



**BUFFALO BOARD OF EDUCATION**  
**INTEROFFICE MEMORANDUM**  
**FINANCE DEPARTMENT – ROOM 708 CITY HALL**

**DATE:** December 12, 2018

**TO:** Board of Education

**CC:** Dr. Kriner Cash, Superintendent  
Cabinet

**FROM:** Geoffrey Pritchard, Chief Financial Officer

**SUBJECT:** **Four Year Plan Update for the Buffalo Fiscal Stability Authority**

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The Buffalo Fiscal Stability Authority (BFSA) has requested a status update on the District's progress towards its Four Year Financial Plan (the Plan), and more specifically, the individual cost saving, cost avoidance, and revenue generating initiatives included in the Plan.

Attached to this memo are three documents that outline our current progress toward the Plan goals, the first two of which were previously presented to the Board, but included here to provide the BFSA a fuller picture of District progress. The third document is a compilation of previous updates to the Board and/or any current status updates on the cost savings, cost avoidance, and revenue generating initiatives in plan. Note that not all items will have an update at this time.

**1. General Fund Four Year Financial Plan Update through September 30, 2018**

This document was included in the District's First Quarterly Report for the 2018-19 fiscal year issued on October 29, 2018. It shows that the District concluded the first year of the Plan, 2017-18, with a \$12.1 million surplus, which compares very favorably to the \$22.0 million projected deficit in the Plan. As presented to the Board on October 10, 2018, this favorable outcome was the result of some unanticipated revenues, several Plan initiatives that have yielded additional revenues or cost savings, along with conservative spending practices. This document will be updated again in conjunction with the Second Quarterly Report for the 2018-19 fiscal year.

**2. General Fund Four Year Financial Plan Fund Balance projections through September 30, 2018**

This document was included in the District's First Quarterly Report for the 2018-19 fiscal year issued on October 29, 2018. It shows that the District concluded the first year of the Plan at June 30, 2018, with total fund balance of \$194.7 million, which compares favorably to the \$142.4 million fund balance projected at June 30, 2018 when the plan

was adopted on June 20, 2017. This positive variance is the result of strong financial performance in both 2017-18 and 2016-17. This document will be updated again in conjunction with the Second Quarterly Report for the 2018-19 fiscal year.

### **3. General Fund Four Year Financial Plan Action Items updated through December 11, 2018**

Most of these items have already been discussed with or presented to the Board; however, this document seeks to provide a written status update as of December 2018 for the BFSAs. This document has been extracted unchanged from the Plan approved on April 25, 2018, with the addition of a column added on the right, showing updates over the last several months. The update column is color coded to indicate where District management believes we are in terms of progress as we approach the 2019-20 budget:

- Green – results at or above projections;
- Yellow – in progress;
- Salmon – have not made significant progress on cost savings yet;
- Grey – these are not planned initiatives, but could become budgetary reductions if necessary.

All other information on this document has remained the same from the Plan approved on April 25, 2018. Future budget projections, along with projected amounts for potential cost savings, cost avoidance, and revenue generation will be provided in conjunction with the 2019-20 budget.

We look forward to providing additional updates in the future as we begin the 2019-20 budget process. As always, if there are any questions, please feel free to contact me.

# **ATTACHMENT 1**

# General Fund Four Year Financial Plan Update through September 30, 2018

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

**THIS CONTAINS THE ACTUAL FOR 2017/18 AND THE REVISED PROJECTIONS FOR 2018/19 THRU 9/30/2018; NO CHANGE IN REVENUES OR EXPENDITURES FOR YEARS 2019/20 THRU 2021/22**

	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				Thru Q1	Plan Projections			New Year	Totals	Totals	Year 2	Year 2	Growth
<b>Significant Revenue Categories:</b>														
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	126.2	119.5	119.5	119.5	119.5	484.6	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%
<b>Total State Aid</b>	<b>637.5</b>	<b>661.3</b>	<b>680.9</b>	<b>712.6</b>	<b>746.5</b>	<b>764.7</b>	<b>782.8</b>	<b>801.0</b>	<b>818.5</b>	<b>3,095.0</b>	<b>3,167.0</b>	<b>53.9</b>	<b>7.2%</b>	<b>2.4%</b>
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	46.3	45.7	45.2	45.8	46.5	183.0	183.2	0.8	1.8%	0.6%
Other (Medicaid & misc.)	16.1	15.8	19.1	21.3	15.2	17.3	17.6	17.8	18.0	67.9	70.6	0.7	4.3%	1.4%
<b>Total Revenues</b>	<b>764.0</b>	<b>787.6</b>	<b>812.7</b>	<b>847.6</b>	<b>878.8</b>	<b>898.5</b>	<b>916.4</b>	<b>935.5</b>	<b>953.8</b>	<b>3,629.2</b>	<b>3,704.2</b>	<b>55.4</b>	<b>6.3%</b>	<b>2.1%</b>
<b>Significant Expenditure Categories:</b>														
Compensation	245.0	246.9	252.4	297.1	290.0	313.6	315.4	318.5	321.9	1,237.5	1,269.3	8.3	2.8%	0.9%
Pension Contributions	35.5	41.1	33.0	33.1	30.8	33.2	34.0	34.1	34.3	132.1	135.6	1.0	3.4%	1.1%
Health Insurance - Employees	43.5	50.8	53.5	54.9	54.6	54.6	57.7	60.1	62.7	227.0	235.1	8.1	14.9%	5.0%
Health Insurance - Retirees	62.5	61.6	61.4	64.0	65.2	69.1	72.5	76.9	81.6	283.7	300.1	12.6	19.3%	6.4%
Other Employee Benefits	29.8	29.8	32.8	35.4	35.9	41.3	41.5	41.8	42.1	160.6	166.8	0.8	2.3%	0.8%
Transportation	40.2	40.2	45.2	46.4	47.9	51.5	52.7	54.0	55.4	206.1	213.6	3.9	8.1%	2.7%
Tuition (Agency, Out-of-District, Middle Early College, Davinci)	31.6	31.7	31.1	32.7	34.5	33.4	33.7	34.1	34.4	135.7	135.6	1.0	2.9%	1.0%
Charter School Tuition Payments	94.1	98.4	104.0	106.4	118.3	128.1	136.7	147.4	153.8	530.5	566.0	25.7	21.7%	7.2%
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	75.8	77.6	78.7	80.7	81.7	312.9	318.8	4.1	5.4%	1.8%
<b>Total Expenditures</b>	<b>778.7</b>	<b>790.2</b>	<b>800.5</b>	<b>868.3</b>	<b>866.7</b>	<b>916.0</b>	<b>935.9</b>	<b>960.4</b>	<b>977.0</b>	<b>3,679.0</b>	<b>3,789.3</b>	<b>61.0</b>	<b>7.0%</b>	<b>2.3%</b>
<b>Baseline Deficit/(Surplus) of Recurring Revenues and Expenditure</b>	<b>(14.6)</b>	<b>(2.7)</b>	<b>12.2</b>	<b>(20.7)</b>	<b>12.1</b>	<b>(17.5)</b>	<b>(19.5)</b>	<b>(24.9)</b>	<b>(23.2)</b>	<b>(49.8)</b>	<b>(85.1)</b>			
<b>Recommended Use of Reserves</b>						19.0	10.0	(0.0)	-	29.0	29.0			
<b>Revised Surplus (Deficit) (to be closed by means other than reserves)</b>					12.1	1.5	(9.5)	(24.9)	(23.2)	(20.8)	(56.1)			
<b>Projected Reserves Remaining at Year End - Unassigned</b>				70.0	77.8	73.3	76.3	76.3	76.3					
<b>Projected Reserves Remaining at Year End - All</b>				182.6	194.7	175.7	165.7	165.7	165.7					

## General Fund Four Year Financial Plan Update through September 30, 2018 – Continued

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	PY3	PY2	PY1	CY	Year 1	Year 2	Year 3	Year 4	\$ Growth	% Growth	Approx	
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				4 Year
	GAAP Actual				Proj.	Plan Projections				Totals	Year 1	Year 1	Growth
<b>Significant Revenue Categories:</b>													
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%
<b>Total State Aid</b>	<b>625.7</b>	<b>637.5</b>	<b>661.3</b>	<b>680.9</b>	<b>712.3</b>	<b>742.1</b>	<b>764.5</b>	<b>783.4</b>	<b>803.2</b>	<b>3,093.2</b>	<b>61.1</b>	<b>8.2%</b>	<b>2.7%</b>
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%
<b>Total Revenues</b>	<b>752.5</b>	<b>764.0</b>	<b>787.6</b>	<b>812.7</b>	<b>841.8</b>	<b>872.2</b>	<b>895.4</b>	<b>915.1</b>	<b>935.7</b>	<b>3,618.4</b>	<b>63.5</b>	<b>7.3%</b>	<b>2.4%</b>
<b>Significant Expenditure Categories:</b>													
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%
<b>Total Expenditures</b>	<b>765.5</b>	<b>778.7</b>	<b>790.2</b>	<b>800.5</b>	<b>884.8</b>	<b>894.2</b>	<b>922.6</b>	<b>941.8</b>	<b>959.9</b>	<b>3,718.5</b>	<b>65.7</b>	<b>7.4%</b>	<b>2.5%</b>
<b>Baseline Deficit of Recurring Revenues and Expenditure</b>	<b>(12.9)</b>	<b>(14.6)</b>	<b>(2.7)</b>	<b>12.2</b>	<b>(43.0)</b>	<b>(22.0)</b>	<b>(27.2)</b>	<b>(26.7)</b>	<b>(24.2)</b>	<b>(100.1)</b>			
<b>Recommended Use of Reserves</b>						22.0	16.0	8.0	-	46.0			
<b>Revised Deficit (to be closed by means other than reserves)</b>						0.0	(11.2)	(18.7)	(24.2)	(54.1)			
<b>Projected Reserves Remaining at Year End - Unassigned</b>					68.5	61.7	47.2	40.2	40.2				
<b>Projected Reserves Remaining at Year End - All</b>					164.4	142.4	126.4	118.4	118.4				

# General Fund Four Year Financial Plan Update through September 30, 2018 – Continued

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 9.30.18**

	PY5	PY4	PY3	PY2	PY1	Year 1	Year 2	Year 3	Year 4	Orig Term
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	4 Year
	GAAP Actual						Plan Projections			Totals
<b>Significant Revenue Categories:</b>										
State Foundation Aid	-	-	-	-	-	0.2	(0.3)	(0.4)	(0.4)	(0.9)
State Building Aid	-	-	-	-	0.1	10.4	3.6	3.6	3.6	21.3
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	4.4	0.2	(0.6)	(2.1)	1.9
City Property Tax	-	-	-	-	0.0	-	-	-	-	-
County Sales Tax	-	-	-	-	1.1	3.9	2.7	1.5	1.5	9.6
Other (Medicaid & misc.)	-	-	-	-	4.3	(1.7)	0.2	0.4	0.4	(0.7)
<b>Total Revenues</b>	-	-	-	-	5.8	6.6	3.1	1.3	(0.2)	10.7
<b>Significant Expenditure Categories:</b>										
Compensation	-	-	-	-	(6.0)	(10.0)	3.8	3.4	3.0	0.2
Pension Contributions	-	-	-	-	(0.3)	0.4	1.7	2.9	3.4	8.4
Health Insurance - Employees	-	-	-	-	0.1	1.1	(0.2)	0.6	0.4	1.9
Health Insurance - Retirees	-	-	-	-	(2.7)	(2.9)	(2.9)	(3.7)	(3.9)	(13.3)
Other Employee Benefits	-	-	-	-	(3.2)	(4.1)	0.4	0.4	0.4	(3.0)
Transportation	-	-	-	-	(1.6)	(0.6)	2.0	2.3	2.6	6.3
Tuition (Agency, Out-of-District, Middle Early College, Davinci)	-	-	-	-	(0.8)	1.1	(0.2)	(0.1)	(0.2)	0.6
Charter School Tuition Payments	-	-	-	-	(1.2)	(5.5)	(4.0)	(4.5)	0.7	(13.3)
Debt Service	-	-	-	-	0.0	(0.0)	(0.0)	-	-	(0.0)
All Other (Contracts, Facilities, Utilities, Textbooks, Supplies, Misc.)	-	-	-	-	(0.8)	(7.0)	(7.2)	(7.0)	(6.0)	(27.2)
<b>Total Expenditures</b>	-	-	-	-	(16.5)	(27.5)	(6.6)	(5.9)	0.5	(39.5)
<b>Baseline Deficit of Recurring Revenues and Expenditure</b>	-	-	-	-	22.4	34.1	9.7	7.1	(0.7)	50.3
<b>Recommended Use of Reserves</b>	-	-	-	-	-	(22.0)	3.0	2.0	(0.0)	(17.0)
<b>Revised Deficit (to be closed by means other than reserves)</b>	-	-	-	-	-	12.1	12.7	9.1	(0.7)	33.3
<b>Projected Reserves Remaining at Year End - Unassigned</b>	-	-	-	-	1.5	16.1	26.1	36.1	36.1	
<b>Projected Reserves Remaining at Year End - All</b>	-	-	-	-	18.2	52.3	49.3	47.3	47.3	

## **ATTACHMENT 2**

# General Fund Four Year Financial Plan Fund Balance Projections through September 30, 2018

Buffalo Public Schools

**THIS IS THE REVISED FUND BALANCE PROJECTION AS OF SEPTEMBER 30, 2018**

General Fund - Fund Balance Projections (in millions)

		Audited Balance 6-30-16	Actual change 16/17	Audited Balance 6-30-17	Actual change 17/18	Audited Balance 6-30-18	Projected change 18/19	Balance 6-30-19	Projected change 19/20	Balance 6-30-20	Projected change 20/21	Balance 6-30-21	Projected change 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
	<b>Total Restricted</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>
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	(0.2)	3.2	-	3.2	-	3.2	-	3.2	-	3.2
	Designated for other capital needs/repairs	7.8	(0.2)	7.6	4.5	12.1	(1.5)	10.6	(1.0)	9.6	-	9.6	-	9.6
	Designated for OPEB and other benefits	42.7	2.4	45.1	3.0	48.1		48.1		48.1		48.1		48.1
	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
	<b>Total Assigned</b>	<b>122.3</b>	<b>(35.2)</b>	<b>87.1</b>	<b>4.3</b>	<b>91.4</b>	<b>(14.5)</b>	<b>76.9</b>	<b>(13.0)</b>	<b>63.9</b>	<b>-</b>	<b>63.9</b>	<b>-</b>	<b>63.9</b>
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	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount in excess of Board policy	21.4	12.8	34.2	6.9	41.1	(5.2)	35.9	2.0	37.9	(0.7)	37.2	-	37.2
	<b>Total Unassigned</b>	<b>55.5</b>	<b>14.5</b>	<b>70.0</b>	<b>7.8</b>	<b>77.8</b>	<b>(4.5)</b>	<b>73.3</b>	<b>3.0</b>	<b>76.3</b>	<b>0.0</b>	<b>76.3</b>	<b>-</b>	<b>76.3</b>
	<b>Total Fund Balance</b>	<b>203.2</b>	<b>(20.6)</b>	<b>182.6</b>	<b>12.1</b>	<b>194.7</b>	<b>(19.0)</b>	<b>175.7</b>	<b>(10.0)</b>	<b>165.7</b>	<b>0.0</b>	<b>165.7</b>	<b>-</b>	<b>165.7</b>

Note - 6-30-16 and 6-30-17 are Audited and 6-30-18 is in audit process presently

- 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



# General Fund Four Year Financial Plan Fund Balance Projections through September 30, 2018 - Continued

Buffalo Public Schools

**THIS IS THE ORIGINAL FUND BALANCE PROJECTION APPROVED ON 6.20.2017**

General Fund - Fund Balance Projections (in millions)

		Balance 6-30-16	Projected change 16/17	Balance 6-30-17	Projected change 17/18	Balance 6-30-18	Projected change 18/19	Balance 6-30-19	Projected change 19/20	Balance 6-30-20	Projected change 20/21	Balance 6-30-21	Projected change 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
	<b>Total Restricted</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>	<b>-</b>	<b>24.7</b>
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
	<b>Total Assigned</b>	<b>122.3</b>	<b>(51.8)</b>	<b>70.5</b>	<b>(15.2)</b>	<b>55.3</b>	<b>(1.5)</b>	<b>53.8</b>	<b>(1.0)</b>	<b>52.8</b>	<b>-</b>	<b>52.8</b>	<b>-</b>	<b>52.8</b>
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
	<b>Total Unassigned</b>	<b>55.5</b>	<b>13.0</b>	<b>68.5</b>	<b>(6.8)</b>	<b>61.7</b>	<b>(14.5)</b>	<b>47.2</b>	<b>(7.0)</b>	<b>40.2</b>	<b>-</b>	<b>40.2</b>	<b>-</b>	<b>40.2</b>
<b>Total Fund Balance</b>		<b>203.2</b>	<b>(38.8)</b>	<b>164.4</b>	<b>(22.0)</b>	<b>142.4</b>	<b>(16.0)</b>	<b>126.4</b>	<b>(8.0)</b>	<b>118.4</b>	<b>-</b>	<b>118.4</b>	<b>-</b>	<b>118.4</b>

Buffalo Public Schools

**THIS IS THE VARIANCE BETWEEN THE ORIGINAL (6.20.17) AND REVISED (9.30.18) FUND BALANCE PROJECTION**

General Fund - Fund Balance Projections (in millions)

		Balance 6-30-16	change 16/17	Balance 6-30-17	change 17/18	Balance 6-30-18	change 18/19	Balance 6-30-19	change 19/20	Balance 6-30-20	change 20/21	Balance 6-30-21	change 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	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Restricted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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	(0.2)	0.2	-	0.2	-	0.2	-	0.2	-	0.2
	Designated for other capital needs/repairs	-	-	-	5.5	5.5	-	5.5	-	5.5	-	5.5	-	5.5
	Designated for OPEB and other benefits	-	2.4	2.4	3.0	5.4	-	5.4	-	5.4	-	5.4	-	5.4
	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)
	<b>Total Assigned</b>	<b>-</b>	<b>16.6</b>	<b>16.6</b>	<b>19.5</b>	<b>36.1</b>	<b>(13.0)</b>	<b>23.1</b>	<b>(12.0)</b>	<b>11.1</b>	<b>-</b>	<b>11.1</b>	<b>-</b>	<b>11.1</b>
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)	7.9	(3.6)	3.6	-	-	-	-	-	-	-
	Amount in excess of Board policy	-	13.0	13.0	6.9	19.9	6.5	26.4	9.7	36.1	(0.7)	35.4	-	35.4
	<b>Total Unassigned</b>	<b>-</b>	<b>1.5</b>	<b>1.5</b>	<b>14.6</b>	<b>16.1</b>	<b>10.0</b>	<b>26.1</b>	<b>10.0</b>	<b>36.1</b>	<b>0.0</b>	<b>36.1</b>	<b>-</b>	<b>36.1</b>
<b>Total Fund Balance</b>		<b>-</b>	<b>18.2</b>	<b>18.2</b>	<b>34.1</b>	<b>52.3</b>	<b>(3.0)</b>	<b>49.3</b>	<b>(2.0)</b>	<b>47.3</b>	<b>0.0</b>	<b>47.3</b>	<b>-</b>	<b>47.3</b>

# **ATTACHMENT 3**

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.

These columns are a repeat of information in the current four year financial plan approved by the Board on April 25, 2018							Update 12.11.2018	
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)	Notes (Updated - 12.11.18)
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.	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	-	-			
<b>4 year financial plan action items:</b>								
Revenue - lobbying	Kriner Cash / Will Keresztes		-	-	-	<p>&gt;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>&gt;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 continued to be pressed. No amount has been included in the plan to be conservative.</p>	<p>1) In the final 2018-19 State Budget, the District received \$1.2 million in bullet aid related to health services.</p> <p>2) On October 18, 2018, the District received \$1.0 million in additional bullet aid.</p> <p>3) The District continues to press for the passage of the charter school supplemental tuition reimbursement legislation (A.7966C/S.6551C), which passed both houses of the NYS Legislature during 2018. Notably this legislation is being supported by State Senator Tim Kennedy, who drafted a letter to the Governor on November 28, 2018 and will be a member of the Democratic party controlled State Senate Majority in 2019. No funding is expected to be included in the District's budget until such time as the Governor approves the legislation.</p> <p>4) On December 3, 2018, the District CFO and CFOs from other Big 5 School District's met with the budget staff for the Governor, Democratic Assembly Majority and incoming Democratic Senate Majority to lobby similar legislative requests as in prior years; District management is drafting its legislative priorities for presentation in February 2019, and will align with the priorities of the NYS Education Commissioner.</p>



These columns are a repeat of information in the current four year financial plan approved by the Board on April 25, 2018

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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)	Notes (Updated - 12.11.18)
Retiree healthcare	Geoffrey Pritchard/ Jamie Warren/ BPS negotiation teams		300,000	300,000	300,000	<p>&gt; Proposed elimination of retiree cosmetic surgery rider - \$2.2 million annually, growing 4.5%.</p> <p>&gt; 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>	<p>1) Health insurance costs in the general fund were \$1.8 million under budget for 2017-18.</p> <p>2) As a result of the IRS taxation of the usage of the elective non-medically necessary cosmetic surgery rider, through three quarters of calendar year 2018, total elective cosmetic surgery expenditures for retirees is less than \$0.2 million. This is approximately \$1.8 million less than the projected costs based on recent history. This cost savings is projected to continue going forward.</p> <p>3) Medicare advantage plan enrollments as of December 2018 are projected to be 1,271 (1,185 in October 2018 + 86 additional subscribers through December 4, 2018), exceeding the 1,158 in the plan by 113.</p> <p>4) The Most recent actuarial valuation of OPEB liability included a \$473 million reduction in the long term liability between June 2016 and June 2018, related to plan design/experience.</p>
Employee healthcare	Geoffrey Pritchard/ Jamie Warren/ BPS negotiation teams		500,000	500,000	500,000	<p>&gt;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>&gt;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>&gt;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>1) Health insurance costs in the general fund were \$1.8 million under budget for 2017-18.</p> <p>2) \$500,000 is expected yield from a dependent verification in 2018-19, the results of which will carry through the entire plan.</p> <p>3) Significant savings from initiatives implemented in 2017-18 are expected to accrued to the 2018-19 years and thereafter, with estimates forthcoming as part of the 2019-20 budget process.</p>



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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)	Notes (Updated - 12.11.18)
16 Substitute teachers costs	Jamie Warren		100,000	100,000	100,000	>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.	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. 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. 3) Reasonable sub costs have been budgeted based on this information; with only small incremental reductions anticipated in the future.	1) substitute teacher costs were down \$0.4 million in 2017-18, when compared to 2016-17. The cost reduction was due to controls implemented by the HR department. This net cost reduction would have been significantly larger; however, the District settled a contract with substitute teachers that contained a cost increase of approximately \$0.9 million.
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.	1) The District did receive Bullet aid of \$1.2 million in the 2018-19 State budget as a result of persistent lobbying. 2) An RFP was issued for these services and the analysis is still in process as of April 2018. 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.	1) The District did receive Bullet aid of \$1.2 million in the 2018-19 State budget as a result of persistent lobbying. 2) On May 16, 2018, the Board approved two new vendors to take over the contract for school nursing services, with a cost of approximately \$6.0 million annually, approximately \$0.6 million less than the amount paid in 2017-18 to the previous vendor. 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.
18 Occupational and physical therapy	Anne Botticelli		-	-	-	>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.	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. 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.	1) This initiative yielded \$1.1 million on a budgetary basis in 2017-18 (\$6.1 million budgeted, while actual cost was \$5.1 million). These savings were budgeted to carry over into 2018-19 and beyond.
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.	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.	1) District management is presently (as of December 2018) revising its procurement policies, regulations, and procedures to formally incorporate this into policy and will be implementing other procedure changes to bring the procurement process to a best-in-class status, which will yield savings for the District.

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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)	Notes (Updated - 12.11.18)
1 20 Textbooks	Geoffrey Pritchard / Mike Yeates		-	-	-	>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.	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.	1) no further update beyond April 18, 2018 at this time.
21 Facility closure - school 86	Chief Operations Officer		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.	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.	1) On April 18, 2018, the Board approved a contract with Cannon Design to assist in developing a 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. 2) School 86 is currently in use by the Adult Education Department as of December 2018.
22 Facility closure - school 187	Chief Operations Officer		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.	1) On April 18, 2018, the Board approved a contract with Cannon Design to assist in developing a 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. 2) The District is in the process of vacating school 187 as of December 2018.
23 Overtime	Chief Operations Officer (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.	1) The final civil service overtime total for 2017-18 was \$1.6 million, which was approximately \$0.1 million less than 2016-17. 2) Through September 2018 (first quarter of the year), overtime is approximately \$10,000 below the amount recorded through September 2017.





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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)	Notes (Updated - 12.11.18)				
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.	1) The District is still analyzing the options for this position as of December 2018				
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.	1) the District completed and received approval for its first NYS School Budget Transparency report for the 2018-19 budget on November 14, 2018. 2) no further update beyond April 18, 2018 at this time.				
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.	1) The final 2018-29 budget included an approximate \$1.0 million reduction related to consolidation of CSE chairs centrally. 2) The adopted 2018-19 budget include some programmatic changes in the summer handicapped program that are expected to 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.	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													
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.	1) the general contingency is expected to be retained in the 2019-20 general fund budget.				

These columns are a repeat of information in the current four year financial plan approved by the Board on April 25, 2018

Update 12.11.2018

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)	Notes (Updated - 12.11.18)
1 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.	1) the union contract contingency is expected to be retained in the 2019-20 general fund budget.
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.	1) no further update beyond April 18, 2018 at this time.
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	1) no further update beyond April 18, 2018 at this time.
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.	1) no further update beyond April 18, 2018 at this time. This will be assessed during the 2019-20 budget process.
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) no further update beyond April 18, 2018 at this time. This will be assessed during the 2019-20 budget process.

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Update 12.11.2018

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)	Notes (Updated - 12.11.18)
subtotal: other cost reductions that may become necessary						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.	This third group of action items includes potential reductions in force that could be necessary in the future. They are not planned actions.
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.	<ol style="list-style-type: none"> <li>1) The District has identified and engaged with approximately 50 national foundations of all sizes to seek support for funding New Education Bargain initiatives.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>5) At present, no revenues are included in this plan to be conservative.</li> </ol>	<ol style="list-style-type: none"> <li>1) See previous notes and below on continuing work:</li> <li>2) During 2018-19, the Community Foundation of Greater Buffalo will administer a \$360,000 planning grant from the Ralph C Wilson Foundation to determine needed improvements at 11 City park and District athletic sites.</li> <li>3) During 2018-19, the District received a three year grant aware of \$1,000,000 from the Kellogg Foundation that will support children's success in school through our innovative enrichment curriculum for all students in Pre-K through 4.</li> </ol>
Total 4 year plan efficiencies, savings, cuts and revenues		-	17,247,000	28,447,000	27,147,000			
Total 4 year financial plan action items and fund balance		19,000,000	27,247,000	28,447,000	27,147,000			
Potential surplus (deficit) remaining after all actions		0	7,741,687	3,513,411	3,968,392			
overall variance		8,600,000	16,341,687	12,113,411	12,568,392			