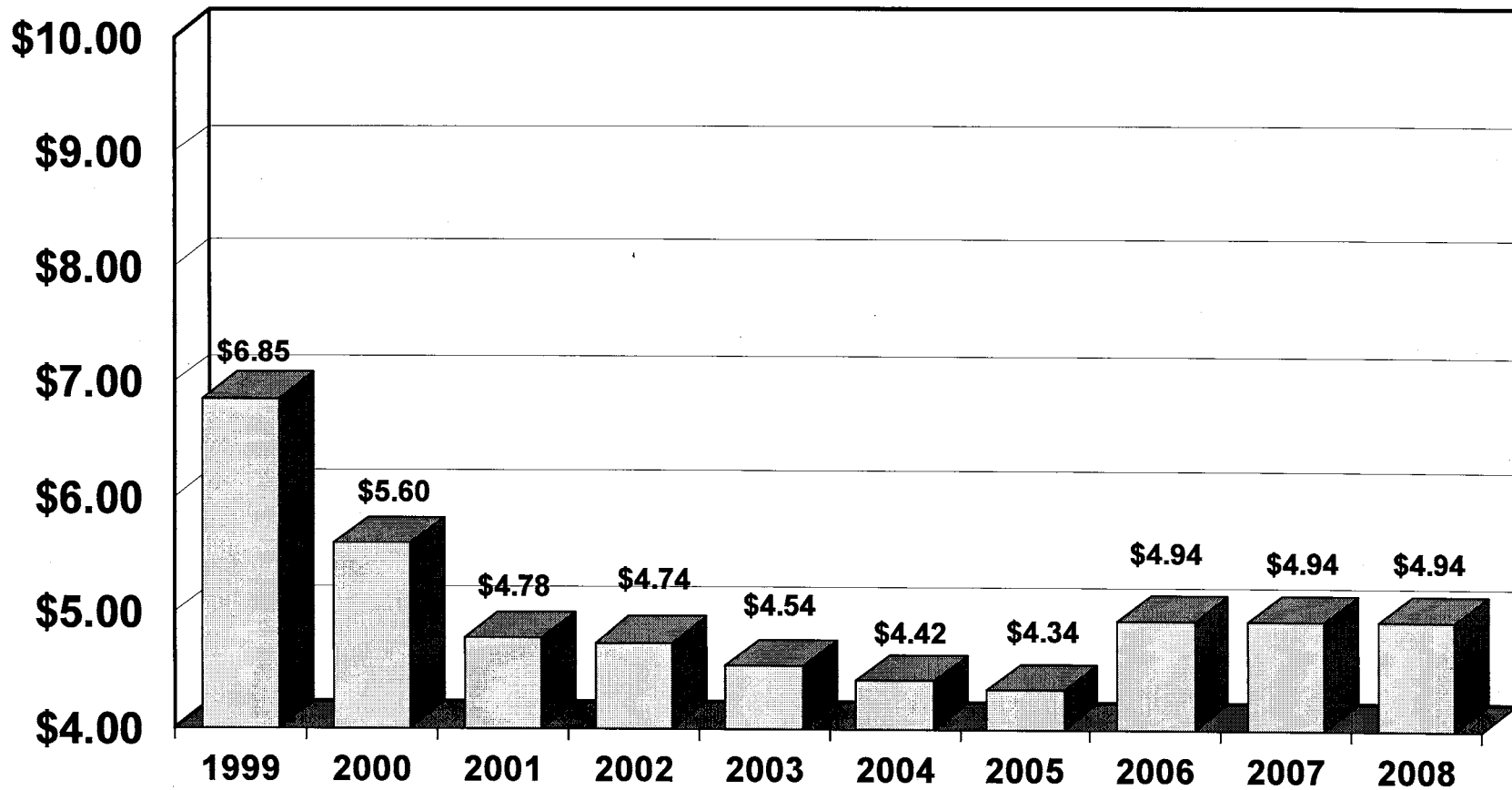
UNDERSTANDING THE 2008 COUNTY BUDGET



The respective shares of the Proposed 2008 County property tax for each of the two components of the County property tax bill are shown above and compared with the tax levy distributions in the 2007 Adopted Budget.

UNDERSTANDING THE 2008 COUNTY BUDGET

**Erie County Average Property Tax Rates Per \$1,000 of
Equalized Taxable Full Value
1999 - 2008**



UNDERSTANDING THE 2008 COUNTY BUDGET

Change in Equalized Full Value Property Tax Rates

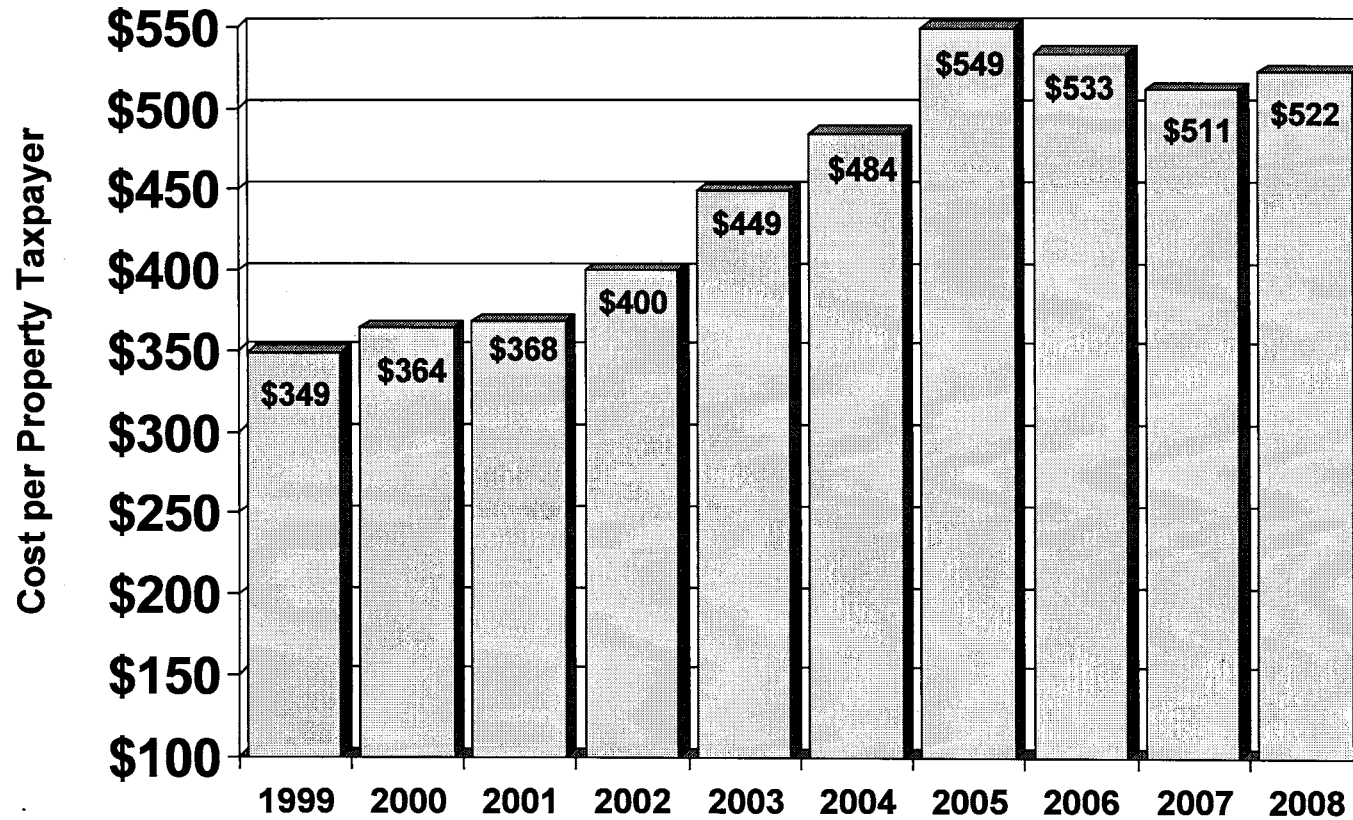
MUNICIPALITY	2007 COUNTY TAX RATE	2008 PROPOSED COUNTY TAX RATE	AMT. CHANGED	PERCENT CHANGED
BUFFALO CITY	4.86	4.86	-	0.00%
LACKAWANNA CITY	5.07	5.06	(0.01)	-0.20%
TONAWANDA CITY	6.86	7.27	0.41	5.98%
ALDEN	9.23	9.40	0.17	1.84%
AMHERST	4.90	5.33	0.43	8.78%
AURORA	10.73	10.81	0.08	0.75%
BOSTON	4.99	4.99	-	0.00%
BRANT	4.93	4.94	0.01	0.20%
CHEEKTOWAGA	8.18	8.18	-	0.00%
CLARENCE	4.87	4.87	-	0.00%
COLDEN	9.72	10.13	0.41	4.22%
COLLINS	6.81	7.11	0.30	4.41%
CONCORD	9.54	9.54	-	0.00%
EDEN	7.09	7.09	-	0.00%
ELMA	95.81	95.76	(0.05)	-0.05%
EVANS	7.34	7.80	0.46	6.27%
GRAND ISLAND	9.65	9.85	0.20	2.07%
HAMBURG	7.39	7.62	0.23	3.11%
HOLLAND	4.93	4.93	-	0.00%
LANCASTER	4.92	5.18	0.26	5.28%
MARILLA	10.00	10.00	-	0.00%
NEWSTEAD	5.17	4.91	(0.26)	-5.03%
NORTH COLLINS	4.95	4.95	-	0.00%
ORCHARD PARK	7.89	8.16	0.27	3.42%
SARDINIA	7.17	7.90	0.73	10.18%
TONAWANDA	9.22	9.65	0.43	4.66%
WALES	10.49	10.97	0.48	4.58%
WEST SENECA	9.90	10.09	0.19	1.92%
AVERAGE RATE	4.94	4.94	-	0.00%

Does not include Election and Community College respreads.

Based on Final Equalization Rates and values.

UNDERSTANDING THE 2008 COUNTY BUDGET

Growth in average annual cost of Medicaid per property taxpayer since 1999

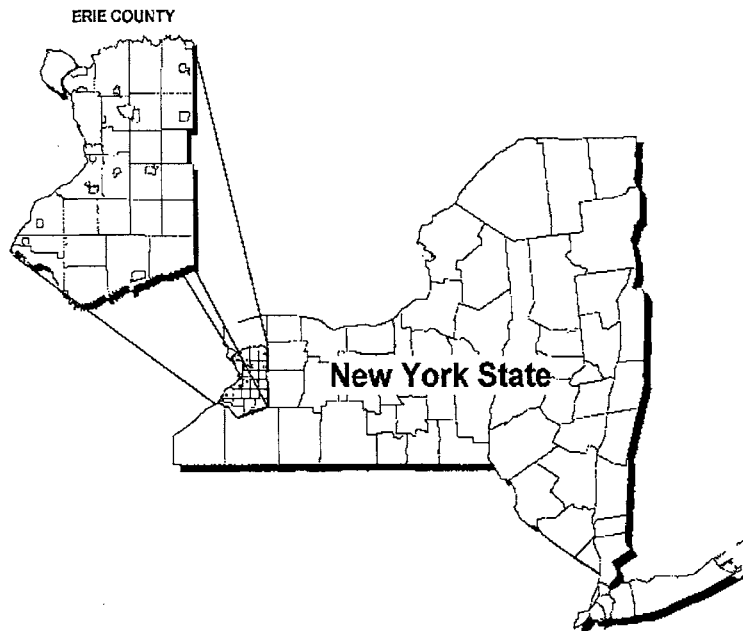


OVERVIEW

OVERVIEW

SNAPSHOT OF ERIE COUNTY

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. More than half the population in both countries (160,000,000 people), as well as 52 percent of the personal income (\$5 trillion) 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 percent 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 Erie County Charter was enacted as Erie County Local Law No. 1 - 1959, and was approved by referendum on November 3, 1959, and became effective when filed with the Secretary of

SNAPSHOT OF ERIE COUNTY, cont.

State on November 17, 1959. The County Executive, elected to a four year term, is the chief executive officer of the County. The County Legislature, consisting of 15 members elected to two year terms, 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

The 2000 population of the cities and five largest towns are as follows:

<u>Municipality</u>	<u>2000 Population</u>
Buffalo, City	292,648
Lackawanna, City	19,064
Tonawanda, City	16,136
Amherst, Town	116,510
Cheektowaga, Town	94,019
Tonawanda, Town	78,155
Hamburg, Town	56,259
West Seneca, Town	45,920

HOUSING

The cost of purchasing a home in Erie County continues to be lower than in most other areas of the Northeastern United States. The table that follows shows the average median selling price of a home in Erie County and the percent of increase from the previous year for the years 1995 to 2004.

Housing Costs

<u>Year</u>	<u>Average Median Selling Price</u>	<u>Percent Change</u>
1997	\$ 82,096	-1.24%
1998	\$ 83,841	2.13%
1999	\$ 81,408	-2.90%
2000	\$ 79,769	-2.01%
2001	\$ 83,240	4.35%
2002	\$ 84,288	1.26%
2003	\$ 88,273	4.73%
2004	\$ 92,513	4.80%
2005	\$ 99,000	6.60%
2006	\$ 97,900	-1.23%

ECONOMY

Erie County is a major New York industrial and commercial center. The following tables illustrate the major components of employment in the Buffalo-Niagara Falls Metropolitan Statistical Area (MSA).

SNAPSHOT OF ERIE COUNTY, cont.

2006 - Ten Largest Employers In WNY

<u>Organization</u>	<u>Employees</u>
State of New York	16,508
United States of America	10,000
Kaleida Health	9,500
City of Buffalo (includes schools)	8,218
HSBC Bank USA N.A.	5,867
Catholic Health Systems	4,832
Employer Services Corp.	4,650
County of Erie	4,610
M & T Bank	4,422
Catholic Diocese of Buffalo	4,000

Total Labor Force and Employment (In 000's)

<u>Year</u>	<u>No. Employed</u>
1997	544.3
1998	545.6
1999	554.3
2000	558.3
2001	549.9
2002	548.1
2003	545.8
2004	547.5
2005	587.6
2006	581.9

Annual Average Unemployment Rates 1997-2006 (a)

	<u>Erie County</u>	<u>New York State</u>	<u>United States</u>
1997	5.1	6.4	4.7
1998	5.1	5.6	4.4
1999	5.2	5.2	4.0
2000	4.2	4.6	4.0
2001	4.7	4.9	4.7
2002	5.5	6.2	5.8
2003	5.8	6.4	6.0
2004	5.7	5.8	5.5
2005	4.9	5.0	5.1
2006	5.0	4.5	4.6

(a) Percent of total force unemployed, by place of residence, not seasonally adjusted.

Source: U.S. Rate - U.S. Department of Labor, Bureau of Labor Statistics Other Rates - New York State Department of Labor, Labor Market Information

Source: NYS Department of Labor - Annual Data

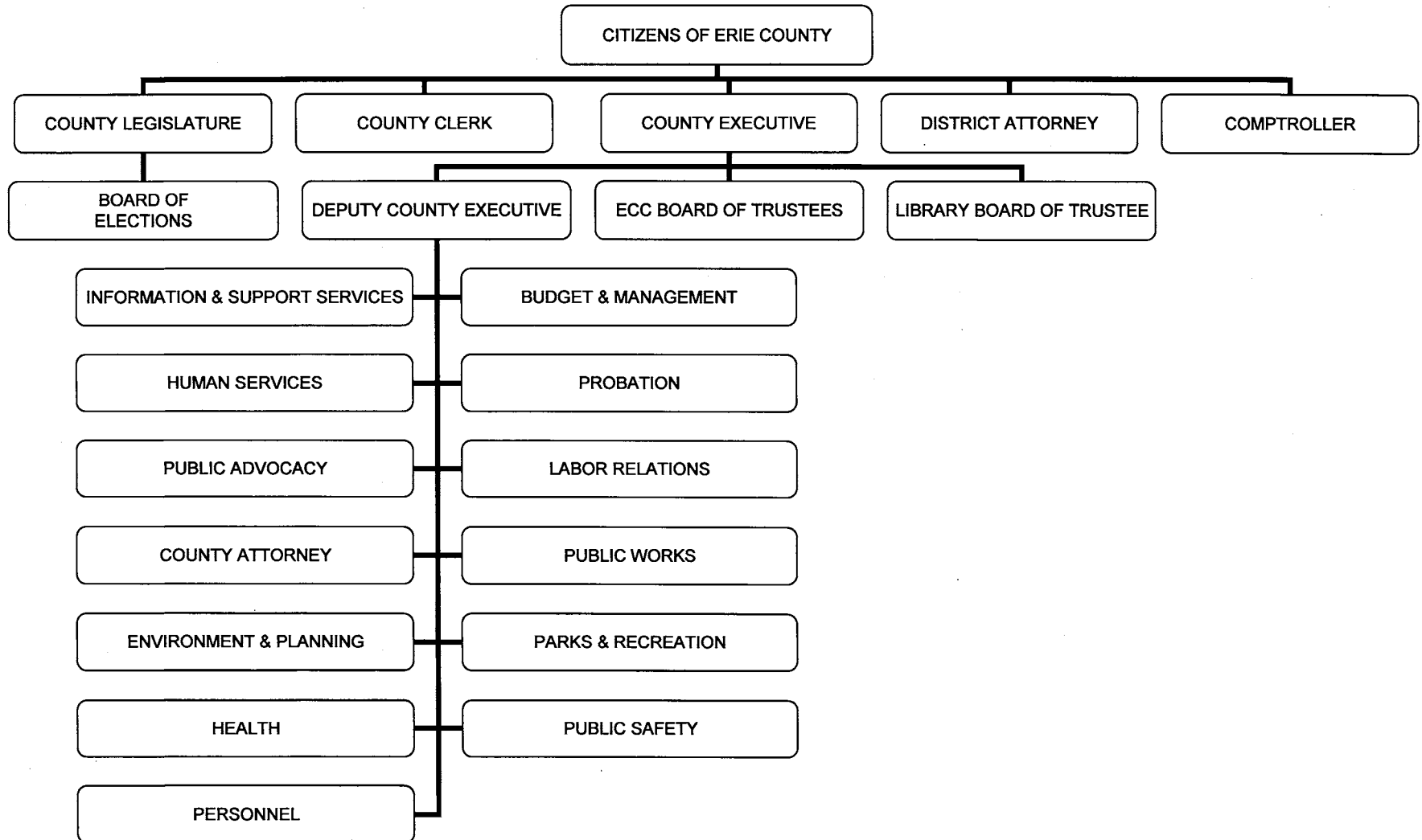
SNAPSHOT OF ERIE COUNTY, cont.

Ten Largest Taxpayers (As of December 31, 2006)

	<u>Equalized Taxable Valuation</u>
Dist-National Fuel Gas	\$ 636,428,510
Niagara Mohawk Power Corp.	531,421,594
Verizon New York, Inc.	323,169,699
DDR MDT LLC	247,224,564
Benderson Development Co.	213,125,498
NYSEG	206,632,061
Pyramid Co. of Buffalo	135,032,769
Pennsylvania Lines LLC	84,940,122
Boulevard Mall LLC	70,815,694
Wegman's Food Market	70,784,841
Total	<u>\$2,519,575,352</u>

Source: Erie County Division of Budget and
Management

ERIE COUNTY ORGANIZATIONAL CHART



OVERVIEW

THE BUDGET PROCESS

DYNAMICS OF BUDGETING

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

While budgeting is a year-round process, the development of the annual budget usually commences seven 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 18 of the Erie County Charter and Article 18 of the Erie County Administrative Code.

BUDGET PREPARATION CALENDAR

May: Budget planning for the County's next fiscal year begins in a concrete manner once the state budget has been finalized. The state budget for 2006 and 2005 was adopted by April 1. While by law the state budget should be adopted by April 1, in recent years the adoption date has slipped to August (in 1999) and June

(in 2000). In 2001, the state budget was adopted in phases from August through October 4, 2002. In 2003, the state budget was adopted in May and in 2004 the state budget was adopted in August.

Budget forecasts and targets are developed and evaluated based on County budget monitoring data, state 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 and specific budget targets are issued to department heads in July to guide the preparation of department budget requests.

August: Departments submit their detailed budget requests to the County Executive for consideration in mid-August. The County Executive and the Director of Budget & Management hold public hearings in late August to review departmental budget requests.

September: Departmental budget requests are analyzed in detail by staff in the Division of Budget, Management and Finance during the month of September. 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 which the County Executive submits to the Erie County Legislature. The County Executive's recommended Proposed Budget is the starting point for the Legislature's adoption of a County budget.

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 15th each year. 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, increase or decrease items of expense (appropriation), except for those items required by law or for repayment of debt.

The 2008 budget must be adopted by the Legislature by the first Tuesday in December (December 4, 2007). An annual budget adoption meeting is held for this purpose, 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 by the first Wednesday of December (December 5, 2007) 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 by the Monday preceding the second Tuesday in December (December 10, 2007).

The Legislature may override the County Executive's vetoes by a two-thirds majority vote. This must be done on the second Tuesday of December (December 11, 2007).

The budget, incorporating any legislative changes, executive vetoes, and legislative veto overrides is considered adopted in final form as of the second Tuesday in December (December 11, 2007).

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 \$1,000 or less. Approval of the Legislature is required, in the form of a legislative resolution, if the transfer exceeds \$1,000 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. They are considered by the Legislature throughout the year at their bi-monthly legislative sessions.

BUDGET MONITORING PROCESS

The Division of Budget, Management and Finance produces monthly Budget Monitoring Reports which are commonly referred to as the BMR. The BMR reports on approximately twenty-five appropriation and revenue accounts that are 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 take corrective budgetary action, if required.

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

- ongoing tracking and analysis of personnel matters including overtime usage, full-time position vacancies and part-time employee accounts;
- ongoing tracking and analysis of local share Medicaid expenditures, as well as Safety Net Assistance and Family Assistance caseloads;
- periodic reports reflecting population counts at County institutions, including the Erie County Detention Center, the Holding Center and the Correctional Facility.

ADAPTING TO CHANGE

Approximately fifteen (15) percent of Erie County's revenue comes from New York State through various aid programs.

The Division of Budget, Management and Finance devotes considerable staff resources to evaluating and quantifying potential impacts of the Governor's proposed annual budget. This fiscal impact information is shared with State Legislative representatives, members of the County Legislature and interested citizens as a means for lobbying for change.

Subsequent to the New York State Legislature's adoption of a final New York State Budget, a "Statement on the Fiscal Impact of the New York State Budget" may be released to the Erie County Legislature, along with a

comprehensive set of budget amendments if any are necessary to offset state aid losses with expenditure reductions and unanticipated revenues. The Erie County Legislature reviews any proposed amendments that may be submitted and usually enacts the plan, along with its own amendments to it.

The County Administration and the County Legislature's willingness to adapt to change in a timely manner have allowed Erie County government to maintain balanced budgets in uncertain economic times.

THE BUDGET PROCESS, cont.

OPERATING BUDGET CALENDAR

January

County fiscal year begins January 1st.

Division of Budget, Management and Finance (DBMF) works with Comptroller's Office to close prior year books.

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

February

DBMF reviews impact of Governor's Proposed Budget. State Budget Impact Report sent to State Legislators.

DBMF 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

DBMF begins development of ensuing year budget forecast.

May

Special studies continue

June

DBMF assembles ensuing year budget instructions including appropriation and revenue worksheets and preliminary personal services data runs.

Special studies are concluded

DBMF begins to develop budget targets for departments.

July

Budget instructions sent to departments including budget targets.

August

Departments prepare ensuing year budget revenues and submit to DBMF.

Departments submit personnel change requests to Personnel Department.

County Executive and DBMF conduct hearings on department budget requests.

Community agency budget requests are developed.

September

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

Special studies are incorporated into Proposed Budget.

Personnel Department submits recommendations to DBMF.

October

County Executive and DBMF finalize recommendations for Proposed Budget.

County Executive submits Proposed Budget to Legislature by October 15th.

November

Legislature reviews Proposed Budget and conducts hearings.

Legislature holds public hearings

December

Deadline for Legislature to Adopt 2008 Budget – 12/4/07.

Deadline for Legislature to return Budget to County Executive if any increases – 12/5/07.

Deadline for County Executive to veto any increases – 12/10/07.

Deadline for Legislature to meet and consider County Executive's vetoes – 12/11/07.

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

Ongoing: Budget Analysts meet with departments to monitor operating budgets throughout the year.

OVERVIEW

GLOSSARY

ACCOUNT

A category of expense, such as office supplies, personal services, or utilities. Accounts for expense may be broken down into subcategories called subaccounts.

ACCRUAL

Recognition and recording of accounts receivable as revenue and accounts 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 to budgeted revenue and appropriation accounts approved and processed as of July 31st.

ADOPTED BUDGET

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

APPROPRIATED FUND BALANCE

The amount of unreserved fund balance (surplus) available from previous years designated for use in the current year. An appropriated fund balance is an excess of liquid assets over liabilities. The Erie County Charter prescribes that a fund balance from a given year cannot be appropriated until the next succeeding budget year. Thus, a 2005 fund balance may be appropriated in 2007.

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.

CAPITAL BUDGET/EXPENDITURES

Budgets/expenditures in the Capital Projects Fund 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 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 future events, which can be foreseen.

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.

DELETE

A currently authorized position and/or job title deleted from the budget.

DOWNTOWN MALL FUND

A Special Revenue 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 county's annual budget documents, nor is it considered an operating fund.

ECIDA

The Erie County Industrial Development Agency 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 reservations 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 a 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 various reserves including: encumbrances; retirement system credits; tax stabilization; advances to enterprise funds; and prepayments. The section can also include various designations including: subsequent years' expenditures; judgments and claims; property tax relief; and contingencies. The last part of fund balance is the undesignated portion that equals the years' surplus or deficit.

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.

INTERDEPARTMENTAL BILLING

The reimbursement received by a division, such as Information and Support Services, for services provided to other county departments within the same fund.

Interdepartmental billings are quasi-revenues budgeted as negative appropriations.

INTERDEPARTMENTAL PAYMENT

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

INTERFUND 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.

OPERATING FUND/BUDGET/EXPENDITURES

Budgets/expenditures/revenues related to the annual program and spending plan for county operations, services and normal maintenance.

OTB REVENUES

Revenues received from a portion of profits of the Western Regional Off-Track Betting Corporation from a parimutuel 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 and part-time 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 the 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.

REALLOCATE

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

RECLASS

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

REDUCTIONS FROM PERSONAL SERVICES

Anticipated savings in salary and fringe benefit expenses resulting from temporary job vacancies created by employee turnover. This amount is subtracted from the amount budgeted for salaries and fringe benefits 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.

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 authority to levy real property taxes. The Sewer Fund is included in the annual budget documents because of the need for legislative authorizations, but it 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. Revenue sources may be broken down into subsources.

SUBACCOUNT - EXPENSE

A subcategory of expense, such as electric, telephone, and water, within a category of expense (utilities).

SUBACCOUNT – REVENUE

A subcategory of revenue, such as sales tax, interest earnings, service fees, within a revenue category or source (local source revenues).

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.

TAX LEVY

The total amount of real property tax revenue to be raised by the county.

TENTATIVE BUDGET (PROPOSED 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".

TRANSFER

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

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,

GLOSSARY, cont.

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.

OVERVIEW

FINANCIAL STRUCTURE

FISCAL YEAR

The County's Fiscal year begins January 1st and ends December 31st 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 annual budget documents except the Downtown Mall Fund and the

Tobacco Proceeds Fund. 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 and Sales taxes; departmental charges; State and Federal reimbursements; client recoveries.

Special Revenue Funds: used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The annual budget documents include the following Special Revenue Funds which 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 aid; grant income.

Community Development (Budget Fund 290)

Funding Sources: Federal Aid.

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; State aid; Real Estate Transfer Tax; charges.

E-911 Fund (Budget Fund 230)

Funding Sources: Telephone access line surcharge.

The following Special Revenue Fund is included in the County's annual financial statements as a component unit:

Public Library Fund (Budget Fund 820)

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

Debt Service Fund (Budget Fund 310): 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.

The following next two funds are included in the County's annual financial statements but are not included in the annual budget documents.

Downtown Mall Fund

Funding Sources: Special district assessment.

Tobacco Proceeds Fund: used to fund capital projects that otherwise would have been supported by operating funds or the issuance of bonds.

Funding Sources: Net proceeds from the County's securitization of its share of the 1998 Master Settlement Agreement.

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 aid.

Enterprise Fund: used to account for ongoing organizations or activities that are similar to those found in the private sector which provide 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 County Medical Center

Erie County Home

No longer included in the County budget. The ECMC Healthcare Network became a Public Benefit Corporation in 2004.

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. The Community College budget is adopted in July of each year.

Funding Sources: State aid; student tuition; County contribution from the County budget-General Fund.

COUNTY OPERATING FUNDS/BUDGET

The funds and their associated budgets that are related to the annual spending plan for the County operations, services and normal maintenance

are referred to as the operating budget. In 2006, the operating budget includes the following operating funds: General Fund; Road Fund; E-911 Fund; Debt Service Fund; the Enterprise Fund (Utilities Fund); and the Public Library Fund.

Other funds that appear in the budget documents (Community Development; Sewer Fund; Grant Fund; and Capital Projects Fund) are in the documents because of Charter requirements or the need for specific legislative authorizations. They are not a part of the operating budget, nor are they included among the operating funds. Their revenue and appropriations are excluded in calculating the amount of the total operating budget or the operating funds total.

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 and 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 the following structure:

Fund
Department
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

FINANCIAL STRUCTURE, cont.

budgeted they are designated with a five digit fund center code.

Account Codes: Account codes are used to identify expenditures/ appropriations 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

<u>Account*</u>	<u>Description</u>
500000-500350	Personal Services
501000	Overtime
502000-502130	Fringe Benefits
504992	Contractual Salary Reserve
504990-504995	Reductions for Turnover
505000-506400	Supplies & Repairs
510000-555050	Other
516000-520110	Contractual
525000-530020	Assistance Payments
561250-561450	Equipment
550000-550800	Debt Service
910100-980000	Interdepartmental
559000-575000	Interfund

Revenue Codes

<u>Account*</u>	<u>Description</u>
400000-400070	Real PropertyTax Revenues
402000-402600;	Local Source Revenues
415000-467000	Fees, Other Taxes
405000-409040	State Aid or Reimbursement
410000-414020	Federal Aid or Reimbursement
486000-486030	Interfund Revenues

*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 fund level for all funds except the Grant Fund (Budget Fund 281), Community Development (Budget Fund 290), and the Sewer Fund (Budget Fund 220). Fringe Benefits are budgeted at the individual project level for grants and community development projects. They are budgeted for each sewer district (project/department) In the Sewer Fund.

Fund level budgeting of fringe benefits corresponds to administrative units at the department

FINANCIAL STRUCTURE, cont.

level for all other funds listed below. The correspondence of fund with department in these funds results in budget detail and totals, which are directly comparable over time. All historical, current year and next budget year columns in the following budgets will include comparable fringe benefit amounts.

Utilities Fund (Budget Fund 140)
County Road Fund (Budget Fund 210)
Public Library Fund (Budget Fund 820)

Fringe Benefits are appropriated only at the fund level for the General Fund (Budget Fund 110). Once the budget is adopted by the legislature, the fund-level total appropriation is allocated to individual administrative units (departments/fund centers) on the basis of their respective proportions of total authorized employees and/or total payroll expense.

The fund-level budgeting and subsequent reallocation of fringe benefit appropriations to projects/departments affects the comparability of General Fund department/fund center budget detail and totals over time. Historical budget columns will include the reallocation of fringe benefits to administrative units while requested, proposed budget and adopted columns will not.

Therefore, budget detail and totals for General Fund departments and divisions are comparable over time only as follows:

Fringe Benefits Included:

FY 2005 Actual Column
FY 2006 Actual Column
FY 2007 Adjusted Budget Column

Fringe Benefits Not Included:

FY 2007 Adopted Budget Column
FY 2008 Department Requests Column
FY 2008 Executive Recommends Column
FY 2008 Legislative Adopted Column

FISCAL SUMMARY

FISCAL SUMMARY

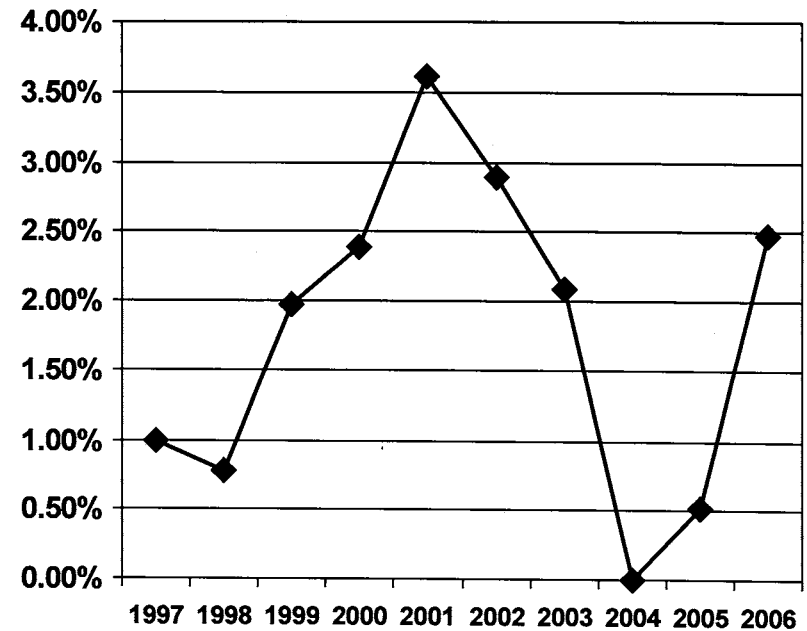
Overview of All Funds in the 2008 Proposed Budget

110 General	\$1,271,570,520
140 Utility Fund	53,570,694
210 Road Fund	23,040,302
230 E-911 Fund	3,665,800
310 Debt Service Fund	73,404,235
820 Library	26,202,855
Total All Funds	\$1,451,454,406

FISCAL SUMMARY

Year	Amount of General Fund Undesignated Fund Balance	Total General Fund Budget	Fund Balance as % of Total General Fund
1996	6,666,971	746,048,586	.89%
1997	7,604,678	760,943,934	.99%
1998	5,882,376	762,683,497	.77%
1999	14,961,128	760,074,694	1.97%
2000	16,813,036	704,594,460	2.39%
2001	26,166,409	723,917,429	3.61%
2002	20,553,409	712,378,050	2.89%
2003	17,860,956	855,736,888	2.09%
2004	0	873,758,394	0.00%
2005	4,647,000	888,638,374	0.52%
2006	23,069,000	934,167,809	2.47%

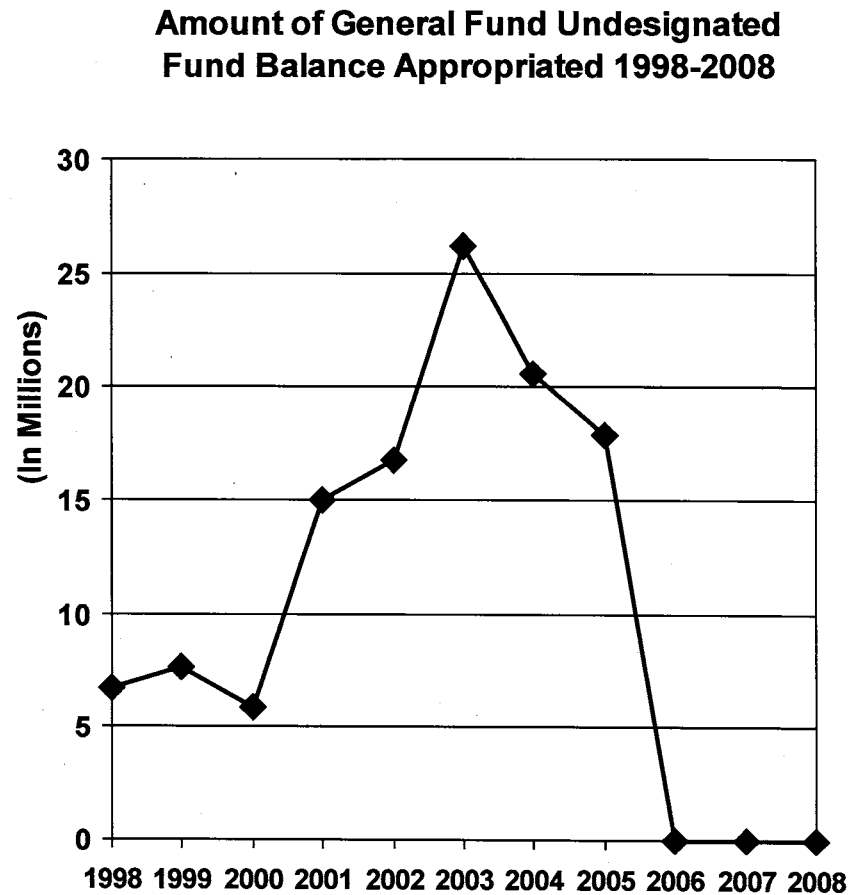
**Percent of General Fund
Undesignated Fund Balance
Recorded 1997-2006**



Note: All years are audited actual figures.

FISCAL SUMMARY

Year	Amount of Undesignated General Fund Fund Balance Appropriated
1998	6,664,942
1999	7,604,678
2000	5,882,376
2001	14,961,128
2002	16,813,036
2003	26,166,409
2004	20,553,673
2005	17,860,956
2006	0
2007	0
2008	0



The 2008 general fund Budget does not appropriate fund balance.

FISCAL SUMMARY

Summary of Undesignated Fund Balances Recorded for All Funds 1999-2006

Fund Name	1999	2000	2001	2002	2003	2004	2005	2006
110 General	14,961,128	16,813,036	26,166,409	20,553,673	17,860,956	(10,774,000)	4,647,000	23,069,000
210 Road	2,319,000	1,740,000	(589,000)	(3,894,000)	(3,670,000)	(4,484,414)	(7,898,000)	(6,911,000)
230 E-911	0	0	59,000	0	0	0	0	0
820 Library	1,465,000	809,000	1,364,000	1,165,000	1,173,000	550,000	629,000	2,216,000
310 Debt Service	0	0	0	0	0	0	0	0
Total	18,745,128	19,362,036	27,000,409	17,824,673	15,363,956	(14,708,414)	(2,622,000)	18,374,000

FISCAL SUMMARY

Summary of Fund Balances Appropriated for all Funds 1999-2008

Fund Name	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
110 General	7,604,678	5,882,376	14,961,128	16,813,036	26,166,409	20,553,673	17,860,956	0	0	0
210 Road	0	1,000,000	0	446,437	0	0	0	0	0	0
230 E-911	0	234,000	0	200,000	334,778	0	0	0	195,000	0
820 Library	500,000	422,665	400,000	445,414	550,000	550,000	550,000	550,000	540,050	500,000
310 Debt Service	12,500,000	6,554,252	1,316,106	1,390,670	3,121,285	2,996,635	1,056,087	2,607,687	2,160,874	4,161,282
Total	20,604,678	14,093,293	16,677,234	19,295,557	30,172,472	24,100,308	19,467,043	3,157,687	2,895,924	4,661,282

**SUMMARY OF APPROPRIATION, REVENUE AND COUNTY SHARE BY FUND AND DEPARTMENT
2008 PROPOSED BUDGET**

Department	Personal Services	Other	Total Appropriation	Revenue	County Share
Fund - 110 General					
Legislature	1,848,311	529,958	2,378,269	0	2,378,269
Division of Information and Support Services	3,818,503	(5,430,703)	(1,612,200)	230,000	(1,842,200)
Jail Management	44,990,854	5,646,584	50,637,438	4,657,104	45,980,334
Social Services	72,219,798	425,776,041	497,995,839	264,335,462	233,660,377
Senior Services	1,770,504	138,103	1,908,607	9,000	1,899,607
County Executive	641,303	183,633	824,936	0	824,936
Budget and Management	559,547	142,289	701,836	5,000	696,836
Labor Relations	149,236	39,795	189,031	0	189,031
Commission on the Status of Women	0	0	0	0	0
Bureau of Purchase	423,411	219,637	643,048	150,000	493,048
Bureau of Fleet Services	255,967	1,987,457	2,243,424	0	2,243,424
Equal Employment Opportunity	0	0	0	0	0
Office of Public Advocacy	484,854	45,804	530,658	84,500	446,158
Department of Real Property Tax	518,365	578,800	1,097,165	193,500	903,665
Comptroller	2,383,488	1,068,670	3,452,158	86,800	3,365,358
County Clerk Registrar Division	2,399,923	321,758	2,721,681	6,531,527	(3,809,846)
County Clerk Auto Bureau Division	2,234,210	506,660	2,740,870	8,925,000	(6,184,130)
District Attorney	7,310,279	876,344	8,186,623	341,089	7,845,534
Sheriff Division	10,192,298	(1,376,901)	8,815,397	1,419,908	7,395,489
DPW Commissioner	841,127	139,635	980,762	0	980,762
DPW - Buildings and Grounds	5,624,944	8,322,661	13,947,605	2,797,481	11,150,124
DPW - Bureau of Weights & Measures	536,491	92,193	628,684	756,500	(127,816)
Mental Health Program Administration	1,079,392	40,404,737	41,484,129	38,488,964	2,995,165
Mental Health Forensic Services	1,143,668	(17,528)	1,126,140	1,302,909	(176,769)
Youth Detention	3,963,252	5,246,099	9,209,351	6,344,580	2,864,771
Youth Bureau	87,906	1,176,866	1,264,772	1,109,154	155,618
Probation	6,722,775	288,592	7,011,367	2,360,717	4,650,650
Health Division	4,250,190	1,772,726	6,022,916	5,233,022	789,894
Health - Emergency Medical Services	1,172,808	189,778	1,362,586	672,812	689,774
Health - Public Health Lab	4,409,329	1,998,528	6,407,857	4,034,458	2,373,399
Health - Medical Examiner's Division	1,584,342	691,735	2,276,077	1,030,595	1,245,482
Health - Persons/Special Needs	1,540,210	63,579,522	65,119,732	41,259,769	23,859,963
Veterans' Services	0	0	0	0	0
County Wide Budget Accounts	87,933,071	14,370,414	102,303,485	849,679,229	(747,375,744)
County Wide Interfund Accounts	0	58,203,691	58,203,691	0	58,203,691
ECC Payments	0	19,139,717	19,139,717	0	19,139,717
Board of Elections	3,118,658	3,774,402	6,893,060	4,778,682	2,114,378
Law	1,774,564	9,805,031	11,579,595	1,870,000	9,709,595
Risk Retention	0	4,000,000	4,000,000	0	4,000,000

**SUMMARY OF APPROPRIATION, REVENUE AND COUNTY SHARE BY FUND AND DEPARTMENT
2008 PROPOSED BUDGET**

Department	Personal Services	Other	Total Appropriation	Revenue	County Share
Workers Compensation	0	0	0	0	0
Personnel Department	1,437,403	626,109	2,063,512	229,641	1,833,871
Environment & Planning	1,181,720	224,601	1,406,321	170,526	1,235,795
East Side Transfer Station	0	0	0	0	0
Parks	2,706,779	1,351,966	4,058,745	1,433,091	2,625,654
Parks - City of Buffalo	2,476,260	(287,138)	2,189,122	1,879,050	310,072
Central Police Services	3,499,115	380,013	3,879,128	24,000	3,855,128
Emergency Services	554,320	95,455	649,775	172,000	477,775
County Wide Comptroller	0	3,700,000	3,700,000	9,983,291	(6,283,291)
Economic Development	0	0	0	0	0
Mass Transit	0	20,570,698	20,570,698	0	20,570,698
Tourism Promotion	0	7,464,385	7,464,385	7,100,000	364,385
Community/Neighborhood Development	0	530,000	530,000	0	530,000
Art/Culture/Tourism	0	90,000	90,000	0	90,000
Cultural Resource Advisory Board	0	5,600,000	5,600,000	0	5,600,000
Aid to Local Governments	0	275,161,933	275,161,933	0	275,161,933
Community Assistance	0	0	0	0	0
STOP DWI/Traffic Safety	245,784	1,544,811	1,790,595	1,891,159	(100,564)
Total General Fund	290,084,959	981,485,561	1,271,570,520	1,271,570,520	0
Other Operating Funds					
140 Utilities Fund-(DPW)	188,104	53,382,590	53,570,694	53,570,694	0
210 Highways (DPW)	12,070,112	620,190	12,690,302	12,690,302	0
210 Road Repair Reserve	0	10,350,000	10,350,000	10,350,000	0
230 E-911 Fund (CPS)	0	3,665,800	3,665,800	3,665,800	0
310 General Debt	0	67,298,855	67,298,855	67,298,855	0
Debt Service SD 1, 4, 5	0	2,179,907	2,179,907	2,179,907	0
Debt Service SD 2	0	1,610,337	1,610,337	1,610,337	0
Debt Service SD 3/Southtowns	0	1,523,083	1,523,083	1,523,083	0
Debt Service SD 6	0	792,053	792,053	792,053	0
820 Library	17,700,379	8,502,476	26,202,855	26,202,855	0
Total Other Operating Funds	29,958,595	149,925,291	179,883,886	179,883,886	0
Total All Operating Funds	320,043,554	1,131,410,852	1,451,454,406	1,451,454,406	0

OVERVIEW OF REVENUES

OVERVIEW OF REVENUES

REVENUE TRENDS - ALL FUNDS

Revenue Source	2004 Actual	2005 Actual	2006 Actual	2007 Adopted	2007 Adjusted	2008 Proposed
Property Tax Levy	152,529,551 15.16%	157,641,299 14.33%	188,094,445 16.94%	200,031,205 14.21%	200,031,205 14.19%	211,837,793 14.59%
State Aid	182,715,412 18.16%	187,737,370 17.06%	204,471,168 18.42%	213,308,120 15.15%	207,182,616 14.69%	208,992,548 14.40%
Federal Aid	143,082,117 14.22%	133,520,012 12.14%	120,857,784 10.89%	138,366,063 9.83%	140,859,063 9.99%	142,234,476 9.80%
Sales Tax	248,073,387 24.66%	271,959,861 24.72%	355,002,107 31.98%	624,317,236 44.35%	624,317,236 44.28%	642,792,471 44.29% *
All Other	279,681,143 27.80%	349,385,663 31.76%	241,609,801 21.77%	231,778,241 16.46%	237,538,522 16.85%	245,597,118 16.92%
Total	1,006,081,610	1,100,244,205	1,110,035,305	1,407,800,865	1,409,928,642	1,451,454,406

*In 2006 the NYS Comptroller issued a bulletin advising counties of changes in the budgeting of shared sales tax. Counties who share sales tax with local governments must record an expenditure in the amount of the revenue. Starting in 2007 the general fund budget will therefore show a significant increase in sales tax revenue offset by a matching expense.

OVERVIEW OF REVENUES

PROPERTY TAX REVENUES

PROPERTY TAX LEVY

2007 Adopted: \$ 200,031,205
2008 Proposed: \$ 211,837,793

PROPERTY TAX LEVY

The County property tax levy represents the total amount of real property revenue to be raised by the County. The amount of the real property tax levy is the difference between total appropriations and all other projected revenue sources. The proposed 2008 County property tax levy totals \$211,837,793.

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.

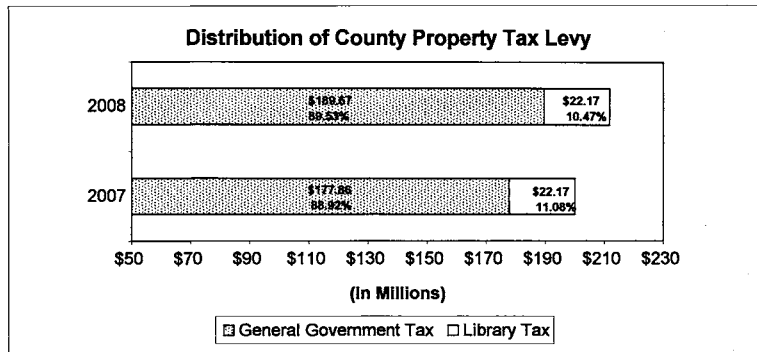
A ten-year history on the amount of Erie County's annual property tax levy is shown in the next column.

Ten-Year History Erie County Property Tax Levy

<u>Year</u>	<u>Amount of Property Tax Levy</u>	<u>% Tax Levy Change From Previous Year</u>
2008	\$211,837,793	5.90%
2007	\$200,031,205	6.35%
2006	\$188,094,445	19.32%
2005	\$157,641,229	3.35%
2004	\$152,529,551	0.00%
2003	\$152,529,551	0.00%
2002	\$152,529,551	0.00%
2001	\$152,529,551	-16.08%
2000	\$181,766,441	-18.00%
1999	\$221,666,391	-2.04%

A breakout of the total 2008 property tax levy of \$211,837,793 into two required reporting categories, as well as a comparison of these levy amounts with those in 2007 is shown on the accompanying bar graph.

PROPERTY TAX REVENUES, cont.



The respective shares of the Proposed 2008 County property tax for each of the two components of the County property tax bill are shown above and compared with the tax levy distributions in the 2007 Adopted Budget.

AVERAGE COUNTY 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.

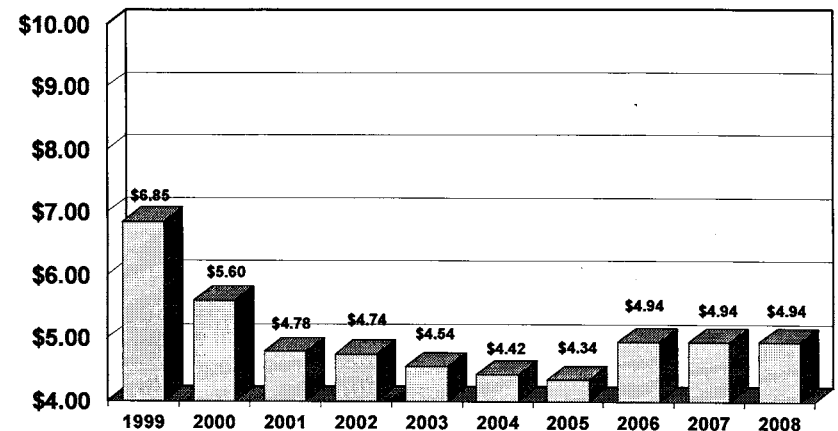
The average County property tax rate is calculated by dividing the tax levy by the total amount of County Equalized Full Value expressed in thousands:

$$\frac{\text{Total Equalized County Tax Levy}}{\text{Full Value (\$000's)}} = \text{Average County Property Tax Rate}$$

$$2008: \$211,873,793 \div \$42,866,825,529 = 4.94$$

The rate is typically compared to the prior year's average property tax rate. The graph below depicts the average County property tax rate for each of the years 1999 through 2008.

Average County Property Tax Rates 1999-2008 (Per \$1,000 of Equalized Taxable Full Value)



The degree of change in the County tax bill for a homeowner may differ from the change in the average County property tax rate.

Assessed value, i.e. the value placed on the property by city or town assessors, accounts for some of the difference. As a result of varying assessment practices in each jurisdiction, there is a difference in the relationship of assessed value to equalized full value.

Moreover, the equalization rates assigned annually by the State Board of Equalization and Assessment to convert assessed value to equalized full value may affect a jurisdiction's share of the total County property tax levy from year to year. This factor also accounts for differences between the change in a homeowner's tax bill and the change in the average County property tax rate.

EQUALIZED FULL VALUE

Compared to 2007 the amount of equalized full value has increased by 5.5 percent. Two factors have contributed to the increase in equalized full value:

- one) a 3.20 percent increase in total taxable Real Property Value in the County;
- two) a total of 9 municipalities participated in a total or partial reassessment program.

The amount of equalized full value is determined as follows:

$$\text{Total Real Property Value} \div \text{Equalization Rate (rounded)} = \text{Equalized Full Value}$$

$$2008: \$32,158,167,722 \div .7502 = \$42,866,825,579$$

$$2007: \$31,165,324,890 \div .7699 = \$40,477,681,759$$

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

Year	Equalized Full Value Tax Base	Dollar Change from Prior Year
1999	32,359,412,952	38,964,736
2000	32,429,194,230	69,781,278
2001	31,941,365,010	-487,829,220
2002	32,145,255,713	203,890,730
2003	33,578,750,893	1,433,495,180
2004	34,492,756,878	914,005,985
2005	35,982,862,212	1,490,105,334
2006	38,102,215,597	2,119,353,385
2007	40,477,681,759	2,375,466,162
2008	42,866,825,579	2,389,143,820

PROPERTY TAX REVENUES, cont.

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 of the five-year average full value of taxable real estate of the County.

The computation of the County's constitutional taxing power for 2008 is set forth below:

Computation of Constitutional Tax Power for 2008

2003	\$ 34,492,756,878
2004	\$ 35,982,862,212
2005	\$ 38,102,215,597
2006	\$ 40,477,681,759
2007	\$ 42,866,825,579
Total (a)	\$191,922,342,025
Five-Year Average Full Valuation:	\$ 38,384,468,405
Tax Limit (1.5%):	\$ 575,767,026
Total Exclusions:	\$ 62,744,277
Total Taxing Power:	\$ 638,511,303
Total Levy for 2008(b):	\$ 219,718,093
Projected Constitutional Tax Margin:	\$ 418,793,210

ONE-PERCENT TAX CAP

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

Pursuant to the terms of this local law, Erie County's estimated one-percent property tax limit is \$446,588,961 leaving a tax margin of \$226,870,868.

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

Five-Year Avg. Full Valuation:	\$38,384,468,405
Tax Limit (1.0%):	\$ 383,844,684
Total Exclusions:	\$ 62,744,277
Total Taxing Power:	\$ 446,588,961
Total Levy for 2008(b):	\$ 219,718,093
Projected One-Percent Tax Margin:	\$ 226,870,868

- (a) The County's Constitutional Tax Limit is computed utilizing the previous five years of full value.
- (b) Includes taxes for certain election and Community College expenses.

OVERVIEW OF REVENUES

SALES TAX REVENUES

SALES TAX REVENUES

2008 Proposed: \$ 642,742,471

DISTRIBUTION

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. Of Erie County's 4.75 percent, 2.58 percent is retained exclusively by the County for County purposes. The remaining 2.17 percent is distributed to other local governments.

ORIGINAL 3% SALES TAX

The original 3 percent is distributed among the County, local municipalities and school districts in the County pursuant to the following sales tax sharing agreement:

Sales Tax Allocation Formula 3% Sales Tax

County of Erie:	35.3055%
School Districts:	29.0000%
Cities:	10.0087%
Cities, Towns & Villages:	25.6858%

1% SALES TAX and .75%

Authorization for the County to levy the 1 percent County purposes sales tax expires on February 29, 2008. One percent County sales and use tax receipts are projected to total \$135,307,984.

Authorization for the County to levy the .75% sales tax expires on November 13, 2009.

SALES TAX REVENUES, cont.

Sales Tax Shared with Other Local Governments

In 2006 the NYS Comptroller issued a bulletin advising counties of changes in the budgeting of shared sales tax. Counties who share sales tax with local governments must record an expenditure in the amount of the revenue. Starting in 2007 the budget shows a significant increase in sales tax revenue offset by a matching expense.

In prior years the County did not budget the portion of the sales tax distributed to local governments from the original 3% tax. The County, however, did budget the portion going to the Erie County Fiscal Stability Authority and the NFTA.

The following table shows total estimated sales tax to be collected in 2008 and how the funds are distributed.

		2008 Proposed Collections	
Revenue			
Original 3% Sales Tax		406,003,498	
Additional 1% Sales Tax		135,307,984	
New .75% Sales Tax		101,480,989	
Total 2008 Estimated Collections		642,792,471	
Appropriations			
Distribution of Sales Tax			
Distributed to Cities, Towns, and School Districts from the Original 3%		262,661,933	
Distributed to Cities and Towns from the 1%		12,500,000	
NFTA portion		16,913,498	
Erie County Fiscal Stability Authority		980,000	
Total to Other Jurisdiction		293,055,431	45.6%
Sales Tax for County Purposes 2008		349,737,040	54.4%
Total Distributed		642,792,471	

In 2008, Erie County will distribute to other local governments \$293,055,431 or 45.6% of all sales tax earned.
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OVERVIEW OF REVENUES

STATE REVENUES

STATE REVENUES

2007 Adopted: \$ 206,835,857
 2008 Proposed: \$ 213,308,120

2008 DISTRIBUTION OF STATE REVENUES

	<u>Total</u>	<u>% of Total</u>
Social Services Department	\$106,837,075	51.12%
Health Department	6,809,299	3.26%
Services To Children	34,110,360	16.32%
With Special Needs		
Mental Health Department	36,332,795	17.38%
Highway Division	6,622,000	3.17%
Probation – Probation Division	1,615,059	0.77%
Probation – Youth Detention	6,263,342	3.00%
Youth Bureau	1,109,154	0.53%
Sheriff's Departments and	447,000	0.21%
Jail Management		
Buffalo & Erie County	2,380,981	1.14%
Public Library		
Law	1,800,000	0.86%
All Other Departments	4,665,483	2.23%
Total	\$208,992,548	100.00%

DEPARTMENT OF SOCIAL SERVICES

2007 Adopted: \$ 106,325,123
 2008 Proposed: \$ 106,837,075

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.

For most programs, reimbursement is one-half of the non-federal share of total cost. Child day care subsidies for families in receipt of Family assistance are reimbursed at 75 percent of total cost from the CCDBG up to a fixed allocation ceiling that is expected to be sufficient to cover 2008 costs. Claiming adjustments made in previous years by the State for the Family Assistance (FA) program, which were related to meeting the federal TANF maintenance of effort (MOE) requirements, are not expected in 2008. The MOE adjustments are not needed in 2008 due to higher statewide MOE-countable expenditures that will fully satisfy the MOE requirement.

STATE REVENUES, cont.

State reimbursement is also provided for all categories of administrative costs at varying rates, depending on the program administered. The State created a new Local Administrative Fund in 2006 for the reimbursement of administrative costs for Temporary Assistance, Food Stamps, Fraud Recovery and Employment programs. These programs were previously subject to a State reimbursement cap. The funding level for the Local Administrative Fund is expected to be sufficient to fully reimburse costs of these programs in 2008.

Administrative costs for Medical Assistance are a component of the Medicaid Cap in 2008. Because the local share costs of Medical Assistance administration are included in the Medicaid Cap chargeback, the State will reimburse the full non-federal share of Medical Assistance administration in the separate administrative claim. State reimbursements for all foster care services and administration are capped in a Foster Care Block Grant in 2008. Enhanced, uncapped 65 percent State reimbursement, re-instituted for child protection services in 1998 and for foster care prevention, adoption administration and independent living services in 2002, continues in 2008.

HEALTH DEPARTMENT

2007 Adopted: \$ 6,475,712
2008 Proposed: \$ 6,809,299

The Health Department 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.

SERVICES TO CHILDREN WITH SPECIAL NEEDS

2007 Adopted: \$ 33,521,636
2008 Proposed: \$ 34,110,360

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 ages 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-

STATE REVENUES, cont.

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 State Health Department.

DEPARTMENT OF MENTAL HEALTH

2007 Adopted: \$ 33,901,213
2008 Proposed: \$ 36,332,795

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 total 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 of Mental Retardation and Developmental Disabilities are received to provide services designed to maintain the independence of mentally retarded or developmentally disabled clients in the least restrictive setting. Funds from the State Office of Substance Abuse Services support services and rehabilitation programs for clients who abuse drugs and for clients who experience the

problems of alcoholism and alcohol abuse. Additionally, State revenues are received to support one-half of the cost of forensic mental health services provided to adults and children involved with the criminal court or family court systems. Increased Medicaid billing by community based contract agencies for clinic treatment and other services substantially offsets the expenses that would otherwise be directly claimed for State Mental Health reimbursement.

HIGHWAY DIVISION - COUNTY ROAD FUND

2007 Adopted: \$ 7,200,000
2008 Proposed: \$ 6,622,000

Revenue is received from the New York State Department of Transportation Consolidated Local Street and Highway Improvement Program (CHIPS), and is utilized to support capital projects and routine maintenance. State revenues are also received as reimbursement for expenses incurred by the County for snow removal on State roads.

PROBATION DEPARTMENT – PROBATION DIVISION

2007 Adopted: \$ 1,365,389
2008 Proposed: \$ 1,615,059

Reimbursement is received from the State Division of Probation and Correctional Alternatives for expenses incurred by the Probation Department.

STATE REVENUES, cont.

YOUTH DETENTION

2007 Adopted: \$ 5,834,062
2008 Proposed: \$ 6,263,342

State revenues are received to offset the operating costs of the secure and non-secure programs at the Erie County Detention Home. Erie County youth served in these programs are reimbursed at 50 percent of costs while those in the secure program from other counties are reimbursed at 100 percent. Additionally, reimbursement is received from the New York State Department of Education for the School Food breakfast and lunch program provided at the Detention Facility.

YOUTH BUREAU

2007 Adopted: \$ 1,068,889
2008 Proposed: \$ 1,109,154

State revenues are received from the State Division of Youth for Youth Development and Delinquency Prevention, and Runaway and Homeless Youth programs. 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 50 percent of the Youth Bureau's administrative costs.

SHERIFF'S DEPARTMENT AND JAIL MANAGEMENT

2007 Adopted: \$ 9,605,040
2008 Proposed: \$ 447,000

The Sheriff's Department is reimbursed for expenses related to the patrol and enforcement of navigation and snowmobile laws in Erie County. Erie County does not receive revenue or incur expense related to court security as it did in previous years.

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY

2007 Adopted: \$ 2,154,567
2008 Proposed: \$ 2,380,981

State revenues are received by the Library for the operation of the central, branch and contract libraries. State aid is based upon per capita formulas for population, book expenditures, and geographical areas served.

STATE REVENUES, cont.

LAW

2007 Adopted: \$ 1,200,000
2008 Proposed: \$ 1,800,000

Revenues are utilized to offset the expense incurred in providing legal defense for the indigent.

ALL OTHER DEPARTMENTS

2007 Adopted: \$ 4,656,489
2008 Proposed: \$ 4,665,483

Other State revenues received include reimbursement for the operation and maintenance of court facilities, interest costs associated with court improvements, the burial costs of indigent veterans, training costs for 55-a eligible individuals hired by Erie County, the District Attorney's efforts to prosecute criminals and State reimbursements for Convention Center and Court Facilities debt service costs.

OVERVIEW OF REVENUES

FEDERAL REVENUES

TOTAL FEDERAL REVENUES

2007 Adopted: \$ 138,366,063
2008 Proposed: \$ 142,234,476

2008 DISTRIBUTION OF FEDERAL REVENUES

	<u>Total</u>	<u>% of Total</u>
Social Services Department	\$134,563,123	94.61%
Youth Detention	81,238	0.06%
Services to Children With Special Needs	1,838,972	1.29%
Sheriff's Department and Jail Management	204,133	0.14%
Emergency Services	166,000	0.12%
Mental Health	3,459,078	2.43%
All Other departments	1,921,932	1.35%
Total	\$142,234,476	100.00%

DEPARTMENT OF SOCIAL SERVICES

2007 Adopted: \$ 132,000,369
2008 Proposed: \$ 134,563,123

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. For most of these programs, the Federal reimbursement is one-half of the total cost. Child day Care subsidies for low income families are reimbursed at 100 percent of cost from the CCDBG up to a fixed allocation ceiling that is expected to cover 2008 costs. SSBG services are reimbursed at 100 percent of cost up to a fixed ceiling. Federal reimbursements are also received for administrative costs related to TANF/Family Assistance, Employment program administration, Medical Assistance, Food Stamps, Foster Care and Adoption, and Child Support.

Welfare Reform legislation enacted in 1996 has capped all Federal reimbursements related to temporary assistance programs and their administration in a block grant to New York State covering TANF/Family Assistance, Emergency Family Assistance (formerly EAF) and related programs. Reimbursement of some TANF-funded administrative, transitional services and employment programs was consolidated in a new Flexible Fund for Family Fund for Family Services (FFFS) by the State in 2006. The 2007 level of FFFS

FEDERAL REVENUES, cont.

funding is assumed in 2008.

The 2008 budget reflects the continued recovery of prior-year Food Stamp administrative reimbursements totaling \$1.84 million due to retroactive changes in the federal cost allocation methodology. Reduction adjustments made in previous budgets to TANF reimbursement claims to ensure that the required maintenance of effort (MOE) is met are not necessary in the 2008 budget, as statewide TANF spending is expected to fully satisfy the MOE requirement.

DEPARTMENT OF MENTAL HEALTH

2007 Adopted: \$ 3,459,078
2008 Proposed: \$ 3,459,078

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.

YOUTH DETENTION

2007 Adopted: \$ 81,238
2008 Proposed: \$ 81,238

Federal revenue received in the Detention Facility is

reimbursement for meals under the School Food Program.

SERVICES TO CHILDREN WITH SPECIAL NEEDS

2007 Adopted: \$ 2,186,045
2008 Proposed: \$ 1,838,972

Revenues budgeted represent the Federal share of Medicaid reimbursement for the medical component of the special education programs provided to 3 and 4 year-old children with special needs. Reimbursement is received at 50 percent of the cost for Medicaid eligible children with net County revenue of 20.25 percent after a required refund to the State Education Department of 59.5 percent of the Federal aid received. Additionally, Federal Medicaid reimbursement for certain administrative activities associated with the pre-school education program is received at 50 percent of total cost. The revenue decrease in 2007 is attributable to new Federal claiming restrictions.

SHERIFF'S DEPARTMENT AND JAIL MANAGEMENT

2007 Adopted: \$ 185,333
2008 Proposed: \$ 204,133

Federal revenue is received for the provision of meals to young adults housed at the Holding Center and in the Correctional Facility. Reimbursement is also

FEDERAL REVENUES, cont.

budgeted in 2008 from the Social Security Administration through the prisoner reporting incentive program.

DEPARTMENT OF EMERGENCY SERVICES

2007 Adopted: \$ 166,000
2008 Proposed: \$ 166,000

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

ALL OTHER DEPARTMENTS

2007 Adopted: \$ 288,000
2008 Proposed: \$ 1,921,932

Revenues of \$1,800,000 are received from Federal Health Insurance Part D Subsidy Program through the Personnel Department. The remaining \$121,932 is Federal money allocated to the District Attorney's Office.

OVERVIEW OF REVENUES

ALL OTHER REVENUES

ALL OTHER REVENUES

2007 Adopted: \$ 231,778,241
2008 Proposed: \$ 245,597,118

2008 DISTRIBUTION OF ALL OTHER REVENUES

	<u>Total</u>	<u>% of Total</u>
Major Countywide	\$ 16,519,291	6.73%
Interfund Transfer	82,310,001	33.51%
Fees, Charges, and Miscellaneous	146,767,826	59.76%
Total	\$245,597,118	100.00%

MAJOR COUNTYWIDE REVENUES

2007 Adopted: \$ 14,545,300
2008 Proposed: \$ 16,519,291

These are general County revenues, from sources other than the real property tax and sales tax, which cannot be directly attributed to specific departmental operations. Along with the property tax and sales tax revenues, these countywide revenues support the total net County cost of all operations.

There are four such revenues:

Hotel Occupancy Tax

2007 Adopted: \$ 5,947,181
2008 Proposed: \$ 7,100,000

A Hotel Occupancy Tax, currently ranging from 3% to 5% of room charges, was enacted in 1975. The tax produces revenue to offset debt service expenses incurred for the County-owned and operated convention center. These revenues also are used for the promotion of tourism in the county.

Off-Track Parimutuel Tax (OTB Revenue)

2007 Adopted: \$ 596,500
2008 Proposed: \$ 596,500

The County receives a portion of the profits of the Western Regional Off-Track Betting Corporation (WROTB) from a parimutuel wagering tax. The amount distributed to the County is based both on population and the value of wagers originating in each participating county.

ALL OTHER REVENUES, cont.

Interest Earnings

2007 Adopted: \$ 4,890,000
2008 Proposed: \$ 5,250,000

Revenue is realized from the regular investment of available funds in certificates of deposit, treasury notes and repurchase agreements.

Community College Respread Revenue

2007 Adopted: \$ 3,111,619
2008 Proposed: \$ 3,572,791

This revenue is reimbursement from towns for tuition payments made by the County for town residents who are enrolled in community colleges outside of Erie County. The tuition costs are billed back to the various towns in the county for the town residents for whom tuition was paid.

INTERFUND TRANSFER REVENUES

2007 Adopted: \$ 73,629,449
2008 Proposed: \$ 82,310,001

These revenues are received by County entities in one fund, through interfund transfers, to pay for the cost of services they provide to County entities in other funds. Other interfund transfer revenues represent subsidy payments from the General Fund, rather than payments for services. These subsidies are required to balance another

fund's budget if its expenditures exceed total revenues from all other sources. Interfund transfer revenues also include transfers from various funds into the Debt Service Fund from which principal and interest payments on long-term debt are made and recorded.

FEES, CHARGES AND OTHER MISCELLANEOUS REVENUES

2007 Adopted: \$ 143,603,492
2008 Proposed: \$ 146,787,826

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; charges to other governments for services provided; fines and penalties; tax assessment services; parks and recreation fees; public health clinic fees; Medicaid payments for children in the Early Intervention and Services to Children with Special Needs programs, etc.

Other types of revenue include client repayments of Public or Medical Assistance, payments in lieu of taxes and revenue from the removal of property exemptions, revenues from sales of scrap or sales of County property, prior year fund balances carried over

ALL OTHER REVENUES, cont.

into the current budget, adjustments to reserves, deferred revenue or liabilities, refunds and recoveries, and a wide variety of miscellaneous cash receipts.

SUMMARY OF MAJOR REVENUE SOURCES BY FUND AND DEPARTMENT

Department	Total Proposed Revenue	Real Property Tax Revenue	Other Local Source Revenue	State Aid	Federal Aid	Interfund Revenue
Fund - 110 General						
Legislature						
Division of Information and Support Services	230,000		230,000			
Jail Management	4,657,104		4,098,304	362,000	196,800	
Social Services	264,335,462		22,935,264	106,837,075	134,563,123	
Senior Services	9,000		9,000			
County Executive	-					
Budget and Management	5,000		5,000			
Bureau of Purchase	150,000		150,000			
Bureau of Fleet Services	-					
Office of Public Advocacy	84,500			84,500		
Department of Real Property Tax	193,500		163,500	30,000		
Comptroller	86,800		86,800			
County Clerk Registrar Division	6,531,527		6,531,527			
County Clerk Auto Bureau Division	8,925,000		8,925,000			
District Attorney	341,089		3,600	215,557	121,932	
Sheriff Division	1,419,908		1,327,575	85,000	7,333	
DPW Commissioner	-					
DPW - Buildings and Grounds	2,797,481		409,481	2,388,000		
DPW - Bureau of Weights & Measures	756,500		720,000	36,500		
Mental Health Program Administration	38,488,964			35,029,886	3,459,078	
Mental Health Forensic Services	1,302,909			1,302,909		
Youth Detention	6,344,580			6,263,342	81,238	
Youth Bureau	1,109,154			1,109,154		
Probation	2,360,717		745,658	1,615,059		
Health Division	5,233,022		1,754,700	3,478,322		
Health - Emergency Medical Services	672,812		17,143	655,669		
Health - Public Health Lab	4,034,458		2,108,735	1,925,723		
Health - Medical Examiner's Division	1,030,595		281,010	749,585		
Health - Persons/Special Needs	41,259,769		5,310,437	34,110,360	1,838,972	
Veterans' Services	-					
County Wide Budget Accounts	849,679,229	189,665,960	658,213,269		1,800,000	
ECC Payments	-					
Board of Elections	4,778,682		4,778,682			
Law	1,870,000		70,000	1,800,000		
Personnel Department	229,641		229,641			
Environment & Planning	170,526		158,026	12,500		
East Side Transfer Station	-					
Parks	1,433,091		1,432,091	1,000		
Parks - City of Buffalo	1,879,050		1,879,050			
Central Police Services	24,000		20,000	4,000		

SUMMARY OF MAJOR REVENUE SOURCES BY FUND AND DEPARTMENT

Department	Total Proposed Revenue	Real Property Tax Revenue	Other Local Source Revenue	State Aid	Federal Aid	Interfund Revenue
Emergency Services	172,000		6,000		166,000	
County Wide Comptroller	9,983,291		9,983,291			
Tourism Promotion	7,100,000		7,100,000			
Community/Neighborhood Development	-					
STOP DWI/Traffic Safety	1,891,159		1,891,159			
Total General Fund	1,271,570,520	189,665,960	741,573,943	198,096,141	142,234,476	-
Other Operating Funds						
140 Utilities Fund-(DPW)	53,570,694		42,003,632			11,567,062
210 Highways (DPW)	12,690,302		111,000	6,622,000		5,957,302
210 Road Repair Reserve	10,350,000		10,350,000			
230 E-911 Fund (CPS)	3,665,800		3,665,800			
310 General Debt	67,298,855		5,377,063	1,893,426		60,028,366
310 Debt Service SD 1, 4, 5	2,179,907		538,823			1,641,084
310 Debt Service SD 2	1,610,337		439,090			1,171,247
310 Debt Service SD 3/Southtowns	1,523,083		280,085			1,242,998
310 Debt Service SD 6	792,053		90,111			701,942
820 Library	26,202,855	22,171,833	1,650,041	2,380,981		
Total Other Operating Funds	179,883,886	22,171,833	64,505,645	10,896,407	-	82,310,001
Total All Operating Funds	1,451,454,406	211,837,793	806,079,588	208,992,548	142,234,476	82,310,001

SUMMARY OF REVENUE BY FUND AND DEPARTMENT

Department	2005 Actual	2006 Actual	2007 Adopted	2007 Adjusted	2008 Department Request	2008 Executive Recommended	2008 Adopted
Fund - 110 General							
Legislature	5,234	12,675	0	0	0	0	
Division of Information and Support Services	399,485	325,046	0	0	0	230,000	
Jail Management	14,958,056	15,619,157	14,692,292	7,729,097	4,657,104	4,657,104	
Social Services	242,823,840	247,317,791	261,804,201	264,335,214	264,335,462	264,335,462	
Senior Services	(28,155)	54,415	52,000	52,000	9,000	9,000	
County Executive	4,821	5,399	0	0	0	0	
Budget and Management	241,197	262,819	353,000	353,000	5,000	5,000	
Bureau of Purchase	104,628	181,378	150,000	150,000	150,000	150,000	
Bureau of Fleet Services	0	206	0	0	0	0	
Office of Public Advocacy	0	98,311	137,500	177,500	84,500	84,500	
Department of Real Property Tax	0	0	0	0	193,500	193,500	
Comptroller	98,746	140,298	80,000	80,000	86,800	86,800	
County Clerk Registrar Division	6,911,333	6,854,590	6,615,027	6,615,027	6,531,527	6,531,527	
County Clerk Auto Bureau Division	2,061,669	6,486,957	9,100,000	9,100,000	8,900,000	8,925,000	
District Attorney	305,794	369,069	173,557	388,523	341,089	341,089	
Sheriff Division	1,371,357	1,595,862	1,312,333	1,943,328	1,419,908	1,419,908	
DPW Commissioner	31	63,009	0	0	0	0	
DPW - Buildings and Grounds	2,144,694	2,467,040	2,472,300	2,472,300	2,797,481	2,797,481	
DPW - Bureau of Weights & Measures	687,783	773,206	720,714	720,714	756,500	756,500	
Mental Health Program Administration	32,300,997	31,604,533	36,098,981	36,539,944	38,438,964	38,488,964	
Mental Health Forensic Services	730,379	565,952	1,261,310	1,261,310	1,302,909	1,302,909	
Youth Detention	5,579,398	7,040,144	5,915,300	5,929,800	6,344,580	6,344,580	
Youth Bureau	1,088,523	1,031,281	1,068,889	1,068,889	1,109,154	1,109,154	
Probation	1,596,951	1,803,335	2,162,180	2,196,552	2,411,617	2,360,717	
Health Division	8,047,439	4,955,887	5,619,284	5,633,684	5,258,338	5,233,022	
Health - Emergency Medical Services	668,245	427,044	672,613	686,653	667,160	672,812	
Health - Public Health Lab	611,431	3,371,835	4,845,582	4,845,582	4,083,474	4,034,458	
Health - Medical Examiner's Division	741,203	680,258	1,030,530	1,030,530	1,030,002	1,030,595	
Health - Persons/Special Needs	37,976,172	38,953,352	40,607,192	40,607,192	41,259,769	41,259,769	
Veterans' Services	52,143	0	0	0	0	0	
County Wide Budget Accounts	518,189,713	553,909,373	818,536,199	822,194,629	849,679,229	849,679,229	
ECC Payments	647,561	0	0	0	0	0	
Board of Elections	3,927,019	3,802,176	3,038,717	3,038,717	4,510,000	4,778,682	
Law	215,987	1,949,199	1,270,000	1,270,000	1,870,000	1,870,000	
Personnel Department	62,521	371,607	266,500	266,500	229,641	229,641	
Environment & Planning	268,744	367,368	298,556	298,556	170,526	170,526	
East Side Transfer Station	349,243	0	0	0	0	0	

SUMMARY OF REVENUE BY FUND AND DEPARTMENT

Department	2005 Actual	2006 Actual	2007 Adopted	2007 Adjusted	2008 Department Request	2008 Executive Recommended	2008 Adopted
Parks	1,942,182	1,571,156	1,487,248	1,618,548	1,433,091	1,433,091	
Parks - City of Buffalo	1,865,319	1,885,746	1,903,050	1,903,050	1,879,050	1,879,050	
Central Police Services	317,119	198,988	39,000	39,000	24,000	24,000	
Emergency Services	163,713	466,394	172,000	183,000	172,000	172,000	
County Wide Comptroller	6,796,624	8,449,456	9,062,119	9,062,119	9,983,291	9,983,291	
Tourism Promotion	0	0	0	0	7,100,000	7,100,000	
Community/Neighborhood Development	4,251	0	0	0	0	0	
STOP DWI/Traffic Safety	1,880,583	1,619,781	1,776,843	1,792,503	1,771,849	1,891,159	
Total General Fund	898,113,973	947,652,092	1,234,795,017	1,235,583,461	1,270,996,515	1,271,570,520	
Other Operating Funds							
140 Utilities Fund-(DPW)	49,960,939	51,362,095	56,535,153	56,535,153	53,570,694	53,570,694	
210 Highways (DPW)	9,064,032	10,634,973	10,898,024	10,887,357	12,774,751	12,690,302	
210 Road Repair Reserve	11,255,560	10,719,918	9,500,000	10,850,000	10,350,000	10,350,000	
230 E-911 Fund (CPS)	2,523,004	2,864,648	3,860,800	3,860,800	3,665,800	3,665,800	
310 General Debt	99,833,168	56,108,240	59,602,804	59,602,804	66,685,439	67,298,855	
310 Debt Service SD 1, 4, 5	1,668,456	1,992,671	2,540,806	2,540,806	2,179,907	2,179,907	
310 Debt Service SD 2	1,335,865	1,374,874	1,659,519	1,659,519	1,610,337	1,610,337	
310 Debt Service SD 3/Southtowns	763,494	1,327,952	1,543,599	1,543,599	1,523,083	1,523,083	
310 Debt Service SD 6	648,724	780,485	891,015	891,015	792,053	792,053	
820 Library	25,076,990	25,217,357	25,974,128	25,974,128	28,690,268	26,202,855	
Total Other Operating Funds	202,130,232	162,383,213	173,005,848	174,345,181	181,842,332	179,883,886	
Total All Operating Funds	1,100,244,205	1,110,035,305	1,407,800,865	1,409,928,642	1,452,838,847	1,451,454,406	

OVERVIEW OF EXPENDITURES

OVERVIEW OF EXPENDITURES

EXPENDITURE TRENDS - ALL FUNDS

Fund	2004 Actual	2005 Actual	2006 Actual	2007 Adopted*	2007 Adjusted	2008 Proposed
General Fund	977,480,443 88.11%	888,638,374 81.05%	934,167,809 85.73%	1,234,795,017 87.71%	1,235,583,461 87.63%	1,271,570,520 87.61%
Debt Service	39,687,819 3.58%	105,499,675 9.62%	58,932,324 5.41%	66,237,743 4.71%	66,237,743 4.70%	73,404,235 5.06%
Road Fund	24,589,584 2.22%	24,584,603 2.24%	22,572,847 2.07%	20,398,024 1.45%	21,737,357 1.54%	23,040,302 1.59%
Library	27,528,897 2.48%	25,621,312 2.34%	20,418,350 1.87%	25,974,128 1.85%	25,974,128 1.84%	26,202,855 1.81%
E-911	2,052,294 0.18%	2,345,069 0.21%	2,579,573 0.24%	3,860,800 0.27%	3,860,800 0.27%	3,665,800 0.25%
Utilities Fund	38,050,564 3.43%	49,655,821 4.53%	50,972,747 4.68%	56,535,153 4.02%	56,535,153 4.01%	53,570,694 3.69%
Total	1,109,389,601	1,096,344,854	1,089,643,650	1,407,800,865	1,409,928,642	1,451,454,406

*In 2006 the NYS Comptroller issued a bulletin advising counties of changes in the budgeting of shared sales tax. Counties who share sales tax with local governments must record an expenditure in the amount of the revenue. Starting in 2007 the general fund budget will therefore show a significant increase in sales tax revenue offset by a matching expense.

PERSONAL SERVICES EXPENDITURES – ALL FUNDS

FULL TIME POSITION COUNT – SUMMARY BY PROGRAM AREA AND DEPARTMENT

Department	2004 Adjusted	2005 Adjusted	2006 Adjusted	2007 Adopted	2007 Adjusted	2008 Proposed	2007 Adjusted vs 2008 Proposed	2004 Adjusted vs 2008 Proposed
Administrative/Management								
Legislature	66	31	34	35	36	36	0	(30)
Executive	21	10	8	8	8	8	0	(13)
Budget, Management & Finance	37	20	27	26	18	8	(10)	(29)
Real Property Tax Services						10	10	10
Law (County Attorney)	36	23	24	24	24	23	(1)	(13)
Labor Relations	1	1	1	1	1	2	1	1
Personnel	32	19	22	23	23	27	4	(5)
Comptroller	62	31	34	34	44	43	(1)	(19)
Information & Support	58	47	63	60	61	61	0	3
Purchasing	11	6	7	7	7	7	0	(4)
Fleet Services	10	1	5	5	5	5	0	(5)
Office of Public Advocacy	0	0	8	8	9	9	0	9
Equal Employment Opportunity	5	2	0	0	0	0	0	(5)
Women's Commission	3	2	0	0	0	0	0	(3)
Veterans' Services	4	2	0	0	0	0	0	(4)
Total Adm/Mgmt	346	195	233	231	236	239	3	(107)
Economic/Community Development								
Environment & Planning	30	13	14	13	13	17	4	(13)
East Side Transfer Station	2	1	0	0	0	0	0	(2)
Total Eco/Comm Development	32	14	14	13	13	17	4	(15)
General Services								
County Clerk-Registrar	61	53	54	54	54	54	0	(7)
County Clerk-Auto Bureau	57	41	47	47	47	47	0	(10)
Public Works-Commissioner	23	11	14	12	12	12	0	(11)
Public Works-Bldgs & Grounds	185	124	139	134	135	140	5	(45)
Bureau of Weights & Measures	11	12	11	12	11	11	0	0
Utilities Fund	1	1	1	1	1	2	1	1
Public Works-Highways	263	156	165	166	167	167	0	(96)
Board of Elections	62	36	50	62	63	63	0	1
Parks	97	43	50	48	48	48	0	(49)
Buffalo City Parks	61	57	57	56	56	54	(2)	(7)
Recreation	4	0	0	0	0	0	0	(4)
Forestry	5	0	0	0	0	0	0	(5)
Total General Services	830	534	588	592	594	598	4	(232)

PERSONAL SERVICES EXPENDITURES – ALL FUNDS

FULL TIME POSITION COUNT – SUMMARY BY PROGRAM AREA AND DEPARTMENT

Department	2004 Adjusted	2005 Adjusted	2006 Adjusted	2007 Adopted	2007 Adjusted	2008 Proposed	2007 Adjusted vs 2008 Proposed	2004 Adjusted vs 2008 Proposed
Education and Libraries								
Library	316	261	186	186	216	211	(5)	(105)
Health and Human Services								
Social Services Administration	1,755	1,451	1,603	1,663	1,663	1,715	52	(40)
Youth Detention	82	70	74	74	74	75	1	(7)
Youth Bureau	1	1	2	2	2	2	0	1
Mental Health	22	20	21	17	17	18	1	(4)
Health Division	239	133	90	86	86	83	(3)	(156)
Emergency Medical Services	20	16	19	4	4	19	15	(1)
Public Health Laboratory	20	18	77	83	89	87	(2)	67
Medical Examiner	22	22	23	23	24	24	0	2
Persons with Special Needs	49	37	36	37	37	37	0	(12)
Senior Services-Administration	<u>43</u>	<u>32</u>	<u>40</u>	<u>33</u>	<u>32</u>	<u>34</u>	<u>2</u>	<u>(9)</u>
Total Health and Human Services	2,253	1,800	1,985	2,022	2,028	2,094	66	(159)
Public Safety								
District Attorney	138	116	116	115	115	116	1	(22)
Sheriff	241	179	174	162	162	163	1	(78)
Jail Management	778	728	790	802	675	674	(1)	(104)
Central Police Services	61	51	52	85	82	64	(18)	3
STOP DWI	5	5	5	5	5	4	(1)	(1)
Probation	137	83	98	108	107	128	21	(9)
Mental Health-Forensic	18	13	14	21	21	21	0	3
Emergency Services	<u>12</u>	<u>9</u>	<u>9</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>0</u>	<u>(2)</u>
Total Public Safety	1,390	1,184	1,258	1,308	1,177	1,180	3	(210)
TOTAL POSITIONS	5,167	3,988	4,264	4,352	4,264	4,339	75	(828)
Erie County Medical Center	1,998	0	0	0	0	0	0	(1,998)
Erie County Home	<u>562</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(562)</u>
TOTAL with ECMCC	7,727	3,988	4,264	4,352	4,264	4,339	75	(3,388)

There are 828 fewer positions in the 2008 Budget when compared to 2004 and excluding ECMCC.
This represents a 16.02% decrease.

OVERVIEW OF EXPENDITURES

FRINGE BENEFITS EXPENDITURES - 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:

FICA

The required employee contribution for 2008 will normally be 7.65% of the total salary, up to the maximum wage base. The maximum salary base for 2008 is estimated to be \$102,000. In developing FICA appropriations for 2008, the portion of salaries exceeding the maximum wage base was excluded. Also, a separate adjustment factor was determined for each fund to account for salaries in excess of \$102,000 that are subject to the 1.45 percent Medicare only portion of FICA.

MEDICAL AND HOSPITALIZATION INSURANCE - ACTIVE EMPLOYEES

The 2008 budget estimate for active employees' medical and hospitalization insurance was based on the new 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.

DENTAL INSURANCE

The estimated cost for dental insurance for County employees in 2008 is based on the current GHI premium for all employees, the number of funded positions and the current family/single coverage ratio. A separate ratio was used for each fund.

WORKERS' COMPENSATION

The proposed appropriation for Workers' Compensation in 2008 was based on the current year's cost trend and was adjusted for medical costs and benefit levels in 2008. The appropriation provides funding for medical and indemnity payments, mandated state assessments and administration fees. The total appropriation is normally budgeted through the various

FRINGE BENEFITS EXPENDITURES - ALL FUNDS, cont.

funds and is charged through the payroll system as a percentage of gross payroll charges.

MEDICAL AND HOSPITALIZATION INSURANCE - RETIREES

The County's projected contribution toward retirees' medical and hospitalization insurance is based on the 2006 and 2007 cost trend and was adjusted for estimated increases in premium costs.

UNEMPLOYMENT INSURANCE COVERAGE

The appropriation for unemployment insurance is based on 2007 trends.

RETIREMENT

The retirement expenses were projected on the basis of a projected salary base for the period April 1, 2007 through March 31, 2008. Growth factors for each tier and year were based on estimates supplied by the Office of the State Comptroller. The estimated rate for each tier for the year ending March 31, 2008 was also provided by the Office of the State Comptroller.

OVERVIEW OF EXPENDITURES

GENERAL FUND EXPENDITURES

TOTAL GENERAL FUND EXPENSES

2007 Adopted: \$ 1,234,795,017
2008 Proposed: \$ 1,271,570,520

2008 DISTRIBUTION OF GENERAL FUND EXPENSES

	<u>Total</u>	<u>% of Total</u>
Personal Services	\$198,351,888	15.60%
Fringe Benefits	91,733,071	7.21%
Contractual Agency Payments	154,685,829	12.16%
Social Services Assistance And Programs	366,747,473	28.84%
Services to Children with Special Needs	58,989,318	4.64%
Interfund Transfers	83,090,490	6.53%
Sales Tax	262,661,933	20.66%
All Other Expenses	55,310,518	4.35%
Total	\$1,271,570,520	100.00%

PERSONAL SERVICES

2007 Adopted: \$ 201,099,579
2008 Proposed: \$ 198,351,888

Personal Service appropriations cover salary and

wages for full-time positions budgeted in the General Fund, as well as for overtime and part-time expenditures, and for contractual salary reserves. There are 3,959 full-time positions authorized in the 2008 Proposed Budget.

FRINGE BENEFITS

2007 Adopted: \$ 84,543,695
2008 Proposed: \$ 91,733,071

Fringe benefit expenses are budgeted in Fund Center 14010 - Countywide Accounts-Budget - in the General Fund. During the course of the fiscal year, these expenses are apportioned on a departmental basis.

CONTRACTUAL AGENCY PAYMENTS

2007 Adopted: \$ 154,424,908
2008 Proposed: \$ 154,685,829

The major accounts comprising this appropriation include: Mental Health contractual agencies - \$37,797,148; Social Services contractual agencies - \$19,084,450; contractual services relating to ECMCC \$8,534,905; contractual services relating to the legal defense of the indigent - \$10,359,320; contractual payments for Erie County residents enrolled in other

GENERAL FUND EXPENDITURES, cont.

counties' community colleges - \$3,718,939; payments for youth in agency non-secure detention placements - \$2,718,800.

NFTA

With a 2008 total appropriation of \$20,570,698, the Niagara Frontier Transportation Authority (NFTA) consumes the largest portion of the County's public benefit agency contractual funding.

Erie and Niagara Counties are required under Section 18-b of the State Transportation Law to match the annual appropriation made by the State for Transit Operating Assistance to the NFTA. Erie County's matching share is 89.2 percent of the State appropriation.

In the 2007-2008 State Budget, the New York State Legislature provided a NFTA transit operating assistance appropriation of \$4,100,000. A similar amount is assumed for 2008-2009. State 18-b transit operating funding requires a local combined (Erie/Niagara counties) match of a like amount.

For the County's 2008 fiscal year, the local 18-b match is the required 89.2 percent of the \$4.1 million State appropriation, or \$3,657,200. This amount is unchanged from 2007.

Additionally, the 2008 Proposed Budget includes a separate supplemental appropriation of

\$16,913,498 for the NFTA share of County sales tax receipts. Pursuant to action by the Erie County Legislature and an agreement between the NFTA and the County, effective April 1, 1993 the NFTA receives one-eighth of one cent of sales tax levied in the County.

SOCIAL SERVICES ASSISTANCE PAYMENTS AND PROGRAM EXPENSES

2007 Adopted: \$ 362,779,831
2008 Proposed: \$ 366,737,473

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

Family Assistance (Account 525040)

2007 Adopted: \$ 39,242,291
2008 Proposed: \$ 34,460,834

Public assistance benefit payments are made for basic needs, shelter and utilities, etc., to families eligible for this Federal/State/local program. Welfare reform at the Federal level replaced AFDC (Aid to Families with Dependent Children) with TANF (Temporary Assistance to Needy Families) in August 1996. In New York State, TANF is known as Family Assistance.

GENERAL FUND EXPENDITURES, cont.

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.

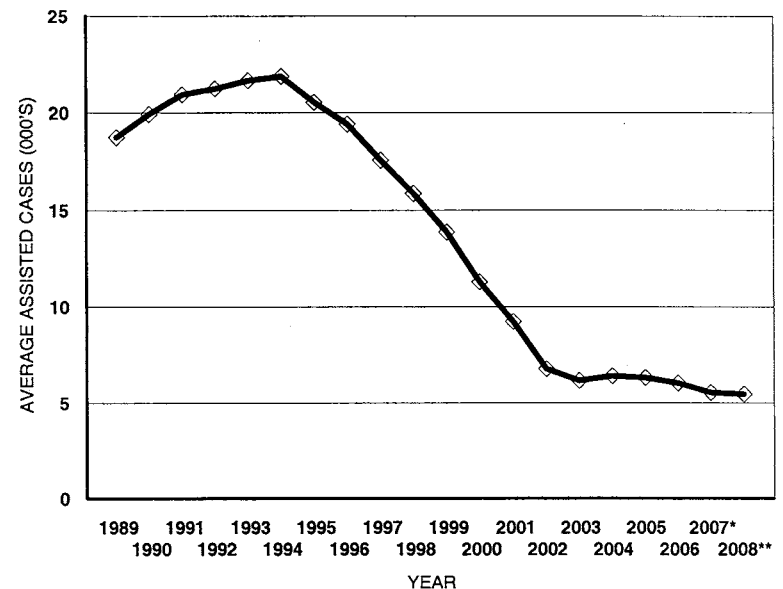
Benefits are also restricted to non-cash voucher payments and small personal needs allowances when the five-year (60-month) lifetime limit on Family Assistance eligibility is reached. This occurred for the first cases in December 2001, and additional cases reach their limit each month thereafter.

Caseloads are funded at an average level of 5,453 cases per month in 2008 with an average base monthly cost per case of \$473.90.

The 2008 caseload estimate reflects caseload trends that have occurred to date. It assumes that the current base caseload will continue to increase throughout 2008 at a monthly rate of 25 cases.

This produces a beginning trend caseload estimate for 2008 that averages 5,648 cases per month.

TREND OF FAMILY ASSISTANCE CASES (With Time Limit Shifts)



* Estimated

** Proposed Budget

This beginning caseload estimate must, however, be reduced to reflect the transfer of currently active cases to Safety Net Assistance when they reach their 60-month lifetime federal eligibility

GENERAL FUND EXPENDITURES, cont.

limit. Another 360 cases are expected to reach their time limits and to be shifted to Safety Net Assistance by the end of 2008 at the current rate of 30 new cases shifted per month. In all, a monthly average of 195 time limit cases are subtracted from the trend estimate of 5,648 cases to arrive at the budgeted monthly average caseload of 5,453 which accounts for the cases that will move to Safety Net Assistance.

The 2008 monthly base cost per case estimate of \$473.90 is consistent with current actuals with adjustments to provide for voucher fuel cases and the expected commodity price of natural gas paid out on those cases.

The appropriation includes added amounts for utility emergency assistance, \$984,984; for supplemental payments to clients as required in an annual reconciliation of fuel allowances to actual costs, \$84,033; and \$2,381,901 for non-utility emergency assistance (formerly EAF). These amounts are consistent with current costs and cost trends.

The total County share cost of the Family Assistance program is \$8,319,727 in 2008 after subtracting client repayments, Federal and State reimbursements and other revenues from the gross appropriation. This is a decrease in local share cost of \$1,237,343 or 12.95 percent, compared to the 2007 Adopted Budget.

The base local share in 2008 will be adjusted in claiming for the shift by the State of \$14.41 million in Federal TANF revenue that otherwise would be applied against Family Assistance costs, to Foster Care and Foster Care Administration in an effort to address Federal TANF maintenance of effort (MOE) requirements. Combined Federal/State net TANF revenue reductions that add to County share TANF costs in order to avoid a Federal TANF MOE shortfall and penalty are not necessary in 2008 due to higher statewide caseloads. The net TANF reductions are approximately \$1.16 million higher in 2008 as compared to the 2007 budgeted amount.

Safety Net Assistance (Account 525060)

2007 Adopted:	\$ 38,108,588
2008 Proposed:	\$ 39,051,277

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

GENERAL FUND EXPENDITURES, cont.

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

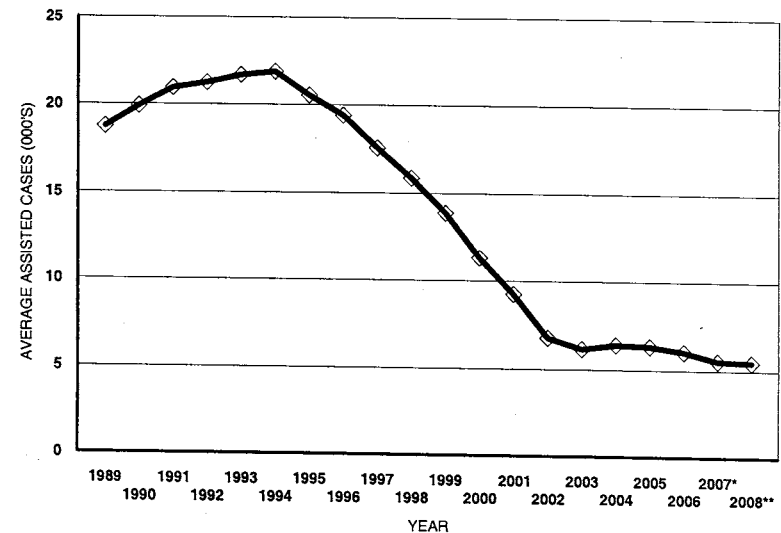
Caseloads are funded at an average level of 7,244 cases per month in 2008, with an average base monthly cost per case of \$435.82.

The 2008 caseload estimate is based on caseload trends that have occurred to date. It assumes that the current base caseload will continue to increase through 2008 at a monthly rate of 35 cases. This produces a beginning trend caseload estimate for 2008 that averages 7,211 per month.

To this beginning caseload estimate must be added those new cases that will transfer to Safety Net Assistance when they reach their 60-month federal eligibility time limit in Family Assistance. As indicated earlier, a monthly average of 195 new cases are expected to be shifted into Safety Net Assistance. Many of these and previously transferred clients, however, are employed and

case closings due to employment and income are expected to reduce the number that will actually be maintained in Safety Net Assistance once they have been transferred. In all, a monthly average of 33 cases are added to the trend estimate of 7,211 cases to arrive at the budgeted average monthly caseload of 7,244.

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



* Estimated

** Proposed Budget

GENERAL FUND EXPENDITURES, cont.

The 2008 base monthly cost-per-case estimate of \$435.82 is consistent with current actuals with adjustments to provide for voucher fuel cases and the expected commodity price of natural gas paid out on those cases. The base cost reflects the higher costs per case of the growing proportion of family cases in Safety Net Assistance as a result of the 60-month time limit for Family Assistance eligibility, as compared to the traditional single adult Safety Net case.

The appropriation includes added amounts for utility emergency assistance, \$964,996; and \$201,008 for supplemental payments to clients as required in an annual reconciliation of fuel allowances to actual costs.

The County share cost of the Safety Net Assistance program is \$17,378,502 in 2008 after subtracting client repayments, reimbursements and other revenues from the gross appropriation. This is an increase of \$1,318,924 (8.21 percent) compared to the 2007 budgeted amount. This increase reflects both reduced client repayments and the loss of federal reimbursement for two parent cases shifted by the State out of the TANF Maintenance of Effort (MOE) category to avoid participation rate penalties.

Medicaid – MMIS Local Share (Account 525000)

2007 Adopted:	\$ 185,962,536
2008 Proposed:	\$ 191,222,362

This appropriation is the County's net local share of all Medicaid – related costs under the State's new Local Share Medicaid Cap which was effective beginning January 2006.

Legislation establishing a Medicaid Cap was enacted in 2005. The legislation sets 2005 actual cash local share costs as a base year, with costs in subsequent years fixed by an annual inflation factor. In 2008 the Medicaid Cap will be the 2007 actual Medicaid Cap amount plus 3.00 percent of the 2005 final cash basis local share Medicaid Base. It will be charged to the County by the State in 52 weekly wire transfer installment payments.

In 2009 and subsequent years the cap will grow by 3.0 percent of the 2005 Medicaid local share base annually. In any year, if actual local share costs are lower than the Medicaid Cap amount, counties will be refunded the overpayment.

In contrast to the MMIS local share chargeback in prior years, the new 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

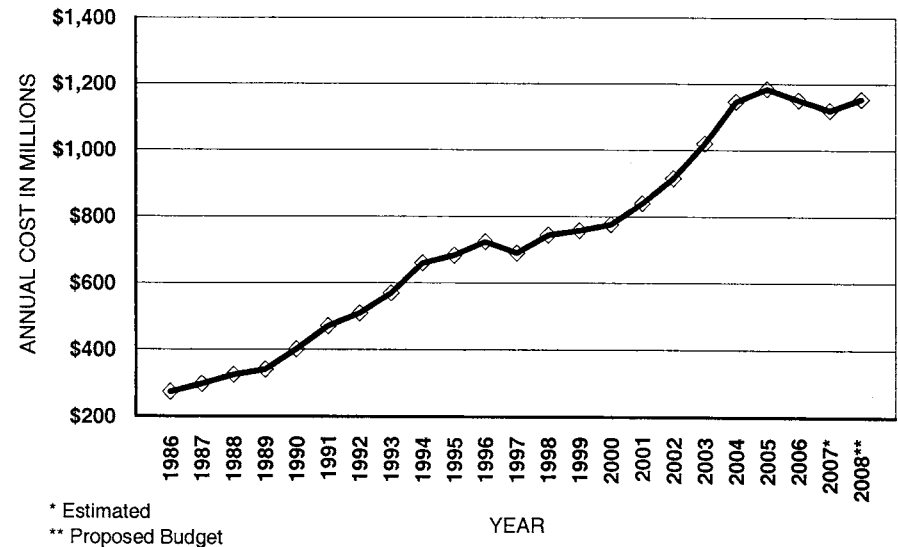
GENERAL FUND EXPENDITURES, cont.

share of the gross payments made.

- Payments made locally by Erie County to transportation providers and insurance companies that are claimed for reimbursement of Federal and State shares.
- Medicaid program administration costs that are part of the monthly reimbursement claim
- All revenues associated with Medicaid programs such as repayments that determine overall local share costs.
- Medicare Part A and B premium and copayments 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 was entirely assumed by the State in September 2005. Also excluded from the Medicaid Cap are annual Indigent Care adjustment payments to providers that total \$2,331,775 local share.

TREND OF MEDICAID COST (Gross Cash Basis)



The 2008 appropriation is the amount of the 2008 Erie County Local Share Medicaid Cap plus the local share of the Indigent Care adjustment payments. It totals \$191,222,362 for all of the components listed above.

The calculation of the required appropriation starts from the actual cash basis 2007 County fiscal year Medicaid Cap of \$183,550,127. The inflator adds \$5,340,460 to the 2007 Cap, and the Indigent Care adjustment adds another \$2,331,775.

GENERAL FUND EXPENDITURES, cont.

Medicaid -- Gross Local Payments (Account 525030)

2007 Adopted: \$ 7,828,822
2008 Proposed: \$ 7,259,467

These are Medicaid payments 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 prior-approved medical transportation by taxi or wheelchair van, medical insurance premiums when private insurance coverage is available and cost-effective, and other miscellaneous medical expenses.

The 2008 appropriation includes \$4,202,531 for medical transportation, \$2,952,840 for insurance premiums, and \$104,096 for other expenses. Medical transportation costs in the 2008 budget are \$360,019 (9.37 percent) higher than the 2007 estimated actual costs. The increase assumes an increase in Public Assistance clients eligible for transportation. It also reflects the continuation of effective cost-containment initiatives undertaken by the department to maximize the use of public transportation and to deny approval of transportation assistance for those clients who have other alternatives available to them which do not cost public dollars. The amount budgeted in 2008 for insurance premiums incorporates a 14 percent increase over estimated 2007 costs to cover premium inflation, and is based on recent

trends and expectations about health insurance premium increases.

Because of the new 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.

Federal Medicaid revenues from the State's Intergovernmental Transfer (IGT) programs are recorded on a 50 percent net revenue basis in the ECMC Network for hospital and Skilled Nursing Facility services. As the full local share cost is netted out in this treatment, the IGT entry in the Social Services budget shows a "Net 0" appropriation.

Child Welfare Services (Account 525050)

2007 Adopted: \$ 54,381,339
2008 Proposed: \$ 61,027,176.

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

GENERAL FUND EXPENDITURES, cont.

ordered primarily for Persons in Need of Supervision (PINS) or for Juvenile Delinquents (JD's).

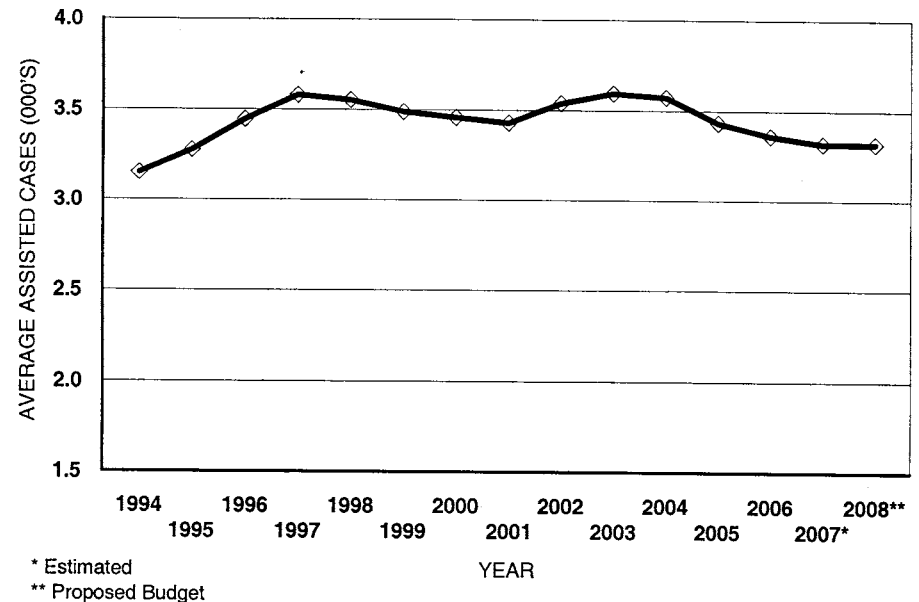
Appropriations in the 2008 budget are estimated based on analyses of historical and current trends of expenditures, children in care, monthly costs per child, and changes in per diem board, tuition and other rates.

Children assisted are funded at an average level of 3,321 per month in 2008, with an average monthly cost per child of \$1,531.35.

Based on present trends, the average monthly number of children funded in 2008 is held at the 2007 estimate of children in care. The ability to hold the total number of children served relatively steady over the last six years is a major accomplishment after years of steady growth and given recent increases in Child Protection activity that often leads to placement. Even more significantly, the proportion of children in foster care has decreased, and is expected to continue to be reduced, while the proportion of adoptions and children receiving adoption subsidies increases. Furthermore, the third year of a special initiative to reduce placements and lengths of stay in costly institutional settings is expected to favorably impact both the number of children in care and overall costs in 2008. Gross savings of \$2.46 million from this initiative have been budgeted in 2008 and are reflected in the

\$61,027,176 appropriation.

TREND OF CWS ASSISTED CHILDREN (Foster Care and Institutional Care)



Costs per child assume in 2008 incorporate regular rate growth of 5 percent as well as three rounds of added cost of living (COLA) rate increases required by the State from October 2006 through April 2008. These rate increases significantly added to costs in 2007, resulting in a

GENERAL FUND EXPENDITURES, cont.

budget deficiency. They are fully funded in 2008. The average monthly cost per child also reflects changes in the distribution of children among the various levels of care, as well as the expected reduction in institutional care lengths of stay.

The County share cost of Child Welfare Services is \$18,379,085 in 2008 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. The 2008 base local share will be adjusted in claiming for \$11.23 million in TANF/EAF funds that are to be shifted by the State from Family Assistance to address federal TANF maintenance of effort (MOE) requirements.

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.

Child Care Development Block Grant (Account 525090)

2007 Adopted:	\$ 30,622,584
2008 Proposed:	\$ 27,004,504

This program was previously budgeted in a grant which was moved to the operating budget in 2004 as a result of conversion to the SAP system.

Child care (day care) 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. Families with incomes below 200 percent of the Federal Poverty Level are eligible for subsidies that vary, depending on the day care 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 day care setting.

The 2008 budgeted amount is based on recent trends in the number of children subsidized in the various day care settings and payments to providers. A monthly average of 4,260 children in low income families are expected to receive subsidies in 2008. Children in Public Assistance families receiving subsidies are estimated at 1,660 on average each month, a number necessary to support the level of work activity

GENERAL FUND EXPENDITURES, cont.

participation required of parents. The 2008 total cost of low income subsidies is budgeted at \$19,956,321. These costs are 100 percent reimbursed with federal funds through the Child Care Development Block Grant. The budget includes \$7,048,183 for mandated subsidies to children in Public Assistance Families. These costs are reimbursed with state funds through the Block Grant at 75 percent of cost. The 25 percent local share cost for Public Assistance children is \$1,762,046 in 2008.

Other Programs

2007 Adopted:	\$ 6,633,671
2008 Proposed:	\$ 6,711,853

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 (EAA), \$540,000; Account 525080 – Education of Handicapped Children in residential schools, \$573,200; Account 525130 State Training School chargebacks, \$2,553,261; Account 525100 – expenses for housekeeping and home-delivered meal assistance, \$153,136; and Account 525120 – expenses for the special needs of individuals in Adult Family Homes, \$2,310. Amounts budgeted in 2008 reflect current trends in utilization, a significant rate increase for State Training Schools and an added \$235,000 payment for retroactive 2001 State Training School rate increases.

Child care funded by Title XX, in cases of child protection and for purposes of foster care prevention, totals \$2,889,946 in Account 525090 in 2008.

CHILDREN WITH SPECIAL NEEDS PROGRAM

2007 Adopted:	\$ 57,677,439
2008 Proposed:	\$ 58,939,318

Developmental and special education programs, administered beginning in 2002 by the Department of Health Division of Services to Persons With Special Needs, have been, with the exception of Medicaid, the fastest growing State-mandated programs in Erie County. 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 by the State Education Department. Some services to eligible three and four year-old children may also be claimed for the Federal share of Medicaid.

Under Chapter 243 of the laws of 1989, the County is also responsible for a 10 percent share of the cost of the school age summer program, ages five to twenty-one, which are billed to the County on a net

GENERAL FUND EXPENDITURES, cont.

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.

Under 1993 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 (I.F.S.P.) developed by the family, an evaluator, a County case manager and the County Local Early Intervention Official. The County is able to access Medicaid and third-party insurance reimbursement for eligible children. Remaining eligible service costs are paid by the County and are reimbursed by the State Health Department.

The 2008 appropriation for the Children with Special Needs Program in Account 528000 is \$58,939,318. The net County share of the cost of these payments is \$21,554,157. The 2008 appropriation represents a 2.19 percent increase compared to the 2007 Adopted Budget.

Other program and administrative expenses which total \$6,180,414 are included elsewhere in the budget summary, in the Personal Services, ECMC Contractual, ID payments and All Other Expense categories, and are not included in the Account 528000 appropriation.

The increase in program costs is a result of growth

in the Preschool program which is experiencing significant overall enrollment increases, tuition rate increases for facility-based programs and increases in service units delivered outside of facility-based programs. The Early Intervention Program enrollment growth has moderated over the past year and is expected to continue at a lower rate in 2008.

County representatives review and have input on all service plans to ensure their appropriateness to the needs of the child. In spite of these efforts, the monthly average number of children enrolled in 3 and 4-year-old preschool facility-based programs continue to increase for a sixth year, after six years of small annual reductions, and will grow to 979 children in 2008. Meanwhile, three and four-year-old children served more appropriately and much less expensively in their homes or day care centers continue to increase most dramatically. Those served by agencies have increased more than ten-fold over the last ten years, while ECMC enrollments have more than doubled. The 2008 estimate of 1,917 monthly average children in this program component is up 3.34 percent from the 2007 projected level.

Early Intervention program enrollments have stabilized and are expected to average 1,868 per month in 2008. This represents a 1.97 percent increase in children compared to projected enrollments in 2007. Early Intervention program enrollments had previously increased 315 percent since 1995.

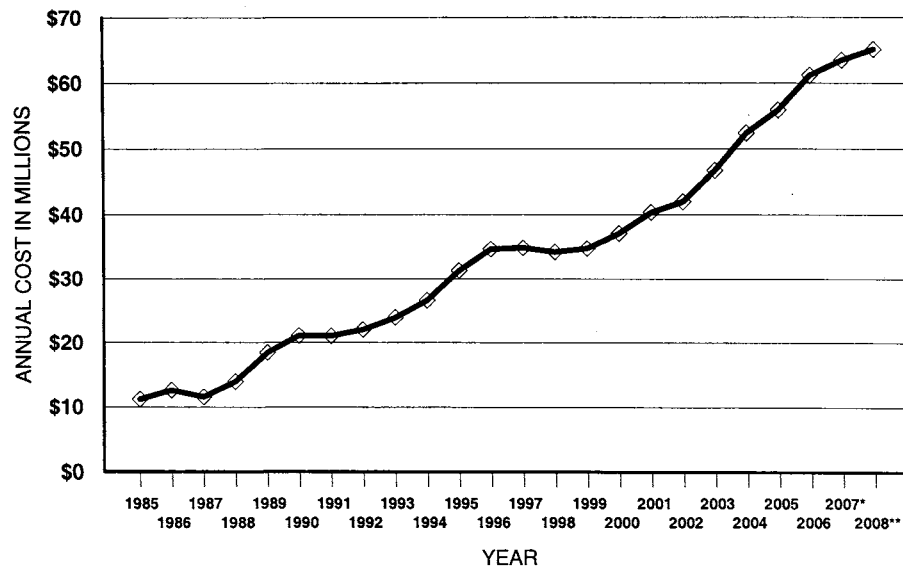
The incredible growth in cost of these mandated

GENERAL FUND EXPENDITURES, cont.

programs, from their inception in 1971 to the present, is shown in the graph below. While it took 24 years to exceed \$30 million mark, it has taken just 13 more years to exceed \$65 million in annual cost.

The table which follows on the next two pages outlines the various components of the total program for 2007 and 2008.

SERVICES TO CHILDREN WITH SPECIAL NEEDS (Gross Program Costs)



* Estimated

** Proposed Budget

GENERAL FUND EXPENDITURES, cont.

**2006/2007 Comparison
of Children with Special Needs Expenses**

	<u>2007 Gross</u>	<u>2008 Gross</u>	<u>2007 County Share</u>	<u>2008 County Share</u>
Birth - Two-Year-Old Early Intervention Program				
0-2 Agency Services,				
Evaluation & Transportation	\$11,248,807	\$11,815,759	\$ 3,436,778	\$ 3,493,688
0-2 ECMC-Related Services	\$ 928,741	\$ 843,806	\$ 279,496	\$ 246,237
Expense Transfer to DSS	\$ 1,056,816	\$ 1,156,239	\$ 1,056,816	\$ 1,156,239
Health Dept. Case Mgmt.	\$ 0	\$ 0	\$ 0	\$ 0
E.I. Case Management	\$ 606,816	\$ 457,520	\$ 128,164	\$ 69,210
0-2 Kids Total	\$13,841,180	\$14,273,324	\$ 4,901,254	\$4,965,374

07 vs. 06 Change		\$ 432,144		\$ 64,120
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**Three & Four-Year-Old
Preschool Program**

3 & 4 Facility-Based,				
Evaluation & Transportation	\$34,402,478	\$35,654,140	\$12,601,510	\$13,457,859
3 & 4 Related Serv.				
- Contract Agencies	\$ 9,842,028	\$ 9,366,763	\$ 3,384,364	\$ 3,166,728
3 & 4 ECMC-Related				
Services	\$ 2,117,227	\$ 2,387,800	\$ 791,899	\$ 914,330
School District Charges	\$ 1,251,199	\$ 1,204,633	\$ 506,736	\$ 487,889
Expense Transfer to DSS	\$ 28,127	\$ 28,629	\$ 28,127	\$ 28,629
3 & 4 Kids Total	\$47,641,059	\$48,641,995	\$17,312,636	\$18,055,435

07 vs. 06 Change		\$ 1,000,936		\$ 742,799
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GENERAL FUND EXPENDITURES, cont.

	<u>2007</u> <u>Gross</u>	<u>2008</u> <u>Gross</u>	<u>2007</u> <u>County Share</u>	<u>2008</u> <u>County Share</u>
School Age Program - Summer	\$ 932,927	\$ 947,993	\$ 932,927	\$ 947,993
07 vs. 06 Change		\$ 15,066		\$ 15,066
=====				
Administration				
Special Needs Division, EI and Preschool Admin	\$ 1,088,798	\$ 1,256,420	\$ -250,045	\$ -108,839
Administration Total	\$ 1,088,798	\$ 1,256,420	\$ -250,045	\$ -108,839
07 vs. 06 Change		\$ 167,622		\$ 141,206
=====				
GRAND TOTAL	\$63,503,964	\$65,119,732	\$22,896,772	\$22,859,963
		Gross Change		Co. Share Change
		\$ 1,615,768		\$ 963,191

GENERAL FUND EXPENDITURES, cont.

INTERFUND TRANSFERS

2007 Adopted: \$ 72,603,684
2008 Proposed: \$ 83,090,490

The largest portion of the General Fund's total Interfund Transfer appropriations for 2008 are budgeted in Fund Center 14020 of the General Fund. Fund Center 14020 appropriations totaling \$58,203,691 include Interfund Transfers from the General Fund to other operating budget funds for the following purposes:

<u>TO</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Road Fund:	County subsidy	\$5,957,302
Debt Service:	County subsidy	\$52,246,389

The remaining Interfund Transfer payments of \$24,886,799 which are included in the 2008 Proposed Budget, covers the County's share of grant programs, the County share contribution to Erie Community College (ECC), as well as payments from General Fund departments to other funds (e.g. the Enterprise Fund) for the purchase of services such as medical care for prisoners and laundry services.

An appropriation of \$15,420,778 is included for the County's contribution to ECC, in the Legislature's authorized 2007-2008 Community College budget.

ALL OTHER EXPENSES

2007 Adopted: \$ 46,575,010
2008 Proposed: \$ 55,310,518

This category covers all other remaining expenses in the 2008 Proposed Budget for the General Fund including: employee education and training; telephone charges; supplies; equipment; repairs and maintenance charges and contracts; rental costs; capital leases; central services and interdepartmental transactions; etc.

OVERVIEW OF EXPENDITURES

DEBT SERVICES FUND EXPENDITURES

TOTAL FUND EXPENSES

2007 Adopted: \$ 66,237,743
2008 Proposed: \$ 73,404,235

2008 DISTRIBUTION OF DEBT SERVICE FUND EXPENSES

	<u>Total</u>	<u>% of Total</u>
General Fund	\$67,298,855	91.68%
Library Fund	2,179,907	2.97%
Sewer Funds	1,610,337	2.19%
ECMC Funds	1,523,083	2.07%
Erie County Home Funds	792,053	1.08%
Total	\$73,404,235	100.00%

The Debt Service Fund accounts for the accumulation of resources to pay principal and interest on long-term debt of the General, Library and Sewer funds.

In 2008, the General and Library funds' portion of the Debt Service Fund's expenditures are estimated to total \$51,717,219. The balance of 2008 expenditures in this fund is comprised of debt service costs totaling \$6,105,380 for the Sewer Funds, \$15,471,282 for Erie County Medical Center and \$110,324 for Erie County Home.

For 2008, \$55,113,671 will be transferred from the General Fund to the Debt Service Fund to pay principal and interest on long-term debt. The amount of the 2008 projected General Fund transfer to the Debt Service Fund is less than total projected Debt Service expenditures for two reasons:

- Various revenues and resources budgeted in the Debt Service Fund have the effect of lowering the amount of the General Fund transfer. The following revenues and resources are estimated to be available in 2008: reserves for debt service of \$4,961,283; State aid revenues of \$1,893,426; and interest earnings of \$1,000,000.
- Transfers from other funds, exclusive of the General Fund, also lower the amount required to be transferred from the General Fund. These fund transfers to the Debt Service Fund include: \$215,781 from the Library Fund; \$195,007 from the Road Fund; \$2,568,057 from DISS to cover DISS debt service payments; and \$1,351,630 from the Division of Youth Detention to cover debt service payments on the Detention Center.

OVERVIEW OF EXPENDITURES

ERIE COUNTY ROAD FUND EXPENDITURES

TOTAL ROAD FUND EXPENSES

2007 Adopted: \$ 20,398,024
2008 Proposed: \$ 23,040,302

2008 DISTRIBUTION OF ROAD FUND EXPENSES

	<u>Total</u>	<u>% of Total</u>
Personal Services	\$ 8,257,612	35.84%
Fringe Benefits	3,812,500	16.55%
Highway Supplies	3,134,675	13.61%
Contractual Charges	3,484,000	15.12%
Automotive Supplies	385,000	1.67%
Interfund Transfers	3,794,456	16.47%
Other Expenses	172,059	0.75%
Total	\$23,040,302	100.00%

PERSONAL SERVICES

2007 Adopted: \$ 8,025,980
2008 Proposed: \$ 8,257,612

The Proposed Budget for the Road Fund authorizes 167 full-time positions. Personal Services appropriations cover full-time salaries and overtime.

FRINGE BENEFITS

2007 Adopted: \$ 3,236,150
2008 Proposed: \$ 3,812,500

The County prepares a detailed analysis of each component of employee benefits. Employee health and medical insurance represent the most costly item in this object of expense. Actual contract costs and anticipated rate increases are budgeted.

HIGHWAY SUPPLIES

2007 Adopted: \$ 2,130,000
2008 Proposed: \$ 3,134,675

The Department of Public Works purchases asphalt and materials for highway and bridge repairs and construction. Also included in this account are salt and sand for winter highway maintenance.

ERIE COUNTY ROAD FUND EXPENDITURES, cont.

CONTRACTUAL CHARGES

2007 Adopted: \$ 3,350,000
2008 Proposed: \$ 3,484,000

Contractual payments to towns and villages for plowing County roads comprise over 99 percent of this budget item.

AUTOMOTIVE SUPPLIES

2007 Adopted: \$ 385,000
2008 Proposed: \$ 385,000

Gasoline, other fuels, and lubricants are purchased for operating trucks and heavy equipment used for highway maintenance. These expenditures also include tires, batteries, and other parts required to maintain Road Fund vehicles and equipment.

INTEFUND TRANSFERS

2007 Adopted: \$ 2,961,544
2008 Proposed: \$ 3,794,456

This appropriation covers the Road Fund's cost of purchasing various services from other County departments. Services purchased through this account cover data processing, telecommunications and purchasing at a cost of \$914,449. The charge from the Utilities Enterprise Fund totals \$395,000 and the charge from the Debt Service Fund totals \$195,007.

OTHER EXPENSES

2007 Adopted: \$ 309,350
2008 Proposed: \$ 172,059

Other expenses include: janitorial and maintenance supplies; utility expenses related to the operation of Highway facilities; professional services; equipment rentals; maintenance contracts; and training, travel and mileage for employees.

OVERVIEW OF EXPENDITURES

LIBRARY FUND EXPENDITURES

TOTAL LIBRARY FUND EXPENSES

2007 Adopted: \$ 25,974,128
2008 Proposed: \$ 26,202,855

2008 DISTRIBUTION OF LIBRARY FUND EXPENSES

	<u>Total</u>	<u>% of Total</u>
Personal Services	\$12,046,299	45.97%
Fringe Benefits	5,335,560	20.36%
Contractual Payments	1,936,837	7.39%
Other Expenses & Charges	154,992	0.59%
Library Materials	3,759,182	14.35%
Utilities	140,045	0.53%
Interfund Transfers	1,437,020	5.48%
All Other Expenses	1,392,920	5.32%
Total	\$26,202,855	100.00%

PERSONAL SERVICES & FRINGE BENEFITS

2007 Adopted: \$ 16,009,097
2008 Proposed: \$ 17,381,859

Personal services and fringe benefits appropriations include personal services, overtime and part-time salaries. The actual allocation will be

determined by the independent Library Board.

The appropriation for employee fringe benefits includes FICA, unemployment insurance, workers' compensation, employee and retiree medical and dental insurance, and State retirement system charges. Amounts are determined on the basis of the number of employees, salary costs and the distribution of current employees among the County's various medical insurance enrollment options.

CONTRACTUAL PAYMENTS

2007 Adopted: \$ 2,389,732
2008 Proposed: \$ 1,936,837

This appropriation funds salaries, fringe benefits and operating and maintenance expenditures associated with the operation of fourteen contracting libraries located outside the City of Buffalo.

OTHER EXPENSES AND CHARGES

2007 Adopted: \$ 118,488
2008 Proposed: \$ 154,992

Expenditures are for postage; print; microfilm and copy; training expenses; graphic and display supplies; bookbinding and book care supplies; and for the

LIBRARY FUND EXPENDITURES, cont.

purchase of security, janitorial and computerized catalog services.

LIBRARY MATERIALS

2007 Adopted: \$ 3,925,000
2008 Proposed: \$ 3,759,182

The Library's budget for the purchase of books, periodicals and media materials is shown as a separate item of expense (account 561450).

UTILITIES

2007 Adopted: \$ 120,751
2008 Proposed: \$ 140,045

This appropriation funds water, telephone data lines, internet access and sewer service costs incurred at the Central Library in downtown Buffalo, as well as at branch libraries located in the City of Buffalo.

INTERFUND TRANSFERS

2007 Adopted: \$ 1,514,339
2008 Proposed: \$ 1,437,020

This appropriation covers the Library's cost of purchasing various services from other County departments. Services purchased through this Interfund account cover data processing, telecommunications, purchasing, automotive services and utilities, at a cost of \$215,963. The interfund for the Utilities Enterprise Fund totals \$1,304,717, which covers the cost of gas,

electricity and fuel oil.

ALL OTHER EXPENSES

2007 Adopted: \$ 1,896,721
2008 Proposed: \$ 1,392,920

This appropriation covers all other Library expenditures ranging from equipment, supplies, travel and mileage, and repairs and maintenance charges.

OVERVIEW OF EXPENDITURES

E-911 FUND

TOTAL FUND EXPENSES

2007 Adopted: \$ 3,860,800
2008 Proposed: \$ 3,665,800

2008 DISTRIBUTION OF E-911 EXPENSES

	<u>Total</u>	<u>% of Total</u>
Utilities Expense	\$1,003,000	27.36%
Interfund Expense	1,967,016	53.66%
Operational Expense	695,784	18.98%
Total	\$3,665,800	100.00%

The 2008 Proposed Budget includes a 911 wireless phone surcharge of thirty cents per month in order to fund the enhancement of wireless 911 services. The New York State Legislature must approve before fees are implemented.

Revenues resulting from the surcharge are budgeted separately in the E-911 fund as required by state law. This dedicated source of funding will ensure the integrity and quality of E-911 service for the residents of Erie County.

The E-911 fund is a special fund created for appropriations and revenues associated with the operation of the County's Enhanced 911 (E-911) emergency telephone system. The fund is self-balancing. Central Police Services is operationally responsible for monitoring the E-911 fund.

In 1989, state legislation was enacted enabling counties to place a surcharge on telephone services to offset the costs associated with the establishment and maintenance of an Enhanced 911 telephone emergency system. A surcharge of thirty-five cents per access line per month has been implemented.

SUMMARY OF APPROPRIATION BY FUND AND DEPARTMENT

Department	2005 Actual	2006 Actual	2007 Adopted	2007 Adjusted	2008 Department Request	2008 Executive Recommended	2008 Adopted
Fund - 110 General							
Legislature	3,550,300	2,717,489	2,378,269	3,056,989	2,378,269	2,378,269	
Division of Information and Support Services	(660,305)	947,678	(1,937,140)	(434,315)	(359,175)	(1,612,200)	
Jail Management	69,339,911	73,330,834	56,555,424	68,815,959	53,455,231	50,637,438	
Social Services	474,896,909	484,074,320	487,244,118	517,547,365	497,995,839	497,995,839	
Senior Services	1,953,380	2,176,666	1,608,195	2,294,555	2,018,950	1,908,607	
County Executive	1,262,232	969,350	1,050,491	1,031,421	824,936	824,936	
Budget and Management	2,574,586	2,514,975	2,229,866	2,259,522	709,247	701,836	
Labor Relations	89,653	88,443	101,067	117,115	188,296	189,031	
Commission on the Status of Women	88,152	0	0	0	0	0	
Bureau of Purchase	852,567	713,401	634,746	799,124	648,660	643,048	
Bureau of Fleet Services	1,513,993	1,565,825	1,957,906	2,054,644	2,329,258	2,243,424	
Equal Employment Opportunity	265,424	0	0	0	0	0	
Office of Public Advocacy	0	519,678	560,488	740,074	530,312	530,658	
Department of Real Property Tax	0	0	0	0	1,125,610	1,097,165	
Comptroller	3,857,102	3,413,409	3,054,125	4,433,439	3,447,138	3,452,158	
County Clerk Registrar Division	3,476,299	3,532,969	2,762,797	3,753,359	2,722,523	2,721,681	
County Clerk Auto Bureau Division	2,955,998	3,171,525	2,568,888	3,410,251	2,740,710	2,740,870	
District Attorney	10,144,949	9,701,435	7,888,936	10,597,802	8,708,552	8,186,623	
Sheriff Division	14,856,693	14,224,411	8,554,905	13,562,323	11,798,960	8,815,397	
DPW Commissioner	1,321,289	1,139,464	923,038	1,245,686	1,066,479	980,762	
DPW - Buildings and Grounds	15,599,772	16,039,064	13,115,389	15,811,987	14,022,090	13,947,605	
DPW - Bureau of Weights & Measures	782,495	891,689	643,115	886,382	629,281	628,684	
Mental Health Program Administration	35,488,288	35,988,657	38,917,375	39,737,696	41,324,841	41,484,129	
Mental Health Forensic Services	930,053	764,333	1,090,726	1,525,302	1,131,590	1,126,140	
Youth Detention	10,298,158	10,336,935	9,002,850	10,649,333	9,264,875	9,209,351	
Youth Bureau	954,291	1,212,518	1,218,988	1,251,223	1,266,040	1,264,772	
Probation	7,269,571	7,587,631	6,260,459	8,425,330	7,395,831	7,011,367	
Health Division	13,239,909	7,617,525	6,018,450	7,691,573	6,153,904	6,022,916	
Health - Emergency Medical Services	1,589,950	1,616,576	1,534,501	1,671,137	1,545,176	1,362,586	
Health - Public Health Lab	1,953,252	6,317,472	6,806,344	8,387,875	6,586,301	6,407,857	
Health - Medical Examiner's Division	2,137,817	2,351,263	2,052,435	2,784,736	2,274,431	2,276,077	
Health - Persons/Special Needs	57,708,006	61,189,204	63,503,964	64,113,718	65,119,732	65,119,732	
Veterans' Services	119,901	0	0	0	0	0	
County Wide Budget Accounts	42,335,561	34,424,265	105,458,596	25,586,463	102,303,485	102,303,485	
County Wide Interfund Accounts	22,920,514	45,821,525	50,701,157	50,701,157	61,398,943	58,203,691	
ECC Payments	16,686,322	17,716,107	17,215,777	17,215,777	19,139,717	19,139,717	
Board of Elections	3,601,235	5,316,932	5,897,820	6,904,800	7,316,102	6,893,060	
Law	10,998,694	11,826,984	11,412,718	12,088,498	12,022,186	11,579,595	
Risk Retention	722,428	3,495,487	1,000,000	4,000,000	4,000,000	4,000,000	
Workers Compensation	0	0	0	0	0	0	
Personnel Department	2,525,929	2,200,287	2,094,068	2,615,260	2,097,087	2,063,512	
Environment & Planning	1,959,026	1,731,154	1,230,026	1,641,352	1,406,321	1,406,321	
East Side Transfer Station	958,130	0	0	0	0	0	

SUMMARY OF APPROPRIATION BY FUND AND DEPARTMENT

Department	2005 Actual	2006 Actual	2007 Adopted	2007 Adjusted	2008 Department Request	2008 Executive Recommended	2008 Adopted
Parks	5,347,842	4,973,164	3,558,029	4,910,973	3,964,077	4,058,745	
Parks - City of Buffalo	3,057,740	2,714,747	2,263,956	3,276,783	2,189,122	2,189,122	
Central Police Services	4,168,558	4,315,840	3,247,032	5,143,038	3,576,764	3,879,128	
Emergency Services	1,007,711	801,341	630,433	861,622	648,986	649,775	
County Wide Comptroller	2,468,125	12,578,307	4,279,000	4,279,000	4,400,000	3,700,000	
Economic Development	1,085,156	343	0	0	0	0	
Mass Transit	19,286,176	19,573,988	20,081,746	20,081,746	20,376,500	20,570,698	
Tourism Promotion	3,140,292	3,531,701	2,300,000	2,800,000	5,286,644	7,464,385	
Community/Neighborhood Development	51,200	300,000	530,000	530,000	530,000	530,000	
Art/Culture/Tourism	254,876	898,657	0	0	90,000	90,000	
Cultural Resource Advisory Board	2,738,659	3,500,000	5,332,013	5,332,013	7,184,905	5,600,000	
Aid to Local Governments	641,615	39,606	267,600,871	267,600,871	273,983,767	275,161,933	
Community Assistance	453,944	63,485	0	0	0	0	
STOP DWI/Traffic Safety	1,818,029	1,629,154	1,661,060	1,792,503	1,671,337	1,790,595	
Total General Fund	888,638,357	934,167,809	1,234,795,017	1,235,583,461	1,282,629,830	1,271,570,520	
Other Operating Funds							
140 Utilities Fund-(DPW)	49,655,821	50,972,747	56,535,153	56,535,153	53,570,694	53,570,694	
210 Highways (DPW)	9,844,137	11,307,089	10,898,024	10,887,357	12,804,103	12,690,302	
210 Road Repair Reserve	14,740,466	11,265,758	9,500,000	10,850,000	10,350,000	10,350,000	
230 E-911 Fund (CPS)	2,345,069	2,579,573	3,860,800	3,860,800	3,665,800	3,665,800	
310 General Debt	100,405,298	53,066,559	59,602,804	59,602,804	59,602,804	67,298,855	
310 Debt Service SD 1, 4, 5	2,091,434	2,186,461	2,540,806	2,540,806	2,179,907	2,179,907	
310 Debt Service SD 2	1,278,971	1,376,838	1,659,519	1,659,519	1,610,337	1,610,337	
310 Debt Service SD 3/Southtowns	1,037,458	1,492,838	1,543,599	1,543,599	1,523,083	1,523,083	
310 Debt Service SD 6	686,514	809,628	891,015	891,015	792,053	792,053	
820 Library	25,621,312	20,418,350	25,974,128	25,974,128	28,690,268	26,202,855	
Total Other Operating Funds	207,706,480	155,475,841	173,005,848	174,345,181	174,789,049	179,883,886	
Total All Operating Funds	1,096,344,837	1,089,643,650	1,407,800,865	1,409,928,642	1,457,418,879	1,451,454,406	

2008 Budget by Appropriation Account

Account Name	2005 Actual	2006 Actual	2007 Adopted	2007 Adjusted	2008 Department Request	2008 Executive Recommended	2008 as % of Total
Full-Time Salaries	181,896,736	175,868,259	194,229,287	188,178,547	199,030,907	192,775,850	13.28%
Part-Time Wages	3,544,331	4,140,379	5,716,481	5,648,601	6,492,925	6,193,338	0.43%
Regular Part-Time Wages	1,813,858	2,814,151	3,342,662	3,342,662	3,020,602	2,877,936	0.20%
Seasonal Emp Wages	674,282	698,491	937,198	940,320	1,093,822	962,220	0.07%
Contractual Salary Reserve	0	0	245,266	245,266	587,444	318,520	0.02%
Employee Payments Non-Salary	19,743,546	22,835,565	18,629,399	19,466,494	19,863,754	19,766,629	1.36%
Fringe Benefits	99,089,900	95,249,055	92,961,506	91,275,373	100,792,425	100,949,061	6.96%
Reductions From Personal Services	0	0	(2,800,000)	(2,800,000)	(3,800,000)	(3,800,000)	-0.26%
Library Service Restoration Request	0	0	500,000	500,000	2,487,413	0	0.00%
Office Supplies	726,076	1,179,181	1,227,459	1,333,921	1,319,649	1,292,714	0.09%
Clothing Supplies	263,363	330,011	327,494	439,895	323,009	301,009	0.02%
Food & Kitchen Supplies	1,630,378	1,693,005	1,683,352	1,684,771	1,783,852	1,783,852	0.12%
Auto Supplies	1,644,397	1,748,961	2,029,380	2,195,417	2,353,730	2,321,230	0.16%
Medical Supplies	1,195,154	1,988,329	2,910,650	3,342,321	2,349,980	2,319,780	0.16%
Repairs & Maintenance	1,381,446	2,082,235	2,257,082	2,522,106	2,354,027	2,158,670	0.15%
Highway Supplies	4,996,835	3,819,265	2,134,000	2,800,224	3,138,675	3,138,675	0.22%
Local Mileage Reimbursement	692,769	689,351	808,984	809,429	832,927	832,927	0.06%
Out Of Area Travel	68,979	88,093	152,895	210,272	341,764	211,345	0.01%
Training & Education	164,084	211,841	331,338	357,406	606,862	442,103	0.03%
Control Board Expense	1,151,529	842,014	1,426,300	1,316,142	980,000	980,000	0.07%
Utility Charges	52,259,739	53,735,968	59,651,745	59,664,800	56,563,295	56,558,295	3.90%
Contractual Payments Non-Profit Subsidy	8,236,703	8,333,882	8,162,013	9,142,334	13,091,549	11,506,644	0.79%
Contractual Payments Non-Profit Purchase Of Service	61,030,500	63,655,671	68,694,196	71,600,543	72,471,862	72,043,750	4.96%
Pro Ser Cnt And Fees	10,154,270	11,234,937	13,015,509	13,936,221	15,034,221	15,026,721	1.04%
Maintenance Contracts	2,266,440	3,182,059	3,695,872	3,835,090	4,032,913	3,962,913	0.27%
DSS Training And Education	1,943,673	1,267,483	2,151,950	3,711,689	2,151,950	2,151,950	0.15%
Contractual-ECMCC	27,690,253	28,623,117	23,073,360	23,073,360	14,910,939	14,720,939	1.01%
Formula Sales Tax Distributed to Other Jurisdictions	0	0	255,100,871	255,100,871	261,483,767	262,661,933	18.10%
Flat Sales Tax Distributed to Other Jurisdictions	0	0	12,500,000	12,500,000	12,500,000	12,500,000	0.86%
Municipal Association Fees	50,562	74,129	90,000	90,000	90,000	90,000	0.01%
Taxes & Assess-County Owned Property	230	(168)	1,000	1,000	1,000	1,000	0.00%
County Residents Enrolled Comm Coll	3,111,619	3,572,791	3,645,000	3,645,000	3,718,939	3,718,939	0.26%
NFTA-Share Of Sales Tax	15,628,976	15,916,788	16,424,546	16,424,546	16,719,300	16,913,498	1.17%
Current Payments Mass Transit	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200	0.25%
Garbage Disposal	13	2,480	7,000	8,982	5,000	5,000	0.00%
Town/Village Snow Contract	3,126,433	3,108,454	3,350,000	3,350,000	3,484,000	3,484,000	0.24%
Buffalo Bills Maintenance	3,551,463	3,684,860	3,861,300	3,861,300	4,015,752	4,015,752	0.28%
City Of Buffalo Waste Transportation	766,099	0	0	0	0	0	0.00%
Buffalo Third Party Agreements	80,300	0	0	0	0	0	0.00%
Residents & Contracts	34,642	0	0	0	0	0	0.00%
MMIS-Medicaid Local Share	181,145,871	180,116,198	185,962,536	185,962,536	191,222,362	191,222,362	13.17%
Intergovernmental Transfer Local Share	0	1,261,343	0	0	0	0	0.00%
MA-Gross Local Payments	6,012,461	6,817,012	7,828,822	7,828,822	7,259,467	7,259,467	0.50%
Family Assistance	40,536,507	38,404,879	39,242,291	39,242,291	34,460,834	34,460,834	2.37%
CWS - Foster Care	58,136,605	55,849,870	54,381,339	54,381,339	61,027,176	61,027,176	4.20%
Safety Net Assistance	33,250,064	35,589,870	38,108,588	38,108,588	39,051,277	39,051,277	2.69%

2008 Budget by Appropriation Account

Account Name	2005 Actual	2006 Actual	2007 Adopted	2007 Adjusted	2008 Department Request	2008 Executive Recommended	2008 as % of Total
Emergency Assist To Adults	724,261	517,156	667,190	667,190	540,000	540,000	0.04%
Handicapped Child-Local Dist Maint	414,404	515,707	551,820	551,820	573,200	573,200	0.04%
Child Care-DSS	31,350,375	24,423,816	33,774,538	33,774,538	29,894,450	29,894,450	2.06%
Housekeeping-DSS	7,761	1,164	86,486	86,486	86,486	86,486	0.01%
Home Delivered Meals-DSS	20,307	33,074	66,650	66,650	66,650	66,650	0.00%
Adult Family Home Special Needs	2,308	1,298	2,310	2,310	2,310	2,310	0.00%
State Training School	1,147,143	2,190,001	2,107,261	2,107,261	2,553,261	2,553,261	0.18%
DSH Expense	0	5,787,964	0	0	0	0	0.00%
Children With Special Needs Program	51,349,655	55,363,429	57,677,439	57,677,439	58,989,318	58,989,318	4.06%
Other Expenses	3,937,336	4,315,677	4,953,533	5,148,106	5,151,375	5,101,075	0.35%
Chargebacks	972,168	1,179,465	1,032,982	1,032,982	1,032,982	1,032,982	0.07%
Independent Living	0	0	10,000	10,000	10,000	10,000	0.00%
Pivot Program Client Wage Subsidies	0	0	1,485,120	2,860,120	2,998,195	2,998,195	0.21%
Uncollected Taxes	1,438,657	0	0	0	0	0	0.00%
Net Increase In Deferred Rev	5,208,264	0	0	0	0	0	0.00%
Rental Charges	4,866,357	4,880,275	5,200,206	5,561,227	5,333,713	5,331,813	0.37%
Principal-Bonds	27,720,408	34,791,633	40,541,852	40,541,852	40,101,152	47,128,964	3.25%
Bond Issue Costs	2,401,078	844,168	550,000	550,000	550,000	685,000	0.05%
Payment Refund Bond Escrow	53,948,588	0	0	0	0	0	0.00%
Interest-Bonds	21,433,527	23,243,617	25,145,891	25,145,891	25,057,032	25,590,271	1.76%
Interest-Revenue Antic Notes	2,468,125	5,385,000	4,279,000	4,279,000	4,400,000	3,700,000	0.25%
Insurance Charges	722,454	3,495,487	1,051,500	6,586,737	4,045,000	4,045,000	0.28%
County Share - Grants	3,520,478	3,086,272	3,491,450	3,722,923	4,376,872	4,204,951	0.29%
Lab & Tech Equip	195,186	619,171	1,255,768	2,080,776	1,862,727	1,109,637	0.08%
Office Equipment	15,113	37,397	58,920	92,711	164,730	113,170	0.01%
Buildings & Grounds Equipment	10,409	30,888	46,000	49,497	54,000	51,000	0.00%
Motor Vehicle Equipment	(36,800)	276,571	260,000	446,040	1,251,000	589,000	0.04%
Library Books & Media	656,705	2,609,049	3,925,000	3,925,000	3,759,182	3,759,182	0.26%
Road Construction Improve.	0	1,578,542	0	1,787,216	0	0	0.00%
Interfund Trans-Subs	235,492	7,246,213	1,200,000	1,200,000	2,200,000	2,290,000	0.16%
Interfund-Road	369,500	3,695,954	3,315,024	3,315,024	6,041,751	5,957,302	0.41%
Interfund-Erie Community College	13,570,777	13,570,777	13,570,777	13,570,777	15,420,778	15,420,778	1.06%
Id General Debt Srv	27,628,058	48,351,148	53,106,210	53,106,210	60,638,157	59,444,147	4.10%
Interfund Exp Non-Sub	31,977	0	0	0	0	0	0.00%
Interfund-Utilities Fund	6,329,054	6,408,478	6,609,986	6,609,986	6,620,587	6,960,787	0.48%
County Contingency	0	0	3,250,000	3,250,000	2,500,000	2,500,000	0.17%
Interdepartmental/Interfund Expense	337,425	3,413,597	6,872,081	6,995,593	8,190,526	8,859,968	0.61%
Grand Total	1,096,344,837	1,092,259,994	1,407,800,865	1,419,737,040	1,457,372,004	1,451,454,406	

2008 Erie County Budget by Program Area

Department	2008 Proposed Budget	Administration & Management	County Wide/Debt Service	Economic and Community Development	Education and Libraries	General Services	Health & Human Services	Public Safety
Legislature	2,378,269	2,378,269						
Division of Information and Support Services	(1,612,200)	(1,612,200)						
Jail Management	50,637,438							50,637,438
Social Services	497,995,839						497,995,839	
Senior Services	1,908,607						1,908,607	
County Executive	824,936	824,936						
Budget and Management	701,836	701,836						
Labor Relations	189,031	189,031						
Commission on the Status of Women	0							
Bureau of Purchase	643,048	643,048						
Bureau of Fleet Services	2,243,424	2,243,424						
Equal Employment Opportunity	0							
Office of Public Advocacy	530,658	530,658						
Department of Real Property Tax	1,097,165	1,097,165						
Comptroller	3,452,158	3,452,158						
County Clerk Registrar Division	2,721,681					2,721,681		
County Clerk Auto Bureau Division	2,740,870					2,740,870		
District Attorney	8,186,623							8,186,623
Sheriff Division	8,815,397							8,815,397
DPW Commissioner	980,762					980,762		
DPW - Buildings and Grounds	13,947,605					13,947,605		
DPW - Bureau of Weights & Measures	628,684					628,684		
Mental Health Program Administration	41,484,129						41,484,129	
Mental Health Forensic Services	1,126,140							1,126,140
Youth Detention	9,209,351						9,209,351	
Youth Bureau	1,264,772						1,264,772	
Probation	7,011,367							7,011,367
Health Division	6,022,916						6,022,916	
Health - Emergency Medical Services	1,362,586						1,362,586	
Health - Public Health Lab	6,407,857						6,407,857	
Health - Medical Examiner's Division	2,276,077						2,276,077	
Health - Persons/Special Needs	65,119,732						65,119,732	
Veterans' Services	0							
County Wide Budget Accounts	102,303,485		102,303,485					
County Wide Interfund Accounts	58,203,691		58,203,691					
ECC Payments	19,139,717				19,139,717			
Board of Elections	6,893,060					6,893,060		
Law	11,579,595	1,648,387						9,931,208
Risk Retention	4,000,000	4,000,000						
Workers Compensation	0							
Personnel Department	2,063,512	2,063,512						
Environment & Planning	1,406,321			1,406,321				
East Side Transfer Station	0							

2008 Erie County Budget by Program Area

Department	2008 Proposed Budget	Administration & Management	County Wide/Debt Service	Economic and Community Development	Education and Libraries	General Services	Health & Human Services	Public Safety
Parks	4,058,745					4,058,745		
Parks - City of Buffalo	2,189,122					2,189,122		
Central Police Services	3,879,128							3,879,128
Emergency Services	649,775							649,775
County Wide Comptroller	3,700,000		3,700,000					
Economic Development	0			-				
Mass Transit	20,570,698			20,570,698				
Tourism Promotion	7,464,385			7,464,385				
Community/Neighborhood Development	530,000			530,000				
Art/Culture/Tourism	90,000			90,000				
Cultural Resource Advisory Board	5,600,000			5,600,000				
Aid to Local Governments	275,161,933			275,161,933				
Community Assistance	0			-				
STOP DWI/Traffic Safety	1,790,595							1,790,595
Total General Fund	1,271,570,520	18,160,224	164,207,176	310,823,337	19,139,717	34,160,529	633,051,866	92,027,671
Utilities Fund-(DPW)	53,570,694					53,570,694		
Highways (DPW)	12,690,302					12,690,302		
Road Repair Reserve	10,350,000					10,350,000		
E-911 Fund (CPS)	3,665,800							3,665,800
Debt Services	73,404,235		73,404,235					
Library	26,202,855				26,202,855			
Total Other Operating Funds	179,883,886	-	73,404,235	-	26,202,855	76,610,996	-	3,665,800
Total All Funds	1,451,454,406	18,160,224	237,611,411	310,823,337	45,342,572	110,771,525	633,051,866	95,693,471
As percent of Total		1.3%	16.4%	21.4%	3.1%	7.6%	43.6%	6.6%