



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

July 1, 2022

The Honorable
Erie County Legislature
92 Franklin Street, Fourth Floor
Buffalo, New York 14202

Re: Budget Monitoring Report for Period Ending May 2022

Dear Honorable Legislators:

Please find attached the Budget Monitoring Report ("BMR") for the period ending May 31, 2022 as well as a vacancy report from the County's SAP system as of May 31, 2022.

The BMR shows that for the first five months of 2022 the County has a \$32,997,021 positive variance. This variance is largely related to three continuing factors.

First, is 2022 sales tax growth, which currently stands at 8.5%. The May growth is reduced due to the impact of a recent unfavorable quarterly reconciliation payment adjustment which is approximately 35% less than the same reconciliation payment received in 2021. This adjustment was related to New York State's sales tax allocation method that was used for March-May 2022 allocations which provided greater than actual revenue to the upstate counties and less than actual to the New York City area. The overall May YTD growth is \$20.2 million and has been driven largely by increased prices and the continuation of strong consumer demand. The Division of Budget and Management will be working with the New York State Association of Counties (NYSAC) to monitor future reconciliation payments and changes to New York State Tax and Finance's (NYSDF) allocation model.

Second, is the unappropriated \$6.5 million portion remaining from the receipt of just over \$16 million for the long-disputed Seneca Exclusivity Zone Distributions payments.

Third, is the May YTD Medicaid positive variance of \$3.2 million from the expected \$8.3 million 2022 benefit due to two quarters of unbudgeted enhanced COVID-related Federal contributions. Enhanced Medicaid assistance will terminate when the Federal Government rescinds its COVID-19 state of emergency under the Stafford Act. All other items through May have generated a net \$3,127,484 positive variance.

The Division of Budget and Management continues to closely monitor economic conditions as the Federal Reserve Bank acts to cool high inflation. These actions may cool consumer demand and end or slow the period of high economic growth and low unemployment that has characterized the past 19 months and provided significant sales tax revenue growth.

January-May 2022 Budget Monitoring Report (BMR)

Account Type	Annual Budget	Period Budget January - May	Actuals January - May	Period Available Budget	% of Period Budget Consumed	Annual Available Budget	% of Annual Budget Consumed
Revenue							
** Property Tax	293,524,030-	293,524,030-	293,524,030-	0-	100%	0-	100%
** Property Tax Related	14,950,353-	5,753,070-	5,859,661-	106,591	102%	9,090,692-	39%
** Sales Tax	549,174,319-	219,122,504-	240,256,740-	21,134,236	110%	308,917,579-	44%
** Sales Tax to Local Govt.	379,442,301-	151,398,826-	163,490,369-	12,091,543	108%	215,951,932-	43%
** Other Sources	32,922,477-	27,029,644-	34,470,493-	7,440,849	128%	1,548,016	105%
** Fees, Fines or Charges	34,629,402-	19,488,293-	18,858,537-	629,756-	97%	15,770,865-	54%
*** Local Source Revenue	1,304,642,882-	716,316,367-	756,459,829-	40,143,462	106%	548,183,053-	58%
*** Federal Revenue	177,825,510-	81,912,662-	71,897,585-	10,015,077-	88%	105,927,925-	40%
*** State Revenue	192,221,831-	77,552,707-	68,867,163-	8,685,544-	89%	123,354,668-	36%
*** Interfund Revenue	44,940,121-	44,940,121-	44,940,121-		100%		100%
**** County Revenue	1,719,630,344-	920,721,857-	942,164,698-	21,442,842	102%	777,465,646-	55%
Expense							
** Salaries	237,841,633	96,076,267	89,944,853	6,131,414	94%	147,896,780	38%
** Non-Salaries	27,122,635	10,522,489	12,637,450	2,114,961-	120%	14,485,185	47%
** Countywide Adjustments	532,126	371,966		371,966	0%	532,126	0%
*** Personnel Related Expense	265,496,394	106,970,722	102,582,303	4,388,419	96%	162,914,090	39%
*** Fringe Benefit Total	143,396,153	56,905,949	51,143,833	5,762,116	90%	92,252,320	36%
** Supplies and Repairs	11,408,441	3,734,168	2,958,579	775,589	79%	8,449,861	26%
** Other	35,679,777	10,745,093	9,661,780	1,083,313	90%	26,017,997	27%
** Contractual	630,083,647	244,983,403	252,161,311	7,177,908-	103%	377,922,336	40%
** Equipment	7,411,424	1,634,880	1,244,194	390,687	76%	6,167,230	17%
** Allocations	263,236,031	101,439,171	101,984,501	545,330-	101%	161,251,530	39%
** Program Specific	489,412,769	181,621,867	174,744,575	6,877,292	96%	314,668,194	36%
** Debt Services	56,289,152	26,041,410	26,041,408	2	100%	30,247,744	46%
*** All Other Operating Expense	1,493,521,241	570,199,992	568,796,349	1,403,644	100%	924,724,892	38%
**** County Expense	1,902,413,787	734,076,664	722,522,485	11,554,179	98%	1,179,891,302	38%
**** Net	182,783,443	186,645,193-	219,642,214-	32,997,021		402,425,657	

Note on the BMR:

The BMR helps the Budget Office identify, understand and resolve financial issues that may emerge during the year. The positive period variance indicated should not be interpreted as a projection of a year-end positive balance