

2023 BUDGET

County of Erie | Buffalo | New York



MESSAGE AND SUMMARY

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COUNTY EXECUTIVE

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BUDGET AND MANAGEMENT

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COUNTY EXECUTIVE'S BUDGET MESSAGE AND SUMMARY



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

October 14, 2022

Erie County Legislature
92 Franklin Street 4th Floor
Buffalo, NY 14202

Dear Honorable Legislators:

Please find enclosed my proposed 2023 Erie County Budget ("2023 Budget") and the 2023-2026 Four Year Financial Plan ("Four Year Plan") for review and approval by your Honorable Body.

Budgets are a statement of values, and this budget sends a clear message as we have in past years that we continue to value fiscal responsibility and respect for taxpayers, safe communities, a vibrant arts and cultural community, investment in our shared infrastructure and parks, and adapting to the needs of a critical moment in time.

2023 General Fund Budget

The 2023 recommended Budget for the General Fund is \$1,779,188,112. This is a total increase of 6.7 percent over the Adopted 2022 Budget and a 2.7 percent increase over the amended 2022 Budget, and includes the impact of recently renegotiated contracts with two of the County's largest labor unions. All told, this budget adds 103 full-time positions to the general fund (with a total salary and fringe expense of \$10.62 million) as compared to the adjusted 2022 mid-year budget, of which nearly half (50 FTE) were approved for the independently elected offices of the Clerk, Comptroller, District Attorney, and District Attorney, and Legislative Branch.

Lowest Property Tax Rate Ever

This administration understands the impact inflation is having on our residents. That is why I am proud to announce that, once again, I am proposing to lower the property tax rate per thousand of assessed value. For 2023, the tax rate will decrease from the current \$4.32 down to \$3.92 – a \$0.40 reduction. Not only is this the single largest reduction and lowest rate in Erie County's history, but is also now \$2.26 lower than the next closest neighboring Western New

York County (Niagara at \$6.18 for 2022) and the 13th lowest rate (of 57 non-NYC counties) in all of New York State.

Additionally, this will be the fifth (5th) consecutive year and eight (8th) time since taking office that I have lowered the property tax rate. Since 2012, when the rate per thousand was \$5.03, these cumulative rate decreases total to \$1.11 – a more than 22 percent reduction over the past 11 years.

Sales Tax

As has long been the case, the sales and compensating use tax (“sales tax”) is the County’s largest revenue source. As of this letter, Erie County has 8.77 percent sales tax growth over 2022, which continues to be driven largely by increased prices and ongoing consumer demand, especially in the dining, entertainment, and travel sectors. As the economy stabilizes, we project a new higher baseline to be established, and have conservatively budgeted for 1% sales tax growth in 2023. As such, the 2023 Budget projects \$986,714,765 in total sales tax revenues, of which \$545,061,427 will be retained by Erie County and \$441,653,338 will be collected and shared with the cities, towns, villages, school districts and Niagara Frontier Transportation Authority per the 1977 Sales Tax Sharing Agreement.

Four Year Financial Plan

The 2023 Budget also includes a Four-Year Financial Plan for fiscal years 2023-2026. The 2023 Budget and projected 2022 year-end numbers form the basis for the Four-Year Plan along with assumptions and estimates which are detailed in the Executive Summary and Budget Message. The Four-Year Plan forecasts manageable budget scenarios for 2023-2026 thanks to improved economic conditions. One area of ongoing concern in the four-year plan will be the potential for increased intergovernmental transfer (“IGT”) payments to the Erie County Medical Center Corporation (“ECMCC”).

We also are using conservative and appropriate assumptions on property and sales tax revenues. We project a 2% percent assessment growth forecast for 2024-2026. This number is limited by the New York State Tax Cap, which forces the county to forgo assessment growth. For sales tax we budgeted for 1% increase in sales tax collections for 2023 and then forecast 1% percent growth for 2024 and 1.5% growth for 2025-2026. No fund balance is used in the 2023 budget, and none is projected to be used in the 2024-2026 budgets. Based on the expected ending 2022-year end positive variance, fund balance may be increased over current levels to prepare the county for future needs.

Rising Healthcare Costs

Since a 2009 agreement, the County has incurred an annual obligation on behalf of ECMCC for a minimum of \$16,200,000 for the cost of State-mandated supplemental Medicaid payments. Since then, this IGT payment has grown exponentially and we expect to incur a 2023 cost of \$56,164,074 – a 247 percent increase in just 14 years.

Managerial Confidential Positions Converted to Full Salaried

The COVID-19 Pandemic brought to light an error made decades ago that made Erie County the only county in New York State whose top appointed administrators are eligible for cash overtime because they are classified as hourly rather than salaried employees. While many essential appointees had received cash overtime sparingly during declared states of emergency, those were infrequent and had durations measured in days or weeks at most. The consequences of this classification error were only truly realized due to the magnitude and duration of the COVID-19 Pandemic's state of emergency, which lasted nearly 2 years.

As part of the 2023 Budget and beginning on January 1, 2023, most managerial confidential ("MC") positions in Erie County Government will become classified as exempt under the Fair Labor Standards Act. This action will officially convert nearly 100 MC positions – including all commissioners, deputy commissioners, and other top administrators from both my administration and the offices of all other independently elected officials – to fully salaried positions, making them no longer eligible for cash overtime or compensatory time.

Positioning Erie County Government in a Competitive Job Market

In 2022, new collective bargaining agreements were reached with CSEA and AFSCME, which represent the majority of Erie County's white-and-blue collar workforce. Despite generous Cost of Living Adjustments to mitigate the impacts of significant inflation over the past year, many vital positions have remained unfilled due to uncompetitive salaries. Additionally, County government is filled with long-standing inequities among positions in a direct promotional hierarchy within a single department or among similar positions across departments that often leads current employees to pass on promotional opportunities.

For example, a Park Superintendent requires similar experience and supervising responsibilities as a Senior Highway Maintenance Engineer, yet their position is two (2) job groups below their counterpart. Additionally, the Park Superintendent is at the same job group as a General Crew Chief, which is a directly subordinate position. It is only fair to increase the Park Superintendent position two (2) job groups to create both equity with the Senior Highway Maintenance Engineer and promotional distance from the General Crew Chief.

I see this budget as an opportunity to correct many of these discrepancies, which, in turn, will better position Erie County government to fill vital positions in a competitive job market and result in more efficient and effective services for our residents. As such, the general fund budget includes a total of 90 position upgrades (at a total salary and fringe expense of \$1.3 million), 44 of which were approved for the independently elected offices and Legislative Branch.

Major Investments in Law Enforcement

The proposed budget recognizes that if we want to fight crime and make our communities safe, we need to invest more money in funding effective, accountable policing – not less. This budget includes a \$14,219,195 increase in funding over the 2022 Adjusted Budget for the Sheriff's Office. These resources include 57 new jobs (more than half of the 105 total new general positions and a total salary and fringe expense of more than \$4.7 million) between the Divisions of Police Services, Jail Management and Correctional Health. This budget also includes various transfers that allow for the creation of a "Professional Standards Division" within the Sheriff's Office that will be responsible for investigating allegations of employee misconduct, policy violations, and criminal offenses while also providing employee training that responds to the changing needs of the community.

More effective policing can't work alone, it also requires equally effective prosecuting. That's why this budget also includes a \$2,392,116 increase in funding for the District Attorney's ("DA") Office. While these additional resources won't be used to create new jobs, they will be used to help fill (and keep filled) the jobs they already have. Specifically, this budget includes 32 position upgrades (with a salary and fringe expense of nearly \$685,000). The majority of these upgrades will address both the need to adjust the entry-level salary for an assistant district attorney to better attract young lawyers out of law school who might otherwise be interested in public service and reduce the mid-career exits for assistant district attorneys who leave the office for similar, yet better paying, positions in state and federal government.

In addition, this budget honors requests for 14 new positions and four (4) upgrades between Central Police Services, County Attorney, Probation, and Youth Detention.

Providing Essential Services & Expanding the People's Mandates

While so much of the County's annual budget is predicated on state or federally mandated programs we are required to fund, I continue my annual pledge to both improve and expand on "the people's mandates," those programs and services that, while not required by law, help make Erie County a better and more compassionate and place to live, work and raise a family.

Like past budgets, we will continue to share revenue growth with the Buffalo and Erie County Public Library System ("Library"). Unlike past budgets, we are increasing their share of

the property tax levy growth to 7 percent, which will provide the Library with \$1,849,674 in revenue over the 2022 levy and amounts to an additional \$1,320,960 over what they would have received with the standard sharing model.

In conjunction with the work of the Capital Projects Committee, I am proposing a capital works program totaling \$85,196,257, a more than \$8 million increase over 2022. Included will be a number of vital projects including:

- \$37,659,800 in highway and bridge projects including the reconstructions of Kenmore Avenue in the Town of Tonawanda, Abbott and Willet Roads between the Town of Hamburg and City of Lackawanna, and the replacement of Goodrich Road Bridge in the Town of Clarence among others;
- \$2,000,000 for the replacement of the Buffalo and Erie County Central Library roof;
- \$750,000 for the further development of the County's Agribusiness Park in the Town of Evans.
- \$200,000 in pay-as-you-go funding towards the transformative \$31,000,000 Jefferson Avenue Fine Arts Project.

As Erie County makes ever larger investments in our infrastructure, and in anticipation of additional infrastructure funding from the Federal government, this budget proposal creates a number of new positions in the Department of Public Works including a systems accountant and principal account clerk and five (5) additional crew chiefs in the field to advance our infrastructure agenda.

At our County Parks, we are continuing the momentum made possible by the generational commitment of \$14.3 million in RENEW Plan funding by investing another \$2,850,000 in capital funding in 2023. As we continue to renovate and rebuild our historic buildings and structures, install 5 new playgrounds across the system that children of all abilities can enjoy, and replace roads, bridges and parking lots, new funding will include \$500,000 bonded for a 7th inclusive playground and \$300,000 pay-as-you-go for phase 2 of the Parks Exterior Sign Plan. Additionally, we will be increasing the safety for our visitors with a new Senior Park Ranger, enhancing the quality of our customer service at our golf courses with two (2) additional Recreational Attendant II positions to provide 2nd shift supervising coverage, and two (2) additional lifeguards to help maximize the number of "swim-able" days at Bennett Beach.

As we return to a sense of normalcy after the pandemic, we need to ensure a vibrant arts and cultural community exists to welcome us all back. Even through the most challenging times, my Administration continues to support these organizations with \$7,499,190 in funding for 2023. Thirteen (13) new organizations will receive funding and 69 returning organizations will see their funding levels increase compared to the 2022 Adopted Budget. Additionally, we are providing Kleinhans Music Hall with \$650,000 towards their capital campaign to perform much-needed repairs to what is mostly original operating systems including the roof and HVAC systems. In many cases, Erie County is the number one funding source for these not-for-profit agencies, and our

commitment to their funding is a commitment to ensuring these theaters, museums, and other important community resources are able to entertain and educate us well into the future.

Support for SUNY Erie Community College

Erie County continues to be a strong supporter of SUNY Erie Community College (“SUNY Erie”) as it progresses through its reorganization efforts designed to reposition the college on sound financial footing amid a myriad of challenges including declining enrollments. The 2023 budget will maintain the County’s operating contribution at \$19.8 million and, for the sixth time, reduce the eligible amount of Community College chargebacks by \$4.4 million. Additionally, the County will contribute \$6 million towards \$16 million in new capital projects to be undertaken in 2023, including:

- \$3 million to begin the transition from the failed WorkDay Enterprise Resource Planning (“ERP”) to Banner ERP, which is used by nearly all other SUNY colleges.
- \$2.5 million for phase 2 of SUNY Erie’s Facility Master Plan which will provide significant upgrades to many buildings including roof repairs, ADA upgrades, classroom infrastructure and envelope upgrades among others.
- \$500,000 for a new sports fields complex at North Campus through a partnership between Erie County, SUNY Erie and the Town of Amherst.

Continuation of Historic RENEW Plan Funding

While not specifically funded through the 2023 Budget, many of the major capital initiatives my administration will be working on throughout 2023 were funded through the historic 2021 RENEW Plan, which leveraged the tens of millions of dollars in federal American Rescue Plan funds along with the reversal of significant state aid cuts.

The \$123 million plan is helping Erie County re-invest in our infrastructure with projects currently underway to rebuild a half-dozen WPA-era park shelters and the historic Wendt Mansion; build a new Harlem District highway barn, update the Convention Center façade, build a new greenhouse for the Botanical Gardens, among others.

Additionally, significant funding is going towards two regionally-transformational initiatives. First, a \$34 million investment to create the ErieNet Open Access Network which will provide high capacity, high-speed fiber internet access to key anchor institutions including Erie County itself. The newly appointed ErieNet LDC board is hard at work creating the organization that will soon manage the development and construction of ErieNet. Second, is the \$31 million investment in critical sewer system upgrades to keep Lake Erie and our watershed clean and safe.

Retiring Public Debt While Improving the County and Its Infrastructure

Over the course of my entire administration, we have worked to aggressively reduce our outstanding debt as we have to invest in our infrastructure. For now, the 9th straight year, we will be retiring more debt (\$45,250,000 of bonded principal in 2022) than we plan to issue (\$43,479,470 in bonding for 2023) to reduce our Outstanding General Debt to a new low of \$258,295,000 and a total retirement of \$158,396,804 since 2012.

Conclusion

While we all believe that the worst of the COVID-19 Pandemic has passed, we still face significant economic uncertainty as we continue to experience and navigate the ripple effects. I firmly believe both the 2023 Proposed Budget and accompanying Four-Year Plan are conservatively crafted in anticipation of challenges ahead while still aspiring to address the changing needs of our community and continue to prove that there is no better place to live, work and raise a family than in Erie County, NY.

I know that by working together with your Honorable Body and the Erie County Fiscal Stability Authority we can continue to move this community forward.

Sincerely yours,



Mark C. Poloncarz, Esq.
Erie County Executive

MCP/mc
Encl.

cc: Hon. John J. Flynn, Esq., Erie County District Attorney
Hon. John C. Garcia, Erie County Sheriff
Hon. Michael P. Kearns, Erie County Clerk
Hon. Kevin R. Hardwick, Ph.D., Erie County Comptroller
Erie County Fiscal Stability Authority



**FOUR-YEAR
OPERATIONS PLAN
FISCAL YEARS
2023 - 2026**

Four Year Financial Plan for Fiscal Years 2023-2026

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

The 2023 Proposed Budget and projected 2022 results largely form the basis for the Plan.

The 2023 Budget and Plan differ as explained in greater detail in the County Executive’s budget message and as noted below.

The Plan calls for 2% growth in property tax revenue strictly due to assessment growth for years 2024 through 2026. In 2023, the County projects to receive \$9.7 million in assessment growth, of which the County will share \$1,849,674 with the Buffalo and Erie County Public Library System.

The Plan calls for sales tax revenues to increase by 1% in 2023 from the 2022 projected actual amount, and then also increase by 1% in 2024 and 1.5 % in 2025 and 2026.

The Plan is based on reasonable assumptions at the time of submission of the 2023 Budget and Plan on October 14, 2022.

KEY ASSUMPTIONS IN FOUR YEAR FINANCIAL PLAN 2024-2026

Revenue	2024	2025	2026
Sales Tax Growth	1.00%	1.50%	1.50%
Real Estate Market Value Growth	2.00%	2.00%	2.00%
Property Tax Rate Increase	0%	0%	0%
 Expense	 2024	 2025	 2026
Personal Services Growth	3.00%	3.00%	3.00%
Health Insurance Growth	5.14%	4.16%	4.18%
Pension Rate	10.81%	10.81%	10.81%

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

There is no usage of fund balance over the term of the plan.

There are a variety of potential mechanisms and initiatives available to the County to close the out-year gaps, including:

- Better than expected sales tax revenue;
- Better than expected property tax assessment growth;
- Reductions in discretionary spending, including in personal services and through deletion of positions;
- Property tax revenue;
- NYS payment of withheld eFMAP Aid relating to earned but not received ACA benefit;
- NYS reduction of Medicaid weekly share payments due to earned but not received COVID eFMAP benefit;
- Use of appropriated fund balance;
- Increase to Community College Chargeback revenue;
- More favorable (lower) caseload trends in social service programs; and
- Continuation of Gaming Facilities Aid.

County of Erie
2023-2026 Four-Year Financial Plan

Fund 110 - General	Account Type	2021 Actual	2022 Legislative Adopted Budget	2023 Executive Recommended Budget	2024 Projection	2025 Projection	2026 Projection
Local Source Revenue							
	Property Tax Levy	286,178,342	293,524,030	301,424,356	307,452,843	313,601,900	319,873,938
	Property Tax Related						
	Sec 520 Exempt Removal	1,077,342	980,280	920,000	920,000	920,000	920,000
	Gain Sale Tax Acquired Prop	-	6,000	5,000	5,000	5,000	5,000
	Payments In Lieu Of Taxes	4,575,415	4,760,000	5,100,000	4,800,000	4,800,000	4,800,000
	Interest & Penalties-Prop Tax	18,196,258	13,885,795	13,485,555	13,620,411	13,756,614	13,894,180
	Omitted Taxes	16,394	2,000	6,000	6,000	6,000	6,000
	Dec-Prop Tax Def Rev	(8,542,133)	(4,683,722)	(3,552,801)	(3,588,329)	(3,624,212)	(3,660,454)
	Property Tax Related Total	15,323,276	14,950,353	15,963,754	15,763,082	15,863,402	15,964,726
	Sales Tax						
	Sales Tax Original 3%	210,678,024	207,035,059	220,020,488	222,220,693	225,554,003	228,937,313
	1% Sales Tax	198,909,542	195,470,064	207,730,136	209,807,437	212,954,549	216,148,868
	.25 % Sales Tax	49,720,827	48,967,342	51,925,690	52,444,947	53,231,622	54,030,095
	.50% Sales Tax	99,441,654	97,701,854	103,851,380	104,889,894	106,463,242	108,060,191
	Sales Tax Total	558,750,047	549,174,319	583,527,694	589,362,971	598,203,416	607,176,467
	Sales Tax (Distrib. to Local Gov'ts)	386,050,600	379,442,301	403,187,071	407,218,942	413,327,226	419,527,134
	Fees Fines or Charges						
	Election Exp Other Govts	7,581,812	8,359,701	8,369,412	7,802,195	7,919,228	8,038,016
	All Other Fees Fines or Charges	28,350,453	26,269,701	27,034,515	27,440,033	27,851,633	28,269,408
	Fees Fines or Charges Total	35,932,265	34,629,402	35,403,927	35,242,228	35,770,861	36,307,424
	Other Sources						
	Interest & Earn - Gen Inv	128,112	200,500	1,200,400	1,200,400	1,200,400	1,200,400
	Hotel Occupancy Tax Revenue	9,112,604	9,300,000	11,200,000	11,368,000	11,538,520	11,711,598
	Community College Respreads	2,981,087	3,272,145	3,969,412	4,009,106	4,049,197	4,089,689
	All Other Sources Accounts	34,193,550	19,381,550	22,514,163	22,851,876	23,194,654	23,542,573
	Other Sources Total	46,415,353	32,154,195	38,883,975	39,429,382	39,982,771	40,544,260
	Appropriated Fund Balance						
	Appropriated Fund Balance - Special	-	-	-	-	-	-
	Appropriated Fund Balance County Purposes	-	-	-	-	-	-
	Appropriated Fund Balance	-	-	-	-	-	-
Local Source Revenue Total		1,328,649,883	1,303,874,600	1,378,390,777	1,394,469,448	1,416,749,576	1,439,393,949
State Aid							
	State Aid-Education Of Handicapped Children	37,559,475	34,577,401	37,057,308	37,427,881	37,802,160	38,180,182
	State Aid-Mental Health	41,885,929	40,750,299	47,378,633	47,852,419	48,330,943	48,814,253
	State Aid-Soc Serv Admin	31,198,872	29,441,676	30,554,134	31,165,217	31,788,521	32,424,291
	State Aid-Safety Net Assistance	7,542,394	10,912,427	10,411,479	10,619,709	10,832,103	11,048,745
	State Aid-Child Welfare Services	19,603,961	23,348,429	28,331,826	28,898,463	29,476,432	30,065,961
	State Aid-Serv For Recipients	6,466,745	6,424,553	5,997,122	6,117,064	6,239,405	6,364,193
	State Aid Day Care	1,517,069	4,784,135	3,899,715	3,977,709	4,057,263	4,138,408
	State Aid Raise the Age	15,107,740	4,756,685	8,650,476	8,823,486	8,999,956	9,179,955
	All Other State Aid Accounts	29,470,579	33,607,470	37,365,558	38,112,869	38,875,127	39,652,629
	State Aid Revenue Offset	15,467,221	-	-	0	0	0
	State Aid Total	205,819,985	188,603,075	209,646,251	212,994,817	216,401,910	219,868,617
Federal Aid							
	Federal Aid-Family Assistance	22,784,093	37,441,676	37,682,769	38,436,424	39,205,152	39,989,256
	Federal Aid-Soc Serv Admin	18,970,248	19,380,950	29,746,461	30,341,390	30,948,218	31,567,182
	Fed Aid Day Care	22,328,108	23,013,463	19,339,794	19,726,590	20,121,122	20,523,544
	Federal Aid-CWS Foster Care	12,578,596	14,799,265	23,126,797	23,589,333	24,061,120	24,542,342
	Federal Aid-Safety Net TANF Cases	236,280	708,834	360,963	368,182	375,546	383,057
	All Other Federal Aid Accounts	67,077,718	79,315,698	80,164,334	81,767,621	83,402,973	85,071,033
	Federal Aid Total	143,975,043	174,659,886	190,421,118	194,229,540	198,114,131	202,076,414
	Interfund Revenue	6,098,496	-	729,966	350,000	350,000	350,000
Total Fund 110 Revenue		1,684,543,407	1,667,137,561	1,779,188,112	1,802,043,805	1,831,615,617	1,861,688,980

County of Erie
2023-2026 Four-Year Financial Plan

Fund 110 - General	Account Type	2021 Actual	2022 Legislative Adopted Budget	2023 Executive Recommended Budget	2024 Projection	2025 Projection	2026 Projection
Expense							
Personal Service Related Expense							
Personal Services							
Full-Time Salaries		198,568,475	231,109,588	264,495,548	272,430,415	280,603,327	289,021,427
Part-Time Wages		2,139,185	3,705,170	4,261,013	4,388,843	4,520,509	4,656,123
Regular Part Time Wages		1,066,017	1,517,678	1,720,510	1,772,125	1,825,289	1,880,048
Seasonal Emp Wages		603,731	863,737	986,666	1,016,266	1,046,754	1,078,157
Personal Services Total		202,377,408	237,196,173	271,463,737	279,607,649	287,995,879	296,635,755
Employee Payments non-salary							
Shift Differential		1,573,728	1,746,237	2,208,998	2,264,222	2,320,829	2,378,849
Uniform Allowance		953,650	1,003,350	1,131,050	1,142,361	1,153,784	1,165,322
Holiday Worked		2,095,637	2,165,383	2,471,716	2,533,509	2,596,847	2,661,768
Line-Up		2,250,816	2,532,626	2,946,478	3,020,140	3,095,643	3,173,035
Other Employee Pymts		7,136,860	1,853,011	2,524,479	2,587,591	2,652,281	2,718,587
Overtime		19,720,082	17,741,860	19,062,961	19,253,591	19,446,126	19,640,588
Employee Payments non-salary Total		33,730,773	27,042,467	30,345,682	30,801,414	31,265,510	31,738,149
Fringe Benefits							
Fringe Benefits- FICA		17,241,589	20,101,503	22,881,871	23,746,293	24,423,496	25,120,604
Fringe Benefits-Medical Insurance		40,207,655	44,057,243	49,579,492	52,241,845	54,529,845	56,940,035
Fringe Benefits-Workers Compensation		4,311,247	7,702,913	6,828,367	7,077,327	7,279,160	7,486,925
Fringe Benefits-Unemployment Insur.		(702,726)	919,677	747,774	776,023	798,153	820,935
Fringe Benefits-Retiree Med Insur.		27,373,019	36,764,084	40,675,830	42,650,205	44,313,481	46,038,021
Fringe Benefits-Retirement		33,359,241	33,502,505	30,509,161	33,555,220	34,512,156	35,497,219
Fringe Benefits Total		121,790,025	143,047,925	151,222,495	160,046,913	165,856,291	171,903,739
Countywide Personnel Adjustments							
Salary Adjustments		-	-	-	-	-	-
Reductions (Vacancy Savings)		-	(1,400,000)	(2,700,000)	(1,700,000)	(1,700,000)	(1,700,000)
Countywide Personnel Adjustments		-	(1,400,000)	(2,700,000)	(1,700,000)	(1,700,000)	(1,700,000)
Personal Service Related Expense Total		357,898,206	405,886,565	450,331,914	468,755,976	483,417,680	498,577,643
Other Departmental Expense							
Supplies & Repairs							
Auto Supplies		1,645,777	1,931,625	3,076,575	3,122,724	3,169,565	3,217,108
All Other		5,672,331	7,211,548	8,271,027	8,395,092	8,521,018	8,648,834
Supplies and Repairs		7,318,108	9,143,173	11,347,602	11,517,816	11,690,583	11,865,942
Other							
Risk Retention		2,465,825	5,000,000	5,000,000	4,000,000	4,000,000	4,000,000
Control Board		471,748	486,000	490,000	490,000	490,000	490,000
Rental		9,214,279	11,879,727	13,062,755	13,193,383	13,325,317	13,458,570
DSS Pivot Wages/Chargebacks/Training		2,991,644	4,940,082	5,420,127	5,474,328	5,529,071	5,584,362
Utility Charges		3,037,066	3,697,975	3,706,293	3,817,482	3,932,006	4,049,967
All Other		3,108,786	6,312,380	7,518,356	7,631,131	7,745,598	7,861,782
Other Total		21,289,348	32,316,164	35,197,531	34,606,324	35,021,992	35,444,681
Contractual							
Sales Tax as Aid to Local Governments							
Sales Tax Distrib.to Cities, Towns & Sch Dist. from 3%		386,050,600	379,442,301	403,187,071	407,218,942	413,327,226	419,527,134
Sales Tax Flat Distrib.to Cities and Towns from 1%		12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
Sales Tax Distributed to NFTA		24,863,643	24,433,759	25,966,267	26,225,930	26,619,319	27,018,609
Sub Total - Local Gov. Sales Tax		423,414,243	416,376,060	441,653,338	445,944,872	452,446,545	459,045,743
Other Agency Contractual or Mandated Payments							
Indigent Defense - Legal Aid/Bar Assoc.		13,220,137	13,804,118	14,218,860	14,645,426	15,084,788	15,537,332
NFTA Sec 18 B		4,205,780	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200
Contractual-ECMCC Healthcare Network		21,822,051	7,669,908	5,882,104	5,970,336	6,059,891	6,150,788
Cultural/Community Agencies		7,486,865	11,128,373	8,105,134	8,226,711	8,350,112	8,475,364
Buffalo Bills Game Day Expense		2,684,502	2,855,396	3,048,714	3,140,176	3,234,381	0
Stadium - Working Capital Assistance		1,728,590	1,810,650	1,933,237	1,991,234	2,050,971	0
Social Services/Youth/Mental Health Agencies		88,575,915	90,943,296	99,782,595	101,279,334	102,798,523	104,340,501
Visit Niagara (CVB) Subsidy		3,630,933	3,739,861	3,852,057	3,909,837	3,968,486	4,028,013
Bilo Niagara Film Comm WNED		341,023	302,844	311,929	316,508	321,357	326,177
Convention Center Subsidy		1,867,551	1,923,578	1,981,286	2,011,005	2,041,170	2,071,788
County Residents at Other Community Colleges		8,017,437	7,850,000	8,305,275	8,471,381	8,640,808	8,813,625
Legislative Earmarks		-	-	-	-	-	-
All Other Contractual Accounts		23,254,227	50,205,447	33,864,253	34,372,216	34,887,800	35,411,117
Contractual Total		600,249,254	612,266,731	626,595,982	633,936,336	643,542,032	647,857,648
Equipment		2,466,211	5,479,727	4,937,173	5,184,032	5,443,233	5,715,395

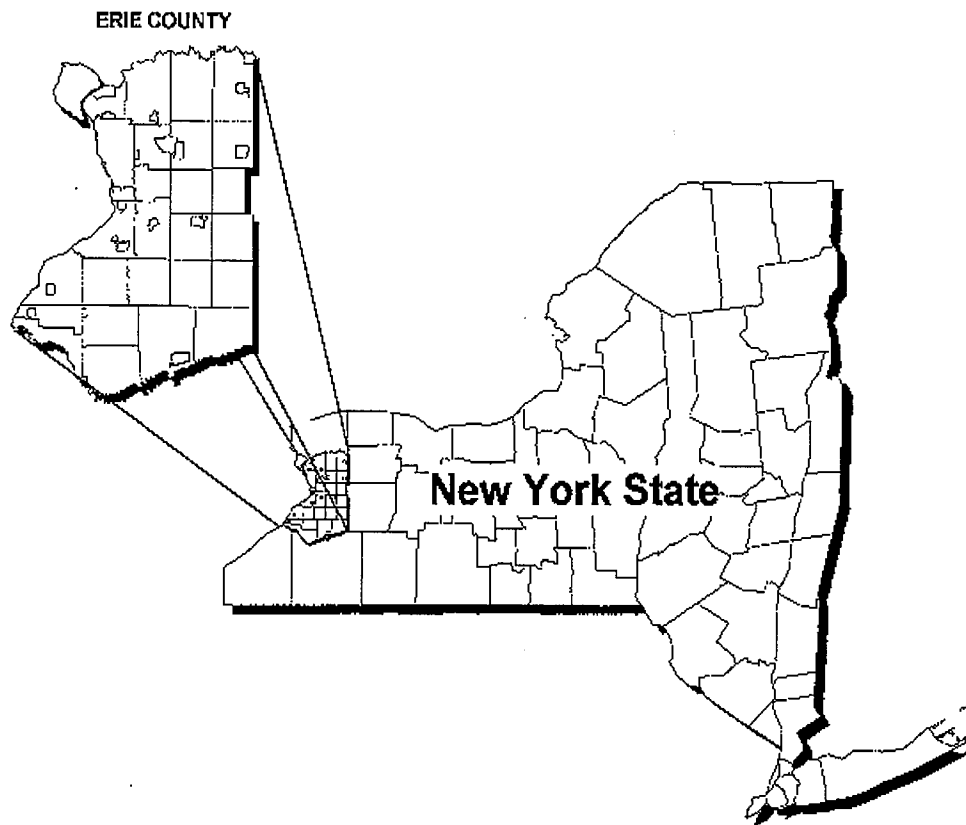
County of Erie
2023-2026 Four-Year Financial Plan

Fund 110 - General Account Type		2021 Actual	2022 Legislative Adopted Budget	2023 Executive Recommended Budget	2024 Projection	2025 Projection	2026 Projection
Allocation							
Interfund-Erie Community College		18,084,317	19,804,317	19,804,317	19,804,317	19,804,317	19,804,317
Interfund-Utilities Fund		3,468,582	4,100,386	5,724,468	5,896,202	6,073,088	6,255,280
County Share - Grants		6,200,724	7,416,305	9,192,696	9,376,550	9,564,081	9,755,363
Interfund-Road		19,843,685	20,054,514	17,787,687	22,500,000	24,000,000	25,000,000
Interfund -Library Subsidy		135,000	14,000	-	-	-	-
Interfund E911 Subsidy		4,379,710	5,462,503	5,505,969	7,200,000	7,300,000	7,400,000
Interfund COVID Response		1,215,353	-	-	-	-	-
Interdepartmental Billings		(4,658,337)	(4,911,245)	(5,599,620)	(5,711,612)	(5,625,845)	(5,738,361)
All Other Allocation Accounts		11,696,250	3,052,500	7,649,277	4,000,000	4,000,000	4,000,000
Allocation Total		60,365,284	54,993,280	60,064,794	63,065,457	65,115,641	66,476,599
Program Related							
UPL Expense		5,288,328	4,200,000	4,200,000	5,000,000	5,000,000	5,000,000
Indigent Care Adjustment DSH		29,385,895	48,651,457	51,964,074	40,625,582	41,414,226	42,245,962
DSH Expense		5,147,916	6,367,267	6,691,290	6,892,029	7,098,790	7,311,754
Sub Total UPL/DSH/ICA ECMCC Subsidy		39,822,139	59,218,724	62,855,364	52,517,611	53,513,016	54,557,716
MMIS-Medicaid Local Share		172,643,069	191,029,437	190,454,017	198,890,026	195,137,384	195,137,384
Family Assistance		23,317,916	35,691,689	38,780,099	39,555,701	40,346,815	41,153,751
CWS - Foster Care		51,086,348	64,170,714	99,177,933	99,177,933	99,177,933	99,177,933
Safety Net Assistance		26,751,901	36,069,543	39,665,565	40,458,876	41,268,054	42,093,415
Child Care-DSS		22,959,199	26,951,740	23,301,386	23,767,414	24,242,762	24,727,617
Children With Special Needs Program		58,967,695	67,006,068	73,151,320	74,614,346	76,106,633	77,628,766
State Training School		9,928,245	7,979,770	7,979,770	8,139,365	8,302,152	8,468,195
All Other Program Related Accounts		2,174,123	2,645,084	2,354,686	2,401,781	2,449,816	2,498,813
Program Related Total		407,650,635	490,762,769	537,720,140	539,523,053	540,544,565	545,443,590
Debt Service							
Interest-Revenue Anticipation Notes		3,739,583	-	-	-	-	-
Interfund Debt Service Subsidy		48,318,877	56,289,152	52,992,976	46,855,674	49,099,607	51,126,950
Debt Service Total		52,058,460	56,289,152	52,992,976	46,855,674	49,099,607	51,126,950
Other Departmental Expense Total		1,151,397,300	1,261,250,996	1,328,856,198	1,334,688,692	1,350,457,653	1,363,930,805
Total Fund 110 Expense		1,509,295,506	1,667,137,561	1,779,188,112	1,803,444,668	1,833,875,333	1,862,508,448
Revenue Less Expense - Surplus/(Gap)		175,247,901	-	-	(1,400,863)	(2,259,716)	(819,468)



OVERVIEW

Snapshot of Erie County



Geographic Size

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

Government

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

Population

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

<u>Year</u>	<u>Population</u>
1970	1,113,491
1980	1,015,472
1990	968,532
2000	950,265
2010	919,040
2020	954,236

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

<u>Municipality</u>	<u>2010 Population</u>	<u>2020 Population</u>
Buffalo, City	261,310	278,349
Lackawanna, City	18,141	19,949
Tonawanda, City	15,130	14,635
Amherst, Town	122,366	129,595
Cheektowaga, Town	88,226	89,877
Tonawanda, Town	73,567	72,636
Hamburg, Town	56,936	60,085
West Seneca, Town	44,711	45,344

Economy

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

Ten Largest Employers in WNY

<u>Organization</u>	<u>FTE Employees</u>
State of New York	26,019
Federal Executive Board	11,084
Kaleida Health	8,194
M & T Bank	8,000
Catholic Health	7,202
Buffalo City School District	6,293
University at Buffalo	5,984
Tops Friendly Markets	5,486
Walmart	5,100
Erie County	4,458

Source: 2022 *Business First* Book of Lists

Ten Largest Taxpayers (as of July 1, 2022)

	<u>Equalized Taxable Valuation</u>
National Grid/Niagara Mohawk	\$1,187,922,393
Benderson Development Co.	\$896,405,875
National Fuel Gas	\$853,288,192
Ellicott Group, LLC	\$380,068,321
Uniland Development	\$330,466,987
NYSEG	\$315,215,222
Norfolk/Conrail/CSX	\$252,801,779
Ciminelli International	\$203,273,543
M J Peterson Real Estate	\$182,539,983
Verizon	\$181,810,240

TOTAL \$4,783,792,535

Source: Erie County Department of Real Property Tax Services, 2022 Annual Report

Total Market Value of Erie County Real Estate

Year	Equalized Full Market Value Tax Base	Percentage Change from Prior Year
2013	47,138,287,212	
2014	47,996,864,239	1.82%
2015	49,214,694,098	2.54%
2016	51,961,517,243	5.58%
2017	54,929,481,216	5.71%
2018	58,098,573,862	5.77%
2019	60,970,410,994	4.94%
2020	64,771,315,474	6.23%
2021	70,645,602,048	9.07%
2022	74,148,294,674	4.96%

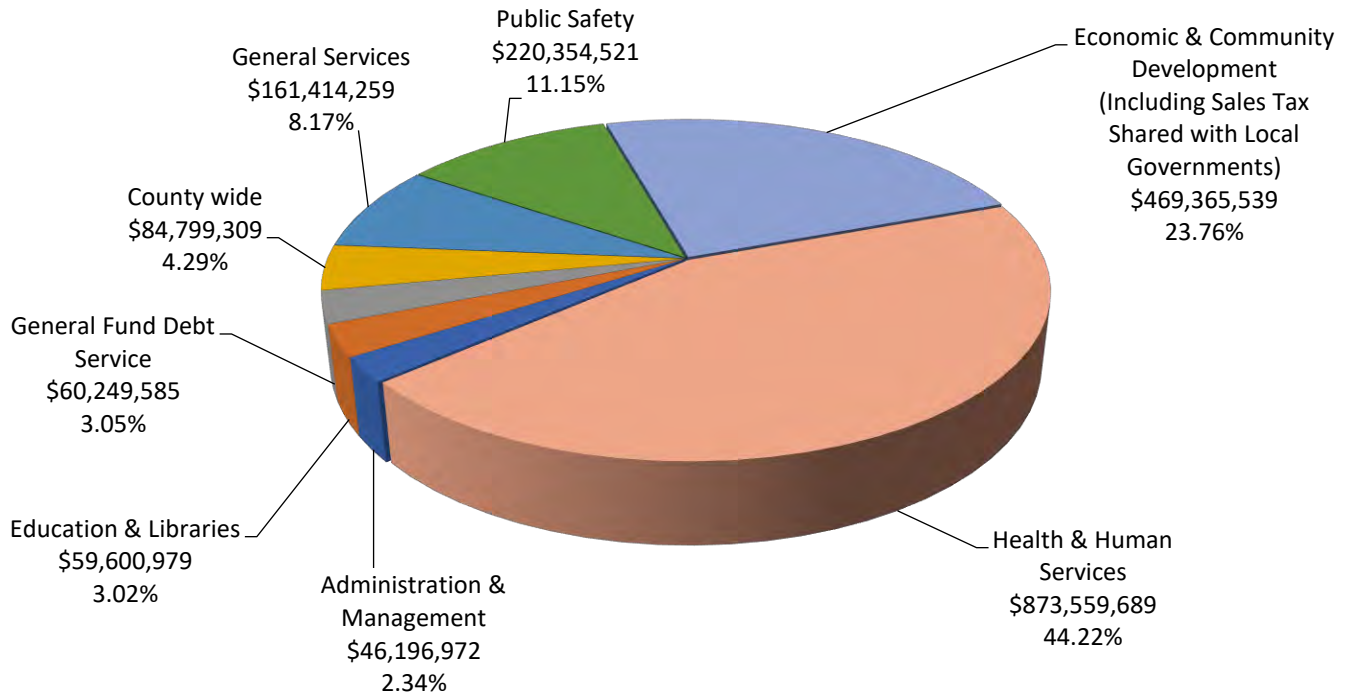
Source: Erie County Department of Real Property Tax Services, 2022 Annual Report



UNDERSTANDING THE 2023 ERIE COUNTY BUDGET

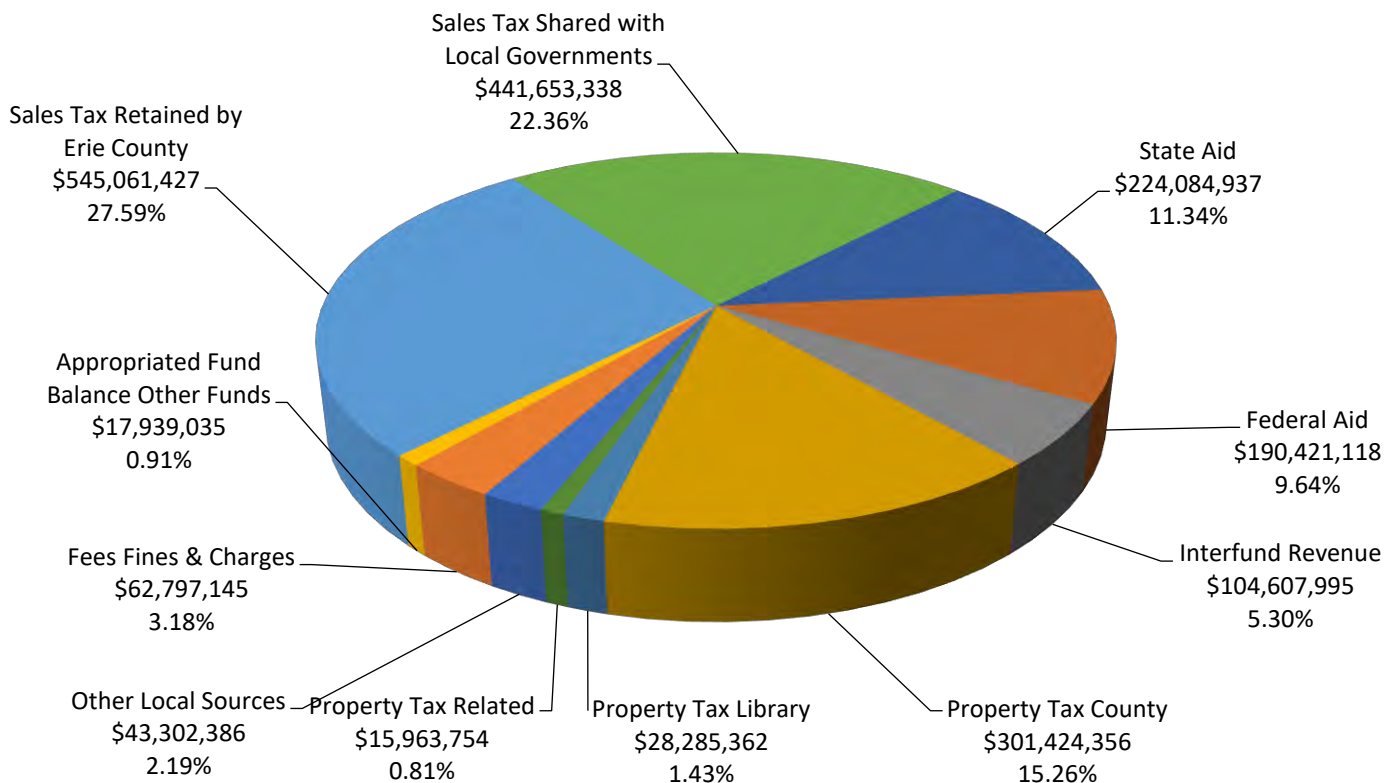
Understanding the 2023 County Budget

Where the Funding Goes



The Total 2023 Budget for All Operating Funds is \$1,975,540,853

Where the Revenue Comes From



Understanding the 2023 County Budget

Summary of Unassigned/Undesignated Fund Balances for All Funds 2011-2021 (amounts in thousands)

Fund Name	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
110 General	83,489	88,332	89,650	92,218	99,859	100,154	101,939	102,490	102,898	104,050	113,395
210 Road	0	0	0	0	0	0	0	0	0	0	0
230 E-911	0	0	0	(96)	(43)	0	0	0	0	0	0
820 Library	1,726	2,942	3,296	2,773	2,096	3,405	3,282	3,689	2,797	3,497	4,247
310 Debt Service	0	0	0	0	0	0	0	0	0	0	0
Total	85,215	91,274	92,946	94,895	101,912	103,559	105,221	106,179	105,695	107,547	117,642

Source: Erie County Comprehensive Annual Financial Reports

Understanding the 2023 County Budget

Overview of All Operating Funds in the 2023 Proposed Budget

110 General	\$1,779,188,112
140 Utility Fund	41,896,486
210 Road Fund	51,467,687
230 E-911 Fund	11,247,596
310 Operating Fund Debt Service	60,249,585
820 Library	31,491,387
Total All Operating Funds	\$1,975,540,853

Additional Funds in the 2023 Proposed Budget

220 Sewer Districts	\$70,472,910
281 Grant Fund	40,443,469
290 Community Development Fund	6,693,428
295 Pharmaceutical Settlement Fund	5,191,051
310 Sewer District Debt Service	8,105,852
821 Library Grants	721,839
Total	\$131,628,549
Total All Funds	\$2,107,169,402

Understanding the 2023 County Budget

Outstanding General Debt at Year End (Sewer Debt Excluded)

Year	Outstanding Debt	Bond Principal Retired
2012	\$412,285,000	-\$41,804,957
2013	\$391,605,000	-\$45,675,000
2014	\$368,175,000	-\$53,245,000
2015	\$348,165,000	-\$50,715,000
2016	\$327,405,000	-\$52,255,000
2017	\$318,235,000	-\$49,285,000
2018	\$310,830,000	-\$48,060,000
2020	\$291,805,000	-\$52,065,000
2021	\$276,450,000	-\$39,750,000
2022	\$258,295,000	-\$45,250,000

Capital Budget Bonded Component by Year

Year	Total Capital Projects	Total Bond Principal
2014	\$65,062,502	\$24,995,000
2015	\$66,445,228	\$29,815,000
2016	\$64,379,432	\$30,705,000
2017	\$66,639,200	\$31,495,000
2018	\$80,744,879	\$40,115,000
2019	\$83,193,656	\$40,655,000
2020	\$77,983,072	\$31,840,000
2021	\$125,320,933	\$24,395,000
2022*	\$112,559,532	\$27,095,000
2023**	\$85,196,257	\$43,479,470

* Total 2022 capital projects authorized to date.

** Total capital projects and bond principal authorized in 2023 Proposed Erie County Budget



OVERVIEW OF REVENUES

Property Tax Levy

2023 Budget: \$329,709,718
2022 Budget: \$319,959,718

The County property tax levy represents the total amount of real property revenue to be raised by the County for County and Library purposes. The amount of the real property tax levy is the difference between total expenses and all other projected revenue sources, including sales tax. The proposed 2023 County property tax levy totals \$329,709,718.

A breakout of the total property tax levy into two required reporting categories for 2023 and 2022 totals:

	<u>2023 Budget</u>	<u>2022 Budget</u>
General Fund	\$301,424,356	\$293,524,030
Library Fund	<u>28,285,362</u>	<u>26,435,688</u>
Total Property Tax Levy	\$329,709,718	\$319,959,718

New York State Property Tax Cap Law

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

For the County's 2023 Budget, the cap is 2.00%. Due to property tax regulations the growth is capped at 2%. Overall taxes are under the cap limit by approximately \$317,000. Under the law, the cap amount includes other elements such as the Buffalo and Erie County Public Library real property tax levy and the County's independent sewer districts' property tax levies, and not just the County-purposes property tax levy.

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

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

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

<u>Year</u>	<u>Amount of Property Tax Levy</u>	<u>Tax Rate/Per \$1,000 Assessed Value</u>
2023	329,709,718	3.92
2022	319,959,718	4.32
2021	312,095,683	4.42
2020	305,272,912	4.71
2019	295,096,353	4.84
2018	287,386,093	4.95
2017	272,002,597	4.95
2016	257,638,097	4.96
2015	245,876,811	4.99
2014	241,721,087	5.03
2013	237,270,828	5.03
2012	237,692,831	5.03
2011	235,182,208	5.03
2010	232,413,974	5.03
2009	223,306,326	5.03
2008	211,837,793	4.94
2007	200,031,205	4.94
2006	188,094,445	4.94
2005	157,641,229	4.35
2004	152,529,551	4.42
2003	152,529,551	4.54
2002	152,529,551	4.74
2001	152,529,551	4.78
2000	181,766,441	5.60

Average County Full Market Value Property Tax Rate

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

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

County Tax Levy	÷	Total Equalized Full Market Value	=	Average County Full Market Property Tax Rate
\$329,709,718	÷	\$84,086,063,555	=	\$3.92 per \$1,000 Assessed Value

Equalized Full Market Value

In 2023, the County's equalized full market value tax base will increase by \$9,937,768,881. The amount of equalized full value is determined as follows:

	Total Taxable Assessed Value	÷	Equalization Rate (rounded)	=	Equalized Full Market Value
2022	\$53,820,516,518	÷	0.7258	=	\$74,148,294,674
2023	\$54,800,189,135	÷	0.6517	=	\$84,086,063,555

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

Year	Equalized Full Market Value Tax Base	Percentage Change From Prior Year
2014	47,996,864,239	1.82%
2015	49,214,694,098	2.54%
2016	51,961,517,243	5.58%
2017	54,929,481,216	5.71%
2018	58,098,573,862	5.73%
2019	60,970,410,994	4.94%
2020	64,771,315,474	6.23%
2021	70,645,602,048	9.07%
2022	74,148,294,674	4.96%
2023	84,086,063,555	13.40%

Constitutional Tax Margin

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

The computation of the County's constitutional taxing power for 2023 is set forth below:

Estimated Computation of Constitutional Tax Power for 2023

2018	58,098,573,862
2019	60,970,410,994
2020	64,771,315,474
2021	70,645,602,048
2022	74,148,294,674
Total ^(a)	\$328,634,197,052
Five-Year Average Full Valuation	\$65,726,839,410
Tax Limit (1.5%)	985,902,591
Total Exclusions	<u>63,309,153</u>
Total Taxing Limit	1,049,211,744
Less Total Tax Levy for 2023^(b)	<u>341,696,567</u>
Unused Tax Limit	\$707,515,177

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

^(b)Includes County and Library property taxes, taxes for certain election expenses and community college chargebacks totals \$ 11,986,849

One-Percent Tax Cap

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

Pursuant to the terms of this local law, Erie County's estimated 1% property tax limit, adjusted for debt service, is \$720,577,547 leaving an unused tax margin of \$378,880,980.

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

Five-Year Average Full Valuation	\$65,726,839,410
Tax Limit (1.0%)	657,268,394
Total Exclusions	<u>63,309,153</u>
Total Taxing Power	<u>720,577,547</u>
Less Total Levy for 2023^(a)	<u>341,696,567</u>
Projected 1% Unused Tax Margin	<u>\$378,880,980</u>

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

Sales Tax Revenue

2023 Budget

Sales Tax Retained by Erie County	\$545,061,427
Shared with Cities, Towns, Villages, School Districts, and the NFTA	441,653,338
Total Sales Tax Revenues	\$986,714,765

Distribution Formula

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

Sales Tax Sharing Formulas 4.75% Sales Tax

	3%	1% ⁽¹⁾	0.75% ⁽²⁾
County of Erie	31.1389%	100% (less \$12.5M)	100%
NFTA	4.1666%	-	-
School Districts	29.0000%	-	-
Cities	10.0087%	-	-
Towns, and Villages	25.6858%	\$12.5 million	-

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

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

Sales Tax Shared with Other Local Governments

The following table indicates 2023 estimated sales tax to Erie County and the amount of sales tax shared with local jurisdictions.

	2023 Estimated Collections
County Share of Sales Tax	
3% Sales Tax	\$194,054,221
1% Sales Tax	195,230,136
0.75% Sales Tax	155,777,070
 Total 2023 Estimated County Share	 \$545,061,427
Shared Sales Tax	
3% Sales Tax Distributed to Cities, Towns and Schools	\$403,187,071
1% Sales Tax Distributed to Cities & Towns	12,500,000
3% Sales Tax Distributed to NFTA (1/24 th of overall 3%)	<u>25,966,267</u>
 Total 2023 to Other Jurisdictions	 \$441,653,338
 Total 2023 Estimated Sales Tax	 \$986,714,765

All Other Local Source Revenues

2023 Budget: \$90,981,622
2022 Budget: \$81,733,950

2023 Distribution of All Other Revenues

	<u>Total</u>
Property Tax Related	\$15,963,754
Welfare Recoveries/Repayments	12,354,107
Hotel Occupancy Tax	11,200,000
Election Expense Re-spread	8,369,412
Interest Earnings – General Investments	1,200,000
Fees, Fines, and Charges	27,034,515
Appropriated Fund Balance	0
Interfund Revenue	729,966
All Other Local Source Accounts	14,129,868
Total	\$90,981,622

Property Tax Related

2023 Budget: \$15,963,754
2022 Budget: \$14,950,353

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

Welfare Recoveries/Repayments

2023 Budget: \$12,354,107
2022 Budget: \$11,638,092

Welfare recoveries/repayments are revenues produced by the Department of Social Services (DSS) collection program. DSS recoups excess amounts paid to clients and maximizes collections on all accounts established by fraud, over-grant, or assistance repayment requirements. The 2023 amount is based on recent collections, and reflects a shift to direct collection by New York State of some repayments and recoveries previously passed through the Department.

Hotel Occupancy Tax

2023 Budget:	\$11,200,000
2022 Budget:	\$ 9,300,000

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

Board of Elections Re-spread Revenue

2023 Budget:	\$8,369,412
2022 Budget:	\$8,359,701

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

Interest Earnings - General Investments

2023 Budget:	\$1,200,000
2022 Budget:	\$ 200,000

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

Fees, Fines, and Charges

2023 Budget:	\$27,034,515
2022 Budget:	\$26,269,701

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

Appropriated Fund Balance

2023 Budget:	\$	0
2022 Budget:	\$	0

No undesignated fund balance is utilized in the 2023 Budget.

Interfund Revenue

2023 Budget:	\$729,966
2022 Budget:	\$ 0

The 2023 budget includes Interfund Revenue related to the closing of Capital Projects

All Other Source Accounts

2023 Budget:	\$14,129,868
2022 Budget:	\$11,016,103

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

State Aid

2023 Budget: \$209,646,251
2022 Budget: \$188,603,075

2023 Distribution of State Aid General Fund

	<u>Total</u>
Social Services	\$87,029,510
Youth Detention	10,129,093
Youth Bureau	2,082,757
Health Department	8,850,032
Early Intervention/Special Needs	42,358,599
Mental Health	50,627,725
Probation	1,854,124
District Attorney	3,708,092
Sheriff Police Services/Jail Management	373,968
Buildings and Grounds	2,167,000
All Other Departments	465,351
Total	\$209,646,251

Department of Social Services

2023 Budget: \$87,029,510
2022 Budget: \$83,600,054

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

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

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

Administrative costs for Medical Assistance continue to be a component of the Medicaid Cap in 2023. Because the local share costs of Medical Assistance administration are included in the Medicaid Cap chargeback, the State will reimburse the non-federal share of Medical Assistance administration in the separate administrative claim. An administrative cap on the non-federal share of Medicaid was created in 2012 restricting the reimbursement of Medicaid administrative cost to the amount received in calendar year 2010. The Medicaid administrative cap amount will not be exceeded in 2022 or 2023. This cap continues to create a concern about potential future cost shifts to the County.

State reimbursements for all foster care services and administration are capped in a Foster Care Block Grant (FCBG) in 2023. Uncapped 62 percent State reimbursement is available for child protection services and for foster care prevention, adoption subsidies and administration, and independent living services.

Youth Detention

2023 Budget:	\$10,129,093
2022 Budget:	\$8,640,644

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

Youth Bureau

2023 Budget:	\$2,082,757
2022 Budget:	\$1,865,306

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

Health Department

2023 Budget: \$8,850,032
2022 Budget: \$5,671,734

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

Early Intervention/Pre-K Special Education/Administration

2023 Budget: \$42,358,599
2022 Budget: \$39,730,289

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

Department of Mental Health

2023 Budget: \$50,627,725
2022 Budget: \$43,993,683

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

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

Probation Department

2023 Budget: \$1,854,124
2022 Budget: \$1,448,652

Reimbursement is received from the NYS Division of Criminal Justice Services, Office of Probation, and Correctional Alternatives for expenses incurred by the Probation Department and New York State Aid for criminal justice reform costs

District Attorney

2023 Budget: \$3,708,092
2022 Budget: \$891,682

The District Attorney receives New York State Aid for criminal justice reform costs and reimbursement for a portion of the District Attorney's salary.

Sheriff's Police Services and Jail Management

2023 Budget: \$373,968
2022 Budget: \$372,052

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

Buildings and Grounds

2023 Budget: \$2,167,000
2022 Budget: \$1,950,000

State revenues of \$2,167,000 are for the reimbursement of the operation and maintenance of court facilities and interest costs associated with court improvements.

All Other Departments

2023 Budget: \$465,351
2022 Budget: \$438,999

Other county departments receive New York State reimbursement for items such as snowmobile trail maintenance, burial costs of indigent veterans, handicapped parking surcharges and octane testing.

Federal Aid

2023 Budget: \$190,421,118
2022 Budget: \$174,659,886

2023 Distribution of Federal Aid Operating Fund

	Total
Social Services	\$179,392,472
Early Intervention/Special Needs	3,315,851
Sheriff Police Services/Jail Management	133,832
Homeland Security & Emergency Services	342,777
Mental Health	7,155,936
District Attorney	29,250
STOP-DWI Program	41,000
Central Police Services	10,000
Total	\$190,421,118

Department of Social Services

2023 Budget: \$179,392,472
2022 Budget: \$164,436,952

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

Early Intervention/Pre-K/Special Education

2023 Budget: \$3,315,851
2022 Budget: \$2,861,831

The revenue budgeted represents the county's Federal share of Medicaid partial reimbursement for services given to children in the Preschool Program, ages three and four and to children in the Early Intervention Program, ages birth through two. The Pre-school Program portion is \$3,199,680 and represents the county's 40.5% share of this Federal revenue for the medical component of the various special education services.

Sheriff's Police Services Division and Jail Management

2023 Budget: \$133,832
2022 Budget: \$113,500

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

Department of Homeland Security & Emergency Services

2023 Budget: \$342,777
2022 Budget: \$340,513

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

Department of Mental Health

2023 Budget: \$7,155,936
2022 Budget: \$6,832,965

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

District Attorney

2023 Budget: \$29,250
2022 Budget: \$27,125

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

STOP-DWI Program

2023 Budget:	\$41,000
2022 Budget:	\$37,000

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

Central Police Services

2023 Budget:	\$10,000
2022 Budget:	\$10,000

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



OVERVIEW OF EXPENDINTURES

General Fund Expenditures

TOTAL GENERAL FUND EXPENSES FOR COUNTY DEPARTMENTS

2023 Budget: \$1,779,188,112
2022 Budget: \$1,667,137,561

2023 Distribution of General Fund Expenses

	<u>Total</u>
Personal Services	\$299,109,419
Fringe Benefits	151,204,109
Supplies and Repairs	11,347,602
Sales Tax to Local Governments	441,653,338
Contractual Expense	182,288,625
Intergovernmental Payments for ECMCC	52,851,457
Indigent Care Adjustment	6,691,290
Social Services Assistance and Programs	401,713,456
Early Intervention/Special Needs	74,369,910
Inter-fund Transfers (County Share)	65,664,414
Debt Service	52,992,976
All Other Expenses	30,985,732

Total \$1,779,188,112

Personal Services

2023 Budget: \$299,109,419
2022 Budget: \$262,838,640

Personal Service appropriations cover salary for full-time positions and all other payroll related wage items such as overtime and part-time expenditures budgeted in the General Fund. This also includes a reduction to personnel expenses in the form of combined \$ 2,700,000 turnover (vacancy savings) accounts.

Fringe Benefits

2023 Budget: \$151,204,109
2022 Budget: \$143,047,925

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

Supplies and Repairs

2023 Budget: \$11,347,602
2022 Budget: \$9,143,173

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

Sales Tax to Local Governments and NFTA

2023 Budget: \$441,653,338
2022 Budget: \$416,376,060

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

Contractual Agency Payments

2023 Budget: \$182,288,625
2022 Budget: \$195,890,671

The major accounts comprising this appropriation include: Social Services contractual agencies – \$40,561,382; and payments to various youth programs such as Operation Prime Time – \$3,081,576. Mental Health contractual agency payments total \$60,648,072

Other major agency contractual expense includes: Community College payments for residents enrolled in other Community Colleges – \$8,305,275; Convention & Visitors Bureau/Convention Center – \$5,833,343; Buffalo Niagara Film Commission-WNED – \$311,929; cultural/community/neighborhood development support – \$8,592,686; economic development funding for Invest Buffalo Niagara/World Trade Center Buffalo Niagara – \$225,000; LiveWell Erie Grants - \$200,000; Indigent Defense – \$14,218,860; and for NFTA 18-b support – \$3,657,200.

Note on NFTA payments:

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

NFTA	Sales Tax	County Subsidy (18-b)	Total
2023 Budget	\$25,966,267	\$3,657,200	\$29,623,467
2022 Budget	\$24,433,759	\$3,657,200	\$28,090,959

Intergovernmental Payments for the benefit of ECMCC

2023 Budget:	\$56,164,074
2022 Budget:	\$52,851,457

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

Indigent Care Adjustment DSH-ECMCC Payment

2023 Budget:	\$6,691,290
2022 Budget:	\$6,367,267

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

Social Services Assistance Payments and Program Expenses

2023 Budget:	\$401,713,456
2022 Budget:	\$369,525,440

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

Family Assistance (Account 525040)

2023 Budget:	\$38,780,099
2022 Budget:	\$35,691,689

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

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

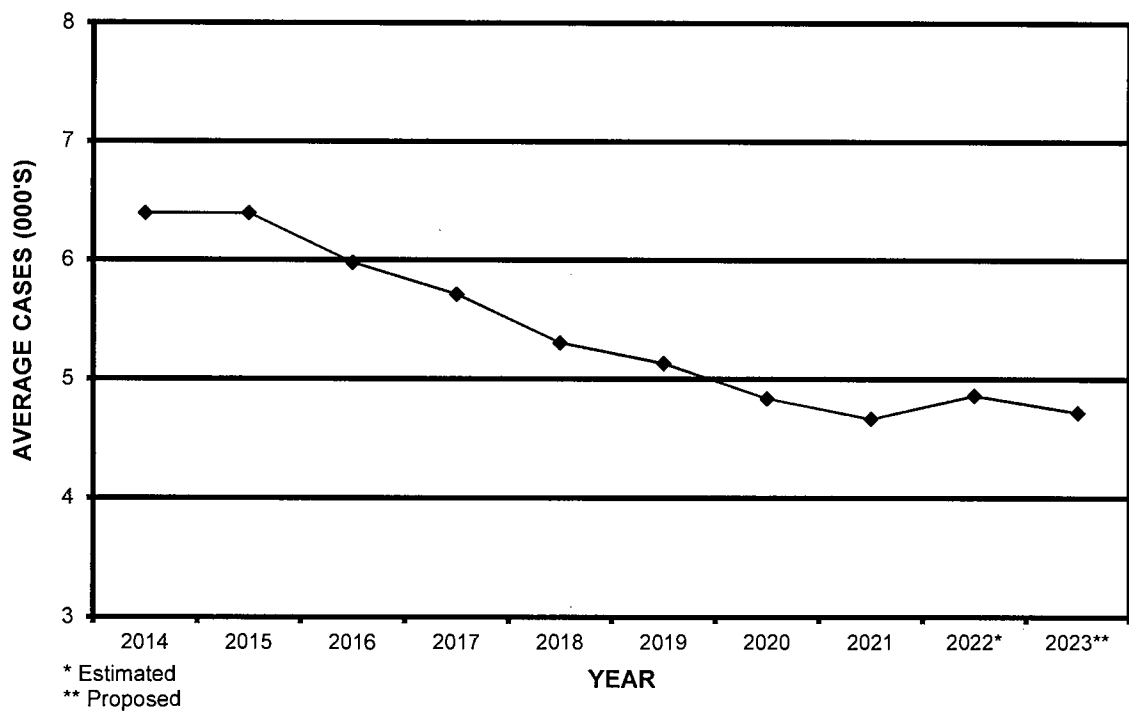
cases. There is a five-year (60-month) lifetime limit on Family Assistance benefits. For cases in which individuals fail to comply with drug or alcohol dependency assessment and treatment requirements, benefits must be restricted to non-cash voucher payments to landlords and utility companies with only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

Benefits are also restricted to non-cash voucher payments and small personal needs allowances when the five-year (60-month) lifetime limit on Family Assistance eligibility is reached.

Caseloads are funded at an average level of 4,721 cases per month in 2023 with an average base monthly cost per case of \$748.54.

The 2023 caseload estimate reflects caseload trends that have occurred to date. It assumes that the current base caseload will continue to increase for the balance of 2022 and 2023 at a monthly rate of 40 cases.

TREND OF FAMILY ASSISTANCE CASES (With Time Limit Shifts)



The 2023 monthly base cost per case estimate of \$774.88 is consistent with current actuals with adjustments to provide for voucher fuel cases.

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

Safety Net Assistance (Account 525060)

2023 Budget: \$39,665,565

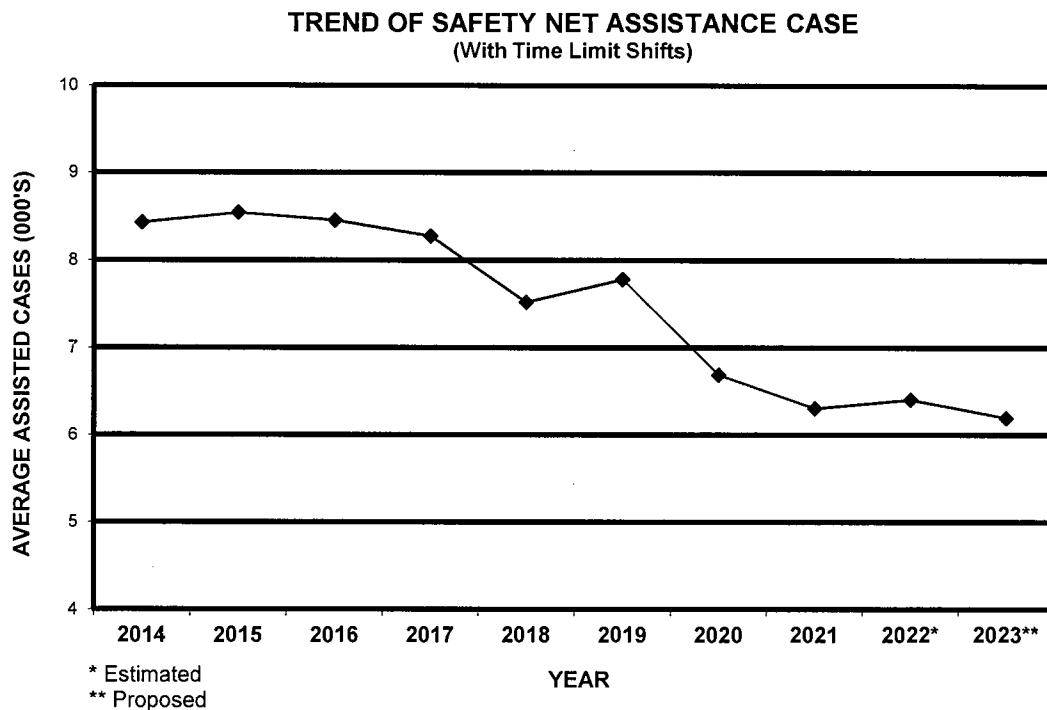
2022 Budget: \$36,069,543

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

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

Caseloads are funded at an average level of 5,567 cases per month in 2023, with an average base monthly cost per case of \$550.12.

The 2023 caseload estimate is based on caseload trends that have occurred to date. It assumes that the current base caseload will continue to increase for the balance of 2022 and 2023 at a monthly rate of 28 cases. This produces a trend caseload estimate for 2023 that averages 6,197.



The County share cost of the Safety Net Assistance program is \$24,921,135 in 2023 after subtracting client repayments, 29 percent State reimbursements and other revenues from the gross appropriation. This is an increase of \$4,163,113 (16.7%) compared to the 2022 Adopted Budget amount.

Medicaid – MMIS Local Share (Account 525000)

2023 Budget: \$190,454,017 (52 weekly payments)
2022 Budget: \$191,029,437 (52 weekly payments)

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

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

- Payments made to providers through the State MMIS billing/payment system (now known as eMedNY) for services rendered to eligible persons. Total medical bills are paid by the eMedNY system and the County is charged back only the local share of the gross payments made.
- Payments made locally by Erie County to insurance companies and other client medical expense reimbursement that are claimed for reimbursement of Federal and State shares.
- Medicaid program administration costs that are part of the monthly reimbursement claim. The non-federal share of Medicaid administration is now capped at 2011 expense amounts. The Department is monitoring this expense and the expectation at this time is that neither 2022 nor 2023 will result in cap overage.
- All revenues associated with Medicaid programs such as repayments.
- Medicare Part A and B premium and copayments and Part B charges that are charged quarterly to Medicaid.
- Other "off-line" payments such as bad debt pool and similar quarterly payments to providers.

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

The 2023 appropriation is the amount of the 2023 Erie County Local Share Medicaid Cap including the anticipated Federal Share benefit due to provisions in the Affordable Care Act for the first quarter of 2023.

The calculation of the required appropriation starts from the total of cash payments required in calendar year 2022.

The amount required for the 2023 calendar year reflects weekly cash payments for the 2022-2023 State Fiscal Year and the 2023-2024 State Fiscal Year Medicaid caps that are both calculated based on the State's payment cycles and are apportioned to the County's 52 weekly payment cycles. The State Fiscal Year Caps reflect adjustments made by the State for additional Federal Aid related to the Affordable Care Act.

Elsewhere in the budget is a separate appropriation in the amount of \$51,964,074 for the local share of supplemental federal payments to the Erie County Medical Center – for Disproportionate Share (DSH). These supplemental payments are specifically excluded from the Medicaid Cap as is the Indigent Care expense of \$6,691,290.

Medicaid - Gross Local Payments (Account 525030)

2023 Budget: \$39,247
2022 Budget: \$40,854

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

The 2023 appropriation includes \$7,634 for insurance premiums and \$31,613 for other expenses. The 2023 reduction reflects impacts of the Affordable Care Act on private insurance coverage.

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

Child Welfare Services (Account 525050)

2023 Budget: \$99,177,933
2022 Budget: \$64,170,714

This appropriation is used to pay for the costs of the care of children placed by the Family Court into the custody of the Commissioner of Social Services. These children reside in foster homes, group homes, and in child caring institutions. A majority of children are in foster home placements in connection with child protection cases.

Placements in group homes and institutions are ordered primarily for Persons in Need of Supervision (PINS) or for Juvenile Delinquents (JD's).

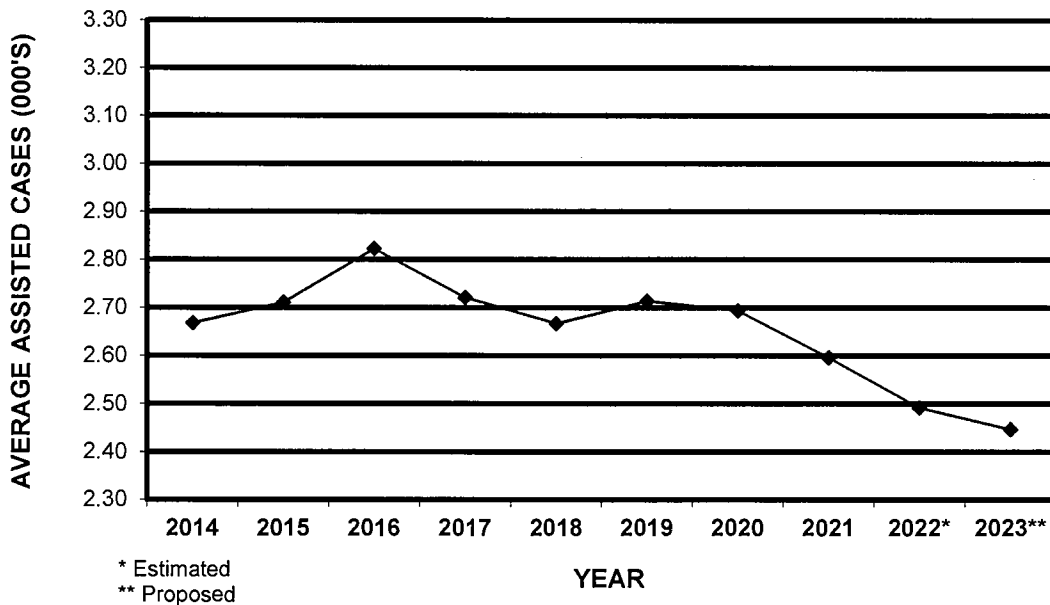
Appropriations in the 2022 budget are estimated based on analyses of historical and current trends of expenditures, children in care, monthly costs per child, and changes in per diem board, tuition, and other rates.

Children assisted are funded at an average level of 2,247 per month in 2023, with an overall average monthly cost per child of \$3,843.

Based on present trends, the average monthly number of children funded in 2023 is decreased over the 2022 level of children in care. The decrease is based on assumed changes to Federal Law governing the provision of foster care services. The ability to hold the total number of children served relatively steady over the last ten years is a major accomplishment after years of steady growth and given recent increases in Child Protection activity that often lead to placement. This reflects final assessment reform, enhanced front door strategies, and expanded preventive services options. The increase in costs associated with Child Welfare cases is directly linked to the implementation of a cost of living adjustment (COLA) and a revision of New York State Codes regarding the payment of Maximum State Aid Rates (MSARs). By July 1, 2023 all districts will be required to pay at least 100% of the MSAR published by the Office of Children and Family Services (OCFS).

The County share cost of Child Welfare Services is \$6,040,627 in 2023 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 ceiling.

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



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

Child Care Development Block Grant (Account 525092)

2023 Budget: \$21,720,590

2022 Budget: \$25,460,611

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

The 2023 budgeted amount is based on recent trends in the number of children subsidized in the various daycare settings and payments to providers. A monthly average of 2,578 children in low income families are expected to receive subsidies in 2023. Children in Public Assistance families receiving subsidies are estimated at 486 on average each month, a number necessary to support the level of work activity participation required of parents. The 2023 total cost of low-income subsidies is budgeted at \$24,859,144. These costs are 100 percent reimbursed with federal funds up to the limit of the Child Care Development Block Grant. The budget includes \$1,562,924 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 \$390,731 in 2023.

Other Programs

2023 Budget: \$11,873,695

2022 Budget: \$ 9,274,806

In this category are appropriations for a number of smaller programs administered by the Department of Social Services. These include: Account 525070 – Emergency Assistance to Adults, \$1,034,035; Account 525080 – Education of Handicapped Children in Residential Schools, \$592,608; Account 525130 - OCFS Youth Residential Facility Chargebacks, \$7,979,770; Accounts 525100 and 525110 – Expenses for Housekeeping and Home-Delivered Meal Assistance, \$106,486; Account 525120 – Expenses for the Special Needs of Individuals in Adult Family Homes, \$2,310; and Account 530020 – Independent Living, \$10,000. Amounts budgeted in 2023 reflect current trends in utilization

Child care funded by Title XX (Account 525091), in cases of child protection and for purposes of foster care prevention, totals \$1,580,796 for a monthly average of 224 children, and Home Energy Assistance Program (HEAP) benefit costs total \$570,000 (Account 525140).

Early Intervention/Special Needs

2023 Budget:	\$74,369,910
2022 Budget:	\$68,383,703

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

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

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

Interfund Transfers (Allocation)

2023 Budget:	\$65,664,414
2022 Budget:	\$59,904,525

This includes allocations for County share of the Road Fund \$17,787,687; County share of grants \$9,192,696; County share of Utility Fund \$5,724,468, County share of the E-911 Fund \$5,505,969 and \$7,649,277 for Departmental pay-as-you-go capital needs. Also included is the Maintenance of Effort payment of \$19,804,317 to SUNY Erie Community College.

Debt Service

2023 Budget:	\$52,992,976
2022 Budget:	\$56,289,152

This represents \$52,992,976 for General Obligation Bond Debt Service. A Revenue Anticipation Note will not be issued in 2022 so there is no 2023 Interest on Revenue Anticipation Notes appropriation.

All Other Expenses

2023 Budget:	\$27,673,115
2022 Budget:	\$33,384,646

Included in the Other Expense category is \$490,000 of operational expense for the Erie County Fiscal Stability Authority.

The balance covers all other remaining expenses in the 2023 Budget for the Operating Fund including inter-departmental billings, telephone charges, rentals, risk retention, and equipment.

Fringe Benefits Expenditures

Fringe Benefits - All Funds

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

Federal Insurance Contributions Act - FICA

The FICA contribution totals 7.65% of wages with 6.2% applied toward Social Security and 1.45% for Medicare. The Social Security portion, 6.2%, is applied toward total salary up to a maximum wage base which was capped at \$147,000 for 2022. The Medicare portion, 1.45%, has no cap. The 1.45% Medicare 2023 estimate is applied to all wages.

Workers' Compensation

Workers' Compensation payments are set with a \$1,125/week maximum for claims paid July 1, 2022 - June 30, 2023. The proposed 2023 appropriation for workers' compensation accounts for increases and were based on the current year's activity, adjusted for anticipated medical costs. The appropriation provides funding for medical and indemnity payments, mandated state assessments, and administration fees. The total appropriation is normally budgeted through the various funds and is charged through the payroll system as expenses are incurred.

Unemployment Insurance Coverage

The 2023 appropriation for unemployment insurance anticipates an outlay of approximately \$747,774.

Medical and Hospitalization Insurance - Active Employees

The 2023 budget estimate for active employees' medical and hospitalization insurance is based on the County's one source health insurance plan and was adjusted for estimated increases in premium costs for the various plans with an adjustment for those employees enrolled in the waiver program. These estimates were obtained in coordination with our consultant to the Labor-Management Health Care Fund, the entity that manages health insurance for the County.

Dental Insurance

The estimated cost for dental insurance for County employees in 2023 is based on the current premium for all employees, the number of funded positions, and the current family/single coverage ratio. A separate ratio was used for each fund.

Retirement/Pension

On a weighted average basis, the 2023 employer rates (12.57%) as provided by the Employees' Retirement System will be less than the rates of 2022 (12.59%). Rates for Tier 4 employees, the single-largest category for Erie County, however will increase to 14.90% (as compared to the prior year billing rate of 13.00%) for the annual payment that will be due February 1, 2024 (or December 15, 2023, if the County opts to pre-pay). The pension retirement expenditures for 2023 were calculated factoring-in the 2023 components of the April 1, 2022 through March 31, 2023 and April 1, 2023 through March 31, 2024 billing periods. Estimated costs for each tier and year are based on rates supplied by the Office of the State Comptroller and use a salary base from the prior State Fiscal Year.

Medical and Hospitalization Insurance - Retirees

The County's projected contribution toward retirees' medical and hospitalization insurance is based on expected 2023 costs and was adjusted for estimated increases in premium costs. The County currently expenses retiree health costs on a "pay-as-you-go" basis. The unfunded future retiree health costs are described under the GASB 45 Section.

GASB 45

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

Union Contracts

UNION CONTRACTS

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

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

Union	Contract Expiration	Represents
Administrator	8/31/2020	ECC Administration
Faculty	8/31/2020	ECC Faculty Federation
Library Clerical & Maintenance	12/31/2022	BECPLS - Contracting Libraries Clerical & Maintenance
NYSNA	12/31/2023	Nurses
Teamsters Captains & Lieutenants	12/31/2023	Sheriff - Holding Center Captains & Lieutenants
Teamsters Sworn & Civilian	12/31/2023	Sheriff – Holding Center Deputies, Sergeants, & Correctional Health
Librarian	12/31/2024	BECPLS - Professional Librarians
AFSCME	12/31/2026	Blue Collar
CSEA Correction Officers	12/31/2026	Sheriff - Correction Officers & Medical Staff
PBA	12/31/2026	Sheriff - Police Services Division
CSEA	12/31/2027	White Collar



BUDGET PROCESS AND FINANCIAL STRUCTURE

Budget Process

Dynamics of Budgeting

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

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

Budget Preparation Calendar

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

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

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

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

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

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

Budget Adoption Process

The County Executive is required by the Erie County Charter and the Administrative Code to submit a proposed budget for the next fiscal year to the Erie County Legislature on or before October 15, 2022. 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 and/or delete positions and increase or decrease items of expense (appropriation), except for those items required by law or for repayment of debt.

The Erie County Legislature will hold its annual budget adoption meeting on December 1, 2022, at which time the Legislature votes on any changes to be incorporated into the Adopted Budget.

If the Legislature fails to approve changes to the proposed budget, it is considered to have been adopted with no further action required by the County Executive. If the budget adopted by the Legislature does contain additions or increases, it must be presented to the County Executive on or before the second business day after the sixth of December (December 8, 2022) for consideration of vetoes.

The County Executive may veto any items added or increased by the Legislature to which he objects. Deletions or decreases are not subject to veto. If items are vetoed by the County Executive, a statement indicating the vetoed items and the reason for each veto must be returned to the Legislature on or before the seventh business day after the sixth of December (December 15, 2022).

The Legislature may override the County Executive's vetoes by a two-thirds majority vote. This must be done on or before the tenth business day after the sixth of December (December 20, 2022).

The budget, incorporating any legislative changes, executive vetoes, and legislative veto overrides is considered adopted in final form after the tenth business day after the sixth of December has passed (December 20, 2022).

Revisions after Budget Adoption

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

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

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

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

Budget Monitoring Process

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

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

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

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

Budget Calendar - 2022

January

County fiscal year began January 1.

Division of Budget and Management (DBM) works with Comptroller's Office to close 2021 books.

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

February

DBM reviews impact of Governor's Proposed Budget.

DBM develops monthly budget allotments for current year budget.

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

Tax bills sent to 2nd class towns.

March

Special studies continue.

April

DBM begins development of ensuing year budget forecast.

The Capital Budget process begins for the ensuing year budget.

May

Special studies continue.

June

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

Special studies are concluded.

DBM begins to develop budget targets for departments.

July

Budget instructions sent to departments along with personal services reports

Year-end projection instructions sent to departments.

August

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

Departments finalize ensuing year budget requests and submit to DBM.

Capital Budget process is concluded.

September

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

Studies are incorporated into 2023 Proposed Budget.

County Executive and DBM finalize recommendations for 2023 Proposed Budget.

October

Major revenue and expenditure projections transmitted to Comptroller by October 1, 2022.

County Executive submits Proposed 2023 Budget to Legislature by October 15, 2022.

November

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

December

Legislature to hold annual budget meeting – Thursday, December 1, 2022.

Deadline for Legislature to return Budget to County Executive if any increases are added – on or before the second business day after the sixth of December. (December 8, 2022).

Deadline for County Executive to veto any increases – on or before the seventh business day after the sixth of December (December 15, 2022).

Deadline for Legislature to meet and consider County Executive vetoes – on or before the tenth business day after the sixth of December (December 20, 2022).

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

Financial Structure

Fiscal Year

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

Fund Structure

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

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

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

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

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

Special Revenue Funds:

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

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

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

Community Development (Budget Fund 290)

Funding Source: Federal Reimbursement.

Sewer Fund (Budget Fund 220)

Funding Sources: Sewer Real Property Tax; user fees.

Road Fund (Budget Fund 210)

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

E-911 Fund (Budget Fund 230)

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

American Rescue Plan Fund (Budget Fund 253)

Funding Source: Federal American Rescue Plan State and Local Relief Funding (SLRF)

This fund is not included in the Budget documents.

Pharmaceutical Settlements (Budget Fund 295)

Funding Source: Settlements received from major pharmaceutical manufacturers and distributors

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

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

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

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

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

Funding Sources: Special district assessment.

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

Funding Sources: Proceeds from bonds issued; State reimbursement.

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

Utilities Fund (Budget Fund 140)

Funding Sources: Utility user charges.

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

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

Accounting and Budgeting Principles

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

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

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

Budgets and Budgetary Data

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

Account and Budget Codes

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

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

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

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

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

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

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

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

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

Budgeting for Fringe Benefits

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

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



GLOSSARY

Glossary

Account

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

Accrual

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

Accrual Accounting

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

Adjusted Budget

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

Adopted Budget

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

Appropriated Fund Balance

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

Appropriation

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

Assessed Valuation

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

Board of Election Re-Spread

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

Capital Budget/Expenditures

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

Community College Re-spread

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

Community Development Fund

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

Contingency

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

County Share

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

Countywide Appropriations/Revenues

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

Debt Service

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

Debt Service Fund

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

Deficit

The excess of expenditures over revenues during an accounting period.

Downtown Mall Fund

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

ECIDA

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

Encumbrance

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

E-911 Fund

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

Enterprise Funds

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

Equalized Full Valuation of Taxable Property

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

Equalized Full Value Tax Rate

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

Full Valuation

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

Fund

A set of inter-related accounts to record revenues and expenditures associated with a specific purpose. Funds are self-balancing. The Erie County budget includes fourteen (14) funds: General Fund, E-911 Fund; Utilities Enterprise Fund; American Rescue Plan Fund; Pharmaceutical Settlements Fund; Downtown Mall Fund; Grant Fund; Capital Fund; Sewer Fund; Road Fund; Community Development Fund; Debt Service Fund; Public Library Fund; and Public Library Grant Fund.

Fund Balance

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

GASB 45

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

Gain

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

General Fund

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

Generally Accepted Accounting Principles (GAAP)

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

Grant

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

Grant Budget/Expenditures

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

Indirect Costs

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

Inter-departmental Billing

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

Inter-departmental Payment

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

Inter-fund Transfers/Revenue

Amounts transferred from one fund to another.

Job Group

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

Line-Item Budget

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

Local Source Revenue

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

New Position

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

NFTA

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

OTB Revenues

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

Other than Personal Services

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

Personal Services

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

Project

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

Proposed Budget (Tentative Budget)

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

Public Library Fund

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

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

Reallocation

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

Real Property Tax

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

Reclassification

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

Reductions from Personal Services Account

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

Reserve

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

Revenue

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

Road Fund

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

Transfer

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

Sales Tax

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

Sewer District Budgets/Expenditures

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

Source

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

Surplus

The excess of revenues over expenditures during an accounting period.

Taxable Assessed Valuation

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

Taxable Assessed Value Tax Rate

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

Utilities Fund

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

Visit Buffalo Niagara

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