

# 2022 BUDGET

COUNTY OF ERIE , BUFFALO, NEW YORK

## MESSAGE AND SUMMARY



**Mark C. Poloncarz**  
COUNTY EXECUTIVE

**Robert W. Keating**  
DIRECTOR  
BUDGET AND MANAGEMENT

# Table of Contents

---

	<u>Page</u>
<b>County Executive's Letter</b> .....	iii
<b>Four-Year Operations Plan Fiscal Years 2022 – 2025</b>	
Introduction to Four-Year Operations Plan .....	1
Four-Year Plan Detail .....	3
<b>Overview</b>	
Snapshot of Erie County .....	7
<b>Understanding the 2022 Erie County Budget</b>	
Where the Funding Goes .....	11
Where the Revenue Comes From .....	11
Summary of Unassigned/Undesignated Fund Balances for All Funds .....	12
Overview of All Funds in the 2022 Proposed Budget .....	13
Outstanding General Debt and Capital Budget Bonding by Year .....	14
<b>Overview of Revenues</b>	
Property Tax Revenues .....	15
Sales Tax Revenues .....	19
Sales Tax Sharing .....	20
All Other Local Source Revenues .....	21
State Aid .....	24
Federal Aid .....	28
<b>Overview of Expenditures</b>	
General Fund Expenditures .....	31
Fringe Benefits Expenditures .....	42
Union Contracts .....	44
<b>Budget Process and Financial Structure</b>	
Budget Process .....	45
Budget Calendar .....	58
Financial Structure .....	49
<b>Glossary</b> .....	55





# COUNTY EXECUTIVE'S BUDGET MESSAGE AND SUMMARY







# COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

October 4, 2021

Erie County Legislature  
92 Franklin Street 4<sup>th</sup> Floor  
Buffalo, NY 14202

Dear Honorable Legislators:

Please find enclosed my proposed 2022 Erie County Budget ("2022 Budget") and the 2022-2025 Four Year Financial Plan ("Four Year Plan") for review and approval by your Honorable Body.

One year ago, I presented your Honorable Body with a budget that prepared Erie County for the worst possible outcomes: no Federal American Rescue Plan aid, a prolonged economic recovery, resurgent COVID-19, and massive State aid cuts. Since then, Erie County has turned the corner.

Safe and effective COVID-19 vaccines are easily accessible to all Americans at no cost. The economic recovery has been one of the fastest on record. President Biden and Democrats in Congress have delivered \$350 billion in direct relief to state and local governments like Erie County.

While the Delta variant has set back our path to normalcy, we continue to move ever upward. This budget proposal is designed to continue that positive momentum with important new investments that will benefit county residents in ways big and small for many years to come.

## **2022 General Fund Budget**

The 2022 recommended Budget for the General Fund is \$1,668,626,107 (including approximately \$416,376,060 million of sales tax, which we collect and

distribute to local governments, school districts and the Niagara Frontier Transportation Authority), and amounts to a total increase of 13.3 percent over the Adopted 2021 Budget, and a 6.2 percent increase over the amended 2021 Budget which includes the impact from the passage of the Renew plan in June.

All told this budget adds 35 general fund positions as compared to the adjusted 2021 mid-year budget and 166 positions compared to the adopted 2021 Budget.

As in recent budgets we will continue to share revenue growth with the Buffalo and Erie County Public Library. This budget also includes a \$1,000,000 per year maintenance of effort increase for SUNY Erie.

### **Lowest Property Tax Rate Ever**

In order to provide property tax relief and to stay under the New York State Tax Cap I am once again proposing action to lower the property tax rate per thousand of assessed value from \$4.42 for 2021 to \$4.33 in 2022, and for the fourth time reduce the eligible amount of Community College chargebacks by \$4.4 million. Based on the Budget Office's research, this rate of \$4.33 per thousand dollars of assessed value is the lowest property tax rate since the establishment of modern county government in 1960. Since taking office, my administration has reduced the property tax rate by a total of \$0.70 per thousand dollars of assessed value, a 14% reduction.

### **Sales Tax**

As has long been the case, the sales and compensating use tax ("sales tax") is the County's largest revenue source. In a striking reversal from 2020, Erie County has seen tremendous sales tax growth throughout 2021, thanks to the rebounding economy and significant federal stimulus action. As of this letter, Erie County has 22.8% sales tax growth over 2020, and 13.6% growth over 2019.

As the economy stabilizes, we project a new higher baseline to be established, and have conservatively budgeted for 2% sales tax growth in 2022.



## **Four Year Financial Plan**

The 2022 Budget includes a Four-Year Financial Plan for fiscal years 2022-2025. The 2022 Budget and projected 2021 year-end numbers form the basis for the Four-Year Plan along with assumptions and estimates which are detailed in the Executive Summary and Budget Message. The Four-Year Plan forecasts manageable budget scenarios for 2022-2025 thanks to improved economic conditions. One area of ongoing concern in the four-year plan will be the potential for increased intergovernmental transfer (IGT) payments to the Erie County Medical Center Corporation (ECMCC).

We also are using conservative and appropriate assumptions on property and sales tax revenues. We project a 2% percent assessment growth forecast for 2022-2025. This number is limited by the New York State Tax Cap which forces the county to forgo assessment growth. For sales tax we budgeted for 2% increase in sales tax collections for 2022 and then forecast 1% percent growth for 2023-2025. No fund balance is used in the 2022 budget, and none is project to be used in the 2023-2025 budgets. Based on the final 2021-year end positive variance, fund balance may be increased over current levels to prepare the county for future crises.

## **Responding to COVID-19**

Thanks to an extension from Congress, Erie County has been able to utilize the Coronavirus Aid, Relief, and Economic Stability (CARES) Act Coronavirus Relief Fund (CRF) to pay for COVID-19 response operations from the Departments of Health, Homeland Security and Emergency Services, and others through the end of 2021.

For 2022, we propose to use American Rescue Plan (ARP) State and Local Relief Funds (SLRF) for this purpose. This budget sets aside \$24 million for this purpose for 2022-2024. SLRF Funds earmarked for COVID-19 not utilized in a given year will be rolled over for use in future years.

## **Investments in Law Enforcement**

Since the passage of bail and discovery reform legislation in in 2019, Erie County has been required to make significant new investments in law enforcement operations to meet the onerous demands of the new state law. 2021 is no exception, with major new requests from the District Attorney (DA)'s Office. Per the DA, new discovery requirements create an additional 250 hours of work per year for each Assistant District Attorney in addition to new requirements related to the repeal of Civil Rights law 50-a, which makes all police and correctional officer personnel records discoverable.

To meet these needs and ensure the DA's Office can properly prosecute offenders, this budget includes 14 new general fund positions and another \$100,000 in equipment to meet the DA's growing discovery requirements. Commensurate with their increased duties and for parity, this budget also includes the DA's request to reclassify the county's legal secretaries up to the higher job group of Erie County Medical Center Corporation.

In addition, this budget honors requests from Central Police Services to add forensic crime lab staff and to enhance staffing at E-911, and restores the key position of Chief of Internal Affairs to the Sherriff's Office.

## **Providing Essential Services & Expanding the People's Mandates**

Thanks to the growing economy and the elimination of state aid cuts, Erie County is in a position to make a number of additional investments to provide improved services and improve county operations. These items fall into what I have long called "the people's mandates," services not required by New York State or Federal law, but equally important to the lives of Erie County residents.

Erie County seniors deserve the best possible programs and services. My administration is proposing an exciting augmentation of the Department of Senior Services programming options, with an expanded food service and wellness program, new recreation activities including an interconnected TV network between senior centers across the county, Karaoke, live music, and classes. I'm also proposing additional case management support for items like adult daycare, home



care, transportation, and in partnership with the Department of Social Services, home energy support.

In conjunction with the work of the Capital Projects Committee, I am proposing a capital works program totaling \$76,838,492, of which \$44,883,000 is dedicated to road and bridge work. In 2022 I am proposing a 51.2% greater investment overall and a nearly 68% increase in road and bridge spending.

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 and one additional County Attorney dedicated to managing construction projects and expediting the contractual, permitting and other legal work necessary to advance our infrastructure agenda. All the money in the world dedicated to our roads and bridges is no good if the projects cannot be designed, bid, and contracted in a timely fashion. This investment aims to eliminate those bottlenecks.

To improve the quality of service at our golf courses, beaches and other facilities, this budget proposal includes a complete overhaul of the park attendant system. Our Parks team is putting a focus on recreational activities, offering better pay to meet the new real minimum wage floor of \$15 per hour, and establishing a Recreation Attendant title to take on additional responsibilities so parks superintendents can better spend their time.

Last year, even in the face of significant budget shortfalls and an economic recession, my administration continued supporting cultural agencies knowing that Erie County funding might be the only thing keeping the doors open. This year, I am pleased to be able to present a budget with an increase in arts and cultural funding of 3.41%, to ensure our community continues to have access these important institutions for years to come.

### **LiveWell Erie Upward Mobility Fund & Storefront Revitalization**

Included in the 2022 budget proposal are three unique programs. The first is a county-funded version and expansion of the popular Community Block Development Grant (CDBG) storefront revitalization program. This would provide grants to small businesses all across Erie County, not just in the CDBG Consortium

area, designed to revitalize and improve neighborhood commercial areas, support small businesses, eliminate blight and code violations, and enhance the livability of surrounding neighborhoods. Unlike the current CDBG program, this funding would be available to small business in every community in Erie County.

The second program is a Live Well Erie Innovation Fund that would be dedicated to funding unique proposals from area not-for-profits. This program is a more formalized version of the annual Live Well Erie Poverty initiative programming.

Third, and most excitingly, is a new program collaborating with the Federal Reserve Bank of Atlanta. Erie County will dedicate \$9 million dollars to a workforce development pilot program that will aim to help program participants over the “benefits cliff,” the point at which the value of employment earnings outweighs the economic value of governmental assistance programs. This well researched issue contributes to the ongoing worker shortage local businesses are experiencing. If successful, we will help employers find the workers they need and assist individuals to permanently leave public assistance, and we hope this pilot program can be a model for a larger state or federal initiative.

### **Federal Aid**

As I promised in my 2021 budget message, the receipt of long-awaited Federal aid via the American Rescue Plan allowed my administration to prepare an omnibus resolution, the RENEW plan. That spending plan restored cuts from the deficit remediation plan and the adopted 2021 budget, as made an array of investments in our community. Erie County will receive a second tranche of American Rescue Plan funding in May of 2022. This budget proposes allocating those funds in three ways.

First, as previously mentioned, to fund ongoing COVID-19 response operations through 2024 at a level of \$6 million per year.

Second, to provide capital funding for the construction of the ErieNet Open Access Network which will provide high capacity, high-speed fiber internet access



to key anchor institutions including Erie County itself. ErieNet is projected to be a \$34 million investment.

Lastly, to continue investments in Erie County's sewer districts, I propose dedicating another \$31 million for critical sewer system upgrades to keep Lake Erie and our watershed clean and safe. As Deputy Commissioner Fiegl often reminds us, sewers were the very first form of public health and they deserve continued investment.

### Conclusion

Twelve months ago, I was forced to present a budget with significant cuts while facing tremendous uncertainty regarding the future of our region and country. Thankfully, the tide has turned. Safe and effective vaccines have prevented millions of Americans from risking serious illness or death from COVID-19. President Biden is taking strong action to improve the economy, not just for the wealthy, but to improve the living conditions for everyday Americans. Data from the decennial census proves what we all knew: Erie County's population grew for the first time in decades. This budget proposal capitalizing on the successes of the last year, and makes investments to continue that positive momentum.

My team and I look forward to discussing our proposed budget with your Honorable Body. I am excited and hopeful for the future of Erie County as our population and prosperity grow.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mark C. Poloncarz". The signature is fluid and cursive, with the first name "Mark" and last name "Poloncarz" clearly legible.

Mark C. Poloncarz, Esq.  
Erie County Executive

MCP/bqs

Encl.

cc: Hon. John Flynn, Esq., Erie County District Attorney  
Hon. Timothy Howard, Erie County Sheriff  
Hon. Michael Kearns, Erie County Clerk  
Hon. Stefan Mychajliw, Erie County Comptroller  
Erie County Fiscal Stability Authority



# FOUR-YEAR OPERATIONS PLAN FISCAL YEARS 2022-2025



# **Four Year Financial Plan for Fiscal Years 2022-2025**

---

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 2022 Proposed Budget and projected 2021 results largely form the basis for the Plan.

The 2022 Budget and Plan differ as explained in greater detail in the County Executive’s budget message and as noted below.

The Plan calls for 2% growth in property tax revenue strictly due to assessment growth for years 2023 through 2025. In 2022, the County projects to receive \$9.3 million in assessment growth, of which the County will share \$518,347 with the Buffalo and Erie County Public Library System.

The Plan calls for sales tax revenues to increase by 2% in 2022 from the 2021 projected actual amount, and then increase by 1% in 2023-2025. These numbers are also conservative given the significant sales tax growth in 2021 over by 2020 and the non-pandemic effected sales tax receipts of 2019.

The Plan is based on reasonable assumptions at the time of submission of the 2022 Budget and Plan on October 4, 2021.

## **KEY ASSUMPTIONS IN FOUR YEAR FINANCIAL PLAN 2023-2025**

<b>Revenue</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Sales Tax Growth	1.00%	1.00%	1.00%
Real Estate Market Value Growth	2.00%	2.00%	2.00%
Property Tax Rate Increase	0%	0%	0%
<b>Expense</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Personal Services Growth	5.00%	3.00%	3.00%
Health Insurance Growth	6.42%	5.86%	5.11%
Pension Rate	11.60%	11.60%	11.60%

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

The overall plan reverses the previous assumption of a State Revenue decrease for 2022 and 2023 which had contributed to a projected bottom line shortfall for these years. There is no usage of fund balance over the term of the plan.

The overall plan reverses the previous assumption of a State Revenue decrease for 2022 and 2023 which had contributed to a projected bottom line shortfall for these years. There is no usage of fund balance over the term of the plan.

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

- Better than expected sales tax revenue;
- Additional Federal stimulus funding;
- Better than expected property tax assessment growth;
- Reductions in discretionary spending, including in personal services and through deletion of positions;
- Property tax revenue;
- Use of appropriated fund balance;
- Increase to Community College Chargeback revenue;
- More favorable (lower) caseload trends in social service programs; and
- Reinstatement of Gaming Facilities Aid.

**County of Erie**  
**2022-2025 Four-Year Financial Plan**

Fund 110 - General Account Type	2020 Actual	2021 Legislative Adopted Budget	2022 Executive Recommended Budget	2023 Projection	2024 Projection	2025 Projection
<b>Local Source Revenue</b>						
Property Tax Levy	279,863,754	286,178,342	295,012,576	300,912,828	306,931,084	313,069,706
		8.83%	5.41%	2.00%	2.00%	2.00%
Property Tax Related						
Sec 520 Exempt Removal	872,391	876,148	980,280	980,280	980,280	980,280
Gain Sale Tax Acquired Prop	6,500	7,000	6,000	6,000	6,000	6,000
Payments In Lieu Of Taxes	5,012,493	5,140,000	4,760,000	4,760,000	4,760,000	4,760,000
Interest & Penalties-Prop Tax	17,396,407	12,733,993	13,885,795	13,955,224	14,025,000	14,095,125
Omitted Taxes	1,780	1,780	2,000	2,000	2,000	2,000
Dec-Prop Tax Def Rev	(12,092,800)	(4,455,252)	(4,683,722)	(4,730,559)	(4,777,865)	(4,825,643)
Property Tax Related Total	11,196,971	14,303,669	14,950,353	14,972,945	14,995,415	15,017,762
				0.15%	0.15%	0.15%
Sales Tax						
Sales Tax Original 3%	180,025,022	172,531,111	207,035,059	209,105,410	211,196,464	213,308,428
1% Sales Tax	169,968,814	162,893,514	195,470,064	197,424,765	199,399,012	201,393,002
.25 % Sales Tax	42,484,886	40,709,178	48,967,342	49,457,015	49,951,586	50,451,111
.50% Sales Tax	84,969,372	81,418,356	97,701,854	98,678,873	99,665,661	100,662,308
Sales Tax Total	477,447,894	457,552,159	549,174,319	554,866,062	560,212,723	565,814,850
		-2.99%	15.02%	1.00%	1.00%	1.00%
Sales Tax (Distrib. to Local Gov'ts)	329,881,426	316,149,457	379,442,301	383,236,724	387,069,091	390,939,782
		-2.99%	15.02%	1.00%	1.00%	1.00%
Fees Fines or Charges						
Election Exp Other Govts	7,182,134	7,581,812	8,359,701	7,902,195	7,820,728	7,938,039
All Other Fees Fines or Charges	23,495,662	25,142,844	26,269,701	26,663,747	27,063,703	27,469,658
Fees Fines or Charges Total	30,677,796	32,724,656	34,629,402	34,566,942	34,884,431	35,407,697
				-0.18%	0.92%	1.50%
Other Sources						
Interest & Earn - Gen Inv	230,341	200,100	200,500	200,500	200,500	200,500
Hotel Occupancy Tax Revenue	4,371,205	9,562,689	9,300,000	9,439,500	9,581,093	9,724,809
Community College Respreads	2,724,895	2,981,088	3,272,145	3,304,866	3,337,915	3,371,294
All Other Sources Accounts	36,451,632	28,695,287	19,381,550	19,872,273	19,967,357	20,266,868
Other Sources Total	43,778,073	41,439,164	32,154,195	32,817,140	33,086,865	33,563,471
				1.44%	1.44%	1.44%
Appropriated Fund Balance						
Appropriated Fund Balance - Special	-	-	-	-	-	-
Appropriated Fund Balance County Purposes	-	10,000,000	-	-	-	-
Appropriated Fund Balance	0	10,000,000	-	-	-	-
<b>Local Source Revenue Total</b>	<b>1,172,845,914</b>	<b>1,158,347,447</b>	<b>1,305,363,146</b>	<b>1,320,971,640</b>	<b>1,337,179,609</b>	<b>1,353,813,268</b>
				1.20%	1.23%	1.24%
<b>State Aid</b>						
State Aid-Education Of Handicapped Children	28,805,179	31,460,139	34,577,401	34,923,175	35,272,407	35,625,131
State Aid-Mental Health	41,297,585	40,468,705	40,750,299	41,157,802	41,569,380	41,985,074
State Aid-Soc Serv Admin	30,354,341	32,907,805	29,441,676	30,203,111	30,983,582	31,783,565
State Aid-Safety Net Assistance	8,236,369	8,694,262	10,912,427	11,073,686	11,237,364	11,403,497
State Aid-Child Welfare Services	16,807,751	23,252,617	23,348,429	23,809,013	24,278,809	24,758,001
State Aid-Serv For Recipients	7,180,970	4,997,798	6,424,553	6,459,635	6,495,945	6,533,526
State Aid Day Care	2,608,727	4,784,039	4,784,135	4,823,976	4,864,814	4,906,672
State Aid Raise the Age	8,656,456	6,794,875	4,756,685	4,809,009	4,861,908	4,915,389
All Other State Aid Accounts	20,429,067	29,195,296	33,607,470	33,943,545	34,282,980	34,625,810
State Aid Revenue Offset	(30,236,669)	(38,300,000)	-	(19,150,000)	(9,575,000)	0
State Aid Total	134,139,776	144,255,536	188,603,075	172,052,951	184,272,189	196,536,664
				-8.78%	7.10%	6.66%
<b>Federal Aid</b>						
Federal Aid-Family Assistance	28,665,738	34,727,326	37,441,676	37,972,173	38,510,627	39,057,158
Federal Aid-Soc Serv Admin	17,307,957	19,182,498	19,380,950	19,860,512	20,352,064	20,855,904
Fed Aid Day Care	24,265,041	23,203,076	23,013,463	23,714,959	24,437,500	25,181,718
Federal Aid-CWS Foster Care	14,049,725	14,616,248	14,799,265	15,075,424	15,357,106	15,644,422
Federal Aid-Safety Net TANF Cases	444,008	564,749	708,834	716,764	724,812	732,981
All Other Federal Aid Accounts	69,197,455	76,833,194	79,315,698	80,108,855	80,909,944	81,719,043
Federal Aid Total	153,929,924	169,127,091	174,659,886	177,448,687	180,292,053	183,191,226
				1.60%	1.60%	1.61%
<b>Interfund Revenue</b>	<b>3,890,548</b>	<b>665,783</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Fund 110 Revenue</b>	<b>1,464,806,162</b>	<b>1,472,395,857</b>	<b>1,668,626,107</b>	<b>1,670,473,278</b>	<b>1,701,743,850</b>	<b>1,733,541,158</b>
				0.11%	1.87%	1.87%



**County of Erie**  
**2022-2025 Four-Year Financial Plan**

Fund 110 - General Account Type	2020 Actual	2021 Legislative Adopted Budget	2022 Executive Recommended Budget	2023 Projection	2024 Projection	2025 Projection
<b>Expense</b>						
<b>Personal Service Related Expense</b>						
Personal Services						
Full-Time Salaries	200,139,394	218,706,015	231,077,565	242,631,443	249,910,387	257,407,698
Part-Time Wages	2,638,443	3,279,120	3,663,302	3,846,467	3,961,861	4,080,717
Regular Part Time Wages	1,517,388	1,419,093	1,517,678	1,593,562	1,641,369	1,690,610
Seasonal Emp Wages	440,328	912,836	863,737	906,924	934,132	962,156
<b>Personal Services Total</b>	<b>204,735,553</b>	<b>224,317,064</b>	<b>237,122,282</b>	<b>248,978,396</b>	<b>256,447,748</b>	<b>264,141,180</b>
		15.38%	15.82%	5.00%	3.00%	3.00%
Employee Payments non-salary						
Shift Differential	1,591,932	1,620,645	1,746,237	1,833,549	1,888,555	1,945,212
Uniform Allowance	980,575	908,600	1,003,350	1,013,384	1,023,517	1,033,753
Holiday Worked	1,765,377	1,840,583	2,165,383	2,273,652	2,341,862	2,412,118
Line-Up	2,171,307	2,552,179	2,532,626	2,659,257	2,739,035	2,821,206
Other Employee Pymts	2,058,310	1,728,985	1,853,011	1,946,662	2,004,031	2,064,152
Overtime	11,506,272	13,116,177	17,741,860	18,628,953	19,187,822	19,763,456
<b>Employee Payments non-salary Total</b>	<b>20,073,773</b>	<b>21,767,169</b>	<b>27,042,467</b>	<b>28,354,456</b>	<b>29,184,822</b>	<b>30,039,897</b>
			4.85%	2.93%		2.93%
Fringe Benefits						
Fringe Benefits- FICA	16,531,249	18,544,107	20,101,503	21,108,863	21,743,792	22,397,752
Fringe Benefits-Medical Insurance	32,882,348	37,485,632	44,407,243	47,791,570	50,479,704	53,286,156
Fringe Benefits-Workers Compensation	11,386,104	6,565,981	7,702,913	8,084,833	8,328,014	8,578,486
Fringe Benefits-Unemployment Insur.	720,898	714,830	919,677	965,765	994,814	1,024,734
Fringe Benefits-Retiree Med Insur.	27,599,451	30,337,265	37,084,058	38,934,125	41,327,416	43,214,487
Fringe Benefits-Retirement	30,695,546	34,783,144	33,502,505	32,008,211	32,970,978	33,962,605
<b>Fringe Benefits Total</b>	<b>119,815,596</b>	<b>128,430,959</b>	<b>143,717,899</b>	<b>148,893,367</b>	<b>155,844,718</b>	<b>162,464,220</b>
			3.60%	4.67%		4.25%
Countywide Personnel Adjustments						
Salary Adjustments	53.30%	52.19%	54.40%	53.96%	54.83%	55.49%
Reductions (Vacancy Savings)	-	(3,627,601)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)
<b>Countywide Personnel Adjustments</b>	<b>0</b>	<b>(3,627,601)</b>	<b>(1,400,000)</b>	<b>(1,400,000)</b>	<b>(1,400,000)</b>	<b>(1,400,000)</b>
<b>Personal Service Related Expense Total</b>	<b>344,624,922</b>	<b>370,887,591</b>	<b>406,482,648</b>	<b>424,826,219</b>	<b>440,077,288</b>	<b>455,245,297</b>
<b>Other Departmental Expense</b>						
Supplies & Repairs						
Auto Supplies	1,118,412	1,616,875	1,931,625	1,960,599	1,990,008	2,019,858
All Other	5,079,374	6,079,783	7,211,548	7,319,721	7,429,517	7,540,960
<b>Supplies and Repairs</b>	<b>6,197,786</b>	<b>7,696,658</b>	<b>9,143,173</b>	<b>9,280,321</b>	<b>9,419,525</b>	<b>9,560,818</b>
			1.50%	1.50%		1.50%
Other						
Risk Retention	2,326,838	3,019,400	5,000,000	5,000,000	5,000,000	5,000,000
Control Board	483,216	504,000	486,000	500,000	500,000	500,000
Rental	8,427,368	9,716,087	11,879,727	11,998,524	12,118,510	12,239,695
DSS Pivot Wages/Chargebacks/Training	4,006,212	5,691,136	4,940,082	4,989,483	5,039,378	5,089,771
Utility Charges	2,988,188	2,735,248	3,697,975	3,753,445	3,809,746	3,866,892
All Other	3,101,714	5,600,285	6,312,380	6,407,066	6,503,172	6,600,719
<b>Other Total</b>	<b>21,333,536</b>	<b>27,266,156</b>	<b>32,316,164</b>	<b>32,648,517</b>	<b>32,970,805</b>	<b>33,297,078</b>
			1.03%	0.99%		0.99%
Contractual						
Sales Tax as Aid to Local Governments						
Sales Tax Distrib.to Cities, Towns & Sch Dist. from 3%	329,881,426	316,149,457	379,442,301	383,236,724	387,069,091	390,939,782
Sales Tax Flat Distrib.to Cities and Towns from 1%	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
Sales Tax Distributed to NFTA	21,245,958	20,361,690	24,433,759	24,678,097	24,924,878	25,174,128
Sub Total - Local Gov. Sales Tax	363,627,384	349,011,147	416,376,060	420,414,821	424,493,969	428,613,908
Other Agency Contractual or Mandated Payments						
Indigent Defense - Legal Aid/Bar Assoc.	13,220,137	13,220,137	13,804,118	14,011,180	14,221,347	14,434,668
NFTA Sec 18 B	3,108,620	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200
Contractual-ECMCC Healthcare Network	9,422,912	7,735,641	7,669,908	7,784,957	7,901,731	8,020,257
Cultural/Community Agencies	12,294,200	7,238,650	7,549,873	7,663,121	7,778,068	7,894,739
Buffalo Bills Game Day Expense	2,578,774	2,649,291	2,855,396	0	0	0
Stadium - Working Capital Assistance	1,646,386	1,695,750	1,810,650	0	0	0
Social Services/Youth/Mental Health Agencies	82,024,122	87,505,326	90,943,296	92,307,445	93,692,057	95,097,438
Visit Niagara (CVB) Subsidy	3,630,933	3,630,933	3,739,861	3,795,959	3,852,898	3,910,692
Bflo Niagara Film Comm WNED	247,023	247,023	302,844	307,387	311,997	316,677
Convention Center Subsidy	1,867,551	1,867,551	1,923,578	1,952,432	1,981,718	2,011,444
County Residents at Other Community Colleges	7,672,145	7,243,300	7,850,000	8,007,000	8,167,140	8,330,483
Legislative Earmarks	-	-	-	0	0	0
All Other Contractual Accounts	24,323,959	28,433,125	50,205,447	30,958,529	31,422,907	31,894,250
<b>Contractual Total</b>	<b>525,664,146</b>	<b>514,135,074</b>	<b>608,688,231</b>	<b>590,860,029</b>	<b>597,481,033</b>	<b>604,181,756</b>
			-2.93%	1.12%		1.12%
<b>Equipment</b>	<b>2,508,554</b>	<b>1,425,979</b>	<b>4,979,727</b>	<b>5,228,713</b>	<b>5,490,149</b>	<b>5,764,656</b>
			5.00%	5.00%		5.00%
Allocation						
Interfund-Erie Community College	17,724,317	18,084,317	19,804,317	19,804,317	19,804,317	19,804,317
Interfund-Utilities Fund	2,803,695	3,650,089	4,100,386	4,161,892	4,224,320	4,287,685
County Share - Grants	5,028,384	6,809,630	7,416,305	7,564,631	7,715,924	7,870,242
Interfund-Road	20,452,625	9,505,868	20,054,514	20,000,000	20,000,000	20,000,000
Interfund -Library Subsidy	-	-	-	-	-	-
Interfund E911 Subsidy	5,232,552	4,089,578	5,462,503	5,571,753	5,683,188	5,796,852
Interfund COVID Response	-	5,070,900	-	-	-	-
Interdepartmental Billings	(3,937,585)	(4,005,756)	(4,911,245)	(5,009,470)	(4,909,659)	(5,007,852)
All Other Allocation Accounts	11,948,382	302,000	3,050,000	1,400,000	1,400,000	1,400,000
<b>Allocation Total</b>	<b>59,252,370</b>	<b>43,506,626</b>	<b>54,976,780</b>	<b>53,493,123</b>	<b>53,918,090</b>	<b>54,151,244</b>
			-2.70%	0.79%		0.43%

**County of Erie**  
**2022-2025 Four-Year Financial Plan**

Fund 110 - General	Account Type	2020 Actual	2021 Legislative Adopted Budget	2022 Executive Recommended Budget	2023 Projection	2024 Projection	2025 Projection
Program Related							
	UPL Expense	3,660,122	8,315,840	4,200,000	4,200,000	4,200,000	4,200,000
	Indigent Care Adjustment DSH	61,375,583	28,042,934	6,367,267	6,367,267	6,367,267	6,367,267
	DSH Expense	5,255,637	5,423,774	48,651,457	43,147,557	38,476,724	38,476,724
	Sub Total UPL/DSH/ICA ECMCC Subsidy	70,291,342	41,782,548	59,218,724	53,714,824	49,043,991	49,043,991
	MMIS-Medicaid Local Share	187,453,156	178,436,357	196,016,900	196,016,900	199,786,455	193,243,076
	Family Assistance	29,221,397	35,366,441	35,691,689	36,222,186	36,760,640	37,307,171
	CWS - Foster Care	59,779,037	63,961,163	64,170,714	65,449,937	66,754,745	68,085,649
	Safety Net Assistance	32,677,460	37,071,148	36,069,543	36,625,610	37,190,018	38,262,892
	Child Care-DSS	27,272,129	28,238,175	26,951,740	27,762,941	28,598,496	29,459,139
	Children With Special Needs Program	57,567,756	62,863,441	67,006,068	67,709,632	68,420,583	69,138,999
	State Training School	8,619,299	4,832,998	7,979,770	8,378,759	8,797,697	9,237,582
	All Other Program Related Accounts	2,066,789	2,867,041	2,645,084	2,684,760	2,725,032	2,765,907
	<b>Program Related Total</b>	<b>474,948,365</b>	<b>455,419,312</b>	<b>495,750,232</b>	<b>494,565,549</b>	<b>498,077,657</b>	<b>496,544,406</b>
					-0.24%	0.71%	-0.31%
Debt Service							
	Interest-Revenue Anticipation Notes	-	3,739,584	-	-	-	-
	Interfund Debt Service Subsidy	70,001,046	48,318,877	56,289,152	56,276,232	56,861,534	62,762,784
	<b>Debt Service Total</b>	<b>70,001,046</b>	<b>52,058,461</b>	<b>56,289,152</b>	<b>56,276,232</b>	<b>56,861,534</b>	<b>62,762,784</b>
					-0.02%	1.04%	10.38%
	<b>Other Departmental Expense Total</b>	<b>1,159,905,803</b>	<b>1,101,508,266</b>	<b>1,262,143,459</b>	<b>1,242,352,485</b>	<b>1,254,218,793</b>	<b>1,266,262,742</b>
	<b>Total Fund 110 Expense</b>	<b>1,504,530,725</b>	<b>1,472,395,857</b>	<b>1,668,626,107</b>	<b>1,667,178,704</b>	<b>1,694,296,081</b>	<b>1,721,508,039</b>
					-0.09%	1.63%	1.61%
	<b>Revenue Less Expense - Surplus/(Gap)</b>	<b>(39,724,563)</b>	<b>-</b>	<b>-</b>	<b>3,294,574</b>	<b>7,447,769</b>	<b>12,033,118</b>



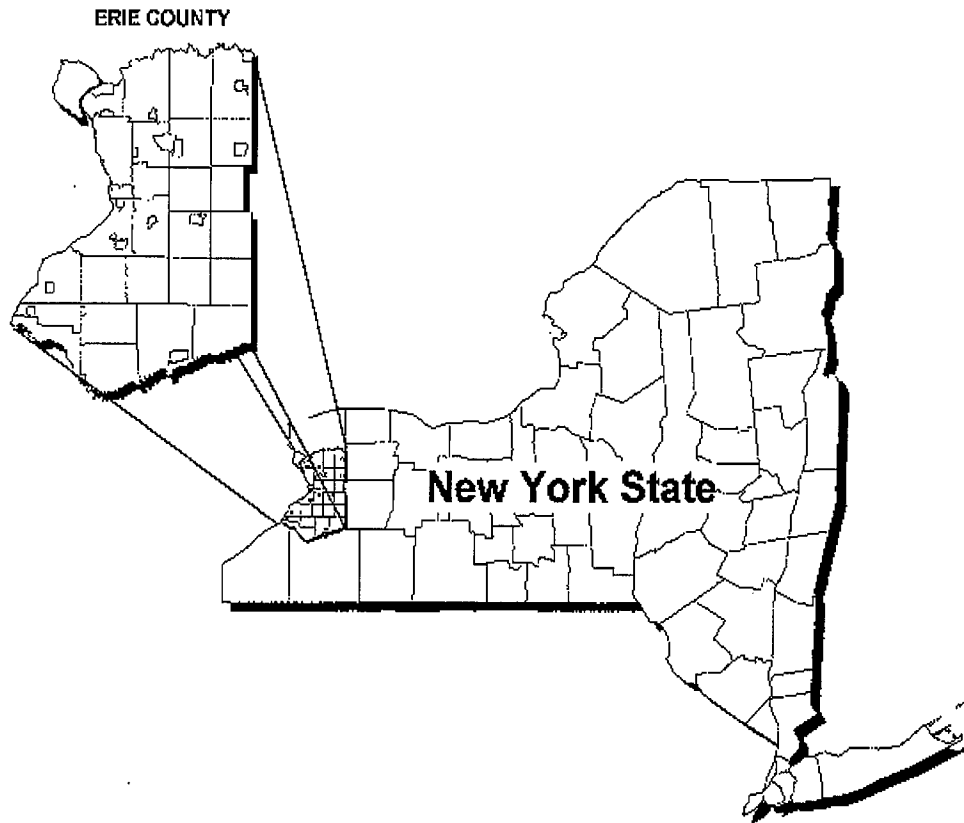
# OVERVIEW





# 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	23,901
Federal Executive Board	10,288
M & T Bank	8,400
Kaleida Health	8,345
Catholic Health	7,598
University at Buffalo	6,927
Buffalo City School District	6,380
Wegmans Food Markets Inc.	4,664
Erie County	4,294
Erie County Medical Center	3,500

Sources: 2021 *Business First* Book of Lists

### Ten Largest Taxpayers (As of July 1, 2021)

	<u>Equalized Taxable Valuation</u>
National Grid/Niagara Mohawk	\$1,132,059,653
Benderson Development Co.	\$847,041,208
National Fuel Gas	\$826,177,186
Ellicott Group, LLC	\$363,384,533
Uniland Development	\$323,119,545
NYSEG	\$305,378,097
Norfolk/Conrail/CSX	\$239,629,266
Pyramid Co of Buffalo	\$212,883,152
Ciminelli International	\$193,051,673
Verizon	<u>\$189,643,300</u>
<b>TOTAL</b>	<u><b>\$4,632,367,613</b></u>

Source: Erie County Department of Real Property Tax Services, 2021 Annual Report

### Total Market Value of Erie County Real Estate

Year	Equalized Full Market Value Tax Base	Percentage Change from Prior Year
2012	47,235,307,041	
2013	47,138,287,212	(.21)%
2014	47,996,864,239	1.82%
2015	49,214,694,098	2.54%
2016	51,961,517,243	5.58%
2017	54,929,481,216	5.71%
2018	58,098,573,862	5.77%
2019	60,970,410,994	4.94%
2020	64,771,315,474	6.23%
2021	70,645,602,048	9.07%

Source: Erie County Department of Real Property Tax Services



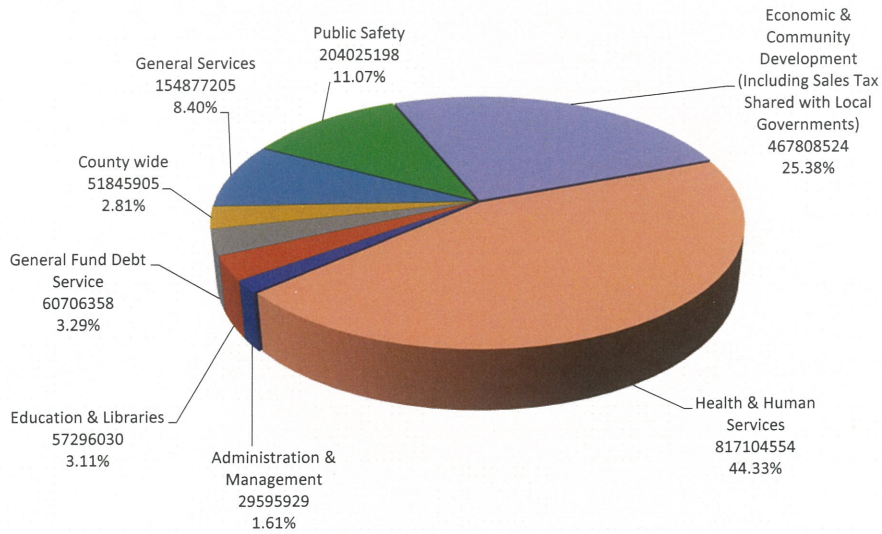
# UNDERSTANDING THE 2022 ERIE COUNTY BUDGET





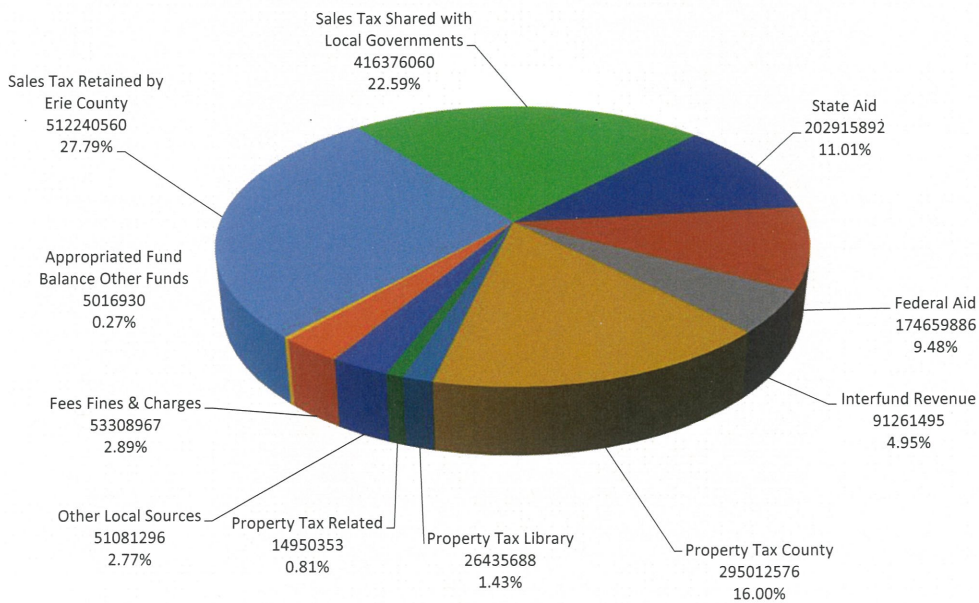
## Understanding the 2022 County Budget

### Where the Funding Goes



The Total 2022 Budget for All Operating Funds is \$1,843,259,703

### Where the Revenue Comes From



# Understanding the 2022 County Budget

## Summary of Unassigned/Undesignated Fund Balances for All Funds 2010-2020

*(amounts in thousands)*

Fund Name	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
110 General	66,904	83,489	88,332	89,650	92,218	99,859	100,154	101,939	102,490	102,898	104,050
210 Road	60	0	0	0	0	0	0	0	0	0	0
230 E-911	0	0	0	0	(96)	(43)	0	0	0	0	0
820 Library	27	1,726	2,942	3,296	2,773	2,096	3,405	3,282	3,689	2,797	3,497
310 Debt Service	124	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>67,115</b>	<b>85,215</b>	<b>91,274</b>	<b>92,946</b>	<b>94,895</b>	<b>101,912</b>	<b>103,559</b>	<b>105,221</b>	<b>106,179</b>	<b>105,695</b>	<b>107,547</b>

Source: Erie County Comprehensive Annual Financial Reports

## **Understanding the 2022 County Budget**

---

---

### **Overview of All Operating Funds in the 2022 Proposed Budget**

---

110 General	\$1,668,626,107
140 Utility Fund	28,213,895
210 Road Fund	46,534,514
230 E-911 Fund	9,537,116
310 Operating Fund Debt Service	60,706,358
820 Library	29,641,713
<b>Total All Operating Funds</b>	<b>\$1,843,259,703</b>

---

### **Additional Funds in the 2022 Proposed Budget**

---

220 Sewer Districts	\$67,423,001
253 COVID-19 Relief	89,223,547
281 Grant Fund	39,473,394
290 Community Development Fund	6,361,195
310 Sewer District Debt Service	7,960,792
821 Library Grants	671,878
<b>Total</b>	<b>\$211,113,807</b>
<b>Total All Funds</b>	<b>\$2,054,373,510</b>

---

## Understanding the 2022 County Budget

---

---

### Outstanding General Debt at Year End (Sewer Debt Excluded)

---

<u>Year</u>	<u>Outstanding Debt</u>	<u>Bond Principal Retired</u>
2012	\$392,619,957	-\$45,031,847
2013	\$412,285,000	-\$41,804,957
2014	\$391,605,000	-\$45,675,000
2015	\$368,175,000	-\$53,245,000
2016	\$348,165,000	-\$50,715,000
2017	\$327,405,000	-\$52,255,000
2018	\$318,235,000	-\$49,285,000
2019	\$310,830,000	-\$48,060,000
2020	\$291,805,000	-\$52,065,000
2021	\$252,055,000	-\$39,750,000

### Capital Budget Bonded Component by Year

---

<u>Year</u>	<u>Total Capital Projects</u>	<u>Total Bond Principal</u>
2013	\$84,147,753	\$61,470,000
2014	\$66,314,728	\$24,995,000
2015	\$63,299,933	\$29,815,000
2016	\$62,911,139	\$30,705,000
2017	\$64,758,572	\$31,495,000
2018	\$79,929,630	\$40,115,000
2019	\$80,316,291	\$40,655,000
2020	\$72,602,667	\$31,840,000
2021	\$50,818,000	\$29,850,827
2022*	\$76,931,992	\$37,436,114

\* Total capital projects and bond principal authorized in 2022 Proposed Erie County Budget.



# OVERVIEW OF REVENUES





# Property Tax Levy

---

2022 Budget:           \$321,448,264  
2021 Budget:           \$312,095,683

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 2022 County property tax levy totals \$321,448,264

A breakout of the total property tax levy into two required reporting categories for 2022 and 2021 totals:

	<u>2022 Budget</u>	<u>2021 Budget</u>
General Fund	\$295,012,576	\$286,178,342
Library Fund	<u>\$ 26,435,688</u>	<u>\$ 25,917,341</u>
<b>Total Property Tax Levy</b>	<b>\$321,448,264</b>	<b>\$312,095,683</b>

## 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 2022 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 \$246,000. 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-three year history on the amount of Erie County's annual property tax levy is shown on the next page.

**Twenty-Three 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>
2022	321,448,264	4.33
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:

$$\begin{array}{rcl}
 \text{County Tax Levy} & \div & \text{Total Equalized Full Market Value} & = & \text{Average County Full Market Property Tax Rate} \\
 \$321,448,464 & \div & \$74,228,366,244 & = & \$4.33 \text{ per } \$1,000 \text{ Assessed Value}
 \end{array}$$

**Equalized Full Market Value**

In 2022, the County's equalized full market value tax base will increase by \$3,582,764,196. The amount of equalized full value is determined as follows:

$$\begin{array}{rcl}
 \text{Total Taxable Assessed Value} & \div & \text{Equalization Rate (rounded)} & = & \text{Equalized Full Market Value} \\
 2021 \quad \$50,811,242,811 & \div & .7192 & = & \$70,645,602,048
 \end{array}$$

$$2022 \quad \$53,890,586,894 \quad \div \quad .7260 \quad = \quad \$74,228,366,244$$

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
2013	47,138,287,212	(.21)%
2014	47,996,864,239	1.82%
2015	49,214,694,098	2.54%
2016	51,961,517,243	5.58%
2017	54,929,481,216	5.71%
2018	58,098,573,862	5.73%
2019	60,970,410,994	4.94%
2020	64,771,315,474	6.23%
2021	70,645,602,048	9.07%
2022	74,228,366,244	5.07%

### 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 2022 is set forth below:

#### Estimated Computation of Constitutional Tax Power for 2022

2017	54,929,481,216
2018	58,098,573,862
2019	60,970,410,994
2020	64,771,315,474
2021	70,645,602,048
Total <sup>(a)</sup>	\$309,415,383,594
Five-Year Average Full Valuation	\$61,883,076,719
Tax Limit (1.5%)	928,246,151
Total Exclusions	<u>56,013,357</u>
<b>Total Taxing Limit</b>	<b>984,259,508</b>
<b>Less Total Tax Levy for 2022<sup>(b)</sup></b>	<b><u>333,080,110</u></b>
<b>Unused Tax Limit</b>	<b>\$651,178,398</b>

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

<sup>(b)</sup>Includes County and Library property taxes, taxes for certain election expenses and community college chargebacks totaling \$11,631,846

### **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 \$674,844,124 leaving an unused tax margin of \$341,764,014.

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

Five-Year Average Full Valuation	\$61,883,076,719
Tax Limit (1.0%)	618,830,767
Total Exclusions	<u>56,013,357</u>
<b>Total Taxing Power</b>	<b>674,844,124</b>
<b>Less Total Levy for 2022<sup>(a)</sup></b>	<b><u>333,080,110</u></b>
<b>Projected 1% Unused Tax Margin</b>	<b>\$341,764,014</b>

<sup>(a)</sup> Includes County and Library property taxes, taxes for certain election expenses and community college chargebacks.

# Sales Tax Revenue

---

## 2022 Budget

Sales Tax Retained by Erie County	\$512,240,560
Shared with Cities, Towns, Villages, School Districts & NFTA	\$416,376,060
<b>Total Sales Tax Revenues</b>	<b>\$928,616,620</b>

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

<sup>(1)</sup> 1% Sales Tax authorization expires November 30, 2023

<sup>(2)</sup> .75% Sales Tax authorization expires November 30, 2023



## **Sales Tax Shared with Other Local Governments**

The following table indicates 2022 estimated sales tax to Erie County and the amount of sales tax shared with local jurisdictions.

	<b>2022 Estimated Collections</b>
<b>County Share of Sales Tax</b>	
3% Sales Tax	\$182,601,300
1% Sales Tax	182,970,064
.75% Sales Tax	146,669,196
<b>Total 2021 Estimated County Share</b>	<b>\$512,240,560</b>
<b>Shared Sales Tax</b>	
3% Sales Tax Distributed to Cities, Towns and Schools	\$379,442,301
1% Sales Tax Distributed to Cities & Towns	12,500,000
3% Sales Tax Distributed to NFTA (1/24 <sup>th</sup> of overall 3%)	<u>24,433,759</u>
<b>Total 2022 to Other Jurisdictions</b>	<b>\$416,376,060</b>
<b>Total 2022 Estimated Sales Tax</b>	<b>\$928,616,620</b>

## All Other Local Source Revenues

---

2022 Budget: \$81,733,950  
2021 Budget: \$99,133,372

### 2022 Distribution of All Other Revenues

	<u>Total</u>
Property Tax Related	\$14,950,353
Welfare Recoveries/Repayments	11,638,092
Hotel Occupancy Tax	9,300,000
Election Expense Re-spread	8,359,701
Interest Earnings-General Investments	200,000
Fees, Fines, Charges	26,269,701
Appropriated Fund Balance	0
Interfund Revenue	0
All Other Source Accounts	11,016,103
Total	\$81,733,950

### Property Tax Related

2022 Budget: \$14,950,353  
2021 Budget: \$14,303,669

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

### Welfare Recoveries/Repayments

2022 Budget: \$11,638,092  
2021 Budget: \$17,974,562

Welfare recoveries/repayments are revenues produced by the Department of Social Services (DSS) collection program. DSS recoups excess amounts paid to clients and maximizes collections on all accounts established by fraud, over-grant, or assistance repayment requirements. The 2022 amount is based on recent collections, and reflects a shift to direct collection by New York State of some repayments and recoveries previously passed through the Department.

### **Hotel Occupancy Tax**

2022 Budget: \$9,300,000  
2021 Budget: \$9,562,689

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

### **Board of Elections Respread Revenue**

2022 Budget: \$8,359,701  
2021 Budget: \$7,581,812

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**

2022 Budget: \$200,000  
2021 Budget: \$200,000

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

### **Fees, Fines, Charges**

2022 Budget: \$26,269,701  
2021 Budget: \$25,142,844

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**

2022 Budget:           \$           0  
2021 Budget:           \$10,000,000

No undesignated fund balance is utilized in the 2022 Budget.

**Interfund Revenue**

2022 Budget:           \$           0  
2021 Budget:           \$ 665,783

The 2022 budget includes no Interfund Revenue.

**All Other Source Accounts**

2022 Budget:           \$11,016,103  
2021 Budget:           \$13,701,813

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

# State Aid

---

2022 Budget: \$188,603,075  
2021 Budget: \$144,255,536

## 2022 Distribution of State Aid General Fund

	<u>Total</u>
Social Services	\$83,600,054
Youth Detention	8,640,644
Youth Bureau	1,865,306
Health Department	5,671,734
Early Intervention/Special Needs	39,730,289
Mental Health	43,993,683
Probation	1,448,652
Sheriff Police Services/Jail Management	372,052
Buildings and Grounds	1,950,000
All Other Departments	1,330,661
Total	\$188,603,075

### Department of Social Services

2022 Budget: \$83,600,054  
2021 Budget: \$81,484,017

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



2022. Because the local share costs of Medical Assistance administration are included in the Medicaid Cap chargeback, the State will reimburse the non-federal share of Medical Assistance administration in the separate administrative claim. An administrative cap on the non-federal share of Medicaid was newly created in 2012 restricting the reimbursement of Medicaid administrative cost to the amount received in calendar year 2010. The Medicaid administrative cap amount will not be exceeded in 2021 or 2022. This cap creates a future concern about cost shifts to the County.

State reimbursements for all foster care services and administration are capped in a Foster Care Block Grant (FCBG) in 2022. Uncapped 62 percent State reimbursement is available for child protection services and for foster care prevention, adoption administration, and independent living services. Enhanced funding for adoption subsidies was eliminated in 2011 and these program expenses are now also 62 percent State-funded.

### **Youth Detention**

2022 Budget:	\$8,640,644
2021 Budget:	\$8,077,190

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**

2022 Budget:	\$1,865,306
2021 Budget:	\$1,839,167

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

## **Health Department**

2022 Budget: \$5,671,734  
2021 Budget: \$4,779,680

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**

2022 Budget: \$39,730,289  
2021 Budget: \$36,449,574

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**

2022 Budget: \$43,993,683  
2021 Budget: \$43,659,253

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

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

systems. Increased Medicaid billing by community-based contract agencies for clinic treatment and other services offsets the expenses that would be directly claimed for State Mental Health.

### **Probation Department**

2022 Budget: \$1,448,652  
2021 Budget: \$3,116,465

Reimbursement is received from the NYS Division of Criminal Justice Services, Office of Probation, and Correctional Alternatives for expenses incurred by the Probation Department. Included in the 2022 Proposed Budget is \$2,495,278 in revenue for the Raise the Age program.

### **Sheriff's Police Services and Jail Management**

2022 Budget: \$372,052  
2021 Budget: \$364,890

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

### **Buildings and Grounds**

2022 Budget: \$1,950,000  
2021 Budget: \$2,298,466

State revenues of \$1,950,000 are for the reimbursement of the operation and maintenance of court facilities and interest costs associated with court improvements.

### **All Other Departments**

2022 Budget: \$1,330,681  
2021 Budget: \$475,325

Other county departments receive New York State reimbursement for items such as District Attorney aid for criminal justice reform costs, burial costs of indigent veterans, handicapped parking surcharges, a portion of the District Attorney's salary, and octane testing.

### **Reserve for Reduction in State Aid**

2022 Budget: \$ 0  
2021 Budget: \$(38,300,000)

New York State will not be withholding 20% of state aid payments in 2022 as was expected in 2021 due to the COVID-19 pandemic and related state revenue shortfalls.

# Federal Aid

---

2022 Budget: \$174,659,886  
2021 Budget: \$169,127,091

## 2022 Distribution of Federal Aid Operating Fund

	<u>Total</u>
Social Services	\$164,436,952
Early Intervention/Pre-K/Special Ed	2,861,831
Sheriff Police Services/Jail Mgmt.	113,500
Homeland Security & Emergency Services	340,513
Mental Health	6,832,965
District Attorney	27,125
STOP-DWI Program	37,000
Central Police Services	10,000
Total	\$174,659,886

### Department of Social Services

2022 Budget: \$164,436,952  
2021 Budget: \$158,453,874

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**

2022 Budget: \$2,861,831  
2021 Budget: \$3,792,001

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 \$2,774,260 and represents the county's 40.5% share of this Federal revenue for the medical component of the various special education services.

### **Sheriff's Police Services Division and Jail Management**

2022 Budget: \$113,500  
2021 Budget: \$117,543

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

### **Department of Homeland Security & Emergency Services**

2022 Budget: \$340,513  
2021 Budget: \$340,602

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

### **Department of Mental Health**

2022 Budget: \$6,832,965  
2021 Budget: \$6,293,979

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**

2022 Budget: \$27,125  
2021 Budget: \$28,375

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



**STOP-DWI Program**

2022 Budget:           \$37,000  
2021 Budget:           \$43,375

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

**Central Police Services**

2022 Budget:           \$10,000  
2021 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

2022 Budget: \$1,668,626,107  
 2021 Budget: \$1,472,395,857

### 2022 Distribution of General Fund Expenses

	<u>Total</u>
Personal Services	\$262,764,749
Fringe Benefits	143,717,899
Supplies and Repairs	9,143,173
Sales Tax to Local Governments	416,376,060
Contractual Expense	192,312,171
Intergovernmental Payments for ECMCC	52,851,457
Indigent Care Adjustment	6,367,267
Social Services Assistance & Programs	369,525,440
Early Intervention/Pre-K/Special Ed	68,383,703
Inter-fund Transfers (County Share)	59,888,025
Debt Service	56,289,152
All Other Expenses	32,007,011
Total	\$1,668,626,107

#### Personal Services

2022 Budget: \$262,764,749  
 2021 Budget: \$242,456,632

Personal Service appropriations cover salary for full-time positions and all other payroll related wage items such as overtime and part-time expenditures budgeted in the General Fund. This also includes a reduction to personnel expenses in the form of a \$ 1,400,000 turnover (vacancy savings) account.

#### Fringe Benefits

2022 Budget: \$143,717,899  
 2021 Budget: \$128,430,959

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

#### Supplies and Repairs

2022 Budget: \$9,143,173  
 2021 Budget: \$7,696,658

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**

2022 Budget: \$416,376,060  
 2021 Budget: \$349,011,147

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**

2022 Budget: \$190,934,536  
 2021 Budget: \$163,675,109

The major accounts comprising this appropriation include: Social Services contractual agencies – \$38,343,515; and payments to various youth programs such as Operation Prime Time – \$2,695,156. Mental Health contractual agency payments total \$54,054,276 A payment to ECMCC under the 2012 credit mechanism totals \$2,000,000.

Other major agency contractual expense includes: Community College payments for residents enrolled in other Community Colleges – \$7,850,000; Convention & Visitors Bureau/Convention Center – \$5,663,439; Buffalo Niagara Film Commission-WNED – \$302,844; cultural/community/neighborhood development support – \$20,572,735; economic development funding for Invest Buffalo Niagara/World Trade Center Buffalo Niagara – \$225,000; LiveWell Erie Grants - \$1,000,000; Workforce Development Pilot Program - \$9,000,000; Small Business Storefront Revitalization Grant - \$10,000,000; Indigent Defense – \$13,804,118; 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.

<b>NFTA</b>	<b>Sales Tax</b>	<b>County Subsidy (18-b)</b>	<b>Total</b>
2022 Budget:	\$24,433,759	\$3,657,200	\$28,090,959
2021 Budget:	\$20,361,690	\$3,657,200	\$24,018,890



### **Intergovernmental Payments for the benefit of ECMCC**

2022 Budget: \$52,851,457  
2021 Budget: \$36,358,774

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**

2022 Budget: \$6,367,267  
2021 Budget: \$5,423,774

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**

2022 Budget: \$369,525,440  
2021 Budget: \$350,773,323

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)***

2022 Budget: \$35,691,689  
2021 Budget: \$35,366,441

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

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

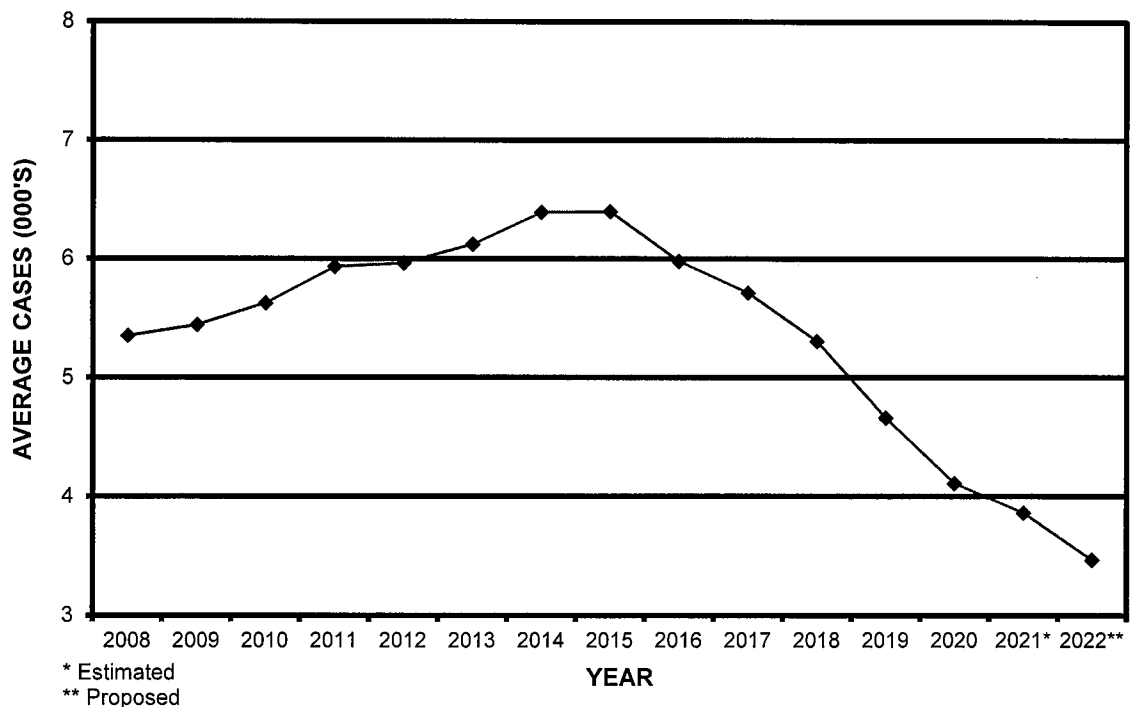
work requirements are imposed for nearly all adults in Family Assistance (TANF) cases. There is a five-year (60-month) lifetime limit on Family Assistance benefits. For cases in which individuals fail to comply with drug or alcohol dependency assessment and treatment requirements, benefits must be restricted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

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

Caseloads are funded at an average level of 4,836 cases per month in 2022 with an average base monthly cost per case of \$717.12.

The 2022 caseload estimate reflects caseload trends that have occurred to date. It assumes that the current base caseload will continue to increase for the balance of 2021 and 2022 at a monthly rate of 40 cases.

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



The 2022 monthly base cost per case estimate of \$612.14 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)**

2022 Budget: \$36,069,543  
 2021 Budget: \$37,071,148

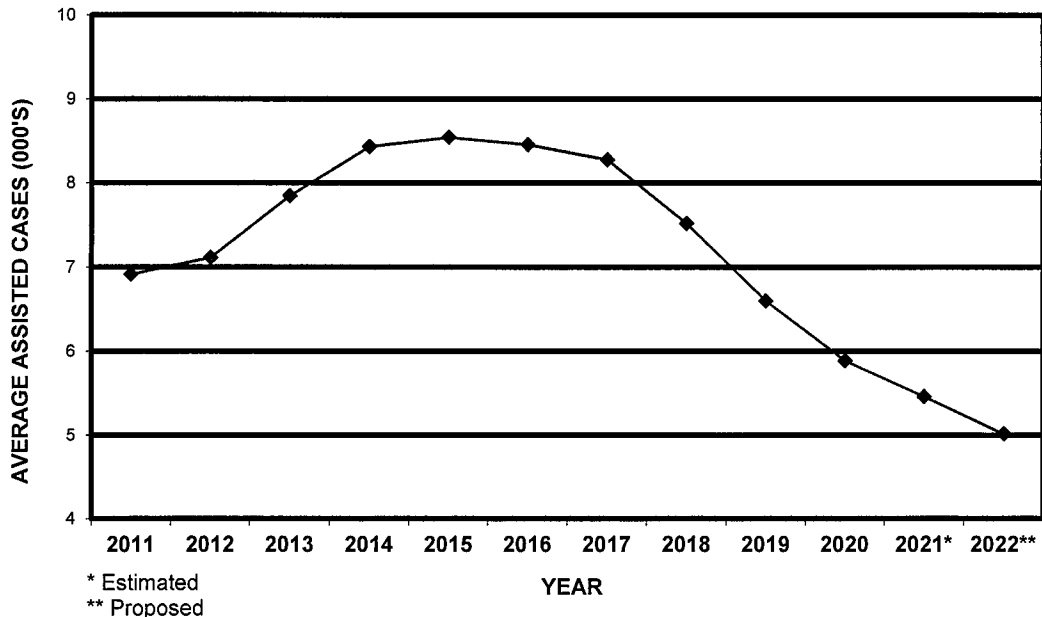
Public Assistance benefit payments are made for basic needs, shelter, and utilities, etc., primarily to single individuals or childless couples who are eligible for this State/local general assistance program. Formerly known as Home Relief, this program now incorporates a two-year lifetime limit on cash 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 6,405 cases per month in 2022, with an average base monthly cost per case of \$509.27

The 2022 caseload estimate is based on caseload trends that have occurred to date. It assumes that the current base caseload will continue to increase for the balance of 2021 and 2022 at a monthly rate of 29 cases. This produces a trend caseload estimate for 2022 that averages 6,405.

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



The County share cost of the Safety Net Assistance program is \$20,758,022 in 2022 after subtracting client repayments, 29 percent State reimbursements and other revenues from the gross appropriation. This is a decrease of \$2,596,223 (10.8%) compared to the 2021 Adopted Budget amount.

***Medicaid – MMIS Local Share (Account 525000)***

2022 Budget:               \$196,016,900 (52 weekly payments)  
2021 Budget:               \$178,436,357 (52 weekly payments)

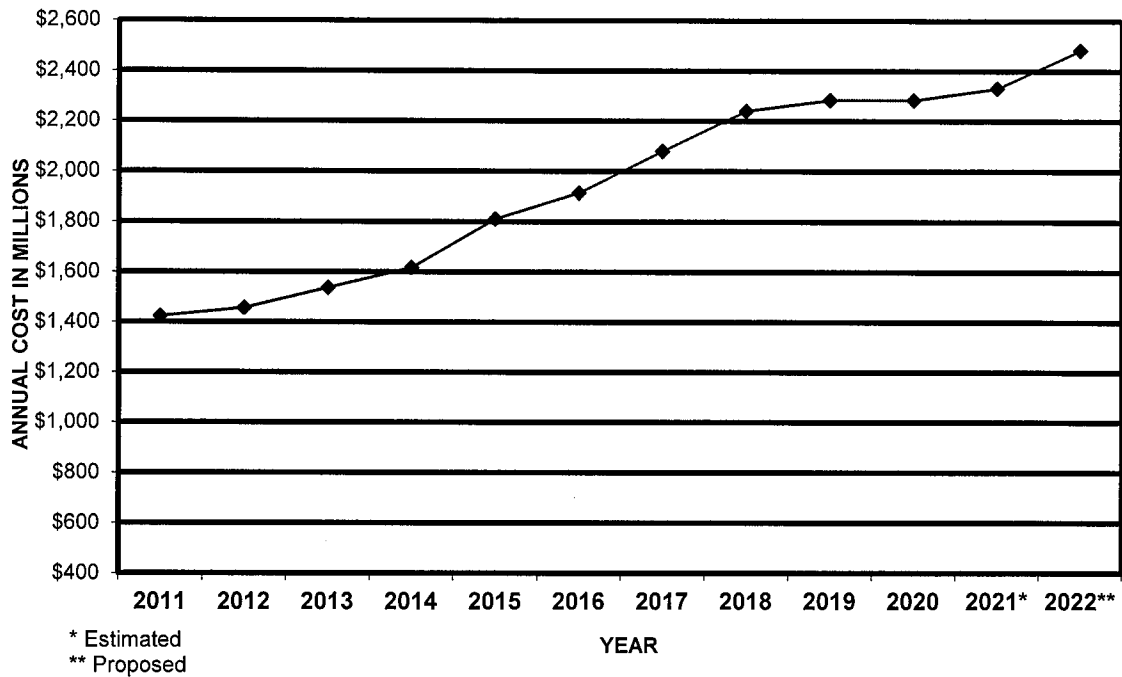
This appropriation is the County’s net local share of all Medicaid – related costs under the State’s Local Share Medicaid Cap which was effective beginning January 2006, and a subsequent State phase out of the local share increases starting in 2016. There will be no increase to the statutory cap in 2016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

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

- Payments made to providers through the State MMIS billing/payment system (now known as eMedNY) for services rendered to eligible persons. Total medical bills are paid by the eMedNY system and the County is charged back only the local share of the gross payments made.
- Payments made locally by Erie County to insurance companies and other client medical expense reimbursement that are claimed for reimbursement of Federal and State shares.
- Medicaid program administration costs that are part of the monthly reimbursement claim. The non-federal share of Medicaid administration is now capped at 2011 expense amounts. The Department is monitoring this expense and the expectation at this time is that neither 2021 nor 2022 will result in cap overage.
- All revenues associated with Medicaid programs such as repayments.
- Medicare Part A and B premium and copayments and Part B charges that are charged quarterly to Medicaid.
- Other “off-line” payments such as bad debt pool and similar quarterly payments to providers.

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

**TREND OF MEDICAID COST (Gross Cash Basis)**



The 2022 appropriation is the amount of the 2022 Erie County Local Share Medicaid Cap reduced by anticipated increased Federal Share benefit due to provisions in the Affordable Care Act.

The calculation of the required appropriation starts from the total of cash payments required in calendar year 2021.

The amount required for the 2022 calendar year reflects weekly cash payments for the 2021-2022 State Fiscal Year and the 2022-2023 State Fiscal Year Medicaid caps that are both calculated based on the State's payment cycles and are apportioned to the County's 52 weekly payment cycles. The State Fiscal Year Caps reflect adjustments made by the State for additional Federal Aid related to the Affordable Care Act.

Elsewhere in the budget is a separate appropriation in the amount of \$48,651,457 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 \$6,367,267.

**Medicaid - Gross Local Payments (Account 525030)**

2022 Budget:	\$ 40,854
2021 Budget:	\$ 39,919

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 2022 appropriation includes \$7,562 for insurance premiums and \$33,292 for other expenses. The 2022 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)***

2022 Budget:	\$64,170,714
2021 Budget:	\$63,961,163

This appropriation is used to pay for the costs of the care of children placed by the Family Court into the custody of the Commissioner of Social Services. These children reside in foster homes, group homes, and in child caring institutions. A majority of children are in foster home placements in connection with child protection cases. Placements in group homes and institutions are ordered primarily for Persons in Need of Supervision (PINS) or for Juvenile Delinquents (JD's).

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

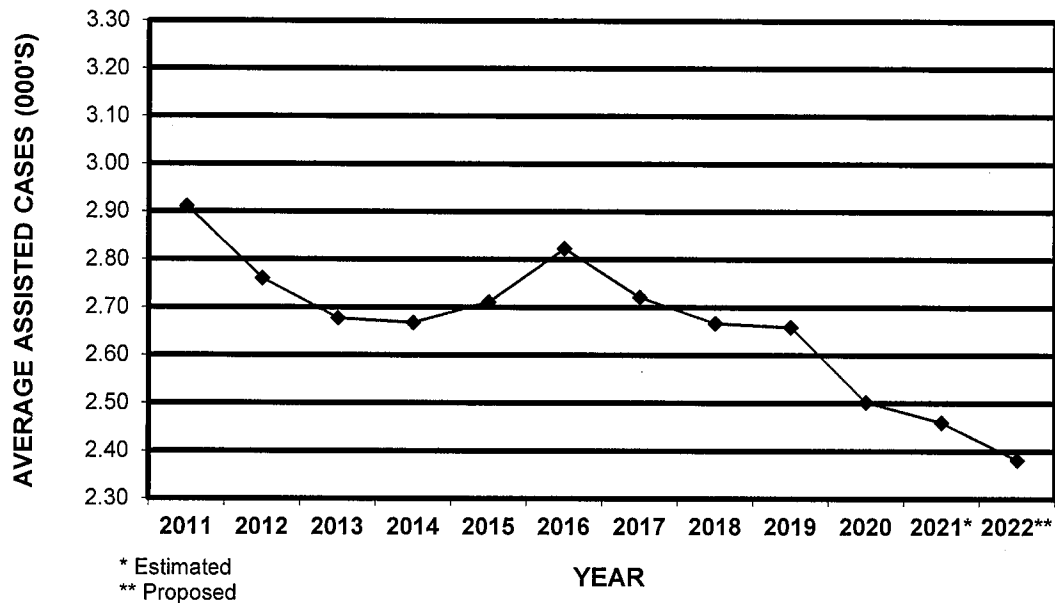
Children assisted are funded at an average level of 2,492 per month in 2022, with an overall average monthly cost per child of \$2,791.

Based on present trends, the average monthly number of children funded in 2022 is increased over the 2021 level of children in care. The increase is based on assumed changes to Federal Law governing the provision of foster care services. The ability to hold the total number of children served relatively steady over the last ten years is a major accomplishment after years of steady growth and given recent increases in Child Protection activity that often lead to placement. This reflects final assessment reform, enhanced front door strategies, and expanded preventive services options.

The County share cost of Child Welfare Services is \$3,865,509 in 2022 after subtracting client repayments and Federal and State reimbursements from the gross appropriation. Federal TANF/EAF revenues for foster care and PINS/JD institutional costs are budgeted at the current estimated ceilings.



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



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

***Child Care Development Block Grant (Account 525092)***

2022 Budget: \$25,460,611  
2021 Budget: \$26,621,489

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

The 2022 budgeted amount is based on recent trends in the number of children subsidized in the various daycare settings and payments to providers. A monthly average of 3,111 children in low income families are expected to receive subsidies in 2022. Children in Public Assistance families receiving subsidies are estimated at 524

on average each month, a number necessary to support the level of work activity participation required of parents. The 2022 total cost of low-income subsidies is budgeted at \$24,325,251. These costs are 100 percent reimbursed with federal funds up to the limit of the Child Care Development Block Grant. The budget includes \$1,562,924 for mandated subsidies to children in Public Assistance Families. These costs are reimbursed with state funds through the Block Grant at 75 percent of cost. The 25 percent local share cost for Public Assistance children is \$390,731 in 2022.

### ***Other Programs***

2022 Budget:	\$12,075,129
2021 Budget:	\$9,274,806

In this category are appropriations for a number of smaller programs administered by the Department of Social Services. These include: Account 525070 – Emergency Assistance to Adults, \$1,348,607; Account 525080 – Education of Handicapped Children in Residential Schools, \$566,827; Account 525130 - OCFS Youth Residential Facility Chargebacks, \$7,979,770; Accounts 525100 and 525110 – Expenses for Housekeeping and Home-Delivered Meal Assistance, \$106,486; Account 525120 – Expenses for the Special Needs of Individuals in Adult Family Homes, \$2,310; and Account 530020 – Independent Living, \$10,000. Amounts budgeted in 2022 reflect current trends in utilization

Child care funded by Title XX (Account 525091), in cases of child protection and for purposes of foster care prevention, totals \$1,491,129 for a monthly average of 238 children, and Home Energy Assistance Program (HEAP) benefit costs total \$570,000 (Account 525140).

### **Early Intervention/Pre-K/Special Ed**

2022 Budget:	\$68,383,703
2021 Budget:	\$64,312,259

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)**

2022 Budget:	\$59,888,025
2021 Budget:	\$47,512,382

This includes allocations for County share of the Road Fund \$20,054,514; County share of grants \$7,416,305; County share of Utility Fund \$4,100,386, County share of the E-911 Fund \$5,462,503 and \$3,050,000 for Departmental pay-as-you-go capital needs. Also included are the Maintenance of Effort payment of \$19,804,317 to SUNY Erie Community College and a payment of \$5,070,900 to the COVID Fund.

### **Debt Service**

2022 Budget:	\$56,289,152
2021 Budget:	\$52,058,461

This includes \$56,286,152 for General Obligation Bond Debt Service. A Revenue Anticipation Note will not be issued in 2021 so there is no 2022 Interest on Revenue Anticipation Notes appropriation.

### **All Other Expenses**

2022 Budget:	\$33,384,646
2021 Budget:	\$24,686,379

Included in the Other Expense category is \$486,000 of operational expense for the Erie County Fiscal Stability Authority.

The balance covers all other remaining expenses in the 2022 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 \$142,800 for 2021. The Medicare portion, 1.45%, has no cap. The 1.45% Medicare 2022 estimate is applied to all wages.

## **Workers' Compensation**

Workers' Compensation payments are set with a \$1,063/week maximum for claims paid July 1, 2021 - June 30, 2022. The proposed 2022 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 2022 appropriation for unemployment insurance anticipates an outlay of approximately \$919,677. To date there have been no County costs in 2021 as a result of Federal CRF funding provided to NYS.

## **Medical and Hospitalization Insurance - Active Employees**

The 2022 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 2022 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 2022 employer rates (12.59%) as provided by the Employees' Retirement System will be less than the rates of 2021 (15.64%). Rates for Tier 4 employees, the single-largest category for Erie County, will decrease to 13.00% (as compared to the prior year billing rate of 18.20%) for the annual payment that will be due February 1, 2023 (or December 15, 2022, if the County opts to pre-pay). The pension retirement expenses for 2022 were calculated factoring-in the 2022 components of the April 1, 2021 through March 31, 2022 and April 1, 2022 through March 31, 2023 billing periods. Estimated costs for each tier and year are based on rates supplied by the Office of the State Comptroller.

## **Medical and Hospitalization Insurance - Retirees**

The County's projected contribution toward retirees' medical and hospitalization insurance is based on expected 2022 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
Librarian	12/31/2020	BECPLS - Professional Librarians
AFSCME	12/31/2021	Blue Collar
CSEA Correction Officers	12/31/2021	Sheriff - Correction Officers & Medical Staff
PBA	12/31/2021	Sheriff - Police Services Division
Library Clerical & Maintenance	12/31/2022	BECPLS - Contracting Libraries Clerical & Maintenance
CSEA	12/31/2022	White Collar
NYSNA	12/31/2023	Nurses
Teamsters Captains & Lieutenants	12/31/2023	Sheriff - Holding Center Captains & Lieutenants
Teamsters Sworn & Civilian	12/31/2023	Sheriff - Holding Center Deputies, Sergeants & Correctional Health



# BUDGET PROCESS AND FINANCIAL STRUCTURE



# Budget Process

---

## Dynamics of Budgeting

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

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

## Budget Preparation Calendar

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

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

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

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

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

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

## **Budget Adoption Process**

The County Executive is required by the Erie County Charter and the Administrative Code to submit a proposed budget for the next fiscal year to the Erie County Legislature on or before October 15, 2021. The proposed budget contains estimates of operating revenues and expenses for each administrative unit of County government, a capital budget and a six-year capital program. It must be presented in the form of a line-item budget.

The proposed budget is accompanied by the County Executive's Budget Message. The message highlights important features of the Proposed Budget and outlines the key assumptions, policies and initiatives on which it is based.

After receiving the proposed budget, the Legislature holds public hearings and considers whether proposed budget items should be amended. They may add, delete positions and increase or decrease items of expense (appropriation), except for those items required by law or for repayment of debt.

The Erie County Legislature will hold its annual budget adoption meeting on December 2, 2021, 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, 2021) 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, 2021).

The Legislature may override the County Executive's vetoes by a two-thirds majority vote. This must be done on or before the tenth business day after the sixth of December (December 17, 2021).

The budget, incorporating any legislative changes, executive vetoes, and legislative veto overrides is considered adopted in final form after the tenth business day after the sixth of December has passed (December 20, 2021).

## **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 - 2021

---

## January

County fiscal year began January 1.

Division of Budget and Management (DBM) works with Comptroller's Office to close 2020 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 2<sup>nd</sup> 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 2022 Proposed Budget.

County Executive and DBM finalize recommendations for 2022 Proposed Budget.

## October

Major revenue and expenditure projections transmitted to Comptroller by October 1, 2021.

County Executive submits Proposed 2022 Budget to Legislature by October 15, 2021.

## November

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

## December

Legislature to hold annual budget meeting – Thursday, December 2, 2021.

Deadline for Legislature to return Budget to County Executive if any increases are added – on or before the second business day after the sixth of December. (December 8, 2021).

Deadline for County Executive to veto any increases – on or before the seventh business day after the sixth of December (December 15, 2021).

Deadline for Legislature to meet and consider County Executive vetoes – on or before the tenth business day after the sixth of December (December 20, 2021).

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.

**Coronavirus Relief Fund (Budget Fund 252)**

Funding Source: Federal Coronavirus Aid, Relief and Economic Stability (CARES) Act Coronavirus Relief Fund Award

**American Rescue Plan Fund (Budget Fund 253)**

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

**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 31<sup>st</sup> 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 ten (10) funds: General Fund, E-911 Fund; the Utilities Enterprise Fund; Grant Fund; Capital Fund; Sewer Fund; Road Fund; Community Development Fund; the Debt Service Fund; and the Public Library Fund.

**Fund Balance**

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

**GASB 45**

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

**Gain**

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

**General Fund**

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

**Generally Accepted Accounting Principles (GAAP)**

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

**Grant**

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

**Grant Budget/Expenditures**

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

**Indirect Costs**

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

**Inter-departmental Billing**

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

**Inter-departmental Payment**

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

**Inter-fund Transfers/Revenue**

Amounts transferred from one fund to another.

**Job Group**

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

**Line-Item Budget**

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

**Local Source Revenue**

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

**New Position**

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

**NFTA**

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

**OTB Revenues**

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

**Other than Personal Services**

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

**Personal Services**

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

**Project**

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

**Proposed Budget (Tentative Budget)**

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

**Public Library Fund**

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

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

**Reallocation**

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

**Real Property Tax**

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

**Reclassification**

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

**Reductions from Personal Services Account**

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

**Reserve**

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

**Revenue**

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

**Road Fund**

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

**Transfer**

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

**Sales Tax**

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

**Sewer District Budgets/Expenditures**

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



**Source**

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

**Surplus**

The excess of revenues over expenditures during an accounting period.

**Taxable Assessed Valuation**

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

**Taxable Assessed Value Tax Rate**

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

**Utilities Fund**

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

**Visit Buffalo Niagara**

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

