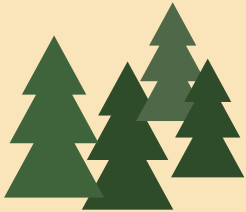
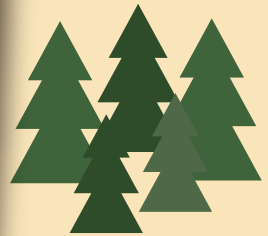




ELLICOTT



CHESTNUT



AKRON

2024



BUDGET



EMERY



COMO



MESSAGE AND SUMMARY

MARK C. POLONCARZ
COUNTY EXECUTIVE

ROBERT W. KEATING
DIRECTOR
BUDGET AND MANAGEMENT

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COUNTY EXECUTIVE'S BUDGET MESSAGE AND SUMMARY



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

September 29, 2023

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

Dear Honorable Legislators:

Please find enclosed my 2024 Proposed Erie County Budget and Four-Year Financial Plan for Fiscal Years 2024-2027 for review and approval by your Honorable Body.

Budgets are a statement of values, and this budget sends a clear message that we continue to value fiscal responsibility and respect for taxpayers, safe communities, investment in our shared infrastructure and parks, and adapting to the needs of our residents.

2024 General Fund Budget

The 2024 recommended General Fund (110) Budget is \$1,941,384,064. This is a total increase of 9.1 percent over the Adopted 2023 Budget and primarily driven by significant increases to mandated expenses including those as a result of the SFY 2023-24 New York State Budget. Five (5) expenses, alone, account for a full 75 percent (\$121.6 million) of the \$162.5 million increase: \$53.5 million in additional sales tax sharing with local governments; \$24.3 million increase in child care costs; \$24.2 million increase in Medicaid local share costs; \$10.8 million increase in Assigned Counsel Program costs; and \$8.8 million increase in IGT payments to Erie County Medical Center Corporation ("ECMCC").

It is important to note that these increases do not all, necessarily, have a negative impact on the bottom line. For example, the \$483 million budgeted for shared sales tax is collected and then distributed to the localities with zero net impact, and the \$46 million Child Care Development Block Grant is 100 percent reimbursed by the State.

Property Tax Rate and Levy Cut

I believe government works best when we're able to put aside politics and come together on behalf of the people we serve. That is why I am particularly proud to have worked with both sides of the aisle to deliver a \$1 million reduction in the total property tax levy to \$328,709,718 for 2024, which will take Erie County \$6.9 million under the New York State Tax Cap.

This tax cut will decrease the equalized full-value property tax rate per thousand (“property tax rate”) from \$3.93 to \$3.38 – a \$0.55 reduction. Not only is this the single largest reduction and lowest rate in Erie County’s history, but is also now \$2.24 lower than the next closest neighboring Western New York County (Niagara at \$5.62 for 2023) and the 11th lowest rate (of 57 non-NYC counties) in all of New York State.

While my predecessor was certainly proud to have “held the line on taxes” by keeping the property tax rate at \$5.03 during his time in office, I am equally proud to say this will be the sixth (6th) consecutive year and ninth (9th) time we have lowered the property tax rate and second (2nd) time we have lowered the total property tax levy (2013) during my Administration. These cumulative rate decreases total to \$1.65 – a nearly 33 percent reduction over the past 12 years.

As a result of our bi-partisan work together, every single homeowner will see a reduction in their County property taxes for 2024.

Sales Tax Receipts Remains Strong

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 4.63 percent sales tax growth over the 2023 Adopted Budget, which continues to be driven largely by increased prices and ongoing consumer demand, especially in the dining, entertainment, and travel sectors. As the economy and inflation stabilizes, we project a new higher baseline to be established, and have conservatively budgeted for 2% sales tax growth in 2024. As such, the 2024 Budget projects \$1,081,071,256 in total sales tax revenues, of which \$598,384,243 will be retained by Erie County and \$482,687,013 will be collected and shared with the cities, towns, villages, school districts and Niagara Frontier Transportation Authority per the 1977 Sales Tax Sharing Agreement.

These projections include the estimated impacts of the new (beginning Dec 1, 2023) residential energy sales tax exemptions approved by your Honorable Body in effect through March 1, 2024.

Continued Investments in Law Enforcement

The proposed budget recognizes that if we want to fight crime and keep our communities safe, we need to invest more money in funding effective, accountable policing – not less. This budget includes a \$31.2 million, or more than 20 percent, increase in funding over the 2023 Adjusted Budget for the Sheriff’s Office. A significant portion of this cost is related to salary and fringe benefit increases associated with the recently negotiated collective bargaining agreements with the TEAMSTERS Sworn & Civilian units that included immediate current-year pay increases of \$2.50 (\$8.25 for nurses) and 4 percent COLAs in 2024 for 580 Sheriff employees and a \$6 million increase in budgeted overtime across all divisions. Some of this increased cost, however, will be mitigated by savings from the significant number of vacant positions within the Jail Management Division.

We are also dedicating of \$1 million in pay-as-you-go capital funding as a deposit towards the building of a second (2nd) tactical helicopter, with the remaining cost (approximately \$10 million) to be bonded for in 2025.

Also, after adding 57 new positions last year, we will be adding an additional 12 full-time positions and five (5) upgrades for 2024, specifically to help rebuild trust and transparency within the Sheriff's Office as well as expand critical investigative services. Within the Division of Police Services:

- A new community engagement team will be created consisting of five (5) deputies and one (1) sergeant. This unit's primary goal will be to better engage with the communities the Office serves;
- In an effort to increase outside communication with the media and advocacy groups, we will be adding one (1) sergeant within the Professional Standards Division dedicated entirely to processing Freedom of Information Law (FOIL) requests as well as a dedicated Public Information Officer;
- One (1) special victims' detective to investigate the growing number of sex crimes and juvenile offenses;
- One (1) fraud detective to reduce caseload for financial crime investigations; and
- Upgrading existing position to create two (2) senior dispatchers, one (1) additional lieutenant, and one (1) sergeant.

And within the Jail Management Division, one (1) new lieutenant position with another existing position upgraded to a lieutenant to increase supervisory coverage within the Holding Center and a Junior Technical Support Specialist to serve as the Office's information security officer.

In addition, this budget honors requests for eleven (11) new positions and seven (7) upgrades between Central Police Services, County Attorney, District Attorney's Office, Probation, and Youth Detention.

Climate Resiliency

Climate change is real and is already beginning to have a significant impact on our community. While we are generally positioned to be a "safe haven" from the worst effects of this change, given the geographic situation next to an abundant source of fresh water, we still need to take specific actions to become more resilient as a community to the effects we will see. Over the next few years, a multitude of studies by local, state, federal, and non-profit partners will be completed and it will be incumbent upon us to begin implementing their recommendations or face the consequences.

One area we have already begun to address is the need for critical improvements to our sewer infrastructure that serves to protect public health and local waterways and will need to withstand the added stress put upon it as a result of climate change. With the help of the

American Rescue Plan (“ARPA”), work continues on more than \$64 million in facility upgrades at the County’s wastewater treatment plants and pumping stations, and over 300,000 lineal feet of sanitary sewer pipes have been rehabilitated/replaced throughout the sewer districts – a distance that could stretch across the entire County in any direction with plenty of length to spare. Additional investments beyond those funded through ARPA are on the horizon, including, most significantly, a major \$100 million expansion of the Southtowns Advanced Wastewater Treatment Facility.

For 2024, we are including a \$500,000 allocation for the new Community Climate Fund, which will be an annual community-facing fund that will provide the resources necessary to implement climate resiliency recommendations and actions on an ongoing basis as needs and priorities evolve.

Preparing for the Next Storm

While we may be saved from some of the most catastrophic disasters as a result of climate change, generational lake effect snow storms and long-duration blizzards like we suffered this past winter will become more of the norm. While we have learned a lot of hard lessons in how to prepare for this new intensity of storm, the work on implementing those lessons is ongoing. We have already made significant investments in the purchasing of new dual-purpose equipment like high lift loaders to dig into towering snow drifts or Parks tracked vehicles for search and rescue.

We have also developed agreements to mobilize partner organizations like the Erie County Federation of Snowmobile Clubs, and to create a first-of-its-kind blizzard rating scale and comprehensive guide for the what, when and where of how assets can be pre-deployed based on evolving weather patterns with the University of Albany Center of Excellence in Weather & Climate Analytics.

For 2024, we will be creating an emergency services planner position in the Department of Homeland Security & Emergency Services, who will be singularly dedicated to maintaining the vast number of emergency plans that we are not only statutorily required to maintain but also the ever-increasing number of local plans that are regularly identified after major incidents occur. This individual will not only be instrumental to pre-incident preparedness but also to the recovery process that is often bogged down by bureaucratic red tape associated with declared disasters.

Investing in Our Workforce and a Continued Commitment to Economic Development

While the transition of the former-Bethlehem Steel Site into the new Renaissance Commerce Park has been a labor of love and a true rust-belt success story with over \$300 million in existing and planned public/private investment, this is only one of many efforts we have undertaken to create opportunity with the creation of good-paying jobs.

For example, we are close to breaking-ground on two exciting new developments that will start to become a reality in 2024. First is the \$36 million ErieNet “Middle-Mile” broadband open-access network, made possible by ARPA funds, which will run approximately 200 miles of fiber across 140 anchor institutions. This investment will bring broadband internet access to the terminally under/unserved parts of our community and create the conditions to spur additional private development as a result.

Second, is the 240-acre Agribusiness Park in the town of Evans. This smart growth initiative is repurposing the 20-year abandoned Eden-Angola Airport into a hub for Erie County’s vibrant agricultural community to process their products and distribute them to market. A new water tower which will serve the park and improve water pressures in the town of Evans is nearing completion, and a master plan for the park will be finished in early 2024.

In addition to creating new jobs, we must also focus on training individuals to take on the jobs that already exist in our region. Currently, there is a significant demand for frontline healthcare workers in our community. Partnering with the Workforce Investment Board, SUNY Erie Community College, ECMCC, and other healthcare training providers, we have developed the innovative Erie County Healthcare Careers Program, which creates a direct education-to-employment pipeline in our healthcare system. Since its inception as a PILOT program in 2021, we have allocated more than \$2.7 million which has resulted in the successful enrollment of more than 500 students into the program. Erie County Healthcare Careers has trained more students, at a lower cost-per-student, and with higher retention rates than the Federal HPOG program it replaced. For 2024, we plan to further grow program enrollments, and sustain and support the existing Erie County students who are on their way to impactful healthcare careers by allocating another \$3,387,236.

Investing in Our Libraries

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.

In 2013, I made it a priority to prevent the political games played in the past with funding for the Buffalo and Erie County Public Library System (“Libraries”) by creating a dedicated portion of the property tax levy for the Libraries where they would equally share in annual assessment growth. Like past budgets, we will continue to invest in the Libraries. Unlike past budgets, where we equally shared the good or bad of levy changes, for 2024, we are not just holding the Libraries unharmed from the \$1 million property tax levy cut with the standard 2 percent they would expect under the tax cap, but actually increasing their share to 4.9 percent, which will provide them with \$1,390,013 in additional revenue rather than reducing it by \$85,790 based on the standard sharing model (a net increase in revenue of \$1,475,803).

Continuing Momentum on Tourism Promotion

After the COVID-19 Pandemic, people are traveling more than ever. And, the secret is out that Buffalo and Erie County is a welcoming and affordable destination filled with remarkable history, art, music, architecture, natural beauty, and, of course, professional sports. I have made it a priority of my Administration to continually dedicate resources to these institutions between operating assistance to our diverse arts & cultural scene; capital commitments to our regional jewels like the Darwin Martin House, Kleinhans Music Hall, and Shea's Buffalo Theatre; major renovations at the Buffalo Niagara Convention Center; and more.

We are reaping the benefits of that investment with more and more tourism dollars coming into our community. We have seen it with added foot traffic in our shopping districts resulting in an increase in sales tax receipts and increased stays at our area hotels resulting in an increase in hotel occupancy tax receipts. And, I am hopeful in the final adoption of a Local Law working its way through your Honorable Body, which will allow us to capture the activity going to the booming vacation rental market through websites such as Airbnb and VRBO. This will not only level the playing field and provide fairness to traditional hoteliers in competing for tourist stays but ultimately result in an influx of new out-of-town dollars that can be reinvested.

In 2024, we plan to continue this momentum and reinvest those dollars in tourism promotion to the tune of \$10.2 million (a \$1.3 million increase over 2023). This includes \$2.2 million in operating aid along with a \$350,000 one-time allocation for the Buffalo Convention Center and \$2.8 million in operating aid for the Buffalo Niagara Convention & Visitors Bureau.

Largest Single Year Investment in Critical Infrastructure

In conjunction with the work of the Capital Projects Committee, I am proposing a capital works program totaling \$98,694,064, a nearly \$13.5 million increase over 2023. This includes the nearly \$56.2 million in bonded proceeds and \$20.2 million in pay-as-you-go funding for a number of vital projects, including:

- \$57.7 million in highway and bridge projects, including the reconstructions of New Road in Amherst, Maryvale Drive in Cheektowaga, Pine Street in East Aurora, Borden Road in West Seneca, Elmwood Avenue in Tonawanda, and the Genesee Road Bridge in Sardinia and the Sanders Hill Road Bridge in Holland, among others;
- \$17 million in improvements to SUNY Erie campuses, including phase 2 work for the new North Campus sports complex; and
- \$5.5 million to make several community projects a reality, including the Heal International Economic Empowerment Center Expansion, Nyamekye Housing & Wellness Facility, Feedmore WNY Consolidated Campus, and the Salvation Army's Hope on Main 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 two (2) project engineers 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 \$3.5 million in capital funding in 2024. New funding will include \$600,000 bonded for an 8th inclusive playground and \$1.5 million for additional work to renovate and rebuild historic buildings and structures throughout the parks. Additionally, we will be adding an additional park maintenance worker to help maintain the historic investments we've made to amenities at Sprague Brook Park's world-class campground.

Retiring Public Debt While Improving the County and Its Infrastructure

Over the course of my entire Administration, we have worked as aggressively to reduce our outstanding debt as we have to invest in our infrastructure. For now, the 11th straight year, we will be retiring more debt (\$57,855,861 of bonded principal in 2023) than we plan to issue (\$56,182,615 in bonding for 2024), which has reduced our Outstanding General Debt to a new low of \$229,459,139 – a total retirement of \$187,232,665 since 2012. This includes the defeasance of \$9.5 million in remaining stadium debt.

This has led us to a sort of “debt service cliff” where, after averaging almost \$63 million in total debt service (principal & interest) annually over the past decade, bond series continue to mature and scheduled costs precipitously decline each year to a point where, by 2037, we have just \$2.6 million in existing debt service left on the books.

This is particularly important for two reasons. First, in 2024, this is realized as \$21.5 million in savings versus the 2023 Adopted Budget. Second, for 2025, when we anticipate debt service beginning as a result of the largest single-year borrowing in Erie County's history (\$181 million combined for the new stadium and the 2024 Capital Program), our initial debt service payment will still be about \$14 million lower than we have averaged over the last decade.

We have worked, methodically, to put the County in a position where, when we needed to make this major investment into a new stadium, we would have the capacity take on that cost in a responsible way that would have zero net impact on our ability to address other critical needs of this community.

Four Year Financial Plan

The 2024 Budget also includes a Four-Year Financial Plan (“Plan”) for Fiscal Years 2024-2027. The 2024 Budget and projected 2023 year-end numbers form the basis for the Plan along with assumptions and estimates which are detailed in the Executive Summary and Budget Message.

The Plan utilizes conservative and appropriate assumptions on property and sales tax revenues. We project 5 percent assessment growth for 2025, backing down to 2 percent growth for 2026-27. This number is limited by the New York State Tax Cap, which forces the county to forgo a significant amount assessment growth annually. For sales tax, we budgeted for 2 percent growth for 2024 and then 1.5 percent growth for 2025-27. No fund balance is used in the 2024 budget and none is projected to be used in the 2025-2027 budgets. Based on the expected 2023 year-end positive variance, unassigned fund balance, which stands at a healthy \$136,471,704, may be increased to prepare the county for future needs.

The Plan does forecast out-year budget gaps for 2025-27 primarily the result of unanticipated changes to the phase-out timeline of the State's eFMAP sweep and significant increases in IGT payments to ECMCC (a delayed impact of cost increases from the COVID-19 Pandemic).

However, a meaningful change as Section 203 of the Consolidated Appropriations Act of 2021, altering the rules for considering the costs associated with Medicare and commercial dually eligible patients when calculating the uncompensated care limit, has been enacted but not yet implemented. This change is anticipated to reduce the County's IGT costs by as much as \$20 million annually, completely closing all currently projected gaps. Once there is more clarity on the implementation timeline, IGT cost projections will be revised accordingly.

Regardless, the County is well positioned to close the presented gaps, which represent approximately 0.75 percent of total General Fund expenses in a given year.

Conclusion

The 2024 Proposed Budget is a fiscally-responsible and balanced plan that not only meets the challenges that Albany has thrown at us for the coming year, but also funds our police and makes key investments in the "People's Mandates," including public safety, preparedness, economic & workforce investment, and critical infrastructure. And, this budget does all of this without the use of appropriated fund balance while delivering a property tax cut for every Erie County homeowner.

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



**FOUR-YEAR OPERATIONS PLAN
FISCAL YEARS
2024 - 2027**

Four-Year Financial Plan for Fiscal Years 2024-2027

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 2024 Proposed Budget and projected 2023 results largely form the basis for the Plan.

The 2024 Budget and Plan differ as explained in greater detail in the County Executive's budget message and as noted below.

The Plan calls for allowable property tax revenue growth of 4.97% in 2025 staying within Property Tax Cap restrictions and then a 2% revenue growth due to expected assessment growth for years 2026 and 2027. In 2024, however, the total combined (County & Library) property tax levy will be cut by \$1 million. In order to hold the Library unharmed from this reduction, the County will absorb the entirety of this cut, which will reduce the County's portion of revenue by \$2.4 million (0.8% decrease), while the Library's portion of revenue will increase by \$1.4 million (4.9% increase).

The Plan calls for sales tax revenues to increase by 2% in 2024 from the 2023 projected actual amount, and then increase by 1.5% for years 2025 through 2027.

The Plan is based on reasonable assumptions at the time of submission of the 2024 Budget and Plan on September 29, 2023.

KEY ASSUMPTIONS IN FOUR-YEAR FINANCIAL PLAN 2025-2027

Revenue	2025	2026	2027
Sales Tax Growth	1.50%	1.50%	1.50%
Real Estate Market Value Growth	4.97%	2.00%	2.00%
Property Tax Rate Increase	0%	0%	0%
Expense	2025	2026	2027
Personal Services Growth	3.00%	3.00%	3.00%
Health Insurance Growth	2.00%	2.00%	2.00%
Pension Rate	3.00%	3.00%	3.00%

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 planned usage of fund balance over the term of the plan.

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

- Better than expected sales tax revenue;
- Close-out of un-expended Cultural Capital Funding;
- Federal application of Section 203 of the 2021 Consolidated Appropriations Act (CAA) which would significantly reduce DSH payment amounts starting in 2024;
- Better than expected prior year DSH reconciliation adjustments;
- Timing delays with dates of DSH & UPL payments;
- Better than expected eFMAP benefit with DSH & UPL payments;
- Extension of State reimbursement toward Assigned Counsel costs;
- Increase of Interest Earnings revenue;
- Receipt of Excise tax revenue from Adult-Use Cannabis sales;
- Additional close-out of dormant capital projects;
- Better than expected property tax assessment growth;
- Reductions in discretionary spending, including in personal services and through deletion of positions;
- Better than expected Property Tax collections;
- Usage of appropriated Fund Balance;
- More favorable (lower) caseload trends in social service programs; and
- Continuation of Gaming Facilities Aid.

County of Erie
2024-2027 Four-Year Financial Plan

Fund 110 - General	Account Type	2022 Actual	2023 Legislative Adopted Budget	2024 Executive Recommended Budget	2025 Projection	2026 Projection	2027 Projection
Local Source Revenue							
	Property Tax Levy	293,524,030	301,424,356	299,034,343	313,900,000	320,178,000	326,581,560
	Property Tax Related:						
	Sec 520 Exempt Removal	900,138	920,000	980,000	980,000	980,000	980,000
	Gain Sale Tax Acquired Prop	-	5,000	10,000	10,000	10,000	10,000
	Payments In Lieu Of Taxes	5,079,949	5,100,000	4,800,000	4,800,000	4,800,000	4,800,000
	Interest & Penalties-Prop Tax	15,656,956	13,485,555	15,533,598	15,688,934	15,845,823	16,004,281
	Omitted Taxes	2,722	6,000	4,000	4,000	4,000	4,000
	Dec-Prop Tax Def Rev	4,382,156	(3,552,601)	(5,019,422)	(5,069,616)	(5,120,312)	(5,171,515)
	Property Tax Related Total	26,021,924	15,963,754	16,308,176	16,413,318	16,519,511	16,626,766
	Sales Tax						
	Sales Tax Original 3%	225,756,744	220,020,488	241,067,475	244,683,487	248,353,739	252,079,045
	1% Sales Tax	213,156,227	207,730,136	227,615,560	231,029,793	234,495,240	238,012,669
	25 % Sales Tax	53,280,954	51,925,660	56,883,796	57,737,053	58,603,109	59,482,156
	60% Sales Tax	106,561,908	103,851,380	113,767,592	115,474,106	117,206,218	118,984,311
	Sales Tax Total	596,757,833	583,527,664	639,334,423	648,924,439	658,658,306	668,538,181
	Sales Tax (Distrib. to Local Gov'ts)	411,175,682	403,187,071	441,736,833	448,362,885	455,088,328	461,914,653
	Fees Fines or Charges						
	Electron Exp Other Govts	8,359,701	8,369,412	8,858,658	9,035,831	9,171,368	9,308,939
	All Other Fees Fines or Charges	25,818,574	27,034,515	25,576,174	25,959,817	26,349,214	26,744,452
	Fees Fines or Charges Total	34,178,275	35,403,927	34,434,832	34,995,648	35,520,582	36,053,391
	Other Sources						
	Interest & Earn - Gen Inv	4,973,197	1,200,400	3,601,000	2,500,000	2,500,000	2,500,000
	Hotel Occupancy Tax Revenue	11,927,250	11,200,000	13,000,000	13,195,000	13,392,925	13,593,819
	Community College Respreads	3,272,145	3,617,437	7,784,245	7,862,087	7,940,708	8,020,115
	All Other Sources Accounts	53,580,935	22,514,163	23,969,535	24,329,078	24,694,014	25,064,424
	Other Sources Total	73,753,527	38,532,000	48,354,780	47,886,165	48,527,647	49,178,358
	Appropriated Fund Balance	-	-	-	-	-	-
	Appropriated Fund Balance -Special	-	-	-	-	-	-
	Appropriated Fund Balance County Purposes	-	-	-	-	-	-
	Appropriated Fund Balance	-	-	-	-	-	-
	Local Source Revenue Total	1,437,411,271	1,378,038,802	1,479,203,387	1,510,482,455	1,534,492,374	1,558,892,909
	State Aid						
	State Aid-Education Of Handicapped Children	34,919,621	37,057,308	40,214,184	40,616,326	41,022,489	41,432,714
	State Aid-Mental Health	45,784,214	47,378,633	54,200,740	54,742,747	55,290,174	55,843,076
	State Aid-Soc Serv Admin	31,819,593	30,554,134	36,608,638	37,340,811	38,087,627	38,649,380
	State Aid-Safety Net Assistance	8,044,060	10,411,479	10,318,315	10,524,681	10,735,175	10,949,879
	State Aid-Child Welfare Services	16,077,738	28,331,826	39,937,079	40,735,821	41,550,537	42,381,548
	State Aid-Serv For Recipients	7,093,126	5,997,122	7,674,682	7,828,176	7,984,740	8,144,435
	State Aid Day Care	680,715	3,889,715	3,789,160	3,844,543	3,921,434	3,999,863
	State Aid Raise the Age	8,276,740	8,650,476	9,602,312	9,794,358	9,990,245	10,190,050
	All Other State Aid Accounts	35,420,109	37,365,558	40,602,185	41,414,229	42,242,514	43,087,364
	State Aid Revenue Offset	-	-	-	-	-	-
	State Aid Total	188,115,916	209,646,251	242,927,295	246,841,692	250,824,935	254,878,309
	Federal Aid						
	Federal Aid-Family Assistance	24,962,968	37,682,769	35,525,442	36,235,951	36,960,670	37,699,883
	Federal Aid-Soc Serv Admin	23,237,135	29,746,461	21,532,936	21,963,595	22,402,867	22,850,924
	Fed Aid Day Care	28,280,987	19,339,794	44,938,536	45,837,307	46,754,053	47,689,134
	Federal Aid-CWS Foster Care	12,236,708	23,126,797	21,361,805	21,789,041	22,224,822	22,669,318
	Federal Aid-Safety Net TANF Cases	266,114	360,963	342,046	348,887	355,865	362,982
	All Other Federal Aid Accounts	87,903,333	80,164,334	85,729,231	87,443,816	89,192,692	90,976,546
	Federal Aid Total	176,887,245	190,421,118	209,429,996	213,618,597	217,890,969	222,248,787
	Interfund Revenue	14,508	729,966	9,823,386	5,000,000	900,000	900,000
	Total Fund 110 Revenue	1,802,428,940	1,778,836,137	1,941,384,064	1,975,942,744	2,004,108,278	2,036,920,005

County of Erie
2024-2027 Four-Year Financial Plan

Fund 110 - General	Account Type	2022 Actual	2023 Legislative Adopted Budget	2024 Executive Recommended Budget	2025 Projection	2026 Projection	2027 Projection
Expense							
Personal Service Related Expense							
Personal Services							
	Full-Time Salaries	222,262,988	264,861,364	285,118,329	293,671,879	302,482,035	311,556,496
	Part-Time Wages	2,330,484	4,261,013	4,768,244	4,911,251	5,058,630	5,210,389
	Regular Part Time Wages	1,034,243	1,720,510	2,001,409	2,061,451	2,123,295	2,186,994
	Seasonal Emp Wages	1,094,516	986,666	1,202,407	1,238,479	1,275,633	1,313,902
	Personal Services Total	226,722,231	271,829,553	293,090,389	301,883,100	310,939,593	320,267,781
Employee Payments Non-Salary							
	Shift Differential	1,981,865	2,208,998	2,609,788	2,675,031	2,741,907	2,810,455
	Uniform Allowance	988,700	1,131,050	677,700	684,477	691,322	698,235
	Holiday Worked	2,413,886	2,471,716	2,869,750	3,043,994	3,120,084	3,198,086
	Line-Up	2,322,778	2,946,478	3,067,434	3,144,120	3,222,723	3,303,291
	Other Employee Pymts	2,816,835	2,524,479	2,469,132	2,530,860	2,594,132	2,658,985
	Overtime	25,942,156	18,662,981	25,581,253	25,837,066	26,095,437	26,356,191
	Employee Payments Non-Salary Total	36,448,220	29,945,682	37,375,055	37,915,548	38,465,615	39,025,453
Fringe Benefits							
	Fringe Benefits-FICA	19,366,222	22,408,215	25,127,606	25,994,597	26,729,498	27,485,932
	Fringe Benefits-Medical Insurance	44,483,108	43,927,677	49,269,817	50,255,213	51,260,317	52,285,523
	Fringe Benefits-Workers Compensation	4,088,652	5,682,187	6,380,211	7,747,409	7,966,439	8,191,886
	Fringe Benefits-Unemployment Insur	275,321	670,207	755,471	849,497	873,513	898,233
	Fringe Benefits-Retiree Med Insur	28,315,534	36,081,603	40,462,576	41,271,828	42,097,265	42,939,210
	Fringe Benefits-Retirement	29,087,811	36,927,217	41,400,666	42,642,666	43,921,967	45,239,626
	Fringe Benefits Total	125,636,648	145,697,108	163,396,347	168,761,230	172,848,599	177,040,410
Countywide Personnel Adjustments							
	Salary Adjustments	-	-	-	-	-	-
	Reductions (Vacancy Savings)	-	(2,700,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
	Countywide Personnel Adjustments	-	(2,700,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
	Personal Service Related Expense Total	388,807,099	444,772,341	491,861,791	506,559,878	520,254,207	534,333,644
Other Departmental Expense							
Supplies & Repairs							
	Auto Supplies	2,807,504	3,076,575	2,925,100	2,968,977	3,013,512	3,058,715
	All Other	6,441,729	8,271,027	9,023,628	9,158,962	9,296,367	9,435,813
	Supplies and Repairs	9,049,233	11,347,602	11,948,728	12,127,939	12,309,879	12,494,528
Other							
	Risk Retention	4,196,430	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
	Control Board	466,672	490,000	648,000	648,000	648,000	648,000
	Rental	10,638,683	13,062,755	15,073,628	15,224,364	15,376,608	15,530,374
	DSS Pilot Wages/Chargebacks/Training	4,004,001	5,420,127	3,765,534	3,803,189	3,841,221	3,879,633
	Utility Charges	2,907,588	3,708,293	3,515,366	3,568,096	3,621,617	3,675,941
	All Other	4,184,252	7,518,356	7,581,703	7,695,429	7,810,860	7,928,023
	Other Total	26,397,636	35,197,531	35,584,231	35,939,078	36,298,306	36,661,971
Contractual							
Sales Tax as Aid to Local Governments							
	Sales Tax Distrib to Cities, Towns & Sch Dist. from 3%	411,175,682	403,187,071	441,736,833	448,362,885	455,088,328	461,914,853
	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	28,643,481	25,966,267	28,450,180	28,876,933	29,310,087	29,749,738
	Sub Total - Local Gov. Sales Tax	450,319,163	441,653,338	482,687,013	489,739,818	496,898,415	504,164,391
Other Agency Contractual or Mandated Payments							
	Indigent Defense - Legal Aid/Bar Assoc	13,804,116	14,218,860	25,836,964	26,224,539	26,617,907	27,017,176
	NFTA Sec 18 B	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200
	Contractual-ECMCC Healthcare Network	6,346,658	5,882,104	7,431,881	7,543,359	7,656,509	7,771,357
	Cultural/Community Agencies	16,291,289	9,602,484	11,383,157	11,664,054	11,737,515	11,913,578
	Buffalo Bills Game Day Expense	2,885,058	3,048,714	3,147,784	3,250,087	-	-
	Stadium - Working Capital Assistance	1,876,928	1,933,237	2,016,369	2,081,900	-	-
	Social Services/Youth/Mental Health Agencies	98,169,501	98,981,245	108,049,232	109,669,970	111,315,020	112,984,745
	Visit Niagara (CVB) Subsidy	3,839,861	3,852,057	4,500,000	4,567,500	4,636,013	4,705,553
	Bflo Niagara Film Comm WNED	302,844	311,929	321,287	326,106	330,998	335,963
	Convention Center Subsidy	1,940,414	1,981,286	2,581,286	2,620,005	2,659,305	2,698,195
	County Residents at Other Community Colleges	7,784,245	8,305,275	7,900,842	8,058,859	8,220,036	8,384,437
	All Other Contractual Accounts	30,881,719	37,048,253	41,592,050	42,215,931	42,849,170	43,481,908
	Contractual Total	638,098,998	631,475,982	701,115,085	711,519,328	716,578,088	727,125,503
	Equipment	4,298,560	4,937,173	4,190,342	4,399,859	4,619,852	4,850,645

County of Erie
2024-2027 Four-Year Financial Plan

Fund 110 - General	Account Type	2022 Actual	2023 Legislative Adopted Budget	2024 Executive Recommended Budget	2025 Projection	2026 Projection	2027 Projection
Allocation							
	Interfund-Erie Community College	21,429,873	19,804,317	19,804,317	19,804,317	19,804,317	19,804,317
	Interfund-Utilities Fund	4,458,957	5,724,468	4,752,299	4,847,345	4,944,292	5,043,178
	County Share - Grants	6,600,461	9,182,696	10,167,834	10,371,191	10,578,615	10,790,187
	Interfund-Road	20,739,988	17,787,887	14,713,837	17,000,000	20,000,000	20,000,000
	Interfund -Library Subsidy	226,623	-	-	-	-	-
	Interfund ES11 Subsidy	5,636,182	5,505,969	8,171,021	8,500,000	8,500,000	8,500,000
	Interfund COVID Response	181,180	-	-	-	-	-
	Interfund Storm Response	25,000,000	-	-	-	-	-
	Interdepartmental Billings	(5,906,865)	(5,599,620)	(6,318,690)	(6,445,064)	(6,573,965)	(6,705,444)
	All Other Allocation Accounts	88,106,045	7,976,875	8,502,133	8,672,176	8,845,620	9,022,532
	Allocation Total	146,472,504	60,392,392	59,792,751	62,749,965	66,098,879	66,454,770
Program Related							
	UPL Expense	1,613,861	4,200,000	7,956,750	8,195,453	8,441,316	8,694,556
	DSH Expense	9,637,960	51,964,074	56,831,456	62,106,096	54,360,945	54,904,555
	Indigent Care Adjustment	5,580,344	6,691,290	6,902,172	7,478,504	8,102,959	8,779,556
	Sub Total UPL/DSH/ICA	16,832,165	62,855,364	71,690,378	77,780,053	70,905,220	72,378,667
	MMIS-Medicaid Local Share	176,282,735	190,454,017	214,648,032	213,379,184	215,758,556	215,758,556
	Family Assistance	30,385,509	38,780,099	36,612,708	37,344,962	38,091,861	38,853,698
	CWS - Foster Care	81,534,289	99,177,933	99,177,933	101,161,492	103,184,722	105,248,416
	Safety Net Assistance	30,860,754	39,665,565	39,741,862	40,536,699	41,347,433	42,174,382
	Child Care-DSS	31,588,092	23,301,386	48,667,096	49,640,438	50,633,247	51,645,912
	Children With Special Needs Program	68,049,258	73,151,320	79,139,848	80,722,645	82,337,098	83,983,840
	State Training School	9,575,203	7,979,770	8,562,545	8,733,796	8,908,472	9,086,641
	All Other Program Related Accounts	1,489,583	2,354,686	2,854,722	2,911,816	2,970,052	3,029,453
	Program Related Total	426,577,588	537,720,140	601,085,124	612,211,085	614,136,661	622,159,565
Debt Service							
	Interest-Revenue Anticipation Notes	-	-	-	-	-	-
	Interfund Debt Service Subsidy	56,289,151	52,992,976	35,796,012	44,828,835	46,931,931	48,444,266
	Debt Service Total	56,289,151	52,992,976	35,796,012	44,828,835	46,931,931	48,444,266
Other Departmental Expense Total		1,307,183,670	1,334,063,796	1,449,522,273	1,483,776,109	1,496,973,596	1,518,191,448
Total Fund 110 Expense		1,695,990,769	1,778,836,137	1,941,384,064	1,990,335,987	2,017,227,803	2,052,525,092
Revenue Less Expense - Surplus/(Gap)		106,438,171	-	-	(14,393,243)	(13,119,525)	(15,605,087)



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	23,497
Federal Executive Board	9,725
Kaleida Health	8,689
M & T Bank	8,000
Catholic Health	7,256
University at Buffalo	6,368
Tops Friendly Markets	5,300
Buffalo City School District	5,163
Walmart	5,100
Erie County	4,561

Source: 2023 *Business First* Book of Lists

Ten Largest Taxpayers (as of July 1, 2022)

	<u>Equalized Taxable Valuation</u>
National Grid/Niagara Mohawk	\$1,264,994,210
Benderson Development Co.	\$980,049,540
National Fuel Gas	\$884,008,220
Ellicott Group, LLC	\$435,138,037
Uniland Development	\$374,455,546
NYSEG	\$311,531,462
Norfolk/Conrail/CSX	\$307,380,591
Verizon	\$194,979,888
Ciminelli International	\$190,953,857
M J Peterson Real Estate	\$159,216,848

TOTAL \$5,102,708,199

Source: Erie County Department of Real Property Tax Services, 2023 Annual Report

Total Market Value of Erie County Real Estate

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	5.77%
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%
2023	83,955,196,847	13.23%

Source: Erie County Department of Real Property Tax Services, 2023 Annual Report

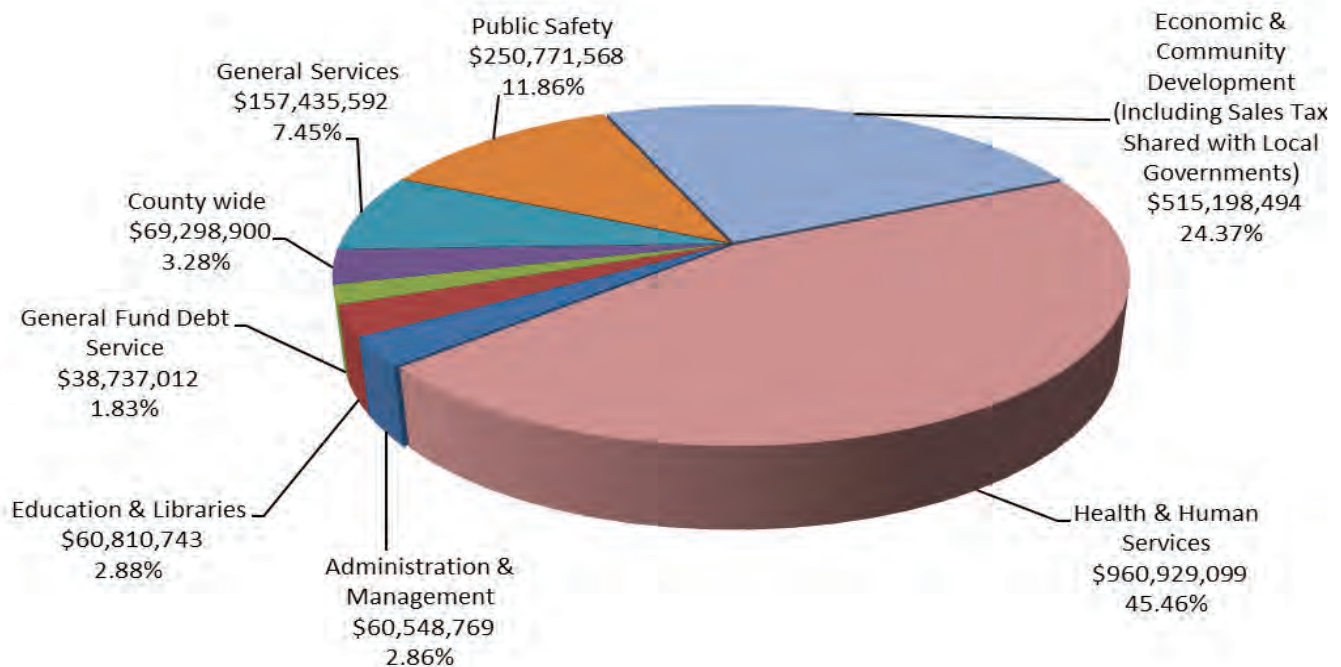


UNDERSTANDING THE 2024 ERIE COUNTY BUDGET



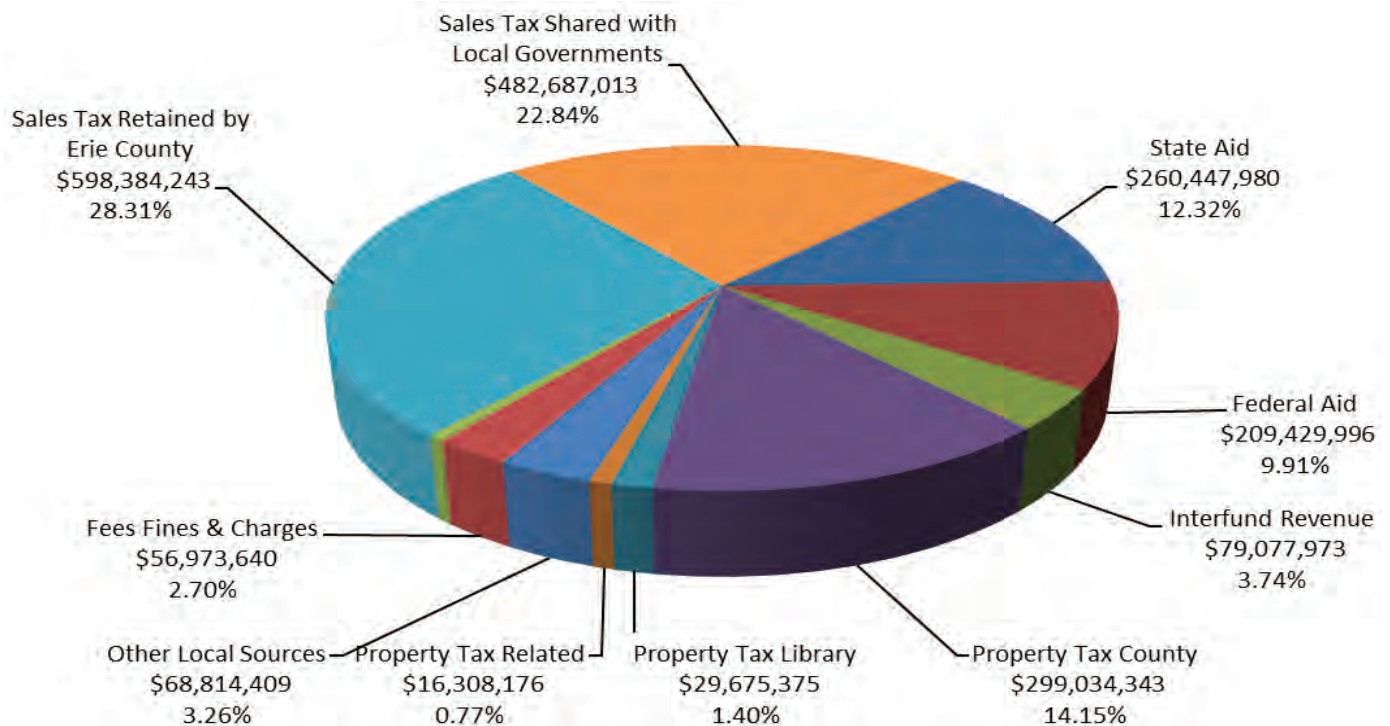
Understanding the 2024 County Budget

Where the Funding Goes



The Total 2023 Budget for All Operating Funds is \$2,113,730,177

Where the Revenue Comes From



Understanding the 2024 County Budget

Summary of Unassigned/Undesignated Fund Balances for All Funds 2012-2022 (amounts in thousands)

Fund Name	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
110 General	88,332	89,650	92,218	99,859	100,154	101,939	102,490	102,898	104,050	113,395	136,463
210 Road	0	0	0	0	0	0	0	0	0	0	0
230 E-911	0	0	(96)	(43)	0	0	0	0	0	0	0
820 Library	2,942	3,296	2,773	2,096	3,405	3,282	3,689	2,797	3,497	4,247	3,597
310 Debt Service	0	0	0	0	0	0	0	0	0	0	0
Total	91,274	92,946	94,895	101,912	103,559	105,221	106,179	105,695	107,547	117,642	140,060

Source: Erie County Comprehensive Annual Financial Reports

Understanding the 2024 County Budget

Overview of All Operating Funds in the 2024 Proposed Budget

110 General	\$1,941,384,064
140 Utility Fund	34,504,015
210 Road Fund	53,403,837
230 E-911 Fund	12,595,665
310 Operating Fund Debt Service	38,737,012
820 Library	33,105,584
Total All Operating Funds	\$2,113,730,177

Additional Funds in the 2024 Proposed Budget

220 Sewer Districts	\$75,236,122
281 Grant Fund	47,928,297
290 Community Development Fund	6,340,817
295 Pharmaceutical Settlement Fund	5,808,839
310 Sewer District Debt Service	7,563,009
821 Library Grants	601,418
Total	\$143,478,502
Total All Funds	\$2,257,208,679

Understanding the 2024 County Budget

Outstanding General Debt at Year End (Sewer Debt Excluded)

Year	Outstanding Debt	Bond Principal Retired
2014	\$391,605,000	(\$45,675,000)
2015	\$368,175,000	(\$53,245,000)
2016	\$348,165,000	(\$50,715,000)
2017	\$327,405,000	(\$52,255,000)
2018	\$318,235,000	(\$49,285,000)
2019	\$310,830,000	(\$48,060,000)
2020	\$291,805,000	(\$52,065,000)
2021	\$276,450,000	(\$39,750,000)
2022	\$258,295,000	(\$45,250,000)
2023	\$238,945,000	(\$48,370,000)

Capital Budget Bonded Component by Year

Year	Total Capital Projects	Total Bond Principal
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	\$117,807,774	\$27,095,000
2023*	\$227,033,557	\$29,020,000
2024**	\$98,694,064	\$56,182,615

* Total 2023 capital projects authorized to date.

** Total capital projects and bond principal authorized in 2024 Proposed Erie County Budget



OVERVIEW OF REVENUES

Property Tax Levy

2024 Budget:	\$328,709,718
2023 Budget:	\$329,709,718

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 2024 County property tax levy totals \$328,709,718.

A breakout of the total property tax levy into two required reporting categories for 2024 and 2023 totals:

	<u>2024 Budget</u>	<u>2023 Budget</u>
General Fund	\$299,034,343	\$301,424,356
Library Fund	<u>29,675,375</u>	<u>28,285,362</u>
Total Property Tax Levy	\$328,709,718	\$329,709,718

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 2024 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 \$6,913,000. 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-Five 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>
2024	328,709,718	3.38
2023	329,709,718	3.93
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
\$328,709,718	÷	\$97,157,289,370	=	\$3.38 per \$1,000 Assessed Value

Equalized Full Market Value

In 2024, the County's equalized full market value tax base will increase by \$13,202,092,523. The amount of equalized full value is determined as follows:

	Total Taxable Assessed Value	÷	Equalization Rate (rounded)	=	Equalized Full Market Value
2023	\$54,700,637,199	÷	0.6515	=	\$83,955,196,847
2024	\$55,642,481,245	÷	0.5727	=	\$97,157,289,370

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
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	83,955,196,847	13.23%
2024	97,157,289,370	15.73%

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 2024 is set forth below:

Estimated Computation of Constitutional Tax Power for 2024

2019	60,970,410,994
2020	64,771,315,474
2021	70,645,602,048
2022	74,148,294,674
2023	83,955,196,847
Total ^(a)	\$354,490,820,037

Five-Year Average Full Valuation	\$70,898,164,007
Tax Limit (1.5%)	1,063,472,460
Total Exclusions	<u>60,776,541</u>
Total Taxing Limit	1,124,249,001
Less Total Tax Levy for 2024^(b)	<u>371,523,470</u>
Unused Tax Limit	\$752,725,531

^(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 \$ 16,642,903

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 \$769,758,181 leaving an unused tax margin of \$398,234,

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

Five-Year Average Full Valuation	\$70,898,164,007
Tax Limit (1.0%)	708,981,640
Total Exclusions	<u>60,776,541</u>
Total Taxing Power	769,758,181
Less Total Levy for 2024^(a)	<u>371,523,470</u>
Projected 1% Unused Tax Margin	\$398,234,711

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

Sales Tax Revenue

2024 Budget

Sales Tax Retained by Erie County	\$598,384,243
Shared with Cities, Towns, Villages, School Districts, and the NFTA	482,687,013
Total Sales Tax Revenues	\$1,081,071,256

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, 2025

⁽²⁾ 0.75% Sales Tax authorization expires November 30, 2025

Sales Tax Shared with Other Local Governments

The following table indicates 2024 estimated sales tax to Erie County and the amount of sales tax shared with local jurisdictions.

	2024 Estimated Collections
County Share of Sales Tax	
3% Sales Tax	\$212,617,295
1% Sales Tax	215,115,560
0.75% Sales Tax	170,651,388
 Total 2024 Estimated County Share	 \$598,384,243
Shared Sales Tax	
3% Sales Tax Distributed to Cities, Towns and Schools	\$441,736,833
1% Sales Tax Distributed to Cities & Towns	12,500,000
3% Sales Tax Distributed to NFTA (1/24 th of overall 3%)	<u>28,450,180</u>
 Total 2024 to Other Jurisdictions	 \$482,687,013
 Total 2024 Estimated Sales Tax	 \$1,081,071,256

All Other Local Source Revenues

2024 Budget: \$108,921,174
2023 Budget: \$ 90,981,622

2024 Distribution of All Other Revenues

	<u>Total</u>
Property Tax Related	\$16,308,176
Recoveries/Repayments	12,178,460
Hotel Occupancy Tax	13,000,000
Election Expense Re-spread	8,858,658
Interest Earnings – General Investments	3,600,000
Fees, Fines, and Charges	25,326,174
Appropriated Fund Balance	0
Interfund Revenue	9,823,386
All Other Local Source Accounts	19,826,320
Total	\$108,921,174

Property Tax Related

2024 Budget: \$16,308,176
2023 Budget: \$15,963,754

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.

Recoveries/Repayments

2024 Budget: \$12,178,460
2023 Budget: \$12,354,107

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.

Hotel Occupancy Tax

2024 Budget:	\$13,000,000
2023 Budget:	\$11,200,000

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

2024 Budget:	\$8,858,658
2023 Budget:	\$8,369,412

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

2024 Budget:	\$3,600,000
2023 Budget:	\$1,200,000

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 have been realized due to the inclusion of treasury bills in the County investment portfolio.

Fees, Fines, and Charges

2024 Budget:	\$25,326,174
2023 Budget:	\$27,034,515

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

2024 Budget:	\$	0
2023 Budget:	\$	0

No undesignated fund balance is utilized in the 2024 Budget.

Interfund Revenue

2024 Budget:	\$9,823,386
2023 Budget:	\$ 729,966

The 2024 budget includes Interfund Revenue related to the partial closing of the November 2022 and December 2022 Storm Funds. Additional revenue from FEMA reimbursement is expected in future years.

All Other Source Accounts

2024 Budget:	\$19,826,320
2023 Budget:	\$14,129,868

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

2024 Proposed: \$242,927,295
2023 Budget: \$209,646,251

2024 Distribution of State Aid General Fund

	<u>Total</u>
Social Services	\$105,427,706
Youth Detention	11,367,449
Youth Bureau	1,972,757
Health	9,875,303
Early Intervention/Special Needs	45,606,383
Mental Health	57,475,288
Probation	2,190,984
District Attorney	4,000,040
Sheriff	408,870
Buildings and Grounds	2,747,000
County Attorney	1,411,477
All Other Departments	443,678
Total	\$242,927,295

Department of Social Services

2024 Proposed: \$105,427,706
2023 Budget: \$87,029,510

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

2024 Proposed:	\$11,367,449
2023 Budget:	\$10,129,093

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

2024 Proposed:	\$1,972,757
2023 Budget:	\$2,082,757

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.

Department of Health

2024 Proposed: \$9,875,303
2023 Budget: \$8,850,032

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

2024 Proposed: \$45,606,383
2023 Budget: \$42,358,599

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

2024 Proposed: \$57,475,288
2023 Budget: \$50,627,725

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.

Department of Probation

2024 Proposed:	\$2,190,984
2023 Budget:	\$1,854,124

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's Office

2024 Proposed:	\$4,000,040
2023 Budget:	\$3,708,092

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 Office

2024 Proposed:	\$409,230
2023 Budget:	\$373,968

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.

Division of Buildings and Grounds

2024 Proposed:	\$2,747,000
2023 Budget:	\$2,167,000

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.

County Attorney

2024 Proposed:	\$1,411,477
2023 Budget:	\$55,000

State revenues of \$1,411,477 is ILS Aid to Localities funding to reimburse for 50% of the cost associated with the County Law Article 18-B Assigned Counsel rate increase that was included in the SFY-2023-24 Budget. This matching funding from the State is available only through March 1, 2024.

All Other Departments

2024 Proposed:	\$443,678
2023 Budget:	\$465,351

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

2024 Proposed: \$209,429,996
2023 Budget: \$190,421,118

2024 Distribution of Federal Aid Operating Fund

	<u>Total</u>
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	\$209,429,996

Department of Social Services

2024 Proposed: \$197,302,708
2023 Budget: \$179,392,472

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

2024 Proposed:	\$4,424,187
2023 Budget:	\$3,315,851

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 Office

2024 Proposed:	\$136,646
2023 Budget:	\$133,832

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

2024 Proposed:	\$351,547
2023 Budget:	\$342,777

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

Department of Mental Health

2024 Proposed:	\$7,133,533
2023 Budget:	\$7,155,936

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's Office

2024 Proposed:	\$30,375
2023 Budget:	\$29,250

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

STOP-DWI Program

2024 Proposed:	\$41,000
2023 Budget:	\$41,000

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

Department of Central Police Services

2024 Proposed:	\$10,000
2023 Budget:	\$10,000

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



OVERVIEW OF EXPENDITURES

General Fund Expenditures

TOTAL GENERAL FUND EXPENSES FOR COUNTY DEPARTMENTS

2024 Proposed: \$1,941,384,064
2023 Budget: \$1,778,836,137

2024 Distribution of General Fund Expenses

	<u>Total</u>
Personal Services	\$328,465,444
Fringe Benefits	163,396,347
Supplies and Repairs	11,948,728
Sales Tax to Local Governments	482,687,013
Contractual Expense	216,949,058
Intergovernmental Payments for ECMCC	64,788,206
Indigent Care Adjustment	6,902,172
Social Services Assistance and Programs	450,264,898
Early Intervention/Special Needs	80,618,862
Inter-fund Transfers (County Share)	65,725,441
Debt Service	35,796,012
All Other Expenses	33,841,883

Total \$1,941,384,064

Personal Services

2024 Proposed: \$328,465,444
2023 Budget: \$299,075,235

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 \$2,000,000 turnover (vacancy savings) accounts.

Fringe Benefits

2024 Proposed: \$163,396,347
2023 Budget: \$145,697,104

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

Supplies and Repairs

2024 Proposed:	\$11,948,728
2023 Budget:	\$11,347,602

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

2024 Proposed:	\$482,687,013
2023 Budget:	\$441,653,338

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

2024 Proposed:	\$216,949,058
2023 Budget:	\$188,604,054

The major accounts comprising this appropriation include: Social Services contractual agencies – \$28,571,561; 43,958,785; and payments to various youth programs such as Operation Prime Time – \$3,016,576. Mental Health contractual agency payments total \$67,483,476. 67,491,226.

Other major agency contractual expense includes: Community College payments for residents enrolled in other Community Colleges – \$7,900,842; Convention & Visitors Bureau/Convention Center – \$7,081,286; Buffalo Niagara Film Commission-WNED – \$321,287; cultural/community/neighborhood development support – \$8,504,107; economic development funding for Invest Buffalo Niagara/World Trade Center Buffalo Niagara – \$275,000 and the Workforce Development Consortium's Erie County Health Careers Program – \$3,387,236; Indigent Defense – \$25,836,984; 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
2024 Proposed	\$28,450,180	\$3,657,200	\$32,107,380
2023 Budget	\$25,966,267	\$3,657,200	\$29,623,467

Intergovernmental Payments for the benefit of ECMCC

2024 Proposed:	\$64,788,206
2023 Budget:	\$56,164,074

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

2024 Proposed:	\$6,902,172
2023 Budget:	\$6,691,290

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

2024 Proposed:	\$450,264,898
2023 Budget:	\$401,743,456

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)

2024 Proposed:	\$36,612,708
2023 Budget:	\$38,780,099

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.

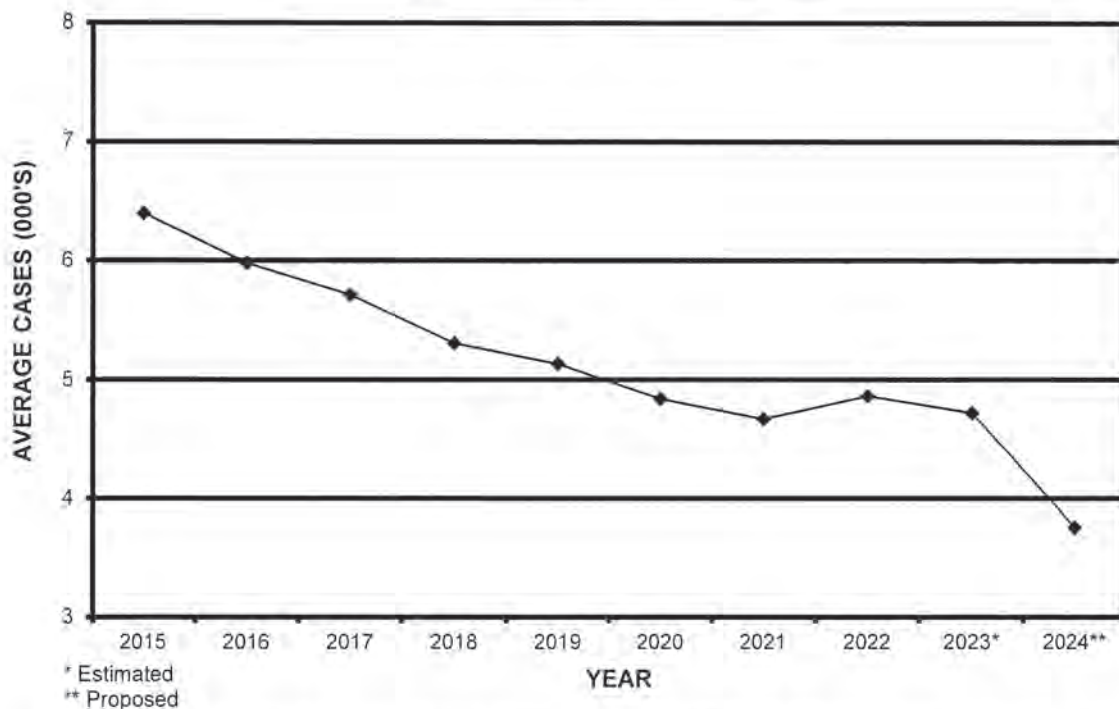
Federal Welfare Reform legislation enacted in December 1996 ended the Federal entitlement to public assistance. It provides funding to the states in the form of fixed block grants to cover temporary assistance to families. Limits are placed on the length of time families may receive Federal TANF (Family 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 3,755 cases per month in 2024 with an average base monthly cost per case of \$594.82

The 2024 caseload estimate reflects caseload trends that have occurred to date. It assumes that the current base caseload will continue to decrease for the balance of 2023 and 2024 at a monthly rate of 20 cases.

TREND OF FAMILY ASSISTANCE CASES (With Time Limit Shifts)



The 2024 monthly base cost per case estimate of \$707.35 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)

2024 Proposed: \$39,741,862
2023 Budget: \$39,665,565

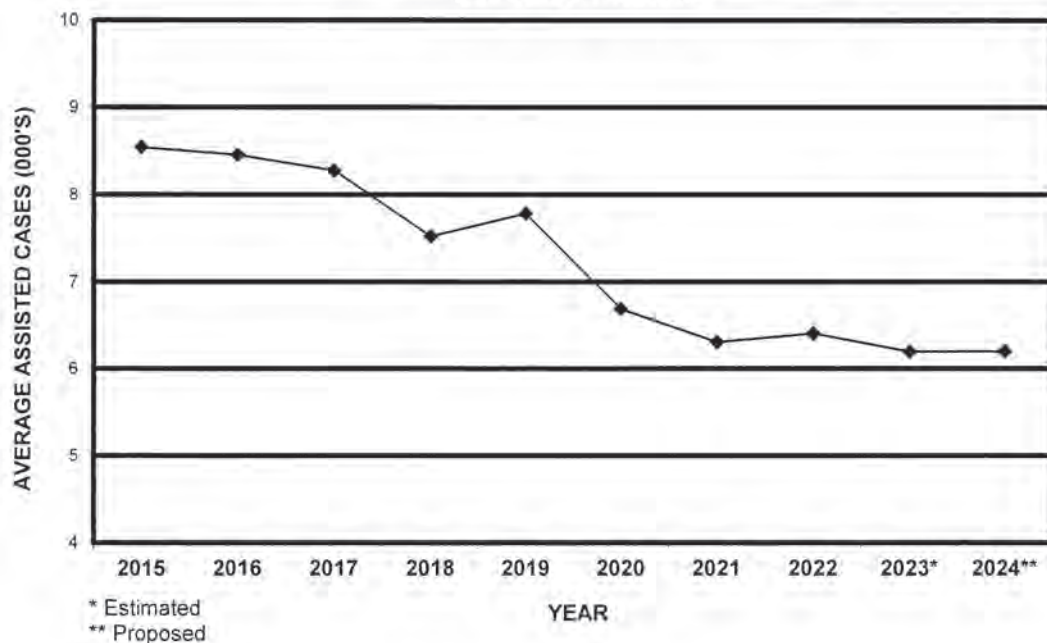
Public Assistance benefit payments are made for basic needs, shelter, and utilities, etc., primarily to single individuals or childless couples who are eligible for this State/local general assistance program. Formerly known as Home Relief, this program now incorporates a two-year lifetime limit on cash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

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

Caseloads are funded at an average level of 6,199 cases per month in 2024, with an average base monthly cost per case of \$.513.82

The 2024 caseload estimate is based on caseload trends that have occurred to date. It assumes that the current base caseload will continue to remain consistent for the balance of 2023 and 2024 at a monthly rate of 28 cases. This produces a trend caseload estimate for 2023 that averages 6,199.

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



The County share cost of the Safety Net Assistance program is \$25,382,378 in 2024 after subtracting client repayments, 29 percent State reimbursements and other revenues from the gross appropriation. This is an increase of \$461,243 (1.82%) compared to the 2023 Adopted Budget amount.

Medicaid – MMIS Local Share (Account 525000)

2024 Proposed:	\$214,648,032 (53 weekly payments)
2023 Budget:	\$190,454,017 (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 began January 2006, and a subsequent State phase-out of the local share increases beginning in 2016. As currently legislated, Erie County's statutory cap is \$215,758,576. In recent years, this cap been reduced, however, to reflect enhanced federal reimbursement (eFMAP) under the Affordable Care Act (ACA) and, most recently, the Families First Coronavirus Response Act (FFCRA).

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 capped at 2011 expense amounts. The Department is monitoring this expense and the expectation at this time is that neither 2023 nor 2024 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.

The amount required for the 2024 calendar year reflects weekly cash payments for the 2023-2024 State Fiscal Year and the 2024-2025 State Fiscal Year Medicaid caps that are both calculated based on the State's payment cycles and are apportioned to the County's 53 weekly payment cycles in calendar 2024.

As part of the SFY 2023-24 Enacted Budget, the State announced a phase-out of the sharing of ACA eFMAP over a three-year period, as well as the immediate suspension of FFCRA eFMAP sharing any retroactive adjustments.

However, due to an error in calculating weekly share amounts to account for the immediate sweeping of FFCRA eFMAP announced on September 14, 2023, the State will be adjusting weekly shares to recoup those funds, increasing Erie County's 2024 local share by \$11,949,833 to \$214,648,032. While the State had presented the sweeping of eFMAP as a multi-year phase-out, which would allow for county budgets to adjust over time to these actions, the reconciliation of their above noted error has effectively eliminated all Medicaid savings to Erie County immediately as of the 2024 Budget.

Elsewhere in the budget is a separate appropriation in the amount of \$56,831,456 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 \$6,902,172.

Medicaid – Gross Local Payments (Account 525030)

2024 Proposed:	\$38,572
2023 Budget:	\$39,247

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 2024 appropriation includes \$5,280 for insurance premiums and \$33,292 for other expenses. The 2024 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)

2024 Proposed:	\$99,177,933
2023 Budget:	\$99,177,933

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.

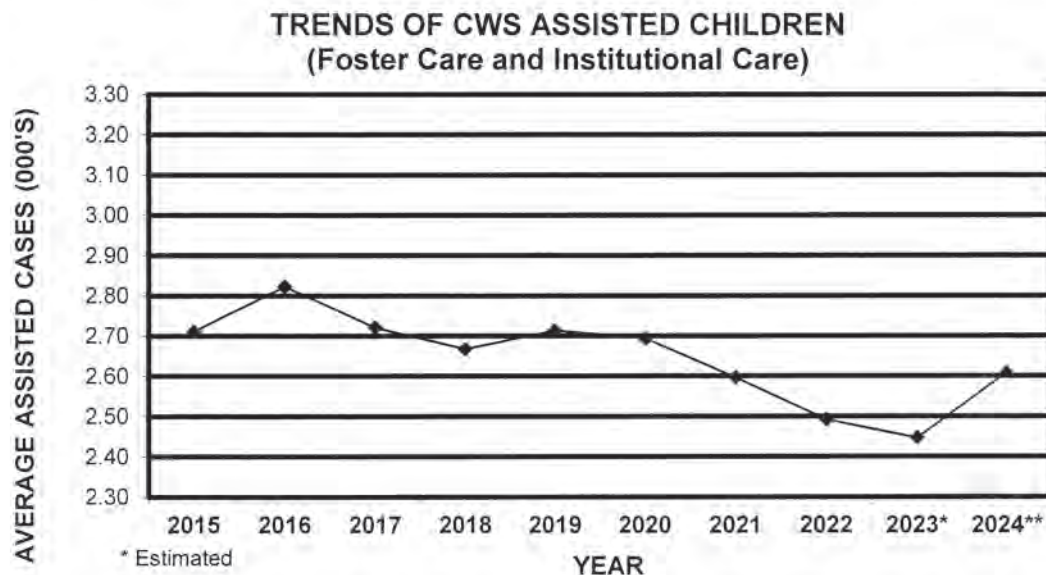
Placements in group homes and institutions are ordered primarily for Persons in Need of Supervision (PINS) or for Juvenile Delinquents (JD's).

Appropriations in the 2024 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 2,610 per month in 2024, with an overall average monthly cost per child of 3,671.

Based on present trends, the average monthly number of children funded in 2024 is decreased over the 2023 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 led 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 \$8,853,444 in 2024 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.



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)

2024 Proposed:	\$45,998,511
2023 Budget:	\$21,720,590

Childcare (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 300 percent of the Federal Poverty Level (FPL). Low-income families with incomes below 300 percent of the FPL are eligible for subsidies that vary depending on the daycare setting. Childcare 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.

Several new provisions were included as part of the SFY 2023-24 New York State Budget, that have resulted in increased costs to the program. These include:

- State Median Income – Effective October 1, 2023, if funds are available, districts are required to open all new child care assistance cases, that are otherwise programmatically eligible, if the family income is at or below 85% of the SMI.
- Family Share – Effective October 1, 2023, the family share will be set at 1% of income exceeding the federal poverty level for all districts across the state. Districts will no longer select the percentage a family must pay toward the cost of child care assistance.
- Absences – All districts are required to provide assistance for children who are temporarily absent from care for up to 80 days per child per year. Districts will no longer be able to opt to pay for fewer than 80 absences. Reimbursement for additional absences may be allowed in the case of extenuating circumstances, as determined by OCFS.
- Breaks in Activities – Section 410-w(1)(a) of the SSL has been amended to remove the time limits on child care assistance provided during breaks in activities for families in receipt of public assistance. Such child care assistance must be provided pursuant to regulation.

The 2024 budgeted amount reflects these changes as well as recent trends in the number of children subsidized in the various daycare settings and payments to providers. A monthly average of 3,420 children in low-income families are expected to receive subsidies in 2024. Children in Public Assistance families receiving subsidies are estimated at 541 on average each month, a number necessary to support the level of work activity participation required of parents.

The 2024 total cost of low-income subsidies is budgeted at \$45,998,511. These costs are 100 percent reimbursed with federal funds up to the limit of the Child Care Development Block Grant. The budget includes \$5,025,546 for mandated subsidies to children in Public Assistance Families. These costs are reimbursed with state funds through the Block Grant at 75 percent of cost. The 25 percent local share cost for Public Assistance children is \$1,256,387 in 2024.

Other Programs

2024 Proposed:	\$14,047,280
2023 Budget:	\$11,906,005

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, \$1,294,204; Account 525080 – Education of Handicapped Children in Residential Schools, \$413,392; Account 525130 – OCFS Youth Residential Facility Chargebacks, \$8,562,545; Accounts 525100 and 525110 – Expenses for Housekeeping and Home-Delivered Meal Assistance, \$75,000; 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 2024 reflect current trends in utilization.

Childcare funded by Title XX (Account 525091), in cases of child protection and for purposes of foster care prevention, totals \$2,668,585 for a monthly average of 294 children, and Home Energy Assistance Program (HEAP) benefit costs total \$1,021,244 (Account 525140).

Early Intervention/Special Needs

2024 Proposed:	\$80,618,862
2023 Budget:	\$74,369,910

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)

2024 Proposed:	\$65,725,441
2023 Budget:	\$65,992,014

This includes allocations for County share of the Road Fund \$14,713,837; County share of grants \$9,781,834; County share of Utility Fund \$4,752,299, County share of the E-911 Fund \$8,717,021 and \$8,502,133 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

2024 Proposed:	\$35,796,012
2023 Budget:	\$52,992,976

This represents \$35,796,012 for General Obligation Bond Debt Service. A Revenue Anticipation Note will not be issued in 2024 so there is no 2025 Interest on Revenue Anticipation Notes appropriation.

All Other Expenses

2024 Proposed:	\$33,841,883
2023 Budget:	\$34,505,084

Included in the Other Expense category is \$648,000 of operational expense for the Erie County Fiscal Stability Authority.

The balance covers all other remaining expenses in the 2024 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 \$160,200 for 2023. 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 \$1,145/week maximum for claims paid July 1, 2023 - June 30, 2024. The proposed 2024 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 2024 appropriation for unemployment insurance anticipates an outlay of approximately \$755,471.

Medical and Hospitalization Insurance - Active Employees

The 2024 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 2024 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 2024 employer rates (14.57%) as provided by the Employees' Retirement System will be greater than the rates of 2023 (12.57%). Rates for Tier 4 employees, the single-largest category for Erie County will increase to 17.80% (as compared to the prior year billing rate of 14.90%) for the annual payment that will be due February 1, 2025 (or December 15, 2024, if the County opts to pre-pay). For the first time it is expected the combined salary base for Tier 5 (\$15,587,092 at a 12.90% rate) and Tier 6 (\$129,572,271 at a 9.50% rate) for a total of \$145,159,363 will exceed that of Tier 4 (\$137,478,169). The pension retirement expenditures for 2024 were calculated factoring-in the 2024 components of the April 1, 2023, through March 31, 2024, and April 1, 2024, through March 31, 2025, 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 2024 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	B&ECPLS - Contracting Libraries Clerical & Maintenance
NYSNA	12/31/2023	Nurses
Teamsters Captains & Lieutenants	12/31/2023	Sheriff - Holding Center Captains & Lieutenants
Librarian*	12/31/2024	B&ECPLS - Professional Librarians
Teamsters Sworn & Civilian	12/31/2026	Sheriff - Holding Center Deputies, Sergeants & Correctional Health
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

** Although still considered collective bargaining units of County government requiring final approval of contracts by the Erie County Legislature, agreements with these units are negotiated independently of the County's Department of Labor Relations by Erie Community College (ECC) and the Buffalo & Erie County Public Library System (B&ECPLS) administrators.*



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.

2024 Budget Adoption Process

The County Executive is required by the Erie County Charter and the Administrative Code to provide the Comptroller's Office with a projection of major revenue and expenditures by October 1, 2023 and then submit a proposed budget for the next fiscal year to the Erie County Legislature on or before October 15, 2023. 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 7, 2023, 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, 2023) 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, 2023).

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, 2023).

The 2024 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, 2023).

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 - 2024

January

County fiscal year began January 1.

Division of Budget and Management (DBM) works with Comptroller's Office to close 2023 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 2025 Proposed Budget.

County Executive and DBM finalize recommendations for 2025 Proposed Budget.

October

Major revenue and expenditure projections transmitted to Comptroller by October 1, 2024.

County Executive submits 2025 Proposed Erie County Budget to Legislature by October 15, 2024.

November

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

December

Legislature to hold annual budget meeting – Thursday, December 5, 2024.

Deadline for Legislature to return Budget to County Executive if any increases are added – on or before the second business day after the sixth of December. (December 10, 2024).

Deadline for County Executive to veto any increases – on or before the seventh business day after the sixth of December (December 17, 2024).

Deadline for Legislature to meet and consider County Executive vetoes – on or before the tenth business day after the sixth of December (December 20, 2024).

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.

