



Buffalo Public Schools
Four Year Financial Plan (Revised)
2017-18 to 2020-21

Executive Summary

April 25, 2018

Four Year Financial Plan 2017/18 to 2020/21 (revised to 2017/18 to 2021/22)

Executive Summary

The Buffalo City School District has developed the attached comprehensive Four Year Financial Plan (the Plan) to assist in monitoring the approved 2017/18 budget, and in the development of the 2018/19 and subsequent years' budgets. The initial projections in the Plan outline the trajectory of major revenue and expenditure categories over the period of fiscal years 2017/18 to 2020/21, with an additional year, 2021/22, added in April 2018 to maintain a four year future outlook (i.e. a new year will be added each year, However, the Plan will still compare the original four years to the actual results over those four years). The Plan outlines potential surplus/deficit amounts, while using assumptions available as of June 2017, and revised in April 2018. The projections, however, do not include all deficit closing measures expected to be taken in years 2019/20 and beyond, since projected deficits in those years will ultimately be closed in the annual budget process. Therefore, deficit closing actions not included in the revenue and expenditures projections are outlined separately in the document and are continually being analyzed and acted upon.

The four year (2017/18 to 2020/21) projected deficit in the Plan as adopted on June 20, 2017 was \$100.1 million, while fund balance projected to be remaining at June 30, 2021 was projected to be \$40.2 million in the Unassigned category and \$118.4 million in total. We are pleased to report that as of April 18, 2018, the projected deficit over the 2017/18 to 2020/21 period has been reduced by \$20.5 million to \$79.6 million, while fund balance projected to be remaining at June 30, 2021 is now projected to be \$58.5 million (up \$18.3 million) in the Unassigned category and \$137.4 million in total (up \$19.0 million). The remainder of this document provides additional details on the revised Plan.

Results from June 20, 2017 through April 18, 2018

In 2017/18, the revised Plan includes projected revenues of \$868.7 million against expenditures of \$884.9 million or a deficit of \$16.2 million (vs. \$22.0 million originally budgeted.) In 2018/19, the revised Plan includes revenues of \$897.4 million and expenditures of \$916.4 million or a deficit of \$19.0 million.

As of June 20, 2017, the projected deficit amounts in the general fund accumulated to \$100.1 million over four years (2017/18 to 2020/21) and were equal to 2.7% of total expenditures of \$3.7 billion over that same time period. As of April 28, 2018, the cumulative deficit amounts projected for this same four year period has been reduced by \$20.5 million to \$79.6 million, while the District has included costs of the settled the BCSA Administrators' and Substitutes' contracts, which had been outstanding since 2004 and 2013, respectively. Additionally, the Plan includes salary increases for bargaining units with outstanding contracts of 1.5% annually, including teachers starting in 2019/20, along with another \$9.0 in contingency set aside for contract settlement costs over the course of the next four years. In large part, this improvement is due to positive budgetary performance in 2017/18 and the balancing of the 2018/19 budget for this Plan. Balancing the 2018/19 budget required the yield from costs savings initiatives outlined in this Plan, along with some reductions in the schools and central office. The District must fit spending within revenue constraints and in recognition that students continue to leave for charter schools, with a nearly net 1,000 pupil drop since 2014/15. These proposed reductions are in line with the necessary budget closing measures outlined to the Board in memos from the Superintendent on April 4, 2018 and April 13, 2018 and in presentations

to the Board on April 11, 2018 and April 18, 2018. Between the adoption of the original 2014/15 budget and 2017/18, approximately 582 FTEs have been added, while overall pupil counts have dropped close to 1,000.

The accumulated fund balance reserve projections (the available balances, not amount used) were originally (as of June 20, 2017) projected to be \$40.2 million for Unassigned Fund Balance and \$118.4 million Total Fund Balance at June 30, 2021. As of April 20, 2018, those accumulated fund balance reserves are projected to increase to \$58.5 million for Unassigned Fund Balance and \$137.4 million for Total Fund Balance, an increase of \$18.3 million and \$19.0 million, respectively, at June 30, 2021. The increase in fund balance projected at June 30, 2021 is the result of positive overall financial performance vs. the budget in 2016-17 of \$18.2 million and projected positive performance vs. the budget in 2017-18—essentially, the usage of fund balance reserves, particularly in 2016/17 when the Teachers Contract was settled, was much lower than projected, while in 2017-18, the District expects to use \$5.8 million less reserves than originally budgeted. This is due, in part, to conservative budgeting by the District, given the outstanding union contracts, where the ultimate cost of those contracts is unknown.

These results, thus far, are positive, showing both an improvement in the District's projected financial position from what was projected on June 20, 2017 and a projected improvement of future budgets as a result of balancing the 2018/19 year in the Plan. However, there is no guarantee that future performance will be positive.

Projection Assumptions

The revenue and expenditure assumptions in the Plan are outlined on pages 28 to 55 of the document. Because the District is 85% funded by the State, State aid assumptions are the main drivers of future revenue growth for the District. The most significant State aid component is Foundation Aid, where a 3.0% annual growth rate is projected. Foundation Aid increases for the last six years have been approximately 3.3% annually; however, there is no guarantee similar increases will continue in the future and future Foundation Aid increases may be negatively impacted by economic conditions, changes in State law or other funding priorities of the State. Most other State aid categories are formula driven and not as susceptible to economic conditions, but could be changed through legislation.

Economic conditions can also negatively impact other costs like fuel and utilities, which are currently rising but still below historic levels. Pension costs, which have been declining for several years, are still above historic levels, but could rise if there is an economic downturn impacting the financial markets. In fact, in 2018-19, the Teachers Retirement System made several actuarial adjustments that resulted in an increase in pension rates by 8.5%. The Plan assumes increased fuel and utility costs, and relatively flat pension rates, not reaching historical averages by the end of the Plan.

Salary costs are based on existing contractual increases, plus 1.5% in years where there is no contractual increase, plus another \$5.0 million in the contingency account starting in 2017-18, growing by \$500,000 annually thereafter. With \$4.0 million of this annual amount being transferred out in the Plan for the projected costs of the BCSA contract and none being transferred out for the substitute contract which is expected to be funded through a reduction in utilization, approximately \$9.0 million is left in contingency over the next four years. The 1.5% salary increases are projected to be net of any savings included in future contract settlements, so salary increases may be larger, but would have offsetting reductions in health insurance or other costs. Changes in other assumptions, such as a reduction in State aid, may cause the District to reassess the affordability of salary

increase assumptions. Starting in 2018/19, the District incorporated a \$2.0 million vacancy contingency in the Plan in recognition of the historical vacancies that exist as a result of typical staff turnover in an organization with over 4,700 FTEs in the General Fund alone.

Fund Balance Usage

As outlined in the document, the original utilization of fund balance was recommended to be \$46.0 million over the course of the Plan. As of April 18, 2018, the budgeted fund balance usage is recommended to increase by \$5.0 million to \$51.0 million, but is still projected to be zero annually by the end of the Plan. This increase in planned fund balance usage is due to three factors: 1) the Teachers Retirement System increased pension rates for 2018-19 above what was projected, resulting in an approximately \$2.0 million increase in pension costs. This \$2.0 million in fund balance usage is expected to be drawn from the Assigned Fund Balance for OPEB and Other Benefits; and 2) with the conclusion of JSCB, the District needs to begin an facilities painting rotation and \$1.0 million will be utilized from the Assigned Fund Balance for Other Capital Needs and Repairs to start the project; and 3) in 2019-20, the teacher contract will be expired and another \$2.0 million in fund balance set aside for union contract settlement is expected to be utilized to fund a portion of salary increases if a contract is settled.

Fund balance usage was projected to be \$22.0 million in 2017/18 and is now projected to be \$16.2 million while fund balance usage is projected to be \$19.0 million in 2018/19; \$10.0 million in 2019/20; and zero in 2020/21 and 2021/22—the projected reduction in 2017/18 offsets the increases noted above in 2018/19 and 2019/20. Based on Plan projections, total remaining fund balance will be \$137.4 million, and unrestricted fund balance will be \$58.5 million, at June 30, 2022. The additional projected fund balance amounts are included as potential deficit closing measures and additional reserves could be utilized in the event unforeseen circumstances happen, such as general economic downturn negatively impacting State aid or causing a spike in pension costs. However, once fund balance is utilized, it can only be replenished by future surpluses, and it is difficult to run surpluses in challenging economic times, so cost reductions, such as those outlined below may be necessary, along with a plan to replenish reserves, if additional fund balance is to be utilized.

Deficit Closing Measures

The specific deficit closing measures are outlined on pages 13 to 20 of the Plan, and as originally presented on pages 21 to 26. The cost savings measures are color coded in order of priority and grouped into four sections that match closely with the color coding noted further below:

- 1) Other revenue and fund balance items (purple, yellow, orange)
- 2) Efficiencies and savings that are planned or in process (yellow)
- 3) Other cost reductions that may become necessary (orange)
- 4) Grants through national foundations (purple)

Purple items are speculative revenue items in nature, because they rely, in large part, on decisions outside the District's control. The grants through national foundations are separately listed, as this is a significant potential source of funding which reflects a new approach to secure outside funding for the District.

Items coded in yellow are generally cost reductions through efficiencies. These items are not anticipated to reduce the level of service to District students, instead they are allocating dollars more efficiently or obtaining the same level of service at a reduced cost. Many of these items are in process or being analyzed now and will be brought to the Board for approval through regular Board recommendations or through the District budgeting process.

Items coded in orange are reductions in cost that may impact the level of service to students, since they may impact staffing positions in schools. However, staff reductions should not necessarily be considered a reduction in services to students as the District's student counts are shrinking, the reduction could be a scheduling efficiency, and schools previously identified as out of time are continuing to phase out, which will further reduce duplicative staffing. In the event that speculative revenues (purple) and efficiencies (yellow) are unable to close the gap in any year of the Plan, or if student counts drop, these cost reductions may be necessary to incorporate into District budgets.

By design, the total amount of deficit closing measures exceeds the total amount of deficits in the Plan to ensure there are enough measures that can be taken over the course of the Plan to close the gap. In many of the planned initiatives, to be conservative, no savings have been shown because estimates are not known at this time and they may be considered speculative.

Pages 13-20 also outline the results of many of these initiatives through a little under one year. Among the many positive results projected for 2018/19 are a significant improvement in projected retiree health insurance costs of \$2.8 million, employee health insurance of \$0.7 million, State revenues maximization of \$0.9 million, and a reduction in OTPT costs of \$1.0 million. Additionally, the resulting bell time changes reduced transportation costs by approximately \$1.0 million, but were offset by growing fuel costs and four new charter schools requesting transportation in 2018/19, while substitute costs reductions based on utilization have been estimated at \$0.6 million, and may largely offset the \$1.0 million annual cost of the new substitute contract ratified on February 14, 2018.

Summary of Documents in the Plan

Page 4 contains the revised 4 Year Financial Plan projections of revenues, expenditures, and deficits, as of April 18, 2018.

Page 5 contains the original 4 Year Financial Plan projections of revenues, expenditures, and deficits, as of June 20, 2017, and is highlighted in grey.

Page 6 shows the change between the original (June 20, 2017) and revised (April 18, 2018) revenue, expenditure, and deficit projections.

Page 8 contains the revised fund balance projections (both annual usage and year end remaining balances) over the course of the Plan, projected as of April 18, 2018.

Page 9 contains the original fund balance projections (both annual usage and year end remaining balances) over the course of the Plan, projected as of June 20, 2017, and is highlighted in grey, along with the change between the original (June 20, 2017) and revised (April 18, 2018) fund balance projections.

Page 11 summarizes the revenues, expenditures, and deficits over the course of the Plan and also includes a summarization of the total revised deficit closing measures shown later in the document. This page also includes Grants and Food Service, which supplement the District's General Fund. These funds are self-balancing and separate from the General Fund.

Pages 13 to 20 show the deficit closing measures in the original June 20, 2017 Plan, with revised savings targets, the original explanations highlighted in grey, and a revised explanation column that outlines what the District has accomplished from June 20, 2017 to April 20, 2018. Readers will note that in many instances, to be conservative, the Plan does not show actual deficit reduction numbers unless we were confident in their estimate or execution. This aligns closer with the analysis completed by the Buffalo Fiscal Stability Authority, which excludes certain deficit closing measures as speculative, and largely outside the control of the District. Once the 2018-19 budget is complete an additional analysis will take place to identify additional cost savings, cost avoidance or revenue generations initiatives that might be added to the Plan.

Pages 21 to 26 show the deficit closing measures in the original June 20, 2017 Plan, unchanged and highlighted in grey.

Pages 28 to 29 show the next four years of projected revenues in more detail than the summary on page 4. The District projects revenues at this level of detail in the Plan. This includes the General Fund, Grants Fund and Food Service Fund.

Pages 31 to 33 show the next four years of projected expenditures in more detail than the summary on page 4. The District projects expenditures at this level of detail in the Plan. This includes the General Fund, Grants Fund and Food Service Fund.

Pages 35 to 40 show the next four years of projected revenues, with the detailed assumptions used for each line item.

Pages 42 to 55 show the next four years of projected expenditures, with the detailed assumptions used for each line item.

Pages 57 to 88 show a projection of FTEs over the course of the Plan. There is an overall slight decline projected, which is in keeping with the overall projections of Plan that shows students will continue to depart for charter schools.

On pages 60 to 62 are cash flow reports for 2016/17 (actual), 2017/18 (March 2018 year to date), and 2018/19 (projected as of April 2018). These cash flows are based on Plan projections and show a strong cash position in the periods shown.

Final Note - The purpose of this document is to outline the actions being taken or recommended by District management to eliminate potential fiscal deficits projected in this Four Year Financial Plan. Board member suggestions or recommendations for further cost reductions and/or deficit closing measures are always welcome. It must be emphasized that this document is based on information and assumptions available at the time it was created and/or revised and that actual results may differ, possibly materially, from the projections. Additionally, it must be noted that this document is meant to be an overall guide, but does not replace the annual budgeting process and does not bind the District to take any action in the Plan or preclude the District from taking actions not in the Plan. Actions and the resulting savings outlined in the Plan should be considered flexible and changeable based on new information and circumstances. Though this Plan is meant to be thorough, additional costs savings, cost avoidance and revenue generating initiatives outside of the Plan may also be undertaken. This document will be periodically updated and amended to ensure it continues to provide sound fiscal guidance over the course of the next four years.



Buffalo Public Schools Four Year Financial Plan (Revised) 2017-18 to 2020-21

Revisions include:

- 1) Final results for 2016-17
- 2) Updated financial projections for 2017-18 to 2020-21
- 3) Balanced 2018-19 draft budget - \$916.4 million or \$22.2 million and 2.5% above 17/18
- 4) A comparison of the original plan approved on June 20, 2017 to updated projections for revenues, expenditures, and fund balance
- 5) Inclusion of a 5th projection year, 2021-22
- 6) Current status of deficit closing measures

April 18, 2018 (submitted for approval on April 25, 2018)

Buffalo Board of Education Members:

Dr. Barbara Seals Nevergold, President and Member-at-Large

Dr. Theresa Harris-Tigg, East District Representative and Vice President Student Achievement

Sharon Belton-Cottman, Ferry District Representative and Vice President Executive Affairs

Hope Jay, North District Representative

Jennifer Mecozzi, West District Representative

Dr. Catherine Flanagan-Priore, Park District Representative

Patricia Pierce, Member-at-Large

Lawrence Quinn, Member-at-Large

Paulette Woods, Central District Representative

Farhiya Diriye, Student Representative

Superintendent:

Dr. Kriner Cash

Chief Financial Officer:

Geoffrey F Pritchard, CPA

General Fund Summary

General Fund Summary of Major Revenue and Expenditure Categories
 2013-14 to 2021-22 (Projected)
 (in millions)

	PY4	PY3	PY2	PY1	Year 1	Year 2	Year 3	Year 4	Year 5	Orig Term	Next Term	\$ Growth	% Growth	Approx
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	4 Year	4 Year	Year 5 vs	Year 5 vs	Annual
	GAAP Actual				Q3 Proj.	Plan Projections			New Year	Totals	Totals	Year 2	Year 2	Growth
Significant Revenue Categories:														
State Foundation Aid	440.5	449.4	465.0	494.3	511.1	525.9	541.7	557.9	574.6	2,136.6	2,200.1	48.8	9.3%	3.1%
State Building Aid	114.1	114.5	115.1	115.5	117.1	119.5	119.5	119.5	119.5	475.5	477.8	-	0.0%	0.0%
State Other Formula Aids	75.0	93.0	95.4	95.4	99.9	101.9	102.4	104.5	106.7	408.8	415.6	4.8	4.8%	1.6%
State Charter School Transition Aid & Supplemental Aid	7.8	4.4	5.5	7.4	9.3	17.4	19.3	19.1	17.7	65.1	73.5	0.3	3.7%	1.2%
Total State Aid	637.5	661.3	680.9	712.6	737.4	764.7	782.8	801.0	818.5	3,085.9	3,167.0	53.9	7.3%	2.4%
City Property Tax	70.3	70.3	70.3	70.3	70.8	70.8	70.8	70.8	70.8	283.3	283.3	-	0.0%	0.0%
County Sales Tax	40.1	40.2	42.4	43.4	43.4	44.5	45.2	45.8	46.5	178.9	182.0	2.0	4.7%	1.6%
Other (Medicaid & misc.)	16.1	15.8	19.1	21.3	17.1	17.4	17.6	17.8	18.0	69.9	70.7	0.5	3.1%	1.0%
Total Revenues	764.0	787.6	812.7	847.6	868.7	897.4	916.4	935.5	953.8	3,618.0	3,703.1	56.4	6.5%	2.2%
Significant Expenditure Categories:														
Compensation	245.0	246.9	252.4	297.1	298.5	312.3	315.4	318.5	321.9	1,244.7	1,268.0	9.6	3.2%	1.1%
Pension Contributions	35.5	41.1	33.0	33.1	30.9	33.2	34.0	34.1	34.3	132.2	135.6	1.0	3.4%	1.1%
Health Insurance - Employees	43.5	50.8	53.5	54.9	53.6	54.6	57.7	60.1	62.7	226.0	235.1	8.1	15.1%	5.0%
Health Insurance - Retirees	62.5	61.6	61.4	64.0	66.1	69.1	72.5	76.9	81.6	284.6	300.1	12.6	19.0%	6.3%
Other Employee Benefits	29.8	29.8	32.8	35.4	40.7	41.5	41.5	41.8	42.1	165.5	166.9	0.7	1.6%	0.5%
Transportation	40.2	40.2	45.2	46.4	48.5	51.4	52.7	54.0	55.4	206.6	213.5	4.0	8.2%	2.7%
Tuition (Agency, Out-of-District, Middle Early College, Davinci)	31.6	31.7	31.1	32.7	33.4	33.4	33.7	34.1	34.4	134.6	135.6	1.0	3.0%	1.0%
Charter School Tuition Payments	94.1	98.4	104.0	106.4	120.3	129.6	136.7	147.4	153.8	534.0	567.4	24.2	20.1%	6.7%
Debt Service	121.0	120.0	118.0	117.1	113.7	113.6	113.0	112.7	109.2	453.0	448.5	(4.4)	-3.9%	-1.3%
All Other (Contracts, Facilities, Utilities, Textbooks, Supplies, Misc.)	75.5	69.6	68.9	81.2	79.2	77.8	78.7	80.7	81.7	316.5	319.0	3.9	4.9%	1.6%
Total Expenditures	778.7	790.2	800.5	868.3	884.9	916.4	935.9	960.4	977.0	3,697.6	3,789.7	60.6	6.8%	2.3%
Baseline Deficit of Recurring Revenues and Expenditure	(14.6)	(2.7)	12.2	(20.7)	(16.2)	(19.0)	(19.5)	(24.9)	(23.2)	(79.6)	(86.6)			
Recommended Use of Reserves					22.0	19.0	10.0	(0.0)	-	51.0	29.0			
Revised Deficit (to be closed by means other than reserves)					5.8	0.0	(9.5)	(24.9)	(23.2)	(28.6)	(57.6)			
Projected Reserves Remaining at Year End - Unassigned				70.0	60.0	55.5	58.5	58.5	58.5					
Projected Reserves Remaining at Year End - All				182.6	166.4	147.4	137.4	137.4	137.4					

General Fund Summary of Major Revenue and Expenditure Categories
2012-13 to 2020-21 (Projected)
(in millions)

THIS IS THE ORIGINAL FOUR YEAR PLAN PROJECTIONS ADOPTED ON 6/20/2017

	PY4 2012/13	PY3 2013/14	PY2 2014/15	PY1 2015/16	CY 2016/17	Year 1 2017/18	Year 2 2018/19	Year 3 2019/20	Year 4 2020/21	4 Year Totals	\$ Growth Year 4 vs Year 1	% Growth Year 4 vs Year 1	Approx Annual Growth
	GAAP Actual				Proj.	Plan Projections							
Significant Revenue Categories:													
State Foundation Aid	435.4	440.5	449.4	465.0	494.3	510.9	526.2	542.0	558.3	2,137.4	47.4	9.3%	3.1%
State Building Aid	119.0	114.1	114.5	115.1	115.4	115.8	115.8	115.8	115.8	463.3	-	0.0%	0.0%
State Other Formula Aids	63.1	75.0	93.0	95.4	95.1	104.2	102.5	104.3	106.2	417.2	2.0	2.0%	0.7%
State Charter School Transition Aid & Supplemental Aid	8.2	7.8	4.4	5.5	7.4	11.2	19.9	21.2	22.8	75.2	11.6	104.1%	34.7%
Total State Aid	625.7	637.5	661.3	680.9	712.3	742.1	764.5	783.4	803.2	3,093.2	61.1	8.2%	2.7%
City Property Tax	70.3	70.3	70.3	70.3	70.3	70.8	70.8	70.8	70.8	283.3	-	0.0%	0.0%
County Sales Tax	37.3	40.1	40.2	42.4	42.3	42.4	43.0	43.7	44.3	173.5	1.9	4.6%	1.5%
Other (Medicaid & misc.)	19.2	16.1	15.8	19.1	16.9	16.9	17.1	17.2	17.4	68.5	0.5	3.0%	1.0%
Total Revenues	752.5	764.0	787.6	812.7	841.8	872.2	895.4	915.1	935.7	3,618.4	63.5	7.3%	2.4%
Significant Expenditure Categories:													
Compensation	238.5	245.0	246.9	252.4	303.1	300.0	309.8	312.0	315.4	1,237.3	15.5	5.2%	1.7%
Pension Contributions	29.9	35.5	41.1	33.0	33.4	30.4	31.5	31.1	30.7	123.7	0.3	1.0%	0.3%
Health Insurance - Employees	39.9	43.5	50.8	53.5	54.8	53.5	54.8	57.1	59.7	225.1	6.2	11.5%	3.8%
Health Insurance - Retirees	60.1	62.5	61.6	61.4	66.7	68.1	71.9	76.2	80.8	297.0	12.7	18.7%	6.2%
Other Employee Benefits	31.0	29.8	29.8	32.8	38.6	40.0	40.9	41.1	41.5	163.6	1.4	3.5%	1.2%
Transportation	40.3	40.2	40.2	45.2	48.0	48.5	49.5	50.4	51.5	199.9	3.0	6.1%	2.0%
Tuition (Agency, Out-of-District, Middle Early College, Davinci)	32.6	31.6	31.7	31.1	33.5	33.4	33.6	33.9	34.2	135.1	0.8	2.5%	0.8%
Charter School Tuition Payments	94.5	94.1	98.4	104.0	107.6	123.8	132.1	141.2	146.7	543.8	22.9	18.5%	6.2%
Debt Service	135.2	121.0	120.0	118.0	117.1	113.7	113.6	113.0	112.7	453.1	(1.0)	-0.9%	-0.3%
All Other (Contracts, Facilities, Utilities, Textbooks, Supplies, Misc.)	63.4	75.5	69.6	68.9	82.0	82.8	84.8	85.8	86.8	340.1	4.0	4.8%	1.6%
Total Expenditures	765.5	778.7	790.2	800.5	884.8	894.2	922.6	941.8	959.9	3,718.5	65.7	7.4%	2.5%
Baseline Deficit of Recurring Revenues and Expenditure	(12.9)	(14.6)	(2.7)	12.2	(43.0)	(22.0)	(27.2)	(26.7)	(24.2)	(100.1)			
Recommended Use of Reserves						22.0	16.0	8.0	-	46.0			
Revised Deficit (to be closed by means other than reserves)						0.0	(11.2)	(18.7)	(24.2)	(54.1)			
Projected Reserves Remaining at Year End - Unassigned					68.5	61.7	47.2	40.2	40.2				
Projected Reserves Remaining at Year End - All					164.4	142.4	126.4	118.4	118.4				

General Fund Summary of Major Revenue and Expenditure Categories
2012-13 to 2020-21 (Projected)
(in millions)

THIS IS THE VARIANCE BETWEEN THE ORIGINAL 6.20.17 PROJECTIONS AND THE REVISED PROJECTIONS AS OF 4.18.18

	PY5 2012/13	PY4 2013/14	PY3 2014/15	PY2 2015/16	PY1 2016/17	CY Next Year				Orig Term 4 Year Totals
						Year 1	Year 2	Year 3	Year 4	
						2017/18	2018/19	2019/20	2020/21	
	GAAP Actual					Projected	Plan Projections			
Significant Revenue Categories:										
State Foundation Aid	-	-	-	-	-	0.2	(0.3)	(0.4)	(0.4)	(0.9)
State Building Aid	-	-	-	-	0.1	1.3	3.6	3.6	3.6	12.2
State Other Formula Aids	-	-	-	-	0.3	(4.3)	(0.6)	(1.9)	(1.7)	(8.4)
State Charter School Transition Aid & Supplemental Aid	-	-	-	-	-	(1.9)	(2.5)	(2.0)	(3.7)	(10.1)
Total State Aid	-	-	-	-	0.4	(4.7)	0.2	(0.6)	(2.1)	(7.2)
City Property Tax	-	-	-	-	0.0	-	-	-	-	-
County Sales Tax	-	-	-	-	1.1	1.0	1.5	1.5	1.5	5.5
Other (Medicaid & misc.)	-	-	-	-	4.3	0.2	0.4	0.4	0.4	1.3
Total Revenues	-	-	-	-	5.8	(3.5)	2.0	1.3	(0.2)	(0.4)
Significant Expenditure Categories:										
Compensation	-	-	-	-	(6.0)	(1.5)	2.4	3.4	3.0	7.4
Pension Contributions	-	-	-	-	(0.3)	0.5	1.7	2.9	3.4	8.5
Health Insurance - Employees	-	-	-	-	0.1	0.1	(0.2)	0.6	0.4	0.9
Health Insurance - Retirees	-	-	-	-	(2.7)	(2.0)	(2.9)	(3.7)	(3.9)	(12.4)
Other Employee Benefits	-	-	-	-	(3.2)	0.7	0.5	0.4	0.4	2.0
Transportation	-	-	-	-	(1.6)	0.0	2.0	2.3	2.6	6.8
Tuition (Agency, Out-of-District, Middle Early College, Davinci)	-	-	-	-	(0.8)	0.0	(0.2)	(0.1)	(0.2)	(0.5)
Charter School Tuition Payments	-	-	-	-	(1.2)	(3.5)	(2.5)	(4.5)	0.7	(9.8)
Debt Service	-	-	-	-	0.0	(0.0)	(0.0)	-	-	(0.0)
All Other (Contracts, Facilities, Utilities, Textbooks, Supplies, Misc.)	-	-	-	-	(0.8)	(3.6)	(7.0)	(7.0)	(6.0)	(23.6)
Total Expenditures	-	-	-	-	(16.5)	(9.3)	(6.2)	(5.9)	0.5	(20.9)
Baseline Deficit of Recurring Revenues and Expenditure	-	-	-	-	22.4	5.8	8.2	7.1	(0.7)	20.5
Recommended Use of Reserves	-	-	-	-	-	(0.0)	3.0	2.0	(0.0)	5.0
Revised Deficit (to be closed by means other than reserves)	-	-	-	-	-	5.8	11.2	9.1	(0.7)	25.5
Projected Reserves Remaining at Year End - Unassigned	-	-	-	-	1.5	(1.7)	8.3	18.3	18.3	
Projected Reserves Remaining at Year End - All	-	-	-	-	18.2	24.0	21.0	19.0	19.0	

General Fund - Fund Balance Projections

THIS IS THE REVISED FUND BALANCE PROJECTION AS OF APRIL 18, 2018

		Audited Balance 6-30-16	Actual usage 16/17	Audited Balance 6-30-17	Projected usage 17/18	Balance 6-30-18	Projected usage 18/19	Balance 6-30-19	Projected usage 19/20	Balance 6-30-20	Projected usage 20/21	Balance 6-30-21	Projected usage 20/21	Balance 6-30-21
Non spendable	Inventory	0.7	0.1	0.8	-	0.8	-	0.8	-	0.8	-	0.8	-	0.8
Restricted	Stabilization reserve	3.8	-	3.8	-	3.8	-	3.8	-	3.8	-	3.8	-	3.8
	Unemployment	3.1	-	3.1	-	3.1	-	3.1	-	3.1	-	3.1	-	3.1
	Judgements & claims & property loss	17.8	-	17.8	-	17.8	-	17.8	-	17.8	-	17.8	-	17.8
	Total Restricted	24.7	-	24.7	-	24.7	-	24.7	-	24.7	-	24.7	-	24.7
Assigned	Designated for next year budget	9.8	12.2	22.0	(3.0)	19.0	(9.0)	10.0	(10.0)	-	-	-	-	-
	Encumbrances	4.3	(0.9)	3.4	-	3.4	-	3.4	-	3.4	-	3.4	-	3.4
	Designated for other capital needs/repairs	7.8	(0.2)	7.6	(1.2)	6.4	(1.5)	4.9	(1.0)	3.9	-	3.9	-	3.9
	Designated for OPEB and other benefits	42.7	2.4	45.1	(2.0)	43.1	-	43.1	-	43.1	-	43.1	-	43.1
	Designated for PY claims (union contracts)	57.7	(48.7)	9.0	-	9.0	(4.0)	5.0	(2.0)	3.0	-	3.0	-	3.0
	Total Assigned	122.3	(35.2)	87.1	(6.2)	80.9	(14.5)	66.4	(13.0)	53.4	-	53.4	-	53.4
Unassigned	Minimum required unassigned fund balance	34.1	1.7	35.8	0.9	36.7	0.7	37.4	1.0	38.4	0.7	39.1	-	39.1
	Projected budgetary surplus in 2017/18	-	-	-	5.8	5.8	(5.2)	0.6	(0.5)	0.1	-	0.1	-	0.1
	Amount in excess of Board policy	21.4	12.8	34.2	(16.7)	17.5	-	17.5	2.5	20.0	(0.7)	19.3	-	19.3
	Total Unassigned	55.5	14.5	70.0	(10.0)	60.0	(4.5)	55.5	3.0	58.5	0.0	58.5	-	58.5
	Total Fund Balance	203.2	(20.6)	182.6	(16.2)	166.4	(19.0)	147.4	(10.0)	137.4	0.0	137.4	-	137.4

Note - 6-30-16 and 6-30-17 are Audited and 6-30-18 projections based on 3rd quarter 2017-18 data

- funds that are restricted, required by policy or have assignments that cannot be broken
- funds assigned for specific purposes other than the settlement of union contracts
- funds available for the settlement of union contracts or unrestricted funds available for that purpose
- projected surplus to budget (not true surplus) in 2017-18 as of April 18, 2018

General Fund - Fund Balance Projections (in millions)

		Balance 6-30-16	Projected usage 16/17	Balance 6-30-17	Projected usage 17/18	Balance 6-30-18	Projected usage 18/19	Balance 6-30-19	Projected usage 19/20	Balance 6-30-20	Projected usage 20/21	Balance 6-30-21	Projected usage 20/21	Balance 6-30-21
Non spendable	Inventory	0.7	-	0.7	-	0.7	-	0.7	-	0.7	-	0.7	-	0.7
Restricted	Stabilization reserve	3.8	-	3.8	-	3.8	-	3.8	-	3.8	-	3.8	-	3.8
	Unemployment	3.1	-	3.1	-	3.1	-	3.1	-	3.1	-	3.1	-	3.1
	Judgements & claims & property loss	17.8	-	17.8	-	17.8	-	17.8	-	17.8	-	17.8	-	17.8
	Total Restricted	24.7	-	24.7	-	24.7	-	24.7	-	24.7	-	24.7	-	24.7
Assigned	Designated for next year budget	9.8	(9.8)	-	-	-	-	-	-	-	-	-	-	-
	Encumbrances	4.3	(1.3)	3.0	-	3.0	-	3.0	-	3.0	-	3.0	-	3.0
	Designated for other capital needs/repairs	7.8	(0.2)	7.6	(1.0)	6.6	(1.5)	5.1	(1.0)	4.1	-	4.1	-	4.1
	Designated for OPEB and other benefits	42.7	-	42.7	-	42.7	-	42.7	-	42.7	-	42.7	-	42.7
	Designated for PY claims (union contracts)	57.7	(40.5)	17.2	(14.2)	3.0	-	3.0	-	3.0	-	3.0	-	3.0
	Total Assigned	122.3	(51.8)	70.5	(15.2)	55.3	(1.5)	53.8	(1.0)	52.8	-	52.8	-	52.8
Unassigned	Minimum required unassigned fund balance	34.1	1.7	35.8	1.1	36.9	0.8	37.7	0.7	38.4	-	38.4	-	38.4
	Projected budgetary surplus in 2016/17	-	11.5	11.5	(7.9)	3.6	(3.6)	-	-	-	-	-	-	-
	Amount in excess of Board policy	21.4	(0.2)	21.2	-	21.2	(11.7)	9.5	(7.7)	1.8	-	1.8	-	1.8
	Total Unassigned	55.5	13.0	68.5	(6.8)	61.7	(14.5)	47.2	(7.0)	40.2	-	40.2	-	40.2
Total Fund Balance		203.2	(38.8)	164.4	(22.0)	142.4	(16.0)	126.4	(8.0)	118.4	-	118.4	-	118.4

General Fund - Fund Balance Projections (in millions)

		Balance 6-30-16	Projected usage 16/17	Balance 6-30-17	Projected usage 17/18	Balance 6-30-18	Projected usage 18/19	Balance 6-30-19	Projected usage 19/20	Balance 6-30-20	Projected usage 20/21	Balance 6-30-21	Projected usage 20/21	Balance 6-30-21
Non spendable	Inventory	-	0.1	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1
Restricted	Stabilization reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
	Unemployment	-	-	-	-	-	-	-	-	-	-	-	-	-
	Judgements & claims & property loss	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Assigned	Designated for next year budget	-	22.0	22.0	(3.0)	19.0	(9.0)	10.0	(10.0)	-	-	-	-	-
	Encumbrances	-	0.4	0.4	-	0.4	-	0.4	-	0.4	-	0.4	-	0.4
	Designated for other capital needs/repairs	-	-	-	(0.2)	(0.2)	-	(0.2)	-	(0.2)	-	(0.2)	-	(0.2)
	Designated for OPEB and other benefits	-	2.4	2.4	(2.0)	0.4	-	0.4	-	0.4	-	0.4	-	0.4
	Designated for PY claims (union contracts)	-	(8.2)	(8.2)	14.2	6.0	(4.0)	2.0	(2.0)	(0.0)	-	(0.0)	-	(0.0)
	Total Assigned	-	16.6	16.6	9.0	25.6	(13.0)	12.6	(12.0)	0.6	-	0.6	-	0.6
Unassigned	Minimum required unassigned fund balance	-	(0.0)	-	(0.2)	(0.2)	(0.1)	(0.3)	0.3	-	0.7	0.7	-	0.7
	Projected budgetary surplus in 2016/17	-	(11.5)	(11.5)	13.7	2.2	(1.6)	0.6	(0.5)	0.1	-	0.1	-	0.1
	Amount in excess of Board policy	-	13.0	13.0	(16.7)	(3.7)	11.7	8.0	10.2	18.2	(0.7)	17.5	-	17.5
	Total Unassigned	-	1.5	1.5	(3.2)	(1.7)	10.0	8.3	10.0	18.3	0.0	18.3	-	18.3
Total Fund Balance		-	18.2	18.2	5.8	24.0	(3.0)	21.0	(2.0)	19.0	0.0	19.0	-	19.0

Deficit Summary

Buffalo Public Schools 4 Year Financial Plan - Projected Deficits	Year 1 2017/18	Year 2 2018/19	Year 3 2019/20	Year 4 2020/21	Year 5 2021/22	4 Year Cumulative (17-18 to 20-21)	4 Year Cumulative (18-19 to 21-22)
General fund							
Total general fund revenues	868,738,741	897,400,000	916,416,775	935,470,234	953,834,781	3,618,025,750	3,703,121,789
Total general fund expenditures	884,920,000	916,400,000	935,922,088	960,403,823	977,013,389	3,697,645,910	3,789,739,299
Budgetary surplus (deficit) before the planned use of fund balance	(16,181,259)	(19,000,000)	(19,505,313)	(24,933,589)	(23,178,608)	(79,620,160)	(86,617,510)
Planned use of fund balance	22,000,000	19,000,000	10,000,000	(0)	-	51,000,000	29,000,000
Budgetary surplus (deficit) after the planned use of fund balance	5,818,741	0	(9,505,313)	(24,933,589)	(23,178,608)	(28,620,160)	(57,617,510)
Gap closing measures - revenues and other fund balance	-	-	100,000	10,600,000	8,600,000	10,700,000	19,300,000
Gap closing measures - efficiencies and savings	-	-	7,337,000	7,537,000	7,737,000	14,874,000	22,611,000
Gap closing measures - other cost reductions	-	-	9,810,000	10,310,000	10,810,000	20,120,000	30,930,000
Gap closing measures - national foundation funding	-	-	-	-	-	-	-
Budgetary surplus (deficit) after gap closing measures	5,818,741	0	7,741,687	3,513,411	3,968,392	17,073,840	15,223,490
Special projects grants fund							
Total special projects revenues	120,028,990	116,511,464	116,511,464	116,511,464	116,511,464	469,563,382	466,045,856
Total special projects expenditures	120,028,990	116,511,464	116,511,464	116,511,464	116,511,464	469,563,382	466,045,856
Budgetary surplus (deficit) before the planned use of fund balance	-	-	-	-	-	-	-
Food service fund							
Total food service revenues	31,792,063	32,907,010	33,540,216	34,186,086	34,844,874	132,425,375	135,478,186
Total food service expenditures	35,779,669	37,970,745	36,029,164	36,841,851	37,678,540	146,621,429	148,520,300
Budgetary surplus (deficit) before the planned use of fund balance	(3,987,606)	(5,063,735)	(2,488,948)	(2,655,764)	(2,833,667)	(14,196,054)	(13,042,114)
Planned use of fund balance	3,987,606	5,063,735	2,488,948	2,655,764	2,833,667	14,196,054	13,042,114
Budgetary surplus (deficit) after the planned use of fund balance	-	-	-	-	-	-	-

Deficit Closing and Cost Saving Initiatives

The purpose of this document is to outline the actions being taken or recommended by District management to eliminate potential fiscal deficits projected in this Four Year Financial Plan. Board member suggestions or recommendations for further cost reductions and/or deficit closing measures are always welcome. It must be emphasized that this document is based on information and assumptions available at the time it was created and that actual results may differ, possibly materially, from the projections. Additionally, it must be noted that this document is meant to be an overall guide, but does not replace the annual budgeting process and does not bind the District to take any action in the Plan or preclude the District from taking actions not in the Plan. Actions and the resulting savings outlined in this plan should be considered flexible and changeable based on new information and circumstances. This document will be periodically updated and amended to ensure it continues to be a relevant guide over the course of the next four years.

Efficiency/Cost Reduction Area	Cabinet Lead	Target Year 2 (2018/19)	Target Year 3 (2019/20)	Target Year 4 (2020/21)	Target Year 5 (2021/22)	Notes (Prior Year - 6.20.17)	Notes (Updated - 4.18.18)
Projected need for recurring reductions (REV - EXP GAP)		19,000,000	19,505,313	24,933,589	23,178,608	These are the gap projections based on the revenue and expenditures assumptions in the Plan.	These are the gap projections based on the revenue and expenditures assumptions in the Plan.
Projected usage of fund balance		19,000,000	10,000,000	-	-		
4 year financial plan action items:							
Revenue - lobbying	Kriner Cash / Will Keresztes		-	-	-	<p>>As of June 10, the District has been notified of \$1,000,000 in additional bullet aid funding during the 2017/18 fiscal year. A repeat of this funding is not assured in the future, but effective lobbying played a part in its receipt.</p> <p>>Legislation is being considered in Albany as of June 2017 to accelerate the reimbursement of charter school supplemental aid, which could increase payment of aid to the District by \$9.0 million in 2017/18 with an increase of \$0.5 million in each of the two following years, followed by an increase of \$0.2 million in the fourth year of the plan. The decision on the adoption of this legislation is expected to occur prior to the end of the legislative session on June 23.</p>	<p>1) The District's legislative request, which was aligned with the Commissioner of Education and Board of Regents, was delivered in person and through testimony of Dr. Cash at a joint session of the NYS legislature on 1.31.2018. On 3.31.2018, the District received State aid increases in line with the four year financial plan projections, but far short of the Superintendent's request.</p> <p>2) Legislation is being considered in Albany as of April 2018 (a repeat of similar legislation in June 2017) to accelerate the reimbursement of charter school supplemental aid, which could increase payment of aid to the District by \$9.5 million in 2018/19, with smaller amounts in subsequent years. The outcome of this legislation is uncertain but will continue to be pressed. No amount has been included in the plan to be conservative.</p>
Additional revenue from the City of Buffalo	Kriner Cash / BOE		-	-	-	<p>>In the 2017/18 Budget, there is a \$500,000 increase in aid from the City of Buffalo. Any additional increases are speculative because they are dependent on future City of Buffalo budgets, but if similar increases of \$500,000 are repeated annually throughout the four year plan, the increase would be \$2.0 from the amount received in 2016/17.</p>	<p>1) The district is currently meeting with Mayoral staff to clarify future increases in the annual aid allocation from the City of Buffalo.</p> <p>2) District and Mayoral staff are also currently meeting and collaborating on possible efficiencies in budgeted expenditures through consolidated purchasing, elimination of duplicate expenditures and other cost-saving measures.</p> <p>3) District will continue to request these \$0.5 million incremental increases in aid from the City in alignment with this plan.</p>

1	Efficiency/Cost Reduction Area	Cabinet Lead	Target Year 2 (2018/19)	Target Year 3 (2019/20)	Target Year 4 (2020/21)	Target Year 5 (2021/22)	Notes (Prior Year - 6.20.17)	Notes (Updated - 4.18.18)
9	Revenue enhancement	Jim Barnes		100,000	100,000	100,000	>A conservative placeholder for various revenue enhancements is included in the plan. There are several initiatives being undertaken now that are expected to yield, through better data collection, review of regulations, and staff time devoted to the continued analysis of revenues.	1) A conservative placeholder for various revenue enhancements is included in the plan. There are several initiatives being undertaken now that are expected to yield, through better data collection, review of regulations, and staff time devoted to the continued analysis of revenues. 2) In the 2018-19 budget, the District projects a \$0.9 million increase as a result of STAC high cost aid reimbursement, which exceeds the amount included in the 2018-19 adopted State budget, while other work yielded an increase in Foundation aid during 2017-18 and go-forward by capturing more students in the State Foundation Aid calculations (the TAFPU calculation.)
10	Additional fund balance	Geoffrey Pritchard		-	10,500,000	8,500,000	>This plan projects the District will maintain \$1.7 million in excess of the amount required by policy for unassigned reserves. These funds could be used if necessary. Unassigned reserves are maintained at the required minimum per District policy and total reserves in the plan are projected to be \$118 million at the end of the plan.	1) 2018-19 budget includes the \$16.0 million in the original plan, plus \$1.0 million to start off the Plant Department facility painting project and \$2.0 million to offset the \$2.0 million increase in Teachers Retirement System (TRS) expense as a result of an unanticipated rate increase. 2) \$19.0 million in the unassigned fund balance in excess of required minimums is projected based on current projected fund balance usage. In the event that additional fund balance is needed to close a deficit, an amount up to this (all in one year or split over multiple years) is available. A hypothetical split is shown. 3) Additional fund balance beyond these amounts could be allocated.
11	subtotal: other revenue and fund balance items		-	100,000	10,600,000	8,600,000	This first group of action items includes revenues	This first group of action items includes revenues
12								
13	Vacancy contingency	Geoffrey Pritchard		2,000,000	2,000,000	2,000,000	> The historical trend of vacancies has exceeded this amount, frequently by millions on an annual basis. The District will begin to budget a vacancy contingency in keeping with best practices.	1) In the Draft 2018-19 budget, the District began to include a \$2.0 million vacancy contingency in keeping with best practices and historical performance. The historical trend of vacancies has exceeded \$2.0 million on an annual basis. This could be increased to \$4.0 million if necessary.

1	Efficiency/Cost Reduction Area	Cabinet Lead	Target Year 2 (2018/19)	Target Year 3 (2019/20)	Target Year 4 (2020/21)	Target Year 5 (2021/22)	Notes (Prior Year - 6.20.17)	Notes (Updated - 4.18.18)
	Retiree healthcare	Geoffrey Pritchard/ Jamie Warren/ BPS negotiation teams		300,000	300,000	300,000	<p>> Proposed elimination of retiree cosmetic surgery rider - \$2.2 million annually, growing 4.5%.</p> <p>> Through union contract negotiation, a District goal is for automatic enrollment in the District's Medicare Advantage Plan (Forever Blue) upon eligibility for all retirees, along with the elimination of retiree healthcare for new hires. No savings projected for this because the savings are expected to offset salary increases in settled contracts. However, it is important to note that the potential savings to the District is approximately \$7.7 million annually (\$2,100 * 3700 unenrolled but eligible retirees).</p>	<p>1) As of 12/2017, retirees that utilize the elective cosmetic surgery rider are being taxed on those dollars - with W2s issued in January 2018. As of January 2018, the District has implemented a processing change that collects retiree share of taxes which is expected to reduce utilization.</p> <p>2) 1058 Medicare advantage plans are in place as of March 2018, exceeding the 850 in the 4 year plan.</p> <p>3) New BCSA contract ratified in September 2017 includes mandatory Forever blue enrollment upon eligibility and higher retiree contributions going forward.</p> <p>4) The most recent actuarial valuation of OPEB liability included a \$200 million favorable impact on the future cost of teacher health insurance (reduced cost and higher copays), as a result of the 10/2016 ratified BTF contract.</p> <p>5) These initiatives have resulted in a projected reduction of retiree health insurance costs over the course of the plan in the amount of \$12.4 million (see summary and variance from original plan).</p> <p>6) For future years, the District may be able to obtain better drug pricing for the Medicare Advantage product, saving \$300,000 annually.</p>
14	Employee healthcare	Geoffrey Pritchard/ Jamie Warren/ BPS negotiation teams		500,000	500,000	500,000	<p>>Through union contract negotiation; a District goal is for 10% premium contribution for current active employees; 20% for new hires; and a plan design (e.g. co-pays) similar to the existing PCTEA plan of benefits. No savings projected here, because savings are expected to offset salary increases in settled contracts.</p> <p>>Through union contract negotiation, the elective cosmetic surgery rider will be eliminated for the administrator union (BCSA) and the engineer union (Local 409). No savings projected here, because savings are expected to offset salary increases in settled contracts.</p> <p>>The District is analyzing an increased waiver incentive to move employees onto spouses' plans or public exchanges. This action is still in the early stages of development.</p>	<p>1) The BCSA contract ratified in September 2017 eliminated cosmetic surgery rider and included percentage contribution, with increased contribution for new hires.</p> <p>2) Memo drafted 9/25/17 and shared with all BPS negotiating committee members on the targeted goals in new negotiations.</p> <p>3) For the 2018-19 draft budget, projected costs of employee health insurance were \$0.7 million under plan; however, with an increase in FTEs, there is a slight increase in the overall plan of \$2.7 million.</p> <p>4) \$500,000 is expected yield from a dependent verification in 2018-19, the results of which will carry through the entire plan.</p>
15	Substitute teachers costs	Jamie Warren		100,000	100,000	100,000	<p>>Through better management of absences, vacancies, and the use of extra help subs, the District anticipates saving \$0.5 million annually in substitute teacher costs.</p>	<p>1) The new Substitute Teacher collective bargaining agreement was ratified on 2.14.18, with an approximate \$1.0 million annual spend based on the current year utilization.</p> <p>2) As of March 2018, sub costs (pre-contract) are trending \$0.6 million under the prior year, with an increase in the positive trend each month of the school year through March 2018.</p> <p>3) Reasonable sub costs have been budgeted based on this information; with only small incremental reductions anticipated in the future.</p>
16								

1	Efficiency/Cost Reduction Area	Cabinet Lead	Target Year 2 (2018/19)	Target Year 3 (2019/20)	Target Year 4 (2020/21)	Target Year 5 (2021/22)	Notes (Prior Year - 6.20.17)	Notes (Updated - 4.18.18)
17	Nursing costs	Eric Rosser		1,200,000	1,200,000	1,200,000	<p>>The District will likely receive Bullet aid of \$1.2 million as it has received this amount for the last three years in recognition of the cost increases in nursing services, but it is not projected in the revenue assumptions of this model.</p> <p>>The District will bid these services for the 2018/19 fiscal year and will emphasize the need to reduce overhead/administrative costs, which have escalated as part of the existing contract.</p> <p>>The District has also begun to analyze the feasibility of bringing these services in-house.</p>	<p>1) The District did receive Bullet aid of \$1.2 million in the 2018-19 State budget as a result of persistent lobbying.</p> <p>2) An RFP was issued for these services and the analysis is still in process as of April 2018.</p> <p>3) \$1.2 million shown in the gap closing measures for each year is due to likely repeat of the Bullet aid, or reduction in cost resulting from its omission, so this item remains in the initiatives list.</p>
18	Occupational and physical therapy	Anne Botticelli		-	-	-	<p>>OTPT services are provided by consultants and the special education department is exploring alternative options with respect to the entities that can provide those services. Depending on the results of the analysis and prior RFP experience, a \$0.5 million reduction in the current cost levels should be attainable.</p>	<p>1) It was discussed with Kim Hoelscher, Director of Special Education, that the positive results of the last two years (approximately \$1.0 million in savings per year) warrant extending the current contract for another year.</p> <p>2) a \$1.0 million reduction has been posted to the current draft version of the budget. This commendable result exceeds the plan by \$0.5 million.</p>
19	Best and Final Offers	Geoffrey Pritchard / Mike Yeates		500,000	700,000	900,000	<p>>A BAFO is considered a revision under NYS Finance Law section 163. Formal procedures are being developed outlining the BAFO process, but based on existing experience, reductions in cost of bid/RFP pricing is estimated to be \$500,000 annually by 2018/19 and grow \$200,000 annually in the two years after, as more expiring contracts are put out to bid.</p>	<p>1) the Network Switch bid item that brought a challenge to the BAFO process has not yet been brought back to the Board; however, recently a \$0.5 million reduction in the cost of security cameras was achieved through the use of a Mini-bid on a NYS contract item. A Mini-bid is similar to a best and final offer as the product is a known commodity, but the price on the NYS contract list is reduced by offering those on the contract pricing list a chance to reduce their prices. For a large volume purchaser, like the District, this can result in significant savings.</p>
20	Textbooks	Geoffrey Pritchard / Mike Yeates		-	-	-	<p>>On all textbook purchases where secondary sources exist, the District will not automatically purchase through the publisher, but through a bid process. This should conservatively save \$200,000 annually, based on current year cost estimates of similar purchases.</p>	<p>1) As a result of this initiative, the district has determined there is sufficient budget remaining in 2017-18 to shift \$0.2 million from 2018-19 and, therefore, it has been incorporated into the draft 2018-19 budget as a result.</p>
21	Facility closure - school 86	Kevin Eberle		261,000	261,000	261,000	<p>>Operating costs are listed as savings if the facility is closed. Capital expenditure avoidance could be between \$2.5-3.0 million in unaidable capital projects. Potentially move Adult Ed into OTC space as part of a larger reorganization.</p>	<p>1) At the Superintendent's March 20, 2018 Budget Retreat, a Facilities Task Force was formed to analyze facilities usage and propose reductions in the 2018-19 budget of \$1.0 million that may include a reduction in the number of active District facilities. Additionally, the task force will lead the process of developing and/or subcontracting an innovative, visionary long term capital and facilities plan and demographic study, which will be incorporated into the District's overall four year financial plan upon completion.</p>

1	Efficiency/Cost Reduction Area	Cabinet Lead	Target Year 2 (2018/19)	Target Year 3 (2019/20)	Target Year 4 (2020/21)	Target Year 5 (2021/22)	Notes (Prior Year - 6.20.17)	Notes (Updated - 4.18.18)
22	Facility closure - school 187	Kevin Eberle		676,000	676,000	676,000	>Operating costs listed as savings if the facility is closed. Capital expenditure avoidance could be between \$5.0-5.5 million in unaidable capital projects. Consideration should be given to move administrators presently at 187 into various building throughout the district. MST could house many immediately.	1) At the Superintendent's March 20, 2018 Budget Retreat, a Facilities Task Force was formed to analyze facilities usage and propose reductions in the 2018-19 budget of \$1.0 million that may include a reduction in the number of active District facilities. Additionally, the task force will lead the process of developing and/or subcontracting an innovative, visionary long term capital and facilities plan and demographic study, which will be incorporated into the District's overall four year financial plan upon completion.
23	Overtime	Kevin Eberle (others dependent on department)		100,000	100,000	100,000	>The departments with the most significant overtime are Trades, Transportation and Security. Overtime usage in those and other departments will be analyzed in 2017/18 and incremental adjustments will be made to reduce the usage of overtime in the final three years of the plan.	1) Overtime for 2017-18 is currently projected to be in line with the prior year. It was noted that significant overtime in the summer of 2017 should not be repeated as Plant has requested instructional pre-planning on moves so overtime is not required at the end of summer to complete moves. 2) Additionally, through reviews of initial 2018-19 budget requests, vacant positions are a contributing factor in overtime, and partially offset the overtime.
24	Yellow bus transportation - bell times in 18/19	Kevin Eberle		-	-	-	>in 2017/18, the District used receivership powers to make bell time changes at three schools to yield improved bussing efficiency, which also saved \$4.0 million from the initial budget projections. The intent of this plan is to use the District's negotiated ability to adjust all schools' bell times, where needed, in 2018/19 to bring more efficiencies and cost reductions to transportation. This is conservatively expected to yield \$600,000 in 2018/19 and then 16% (the District's reimbursement rate) of that in the next two years.	1) the District did yield approximately \$1.0 million in savings as a result of the bell time shift; however: 2) Two new charter schools (Persistence Prep-108 pupils; Buffalo Collegiate-120 pupils), along with two long-standing charter schools (Tapestry-889 pupils/573 of yellow bus age; Buffalo United-655 pupils) that had previously refused transportation, are now requesting transportation and causing projected increases. Charter schools are finding significant competition for students among themselves, new charter schools, and the District, so pressure to widen their nets to capture more students is forcing them to request bussing. 3) The District is looking at fuel cost controls including locking in pricing and/or purchasing before 2017-18 to reduce fuel costs in 2018-19. 4) Transportation reductions are still being analyzed and may result from the Community School initiative in the New Education Bargain; however, no savings are included here to be conservative.
25	Public carrier transportation	Kevin Eberle		-	-	-	>The current agreement for these services doesn't provide the same level of service to our high school students than if the bus passes were purchased in the open market. There may not be any savings, but we anticipate negotiating an improved level of service.	1) negotiations are ongoing with NFTA as of April 2018.

1	Efficiency/Cost Reduction Area	Cabinet Lead	Target Year 2 (2018/19)	Target Year 3 (2019/20)	Target Year 4 (2020/21)	Target Year 5 (2021/22)	Notes (Prior Year - 6.20.17)	Notes (Updated - 4.18.18)				
26	Workers comp, medical leave, administrative leave	Jamie Warren		700,000	700,000	700,000	> in 2016/17 the HR department implemented several procedures to reduce the ranks of staff out on these various leaves. As of June 2017, staff being paid full wage on workers comp has been reduced from a historical high in 2016 and further reductions are anticipated.	1) This data continues to be tracked. Staff on admin leave are at 20 as of January 2018 (from an average of 37 in 2016-17). Staff on workers comp is at 56 as of January 2018 (from an average of 71 in 2016-17). 2) Comp wages are now being paid by the District's TPA directly to employees out on comp. This is increasing this expense line, but reducing regular wages. The District is beginning to analyze the data to break out the cost details.				
27	Master scheduler for high schools	Sabatino Cimato		1,000,000	1,000,000	1,000,000	>The District plans to create the position of a master scheduler who will be tasked with ensuring high school schedules are built efficiently, and additionally, study staffing for special education and ESL services at the schools. Based on prior analysis, it is anticipated a net savings of at least 11 FTEs could be achieved.	1) This position has been posted as of April 2018. It is expected to yield significant savings by a thorough analysis of school scheduling. This analysis will include things like ensuring that special education students are placed in general education encore areas where possible, instead of adding new encore staff for SPED students only, along with ensuring that reconciled student counts are the basis of school staffing when the school year begins.				
28	Consolidation of funds	Anne Botticelli / Associates of School Leadership / Jaime Cohen		-	-	-	>The District is exploring the possibility of using consolidation of funds as a way of allocating spending at the school level through multiple funding sources, with spending budgets cascaded so that funds expiring sooner will be spent sooner, and funds expiring later (or carrying over) will be spent later. A primary goal will be to reduce the amount of unspent grant funds and secondarily, to protect the general fund by maximizing the spend in the grants fund. This is an initiative that will be planned for an implementation no earlier than 2019/20.	1) District continues to move this forward, since school by school reporting is an Every Student Succeeds Act (ESSA) requirement; 2018/19 school based budget template now includes all funding sources. 2) The District is presently exploring a weighted student funding pilot project through the Feds with an application due date of July 2018.				
29	Special Education - centralize CSE chairs	Anne Botticelli		-	-	-	>The District has been in receipt of studies and analyses and has developed plans to make special education more efficient and reduce its associated cost. However, the identification of students for more restrictive placements is a major driver increasing special education costs over the years. The District will study the current model, which bases CSE chairs at the schools, to determine if centralizing the process might reduce the number of students being identified as needing more restrictive settings.	1) At the Superintendent's Budget Retreat on March 20, 2018, a task force was formed to analyze Special Education and propose reductions in the 2018-19 budget of \$1.0 million, along with further systemic changes to reduce the unsustainable growth in special education over the short and long term. Between the 2014/15 budget and 2017/18, the District has added nearly as many special education and related services FTE positions as students with a special education classification; this nearly 1 to 1 growth is egregious, disproportional, unsustainable, and requires immediate systemic changes that can no longer be deferred. 2) A \$1.0 million reduction related to area anticipated to be included in the 2018-19 budget. 3) Additionally, the Special Education department is looking a programmatic changes in the summer handicapped program that may reduce the General Fund transfer to cover unreimbursed costs by \$0.2 million.				
30	Subtotal: efficiencies and savings that are planned or in process						-	7,337,000	7,537,000	7,737,000	This second group of action items are meant to bring efficiencies to the budget, but not require any reduction in the level of required services to students.	This second group of action items are meant to bring efficiencies to the budget, but not require any reduction in the level of required services to students.
31												

1	Efficiency/Cost Reduction Area	Cabinet Lead	Target Year 2 (2018/19)	Target Year 3 (2019/20)	Target Year 4 (2020/21)	Target Year 5 (2021/22)	Notes (Prior Year - 6.20.17)	Notes (Updated - 4.18.18)
32	Reduce or eliminate general contingency			1,360,000	1,360,000	1,360,000	>The District budgets a general contingency each year. Though it is prudent to maintain such an amount in the budget, it could be reduced or eliminated in the event that other instructional priorities are threatened.	1) the general contingency is expected to be retained in the 2018-19 general fund budget.
33	Reduce or eliminate the contract settlement contingency			2,000,000	2,500,000	3,000,000	>In 2017-18, the District has a budgeted contingency of approximately \$5 million for union contract settlement. In the past no such amounts were budgeted and it is anticipated that most or all of this will be used to settle outstanding contracts so it is included in each year of the plan. As of June 2017, these funds have not been utilized so could be removed from the plan if necessary.	1) The potential reductions available in this account have been reduced by \$4.0 million on an annual basis for the cost of the BCSA contract settled in 2017-18, but otherwise the contingency remains intact, is projected to grow \$0.5 million annually. 2) This is further supplemented by approximate 1.5% salary rate growth for unions out of contract throughout the plan.
34	Reduce or eliminate non-mandated programs in the general fund			250,000	250,000	250,000	>The District has two large non-mandated consultant-run programs in the general fund. Both were originally grant funded and then shifted to the general fund. These two programs spend close to \$0.7 million annually. These and similar smaller programs (conservatively estimated to be another \$30,000 annually) could be reduced if necessary.	1) In the 2018-19 draft budget, one of these programs has been reduced, while the other continues.
35	Emerson II			-	-	-	>Delay or eliminate the new leased facility for the Emerson II program could save approximately \$0.9 million annually in unreimbursed costs on an annual basis.	1) The District has selected a developer and is in lease negotiations. 2) This plan assumes that the lease payments start with the full 2020-21 fiscal year
36	Reductions - central office through efficiencies and reductions through attrition			660,000	660,000	660,000	>In years past, the District has made central office reductions to offset reductions in the classroom in the event budget gaps could not be closed without reductions in staffing. In the event such reductions are necessary, it is anticipated 15 FTEs could be reduced or a freeze placed on filling vacancies to assist balancing the budget.	1) On April 4, 2018, the Superintendent issued a memo relating to reductions in central office departments. Strategic reductions, based on growth in the last 4 and 1 years are in process. 2) The District is exploring a desk audit process or other vacancy analysis measure to reduce open positions that can be eliminated.
37	Reductions - Instructional and support			5,540,000	5,540,000	5,540,000	>The District budgets additional capacity in the school based budget process. Some efficiencies are expected based on the implementation of a master scheduler, noted above. It is assumed that by reducing the overcapacity budgeted, a further 10 FTEs could be reduced at a savings of \$940,000. >The District added approximately 40 additional physical education teachers starting in 2015/16. If 20 FTEs were reduced, \$1,880,000 could be saved. >The District has increased the ranks of assistant principals by 38 FTEs since 2011. If 18-20 were reduced, the savings would be approximately \$2,400,000. >The New Education Bargain has increased staffing levels for reduced class size teachers, career and technical education, social workers, among others. If 20 of the well over 100 NEB FTEs were reduced, the savings would be approximately \$1,880,000. >Approximately 160 aides and assistants have been added since 2014/15. Though many are mandated, if 40 were positions were reduced, the savings would be \$1,440,000.	1) On April 13, 2018, the Superintendent issued a memo relating to reductions in the school based budget. In the 2018-19 draft budget, the District is implementing a holdback in the School Based Budgets (SBB) that varies between \$40,000 (priority schools), \$60,000 (focus schools), and \$100,000 (good standing schools), with certain schools that have prescribed budgets exempted. 2) These reductions amount to \$3.6 million and have been reduced from the potential projected savings.

1	Efficiency/Cost Reduction Area	Cabinet Lead	Target Year 2 (2018/19)	Target Year 3 (2019/20)	Target Year 4 (2020/21)	Target Year 5 (2021/22)	Notes (Prior Year - 6.20.17)	Notes (Updated - 4.18.18)
1	subtotal: other cost reductions that may become necessary		-	9,810,000	10,310,000	10,810,000	This third group of action items includes potential reductions in force that could be necessary in the future.	This third group of action items includes potential reductions in force that could be necessary in the future.
-8								
39								
40	Grants through national foundations	Kriner Cash / Will Keresztes					The District is applying to eight major national foundations for \$30-35 million over a 4-5 year period to further enrich the New Education Bargain and protect the O&M fund where possible. This amount is speculative at this point, but is a major initiative underway.	1) The District has identified and engaged with approximately 50 national foundations of all sizes to seek support for funding New Education Bargain initiatives. 2) Of the 8 major foundations the district has identified, currently 3 have received proposals for their consideration. The remaining 5 will advise the district when they are ready to receive our inquiry. 3) Local foundation leaders from Buffalo, Say Yes Buffalo, and Say Yes National have teamed with Dr. Cash to target the key national foundations. The leadership of these philanthropies have directly advocated for the Buffalo Public Schools and have committed to continuing to do so. 4) Concurrently, the Buffalo Public Schools is engaging with WNY philanthropies by proposing specific initiatives that are essential to the New Education Bargain and aligned with their local objectives. 5) At present, no revenues are included in this plan to be conservative.
41								
42	Total 4 year plan efficiencies, savings, cuts and revenues		-	17,247,000	28,447,000	27,147,000		
43								
44	Total 4 year financial plan action items and fund balance		19,000,000	27,247,000	28,447,000	27,147,000		
45								
46	Potential surplus (deficit) remaining after all actions		0	7,741,687	3,513,411	3,968,392		
47								

THIS IS THE ORIGINAL LIST OF INITIATIVES ADOPTED 6/20/17

The purpose of this document is to outline the actions being taken or recommended by District management to eliminate potential fiscal deficits projected in this Four Year Financial Plan. Board member suggestions or recommendations for further cost reductions and/or deficit closing measures are always welcome. It must be emphasized that this document is based on information and assumptions available at the time it was created and that actual results may differ, possibly materially, from the projections. Additionally, it must be noted that this document is meant to be an overall guide, but does not replace the annual budgeting process and does not bind the District to take any action in the Plan or preclude the District from taking actions not in the Plan. Actions and the resulting savings outlined in this plan should be considered flexible and changeable based on new information and circumstances. This document will be periodically updated and amended to ensure it continues to be a relevant guide over the course of the next four years.

THIS IS THE ORIGINAL LIST OF INITIATIVES ADOPTED 6/20/17

1	Efficiency/Cost Reduction Area	Cabinet Lead	Target Year 1 (2017/18)	Target Year 2 (2018/19)	Target Year 3 (2019/20)	Target Year 4 (2020/21)	Notes
2	These are the gap projections based on the revenue and expenditures assumptions in the Plan.						
3	Projected need for recurring reductions (REV - EXP GAP)		16,181,259	27,212,166	26,652,486	24,227,259	
4							
5	Projected usage of fund balance		22,000,000	16,000,000	8,000,000	-	
6							
7	4 year financial plan action items:						
8	Revenue - lobbying	Kriner Cash / Will Keresztes		-	-	-	>As of June 10, the District has been notified of \$1,000,000 in additional bullet aid funding during the 2017/18 fiscal year. A repeat of this funding is not assured in the future, but effective lobbying played a part in its receipt. >Legislation is being considered in Albany as of June 2017 to accelerate the reimbursement of charter school supplemental aid, which could increase payment of aid to the District by \$9.0 million in 2017/18 with an increase of \$0.5 million in each of the two following years, followed by an increase of \$0.2 million in the fourth year of the plan. The decision on the adoption of this legislation is expected to occur prior to the end of the legislative session on June 23.
8a	Additional revenue from the City of Buffalo	Kriner Cash / BOE		500,000	1,000,000	1,500,000	>In the 2017/18 Budget, there is a \$500,000 increase in aid from the City of Buffalo. Any additional increases are speculative because they are dependent on future City of Buffalo budgets, but if similar increases of \$500,000 are repeated annually throughout the four year plan, the increase would be \$2.0 from the amount received in 2016/17.
9	Revenue enhancement	Jim Barnes		100,000	100,000	100,000	>A conservative placeholder for various revenue enhancements is included in the plan. There are several initiatives being undertaken now that are expected to yield, through better data collection, review of regulations, and staff time devoted to the continued analysis of revenues.

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1	Efficiency/Cost Reduction Area	Cabinet Lead	Target Year 1 (2017/18)	Target Year 2 (2018/19)	Target Year 3 (2019/20)	Target Year 4 (2020/21)	Notes
10	Additional fund balance	Geoffrey Pritchard				1,700,000	>This plan projects the District will maintain \$1.7 million in excess of the amount required by policy for unassigned reserves. These funds could be used if necessary. Unassigned reserves are maintained at the required minimum per District policy and total reserves in the plan are projected to be \$118 million at the end of the plan.
11	subtotal: other revenue and fund balance items		-	600,000	1,100,000	3,300,000	This first group of action items includes revenues
12							
13	Vacancy contingency	Geoffrey Pritchard		2,000,000	2,000,000	2,000,000	> The historical trend of vacancies has exceeded this amount, frequently by millions on an annual basis. The District will begin to budget a vacancy contingency in keeping with best practices.
14	Retiree healthcare	Geoffrey Pritchard/ Jamie Warren/ BPS negotiation teams		2,194,500	2,293,253	2,396,449	> Proposed elimination of retiree cosmetic surgery rider - \$2.2 million annually, growing 4.5%. > Through union contract negotiation, a District goal is for automatic enrollment in the District's Medicare Advantage Plan (Forever Blue) upon eligibility for all retirees, along with the elimination of retiree healthcare for new hires. No savings projected for this because the savings are expected to offset salary increases in settled contracts. However, it is important to note that the potential savings to the District is approximately \$7.7 million annually (\$2,100 * 3700 unenrolled but eligible retirees).
15	Employee healthcare	Geoffrey Pritchard/ Jamie Warren/ BPS negotiation teams		-	-	-	>Through union contract negotiation; a District goal is for 10% premium contribution for current active employees; 20% for new hires; and a plan design (e.g. co-pays) similar to the existing PCTEA plan of benefits. No savings projected here, because savings are expected to offset salary increases in settled contracts. >Through union contract negotiation, the elective cosmetic surgery rider will be eliminated for the administrator union (BCSA) and the engineer union (Local 409). No savings projected here, because savings are expected to offset salary increases in settled contracts. >The District is analyzing an increased waiver incentive to move employees onto spouses' plans or public exchanges. This action is still in the early stages of development.
16	Substitute teachers costs	Jamie Warren		500,000	500,000	500,000	>Through better management of absences, vacancies, and the use of extra help subs, the District anticipates saving \$0.5 million annually in substitute teacher costs.

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	Efficiency/Cost Reduction Area	Cabinet Lead	Target Year 1 (2017/18)	Target Year 2 (2018/19)	Target Year 3 (2019/20)	Target Year 4 (2020/21)	Notes
1							
17	Nursing costs	Eric Rosser		1,200,000	1,200,000	1,200,000	>The District will likely receive Bullet aid of \$1.2 million as it has received this amount for the last three years in recognition of the cost increases in nursing services, but it is not projected in the revenue assumptions of this model. >The District will bid these services for the 2018/19 fiscal year and will emphasize the need to reduce overhead/administrative costs, which have escalated as part of the existing contract. >The District has also begun to analyze the feasibility of bringing these services in-house.
18	Occupational and physical therapy	Anne Botticelli		500,000	500,000	500,000	>OTPT services are provided by consultants and the special education department is exploring alternative options with respect to the entities that can provide those services. Depending on the results of the analysis and prior RFP experience, a \$0.5 million reduction in the current cost levels should be attainable.
19	Best and Final Offers	Geoffrey Pritchard / Mike Yeates		500,000	700,000	900,000	>A BAFO is considered a revision under NYS Finance Law section 163. Formal procedures are being developed outlining the BAFO process, but based on existing experience, reductions in cost of bid/RFP pricing is estimated to be \$500,000 annually by 2018/19 and grow \$200,000 annually in the two years after, as more expiring contracts are put out to bid.
20	Textbooks	Geoffrey Pritchard / Mike Yeates		200,000	200,000	200,000	>On all textbook purchases where secondary sources exist, the District will not automatically purchase through the publisher, but through a bid process. This should conservatively save \$200,000 annually, based on current year cost estimates of similar purchases.
21	Facility closure - school 86	Kevin Eberle		261,000	261,000	261,000	>Operating costs are listed as savings if the facility is closed. Capital expenditure avoidance could be between \$2.5-3.0 million in unaidable capital projects. Potentially move Adult Ed into OTC space as part of a larger reorganization.
22	Facility closure - school 187	Kevin Eberle		676,000	676,000	676,000	>Operating costs listed as savings if the facility is closed. Capital expenditure avoidance could be between \$5.0-5.5 million in unaidable capital projects. Consideration should be given to move administrators presently at 187 into various building throughout the district. MST could house many immediately.
23	Overtime	Kevin Eberle (others dependent on department)		100,000	100,000	100,000	>The departments with the most significant overtime are Trades, Transportation and Security. Overtime usage in those and other departments will be analyzed in 2017/18 and incremental adjustments will be made to reduce the usage of overtime in the final three years of the plan.

THIS IS THE ORIGINAL LIST OF INITIATIVES ADOPTED 6/20/17

1	Efficiency/Cost Reduction Area	Cabinet Lead	Target Year 1 (2017/18)	Target Year 2 (2018/19)	Target Year 3 (2019/20)	Target Year 4 (2020/21)	Notes
24	Yellow bus transportation - bell times in 18/19	Kevin Eberle		600,000	84,000	84,000	>in 2017/18, the District used receivership powers to make bell time changes at three schools to yield improved bussing efficiency, which also saved \$4.0 million from the initial budget projections. The intent of this plan is to use the District's negotiated ability to adjust all schools' bell times, where needed, in 2018/19 to bring more efficiencies and cost reductions to transportation. This is conservatively expected to yield \$600,000 in 2018/19 and then 16% (the District's reimbursement rate) of that in the next two years.
25	Public carrier transportation	Kevin Eberle		-	-	-	>The current agreement for these services doesn't provide the same level of service to our high school students than if the bus passes were purchased in the open market. There may not be any savings, but we anticipate negotiating an improved level of service.
26	Workers comp, medical leave, administrative leave	Jamie Warren		700,000	700,000	700,000	> in 2016/17 the HR department implemented several procedures to reduce the ranks of staff out on these various leaves. As of June 2017, staff being paid full wage on workers comp has been reduced from a historical high in 2016 and further reductions are anticipated.
27	Master scheduler for high schools	Sabatino Cimato		1,000,000	1,000,000	1,000,000	>The District plans to create the position of a master scheduler who will be tasked with ensuring high school schedules are built efficiently, and additionally, study staffing for special education and ESL services at the schools. Based on prior analysis, it is anticipated a net savings of at least 11 FTEs could be achieved.
28	Consolidation of funds	Anne Botticelli / Associates of School Leadership / Jaime Cohen			-	-	>The District is exploring the possibility of using consolidation of funds as a way of allocating spending at the school level through multiple funding sources, with spending budgets cascaded so that funds expiring sooner will be spent sooner, and funds expiring later (or carrying over) will be spent later. A primary goal will be to reduce the amount of unspent grant funds and secondarily, to protect the general fund by maximizing the spend in the grants fund. This is an initiative that will be planned for an implementation no earlier than 2019/20.
29	Special Education - centralize CSE chairs	Anne Botticelli			-	-	>The District has been in receipt of studies and analyses and has developed plans to make special education more efficient and reduce its associated cost. However, the identification of students for more restrictive placements is a major driver increasing special education costs over the years. The District will study the current model, which bases CSE chairs at the schools, to determine if centralizing the process might reduce the number of students being identified as needing more restrictive settings.
30	Subtotal: efficiencies and savings that are planned or in process		-	10,431,500	10,214,253	10,517,449	This second group of action items are meant to bring efficiencies to the budget, but not require any reduction in the level of required services to students.

THIS IS THE ORIGINAL LIST OF INITIATIVES ADOPTED 6/20/17

	Efficiency/Cost Reduction Area	Cabinet Lead	Target Year 1 (2017/18)	Target Year 2 (2018/19)	Target Year 3 (2019/20)	Target Year 4 (2020/21)	Notes
1							
31							
32	Reduce or eliminate general contingency			1,300,000	1,300,000	1,300,000	>The District budgets a general contingency each year. Though it is prudent to maintain such an amount in the budget, it could be reduced or eliminated in the event that other instructional priorities are threatened.
33	Reduce or eliminate the contract settlement contingency			5,500,000	6,000,000	6,500,000	>In 2017-18, the District has a budgeted contingency of approximately \$5 million for union contract settlement. In the past no such amounts were budgeted and it is anticipated that most or all of this will be used to settle outstanding contracts so it is included in each year of the plan. As of June 2017, these funds have not been utilized so could be removed from the plan if necessary.
34	Reduce or eliminate non-mandated programs in the general fund			670,000	700,000	730,000	>The District has two large non-mandated consultant-run programs in the general fund. Both were originally grant funded and then shifted to the general fund. These two programs spend close to \$0.7 million annually. These and similar smaller programs (conservatively estimated to be another \$30,000 annually) could be reduced if necessary.
35	Emerson II			900,000	900,000	900,000	>Delay or eliminate the new leased facility for the Emerson II program could save approximately \$0.9 million annually in unreimbursed costs on an annual basis.
36	Reductions - central office through efficiencies and reductions through attrition			990,000	990,000	990,000	>In years past, the District has made central office reductions to offset reductions in the classroom in the event budget gaps could not be closed without reductions in staffing. In the event such reductions are necessary, it is anticipated 15 FTEs could be reduced or a freeze placed on filling vacancies to assist balancing the budget.

THIS IS THE ORIGINAL LIST OF INITIATIVES ADOPTED 6/20/17

1	Efficiency/Cost Reduction Area	Cabinet Lead	Target Year 1 (2017/18)	Target Year 2 (2018/19)	Target Year 3 (2019/20)	Target Year 4 (2020/21)	Notes
37	Reductions - Instructional and support			8,540,000	8,540,000	8,540,000	<p>>The District budgets additional capacity in the school based budget process. Some efficiencies are expected based on the implementation of a master scheduler, noted above. It is assumed that by reducing the overcapacity budgeted, a further 10 FTEs could be reduced at a savings of \$940,000.</p> <p>>The District added approximately 40 additional physical education teachers starting in 2015/16. If 20 FTEs were reduced, \$1,880,000 could be saved.</p> <p>>The District has increased the ranks of assistant principals by 38 FTEs since 2011. If 18-20 were reduced, the savings would be approximately \$2,400,000.</p> <p>>The New Education Bargain has increased staffing levels for reduced class size teachers, career and technical education, social workers, among others. If 20 of the well over 100 NEB FTEs were reduced, the savings would be approximately \$1,880,000.</p> <p>>Approximately 160 aides and assistants have been added since 2014/15. Though many are mandated, if 40 were positions were reduced, the savings would be \$1,440,000.</p>
38	subtotal: other cost reductions that may become necessary		-	17,900,000	18,430,000	18,960,000	This third group of action items includes potential reductions in force that could be necessary in the future.
39							
40	Grants through national foundations	Kriner Cash / Will Keresztes		9,000,000	9,000,000	9,000,000	The District is applying to eight major national foundations for \$30-35 million over a 4-5 year period to further enrich the New Education Bargain and protect the O&M fund where possible. This amount is speculative at this point, but is a major initiative underway.
41							
42	Total 4 year plan efficiencies, savings, cuts and revenues		-	37,931,500	38,744,253	41,777,449	
43							
44	Total 4 year financial plan action items and fund balance		22,000,000	53,931,500	46,744,253	41,777,449	
45							
46	Potential surplus (deficit) remaining after all actions		5,818,741	26,719,334	20,091,767	17,550,190	

Revenue Summary

Buffalo Public Schools 4 Year Financial Plan - Revenue Assumptions	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2021/22 Budget
General fund				
City Property Tax (Includes STAR)	70,822,758	70,822,758	70,822,758	70,822,758
Erie County Sales Tax	44,500,000	45,167,500	45,845,013	46,532,688
Medicaid Reimbursement (Federal)	2,600,000	2,626,000	2,652,260	2,678,783
Other (Tuition, Interest, Misc, Interfund)	14,823,356	14,971,590	15,121,305	15,272,519
State Aid:				
Foundation Aid	525,885,097	541,661,650	557,911,499	574,648,844
Building Aid	119,461,320	119,461,320	119,461,320	119,461,320
Other Formula Aids	97,620,129	98,596,330	99,582,294	100,578,117
Charter School Transitional Aid	8,687,340	10,165,075	9,654,989	7,953,757
Supplemental Charter Tuition Reimbursement	8,700,000	9,100,000	9,456,000	9,777,000
Incremental Aid For Transportation	-	2,544,552	3,662,796	4,808,996
Other State Aid/Fed (FEMA)	4,300,000	1,300,000	1,300,000	1,300,000
Total State Aid	764,653,886	782,828,927	801,028,898	818,528,034
Total general fund revenues	897,400,000	916,416,775	935,470,234	953,834,781
Appropriated Fund Balance - Unassigned (Budgetary Only)	15,800,000	4,500,000	(3,000,000)	-
Appropriated Fund Balance - Assigned for OPEB and other benefits (Budgetary Only)	2,000,000	-	-	-
Appropriated Fund Balance - Assigned for Prior Year Claims (Budgetary Only)	-	4,000,000	2,000,000	-
Appropriated Fund Balance - Assigned for Capital Contribution (Budgetary Only)	1,200,000	1,500,000	1,000,000	-
Total planned use of fund balance	19,000,000	10,000,000	(0)	-
Total general fund revenues and fund balance usage	916,400,000	926,416,775	935,470,234	953,834,781

Buffalo Public Schools 4 Year Financial Plan - Revenue Assumptions	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2021/22 Budget
Special projects grants fund				
Categorical grants	13,974,542	13,974,542	13,974,542	13,974,542
Total other grants	102,536,922	102,536,922	102,536,922	102,536,922
Total special projects revenues	116,511,464	116,511,464	116,511,464	116,511,464
Food service fund				
State And Federal Aid	28,276,580	28,842,112	29,418,954	30,007,333
Federal Aid - Surplus Food	1,900,000	1,938,000	1,976,760	2,016,295
Federal Aid - Summer Food Program	1,483,720	1,513,394	1,543,662	1,574,536
Total State And Federal Aid	31,660,300	32,293,506	32,939,376	33,598,164
Food Sales	749,000	749,000	749,000	749,000
Interfund Transfers	434,210	434,210	434,210	434,210
Miscellaneous	63,500	63,500	63,500	63,500
Fund Balance (Budgetary Only)	5,063,735	2,488,948	2,655,764	2,833,667
Total food service revenues	37,970,745	36,029,164	36,841,851	37,678,540
Total revenues for all funds	1,070,882,209	1,078,957,403	1,088,823,548	1,108,024,785

Expenditure Summary

Buffalo Public Schools
4 Year Financial Plan - Expenditure Assumptions

	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
General fund				
01 BTF (Teachers)	214,052,564	215,660,306	217,428,085	219,511,190
12 BTF Other Compensat	11,653,000	11,827,795	12,005,212	12,185,290
02 BTF Substitutes	6,989,519	6,989,519	6,989,519	6,989,519
03 BCSA (Administrators)	23,909,944	24,567,467	24,935,979	25,310,019
05 Teacher Aides	10,647,698	10,807,414	10,969,525	11,134,068
14 Teaching Assistant	6,285,527	6,379,810	6,475,507	6,572,639
04 PCTEA (White Collar)	17,620,541	17,884,849	18,153,122	18,425,419
06 Trades	3,323,699	3,408,453	3,495,369	3,584,501
07 Local 264(Blue Coll)	2,536,022	2,574,062	2,612,673	2,651,863
08 Local 409(Engineers)	3,324,205	3,324,205	3,324,205	3,324,205
09 Exempt	4,359,065	4,359,065	4,359,065	4,359,065
10 Misc Payroll Items	410,696	410,696	410,696	410,696
11 Overtime	1,697,382	1,697,382	1,697,382	1,697,382
13 TAB (Bus Aides)	5,449,470	5,531,212	5,614,180	5,698,393
Total Salary	312,259,332	315,422,236	318,470,520	321,854,250
FTE	4,701	4,677	4,657	4,640
81 Civil Service Retire	5,720,000	5,529,695	5,402,431	5,271,418
82 Teachers' Retirement	27,500,000	28,446,351	28,702,471	28,993,133
83 Social Security	24,200,000	24,165,834	24,399,568	24,658,972
86 Health Ins-Employees	54,616,000	57,669,100	60,121,349	62,727,618
87 Health Ins-Retirees	69,063,000	72,492,801	76,934,398	81,634,495
88 Termination Pay	3,550,000	3,603,250	3,657,299	3,712,158
89 Other Employee Bene	13,717,000	13,772,239	13,759,720	13,749,814
Total Employee and Retiree Benefits	198,366,000	205,679,270	212,977,235	220,747,607
19 Contingency	860,000	1,360,000	1,860,000	2,360,000
20 Equipment	1,843,837	1,843,837	1,843,837	1,843,837
40 Contractual - Misc	21,147,624	21,147,624	21,147,624	21,147,624
42 Rental - Facilities	2,912,584	2,956,273	4,000,617	4,060,626
43 Rental Contracts	3,726,953	3,782,857	3,839,600	3,897,194
44 Transportation	51,413,510	52,698,848	54,016,319	55,366,727

Buffalo Public Schools 4 Year Financial Plan - Expenditure Assumptions	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
46 Custodian Contracts	18,402,009	18,402,009	18,402,009	18,402,009
47 Tuition	33,383,960	33,717,800	34,054,978	34,395,527
48 Textbooks	2,718,710	2,745,897	2,773,356	2,801,089
49 Utilities	8,879,640	9,057,233	9,238,377	9,423,145
50 Supplies & Misc Item	7,242,143	7,314,564	7,387,710	7,461,587
51 Software	3,480,818	3,515,627	3,550,783	3,586,291
57 Repairs & Maint	3,284,263	3,333,527	3,383,530	3,434,283
71 Charter Tuition	129,564,750	136,674,168	147,445,731	153,763,643
90 Debt Service	113,623,867	112,980,320	112,721,598	109,177,950
99 Interfund Transfers	3,290,000	3,290,000	3,290,000	3,290,000
Total All other Expenditures	405,774,668	414,820,582	428,956,068	434,411,532
Total general fund expenditures	916,400,000	935,922,088	960,403,823	977,013,389
Special projects grants fund				
Categorical grants	13,974,542	13,974,542	13,974,542	13,974,542
Total other grants	102,536,922	102,536,922	102,536,922	102,536,922
Total special projects expenditures	116,511,464	116,511,464	116,511,464	116,511,464
Food service fund				
Employee compensation	8,619,707	8,749,003	8,880,238	9,013,441
Benefits	2,489,599	2,589,183	2,692,750	2,800,460
Building improvements and equipment	2,981,000	250,000	250,000	250,000
Services & misc supplies	2,459,212	2,459,212	2,459,212	2,459,212
Cafeteria supplies (non-food)	2,115,000	2,199,600	2,287,584	2,379,087
Food supplies	14,805,507	15,249,672	15,707,162	16,178,377
USDA commodities	1,912,000	1,912,000	1,912,000	1,912,000
Interfund transfers	1,000,000	1,000,000	1,000,000	1,000,000
Summer food service	1,588,720	1,620,494	1,652,904	1,685,962

Buffalo Public Schools
4 Year Financial Plan - Expenditure Assumptions

	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
Total food service expenditures	37,970,745	36,029,164	36,841,851	37,678,540
Total all funds	1,070,882,209	1,088,462,716	1,113,757,137	1,131,203,393

Revenue Assumptions

Buffalo Public Schools
4 Year Financial Plan - Revenue Assumptions

Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2021/22 Budget
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General fund				
City Property Tax (Includes STAR)	70,822,758	70,822,758	70,822,758	70,822,758
The property taxes are considered the contribution from the City of Buffalo. The amount of the contribution includes STAR revenues. In 2017/18, the City increased their contribution by \$0.5 million. Future increases in this revenue category are being clarified with the City at this time.				
projected growth rate	0.00%	0.00%	0.00%	0.00%
Erie County Sales Tax	44,500,000	45,167,500	45,845,013	46,532,688
The District currently receives 8.4% of the City's share of the Erie County Sales Tax. Based on the current economic trends and the value of the Canadian dollar, the 17-18 Budget is projected to increase slightly from the prior year, with small increases annually thereafter.				
projected growth rate	1.50%	1.50%	1.50%	1.50%
Medicaid Reimbursement (Federal)	2,600,000	2,626,000	2,652,260	2,678,783
The Federal government continues to change the regulations for Medicaid eligible services that can be reimbursed. Based on the recent trend when adjusted for the recoupment of prior year revenues in 2016/17, the revenue in 2017/18 will decline slightly from the 2016/17 projection, with small increases annually thereafter.				
projected growth rate	1.00%	1.00%	1.00%	1.00%
Other (Tuition, Interest, Misc, Interfund)	14,823,356	14,971,590	15,121,305	15,272,519
Other revenues include tuitions, interest, interfund revenues for indirect costs and miscellaneous items. This is expected to increase at a roughly 1% inflation factor.				
projected growth rate	1.00%	1.00%	1.00%	1.00%
State Aid:				
Foundation Aid	525,885,097	541,661,650	557,911,499	574,648,844
The majority of operating aid increases should flow through Foundation Aid in the future years with high poverty Districts receiving a higher percentage of aid increases. Future year increases are conservatively budgeted for Foundation Aid at 3%. The set-aside for Community Schools is part of Foundation aid, similar to Contract for Excellence.				
projected growth rate	3.00%	3.00%	3.00%	3.00%
Building Aid	119,461,320	119,461,320	119,461,320	119,461,320

Buffalo Public Schools
4 Year Financial Plan - Revenue Assumptions

	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2021/22 Budget
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Building Aid is paid based on approved Maximum Cost Allowances, amortization schedules for related debt and reimbursement rates set by SED for approved school building projects. The 2018-19 amount is based on the state budget and is projected to remain flat.

projected growth rate	0.00%	0.00%	0.00%	0.00%
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Other Formula Aids	97,620,129	98,596,330	99,582,294	100,578,117
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Other Formula Aids: include Transportation, Private & Public Excess High Cost Aids, Textbook, Hardware, Software, Library, and Special Service Aids. These aids will continue to follow their currently legislated formulas, and therefore should increase modestly annually.

Special Services (CTE)	18,611,457
High Cost Excess Cost	2,212,505
Private Excess Cost	26,383,056
Hardware and Technology	952,145
Software, Library, Textbooks	3,585,757
Transportation	45,875,209
Total	97,620,129

projected growth rate	1.00%	1.00%	1.00%	1.00%
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Charter School Transitional Aid	8,687,340	10,165,075	9,654,989	7,953,757
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This aid category was established in 2007-08 to help provide relief from the financial drain caused by the significant number of charter school students in certain school districts, including Buffalo. The Charter School Transitional Aid continues on a rolling basis so long as charter school enrollment continues to increase. Therefore, based on a complex formula, the following amounts of aid are projected based on charter enrollment and tuition assumptions:

	8,687,340	10,165,075	9,654,989	7,953,757
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Supplemental Charter Tuition Reimbursement	8,700,000	9,100,000	9,456,000	9,777,000
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With the adoption of the 2014-15 State Budget, a new reimbursement program for charter school tuition was created. The tuition is on a one year lag and calculated as follows:

Reimbursement amount per pupil	1,000	1,000	1,000	1,000
Change from prior year	500	-	-	-
Charter Enrollment from the previous year	8,700	9,250	9,606	9,927
Supplemental Tuition Reimbursement	8,700,000	9,250,000	9,606,000	9,927,000

Incremental Aid For Transportation	-	2,544,552	3,662,796	4,808,996
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Buffalo Public Schools
4 Year Financial Plan - Revenue Assumptions

Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2021/22 Budget
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Transportation aid is included in the general operating aid payments. However, the aid is annually based on the expenditures of the previous fiscal year. It has historically been reimbursed at 86% of the previous fiscal years expenditures, but starting in 2017-18 will increase to 87% based on a reduction in the rate of non-allowable expenditures.

Prior year amount carrying forward		-	2,544,552	3,662,796
Transportation costs in PY		51,413,510	52,698,848	54,016,319
Transportation costs in PY2		48,488,737	51,413,510	52,698,848
Increase in cost eligible for reimb in current year		2,924,772	1,285,338	1,317,471
Applicable rate		87%	87%	87%
Current year increase in transportation reimb		2,544,552	1,118,244	1,146,200
Cumulative increase in transportation reimb		2,544,552	3,662,796	4,808,996

Other State Aid/Fed (FEMA)	4,300,000	1,300,000	1,300,000	1,300,000
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The District annually receives aid that is classified as "other" for Incarcerated Youth, Homeless, and Tuition Chapter 47. Since the other aid payments can be sporadic and not be reliably projected from year to year, the District conservatively does not budget for them.

However, in 2017/18, we expect to recover approximately \$0.4 million through aid maximization initiatives that are included in the budget and continue in the out years. Subsequent to the finalization of the 2018-19 State Budget, the District was able to submit final District High Cost data which is projected to increase excess cost aid \$0.9m and continue in subsequent years. This is the result of adjusting our occupancy costs.

1,300,000	1,300,000	1,300,000	1,300,000
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In 2015-16 through 2018-19, an additional \$1.2 million in legislative aid was included in the State budget for school health services, in addition to the \$5.3 million included in the grants fund. Any such amounts cannot be guaranteed annually and have therefore been excluded from future projections.

1,200,000	-	-	-
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The District can request a one time Chapter 1 Advance from New York State totaling \$1.8 million if needed. (The aid is then withheld in the subsequent year; and requested again on an ongoing basis.) This is budgeted each year, but not taken. In the plan, it is included in the 2018-19 budget.

1,800,000	-	-	-
4,300,000	1,300,000	1,300,000	1,300,000

Total State Aid	764,653,886	782,828,927	801,028,898	818,528,034
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Buffalo Public Schools 4 Year Financial Plan - Revenue Assumptions	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2021/22 Budget
Total general fund revenues	897,400,000	916,416,775	935,470,234	953,834,781
Appropriated Fund Balance - Unassigned (Budgetary Only)	15,800,000	4,500,000	(3,000,000)	-
Appropriated Fund Balance - Assigned for OPEB and other benefits (Budgetary Only)	2,000,000	-	-	-
Appropriated Fund Balance - Assigned for Prior Year Claims (Budgetary Only)	-	4,000,000	2,000,000	-
Appropriated Fund Balance - Assigned for Capital Contribution (Budgetary Only)	1,200,000	1,500,000	1,000,000	-
Total planned use of fund balance	19,000,000	10,000,000	(0)	-
Total general fund revenues and fund balance usage	916,400,000	926,416,775	935,470,234	953,834,781

Buffalo Public Schools 4 Year Financial Plan - Revenue Assumptions	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2021/22 Budget
Special projects grants fund				
Categorical grants	13,974,542	13,974,542	13,974,542	13,974,542
<p>Until 2007-08, the State Categorical Grants included Reading, Improved Pupil Performance, Magnet School, Universal Pre-K, and Early Grade Reduced Class Size. Beginning with the 2007-08 state budget, all categories except Universal Pre-K have been rolled into the General Fund as part of Foundation Aid. As part of the 2017-18 Budget, the Universal Pre-K budget has been combined at the State level with the Priority Pre-K grant, so we are showing those two grants combined.</p>				
Total other grants	102,536,922	102,536,922	102,536,922	102,536,922
<p>The District annually receives grant funding from the state and federal governments and local grantors. There are several grants that are given on an annual basis such as Title I, II and III and the IDEA 611 and 619. There are also School Improvement Grants that can fluctuate as the number of schools eligible changes. Since this is a self balancing fund, the projection in the out years will be based on the 2017-18 budget.</p>				
Total special projects revenues	116,511,464	116,511,464	116,511,464	116,511,464
Food service fund				
State And Federal Aid	28,276,580	28,842,112	29,418,954	30,007,333
<p>The Food Service fund is self sustaining. The budgeted revenue in 2016-17 has increased due to the District's average daily participation in the breakfast and lunch programs, and increased reimbursement rates. In out years, enrollment and participation are expected to remain flat to slightly declining, with 2% increases coming from increased reimbursement for the rising costs of the program.</p>				
		2.00%	2.00%	2.00%
Federal Aid - Surplus Food	1,900,000	1,938,000	1,976,760	2,016,295
<p>The Food Service fund is self sustaining. The budgeted revenue in 2016-17 has increased due to the District's average daily participation in the breakfast and lunch programs, and increased reimbursement rates. In out years, enrollment and participation are expected to remain flat to slightly declining, with 2% increases coming from increased reimbursement for the rising costs of the program.</p>				
		2.00%	2.00%	2.00%
Federal Aid - Summer Food Program	1,483,720	1,513,394	1,543,662	1,574,536

Buffalo Public Schools
4 Year Financial Plan - Revenue Assumptions

Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2021/22 Budget
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This category is for all non food supplies associated with the operation of the cafeterias. The following annual increases are applied in the out years:

2.00%	2.00%	2.00%
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Total State And Federal Aid	31,660,300	32,293,506	32,939,376	33,598,164
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Food Sales	749,000	749,000	749,000	749,000
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It is anticipated that food sales will remain flat over the four years of the plan.

0.00%	0.00%	0.00%
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Interfund Transfers	434,210	434,210	434,210	434,210
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Transfers are made from the General fund to support operations at the Emerson Commons. The budgeted amount will be projected as flat throughout the plan.

0.00%	0.00%	0.00%
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Miscellaneous	63,500	63,500	63,500	63,500
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The food service funds occasionally collect miscellaneous revenues. To remain conservative, no increases have been projected:

0.00%	0.00%	0.00%
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Fund Balance (Budgetary Only)	5,063,735	2,488,948	2,655,764	2,833,667
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The food service fund is expecting to use a significant amount of the accumulated fund balance in 2016-17 to expand the commissary to better meet the needs of the District's students and schools. The Commissary expansion is budgeted to amount to \$3.3 million for building improvements and related equipment purchases. Both of these are one time items. The remaining fund balance usage in the out years will be used to balance the budget and avoid any reduction in service.

Total food service revenues	37,970,745	36,029,164	36,841,851	37,678,540
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Total revenues for all funds	1,070,882,209	1,078,957,403	1,088,823,548	1,108,024,785
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Expenditure Assumptions

Buffalo Public Schools
4 Year Financial Plan - Expenditure Assumptions

Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
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General fund

Baseline assumptions assume a flat population of students in the City of Buffalo, but the composition of those students will shift more towards charter schools in the coming years.

District enrollment	33,250	32,894	32,573	32,319
Charter enrollment	9,250	9,606	9,927	10,181
Total enrollment (expected to be flat)	42,500	42,500	42,500	42,500
Reduction in district enrollment	(250)	(356)	(321)	(254)
Increase in charter enrollment	250	356	321	254
Number of charter schools	19	19	19	19

01 BTF (Teachers) 214,052,564 215,660,306 217,428,085 219,511,190

Teachers are the largest bargaining unit in the District. Employee compensation includes regular salary and longevity increments. The District and BTF settled the long outstanding teachers' contract on October 17, 2016. Based on across the board increases in salaries of 10%, 2% and 2%, the elimination of steps #20/#22 in 2017/18 and #16/#18 in 2018/19, along with the movement of staff along steps, and retirements in the model for the BTF contract cost, the following projected salary increases are expected and will encompass all changes in salary for the existing staff.

Assumed base salary increase:

Starting salary for base staff	214,052,564	214,052,564	215,660,306	217,428,085
Salary increase - projected contractual	4.50%			
Salary increase - assumed for period w/o contract		1.50%	1.50%	1.50%
New base salary	214,052,564	217,263,352	218,895,210	220,689,506
Average teacher salary	68,252	69,276	70,315	71,370

Adjustments in FTE count:

reduction in FTE based on charter growth: reduction per 100 pupil count drop. This projection assumes a flat enrollment in the City of Buffalo with District and charter students combined totaling 42,500 throughout the four year plan. The District schools are projected to decline as students move to charter schools. This plan assumes that 6.5 teachers can be reduced for every reduction of 100 students. The current teacher to student ratio is 10.9 teachers per 100 students. No adjustment will be made in the plan for Administrators, Aides/Assistants or school clerical to be conservative.

-	(1,603,046)	(1,467,125)	(1,178,316)
-	(1,603,046)	(1,467,125)	(1,178,316)

Buffalo Public Schools
4 Year Financial Plan - Expenditure Assumptions

	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
FTEs:				
Start	3,136	3,136	3,113	3,092
Add - reduced class size		-	-	-
Less - reduction in District students		(23)	(21)	(17)
Ending FTEs	3,136	3,113	3,092	3,076
12 BTF Other Compensat	11,653,000	11,827,795	12,005,212	12,185,290
This line includes other salary payments to teachers for things like: hourly work, professional development, coaching, etc. This is expected to grow at the same rate as BTF salaries.				
salary increase - projected contractual	4.50%			
salary increase - assumed for period w/o contract		1.50%	1.50%	1.50%
02 BTF Substitutes	6,989,519	6,989,519	6,989,519	6,989,519
The substitute teacher contract was ratified on February 14, 2018, with an increase effective 9/5/17 and it covers the 2017/18 and 2018/19 fiscal years. Sub costs are projected to be flat through the plan.				
	0.00%	0.00%	0.00%	0.00%
03 BCSA (Administrators)	23,909,944	24,567,467	24,935,979	25,310,019
BCSA contract was ratified in September 2017 with 12%, 2.5% and 2.75% raises from 2017/18 to 2019/20. Assumed increases, based on steps and attrition are as follows:				
salary increase - projected contractual	2.50%	2.75%		
salary increase - assumed for period w/o contract			1.50%	1.50%
FTE	215	215	215	215
05 Teacher Aides	10,647,698	10,807,414	10,969,525	11,134,068
BEST contract has been expired since June 2012. Assumed increases, based on steps and attrition are as follows:				
salary increase - projected contractual				
salary increase - assumed for period w/o contract	1.50%	1.50%	1.50%	1.50%
FTE	510	510	510	510
14 Teaching Assistant	6,285,527	6,379,810	6,475,507	6,572,639
BEST contract has been expired since June 2012. Assumed increases, based on steps and attrition are as follows:				
salary increase - projected contractual				

Buffalo Public Schools 4 Year Financial Plan - Expenditure Assumptions	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
salary increase - assumed for period w/o contract	1.50%	1.50%	1.50%	1.50%
FTE	268	268	268	268
04 PCTEA (White Collar)	17,620,541	17,884,849	18,153,122	18,425,419
PCTEA contract has been expired since June 2013. Assumed increases, based on steps and attrition are as follows:				
salary increase - projected contractual				
salary increase - assumed for period w/o contract	1.50%	1.50%	1.50%	1.50%
FTE	373	373	373	373
06 Trades	3,323,699	3,408,453	3,495,369	3,584,501
Tradesmen are subject to prevailing wage laws. Assumed increases are as follows based on the prior 4 year average:				
salary increase - projected	2.55%	2.55%	2.55%	2.55%
FTE	33	33	33	33
07 Local 264(Blue Coll)	2,536,022	2,574,062	2,612,673	2,651,863
Local 264 contract has been expired since June 2013. Assumed increases, based on steps and attrition are as follows:				
salary increase - projected contractual				
salary increase - assumed for period w/o contract	1.50%	1.50%	1.50%	1.50%
FTE	65	65	65	65
08 Local 409(Engineers)	3,324,205	3,324,205	3,324,205	3,324,205
Local 409 contract has been expired since June 2010. Assumed increases, based on steps and attrition are as follows:				
salary increase - projected contractual				
salary increase - assumed for period w/o contract	0.00%	0.00%	0.00%	0.00%
FTE	56	56	56	56
09 Exempt	4,359,065	4,359,065	4,359,065	4,359,065
Exempt staff received raises on 1/1/18 and 7/1/18; no other adjustments are anticipated at this time				
salary increase - projected contractual				
salary increase - assumed for period w/o contract	1.50%	0.00%	0.00%	0.00%
FTE	44	44	44	44

Buffalo Public Schools
4 Year Financial Plan - Expenditure Assumptions

	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
10 Misc Payroll Items	410,696	410,696	410,696	410,696
Misc payroll items include things like temporary replacements and seasonal work, and are treated similar to overtime.				
salary increase - projected contractual				
salary increase - assumed for period w/o contract	0.00%	0.00%	0.00%	0.00%
11 Overtime	1,697,382	1,697,382	1,697,382	1,697,382
There is significant overtime in the Trades, Transportation and Security areas, and the Board has directed the District to reduce OT further; therefore overtime is not expected to grow in the out years.				
salary increase - projected contractual				
salary increase - assumed for period w/o contract	0.00%	0.00%	0.00%	0.00%
13 TAB (Bus Aides)	5,449,470	5,531,212	5,614,180	5,698,393
TAB contract is current through June 2018. Assumed increases, based on steps and attrition are as follows:				
salary increase - projected contractual				
salary increase - assumed for period w/o contract	1.50%	1.50%	1.50%	1.50%
FTE	1	1	1	1
Total Salary	312,259,332	315,422,236	318,470,520	321,854,250
FTE	4,701	4,677	4,657	4,640
81 Civil Service Retire	5,720,000	5,529,695	5,402,431	5,271,418
All full time employees, except BTF, BCSA & teaching assistants (see below), are members of the NYS and Local Employees Retirement System (ERS). The rates are actuarially set by the ERS and are expected to be decrease and stabilize over the longer term to approximately 12.5%. The rates change every April 1. The model will assume the expenditure to approximate the following percentages of employee compensation (PCTEA, BEST (Aides only), Local 264, Local 409, and 1/2 of Exempt).				
In 2013, the District opted to amortize a portion of the significantly increasing ERS costs over a period of 12 years; it is anticipated to be paid off in 2017-18.				
July to March rate	14.90%	14.50%	14.00%	13.50%
April to June rate	14.50%	14.00%	13.50%	13.00%
Average rate	14.80%	14.38%	13.88%	13.38%
Chapter 57, Laws of 2013 Amortization Payment - The District anticipates paying off this amortization in 2017-18	-	-	-	-

Buffalo Public Schools
4 Year Financial Plan - Expenditure Assumptions

	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
82 Teachers' Retirement	27,500,000	28,446,351	28,702,471	28,993,133

All full time teachers, administrators and teaching assistants are members of the NYS Teachers' Retirement System (TRS). The rates are actuarially set by the TRS, increasing in 2018-19 as a result of an actuarial assumption change. At this time rates are projected to stabilize at 10.5% over the long term. The TRS has provided the 2016-17 and 2017-18 rates as indicated. The model will assume the expenditure to approximate the following percentages of employee compensation (BTF, BCSA, BEST Assistants only, and 1/2 of Exempt):

	10.63%	10.63%	10.63%	10.63%
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83 Social Security	24,200,000	24,165,834	24,399,568	24,658,972
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Estimated at 7.65% of employee compensation.
The District is also liable for FICA and Medicare on Termination Pay. The plan assumes FICA will be one percent times the Termination Pay line due to the governmental plan (403-b) in place with the bargaining units

Rate for regular pay	7.65%	7.65%	7.65%	7.65%
Rate for termination pay	1.00%	1.00%	1.00%	1.00%

86 Health Ins-Employees	54,616,000	57,669,100	60,121,349	62,727,618
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The projected health insurance costs are a factor of the number of employees, the average rate and the rate of participation of employees (91.7%). Rates in the future years are based on the percentage increases noted and were also arrived at through discussions with the District's insurance consultant.

Average rate per participant (all staff)	13,800	14,421	15,070	15,748
Growth		4.5%	4.5%	4.5%
Projected staff	4,667	4,643	4,623	4,606
Percent taking health insurance	91.7%	91.7%	91.7%	91.7%
Projected staff with health insurance	4,278	4,257	4,237	4,222
	<u>59,033,498</u>	<u>61,384,101</u>	<u>63,858,143</u>	<u>66,493,417</u>

In-lieu of health insurance coverage payments to employees: In lieu amount is payable to staff that waive health insurance.	500,000	500,000	500,000	500,000
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Prescription drug reimbursement. As required by contract, the District must reimburse employees and retirees for certain differences in prescription coverage.	16,000	16,160	16,322	16,485
Projected growth		1.0%	1.0%	1.0%

Buffalo Public Schools
4 Year Financial Plan - Expenditure Assumptions

Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
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Premium Contribution - Teachers.

Starting in 2016/17, Teachers are required to contribute towards the premium on their Health Insurance. The average blended rate is expected to be \$1,100 in 2017/18 and \$1,200 in 2018/19 through 2020/21. These rates will be multiplied by the number of BTF staff contributing:

Teachers	(1,200)	(1,200)	(1,200)	(1,200)
Teachers with health insurance	3,136	3,113	3,092	3,076
Teacher contribution	2,875	2,854	2,835	2,819
	<u>(3,449,945)</u>	<u>(3,424,491)</u>	<u>(3,401,538)</u>	<u>(3,383,377)</u>

Premium Contribution - Administrators

Starting in 2017-18, Administrators are required to contribute towards the premium on their Health Insurance.

Existing BCSA (less: 10 FTE turnover) contribution for existing	205	195	185	175
New Hire BCSA (assume 10 FTE turnover annually) contribution for new hires	(226,419)	(253,205)	(251,037)	(248,160)
	10	20	30	40
	<u>(17,940)</u>	<u>(37,495)</u>	<u>(58,773)</u>	<u>(81,890)</u>
	<u>(244,359)</u>	<u>(290,700)</u>	<u>(309,809)</u>	<u>(330,050)</u>

Premium Contributions - Others.

Exempt staff contribute 20% towards their health insurance. New hires in PCTEA and Local 264 pay 20% contribution. Existing PCTEA and Local 264 staff pay 1.5% of salary. These contributions are expected to grow over time through turnover and through higher salaries for existing staff:

Projected growth	(491,400)	(515,970)	(541,769)	(568,857)
	5.0%	5.0%	5.0%	5.0%

Healthcare initiatives -

The District has incorporated several initiatives into the projected costs of health insurance in 2017/18 that have been budgeted as cost reductions. These conservative estimates are derived in consultation with the District's insurance consultant. In this plan, the reduction of \$2.5 million is shown as an amount that repeats in the future years; however, in reality, these amounts will be incorporated into the premium equivalent rates (lowered rates) going forward.

(500,000)

3,429,801

87 Health Ins-Retirees	69,063,000	72,492,801	76,934,398	81,634,495
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Buffalo Public Schools
4 Year Financial Plan - Expenditure Assumptions

Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
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There are currently approximately 4,458 retiree participants with health insurance benefits. Additional retirees are also need to be added to the base cost each year, while retirees that pass away need to be subtracted from the base - the District generally projects a slight increase in counts annually. Note: because the District is self insured, the amount of members doesn't directly impact the total cost, only the premium equivalent dollars collected. The District anticipates recording actual expenditures starting in 2018-19 instead of premium equivalent rates. However, counts are used, along with the premium rate growth to determine an approximate growth in costs based on both trend and increased counts - in our case a 4% trend is increased to 4.9% with projected count increases. This is compared to an actuarial valuation annually for reasonableness.

Average rate per participant	15,600	16,224	16,873	17,548
Growth - rate		4.0%	4.0%	4.0%
Starting retirees	4,558	4,658	4,758	4,858
Growth - net new retirees	100	100	100	100
Total retirees	4,658	4,758	4,858	4,958
	72,664,800	77,193,792	81,968,840	87,002,381
Prescription drug reimbursement	64,266	64,909	65,558	66,214
Projected growth	1.0%	1.0%	1.0%	1.0%
Retiree Contribution	(2,000,000)	(2,124,100)	(2,248,200)	(2,372,300)
blended rate for new retirees	1,241	1,241	1,241	1,241
Forever Blue savings:				
savings per member	(2,100)	(2,100)	(2,100)	(2,100)
starting members	1,058	1,158	1,258	1,358
growth	100	100	100	100
ending members	1,158	1,258	1,358	1,458
Total Savings	(2,431,800)	(2,641,800)	(2,851,800)	(3,061,800)

88 Termination Pay	3,550,000	3,603,250	3,657,299	3,712,158
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Represents the payments to new retirees for a combination of accumulated leave time balances and an early retirement incentive (formula based calculation) for BTF and BCSA members that are paid upon separation from employment and are based upon union contracts. Projected amounts are based on the actual number of employees eligible to retire, their estimated termination pay benefit and the percentage expected to retire based on trend data.

1.50%	1.50%	1.50%	1.50%
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89 Other Employee Bene	13,717,000	13,772,239	13,759,720	13,749,814
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Buffalo Public Schools
4 Year Financial Plan - Expenditure Assumptions

Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
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Other benefits includes supplemental benefits, workers compensation, unemployment, and other minor miscellaneous benefits. Each category has a different assumption as follows:

Supplemental benefits

Each union is paid a rate set by their collective bargaining agreement on or about July 1, based upon the number of employees as of the previous fiscal year. Without updated union contracts, the rates will remain the same.

FTE BTF:	3,136	3,113	3,092	3,076
FTE BCSA:	215	215	215	215
FTE PCTEA:	373	373	373	373
FTE BEST:	777	777	777	777
FTE Local 409 Engineers:	56	56	56	56
FTE Local 409 Custodian:	250	250	250	250
FTE Local 264 Blue collar:	65	65	65	65
Rate BTF:	600	600	600	600
Rate BCSA:	675	700	700	700
Rate PCTEA:	575	575	575	575
Rate BEST:	550	550	550	550
Rate Local 409 Engineers:	500	500	500	500
Rate Local 409 Custodian:	500	500	500	500
Rate Local 264 blue collar:	450	450	450	450
Total spend including exempt	3,064,350	3,055,239	3,042,720	3,032,814

Workers compensation

Based upon the historical trend and increasing medical costs, offset by an expected reduction in the number of non-assault costs for teachers, workers compensation is estimated as follows:

8,100,000	8,100,000	8,100,000	8,100,000
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Unemployment

The District incurs some unemployment annually due to substitutes and other partial year employees. Increase in 2018/19 conservatively included an amount for potential reductions as noted above.

1,700,000	1,700,000	1,700,000	1,700,000
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Miscellaneous other benefits

Buffalo Public Schools
4 Year Financial Plan - Expenditure Assumptions

These costs include life insurance, leave time incentives and buy backs. The total amount is projected as follows:

	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
	917,000	917,000	917,000	917,000
	13,781,350	13,772,239	13,759,720	13,749,814
Total Employee and Retiree Benefits	198,366,000	205,679,270	212,977,235	220,747,607
19 Contingency	860,000	1,360,000	1,860,000	2,360,000
The District budgets a contingency account for new expenditures and unknown changes that happen after budget adoption. The contingency is outlined below.				
The District historically has vacant positions being filled, but due to timing there is generally a differential that can be budgeted as a reduction in expense. This process will start in 2018/19.				
	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Union contracts				
Contingency related to settlement of union contracts. PCTEA, BCSA, Local 269, 409, Substitutes, BEST are included here as they are outstanding as of 5/2017. These costs are net of savings and include benefits.				
	5,500,000	6,000,000	6,500,000	7,000,000
reclassification to allocate BCSA related costs				
	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
General contingency - unspecified				
	1,360,000	1,360,000	1,360,000	1,360,000
	860,000	1,360,000	1,860,000	2,360,000
20 Equipment	1,843,837	1,843,837	1,843,837	1,843,837
Equipment expenditures are anticipated to remain flat. With the Smart Schools Bond Act, incremental growth is expected to be funded through that funding source.				
	0.00%	0.00%	0.00%	0.00%
40 Contractual - Misc	21,147,624	21,147,624	21,147,624	21,147,624
Contracts are expected to remain relatively constant. Historically, the District over-budgets this line, so no increases are anticipated.				
	0.00%	0.00%	0.00%	0.00%
42 Rental - Facilities	2,912,584	2,956,273	4,000,617	4,060,626
This line includes District facility rentals. Some of these contracts stipulate annual increases in accordance with the CPI or some other factor. This was formerly part of rental contracts. Additionally, the projected net cost of the Emerson II facility is included in this line.				
rate of increase	1.50%	1.50%	1.50%	1.50%
Emerson II facility - incremental costs unreimbursed anticipated to begin in 2020-21				
			1,000,000	1,000,000

Buffalo Public Schools
4 Year Financial Plan - Expenditure Assumptions

	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
43 Rental Contracts	3,726,953	3,782,857	3,839,600	3,897,194
The District has contractual agreements for the rental of equipment (e.g. copiers), computer services/access. The annual increases are projected as follows:				
	1.50%	1.50%	1.50%	1.50%
44 Transportation	51,413,510	52,698,848	54,016,319	55,366,727
Transportation expenditures include costs for public and private providers. The District transports public, non-public, private and charter school students within the District. The District re-bid the private carrier (yellow bus) services for 2015-16 and beyond, while an additional \$1.5 million for 4 new charter schools requesting transportation begins in 2018-19. The contract is subject to annual increases. Beginning in 2015-16, an approximately \$2 million increase relates to bussing a charter school that the District settled litigation with. The District anticipates the rates to change as follows:				
	2.00%	2.50%	2.50%	2.50%
46 Custodian Contracts	18,402,009	18,402,009	18,402,009	18,402,009
The Engineers negotiated collective bargaining agreement expired June 30, 2010. Absent a new agreement, there will be no significant increases budgeted.				
	0.00%	0.00%	0.00%	0.00%
47 Tuition	33,383,960	33,717,800	34,054,978	34,395,527
The majority of the tuitions are for special needs students and rates are established by New York State. Tuition rates are expected to grow 1%. Actual tuition rates are increasing at higher rates, but a reduction in students offsets this.				
Growth rate used:	1.00%	1.00%	1.00%	1.00%
Tuition paid to (or on behalf of) the following:				
Agency Tuition	31,058,960	31,369,550	31,683,245	32,000,078
CTE college credit	5,000	5,050	5,101	5,152
Foster & Resident Student Tuition	1,500,000	1,515,000	1,530,150	1,545,452
DaVinci Tuition (D'Youville)	190,000	191,900	193,819	195,757
Middle Early College Tuition (Buffalo State)	315,000	318,150	321,332	324,545
Middle Early College Tuition (ECC tuition will phase out to zero by 2019-20)	315,000	318,150	321,332	324,545
	33,383,960	33,717,800	34,054,978	34,395,527
48 Textbooks	2,718,710	2,745,897	2,773,356	2,801,089

Buffalo Public Schools
4 Year Financial Plan - Expenditure Assumptions

Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
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The District pays for books for all children within the district including public, non-public, private and charters. Based on a five year textbook adoption cycle, the District intends to keep the total textbook expenditures constant; unless additional revenue is utilized for additional textbook purchases.

1.00%	1.00%	1.00%	1.00%
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49 Utilities	8,879,640	9,057,233	9,238,377	9,423,145
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Through the utilization of pooled rates with the City and the overall cost of utilities, the District has budgeted for a utility rates decreases in both 2015-16 and 2016-17. It is expected that rates will increase in the out years as follows:

2.00%	2.00%	2.00%	2.00%
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50 Supplies & Misc Item	7,242,143	7,314,564	7,387,710	7,461,587
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This total includes numerous instructional and office related supplies. These are expected to increase slightly in the out years.

1.00%	1.00%	1.00%	1.00%
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51 Software	3,480,818	3,515,627	3,550,783	3,586,291
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This total includes instructional software and business system software. These are expected to increase slightly in the out years. This was formerly part of supplies and miscellaneous.

1.00%	1.00%	1.00%	1.00%
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57 Repairs & Maint	3,284,263	3,333,527	3,383,530	3,434,283
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This group of expenditures includes maintenance contracts, materials and supplies. As the JSCB reconstruction projects are complete, these facilities must be maintained. The projected increases are as follows:

1.50%	1.50%	1.50%	1.50%
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71 Charter Tuition	129,564,750	136,674,168	147,445,731	153,763,643
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Payments to the charter schools are a function of the number of students and the rate set by the State. The budget adopted by the State froze charter tuition at the 2010-11 amount for 2011-12, 2012-13 and 2013-14. For 2014-15 through 2016-17, the state budget established the annual increases identified of between \$100 and \$250 annually. For 2017-18, the State budget established a \$500 increase in tuition, with increases in future years dependent on a future AOE growth of the District. These future increases have been calculated for the first three years of the plan, with an assumed \$250 per pupil increase in the final. Enrollment increases are based on current enrollment and estimated changes for new charter schools and growth of existing charter schools with data current as of 2.15.2018. The District has estimated the expenditure as follows:

Budgeted pupils	9,250	9,606	9,927	10,181
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Buffalo Public Schools 4 Year Financial Plan - Expenditure Assumptions	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
Base tuition from prior year	13,005	13,347	13,568	14,193
Assumed increase in base tuition over prior year	342	221	625	250
Base tuition rate	13,347	13,568	14,193	14,443
Budgeted spec ed rate	660	660	660	660
Budgeted Tuition rate (base plus special education)	14,007	14,228	14,853	15,103
	129,564,750	136,674,168	147,445,731	153,763,643
90 Debt Service	113,623,867	112,980,320	112,721,598	109,177,950
Debt service expenditures are based on established debt schedules; no new debt is anticipated at this time.				
99 Interfund Transfers	3,290,000	3,290,000	3,290,000	3,290,000
The District transfers monies to other funds to support the summer handicapped program, JROTC, special projects, capital projects and Emerson food service operations. Based upon historical trends and anticipated local share contributions, the following transfer amounts are anticipated:				
Growth from prior year:	0%	0%	0%	0%
Total All other Expenditures	405,774,668	414,820,582	428,956,068	434,411,532
Total general fund expenditures	916,400,000	935,922,088	960,403,823	977,013,389
Special projects grants fund				
Categorical grants	13,974,542	13,974,542	13,974,542	13,974,542
Until 2007-08, the State Categorical Grants included Reading, Improved Pupil Performance, Magnet School, Universal Pre-K, and Early Grade Reduced Class Size. Beginning with the 2007-08 state budget, all categories except Universal Pre-K have been rolled into the General Fund as part of Foundation Aid. Starting with the 2017-18 Budget, the Universal Pre-K budget has been combined at the State level with the Priority Pre-K grant, so we are showing those two grants combined.				
Total other grants	102,536,922	102,536,922	102,536,922	102,536,922

Buffalo Public Schools
4 Year Financial Plan - Expenditure Assumptions

Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
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The District annually receives grant funding from the state and federal governments and local grantors. There are several grants that are given on an annual basis such as Title I, II and III and the IDEA 611 and 619. There are also School Improvement Grants that can fluctuate as the number of schools eligible changes. Since this is a self balancing fund, the projection in the out years will be based on the 2018-19 budget.

Total special projects expenditures	116,511,464	116,511,464	116,511,464	116,511,464
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Food service fund

Employee compensation	8,619,707	8,749,003	8,880,238	9,013,441
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Employee compensation includes regular salary, longevity, incentives and step increments. Salaries are projected to increase based on the following.

1.50%	1.50%	1.50%
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Benefits	2,489,599	2,589,183	2,692,750	2,800,460
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Benefit growth is projected at 4.0% annually.

4.00%	4.00%	4.00%
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Building improvements and equipment	2,981,000	250,000	250,000	250,000
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An investment for expansion of the commissary, along with related equipment purchases are anticipated in 2018-19. These are one time costs do not recur in the out years, where only minor equipment purchases are expected thereafter.

2,981,000	250,000	250,000	250,000
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Services & misc supplies	2,459,212	2,459,212	2,459,212	2,459,212
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This category includes delivery and equipment repair costs, the rental cost of the commissary and various miscellaneous contracts and supplies. These costs included an increased rental cost related to the Commissary expansion, but is expected to remain flat over the life of the plan

0.00%	0.00%	0.00%
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Cafeteria supplies (non-food)	2,115,000	2,199,600	2,287,584	2,379,087
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This category is for all non food supplies associated with the operation of the cafeterias. The following annual increases are applied in the out years:

4.00%	4.00%	4.00%
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Buffalo Public Schools
4 Year Financial Plan - Expenditure Assumptions

	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2020/21 Budget
Food supplies	14,805,507	15,249,672	15,707,162	16,178,377
<p>This category is for all food supplies necessary to operate the cafeterias and commissary. The following annual increases are applied in the out years:</p>				
		3.00%	3.00%	3.00%
USDA commodities	1,912,000	1,912,000	1,912,000	1,912,000
<p>The USDA provides food commodities as they become available. While the District does not pay for the donated commodities, a revenue and expenditure are recorded for the value of them. There is no projected growth.</p>				
	0.00%	0.00%	0.00%	0.00%
Interfund transfers	1,000,000	1,000,000	1,000,000	1,000,000
<p>The food service fund annually provides payment to the general fund for its share of indirect costs. The rate is established by New York State and applied to a portion of the food service funds expenditures. While both the rate and expenditure totals will change, the net transfer is projected to remain flat.</p>				
	0.00%	0.00%	0.00%	0.00%
Summer food service	1,588,720	1,620,494	1,652,904	1,685,962
<p>Summer Food Service increases are expected to grow at the following rates:</p>				
	2.00%	2.00%	2.00%	2.00%
Total food service expenditures	37,970,745	36,029,164	36,841,851	37,678,540
Total all funds	1,070,882,209	1,088,462,716	1,113,757,137	1,131,203,393

FTE Projections

Buffalo Public Schools
4 Year Financial Plan - FTEs

	Year 1 2017/18 Budget	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2021/22 Budget
General fund					
01 BTF (Teachers)	3,174	3,136	3,113	3,092	3,076
03 BCSA (Administrators)	207	215	215	215	215
05 Teacher Aides	494	510	510	510	510
14 Teaching Assistant	268	268	268	268	268
04 PCTEA (White Collar)	378	373	373	373	373
06 Trades	33	33	33	33	33
07 Local 264(Blue Coll)	68	65	65	65	65
08 Local 409(Engineers)	58	56	56	56	56
09 Exempt	41	44	44	44	44
13 TAB (Bus Aides)	1	1	1	1	1
Total general fund FTEs	4,721	4,701	4,677	4,657	4,640

Special projects grants fund

01 BTF (Teachers)	456	461	461	461	461
03 BCSA (Administrators)	36	31	31	31	31
05 Teacher Aides	3	3	3	3	3
14 Teaching Assistant	190	146	146	146	146
04 PCTEA (White Collar)	88	93	93	93	93
06 Trades	-	-	-	-	-
07 Local 264(Blue Coll)	-	-	-	-	-
08 Local 409(Engineers)	1	1	1	1	1
09 Exempt	2	0	0	0	0
13 TAB (Bus Aides)	-	-	-	-	-
Total grants fund FTEs	775	735	735	735	735

Buffalo Public Schools
4 Year Financial Plan - FTEs

	Year 1 2017/18 Budget	Year 2 2018/19 Budget	Year 3 2019/20 Budget	Year 4 2020/21 Budget	Year 5 2021/22 Budget
Food service fund					
01 BTF (Teachers)	-	-	-	-	-
03 BCSA (Administrators)	-	-	-	-	-
05 Teacher Aides	3	3	3	3	3
14 Teaching Assistant	1	1	1	1	1
04 PCTEA (White Collar)	14	15	15	15	15
06 Trades	-	-	-	-	-
07 Local 264(Blue Coll)	29	28	28	28	28
08 Local 409(Engineers)	1	1	1	1	1
09 Exempt	-	-	-	-	-
13 TAB (Bus Aides)	-	-	-	-	-
Total food service FTEs	48	48	48	48	48

All funds

01 BTF (Teachers)	3,630	3,597	3,574	3,553	3,537
03 BCSA (Administrators)	243	246	246	246	246
05 Teacher Aides	499	516	516	516	516
14 Teaching Assistant	459	414	414	414	414
04 PCTEA (White Collar)	479	481	481	481	481
06 Trades	33	33	33	33	33
07 Local 264(Blue Coll)	97	93	93	93	93
08 Local 409(Engineers)	60	58	58	58	58
09 Exempt	43	44	44	44	44
13 TAB (Bus Aides)	1	1	1	1	1
Grand total all funds	5,544	5,484	5,461	5,440	5,423

Cash Flow Projections

BUFFALO CITY SCHOOL DISTRICT

CASH FLOW 2016-17 FISCAL YEAR UNAUDITED (in thousands)

	ACTUAL July 2016	ACTUAL August 2016	ACTUAL September 2016	ACTUAL October 2016	ACTUAL November 2016	ACTUAL December 2016	ACTUAL January 2017	ACTUAL February 2017	ACTUAL March 2017	ACTUAL April 2017	ACTUAL May 2017	ACTUAL June 2017	TOTAL
BEGINNING CASH & INVESTMENTS	250,884	179,233	181,672	173,331	145,227	140,843	111,515	192,978	189,669	263,562	248,991	242,061	250,884
CASH RECEIPTS:													
Basic Formula Aid (net of Medicaid Takeback)	-	-	2,925	-	43,446	32,194	153,122	49,617	115,130	17,175	49,617	14,277	477,503
Excess Cost (Includes State Medicaid)	-	15,923	-	-	-	24,433	-	-	43,979	-	-	14,660	98,995
Aid withheld for JSCB Bond Payments	-	-	-	-	-	(17,083)	(18,981)	(18,981)	(39,861)	-	-	-	(94,906)
Aid withheld for MBBA Bond Payment	-	-	-	-	-	-	-	-	(1,082)	-	-	-	(1,082)
JSCB Refinancing cash transfer to Capital Fund	-	-	(1,619)	-	-	(1,620)	-	-	(1,620)	-	-	(1,620)	(6,479)
Lottery Aid (June is net of 713K debt payment) & VLT Lott	-	-	40,290	4,584	4,584	4,584	4,584	4,584	6,387	-	-	20,326	89,923
Property Taxes (Less Capital Debt of \$11 M)	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	59,520
Erie County Sales Tax	2,932	3,418	3,402	4,301	3,315	4,709	2,900	3,535	2,920	4,015	3,199	4,784	43,430
Food Service	2,001	882	582	2,617	3,050	2,728	2,434	2,857	2,234	3,101	1,817	2,851	27,154
Title I	-	2,805	-	-	5,173	-	3,110	4,113	1,177	-	2,077	3,121	21,576
Medicaid (Federal)	191	1,368	1,136	285	522	535	1,556	761	479	1,247	549	-	8,629
Other State & Federal	1,604	10,311	4,769	8,699	3,479	7,430	9,255	7,299	14,803	9,238	8,692	10,125	95,704
Other	1,679	442	710	1,016	398	12,618	1,045	231	717	275	763	1,287	21,181
TOTAL CASH RECEIPTS	13,367	40,109	57,155	26,462	68,927	75,488	163,985	58,976	150,223	40,011	71,674	74,771	841,148
CASH DISBURSEMENTS:													
Salary & FICA	25,750	9,259	24,233	30,822	32,405	70,976	36,843	34,076	32,706	33,927	33,145	51,017	415,159
Termination Pay	82	1,912	302	171	17	27	100	62	51	305	214	1,139	4,382
Carry Over Accounts Payable	23,269	11,009	1,370	55	261	69	29	420	30	-	-	-	36,512
Services & Supplies	5,551	3,378	4,557	8,564	7,030	17,339	8,418	6,070	8,425	6,571	11,856	9,124	96,883
Health Insurance	12,052	12,066	11,995	12,062	12,166	12,156	12,154	12,148	12,188	11,021	11,455	11,475	142,938
Transportation	-	46	1,445	676	1,343	782	4,953	4,869	809	971	1,239	1,295	18,428
Tuition Payments	-	-	3,017	2,216	2,836	3,467	2,408	4,640	4,885	1,787	3,197	6,878	35,331
Charter School Payments	18,314	-	18,577	-	17,253	-	17,617	-	17,236	-	17,498	-	106,495
TOTAL CASH DISBURSEMENTS	85,018	37,670	65,496	54,566	73,311	104,816	82,522	62,285	76,330	54,582	78,604	80,928	856,128
MONTHLY CASH & INVESTMENTS	(71,651)	2,439	(8,341)	(28,104)	(4,384)	(29,328)	81,463	(3,309)	73,893	(14,571)	(6,930)	(6,157)	(14,980)
ENDING CASH & INVESTMENTS	179,233	181,672	173,331	145,227	140,843	111,515	192,978	189,669	263,562	248,991	242,061	235,904	235,904

BUFFALO CITY SCHOOL DISTRICT

PROJECTED CASH FLOW

2017-18 FISCAL YEAR

UNAUDITED

(in thousands)

	ACTUAL July 2017	ACTUAL August 2017	ACTUAL September 2017	ACTUAL October 2017	ACTUAL November 2017	ACTUAL December 2017	ACTUAL January 2018	ACTUAL February 2018	ACTUAL March 2018	Projected April 2018	Projected May 2018	Projected June 2018	TOTAL
BEGINNING CASH & INVESTMENTS	235,904	176,199	161,722	158,269	119,441	105,201	91,587	170,324	180,087	237,759	210,614	200,176	235,904
CASH RECEIPTS:													
Basic Formula Aid (net of Medicaid Takeback)	112	-	28	10,891	34,829	33,589	137,851	55,669	132,311	21,430	55,668	12,227	494,605
Excess Cost (Includes State Medicaid)	-	14,029	895	-	-	24,757	-	-	44,568	-	-	14,855	99,104
Aid withheld for JSCB Bond Payments	-	-	-	-	-	(17,069)	(18,966)	(18,966)	(39,828)	-	-	-	(94,829)
Aid withheld for MBBA Bond Payment	-	-	-	-	-	-	-	-	(1,084)	-	-	-	(1,084)
JSCB Refinancing cash transfer to Capital Fund	-	-	(1,622)	-	(1,622)	-	(1,622)	-	-	-	-	(1,622)	(6,488)
Lottery Aid (June is net of 713K debt payment) & VLT Lott Grant	-	-	42,948	4,569	4,569	4,569	4,569	4,569	6,356	-	-	19,606	91,755
Property Taxes (Less Capital Debt of \$11 M)	5,030	5,030	5,030	5,030	5,030	5,030	5,030	5,030	5,030	5,030	5,030	5,030	60,360
Erie County Sales Tax	2,888	3,485	3,478	4,561	3,461	5,111	3,144	3,757	3,257	4,000	3,000	4,000	44,142
Food Service	1,948	-	1,324	-	-	9,141	2,654	3,053	2,378	2,500	2,500	4,402	29,900
Title I	1,962	-	-	2,834	-	5,771	-	1,054	7,126	2,053	3,000	3,000	26,800
Medicaid (Federal)	690	813	521	254	378	774	596	618	651	-	-	-	5,295
Other State & Federal	5,003	2,175	10,918	5,597	14,515	8,806	505	7,327	13,402	7,500	7,000	5,936	88,684
Other	2,758	874	681	342	796	1,036	9,407	340	803	500	300	800	18,637
TOTAL CASH RECEIPTS	20,391	26,406	64,201	34,078	61,956	81,515	143,168	62,451	174,970	43,013	76,498	68,234	856,881
CASH DISBURSEMENTS:													
Salary & FICA	10,236	9,751	26,888	34,502	36,157	53,098	34,949	36,108	35,443	35,686	35,686	53,529	402,033
Termination Pay	38	878	7	207	64	59	90	57	132	250	250	1,557	3,589
Carry Over Accounts Payable	34,412	12,506	563	1,228	35	403	107	-	-	222	-	-	49,476
Services & Supplies	4,603	3,070	5,669	13,774	6,236	15,809	7,734	8,021	13,264	14,000	11,000	14,000	117,180
Health Insurance	12,371	12,267	12,281	12,395	12,272	12,330	-	-	37,195	12,200	12,200	12,200	147,711
Transportation	-	1	819	5,994	818	5,122	4,494	843	8,198	5,500	5,500	7,546	44,835
Tuition Payments	-	-	3,038	3,366	1,179	8,260	1,458	3,704	3,853	2,300	2,300	3,700	33,158
Charter School Payments	18,436	2,410	18,389	1,440	19,435	48	15,599	3,955	19,213	-	20,000	-	118,925
TOTAL CASH DISBURSEMENTS	80,096	40,883	67,654	72,906	76,196	95,129	64,431	52,688	117,298	70,158	86,936	92,532	916,907
MONTHLY CASH & INVESTMENTS	(59,705)	(14,477)	(3,453)	(38,828)	(14,240)	(13,614)	78,737	9,763	57,672	(27,145)	(10,438)	(24,298)	(60,026)
ENDING CASH & INVESTMENTS	176,199	161,722	158,269	119,441	105,201	91,587	170,324	180,087	237,759	210,614	200,176	175,878	175,878

BUFFALO CITY SCHOOL DISTRICT

PROJECTED CASH FLOW - APRIL 2018⁽¹⁾

2018-19 FISCAL YEAR

UNAUDITED

(in thousands)

	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	TOTAL
BEGINNING CASH & INVESTMENTS	175,878	121,044	114,076	106,404	84,611	50,827	54,394	112,557	115,660	114,151	122,445	98,296	175,878
CASH RECEIPTS:													
Basic Formula Aid <small>(net of Medicaid Takeback)</small>	-	-	4,536	17,123	36,274	36,274	141,109	58,835	58,835	58,835	58,835	58,835	529,491
Excess Cost <small>(includes State Medicaid)</small>	-	15,250	-	-	-	25,250	-	-	45,250	-	-	16,017	101,767
Aid withheld for JSCB Bond Payments	-	-	-	-	-	(17,069)	(18,966)	(18,966)	(39,828)	-	-	-	(94,829)
Aid withheld for MBBA Bond Payment									(1,084)				(1,084)
JSCB Refinancing cash transfer to Capital Fund			(1,622)			(1,622)			(1,622)			(1,622)	(6,488)
Lottery Aid <small>(June is net of 713K debt payment) & VLT Lott Grant</small>	-	-	50,424	5,000	5,000	5,000	5,000	5,000	6,500	-	-	22,333	104,257
Property Taxes <small>(Less Capital Debt of \$11 M)</small>	5,030	5,030	5,030	5,030	5,030	5,030	5,030	5,030	5,030	5,030	5,030	5,030	60,360
Erie County Sales Tax	3,000	3,500	3,500	4,500	3,500	5,000	3,500	3,500	3,500	4,000	3,500	3,500	44,500
Food Service	2,300	-	1,500	-	-	10,000	2,750	3,000	2,750	3,000	3,000	2,700	31,000
Title I	-	2,800	-	3,700	-	4,000	-	3,500	-	4,000	5,800	3,000	26,800
Medicaid (Federal)	100	150	150	50	125	150	150	250	400	375	300	400	2,600
Other State & Federal	5,000	2,000	10,000	5,000	14,000	8,000	700	7,500	12,000	5,000	5,000	5,000	79,200
Other	1,100	250	750	750	250	1,000	8,000	250	800	500	350	823	14,823
TOTAL CASH RECEIPTS	16,530	28,980	74,268	41,153	64,179	81,013	147,273	67,899	92,531	80,740	81,815	116,016	892,397
CASH DISBURSEMENTS:													
Salary & FICA	23,770	10,498	34,846	34,846	52,269	34,846	36,516	35,196	34,846	34,846	52,269	34,846	419,594
Termination Pay	-	2,450	1,000	100	100	100	100	100	100	100	100	100	4,350
Carry Over Accounts Payable	14,000	11,000	500	500	-	-	-	-	-	-	-	-	26,000
Services & Supplies			7,000	10,000	7,000	17,500	12,000	12,000	12,000	12,000	12,000	11,092	112,592
Health Insurance	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	144,000
Transportation	-	-	1,500	2,000	2,000	9,000	5,000	2,000	10,000	10,000	5,000	4,954	51,454
Tuition Payments	-	-	3,500	3,500	3,000	4,000	1,900	3,500	3,500	3,500	3,000	3,984	33,384
Charter School Payments	21,594	-	21,594	-	21,594	-	21,594	-	21,594	-	21,595	-	129,565
TOTAL CASH DISBURSEMENTS	71,364	35,948	81,940	62,946	97,963	77,446	89,110	64,796	94,040	72,446	105,964	66,976	920,939
MONTHLY CASH & INVESTMENTS	(54,834)	(6,968)	(7,672)	(21,793)	(33,784)	3,567	58,163	3,103	(1,509)	8,294	(24,149)	49,040	(28,542)
ENDING CASH & INVESTMENTS	121,044	114,076	106,404	84,611	50,827	54,394	112,557	115,660	114,151	122,445	98,296	147,336	147,336

⁽¹⁾ This cash flow is only intended for inclusion in the Four Year Plan - The Official 2018-19 Projected Cash Flow will be prepared once the 2018-19 budget is finalized and the final 2017-18 cash flow is known in July.