

Board Meeting of: April 29, 2015	Division: Finance
Prepared by: Barbara J. Smith, CPA	
Title of Agenda Item: Buffalo City School District Four - Year Financial Plan	
Type of Item: <input checked="" type="checkbox"/> Other	
Term: 2015-2016 to 2018-2019	

Background Information, Description of the Need:

On March 23, 2015, the Buffalo Fiscal Stability Authority passed a resolution requiring that "the FY 2016-FY 2019 Financial Plan be approved by the Board of Education prior to its submission on May 1, 2015." While last year, the Board was afforded the opportunity for additional review time and have the approval of the Financial Plan occur at the first meeting in May to also coincide with the District's Budget Calendar, the request for additional time this year was denied.

Therefore, it is recommended that the Board of Education approve the Buffalo City School District Four - Year Financial Plan for the Years 2015-2016 to 2018-2019 as submitted to City of Buffalo on April 27, 2015 for inclusion in their submission to the Buffalo Fiscal Stability Authority.

Approvals:

Name:	Signature:
Barbara J. Smith, CFO/COO	
Donald A. Ogilvie, Interim Superintendent	



Buffalo City School District

Four - Year Financial Plan 2015-16 to 2018-19

May 1, 2015

"Putting Children and Families First to Ensure High Academic Achievement for All"

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CHIEF FINANCIAL & OPERATING OFFICER

Barbara J. Smith, CPA

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FINANCIAL PLAN OVERVIEW

FINANCIAL PLAN OVERVIEW

The Buffalo Board of Education received a Preliminary Budget on April 21, 2015 to review. While the Buffalo City School District's (the "District") budget calendar does not anticipate final adoption of the budget until May 13, 2015, the Four-Year Financial Plan (the "Plan") and projections included herein are based on the current preliminary budget.

The preliminary budget included in the Plan represents a concerted effort by the Superintendent and the departments of the District to fund the instructional investments identified early in the budget process. While the District has continually faced structural deficits that must be closed while prioritizing the budget goals of adequately staffing schools and maintaining direct services to students, the District received some budgetary relief for 2015-16 with the employer portion of pension rates for teachers decreasing approximately 25%, or \$6.5 million. This expenditure decrease coupled with state aid increases totaling \$20.5 million has allowed the District to fund its priorities without making forced reductions in other areas which has been done in previous years.

Overall, the 2015-16 budget is increasing \$19.2 million (or 2.4%) above the 2014-15 budget and full time employees (FTE) are increasing by 260 primarily at the school level.

Major budgetary investments have been made to instructional programs and school level staffing including:

Initiative	Full Time Equivalent (FTE) Staff	\$\$\$ (in millions)
Expansion of Emerson School of Hospitality, a school in Good Standing, into an additional site and new 9th grade class for 2015-16	17.5	\$1.4
Establish a Newcomer Academy at Lafayette High School to accommodate international students arriving to the District	20.9	\$1.6
The District must comply with new requirements of the Commissioner's Regulations, Part 154 that requires English Language Learners ("ELL") students to be provided with equal access to all school programs and services offered to non-ELL students.	24.0	\$1.1
Year one of a five year phase-in of the Physical Education Plan	11.04	\$1.0
Hold the Instrumental Music Program harmless from the loss of City funding	4.94	\$.4
Budget for the additional school level special education positions	163.1	\$11.8
Total Investment in Instructional Initiatives	241.48	\$17.3

Future Outlook

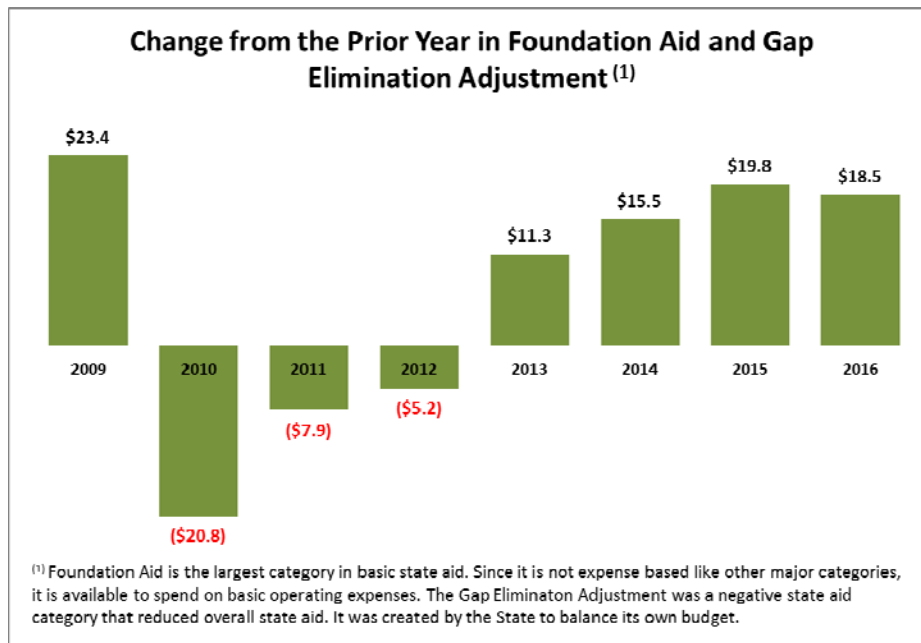
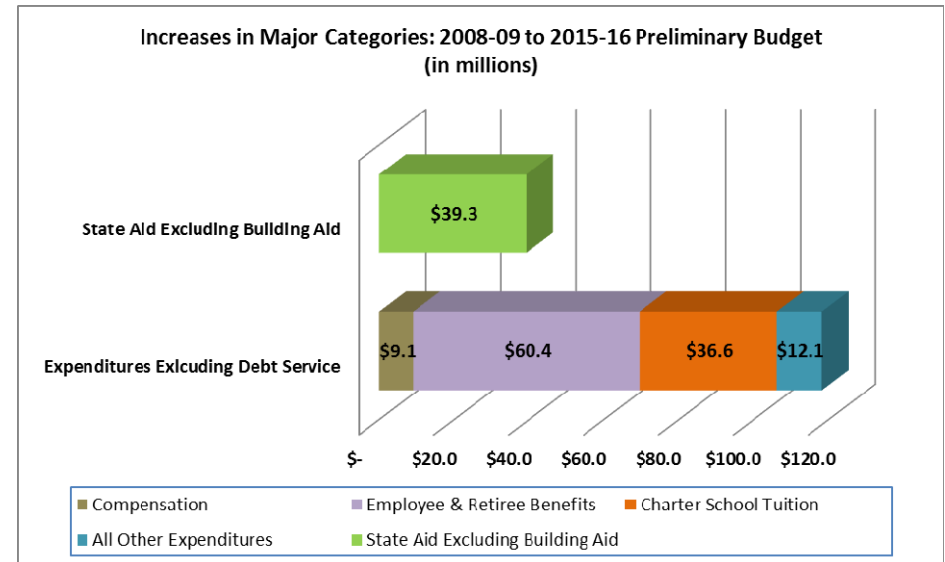
Perhaps of even greater significance is that for the first time since 2008, the District does not have deficits projected in the subsequent three budget years, 2016-17 through 2018-19. Surpluses range from \$4.7 million to \$11.7 million. Even though only modest state aid increases are projected, the District will benefit from decreasing retirement contribution rates, reduced payments on bonded debt that has been refinanced or matured, and other long term deficit reduction actions taken by the District. These surpluses will allow the District's leadership to fund additional instructional priorities.

The Buffalo Fiscal Stability Authority (the "BFSA") requested that the four year plan include clearly defined and delineated potential actions to close the budgetary gaps in the out years of the Plan. However, the Plan does not project budgetary gaps. There are several anticipated future changes in the District related primarily to "Out-of-Time Schools", a designation for five schools, of which four are currently phasing out programs and enrollments. While the cost reductions for phase out can be estimated, there are currently no approved plans for what school or program may replace the schools phasing out. The projected savings for those schools and the anticipated costs for adding grades to the newly created Emerson Annex have been added to the "Closing the Gap Analysis" section of the Plan.

For the second year in a row, the BFSA requested that the District identify any changes in state law or policy that would better enable it to perform its mission. The District annually has a legislative agenda that it works on with the Western New York Delegation and has had success with this process in the past. The District welcomes additional assistance in changing legislation that will have an impact on annual structural deficit drivers. While the majority of the items remain the same as the prior year, there are new unfunded mandates that have been added to the list. We anxiously await action on these items that will assist the District in being able to take dollars currently being spent on unfunded mandates and putting them into schools.

Budget Trends:

Since 2008-09, the final year the District received state aid increases in accordance with the State's Four Year Educational Investment Plan, total General Fund Expenditures have increased \$155.1 million. Of that total increase, \$36.9 million is for bond principal and interest payments related to the District's five phase \$1.4 billion reconstruction program that is over 93% funded by building aid from New York State. Therefore, the remaining increase across all other categories totals \$118.2 million. However, as indicated in the graph to the right, the growth relates to costs primarily beyond the Districts control. While employee compensation has increased \$9.1 million, primarily due to the hiring of additional teachers, employee and retiree benefits (health insurance and pension) have increased \$60.4 million over the same time period. Tuition payments to charter schools have increased \$36.6 million. At the same time, state aid exclusive of building aid has increased only \$39.3 million. You will also see from the chart below, that while the largest category of basic operating aid (Foundation Aid) has started to increase, it has only been in the last three years and again in 2015-16. There were three years of significant aid cuts preceding that. Given that the District is 83% dependent on state aid, has no authority to raise its own taxes and has not received an increase in revenue from the City of Buffalo since 2006-07, the trend is alarming. It is very difficult for the District to balance its budget and invest in the classroom with such volatility. Fortunately, the District had been able to build up reserves in previous years to guard against these aid reductions.



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Financial Summary:

The major categories of the general fund have been summarized below. More details can be found within the plan.

	Projected				Four Year Δ \$ (16 to 19)	Four Year Δ % (16 to 19)
	2015-16	2016-17	2017-18	2018-19		
Significant Revenue Categories:						
Foundation Aid	\$465.0	\$474.3	\$483.8	\$493.5	\$28.5	6.1%
Building Aid	115.2	116.4	115.2	115.2	0	0.0%
Other Formula and State Aids	99.8	103.1	104.8	106.7	6.9	6.9%
Charter School Transition Aid & Supplemental Aid	5.7	7.5	10.5	12.4	6.7	117.5%
Gap Elimination Adjustment	(0.1)	0	0	0	0.1	-100.0%
Other (City, County, Medicaid & misc.)	131.8	132.8	133.9	135.0	3.2	2.4%
Total Revenues	\$817.4	\$834.1	\$848.2	\$862.8	\$45.4	5.6%
Significant Expenditure Categories:						
Compensation	\$255.4	\$257.7	\$260.0	\$262.3	\$6.9	2.7%
Pension Contributions	34.0	29.2	25.8	23.4	(10.6)	(31.2%)
Health Insurance - Employees	54.7	57.2	59.7	62.4	7.7	14.1%
Health Insurance - Retirees	68.5	71.9	75.5	79.2	10.7	15.6%
Other Employee Benefits	36.0	36.2	36.4	36.5	0.5	1.4%
Charter School Tuition Payments	103.5	108.6	113.4	118.2	14.7	14.2%
Debt Service	118.7	117.8	114.5	114.5	(4.2)	(3.5%)
All Other ⁽¹⁾	155.0	155.9	158.2	160.5	5.5	3.5%
Total Expenditures	\$825.8	\$834.5	\$843.5	\$857.0	\$31.2	3.8%
Baseline Surplus (Deficit)	(\$8.4)	(\$0.4)	\$4.7	\$5.8		
Recommended Use of Reserves	8.4	5.1	5.5	5.9		
Revised Deficit	\$0	\$4.7	\$10.2	\$11.7		

⁽¹⁾ Transportation, Agency Tuition, Contracts, Utilities, Textbooks, Supplies and misc

Fund Balance Projections:

Based on the revenue and expenditure projections as of the third quarter and other anticipated changes in fund balance categories, the following fund balances are projected through June 30, 2019:

	General Fund		Food Service
	(in millions)		(in millions)
	Unassigned ⁽¹⁾	Assigned	Assigned ⁽²⁾
Fund Balances 6.30.14	51.9	112.8	20.4
Changes and Adjustments 2014-15	0.0	(7.6)	0.0
Projected Balance 6.30.15	51.9	105.2	20.4
Projected Changes Through 2018-19	0.0	(24.9)	(13.4)
Projected Balance 6.30.19	51.9	80.3	7.0

⁽¹⁾ Minimum balance to be maintained per Board Policy is 4% of expenditures; or approximately \$33 million; the balance exceeds the minimum

⁽²⁾ Federal regulations state that the Food Service Fund is to maintain fund balances totalling no more than three months of expenditures. At June 30, 2014 the Food Service Fund has exceeded that amount. Fund balance is expected to be used to bring the balance into compliance by 2018-19.

PROJECTED REVENUES AND EXPENDITURES

2013-14 ACTUAL

2014-15 PROJECTIONS AS OF APRIL 14, 2015

2015-16 PRELIMINARY BUDGET AS OF APRIL 21, 2015

2016-17 THROUGH 2018-19 PROJECTIONS

**BUFFALO CITY SCHOOL DISTRICT
PROJECTED DEFICITS**

GENERAL FUND

	PROJECTED 15-16	VARIANCE	PROJECTED 16-17	VARIANCE	PROJECTED 17-18	VARIANCE	PROJECTED 18-19	4 yrs cumulative
REVENUES	825,813,270	13,362,694	839,175,964	14,629,670	853,805,634	14,853,663	868,659,297	
EXPENDITURES	825,813,270	(8,730,498)	834,543,768	(8,872,351)	843,416,119	(13,619,436)	857,035,555	
BUDGETARY SURPLUS (DEFICIT) AFTER PLANNED USE OF RESERVES	-	4,632,196	4,632,196	5,757,319	10,389,515	1,234,227	11,623,742	26,645,453
APPROPRIATED RESERVES - ASSIGNED	8,372,000		5,100,000		5,500,000		5,900,000	24,872,000
SURPLUS (DEFICIT) BEFORE USE OF RESERVES	(8,372,000)		(467,804)		4,889,515		5,723,742	1,773,453

FOOD SERVICE FUND

	PROJECTED 15-16	VARIANCE	PROJECTED 16-17	VARIANCE	PROJECTED 17-18	VARIANCE	PROJECTED 18-19	4 yrs cumulative
REVENUES	38,492,497	(7,401,558)	31,090,939	656,420	31,747,359	665,399	32,412,758	
EXPENDITURES	38,492,497	7,401,558	31,090,939	(656,420)	31,747,359	(665,399)	32,412,758	
BUDGETARY SURPLUS (DEFICIT) AFTER PLANNED USE OF RESERVES	-	-	-	-	-	-	-	-
APPROPRIATED RESERVES - ASSIGNED	9,222,498		1,280,813		1,386,304		1,489,754	13,379,369
SURPLUS (DEFICIT) BEFORE USE OF RESERVES	(9,222,498)		(1,280,813)		(1,386,304)		(1,489,754)	(13,379,369)

The Special Projects Fund is projected to break even.

**BUFFALO CITY SCHOOL DISTRICT
REVENUES**

	Actual 13-14	ADOPTED BUDGET 14-15	MODIFIED BUDGET 14-15	PROJECTED 2014-15 4.14.15	PROJECTED BUDGET 15-16	PROJECTED		
						SEE ASSUMPTIONS ON SUBSEQUENT PAGES		
						16-17	17-18	18-19
GENERAL FUND:								
REAL PROPERTY TAX (INCLUDES STAR)	\$ 70,322,758	\$ 70,322,758	\$ 70,322,758	\$ 70,322,758	\$ 70,322,758	\$ 70,322,758	\$ 70,322,758	\$ 70,322,758
ERIE COUNTY SALES TAX	40,104,319	40,500,000	40,500,000	40,800,000	42,000,000	43,050,000	44,126,250	45,229,406
MEDICAID REIMBURSEMENT (FEDERAL)	2,877,961	2,800,000	2,800,000	2,800,000	3,000,000	3,000,000	3,000,000	3,000,000
STATE AID								
FOUNDATION AID	440,529,208	450,673,427	450,673,427	449,394,738	465,044,303	474,345,189	483,832,093	493,508,735
BUILDING AID	114,116,015	114,838,849	114,838,849	114,447,441	115,183,229	116,388,629	115,183,229	115,183,229
CHARTER SCHOOL TRANSITIONAL AID	7,829,661	4,434,647	4,434,647	4,434,647	3,808,854	4,647,951	6,382,552	6,803,328
OTHER FORMULA AID	87,970,447	96,734,938	96,734,938	95,650,035	97,986,222	98,966,084	99,955,745	100,955,302
SUPPLEMENTAL CHARTER TUITION REIMBURSEMENT	0	0	0	0	1,927,750	2,808,750	4,162,500	5,606,250
INCREMENTAL AID FOR TRANSPORTATION	0	0	0	0	0	4,091,460	4,885,364	5,695,146
OTHER STATE AID/FED (FEMA)	919,569	2,800,000	2,800,000	2,800,000	1,800,000	0	0	0
GAP ELIMINATION ADJUSTMENT	(13,859,206)	(4,349,404)	(4,349,404)	(4,394,404)	(86,989)	0	0	0
TOTAL STATE AID	\$ 637,505,694	\$ 665,132,457	\$ 665,132,457	\$ 662,332,457	\$ 685,663,369	\$ 701,248,063	\$ 714,401,483	\$ 727,751,990
OTHER:								
OTHER (TUITION, INTEREST, MISC, INTERFUND)	13,172,572	17,706,785	17,706,785	17,706,785	16,455,143	16,455,143	16,455,143	16,455,143
LOCAL SHARE CONTRIBUTION FOR JSCB (INTEREST EARNINGS)	52,315	0	0	0	0	0	0	0
APPROPRIATED FUND BALANCE - OPEB AND OEB (BUDGETARY ONLY)	0	5,600,000	5,600,000	5,600,000	0	0	0	0
APPROPRIATED FUND BALANCE - PRIOR YEAR CLAIMS (BUDGETARY ONLY)	0	4,230,000	4,230,000	4,230,000	4,792,000	5,100,000	5,500,000	5,900,000
APPROPRIATED FUND BALANCE - CAPITAL CONTRIBUTION (BUDGETARY ONLY)	0	350,000	350,000	350,000	1,580,000	0	0	0
APPROPRIATED FUND BALANCE - LITIGATION SETTLEMENT (BUDGETARY ONLY)	0	0	0	0	2,000,000	0	0	0
TOTAL GENERAL FUND	\$ 764,035,619	\$ 806,642,000	\$ 806,642,000	\$ 804,142,000	\$ 825,813,270	\$ 839,175,964	\$ 853,805,634	\$ 868,659,297
SPECIAL PROJECTS FUND:								
CATEGORICAL GRANTS:	\$ 12,759,425	\$ 12,759,425	\$ 12,759,425	\$ 12,759,425	\$ 12,759,425	\$ 12,759,425	\$ 12,759,425	\$ 12,759,425
TOTAL OTHER GRANTS:	106,371,454	102,240,277	112,657,955	112,657,955	104,443,429	104,443,429	104,443,429	104,443,429
TOTAL SPECIAL PROJECTS FUND	\$ 119,130,879	\$ 114,999,702	\$ 125,417,380	\$ 125,417,380	\$ 117,202,854	\$ 117,202,854	\$ 117,202,854	\$ 117,202,854
FOOD SERVICE FUNDS:								
STATE AND FEDERAL AID	\$ 24,262,865	\$ 23,699,199	\$ 23,699,199	\$ 23,699,199	\$ 25,552,074	\$ 26,063,115	\$ 26,584,377	\$ 27,116,065
FEDERAL AID - SURPLUS FOOD	1,372,557	1,212,000	1,212,000	1,212,000	1,212,000	1,212,000	1,212,000	1,212,000
FEDERAL AID - SUMMER FOOD PROGRAM	1,325,764	1,442,626	1,442,626	1,442,626	1,454,288	1,483,374	1,513,041	1,543,302
TOTAL STATE AND FEDERAL AID	26,961,186	26,353,825	26,353,825	26,353,825	28,218,362	28,758,489	29,309,418	29,871,367
FOOD SALES	513,355	524,265	524,265	524,265	524,265	524,265	524,265	524,265
INTERFUND TRANSFERS	368,629	482,372	482,372	482,372	482,372	482,372	482,372	482,372
MISCELLANEOUS	73,441	45,000	45,000	45,000	45,000	45,000	45,000	45,000
FUND BALANCE (BUDGETARY ONLY)	0	177,200	177,200	177,200	9,222,498	1,280,813	1,386,304	1,489,754
TOTAL FOOD SERVICE REVENUES	\$ 27,916,611	\$ 27,582,662	\$ 27,582,662	\$ 27,582,662	\$ 38,492,497	\$ 31,090,939	\$ 31,747,359	\$ 32,412,758
GRAND TOTAL - REVENUES	\$ 911,083,109	\$ 949,224,364	\$ 959,642,042	\$ 957,142,042	\$ 981,508,621	\$ 987,469,757	\$ 1,002,755,847	\$ 1,018,274,909

**BUFFALO CITY SCHOOL DISTRICT
EXPENDITURES**

	ACTUAL 13-14 GAAP BASIS	ADOPTED BUDGET 14-15	MODIFIED BUDGET 14-15	PROJECTED 2014-15 4.14.15	PROJECTED BUDGET 15-16	PROJECTED SEE ASSUMPTIONS ON SUBSEQUENT PAGES		
						16-17	17-18	18-19
GENERAL FUND:								
EMPLOYEE COMPENSATION:								
BTF (TEACHERS)	\$ 165,795,015	\$ 160,448,788	\$ 166,949,395	\$ 166,949,395	\$ 170,061,776	\$ 171,813,320	\$ 173,608,653	\$ 175,448,869
	Employee Totals	2,947	2,835.3	2,924.6	2,930.8	2,994.0	2,994	2,994
BTF OTHER COMPENSATION	9,124,740	9,533,203	8,925,321	8,925,321	9,121,830	9,121,830	9,121,830	9,121,830
SUBSTITUTES	6,535,213	6,522,075	6,656,246	6,656,246	6,467,168	6,467,168	6,467,168	6,467,168
BCSA (ADMINISTRATORS)	17,517,313	18,454,781	18,611,177	18,311,177	19,320,213	19,706,617	20,100,749	20,502,764
	Employee Totals	188	198.5	200.7	191.1	196.1	196	196
PCTEA (WHITE COLLAR)	15,631,900	16,559,885	16,547,761	15,947,761	17,313,505	17,313,505	17,313,505	17,313,505
	Employee Totals	338	354.1	355.6	336.3	365.0	365	365
BEST (TEACHER AIDES - NON CERTIFIED)	5,549,970	7,552,398	6,316,856	6,316,856	7,610,568	7,610,568	7,610,568	7,610,568
	Employee Totals	314	361.4	321.5	338.0	394.5	395	395
BEST (TEACHING ASSISTANTS - CERTIFIED)	5,789,667	4,795,764	6,202,235	6,202,235	5,805,529	5,805,529	5,805,529	5,805,529
	Employee Totals	298	237.6	306.7	291.0	292.5	293	293
TAB (BUS AIDES) (Hourly)	5,403,795	5,504,900	5,504,900	5,254,900	5,204,780	5,204,780	5,204,780	5,204,780
TRADES (CARPENTERS, PLUMBERS)	2,822,190	2,808,734	2,563,725	2,563,725	2,609,054	2,687,326	2,767,946	2,850,984
	Employee Totals	26	29.0	29.0	27.0	29.0	29	29
LOCAL 264 (BLUE COLLAR)	2,787,714	2,868,099	2,867,126	2,867,126	3,024,129	3,040,676	3,057,223	3,073,770
	Employee Totals	69	72.0	73.0	64.0	75.0	75	75
LOCAL 409 (ENGINEERS)	3,305,546	3,395,045	3,383,045	3,383,045	3,421,472	3,428,278	3,435,084	3,441,890
	Employee Totals	60	61.0	61.0	56.0	61.0	61	61
BOARD MEMBERS (9) AND EXEMPT	2,406,275	2,734,660	2,698,675	2,398,675	3,064,660	3,064,660	3,064,660	3,064,660
	Employee Totals	27	32.0	34.0	27.5	34.0	34	34
MISCELLANEOUS ITEMS	233,975	246,515	461,300	461,300	400,930	400,930	400,930	400,930
OVERTIME	2,092,674	2,021,063	2,713,691	2,713,691	2,057,262	2,030,401	2,030,401	2,030,401
	Employees - Grand Totals	4,267	4,180.9	4,306.1	4,261.7	4,441.1	4,442	4,442
TOTAL EMPLOYEE COMPENSATION	\$ 244,995,987	\$ 243,445,910	\$ 250,401,453	\$ 248,951,453	\$ 255,482,876	\$ 257,695,588	\$ 259,989,026	\$ 262,337,648
EMPLOYEE BENEFITS:								
CIVIL SERVICE RETIREMENT	\$ 3,078,206	\$ 6,987,557	\$ 6,987,557	\$ 6,987,557	\$ 6,287,557	\$ 6,089,168	\$ 5,515,184	\$ 4,987,593
TEACHERS RETIREMENT	32,445,156	34,246,732	34,911,732	34,911,732	27,696,894	23,073,803	20,283,123	18,456,612
SOCIAL SECURITY	18,730,380	18,680,436	19,087,921	19,087,921	19,557,028	19,754,312	19,929,760	20,109,430
HEALTH INSURANCE - EMPLOYEES	43,543,325	49,396,280	49,124,460	49,124,460	54,674,460	57,187,877	59,735,733	62,400,444
HEALTH INSURANCE - RETIREES	62,451,847	64,383,281	64,383,281	63,583,281	68,483,281	71,923,341	75,474,601	79,159,795
TERMINATION PAY	2,140,666	4,060,000	4,060,000	3,560,000	4,060,000	4,060,000	4,060,000	4,060,000
OTHER BENEFITS	8,921,680	12,831,354	12,230,103	11,030,103	12,367,536	12,367,536	12,367,536	12,367,536
TOTAL EMPLOYEE BENEFITS	\$ 171,311,260	\$ 190,585,640	\$ 190,785,054	\$ 188,285,054	\$ 193,126,756	\$ 194,456,037	\$ 197,365,937	\$ 201,541,410
OTHER:								
TRANSPORTATION	\$ 40,202,973	\$ 44,519,324	\$ 42,386,784	\$ 41,886,784	\$ 46,700,266	\$ 47,634,271	\$ 48,586,956	\$ 49,558,695
UTILITIES	11,313,070	11,298,476	11,298,476	10,948,476	9,676,407	9,773,171	9,870,903	9,969,612
TUITION	31,597,563	34,575,200	32,859,644	32,859,644	33,443,560	34,446,867	35,480,273	36,544,681
CONTRACTS - CUSTODIAN	18,124,368	18,587,442	18,446,837	18,446,837	18,551,378	18,551,378	18,551,378	18,551,378
EQUIPMENT	2,848,021	1,816,196	1,721,031	1,721,031	1,873,951	1,873,951	1,873,951	1,873,951
CONTRACTS, INSURANCE, MISCELLANEOUS	14,406,378	15,606,199	14,926,764	14,676,764	16,489,913	15,259,913	15,259,913	15,259,913
RESERVE FOR CONTINGENCY	0	3,000,000	0	0	3,000,000	3,000,000	3,000,000	3,000,000
RENTAL CONTRACTS (EQUIP, FACIL, CMPTRS)	9,242,770	8,321,755	8,321,035	8,321,035	8,160,163	8,323,366	8,489,833	8,659,630
REPAIRS & MAINTENANCE & RELATED	2,337,881	1,871,400	2,114,202	2,114,202	1,948,283	1,948,283	1,948,283	1,948,283
TEXTBOOKS	5,689,429	3,469,212	3,741,219	3,741,219	3,469,383	3,469,383	3,469,383	3,469,383
SUPPLIES & MISC RELATED ITEMS	8,010,148	8,354,546	8,321,100	8,321,100	8,528,359	8,528,359	8,528,359	8,528,359
CHARTER SCHOOL PAYMENTS	94,081,093	98,000,000	98,300,000	98,300,000	103,500,000	108,600,000	113,400,000	118,200,000
DEBT SERVICE	120,999,444	120,026,700	120,026,701	120,026,701	118,722,975	117,844,201	114,462,924	114,453,612
INTERFUND (NOT DEBT RELATED)	3,495,036	3,164,000	2,991,700	2,991,700	3,139,000	3,139,000	3,139,000	3,139,000
TOTAL GENERAL FUND	\$ 778,655,421	\$ 806,642,000	\$ 806,642,000	\$ 801,592,000	\$ 825,813,270	\$ 834,543,768	\$ 843,416,119	\$ 857,035,555

**BUFFALO CITY SCHOOL DISTRICT
EXPENDITURES**

	ACTUAL 13-14 GAAP BASIS	ADOPTED BUDGET 14-15	MODIFIED BUDGET 14-15	PROJECTED 2014-15 4.14.15	PROJECTED BUDGET 15-16	PROJECTED SEE ASSUMPTIONS ON SUBSEQUENT PAGES		
						16-17	17-18	18-19

SPECIAL PROJECTS FUND:

CATEGORICAL GRANTS	\$ 12,759,425	\$ 12,759,425	\$ 12,759,425	\$ 12,759,425	\$ 12,759,425	\$ 12,759,425	\$ 12,759,425	\$ 12,759,425
TOTAL OTHER GRANTS	106,371,454	102,240,277	112,657,955	112,657,955	104,443,429	104,443,429	104,443,429	104,443,429
TOTAL SPECIAL PROJECTS EXPENDITURES:	\$ 119,130,879	\$ 114,999,702	\$ 125,417,380	\$ 125,417,380	\$ 117,202,854	\$ 117,202,854	\$ 117,202,854	\$ 117,202,854

FOOD SERVICE FUNDS:

EMPLOYEE COMPENSATION	\$ 6,817,902	\$ 5,968,628	\$ 5,968,628	\$ 5,968,628	\$ 7,103,069	\$ 7,377,130	\$ 7,401,130	\$ 7,425,130
BENEFITS	2,396,377	2,083,472	2,083,472	2,083,472	2,272,840	2,381,355	2,489,113	2,602,260
BUILDING IMPROVEMENTS AND EQUIPMENT	-	1,309,595	933,695	933,695	8,248,978	118,978	118,978	118,978
SERVICES & MISC SUPPLIES	1,143,295	1,395,999	1,405,899	1,405,899	1,588,980	1,438,749	1,452,804	1,467,140
CAFETERIA SUPPLIES (NON-FOOD)	1,149,440	1,255,428	1,521,428	1,521,428	1,567,428	1,630,125	1,695,330	1,763,143
FOOD SUPPLIES	10,627,441	11,862,414	11,962,414	11,962,414	13,939,914	14,358,111	14,788,854	15,232,520
USDA COMMODITIES	1,408,328	1,219,500	1,219,500	1,219,500	1,212,000	1,212,000	1,212,000	1,212,000
INTERFUND TRANSFERS	1,306,018	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
SUMMER FOOD SERVICE	1,237,587	1,487,626	1,487,626	1,487,626	1,559,288	1,574,491	1,589,150	1,591,587
TOTAL FOOD SERVICE EXPENDITURES	\$ 26,086,388	\$ 27,582,662	\$ 27,582,662	\$ 27,582,662	\$ 38,492,497	\$ 31,090,939	\$ 31,747,359	\$ 32,412,758

GRAND TOTAL - EXPENDITURES

\$ 923,872,688	\$ 949,224,364	\$ 959,642,042	\$ 954,592,042	\$ 981,508,621	\$ 982,837,561	\$ 992,366,332	\$ 1,006,651,167
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FINANCIAL PLAN ASSUMPTIONS

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

2015-16 2016-17 2017-18 2018-19

REVENUE ASSUMPTIONS - GENERAL FUND

I Real property taxes (includes STAR):

The property taxes are considered the contribution from the City of Buffalo. The amount of the contribution includes STAR revenues. The City decreased their contribution \$.5 million in 2007-08. No future changes will be projected at this time.

0% 0% 0% 0%

I Sales Tax:

The District currently receives 8.4% of the City's share of the Erie County Sales Tax. In 2014-15, sales tax is trending 2% above the prior year receipts. Therefore, the 2015-16 Budget is approximately 2.5 % above the 2014-15 Budget with 2.5% increases thereafter.

2.5% 2.5% 2.5% 2.5%

I Medicaid Reimbursement:

The Federal government continues to change the regulations for Medicaid eligible services that can be reimbursed. Based on the trend, a slight increase is projected for 2015-16, but they will remain flat in the out years.

1% 0% 0% 0%

I State Aid:

The total increase between Foundation Aid the Gap Elimination Adjustment (GEA) was 4.5% for 2015-16. Now that the GEA is almost entirely eliminated, 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 2%.

	Increase:		Increase:		Increase:	
\$465,044,303	2.00%	\$474,345,189	2.00%	\$483,832,093	2.00%	\$493,508,735

Gap Elimination Adjustment (GEA):

The GEA was initiated in 2010-11 as the State's way to balance its own budget. The GEA was almost entirely eliminated in 2015-16 and is expected to be abolished in 2016-17.

(\$86,989) \$0 \$0 \$0

Building Aid:

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 2015-16 amount is based on the state budget and is projected to remain flat, with the exception of the one time reimbursement (at 98 percent) in 2016-17 for the Building Condition Survey budgeted to cost \$1.23 million in 2015-16.

Building Aid for Building Condition Survey
\$115,183,229 \$115,183,229 \$115,183,229 \$115,183,229
\$1,205,400

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 annually.

Total Other Formula Aids \$97,986,222 1.0% 1.0% 1.0%

Charter School Transitional Aid:

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 the formula, the following amounts of aid are projected based on charter enrollment and tuition assumptions:

\$3,808,854 \$4,647,951 \$6,382,552 \$6,803,328

Supplemental Basic Charter Tuition Reimbursement

With the adoption of the 2014-15 State Budget, a new reimbursement program for charter school tuition was created. The tuition is going to be on a one year lag and calculated as follows:

Reimbursement Amount Per Pupil	\$ 250	\$ 350	\$ 500	\$ 650
Charter Enrollment from the previous year (used SA budget run data for enrollment count)	7,711	8,025	8,325	8,625
Supplemental Tuition Reimbursement	<u>\$ 1,927,750</u>	<u>\$ 2,808,750</u>	<u>\$ 4,162,500</u>	<u>\$ 5,606,250</u>

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

2015-16 2016-17 2017-18 2018-19

Incremental State Aid for Transportation Costs:

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 85% of the previous fiscal years expenditures. The increase in aid for 2015-16 is already included in the State Budget. Due to projected increases in transportation costs in 2015-16 and beyond the incremental increase is projected as follows:

\$ 4,091,460 \$ 4,885,364 \$ 5,695,146

Other State Aid:

The District annually receives aid that is classified as "other" for Incarcerated Youth, Homeless, and Tuition Chapter 47. Through 2012-13, the District also received reimbursement for principal and interest paid on the MBBA debt for prior year aid. That MBBA debt has been paid off and the District no longer receives that aid. 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.

\$0 \$0 \$0 \$0

In 2014-15, an additional \$1.0 million in legislative aid was included in the State budget. Any such amounts cannot be guaranteed annually and have therefore been excluded from future projections.

\$0 \$0 \$0 \$0

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.) We do not anticipate requesting this advance in 2014-15, even though it was budgeted, therefore it has been included in the 2015-16 Budget.

\$1,800,000 \$0 \$0 \$0

I Other:

Other revenues include tuitions, interest, interfund revenues for indirect costs and miscellaneous items.

\$16,455,143 \$16,455,143 \$16,455,143 \$16,455,143

I Local Share Contribution for JSCB:

As part of the debt issued for the JSCB Program, earnings on the Debt Service Reserve Fund's (DSRF) were to be used as part of the local share contribution, since the building aid does not cover the entire debt payment on an annual basis. During 2011-12, Phases I and II were refinanced and the DSRFs were closed as part of those refinancings. While phase III still has a DSRF, the interest earnings are not significant enough to budget.

\$0 \$0 \$0 \$0

I Fund Balance (Budgetary Only):

Assigned Fund Balance - Prior Year Claims:

As of the end of 2014, the District had \$61.5 million of fund balance assigned for the payment of "prior year claims" which included the settlement of collective bargaining agreements that are outstanding. As part of the 2015-16 budget, the District is appropriating \$4.8 million of that portion of fund balance to cover the cost of the cosmetic surgery rider. In the out years of the plan, the District anticipates drawing down similar amounts with increases representative of anticipated increases in the cost of cosmetic surgery claims.

\$4,792,000 \$5,100,000 \$5,500,000 \$5,900,000

Assigned Fund Balance - OPEB and Other Employee Benefits

As of the end of 2014 the District had \$29.4 million of fund balance assigned for Other Post Employment Benefits which consists primarily of future retiree health insurance. During years of significant growth in the Teachers Retirement System rates, the District appropriated reserves to help pay for these cost increases. The reserve is replenished with interest earnings. Over the course of the plan, rates are projected to decrease so use of the reserve is not anticipated.

\$0 \$0 \$0 \$0

Appropriated Fund Balance for Capital Contributions:

The District has \$8.8 million of fund balance assigned for capital needs and/or repairs. In previous years, when the District needed to make large numbers of computers for schools coming out of reconstruction or to replenish stock, five year capital bonds were issued. Instead of issuing such bonds, the District will establish a capital project for computer purchases and fund it with \$.35m of reserves. Additionally in 2015-16, the District will front the one time cost of the Building Condition Survey of \$1.23 million that does not receive building aid reimbursement until 2016-17.

\$1,580,000 \$0 \$0 \$0

Appropriated Fund Balance for Litigation Settlement:

The District is self insured for liability claims and other litigation matters. The litigation reserve had included \$6.8 million for the potential payment of a judgment to a charter school over a transportation dispute. In 2014-15, the District and Charter School settled the dispute, thereby eliminating the need for the reserve in exchange for the District transporting the charter students at an additional estimated cost of \$2 million annually. Since the District will not start receiving transportation aid on this increased expense until 2016-17, it is using a portion of the reserve to cover the cost increase.

\$2,000,000 \$0 \$0 \$0

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

2015-16 2016-17 2017-18 2018-19

REVENUE ASSUMPTIONS - SPECIAL PROJECTS FUND

<p>I Categorical Grants: 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.</p>	\$12,759,425	\$12,759,425	\$12,759,425	\$12,759,425
<p>I Other grants: 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 2015-16 budget.</p>	\$104,443,429	\$104,443,429	\$104,443,429	\$104,443,429

REVENUE ASSUMPTIONS - FOOD SERVICE FUND

<p>I State and Federal Aid: The Food Service fund is self sustaining. The budgeted revenue in 2015-16 has increased due to the District's recent increased student enrollment, 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%
<p>I Food Sales: It is anticipated that food sales will remain flat in the 2015-16 budget and the following three years.</p>	0.00%	0.00%	0.00%	0.00%
<p>I Interfund Transfers: Transfers are made from the General fund to support operations at the Emerson Commons. The budgeted amount will be projected as the amount to balance the revenues and expenditures.</p>	\$482,372	\$482,372	\$482,372	\$482,372
<p>I Miscellaneous Revenues: The food service funds occasionally collect miscellaneous revenues. To remain conservative, no increases have been projected:</p>	0.00%	0.00%	0.00%	0.00%
<p>I Fund Balance (Budgetary Only): The food service fund will use a significant amount of the accumulated fund balance in 2015-16 to expand the commissary to better meet the needs of the District's students and schools. The Commissary expansion is budgeted to amount to \$5.5 million, with an additional \$2.7 million for related equipment purchases. Both of these are one time items. The remaining fund balance usage in the out years will be used to avoid any reduction in service.</p>	\$9,222,498	\$1,280,813	\$1,386,304	\$1,489,754

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

2015-16 2016-17 2017-18 2018-19

EXPENDITURE ASSUMPTIONS - GENERAL FUND

BASELINE ASSUMPTIONS:

DISTRICT ENROLLMENT:

Increase/(decrease) from prior year	34,400	34,200	34,100	34,000
	0	(200)	(100)	(100)

EMPLOYEE COMPENSATION:

Employee compensation includes regular salary and longevity increments. Absent new collective bargaining agreements, the District is still liable for longevity and step increments as per the Taylor Law, contracts continue until a successor agreement is reached. While annual step increments per the salary schedule are as much as 2.5%, historical trends indicate that these increases are reduced by retirements and staff turnover. Therefore the following increases for annual step increments will be budgeted; offset by the savings from retirements as indicated:

BTF - Expired June 30, 2004	2.5%	2.5%	2.5%	2.5%
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While employees are entitled to annual step increases according to their contract, these increases have annually been offset by retirements as the District's trend for the annual average salary has not increased commensurate with the step increases. Upon reviewing the overall average teacher salaries, the amount has not exceeded \$56,600 in several years. Therefore, the step increases will be offset by the conservative savings of 100 retirees at \$25,000 each.

\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
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BCSA - Expired June 30, 2004	2.0%	2.0%	2.0%	2.0%
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II	PCTEA (White Collar)	Expired June 30, 2013	Salary increase	0.0%	0.0%	0.0%	0.0%
II	BEST (Teacher Aides & Assistants)	Expired June 30, 2012	Salary increase	0.0%	0.0%	0.0%	0.0%
II	TRADES (Skilled Tradesmen - Ex - Carpenters, Plumbers, Electricians)	Subject to Prevailing Wage Laws	Salary increase (Estimated)	3.0%	3.0%	3.0%	3.0%
II	LOCAL 264 (Laborers)	Expired June 30, 2013	Salary increase	0.0%	0.0%	0.0%	0.0%
II	LOCAL 409 (Engineers)	Expired June 30, 2010	Salary increase	0.0%	0.0%	0.0%	0.0%
II	BUS AIDES	Expired June 30, 2014	Salary increase	0.0%	0.0%	0.0%	0.0%

II	MISCELLANEOUS COMPENSATION ITEMS - includes non-instructional sick leave replacement and grievance awards (Instructional totals for these items are included in the BTF - Other Compensation line.)	0%	0%	0%	0%
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II OVERTIME

Overtime has increased significantly in recent years due to additional labor for the moves and refurbishment associated with the JSCB reconstruction. Other significant areas of overtime include the transportation office and security for after school events. There are additional moves for school closures and changes for phase in-phase out schools anticipated in 2015-16 and while costs should return to a lower baseline amount, the projections will conservatively remain flat.

Baseline Annual Overtime	\$2,030,401	\$2,030,401	\$2,030,401	\$2,030,401
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BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

2015-16 2016-17 2017-18 2018-19

Employee Benefits:

II Civil Service Retirement:

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 decrease and stabilize over the longer term. The rates change every April 1. In 2013, the District opted to amortize a portion of the significantly increasing ERS costs over a period of 12 years. That payment is added below.

The model will assume the expenditure to approximate the following percentages of employee compensation (PCTEA, BEST (Aides only), Tradesmen, Local 264, Local 409, and Exempt):

July - March	17.80%	15.00%	13.50%	12.00%
April - June	15.00%	13.50%	12.00%	11.00%
Chapter 57, Laws of 2013 Amortization Payment	\$359,764	\$359,764	\$359,764	\$359,764

II Teachers Retirement:

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. The TRS has provided the 2015-16 rate as indicated. The model will assume the expenditure to approximate the following percentages of employee compensation (BTF, BCSA & BEST (Assistants only)):

13.26%	11.5%	10.0%	9.0%
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II Social Security:

Estimated at 7.65% of employee compensation.

7.65%	7.65%	7.65%	7.65%
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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.

1%	1%	1%	1%
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II Health Insurance:

The projected health insurance costs are a factor of the number of employees, the average rate and the rate of participation of employees (93% excluding BEST; 81% for BEST). The rates for 2015-16 assume the District will not be forced to return to the highest cost multi-carrier health insurance plan and are based on rates provided by the insurance consultant. Rates in the future years are based on the percentage increases noted and were also arrived at through discussions with the insurance consultant.

Employees:	Average per participant (Excluding BEST)	\$13,402	4.5%	\$14,005	4.5%	\$14,635	4.5%	\$15,294
	BEST	\$13,272	4.5%	\$13,869	4.5%	\$14,493	4.5%	\$15,145
Retirees:	Average per participant	\$16,710	2.5%	\$17,128	2.5%	\$17,556	2.5%	\$17,995
In-lieu of health insurance coverage payments to employees:		\$500,000		\$500,000		\$500,000		\$500,000
As required by contract, the District must reimburse employees and retirees for certain differences in prescription coverage. The amounts are estimated as follows:								
	Employees	\$63,787	1.0%	\$64,425	1.0%	\$65,069	1.0%	\$65,720
	Retirees	\$104,591	1.0%	\$105,637	1.0%	\$106,693	1.0%	\$107,760

There are currently 3,993 retirees receiving health insurance benefits. Additional retirees will also need to be added to the base cost each year, while retirees that pass away need to be subtracted from the base.

The projected number of retirees was based upon an aging of the current employees and historical data for the mortality rate:

Net new retirees	100	100	100	100
Total number of retirees:	<u>4,093</u>	<u>4,193</u>	<u>4,293</u>	<u>4,393</u>
Retiree contribution (Estimate average contribution \$500 per new retiree)	(2,050,000)	(2,100,000)	(2,150,000)	(2,200,000)

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

2015-16 2016-17 2017-18 2018-19

II Termination Pay:	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.	\$4,060,000	\$4,060,000	\$4,060,000	\$4,060,000
II Other Benefits:	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.				
	BTF:	\$525	\$525	\$525	\$525
	BCSA:	\$530	\$530	\$530	\$530
	PCTEA:	\$575	\$575	\$575	\$575
	BEST:	\$550	\$550	\$550	\$550
	Local 409: Engineers	\$500	\$500	\$500	\$500
	Custodial Staff	\$450	\$450	\$450	\$450
	Total	\$2,513,445	\$2,513,445	\$2,513,445	\$2,513,445
	Workers' Compensation				
	Based upon the historical trend and increasing medical costs workers compensation is estimated as follows:	\$7,372,815	\$7,372,815	\$7,372,815	\$7,372,815
	Unemployment				
	The District incurs some unemployment annually due to substitutes and other partial year employees.	\$1,887,098	\$1,887,098	\$1,887,098	\$1,887,098
	Miscellaneous Other Benefits				
	These costs include life insurance, leave time incentives and buy backs. Between 2009-10 and 2012-13, the longevity pay for PCTEA (\$450,000) was included this category but was moved back to the salary lines for 2013-14. The total amount is projected as follows:	\$594,178	\$594,178	\$594,178	\$594,178
II Transportation:	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. The contract is subject to annual increases. For 2015-16, approximately \$2 million of the increased cost relates to bussing a charter school that the District settled litigation with. The District anticipates the rates to change as follows:		2%	2%	2%
II Utilities:	Through the utilization of pooled rates with the City and the overall cost of utilities, the District has budgeted for a significant decrease in 2015-16, with annual increases as follows:		1%	1%	1%
II Tuition:	The majority of the tuitions are for special needs students and rates are established by New York State and the following increase was used:		3%	3%	3%
	Agency Tuition	\$ 31,200,000			
	Foster & Resident	\$ 1,429,600			
	DaVinci Tuition (included in the contracts - misc category)	\$ 171,360			
	Middle Early College Tuition	\$ 642,600			
		\$ 33,443,560			
II Contracts - Custodian:	The Engineers negotiated collective bargaining agreement expired June 30, 2010. Absent a new agreement, there will be no increases.		0%	0%	0%

BUFFALO CITY SCHOOL DISTRICT

FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model					
		2015-16	2016-17	2017-18	2018-19
II	Equipment: Equipment expenditures are anticipated to remain flat.		0%	0%	0%
II	Contracts - Miscellaneous: This category includes various miscellaneous contractual items. No increases are anticipated. During 2013-14, the Commissioner ordered the District to send students to BOCES for CTE courses at a cost of approximately \$406,000. Amounts were included in the budget for 2014-15 and beyond for additional students/schools. 2014-15 also had an additional \$1.0 million budgeted in contracts for Extended Day programs that were not spent and have been removed for 2015-16. Also in 2014-15, the OT/PT contracts increased \$1.1 million. The OT/PT contracts are expected to carry forward. In 2015-16, the District will incur a one-time \$1.23 million cost for a mandated Building Condition Survey that will be reimbursed at 98% in 2016-17. Therefore 2016-17 contracts are reduced for that one-time cost.		0% (\$1,230,000)	0%	0%
II	Reserve for Contingency The District will be operating on a very lean budget. It is imperative that a contingency be established to cover any unanticipated expenditure increases or revenue losses that may occur mid-year.	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
II	Rental Contracts (Equipment, Facilities, Computers): The District has contractual agreements for the rental of equipment (e.g. copiers), computer services/access and facilities. Some of these contracts stipulate annual increases in accordance with the CPI or some other factor. The lease for WNED expires in August of 2015 and will be taken out of the base for 2015-16. The annual increases are projected as follows:		2%	2%	2%
II	Repairs and Maintenance Related: This group of expenditures includes maintenance contracts, materials and supplies. No increases are currently forecasted.		0%	0%	0%
II	Textbooks: 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. In 2013-14, the budget was increased for one-time common core adoptions and additional purchases to ensure every student has a textbook.		0%	0%	0%

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

2015-16 2016-17 2017-18 2018-19

II Supplies and Misc. Related Items:

This total includes numerous instructional and office related supplies. No changes are projected.

0% 0% 0%

II Charter School Payments:

Charter School payments continue to have a significant impact on the district. 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 2017-18, the state budget established the annual increases identified. Enrollment increases are based on current enrollment and estimated changes for new charters. The District has estimated the expenditure as follows:

	Inc		Inc		Inc		
	8,025	300	8,325	300	8,625	300	8,925
	\$12,855	150	\$13,005	100	\$13,105	100	\$13,205
	\$103,500,000		\$108,600,000		\$113,400,000		\$118,200,000

Number of Charter Schools:	16	1	17	0	17	0	17
Enrollment change from prior year for existing charters:	251		175		300		300
Enrollment increase from prior year for new charters:	150		125		0		0

II Debt Service Costs:

The District's General Fund Principal and interest expenditures are based on the debt service schedules. The model lists out the scheduled principal and interest payments below, including JSCB debt service:

Principal and interest due on bonds currently outstanding

	PRINCIPAL	INTEREST	TOTAL
2016	\$67,549,157	\$51,173,818	\$118,722,975
2017	\$69,616,334	\$48,227,867	\$117,844,201
2018	\$69,584,334	\$44,878,590	\$114,462,924
2019	\$73,036,332	\$41,417,280	\$114,453,612
2020	\$76,057,334	\$37,744,542	\$113,801,876

II Interfund Transfers:

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:

\$3,139,000 \$3,139,000 \$3,139,000 \$3,139,000

BUFFALO CITY SCHOOL DISTRICT
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

2015-16 2016-17 2017-18 2018-19

EXPENDITURE ASSUMPTIONS - SPECIAL PROJECTS FUND

<p>I Categorical Grants: 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.</p>	\$12,759,425	\$12,759,425	\$12,759,425	\$12,759,425
<p>I Other grants: 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 2015-16 budget.</p>	\$104,443,429	\$104,443,429	\$104,443,429	\$104,443,429

EXPENDITURE ASSUMPTIONS - FOOD SERVICE FUND

<p>I Employee Compensation: Employee compensation includes regular salary, longevity, incentives and step increments. Additionally, in 2015-16, \$550,000 has been budgeted for teacher aides acting as lunch room monitors. 2015-16 and 2016-17 also have increases based on cook managers and cafeteria workers contracts which were settled in late 2014. In 2017-18 and 2018-19 only step increases of \$24,000 are anticipated.</p>	\$7,103,069	\$7,377,130	\$7,401,130	\$7,425,130
<p>I Employee Benefits Benefit growth is based on both the settled contracts for cook managers and cafeteria workers, and a 5% growth rate for all other benefits not impacted by the contract. The following amounts are projected:</p>	\$2,272,840	\$2,381,355	\$2,489,113	\$2,602,260
<p>I Building Improvements and Equipment \$5.5 million in building improvements/expansion of the commissary, along with \$2.7 million in related equipment purchases are anticipated in 2015-16. These are one time costs do not recur in the out years, where only minor equipment purchases are</p>	\$8,248,978	\$118,978	\$118,978	\$118,978
<p>I Services and Miscellaneous Supplies: This category includes delivery and equipment repair costs, the rental cost of the commissary and various miscellaneous contracts and supplies. These amounts are estimated to increase or decrease at contractual or planned rates when known, with a 2% growth rate applied for all other miscellaneous lines:</p>	\$1,588,980	\$1,438,749	\$1,452,804	\$1,467,140
<p>I Cafeteria Supplies (Non-Food) 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:</p>		4%	4%	4%
<p>I Food Supplies This category is for all food supplies necessary to operate the cafeterias and commissary. The increase in 2015-16 is due to the District's recent increased student enrollment, average daily participation in the breakfast and lunch programs, and increased costs of food supplies. The following annual increases are applied in the out years:</p>		3%	3%	3%
<p>I USDA Commodities 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%	0%	0%
<p>I Interfund Transfers 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%	0%	0%
<p>I Summer Food Service: Summer Food Service increases relate only to employee contract salary and benefit increases; all other costs to operate the summer program are expected to be flat.</p>	\$1,559,288	\$1,574,491	\$1,589,150	\$1,591,587

CLOSING THE GAP ANALYSIS

**BUFFALO CITY SCHOOL DISTRICT
CLOSING THE GAP ANALYSIS:**

Based on the current projections, the three out years of the plan have surpluses. Based on what we know today about the Out-of-Time Schools that are continuing to or will start to phase out and the growth of Emerson Annex, there will be an additional surplus as indicated below. Since phase in plans have not been adopted, we cannot project costs for what may or may not be approved.

GENERAL FUND

		PROJECTED 16-17	PROJECTED 17-18	PROJECTED 18-19
BASELINE SURPLUS/(GAP)		\$ 4,632,196	\$ 10,389,515	\$ 11,623,742
PROJECTED SAVINGS/(COSTS) FROM KNOWN SCHOOL CHANGES				
1	Four Out-of-Time Schools will continue to phase out (Martin Luther King Jr (#39), Bennett (#200), Lafayette (#204) and East (#307)) and Riverside (#205) is expected to begin phase out in 2016-17. The savings from staffing reductions as grades phase out is projected as indicated.	\$ 7,752,178	\$ 5,810,586	\$ 7,402,172
2	Emerson Culinary School is opening an Annex in 2015-16 with a 9th grade class. They will continue to expand an additional grade per year for the next three years with estimated costs as follows:	\$ (948,939)	\$ (1,137,099)	\$ (1,927,175)
REVISED SURPLUS/(GAP) AFTER KNOWN SCHOOL CHANGES		\$ 11,435,435	\$ 15,063,002	\$ 17,098,739

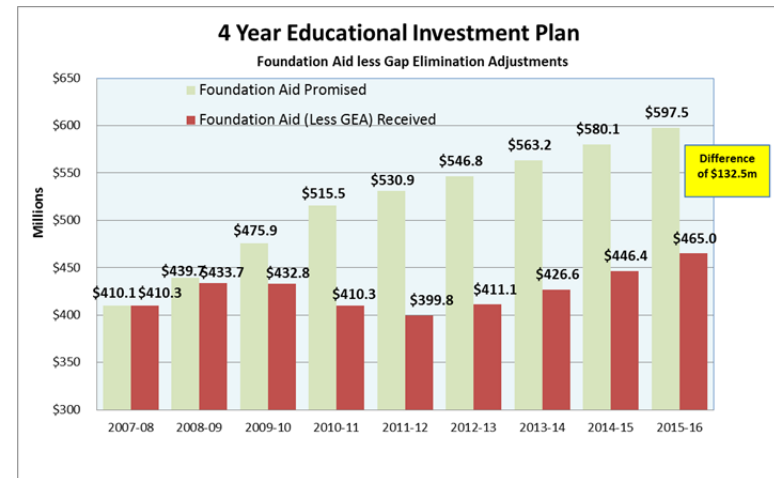
STATE LAW AND POLICY CHANGES

STATE LAW AND POLICY CHANGES

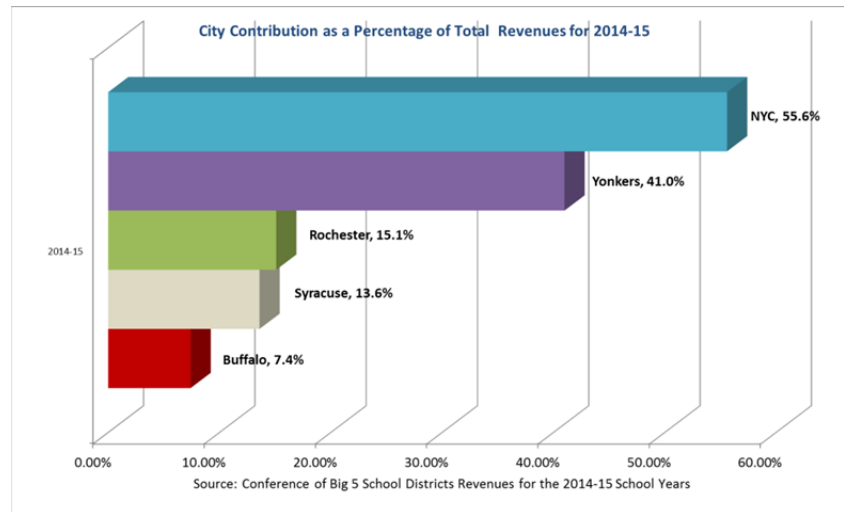
The BFSA requested that the District include information in the Plan that will “identify any changes in state law or policy that would better enable it to perform its mission.” There are three main areas that the District has advocated for in the past as part of its annual legislative agenda presented to the state legislature and working in conjunction with the Western New York Delegation and the Council of Big 5 School Districts. The three areas are (1) Reliable funding sources from the State and City (2) Amendment to the Triborough Agreement and (3) Unfunded Mandates. The fiscal impact of these three issues will be outlined below.

1. Reliable funding sources from the State and City

The District is one of five dependent districts in New York State, which means it cannot raise its own tax levy but relies on an annual funding allocation from its City and primarily the State of New York. The City provides an annual allocation of \$70.3 million which represents 9% of the General Fund budget while the State funds 83%. Without the ability to increase our own revenues, or rely on consistent City and State aid increases commensurate with increases in operating costs, of which the majority are primarily beyond the control of the District, annual budgetary deficits exist. In years that the State experiences its own fiscal crisis, it cuts aid to school districts. The combination of aid decreases and expenditure increases can force budget reductions that can critically diminish the services delivered to children. We have a student population that needs *extra services* to be successful, *not less*. The need for a reliable funding source was never more evident beginning in 2009-10 after the state had quickly abandoned its 4 Year Educational Plan that was introduced in 2007-08 to provide school districts with a new formula aid, Foundation Aid, that was designed to both aid high poverty districts, but also provide known annual aid increases for a four year period. The graph above depicts what Foundation Aid would have been based on the formula and Plan, compared to what was/will be actually received. While we recognize that the State has to maintain a reasonable and balanced budget, if funding to education cannot be increased sufficiently enough to support basic services to students then legislative changes for the major structural deficit drivers should be made and/or there needs to be consistent and reliable increases from the City of Buffalo. The City of Buffalo has not increased its contribution to the District since 2006-07, then reduced it \$.5 million the following year.



The City's contribution to education represents approximately 15% of its budget and Buffalo's contribution is the lowest percentage of the Big 5 Districts as depicted in the graph below. Similarly to the sentiment of the State's budget, the District recognizes that the City must maintain a balanced budget, but there needs to be a collective effort to ensure that student needs are met.



The table below depicts how aid increases have compared to increases in the major structural deficit drivers since 2008-09, the last year the state provide aid increases in accordance with the 4 Year Educational Plan. State aid exclusive of building aid has increased \$39.3 million, the four major cost drivers (Employee Health Insurance, Retiree Health Insurance, Employer Contributions to Retirement and Charter School Tuition) have increased a total of \$92.5 million. Even more telling is that while employee compensation has increased \$9.1 million primarily due to additional teachers being hired, employee and retiree health benefits and employer retirement contributions have increased \$55.9 million. Over this period of time, the District was forced to cut staff to pay for benefits and other cost drivers.

While the District was able to have operating surpluses until 2010-11, it was in part due to a combination of the wage freeze and/or state aid increases. Once the state aid decreased and the Federal stimulus funds dried up, at the same time the major cost drivers were increasing significantly, the District started experiencing operating deficits in 2011-12 and will continue to have annual deficits through at least 2014-15.

	08-09	09-10	10-11	11-12	12-13	13-14	Projected 14-15 ⁽¹⁾	Preliminary 15-16 ⁽²⁾	Diff 08-09 to 15-16	% Change
Revenue Excluding Building Aid:										
State Aid (Excl Bldg. Aid)	\$531.2	\$510.6	\$502.1	\$492.5	\$506.7	\$525.8	\$547.9	\$570.5	\$39.3	11.8%
City Contribution	\$70.3	\$70.3	\$70.3	\$70.3	\$70.3	\$70.3	\$70.3	\$70.3	\$0	0.0%
All Other Revenues (Excl Bldg. Aid)	\$48.3	\$67.3	\$63.1	\$57.4	\$56.5	\$58.6	\$61.3	\$61.5	\$13.2	27.0%
Total Revenues (Excl Bldg. Aid)	\$649.9	\$648.2	\$635.5	\$620.2	\$633.5	\$654.7	\$679.5	\$702.3	\$52.4	11.6%
Expenditures Excluding Debt Service:										
Employee Compensation	\$246.4	\$249.3	\$228.1	\$227.3	\$238.5	\$244.9	\$249.0	\$255.5	\$9.1	4.4%
Employee Health	\$38.0	\$41.5	\$40.9	\$36.3	\$39.9	\$44.3	\$49.1	\$54.3	\$16.2	63.1%
Retiree Health	\$45.9	\$50.2	\$56.7	\$60.4	\$60.1	\$63.6	\$63.6	\$68.5	\$22.6	103.9%
Employer Contributions to Retirement	\$16.8	\$14.6	\$20.0	\$25.0	\$29.9	\$36.3	\$41.9	\$34.0	\$17.1	671.1%
Charter School Tuition	\$66.9	\$70.4	\$85.1	\$90.3	\$94.5	\$94.2	\$98.3	\$103.5	\$36.6	138.4%
All Other Expenses (Excl Debt Service)	\$174.7	\$236.2	\$165.5	\$185.2	\$167.3	\$184.0	\$179.7	\$191.4	\$16.6	10.9%
Total Expenditures (Excl Debt Service)	\$588.9	\$662.1	\$596.3	\$624.5	\$630.3	\$667.4	\$681.6	\$707.1	\$118.2	27.2%

⁽¹⁾ Excludes Appropriated reserves of \$10.2 million

⁽²⁾ Excludes Appropriated reserves of \$8.4 million

2. Triborough Amendment

Background:

- In 1967, the State Legislature enacted, as Article 14 of the Civil Service Law, the Public Employees' Fair Employment Act commonly known as the Taylor Law, to grant collective bargaining rights to State and Local government employees.
- Taylor Law prohibits strikes by public employees and lockouts because public employers provide essential public services. It was necessary to provide procedures for resolution of impasse in collective bargaining and establishes a set of such procedures.
- Taylor Law was amended in 1974 to remove school districts from the legislative determination procedure leaving no means to resolve an impasse other than by agreement of the parties.
- Taylor Law's prohibition against strikes imposed a correlative duty upon a public employer to refrain from altering the terms and conditions of employment unilaterally during the course of negotiations. This principle became known as the Triborough Doctrine.
- The Court of Appeals had occasion to review the Triborough Doctrine. The Court accepted the principle that the status quo must be maintained during the negotiations. The Court rejected the assumption that the status quo includes automatic increments under an expired contract.
- The Legislature enacted what is now known as the Triborough Amendment. The Triborough Amendment prohibits an employer from diminishing any employee rights under an expired collective bargaining agreement except pursuant to a new, negotiated agreement.
- The Triborough Amendment does not provide any way for a public employer to eliminate or mitigate wasteful and inefficient work rules and benefits that have become inordinately expensive to the employer.
- The last collective bargaining agreement between the Buffalo School District and the Buffalo Teachers Federation was entered into October 19, 2000 effective July 1, 1999 and expired June 30, 2004. The employment relationship has been governed by the Triborough Amendment's perpetuation of the expired agreement for nearly ten (10) years.

District Impact:

In recent years, the Governor has spoken of a “crisis in education”. There is such a crisis. This “crisis” stems from rich employee and retiree benefits that continue to increase even absent a current collective bargaining agreement, fundamental formula flaws and other mandated cost increases coupled with an inability to raise our own revenues. While New York State may spend more on education than its counterparts, this spending is largely driven by costs beyond the control of individual school districts and is not directly reaching the classroom. By way of example, Buffalo spends over \$2,000 per pupil on retiree health insurance. These are dollars that do not reach the classroom. Absent legislative action, the District will continue to be strapped with contractual obligations negotiated decades ago. There is little to no incentive for unions to negotiate a new contract. They will continue to receive annual step increases, make no contribution to active health insurance and make a minimal contribution as a retiree. This is evidenced by the fact that after years of mediated negotiations with the teachers, the mediator issued a report that was reasonable, yet viewed favorable to the District by the union. The report recognized the financial times, had minimal salary increases for back years and required employee and increased retiree health contributions. Since the union viewed this unfavorable to them, they have discredited the report and requested that a fact finder be appointed to work with the parties who subsequently issued a report that was more friendly to the unions positions. Needless to say, the contract remains unsettled. The data points and sections below are meant to highlight some key areas affected by the Triborough Amendment and their impact on the District.

The collective bargaining agreements for teachers and administrators expired in 2004, however since that time:

- **Step Increases** total approximately \$5.0 million annually. While wages were frozen from 2004-2007, since the lifting of the freeze, step increases have totaled \$45 million through 2015-16.
- As a specific example: absent the three years of the wage freeze, step increases have continued at approximately 2.5% per year. A teacher who started in 2007-08 with a Masters degree will have received a base salary increase of \$13,160 by next year even without a contract. In fact, they will continue to receive increases a total of 23 times over 27 years.
- **Employee health insurance** – Absent a new collective bargaining agreement, the Triborough Amendment can perpetuate substantial costs upon the District without corresponding benefits to the teachers as evidenced by the single health insurer dispute. In September 1, 2005 without the agreement of the unions, the District moved from multiple health insurance carriers to a sole carrier that provided the same plans of benefits, and in the first year, savings for the District were estimated at \$12 million. Fortunately, even though there has not been a final resolution to this issue, the District has continued to use the foregone cost increases to reduce layoffs and cost cutting measures.
- Even though the District has taken measures to reduce health insurance costs, they still increase annually at approximately 6% growth and are one of the annual structural deficit drivers. In 2003-04, the average cost per employee was \$7,582. In 2015-16, it is estimated to be \$13,700.

- The District has also been successful in eliminating the cosmetic rider from the indemnity plan of recently negotiated contracts; however this language has not yet been bargained for with the teachers' or administrators' contracts.
- **Employee health contributions** – According to the annual New York State School Boards Association Survey released in 2013, the average teacher pays less than 14% of health premiums. Active Buffalo teachers and administrators do not pay any contribution toward their insurance. White and blue collar employees began contributing in 2012. If all employees had contributed 10% annually since their contracts expired in 2004, there would have been a \$46 million cost reduction in the general fund alone.
- **Retiree health insurance** – In 2015-16, the District anticipates paying \$68.5 million for approximately 4,000 retirees. Teachers are eligible for retiree health insurance if they have worked for the District for 15 years. Retired teachers contribute a fixed amount annually towards the cost of their health insurance (\$475 for a single plan and \$950 for a family plan). These contribution rates became effective on July 1, 2003 (the last year of the 1999 contract). In 1999, the traditional health plan cost (annually) \$2,544 for single and \$4,942 for family. Those same plans in 2015-16 have increased to \$10,848 for single and \$23,040 for family, even though the contributions have remained the same. Other expired bargaining agreements have similar contributions and eligibility requirements.
- **Employer Retirement Contribution Rates** - While rates for the Teachers Retirement System are decreasing for 2015-16, they increased from 2.52% to 17.53% of payroll from 2003-04 to 2014-15. While these cannot be impacted by the Triborough; they are a benefit to employees at a significantly increasing cost to the District.

3. Unfunded Mandates

Over the course of the last several years, the State has implemented new regulations and policies governing school districts. While some of them may have originally been funded with targeted grants, such as Race to the Top Funds, the funds have either expired or there never were any additional funds.

- **Out-of-Time Schools** – In 2014, the State Education Department (“SED”) began designating Priority Schools that had not made the required academic progress over the prior three years as “Out-of-Time”. There were four such schools during 2014-15 and at least a fifth will be added in 2015-16. The District must implement one of six available intervention options for each of the schools. Additionally, each school is required to have a Facilitator identified by the District whose sole responsibilities are to work on these plans and other aspects of the phase out of school operations. For 2015-16, the cost of these four Facilitators is approximately \$.6 million and it will be absorbed by the General Fund. There were significant costs in time and effort by numerous staff related to these plans in 2014-15 but they cannot necessarily be measured in dollars. The District inquired if there would be grant funds available for these positions and related costs and SED informed us that there would not be. The phase out plans for the identified schools also requires the investment of additional resources exceeding \$.5 million beyond the standard school based budget allocations provided by the district.

- **Commissioner's Mandate to Provide Students Access to BOCES** – In 2013, the Commissioner mandated the District offer students from East and Lafayette access to Career and Technical Education programs to a nearby, but out of district Board of Cooperative Education (BOCES). The District must transport the students and pay the tuition as well as incur additional staff time to administer the program. The cost of the tuition alone totaled \$.4 million in 2013-14 and with two more schools having been added, the projected cost in 2015-16 is approximately \$.8 million. While the District receives some reimbursement in the subsequent year for both the tuition and the transportation, the costs would be less if the students received the programming at their own schools or at another school within the District.
- **Commissioner's Regulations Part 154** – In 2014, the Commissioner of Education adopted amendments to the regulation that requires ELL students to be provided with equal access to all school programs and services to non-ELL students. The estimated cost of implementation for 2015-16 is approximately \$1.1 million.
- **Annual Professional Performance Review (APPR's)** – In 2009, the United States Department of Education created a competitive grant, Race to the Top, to spur and reward innovation and reforms in K-12 education. States were awarded the grants to implement the Common Core standards and performance based evaluations for teachers and administrators. The District's Race to the Top funding expires June 30, 2015; however the work related to APPR's may actually increase given the link to state aid and the mandate for external evaluations that may require each teacher to have at least one evaluation completed by a person not affiliated with the school. In no case does the work related to the completion of and tracking of APPR's decrease. For 2015-16 the projected cost to the General Fund for positions absorbed to perform this work is approximately \$.3 million and there is another \$.1 million in a grant.
- **School Reviews** -Annual Diagnostic Tool for School and District Effectiveness school reviews are mandated for focus and priority schools. Some of these are conducted by district personnel and some are conducted by teams of external evaluators. The process requires two district personnel to organize, coordinate, and follow up with external evaluators who are paid to conduct the evaluations and write the reports. The district has also had to pay for travel expenses related to required training for those who conduct DTSDE school reviews. The total estimated cost of this mandate is approximately \$.5 million.

WORKFORCE

2013-14 ACTUAL

2014-15 BUDGET & ACTUAL AS OF MARCH 31, 2015

2015-16 PRELIMINARY BUDGET AS OF APRIL 21, 2015

2016-17 THROUGH 2018-19 PROJECTIONS

BUFFALO CITY SCHOOL DISTRICT

FTE SUMMARY

	Actual as of 6.30.14	2014-15			2015-16	2016-17	2017-18	2018-19
		ORIGINAL BUDGET	REVISED BUDGET	ACTUAL AS OF 3.31.15				
BTF:								
GENERAL FUND	2,947.0	2,835.3	2,924.6	2,930.8	2,994.0	2,994.0	2,994.0	2,994.0
GRANTS	538.2	514.0	514.2	500.2	473.5	473.5	473.5	473.5
TOTAL BTF	3,485.2	3,349.3	3,438.8	3,431.0	3,467.5	3,467.5	3,467.5	3,467.5
BCSA:								
GENERAL FUND	188.0	198.5	200.7	191.1	196.1	196.0	196.0	196.0
GRANTS	50.0	47.0	51.1	47.9	43.6	43.6	43.6	43.6
TOTAL BCSA	238.0	245.5	251.8	239.0	239.7	239.6	239.6	239.6
PCTEA:								
GENERAL FUND	337.8	354.1	355.6	336.3	365.0	365.0	365.0	365.0
GRANTS	88.2	88.0	97.2	83.7	87.9	87.9	87.9	87.9
FOOD SERVICE	11.0	11.0	11.0	11.0	12.0	12.0	12.0	12.0
TOTAL PCTEA	437.0	453.1	463.8	431.0	464.9	464.9	464.9	464.9
BEST (Teacher Aides):								
GENERAL FUND	314.0	361.4	321.5	338.0	394.5	395.0	395.0	395.0
GRANTS	14.0	6.0	9.5	13.0	3.5	3.5	3.5	3.5
FOOD SERVICE	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL BEST	329.0	368.4	332.0	352.0	399.0	399.5	399.5	399.5
BEST (Teaching Assistants):								
GENERAL FUND	298.1	237.6	306.7	291.0	292.5	293.0	293.0	293.0
GRANTS	238.9	253.0	203.9	226.0	189.4	189.4	189.4	189.4
FOOD SERVICE	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL BEST	538.0	491.6	511.6	518.0	482.9	483.4	483.4	483.4
TRADESMEN:								
GENERAL FUND	26.0	29.0	29.0	27.0	29.0	29.0	29.0	29.0
TOTAL TRADESMEN	26.0	29.0	29.0	27.0	29.0	29.0	29.0	29.0
LOCAL 264								
GENERAL FUND	69.0	72.0	73.0	64.0	75.0	75.0	75.0	75.0
GRANTS	-	-	-	-	-	-	-	-
FOOD SERVICE	35.0	31.0	31.0	28.0	29.0	29.0	29.0	29.0
TOTAL LOCAL 264	104.0	103.0	104.0	92.0	104.0	104.0	104.0	104.0
LOCAL 409								
GENERAL FUND	60.0	61.0	61.0	56.0	61.0	61.0	61.0	61.0
GRANTS	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL LOCAL 409	61.0	62.0	62.0	57.0	62.0	62.0	62.0	62.0
EXEMPT & BOARD MEMBERS								
GENERAL FUND	27.3	32.0	34.0	27.5	34.0	34.0	34.0	34.0
GRANTS	0.8	1.0	0.8	0.5	-	-	-	-
TOTAL EXEMPT & BOARD MEMBERS	28.1	33.0	34.8	28.0	34.0	34.0	34.0	34.0
TOTAL GENERAL FUND	4,267.2	4,180.9	4,306.1	4,261.7	4,441.1	4,442.0	4,442.0	4,442.0
TOTAL GRANTS	931.1	910.0	877.7	872.3	798.9	798.9	798.9	798.9
TOTAL FOOD SERVICE	48.0	44.0	44.0	41.0	43.0	43.0	43.0	43.0
GRAND TOTAL	5,246.3	5,134.9	5,227.8	5,175.0	5,283.0	5,283.9	5,283.9	5,283.9

CASH FLOW

2013-14 ACTUAL

2014-15 AND 2015-16 PROJECTED

BUFFALO CITY SCHOOL DISTRICT

2013-14 FISCAL YEAR UNAUDITED (in thousands)

	Actual July 2013	Actual August 2013	Actual September 2013	Actual October 2013	Actual November 2013	Actual December 2013	Actual January 2014	Actual February 2014	Actual March 2014	Actual April 2014	Actual May 2014	Actual June 2014	Total
BEGINNING CASH & INVESTMENTS	223,204	172,316	172,879	148,238	127,096	120,967	142,604	155,752	153,741	230,810	195,689	202,440	223,204
CASH RECEIPTS:													
Basic Formula Aid	110	-			37,332	29,354	105,176	49,605	122,882	-	61,775	18,469	424,703
Excess Cost	-	14,099	-	-	-	21,974	-	-	41,744	-	-	13,401	91,218
Aid withheld for JSCB Bond Payments	-	-	-	-	-	(15,345)	(17,049)	(17,050)	(35,804)	-	-	-	(85,248)
Aid withheld for MBBA Bond Payment									(1,083)				(1,083)
JSCB Refinancing cash transfer to Capital Fund			(4,425)			(4,425)			(4,425)			(4,425)	(17,700)
Lottery Aid <small>(June is net of 713K debt payment)</small> & VLT Lott Grant	-	-	32,462	4,792	4,792	4,792	4,792	4,792	4,792	-	-	21,693	82,907
Property Taxes <small>(Less Capital Debt of \$11 M)</small>	4,960	4,960	4,960	4,960	4,960	4,959	4,959	4,960	4,960	4,960	4,959	4,959	59,516
Erie County Sales Tax	2,875	2,964	2,930	3,673	3,034	4,561	2,883	3,108	2,722	3,849	3,072	4,039	39,710
Food Service	1,576	986	624	2,420	3,162	4,310	21	2,031	2,281	2,783	1,979	2,573	24,746
Title I		2,546		3,772	5,306	4,086	-	3,489	-	6,007	-	4,830	30,036
Medicaid (Federal)	1,287	721	489	167	203	2,082	302	442	166	406	300	624	7,189
Other State & Federal	1,795	11,861	4,266	8,113	4,949	14,916	2,350	1,664	11,752	3,513	5,708	15,628	86,515
Other	980	1,204	1,893	1,847	870	8,582	841	295	495	463	1,319	1,689	20,478
TOTAL CASH RECEIPTS	13,583	39,341	43,199	29,744	64,608	79,846	104,275	53,336	150,482	21,981	79,112	83,480	762,987
CASH DISBURSEMENTS:													
Salary & FICA	20,222	12,862	25,045	29,829	29,725	30,091	44,907	30,521	30,373	30,873	30,011	31,455	345,914
Termination Pay		1,526	244	122	50	24	-	233	-	38	15	18	2,270
Carry Over Accounts Payable	12,050	7,673	2,755	-	-	-	-	-	-	-	-	-	22,478
Services & Supplies	5,173	5,823	4,688	7,668	9,972	13,264	11,269	7,187	8,808	11,004	12,051	9,574	106,481
Health Insurance	10,470	10,894	10,575	10,599	10,736	11,112	10,801	10,926	10,865	10,895	10,887	10,900	129,660
Charter School Payments	16,556	-	15,631	-	16,337	-	15,727	-	15,642	-	15,275	-	95,168
Transportation	-	-	6,486	757	869	774	4,283	3,514	3,286	2,747	826	5,601	29,143
Tuition Payments	-	-	2,416	1,911	3,048	2,944	4,140	2,966	4,439	1,545	3,296	5,935	32,640
TOTAL CASH DISBURSEMENTS	64,471	38,778	67,840	50,886	70,737	58,209	91,127	55,347	73,413	57,102	72,361	63,483	763,754
MONTHLY CASH & INVESTMENTS	(50,888)	563	(24,641)	(21,142)	(6,129)	21,637	13,148	(2,011)	77,069	(35,121)	6,751	19,997	(767)
ENDING CASH & INVESTMENTS	172,316	172,879	148,238	127,096	120,967	142,604	155,752	153,741	230,810	195,689	202,440	222,437	222,437

BUFFALO CITY SCHOOL DISTRICT

PROJECTED CASH FLOW AS OF APRIL 10, 2015

2014-15 FISCAL YEAR

UNAUDITED

(in thousands)

	ACTUAL July 2014	ACTUAL August 2014	ACTUAL September 2014	ACTUAL October 2014	ACTUAL November 2014	ACTUAL December 2014	ACTUAL January 2015	ACTUAL February 2015	ACTUAL March 2015	April 2015	May 2015	June 2015	Total
BEGINNING CASH & INVESTMENTS	222,437	181,752	172,321	166,329	134,014	127,863	118,369	160,655	158,839	223,891	195,018	192,144	222,437
CASH RECEIPTS:													
Basic Formula Aid <small>(net of Medicaid Takeback)</small>		1,000	3,584		38,601	32,842	114,248	49,209	120,395	11,646	49,208	20,734	441,467
Excess Cost <small>(Includes State Medicaid)</small>	-	13,779	2,902	-	-	23,976	-	-	43,856	-	-	14,500	99,013
Aid withheld for JSCB Bond Payments	-	-	-	-	-	(15,797)	(17,552)	(17,552)	(36,859)	-	-	-	(87,760)
Aid withheld for MBBA Bond Payment									(1,086)				(1,086)
JSCB Refinancing cash transfer to Capital Fund			(3,709)			(3,709)			(3,709)			(3,709)	(14,836)
Lottery Aid <small>(June is net of 713K debt payment)</small> & VLT Lott Grant	-	-	34,506	4,751	4,751	4,751	4,751	4,751	4,751	-	-	20,979	83,991
Property Taxes <small>(Less Capital Debt of \$11 M)</small>	4,960	4,960	4,960	4,960	4,960	4,959	4,959	4,960	4,960	4,960	4,959	4,959	59,516
Erie County Sales Tax	3,039	3,247	3,147	4,082	3,076	4,407	2,448	3,336	2,859	2,800	2,700	3,014	38,155
Food Service	2,296	1,498	66	2,758	3,063	1,559	2,293	2,421	1,816	4,000	1,700	2,000	25,470
Title I	4,246	-	-	-	-	-	-	-	-	4,017	5,475	3,000	16,738
Medicaid (Federal)	255	320	120	552	265	98	143	94	-	500	800	200	3,347
Other State & Federal	11,549	4,963	6,916	3,670	6,081	7,296	8,132	5,327	4,495	6,000	4,500	5,300	74,229
Other	1,066	2,031	2,423	690	186	8,904	2,246	324	577	1,000	1,000	1,000	21,447
TOTAL CASH RECEIPTS	27,411	31,798	54,915	21,463	60,983	69,286	121,668	52,870	142,055	34,923	70,342	71,977	759,691
CASH DISBURSEMENTS:													
Salary & FICA	20,894	12,314	24,739	29,962	30,137	29,904	45,279	30,760	31,232	30,366	30,366	30,366	346,319
Termination Pay		1,369	197	62	233	35	79	83	28	130	50	80	2,346
Carry Over Accounts Payable	14,109	10,702	168	301	-	43	-	-	1,002	-	-	-	26,325
Services & Supplies	5,475	5,434	3,391	7,883	5,418	20,079	7,071	6,937	9,350	10,500	9,900	12,600	104,038
Health Insurance	11,313	11,392	11,237	11,514	11,425	22,690	86	11,414	11,353	11,300	11,300	11,300	136,324
Charter School Payments	16,305	-	16,687	-	16,359	657	15,290	-	16,343	-	16,500	-	98,141
Transportation	-	18	821	3,552	91	1,579	7,638	860	4,955	7,500	1,000	5,500	33,514
Tuition Payments	-	-	3,667	504	3,471	3,793	3,939	4,632	2,740	4,000	4,100	3,000	33,846
TOTAL CASH DISBURSEMENTS	68,096	41,229	60,907	53,778	67,134	78,780	79,382	54,686	77,003	63,796	73,216	62,846	780,853
MONTHLY CASH & INVESTMENTS	(40,685)	(9,431)	(5,992)	(32,315)	(6,151)	(9,494)	42,286	(1,816)	65,052	(28,873)	(2,874)	9,131	(21,162)
ENDING CASH & INVESTMENTS	181,752	172,321	166,329	134,014	127,863	118,369	160,655	158,839	223,891	195,018	192,144	201,275	201,275

BUFFALO CITY SCHOOL DISTRICT

PROJECTED CASH FLOW - APRIL 2015⁽¹⁾

2015-16 FISCAL YEAR

UNAUDITED

(in thousands)

	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	Total
BEGINNING CASH & INVESTMENTS	201,275	159,167	157,638	148,522	104,389	99,054	115,379	148,579	155,678	234,464	231,728	225,978	201,275
CASH RECEIPTS:													
Basic Formula Aid <small>(net of Medicaid Takeback)</small>	114	-	-	-	38,900	30,844	112,545	51,517	123,783	51,517	51,517	15,600	476,337
Excess Cost <small>(Includes State Medicaid)</small>	-	14,671	1,790	-	-	25,471	-	-	46,410	-	-	14,890	103,232
Aid withheld for JSCB Bond Payments	-	-	-	-	-	(15,871)	(17,634)	(17,634)	(37,022)	-	-	-	(88,161)
Aid withheld for MBBA Bond Payment	-	-	-	-	-	-	-	-	(1,083)	-	-	-	(1,083)
JSCB Refinancing cash transfer to Capital Fund	-	-	(3,102)	-	-	-	(3,102)	-	-	-	-	(3,103)	(9,307)
Lottery Aid <small>(June is net of 713K debt payment)</small> & VLT Lott Grant	-	-	38,675	4,792	4,792	4,792	4,792	4,792	4,792	-	-	20,265	87,692
Property Taxes <small>(Less Capital Debt of \$11 M)</small>	4,960	4,960	4,960	4,960	4,960	4,959	4,959	4,960	4,960	4,960	4,959	4,959	59,516
Erie County Sales Tax	3,100	3,450	2,875	4,099	3,080	4,595	2,552	3,453	2,922	3,850	2,896	4,069	40,941
Food Service	2,296	1,450	308	2,785	3,150	1,575	2,330	2,450	1,850	2,850	2,803	2,590	26,437
Title I	6,500	2,546	-	3,772	5,306	4,086	-	3,489	-	4,017	5,475	3,000	38,191
Medicaid (Federal)	511	-	-	620	7	144	-	-	-	500	800	200	2,782
Other State & Federal	8,203	10,840	1,185	7,625	4,778	10,480	4,905	8,641	13,125	1,250	3,000	5,300	79,332
Other	1,408	1,204	343	1,014	592	8,000	3,373	631	399	1,000	1,000	1,000	19,964
TOTAL CASH RECEIPTS	27,092	39,121	47,034	29,667	65,565	79,075	114,720	62,299	160,136	69,944	72,450	68,770	835,873
CASH DISBURSEMENTS:													
Salary & FICA	21,450	9,600	14,500	46,300	30,200	31,200	32,870	31,550	31,200	46,300	32,200	32,200	359,570
Termination Pay	-	2,500	1,000	50	50	-	100	-	100	130	70	60	4,060
Carry Over Accounts Payable	14,000	11,000	500	500	-	-	-	-	-	-	-	-	26,000
Services & Supplies	4,450	5,950	8,350	11,350	7,550	12,950	7,850	8,250	7,950	10,150	9,530	10,770	105,100
Health Insurance	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	139,200
Charter School Payments	17,700	-	17,500	-	17,000	-	16,800	-	16,500	-	18,000	-	103,500
Transportation	-	-	1,500	1,500	1,500	3,500	8,800	1,000	10,500	1,000	4,000	3,700	37,000
Tuition Payments	-	-	1,200	2,500	3,000	3,500	3,500	2,800	3,500	3,500	2,800	3,900	30,200
TOTAL CASH DISBURSEMENTS	69,200	40,650	56,150	73,800	70,900	62,750	81,520	55,200	81,350	72,680	78,200	62,230	804,630
MONTHLY CASH & INVESTMENTS	(42,108)	(1,529)	(9,116)	(44,133)	(5,335)	16,325	33,200	7,099	78,786	(2,736)	(5,750)	6,540	31,243
ENDING CASH & INVESTMENTS	159,167	157,638	148,522	104,389	99,054	115,379	148,579	155,678	234,464	231,728	225,978	232,518	232,518

⁽¹⁾ This cash flow is only intended for inclusion in the Four Year Plan - The Official 2015-16 Projected Cash Flow will be prepared once the final 2014-15 cash flow is known in July.