



## *Buffalo City School District*

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### **Four - Year Financial Plan 2016-17 to 2019-20**

**Updated June 10, 2016**

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

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## TABLE OF CONTENTS

FINANCIAL PLAN OVERVIEW	2-4
PROJECTED REVENUES & EXPENDITURES	2-9
FINANCIAL PLAN ASSUMPTIONS	2-14
CLOSING THE GAP ANALYSIS	2-24
WORKFORCE	2-27
CASH FLOW STATEMENTS	2-29

# FINANCIAL PLAN OVERVIEW

## FINANCIAL PLAN OVERVIEW

The approved budget included in this document represents a concerted effort by the Superintendent and the departments of the District to implement the New Education Bargain, along with other necessary instructional investments. 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 2016-17 with the employer portion of pension rates for teachers and civil service employees decreasing approximately 6.4%, or \$2.2 million. Additionally, due to the refunding of debt related to the Joint Schools Reconstruction Project, debt service expenditures are expected to decline 1.3%, or \$1.6 million. These expenditure decreases coupled with state aid increases of 4.2% or \$28.6 million have helped the District offset some of the structural cost increases in Charter tuition and Health Insurance, though not enough to fund the New Education Bargain in its entirety, along with other necessary instructional spending in Special Education and for English Language Learners.

Overall, the 2016-17 budget proposal is increasing \$22.1 million (or 2.7%) above the 2015-16 budget and full time employees (FTE) are increasing by 153, primarily at the school level. \$16.4 million of the increase is related to the New Education Bargain, including 73 FTEs. Other FTE investments were related to Special Education, English Language Learners and Physical Education.

Major FTE and Instructional investments in 2016-17:

	FTEs	Budgetary Investment
The New Education Bargain:		(millions)
Rigorous Early Elementary Education	48	\$3.4
Strong Community Schools (Note: \$2.5m of other NEB planks will be funded through Community Schools, bringing total to \$12.5m)	-	9.3
New Innovative High Schools	21	2.0
Extended Learning Excellence for All Our Students	-	1.3
Services for Our Neediest Children and Families	4	0.4
<b>Total investment for the New Education Bargain:</b>	<b>73</b>	<b>\$16.4</b>
English Language Learner Teachers and Aides/Assistants - driven by Part 154 of Commissioners Regulations	29	\$2.5
Special Education and Speech Teachers - driven by student IEP's	28	2.4
Physical Education Teacher positions added after adoption of 2015-16 budget	19	1.7
<b>Total :</b>	<b>149</b>	<b>\$23.0</b>

A summary of the major areas of change are as follows (in millions):

	15-16 Adopted Budget	16-17 Proposed Budget	Percent of Budget	Change from 2015-16	Percent Change
<b>Revenues:</b>					
City Contribution	\$ 70.3	\$ 70.3	8.3%	\$ -	0.0%
County Sales Tax	42.0	42.0	5.0%	-	0.0%
State Aid	685.7	714.2	84.2%	28.6	4.2%
Other Revenues	19.5	16.5	1.9%	(2.9)	-15.0%
Use of Reserves	8.4	4.8	0.6%	(3.5)	-42.3%
<b>Total Revenues</b>	<b>\$ 825.8</b>	<b>\$ 847.9</b>	<b>100.0%</b>	<b>\$ 22.1</b>	<b>2.7%</b>
<b>Expenditures:</b>					
Compensation	\$ 255.5	\$ 264.8	31.2%	\$ 9.3	3.7%
Pension Contributions	34.0	31.8	3.8%	(2.2)	-6.4%
Employee Health Insurance	54.7	55.3	6.5%	0.6	1.2%
Retiree Health Insurance	68.5	69.7	8.2%	1.2	1.8%
Other Employee Benefits	36.0	36.6	4.3%	0.7	1.8%
Transportation	46.7	48.0	5.7%	1.3	2.8%
Agency, BOCES and Other Tuition	34.2	33.6	4.0%	(0.6)	-1.7%
Charter School Tuition	103.5	109.6	12.9%	6.1	5.9%
Debt Service and Interfund Transfers	121.9	120.4	14.2%	(1.5)	-1.2%
All Other Expenses, including Community Schools	71.0	78.1	9.2%	7.1	10.0%
<b>Total Expenditures</b>	<b>\$ 825.8</b>	<b>\$ 847.9</b>	<b>100.0%</b>	<b>\$ 22.1</b>	<b>2.7%</b>

### Future Outlook

The District's revised four year plan includes projected deficits in each year from 2016-17 to 2019-20. The highest projected deficit of \$8.9 million is projected in 2017-18 when additional reduced class size investments are targeted and the planned Emerson II facility is projected to go live; deficits are expected to decline to \$2.2 million in 2019-20. State aid increases of approximately 3% are expected annually, along with further reductions in pension rates to their long term expected averages and reduced payments on bonded debt that has been refinanced or matured. In each year, the District is required to develop a balanced budget, so additional measures will be taken to reduce these deficits in order to balance the budget in each year of the plan.

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. Included in this document are several possible deficit closing measures, which include finding efficiencies in current operations, delaying or reducing the future expansion reduced class size and extended learning time investments under the New Education Bargain, along with a renewed request for additional funding from the City of Buffalo, which must become a component of the long term fiscal health of the District. Additionally, it should be noted the one deficit closing measure included in the 2016-17 budget is the elimination of the cosmetic surgery rider for teachers. This measure may ultimately be reversed and as such, is included as a potential negative item in 2016-17 gap closing measures, along with the use of assigned fund balance to close the deficit if it is ultimately reversed. This plan assumes that the cosmetic surgery rider will be included on the out years.

**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 \$ (17 to 20)	Four Year Δ % (17 to 20)
	2016-17	2017-18	2018-19	2019-20		
<b>Significant Revenue Categories:</b>						
Foundation Aid	\$494.7	\$509.6	\$524.8	\$540.6	\$45.9	9.3%
Building Aid	115.9	115.3	115.3	115.3	(\$0.6)	-0.5%
Other Formula and State Aids	96.4	96.5	98.3	100.1	3.7	3.8%
Charter School Transition Aid & Supplemental Aid	7.2	9.9	12.5	14.3	7.1	98.6%
Other (City, County, Medicaid & misc.)	128.9	129.6	130.5	131.3	2.4	1.9%
<b>Total Revenues</b>	<b>\$843.1</b>	<b>\$860.9</b>	<b>\$881.4</b>	<b>\$901.6</b>	<b>\$58.5</b>	<b>6.9%</b>
<b>Significant Expenditure Categories:</b>						
Compensation	\$268.8	\$274.7	\$279.5	\$282.3	\$13.5	5.0%
Pension Contributions	31.8	29.4	27.4	26.2	(5.6)	(17.6%)
Health Insurance - Employees	55.3	62.1	65.2	68.1	12.8	23.1%
Health Insurance - Retirees	69.7	72.9	77.5	82.4	12.7	18.2%
Other Employee Benefits	36.7	37.6	38.0	38.2	1.5	4.1%
Charter School Tuition Payments	109.6	116.2	122.0	125.4	15.8	14.4%
Debt Service	117.1	113.7	113.7	113.1	(4.0)	(3.4%)
All Other <sup>(1)</sup>	158.9	163.2	165.6	168.1	9.2	5.8%
<b>Total Expenditures</b>	<b>\$847.9</b>	<b>\$869.8</b>	<b>\$888.9</b>	<b>\$903.8</b>	<b>\$55.9</b>	<b>6.6%</b>
<b>Baseline Surplus (Deficit)</b>	<b>(\$4.8)</b>	<b>(\$8.9)</b>	<b>(\$7.5)</b>	<b>(\$2.2)</b>		
<b>Recommended Use of Reserves</b>	4.8	5.5	5.9	6.3		
<b>Revised Deficit</b>	<b>0.0</b>	<b>(\$3.4)</b>	<b>(\$1.6)</b>	<b>\$4.1</b>		

<sup>(1)</sup> 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, 2020:

	<b>General Fund</b>		<b>Food Service</b>
	<b>(in millions)</b>		<b>(in millions)</b>
	Unassigned <sup>(1)</sup>	Assigned	Assigned <sup>(2)</sup>
Fund Balances 6.30.15	52.1	113.6	20.6
Changes and Adjustments 2015-16	0.0	(5.6)	0.0
Projected Balance 6.30.16	<b>52.1</b>	<b>108.0</b>	<b>20.6</b>
Projected Changes Through 2019-20	(4.6)	(17.9)	(12.6)
Projected Balance 6.30.20	<b>47.5</b>	<b>90.1</b>	<b>8.0</b>

<sup>(1)</sup> Minimum balance to be maintained per Board Policy is 4% of expenditures; or approximately \$34 million; the balance exceeds the minimum

<sup>(2)</sup> Federal regulations state that the Food Service Fund is to maintain fund balances totalling no more than three months of expenditures. At June 30, 2015 the Food Service Fund has exceeded that amount. Fund balance is expected to be used to bring the balance into compliance by 2019-20.



# **PROJECTED REVENUES AND EXPENDITURES**

**2014-15 ACTUAL**

**2015-16 PROJECTIONS AS OF APRIL 21, 2016**

**2016-17 PRELIMINARY BUDGET AS OF APRIL 26, 2016**

**2017-18 THROUGH 2019-20 PROJECTIONS**

**BUFFALO CITY SCHOOL DISTRICT  
PROJECTED DEFICITS**

**GENERAL FUND**

	PROJECTED 16-17	VARIANCE	PROJECTED 17-18	VARIANCE	PROJECTED 18-19	VARIANCE	PROJECTED 19-20	4 yrs cumulative
REVENUES	847,900,000	18,500,260	866,400,260	20,869,924	887,270,184	20,575,452	907,845,636	
EXPENDITURES	847,900,000	(21,921,664)	869,821,664	(19,007,212)	888,828,876	(14,868,972)	903,697,848	
<b>BUDGETARY SURPLUS (DEFICIT) AFTER PLANNED USE OF RESERVES</b>	<b>-</b>	<b>(3,421,404)</b>	<b>(3,421,404)</b>	1,862,712	<b>(1,558,692)</b>	5,706,480	<b>4,147,788</b>	<b>(832,308)</b>
APPROPRIATED RESERVES - UNASSIGNED	4,630,000		-		-		-	4,630,000
APPROPRIATED RESERVES - ASSIGNED	200,000		5,500,000		5,900,000		6,300,000	17,900,000
<b>SURPLUS (DEFICIT) BEFORE USE OF RESERVES</b>	<b>(4,830,000)</b>		<b>(8,921,404)</b>		<b>(7,458,692)</b>		<b>(2,152,212)</b>	<b>(23,362,308)</b>

**FOOD SERVICE FUND**

	PROJECTED 16-17	VARIANCE	PROJECTED 17-18	VARIANCE	PROJECTED 18-19	VARIANCE	PROJECTED 19-20	4 yrs cumulative
REVENUES	39,770,935	(7,589,787)	32,181,148	679,839	32,860,987	669,437	33,530,424	
EXPENDITURES	39,770,935	7,589,787	32,181,148	(679,839)	32,860,987	(669,437)	33,530,424	
<b>BUDGETARY SURPLUS (DEFICIT) AFTER PLANNED USE OF RESERVES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
APPROPRIATED RESERVES - ASSIGNED	9,222,498		1,047,282		1,129,983		1,190,339	12,590,102
<b>SURPLUS (DEFICIT) BEFORE USE OF RESERVES</b>	<b>(9,222,498)</b>		<b>(1,047,282)</b>		<b>(1,129,983)</b>		<b>(1,190,339)</b>	<b>(12,590,102)</b>

The Special Projects Fund is projected to break even.

**BUFFALO CITY SCHOOL DISTRICT  
REVENUES**

	ACTUAL 14-15	ADOPTED BUDGET 15-16	MODIFIED BUDGET 15-16	PROJECTED 2015-16 4.21.16	PROJECTED BUDGET 16-17	PROJECTED SEE ASSUMPTIONS ON SUBSEQUENT PAGES		
						17-18	18-19	19-20
<b>GENERAL FUND:</b>								
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	40,167,930	42,000,000	42,000,000	42,000,000	42,000,000	42,630,000	43,269,450	43,918,492
MEDICAID REIMBURSEMENT (FEDERAL)	718,231	3,000,000	3,000,000	2,500,000	2,500,000	2,525,000	2,550,250	2,575,753
<b>STATE AID</b>								
FOUNDATION AID	449,394,738	465,044,303	465,044,303	464,962,792	494,715,428	509,556,891	524,843,598	540,588,906
BUILDING AID	114,447,441	115,183,229	115,183,229	115,079,116	115,897,887	115,276,352	115,276,352	115,276,352
CHARTER SCHOOL TRANSITIONAL AID	4,434,647	3,808,854	3,808,854	3,573,558	4,420,619	5,724,789	7,280,648	7,983,822
OTHER FORMULA AIDS	90,957,955	97,986,222	97,986,222	91,576,813	93,398,724	94,332,711	95,276,038	96,228,798
SUPPLEMENTAL CHARTER TUITION REIMBURSEMENT	-	1,927,750	1,927,750	1,894,710	2,781,100	4,139,000	5,200,800	6,325,200
INCREMENTAL AID FOR TRANSPORTATION	-	-	-	-	-	2,218,940	3,034,733	3,866,842
OTHER STATE AID/FED (FEMA)	2,228,112	1,800,000	4,200,000	5,173,325	3,000,000	-	-	-
GAP ELIMINATION ADJUSTMENT	-	(86,989)	(86,989)	(86,989)	-	-	-	-
<b>TOTAL STATE AID</b>	<b>\$ 661,462,893</b>	<b>\$ 685,663,369</b>	<b>\$ 688,063,369</b>	<b>\$ 682,173,325</b>	<b>\$ 714,213,758</b>	<b>\$ 731,248,683</b>	<b>\$ 750,912,169</b>	<b>\$ 770,269,920</b>
<b>OTHER:</b>								
OTHER (TUITION, INTEREST, MISC, INTERFUND)	\$ 14,903,584	\$ 16,455,143	\$ 16,455,143	\$ 16,455,143	\$ 14,033,484	\$ 14,173,819	\$ 14,315,557	\$ 14,458,713
APPROPRIATED FUND BALANCE - UNASSIGNED (BUDGETARY ONLY)	-	-	-	-	4,630,000	-	-	-
APPROPRIATED FUND BALANCE - PRIOR YEAR CLAIMS (BUDGETARY ONLY)	-	4,792,000	4,792,000	4,792,000	-	5,300,000	5,700,000	6,100,000
APPROPRIATED FUND BALANCE - CAPITAL CONTRIBUTION (BUDGETARY ONLY)	-	1,580,000	1,580,000	1,580,000	200,000	200,000	200,000	200,000
APPROPRIATED FUND BALANCE - LITIGATION SETTLEMENT (BUDGETARY ONLY)	-	2,000,000	2,000,000	2,000,000	-	-	-	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 787,575,396</b>	<b>\$ 825,813,270</b>	<b>\$ 828,213,270</b>	<b>\$ 821,823,226</b>	<b>\$ 847,900,000</b>	<b>\$ 866,400,260</b>	<b>\$ 887,270,184</b>	<b>\$ 907,845,636</b>
<b>SPECIAL PROJECTS FUND:</b>								
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:	107,048,114	104,443,429	118,587,871	118,587,871	100,940,805	100,940,805	100,940,805	100,940,805
<b>TOTAL SPECIAL PROJECTS FUND</b>	<b>\$ 119,807,539</b>	<b>\$ 117,202,854</b>	<b>\$ 131,347,296</b>	<b>\$ 131,347,296</b>	<b>\$ 113,700,230</b>	<b>\$ 113,700,230</b>	<b>\$ 113,700,230</b>	<b>\$ 113,700,230</b>
<b>FOOD SERVICE FUNDS:</b>								
STATE AND FEDERAL AID	\$ 23,851,339	\$ 25,552,074	\$ 25,552,074	\$ 25,552,074	\$ 26,269,741	\$ 26,795,136	\$ 27,331,039	\$ 27,877,660
FEDERAL AID - SURPLUS FOOD	1,323,775	1,212,000	1,212,000	1,212,000	1,518,000	1,548,360	1,579,327	1,610,914
FEDERAL AID - SUMMER FOOD PROGRAM	1,497,937	1,454,288	1,454,288	1,454,288	1,483,720	1,513,394	1,543,662	1,574,535
<b>TOTAL STATE AND FEDERAL AID</b>	<b>26,673,051</b>	<b>28,218,362</b>	<b>28,218,362</b>	<b>28,218,362</b>	<b>29,271,461</b>	<b>29,856,890</b>	<b>30,454,028</b>	<b>31,063,109</b>
FOOD SALES	617,700	524,265	524,265	524,265	665,000	665,000	665,000	665,000
INTERFUND TRANSFERS	330,261	482,372	482,372	482,372	548,476	548,476	548,476	548,476
MISCELLANEOUS	68,646	45,000	45,000	45,000	63,500	63,500	63,500	63,500
FUND BALANCE (BUDGETARY ONLY)	-	9,222,498	9,222,498	9,222,498	9,222,498	1,047,282	1,129,983	1,190,339
<b>TOTAL FOOD SERVICE REVENUES</b>	<b>\$ 27,689,658</b>	<b>\$ 38,492,497</b>	<b>\$ 38,492,497</b>	<b>\$ 38,492,497</b>	<b>\$ 39,770,935</b>	<b>\$ 32,181,148</b>	<b>\$ 32,860,987</b>	<b>\$ 33,530,424</b>
<b>GRAND TOTAL - REVENUES</b>	<b>\$ 935,072,593</b>	<b>\$ 981,508,621</b>	<b>\$ 998,053,063</b>	<b>\$ 991,663,019</b>	<b>\$ 1,001,371,165</b>	<b>\$ 1,012,281,638</b>	<b>\$ 1,033,831,401</b>	<b>\$ 1,055,076,290</b>

**BUFFALO CITY SCHOOL DISTRICT  
EXPENDITURES**

	ACTUAL	ADOPTED	MODIFIED	PROJECTED	PROJECTED	PROJECTED		
	14-15 GAAP BASIS	BUDGET 15-16	BUDGET 15-16	2015-16 4.21.16	BUDGET 16-17	SEE ASSUMPTIONS ON SUBSEQUENT PAGES		
						17-18	18-19	19-20
<b>GENERAL FUND:</b>								
<b>EMPLOYEE COMPENSATION:</b>								
BTF (TEACHERS)	\$ 166,864,523	\$ 170,061,776	\$ 170,963,097	\$ 170,963,097	\$ 179,240,832	\$ 184,221,853	\$ 188,327,399	\$ 190,535,584
	Employee Totals 2,917.4	2,994.0	3,013.0	2,989.8	3,107.7	3,137.7	3,157.7	3,157.7
BTF OTHER COMPENSATION	8,816,575	9,121,830	9,086,400	9,086,400	12,790,626	12,790,626	12,790,626	12,790,626
SUBSTITUTES	6,846,914	6,467,168	7,526,046	7,526,046	6,642,078	6,642,078	6,642,078	6,642,078
BCSA (ADMINISTRATORS)	17,968,718	19,320,213	19,536,041	19,336,041	18,171,759	18,535,194	18,905,898	19,284,016
	Employee Totals 193.2	196.1	196.1	200.5	193.5	193.5	193.5	193.5
PCTEA (WHITE COLLAR)	15,524,625	17,313,505	17,414,655	16,214,655	17,638,518	17,638,518	17,638,518	17,638,518
	Employee Totals 329.0	365.0	367.0	334.4	376.1	376.1	376.1	376.1
BEST (TEACHER AIDES - NON CERTIFIED)	5,821,396	7,610,568	7,444,331	7,444,331	7,060,055	7,060,055	7,060,055	7,060,055
	Employee Totals 360.0	394.5	285.0	286.2	351.0	351.0	351.0	351.0
BEST (TEACHING ASSISTANTS - CERTIFIED)	6,228,493	5,805,529	5,996,917	5,996,917	7,723,648	7,723,648	7,723,648	7,723,648
	Employee Totals 283.0	292.5	402.0	412.0	366.5	366.5	366.5	366.5
TAB (BUS AIDES) (Hourly)	5,125,940	5,204,780	5,204,780	5,204,780	5,292,095	5,556,700	5,556,700	5,556,700
TRADES (CARPENTERS, PLUMBERS)	2,571,310	2,609,054	2,414,734	2,714,734	3,109,843	3,203,138	3,299,232	3,398,209
	Employee Totals 28.0	29.0	29.0	28.0	33.0	33.0	33.0	33.0
LOCAL 264 (BLUE COLLAR)	2,574,981	3,024,129	2,891,833	2,891,833	2,753,077	2,769,624	2,786,171	2,802,718
	Employee Totals 63.0	75.0	72.0	60.0	71.0	71.0	71.0	71.0
LOCAL 409 (ENGINEERS)	3,355,288	3,421,472	3,421,472	3,421,472	3,421,306	3,428,112	3,434,918	3,441,724
	Employee Totals 56.0	61.0	61.0	54.0	58.0	58.0	58.0	58.0
BOARD MEMBERS (9) AND EXEMPT	2,320,736	3,064,660	3,020,570	2,870,570	3,641,250	3,641,250	3,641,250	3,641,250
	Employee Totals 27.1	34.0	34.0	31.7	37.5	37.5	37.5	37.5
MISCELLANEOUS ITEMS	368,889	400,930	481,193	481,193	398,036	398,036	398,036	398,036
OVERTIME	2,557,643	2,057,262	2,453,131	2,453,131	934,979	1,134,979	1,334,979	1,354,979
	Employees - Grand Totals 4,256.7	4,441.1	4,459.1	4,396.6	4,594.3	4,624.3	4,644.3	4,644.3
<b>TOTAL EMPLOYEE COMPENSATION</b>	<b>\$ 246,946,031</b>	<b>\$ 255,482,876</b>	<b>\$ 257,855,200</b>	<b>\$ 256,605,200</b>	<b>\$ 268,818,102</b>	<b>\$ 274,743,811</b>	<b>\$ 279,539,508</b>	<b>\$ 282,268,141</b>
<b>EMPLOYEE BENEFITS:</b>								
CIVIL SERVICE RETIREMENT	\$ 6,076,286	\$ 6,287,557	\$ 6,287,557	\$ 6,287,557	\$ 5,810,000	\$ 5,705,169	\$ 5,357,142	\$ 5,031,087
TEACHERS RETIREMENT	35,051,261	27,696,894	27,842,742	27,842,742	26,000,000	23,710,244	22,002,392	21,147,971
SOCIAL SECURITY	18,936,013	19,557,028	19,639,675	19,639,675	20,364,973	21,058,502	21,425,372	21,634,113
HEALTH INSURANCE - EMPLOYEES	50,807,859	54,674,460	54,961,455	53,961,455	55,316,000	62,129,227	65,192,930	68,107,373
HEALTH INSURANCE - RETIREES	61,618,266	68,483,281	68,483,281	65,483,281	69,726,000	72,858,300	77,507,542	82,413,483
TERMINATION PAY	2,676,574	4,060,000	4,060,000	4,060,000	3,960,000	4,060,000	4,060,000	4,060,000
OTHER BENEFITS	8,186,931	12,367,536	12,417,320	11,417,320	12,324,500	12,494,788	12,494,788	12,494,788
<b>TOTAL EMPLOYEE BENEFITS</b>	<b>\$ 183,353,190</b>	<b>\$ 193,126,756</b>	<b>\$ 193,692,030</b>	<b>\$ 188,692,030</b>	<b>\$ 193,501,473</b>	<b>\$ 202,016,230</b>	<b>\$ 208,040,166</b>	<b>\$ 214,888,815</b>
<b>OTHER:</b>								
TRANSPORTATION	\$ 40,226,216	\$ 46,700,266	\$ 46,577,318	\$ 45,377,318	\$ 47,987,836	\$ 48,947,593	\$ 49,926,545	\$ 50,925,076
UTILITIES	8,696,694	9,676,407	9,573,725	9,073,725	8,709,845	8,796,943	8,972,882	9,242,068
TUITION	31,705,598	33,443,560	33,443,560	33,443,560	33,573,960	34,581,179	35,618,614	36,687,172
CONTRACTS - CUSTODIAN	18,335,348	18,551,378	18,421,309	18,721,309	18,794,701	18,794,701	18,794,701	18,794,701
EQUIPMENT	1,630,017	1,873,951	1,791,528	1,791,528	1,831,947	1,831,947	1,831,947	1,831,947
CONTRACTS, INSURANCE, MISCELLANEOUS	15,569,802	16,489,913	17,928,705	17,428,705	21,805,310	21,805,310	21,805,310	21,805,310
RESERVE FOR CONTINGENCY	0	3,000,000	576,574	0	2,000,000	3,000,000	3,000,000	3,000,000
RENTAL CONTRACTS (EQUIP, FACIL, CMPTRS)	8,300,435	8,160,163	8,170,755	8,170,755	6,969,257	8,098,642	8,250,815	8,405,831
REPAIRS & MAINTENANCE & RELATED	1,894,896	1,948,283	2,102,869	2,102,869	2,454,196	2,503,280	2,553,346	2,604,413
TEXTBOOKS	2,965,670	3,469,383	2,665,208	2,665,208	3,438,693	3,438,693	3,438,693	3,438,693
SUPPLIES & MISC RELATED ITEMS	7,467,804	8,528,359	9,352,514	9,352,514	8,049,149	8,049,149	8,049,149	8,049,149
CHARTER SCHOOL PAYMENTS	98,415,397	103,500,000	104,200,000	104,200,000	109,561,554	116,200,000	122,000,000	125,400,000
DEBT SERVICE	120,017,355	118,722,975	118,722,975	118,222,975	117,128,977	116,739,186	113,732,200	113,081,532
INTERFUND (NOT DEBT RELATED)	4,706,741	3,139,000	3,139,000	3,139,000	3,275,000	3,275,000	3,275,000	3,275,000
<b>TOTAL GENERAL FUND</b>	<b>\$ 790,231,194</b>	<b>\$ 825,813,270</b>	<b>\$ 828,213,270</b>	<b>\$ 818,986,696</b>	<b>\$ 847,900,000</b>	<b>\$ 869,821,664</b>	<b>\$ 888,828,876</b>	<b>\$ 903,697,848</b>

**BUFFALO CITY SCHOOL DISTRICT  
EXPENDITURES**

	ACTUAL	ADOPTED	MODIFIED	PROJECTED	PROJECTED	PROJECTED		
	14-15 GAAP BASIS	BUDGET 15-16	BUDGET 15-16	2015-16 4.21.16	BUDGET 16-17	SEE ASSUMPTIONS ON SUBSEQUENT PAGES		
						17-18	18-19	19-20

**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	107,048,114	104,443,429	118,587,871	118,587,871	100,940,805	100,940,805	100,940,805	100,940,805
<b>TOTAL SPECIAL PROJECTS EXPENDITURES:</b>	<b>\$ 119,807,539</b>	<b>\$ 117,202,854</b>	<b>\$ 131,347,296</b>	<b>\$ 131,347,296</b>	<b>\$ 113,700,230</b>	<b>\$ 113,700,230</b>	<b>\$ 113,700,230</b>	<b>\$ 113,700,230</b>

**FOOD SERVICE FUNDS:**

EMPLOYEE COMPENSATION	\$ 7,036,378	\$ 7,103,070	\$ 7,103,070	\$ 7,103,070	\$ 7,393,324	\$ 7,541,190	\$ 7,573,632	\$ 7,573,632
BENEFITS	2,424,604	2,272,839	2,272,839	2,272,839	2,137,988	2,244,887	2,357,131	2,474,988
BUILDING IMPROVEMENTS AND EQUIPMENT	972,240	8,248,978	8,248,978	8,248,978	8,252,753	118,978	118,978	118,978
SERVICES & MISC SUPPLIES	1,332,833	1,588,980	1,588,980	1,588,980	1,668,755	1,438,749	1,438,749	1,438,749
CAFETERIA SUPPLIES (NON-FOOD)	1,021,611	1,567,428	1,567,428	1,567,428	1,663,970	1,730,529	1,799,750	1,871,740
FOOD SUPPLIES	11,387,200	13,939,914	13,939,914	13,939,914	14,559,425	14,996,208	15,446,094	15,909,477
USDA COMMODITIES	1,306,574	1,212,000	1,212,000	1,212,000	1,506,000	1,506,000	1,506,000	1,506,000
INTERFUND TRANSFERS	1,151,488	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
SUMMER FOOD SERVICE	1,614,878	1,559,288	1,559,288	1,559,288	1,588,720	1,604,607	1,620,653	1,636,860
<b>TOTAL FOOD SERVICE EXPENDITURES</b>	<b>\$ 28,247,806</b>	<b>\$ 38,492,497</b>	<b>\$ 38,492,497</b>	<b>\$ 38,492,497</b>	<b>\$ 39,770,935</b>	<b>\$ 32,181,148</b>	<b>\$ 32,860,987</b>	<b>\$ 33,530,424</b>
<b>GRAND TOTAL - EXPENDITURES</b>	<b>\$ 938,286,539</b>	<b>\$ 981,508,621</b>	<b>\$ 998,053,063</b>	<b>\$ 988,826,489</b>	<b>\$ 1,001,371,165</b>	<b>\$ 1,015,703,042</b>	<b>\$ 1,035,390,093</b>	<b>\$ 1,050,928,502</b>

# FINANCIAL PLAN ASSUMPTIONS

**BUFFALO CITY SCHOOL DISTRICT**  
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

2016-17                      2017-18                      2018-19                      2019-20

**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 2015-16, sales tax is trending 5.9% above the prior year receipts. Based on the current economic trends and the value of the Canadian dollar, the 16-17 Budget is projected to be flat, with small increases annually thereafter.

0.0%                      1.5%                      1.5%                      1.5%

**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 decrease is projected for 2016-17, but is expected to increase in the out years 1% annually.

\$2,500,000                      1%                      1%                      1%

**I State Aid:**

The total increase between Foundation Aid the Gap Elimination Adjustment (GEA) was 6.4% for 2016-17. Now that the GEA has been 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 3%. The \$12.5 million set-aside for Community Schools is part of Foundation aid, similar to Contract for Excellence.

	Increase:		Increase:		Increase:	
\$494,715,428	3.00%	\$509,556,891	3.00%	\$524,843,598	3.00%	\$540,588,906

**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 was abolished in 2016-17.

\$0                      \$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 2016-17 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 performed in 2015-16.

\$115,276,352                      \$115,276,352                      \$115,276,352                      \$115,276,352  
 Building Aid for Building Condition Survey \$621,535

**Other Formula Aids:** include Transportation, Private & Public Excess High Cost Aids, Textbook, Hardware, Software, Library, and Special Service Aids. These aids will continue to follow their currently legislated formulas, and therefore should increase modestly annually.

Total Other Formula Aids    \$    93,398,724                      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:

\$4,420,619                      \$5,724,789                      \$7,280,648                      \$7,983,822

**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	\$            350	\$            500	\$            600	\$            700
Charter Enrollment from the previous year	7,946	8,278	8,668	9,036
Supplemental Tuition Reimbursement	<u>\$    2,781,100</u>	<u>\$    4,139,000</u>	<u>\$    5,200,800</u>	<u>\$    6,325,200</u>

**BUFFALO CITY SCHOOL DISTRICT**  
FINANCIAL PLANNING MODEL

**Rates of Change or Amounts Included in Financial Model**

**2016-17                      2017-18                      2018-19                      2019-20**

**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 2016-17 is already included in the State Budget. Due to projected increases in transportation costs in 2016-17 and beyond the incremental increase is projected as follows:

\$            -                      \$    2,218,940                      \$    3,034,733                      \$    3,866,842

**Other State Aid:**

The District annually receives aid that is classified as "other" for Incarcerated Youth, Homeless, and Tuition Chapter 47. Since the other aid payments can be sporadic and not be reliably projected from year to year, the District conservatively does not budget for them.

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

In 2015-16, an additional \$1.2 million in legislative aid was included in the State budget and designated for three specific high schools. Any such amounts cannot be guaranteed annually and have therefore been excluded from future projections. No such legislative aid was allocated at the time this plan was published

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

In 2015-16 and 2016-17, an additional \$1.2 million in legislative aid was included in the State budget for school health services, in addition to the \$5.3 million included in the grants fund. Any such amounts cannot be guaranteed annually and have therefore been excluded from future projections.

\$1,200,000                      \$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. This is expected to increase at a roughly 1% inflation factor.

\$14,033,484                      1.0%                      1.0%                      1.0%

**I Fund Balance (Budgetary Only):**

**Assigned Fund Balance - Prior Year Claims:**

As of the end of 2015, the District had \$56.7 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 2017-18 budget, the District is appropriating \$5.3 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.

\$0                      \$5,300,000                      \$5,700,000                      \$6,100,000

**Appropriated Fund Balance for Capital Contributions:**

The District has \$7.28 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 reserves. In 2016-17 and thereafter a small amount will be allocated for unaidable projects

\$200,000                      \$200,000                      \$200,000                      \$200,000

**Appropriated Fund Balance for Operations:**

The District will use a portion of the unassigned fund balance ("rainy day" funds) to balance the budget in 2016-17 to allow for the inclusion of several components of the New Education Bargain with Students and Parents. This one time use is expected to bridge the gap in 2016-17 to allow other cuts and efficiencies to be implemented. The District has a policy that precludes fund balance from dipping below four percent of the ensuing years budget which has been accommodated in the planned use shown.

\$4,630,000                      \$0                      \$0                      \$0



**BUFFALO CITY SCHOOL DISTRICT**  
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

2016-17                      2017-18                      2018-19                      2019-20

**REVENUE ASSUMPTIONS - SPECIAL PROJECTS FUND**

**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.

\$12,759,425                      \$12,759,425                      \$12,759,425                      \$12,759,425

**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 2016-17 budget.

\$100,940,805                      \$100,940,805                      \$100,940,805                      \$100,940,805

**REVENUE ASSUMPTIONS - FOOD SERVICE FUND**

**I State and Federal Aid:**

The Food Service fund is self sustaining. The budgeted revenue in 2016-17 has increased due to the District's average daily participation in the breakfast and lunch programs, and increased reimbursement rates. In out years, enrollment and participation are expected to remain flat to slightly declining, with 2% increases coming from increased reimbursement for the rising costs of the program.

2.00%                      2.00%                      2.00%                      2.00%

**I Food Sales:**

It is anticipated that food sales will remain flat in the 2016-17 budget and the following three years.

0.00%                      0.00%                      0.00%                      0.00%

**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.

\$548,476                      \$548,476                      \$548,476                      \$548,476

**I Miscellaneous Revenues:**

The food service funds occasionally collect miscellaneous revenues. To remain conservative, no increases have been projected:

0.00%                      0.00%                      0.00%                      0.00%

**I Fund Balance (Budgetary Only):**

The food service fund is expecting to use a significant amount of the accumulated fund balance in 2016-17 to expand the commissary to better meet the needs of the District's students and schools. The Commissary expansion is budgeted to amount to \$8.3 million for building improvements and related equipment purchases. Both of these are one time items. The remaining fund balance usage in the out years will be used to balance the budget and avoid any reduction in service.

\$9,222,498                      \$1,047,282                      \$1,129,983                      \$1,190,339

**BUFFALO CITY SCHOOL DISTRICT**  
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

2016-17                      2017-18                      2018-19                      2019-20

**EXPENDITURE ASSUMPTIONS - GENERAL FUND**

**BASELINE ASSUMPTIONS:**

**DISTRICT ENROLLMENT:**

Increase/(decrease) from prior year	33,400	33,300	33,300	33,300
	0	(100)	0	0

**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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**THE NEW EDUCATION BARGAIN - REDUCED CLASS SIZE**

Part of the New Education Bargain is a reduced class size initiative. Though the actual plan is complex and is based on many factors that are not yet known, in its simplest form, it means adding additional teachers to reduce class size. The 16/17 budget includes a \$4.0 million investment in reduced class size. Based on the current plans, the total cost to phase in reduced class size at schools where possible is \$9.0 million in total by 2018-19. The timing of the incremental increases is as follows:

3,000,000	2,000,000	0
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**STEP INCREASES**

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. Therefore, the step increases will be offset by the conservative savings of 100 retirees at \$25,000 each.

BCSA - Expired June 30, 2004	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
	2.0%	2.0%	2.0%	2.0%

<b>II</b>	<b>PCTEA</b> (White Collar)	Expired June 30, 2013	Salary increase	0.0%	0.0%	0.0%	0.0%
<b>II</b>	<b>BEST</b> (Teacher Aides & Assistants)	Expired June 30, 2012	Salary increase	0.0%	0.0%	0.0%	0.0%
<b>II</b>	<b>TRADES</b> (Skilled Tradesmen - Ex - Carpenters, Plumbers, Electricians)	Subject to Prevailing Wage Laws	Salary increase (Estimated)	3.0%	3.0%	3.0%	3.0%
<b>II</b>	<b>LOCAL 264</b> (Laborers)	Expired June 30, 2013	Salary increase	0.0%	0.0%	0.0%	0.0%
<b>II</b>	<b>LOCAL 409</b> (Engineers)	Expired June 30, 2010	Salary increase	0.0%	0.0%	0.0%	0.0%
<b>II</b>	<b>BUS AIDES</b>	Expires June 30, 2018	Salary increase	0.0%	5.0%	0.0%	0.0%
<b>II</b>	<b>MISCELLANEOUS COMPENSATION ITEMS</b> - 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%

**BUFFALO CITY SCHOOL DISTRICT**  
FINANCIAL PLANNING MODEL

**Rates of Change or Amounts Included in Financial Model**

2016-17                      2017-18                      2018-19                      2019-20

**II OVERTIME**

Overtime related to the JSCB reconstruction has ended and the District is projecting a decline in the 2016-17 budget. There is still significant overtime in the Trades, Transportation and Security areas, and the Board has directed the District to reduce OT further; slight growth is expected

Baseline Annual Overtime                      \$934,979                      \$1,134,979                      \$1,334,979                      \$1,354,979

**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 to approximately 11.5%. 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	15.50%	14.00%	13.00%	12.00%
April - June	14.00%	13.00%	12.00%	11.50%
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)):

11.72%                      11.0%                      10.0%                      9.5%

**II Social Security:**

Estimated at 7.65% of employee compensation.

7.65%                      7.65%                      7.65%                      7.65%

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%

**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 2016-17 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)	\$14,025	4.5%	\$14,656	4.5%	\$15,316	4.5%	\$16,005
	BEST	\$13,935	4.5%	\$14,562	4.5%	\$15,217	4.5%	\$15,902
Retirees:	Average per participant	\$16,700	4.0%	\$17,368	4.0%	\$18,063	4.0%	\$18,786
	In-lieu of health insurance coverage payments to employees:	\$400,000		\$400,000		\$400,000		\$400,000
	As required by contract, the District must reimburse employees and retirees for certain differences in prescription coverage. The amounts are estimated as follows:							
	Employees	\$16,000	1.0%	\$16,160	1.0%	\$16,322	1.0%	\$16,485
	Retirees	\$63,000	1.0%	\$63,630	1.0%	\$64,266	1.0%	\$64,909

**BUFFALO CITY SCHOOL DISTRICT**  
FINANCIAL PLANNING MODEL

**Rates of Change or Amounts Included in Financial Model**

2016-17                      2017-18                      2018-19                      2019-20

There are currently 4,259 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>4,359</u>	<u>4,459</u>	<u>4,559</u>	<u>4,659</u>
Retiree contribution (Estimate average contribution \$500 per new retiree)	<u>(1,750,000)</u>	<u>(1,800,000)</u>	<u>(1,850,000)</u>	<u>(1,900,000)</u>

Note: The insurance rates include the cosmetic rider; the 2016-17 budget has a downward adjustment of \$4,000,000 for active employees and \$1,000,000 for retirees for the proposed elimination of the BTF Cosmetic Rider. It is assumed this adjustment is 1) a one time budgetary measure in 16-17 only; 2) it is likely to be rescinded during 16-17; and 3) it would be funded by Assigned Fund Balance for Prior Year Claims, similar to the 2017-18 through 2019-20 projections.

**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
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**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
<b>Total</b>	<u><u>\$2,670,000</u></u>	<u><u>\$2,670,000</u></u>	<u><u>\$2,670,000</u></u>	<u><u>\$2,670,000</u></u>

**Workers' Compensation**

Based upon the historical trend and increasing medical costs workers compensation is estimated as follows:

\$7,394,500	\$7,394,500	\$7,394,500	\$7,394,500
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**BUFFALO CITY SCHOOL DISTRICT**  
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

	2016-17	2017-18	2018-19	2019-20
<b><u>Unemployment</u></b>				
The District incurs some unemployment annually due to substitutes and other partial year employees.	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000
<b><u>Miscellaneous Other Benefits</u></b>				
These costs include life insurance, leave time incentives and buy backs. The total amount is projected as follows:				
	\$630,288	\$630,288	\$630,288	\$630,288
<b>II Transportation:</b>				
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. Beginning in 2015-16, an approximately \$2 million increase relates to bussing a charter school that the District settled litigation with. The District anticipates the rates to change as follows:		2%	2%	2%
<b>II Utilities:</b>				
Through the utilization of pooled rates with the City and the overall cost of utilities, the District has budgeted for a utility rates decreases in both 2015-16 and 2016-17. It is expected that rates will increase in the out years as follows:		1%	2%	3%
<b>II Tuition:</b>				
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	\$ 31,258,960			
Foster & Resident	\$ 1,450,000			
DaVinci Tuition (included in the contracts - misc category)	\$ 195,000			
Middle Early College Tuition	\$ 670,000			
	<b>\$ 33,573,960</b>			
<b>II Contracts - Custodian:</b>				
The Engineers negotiated collective bargaining agreement expired June 30, 2010. Absent a new agreement, there will be no significant increases budgeted.	0%	0%	0%	0%
<b>II Equipment:</b>				
Equipment expenditures are anticipated to remain flat.	0%	0%	0%	0%
<b>II Contracts - Miscellaneous:</b>				
Contracts are expected to remain relatively constant with the exception of the one-time building condition survey budgeted in 2015-16 for \$1.2 million not continuing in 2016-17, along with a reduction in the costs budgeted for BOCES fees for students, which are declining, at several out of time schools who were given the opportunity to enroll in programs at BOCES.	0%	0%	0%	0%
<b>II Reserve for Contingency</b>				
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. Because several new initiatives require funding, the contingency has been reduced in 2016-17, but is anticipated to be budgeted at the historical \$3.0 million per year annually thereafter.	\$2,000,000	\$3,000,000	\$3,000,000	\$3,000,000

**BUFFALO CITY SCHOOL DISTRICT**  
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

2016-17                      2017-18                      2018-19                      2019-20

<p><b>II Rental Contracts (Equipment, Facilities, Computers):</b> 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 annual increases are projected as follows:</p>			2%		2%		2%													
<p><b>II Rental Contracts - Emerson II</b> The District is in negotiation with several developers to build an Emerson II facility that would be used on a long term lease. The opening date may change, but could be as soon as September 2017. The bulk of the lease cost would be eligible for building aid, but the building aid would not start until 2018-19, so the initial year will include the full cost of the lease and annual maintenance. Projected costs are as follows:</p>		\$990,000		\$1,000,000		\$1,010,000														
<p><b>II Repairs and Maintenance Related:</b> This group of expenditures includes maintenance contracts, materials and supplies. As the JSCB reconstruction projects are complete, these facilities must be maintained. The projected increases are as follows:</p>	2%		2%		2%	2%														
<p><b>II Textbooks:</b> 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.</p>	0%		0%		0%	0%														
<p><b>II Supplies and Misc. Related Items:</b> This total includes numerous instructional and office related supplies. No changes are projected.</p>	0%		0%		0%	0%														
<p><b>II Charter School Payments:</b> 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, with continuing increases thereafter. Enrollment increases are based on current enrollment and estimated changes for new charters. The District has estimated the expenditure as follows:</p>		8,278 \$13,265	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td align="center" colspan="2">Inc</td></tr> <tr><td align="center">390</td><td align="center">100</td></tr> </table>	Inc		390	100	8,668 \$13,365	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td align="center" colspan="2">Inc</td></tr> <tr><td align="center">368</td><td align="center">100</td></tr> </table>	Inc		368	100	9,036 \$13,465	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td align="center" colspan="2">Inc</td></tr> <tr><td align="center">185</td><td align="center">100</td></tr> </table>	Inc		185	100	9,221 \$13,565
Inc																				
390	100																			
Inc																				
368	100																			
Inc																				
185	100																			
		\$109,561,554		\$116,200,000		\$122,000,000	\$125,400,000													
	Number of Charter Schools:	17	0	17	0	17	0	17												
	Enrollment change from prior year for existing charters:	332		255		233		50												
	Enrollment increase from prior year for new charters:	0		135		135		135												
<p><b>II Debt Service Costs:</b> 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:</p>		\$117,128,977		\$113,739,186		\$113,732,200	\$113,081,532													
<p><b>II Interfund Transfers:</b> 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:</p>		\$3,275,000		\$3,275,000		\$3,275,000	\$3,275,000													

**BUFFALO CITY SCHOOL DISTRICT**  
FINANCIAL PLANNING MODEL

Rates of Change or Amounts Included in Financial Model

2016-17                      2017-18                      2018-19                      2019-20

**EXPENDITURE ASSUMPTIONS - SPECIAL PROJECTS FUND**

<p><b>I Categorical Grants:</b> 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><b>I Other grants:</b> 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 2016-17 budget.</p>	\$100,940,805	\$100,940,805	\$100,940,805	\$100,940,805

**EXPENDITURE ASSUMPTIONS - FOOD SERVICE FUND**

<p><b>I Employee Compensation:</b> Employee compensation includes regular salary, longevity, incentives and step increments. With the passage of the 2016-17 State Budget, there is a minimum wage increase phased in over several years. The precise impact on food service staff costs is still being calculated, but is projected here to increase 2% in 2017-18 and beyond.</p>	\$7,393,324	\$7,541,190	\$7,573,632	\$7,573,632
<p><b>I Employee Benefits</b> Benefit growth is projected at 5% in 2017-18 to 2019-20.</p>	\$2,137,988	\$2,244,887	\$2,357,131	\$2,474,988
<p><b>I Building Improvements and Equipment</b> \$8.3 million in building improvements/expansion of the commissary, along with related equipment purchases are anticipated in 2016-17. These are one time costs do not recur in the out years, where only minor equipment purchases are expected in 2017-18 and thereafter.</p>	\$8,252,753	\$118,978	\$118,978	\$118,978
<p><b>I Services and Miscellaneous Supplies:</b> This category includes delivery and equipment repair costs, the rental cost of the commissary and various miscellaneous contracts and supplies.</p>	\$1,668,755	\$1,438,749	\$1,438,749	\$1,438,749
<p><b>I Cafeteria Supplies (Non-Food)</b> 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><b>I Food Supplies</b> This category is for all food supplies necessary to operate the cafeterias and commissary. The increase in 2016-17 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><b>I USDA Commodities</b> 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><b>I Interfund Transfers</b> 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><b>I Summer Food Service:</b> Summer Food Service increases are expected to grow at 1% annually.</p>	\$1,588,720	\$1,604,607	\$1,620,653	\$1,636,860

## **CLOSING THE GAP ANALYSIS**



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

Budget planning starts every fall for the ensuing fiscal year starting July 1st. Over the past few years, changes in state mandates, testing standards and the ever changing financial and political environment have made out year projections less predictable. The BFSAs has requested that the District "clearly define and delineate potential actions to close the budgetary gaps in the out years of the Financial Plan". The BFSAs also requested an assessment, to the extent possible, that reductions could have on the educational achievement and welfare of its students; however the majority of actions listed below are indirect services and it is recommended that prior to direct services being reduced, there be a review of the data to determine if programs are being effective for the investment that is being made. Given that each budget must be approved by the 9 member, independently elected board of education in office at the time the budget is presented; the gap closure measures listed below are intended to identify options for the staff and board to consider in its annual planning process. They are not intended to be formal recommendations for action. The total of the gap closing measures exceeds the total projected deficits to allow for a menu of different scenarios to close the deficit. Additionally, many of the actions listed include a range of possible reductions and conservative assumptions were utilized. As each budget cycle starts and the projected deficits and enrollments change, so will the necessary actions to close the deficit. Depending on all these factors, some gap closure measures will be more palatable than others. Additionally, there are other actions that as time progresses may result in savings; however the financial impact cannot be identified at this time. These actions are included below as well.

**GENERAL FUND**

THE LIST BELOW ARE NOT FORMAL RECOMMENDATIONS BUT INTENDED TO BE POTENTIAL ACTIONS TO CLOSE THE GAP FOR THE BOARD'S CONSIDERATION AS PART OF THE ANNUAL BUDGET PROCESS. THEY SHOULD ONLY BE CONSIDERED AS PART OF THE ENTIRE FINANCIAL PLAN AND IN THE CONTEXT IN WHICH THEY WERE REQUESTED.	PROJECTED		PROJECTED		PROJECTED		PROJECTED	
	FTE	2016-17	FTE	2017-18	FTE	2018-19	FTE	2019-20
<b>BASELINE SURPLUS/(GAP)</b>		\$ (4,830,000)		\$ (8,921,404)		\$ (7,458,692)		\$ (2,152,212)
<b>Planned Fund Balance Usage</b>		\$ 4,830,000		\$ 5,500,000		\$ 5,900,000		\$ 6,300,000
<b>Revised Baseline GAP</b>		\$ -		\$ (3,421,404)		\$ (1,558,692)		\$ 4,147,788
<b>RECURRING SAVINGS</b>								
1 Reduce or eliminate the contingency account that currently totals \$2.0 million and is projected to grow to \$3.0 million in future years. This analysis will assume it is reduced 2/3 in the out years to \$1.0 million if deficit closing measures are needed.				\$ 2,000,000		\$ 2,000,000		\$ 2,000,000
2 A major new initiative begun with the budget is an analysis of all contractual spend and renegotiation or rebidding where appropriate. Several contracts for 2016-17 have been renegotiated saving approximately \$50,000; one major contract was rebid and is being negotiated at a savings of \$400,000. It is expected that these savings will be recurring.				\$ 450,000		\$ 450,000		\$ 450,000
3 The District has three school buildings (8, 18A, and 171) that are not being used for teaching this time, but are still being maintained and as potential expansion sites for the reduced class size initiative. If necessary, these schools could be closed and returned to the city at a savings of \$400,000 annually in utilities, engineer and custodial costs.				\$ 400,000		\$ 400,000		\$ 400,000
4 The District is beginning several process automation projects, including electronic payroll sign-in, online receiving of invoices and purchase orders, contract signature process, among several others. As departments implement automated processes some positions can be eliminated over time. It is anticipated that most of the reductions will occur through attrition. Cumulative reductions are as follows:			3	\$ 180,000	5	\$ 300,000	7	\$ 420,000
5 The centerpiece of the New Education Bargain is the Reduced Class Size Initiative, which has a goal of reducing class sizes in K-3 classrooms and increasing literacy supports to ensure all Buffalo students can read at grade level by the third grade. Phased in during the 2016-17 budget at \$4.0 million, it is projected to grow to \$7.0 million in 2017-18 and then 9.0 million in 2018-19 and thereafter. Because these supports are not required, they could be reduced. This possible reduction assumes the phase in stops after the \$4.0 million in 2016-17.			30	\$ 3,000,000	50	\$ 5,000,000	50	\$ 5,000,000
6 Another component of the New Education Bargain is Extended day programs, which are normally funded through grants, therefore other funding sources should be explored. The total investment in the general fund is \$4.6 million. For the purposes of this analysis, a reduction of \$1.0 million will be assumed to be either reduced or grant funded after a review the effectiveness programs.				\$ 1,000,000		\$ 1,000,000		\$ 1,000,000

THE LIST BELOW ARE NOT FORMAL RECOMMENDATIONS BUT INTENDED TO BE POTENTIAL ACTIONS TO CLOSE THE GAP FOR THE BOARD'S CONSIDERATION AS PART OF THE ANNUAL BUDGET PROCESS. THEY SHOULD ONLY BE CONSIDERED AS PART OF THE ENTIRE FINANCIAL PLAN AND IN THE CONTEXT IN WHICH THEY WERE REQUESTED.		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
		2016-17		2017-18		2018-19		2019-20	
		FTE		FTE		FTE		FTE	
7	Several recent studies have recommended possible changes in the way the District provides special education services. These may impact how students are identified and how and where they are serviced, and how those services are scheduled. The District will engage with a vendor (or vendors) to study the issue and make recommendations to make the processes more efficient. Given that there are over 1,100 special education teachers, assistants and aides, if a conservative 1% reduction in force can be made, it would result in a savings of 11 FTE's.			11	\$ 957,000	11	\$ 957,000	11	\$ 957,000
<b>REVISED SURPLUS/(GAP) AFTER RECURRING REDUCTION ACTIONS</b>		<b>0</b>	<b>\$ -</b>	<b>44</b>	<b>\$ 4,565,596</b>	<b>66</b>	<b>\$ 8,548,308</b>	<b>68</b>	<b>\$ 14,374,788</b>
<b>SPECULATIVE ITEMS/ADDITIONAL REVENUES</b>									
8	Additional revenues from the City of Buffalo. The District is dependent on the City for an annual allocation of funds. That allocation has not been increased since 2006-07 and is the lowest of the Big 5 dependent school districts. Long term financial stability will require a reasonable increase in city support. This assumes a \$3 million increase in 2017-18, with an inflation adjustment of 1% going forward.				\$ 3,000,000		\$ 3,300,000		\$ 3,630,000
9	Annual Lobbying Efforts: The District annually works with the Western New York Delegation for both state aid increases and changes in legislation that will help reduce costs or increase aid. The District is assessing the current year legislative lobbying results and will continue to press for needed change.				Not quantifiable		Not quantifiable		Not quantifiable
10	If the District could change school schedules to maximize bus utilization and equalize early and late start schools, we would save approximately \$4 million the first year and 15% (\$450,000) thereafter due to a reduction of approximately 85% of the state aid for the cost savings. By contract, the teachers have to approve any change in start and end times, therefore, this savings has not been realized in the past; however, as part of turnaround plans, the change of bell times could be considered.				\$ 4,000,000		\$ 600,000		\$ 600,000
<b>ONE TIME EXPENDITURES/SAVINGS</b>									
11	The 2016-17 Budget assumes the elimination of the cosmetic surgery rider for the BTF for a savings of \$5.0 million based on a unilateral Board action. This savings may ultimately not be achieved. \$5.0 million is the budgeted cost if the rider is restored.		\$ (5,000,000)						
12	As of the end of 2015, the District had \$56.7 million of fund balance assigned for the payment of "prior year claims" which included the settlement of collective bargaining agreements that are outstanding. If the Cosmetic Rider ends up being restored, \$5.0 million of assigned fund balance will be used to close the deficit. This is similar treatment of this cost throughout the plan and historically.		\$ 5,000,000						
13	The District has \$52.1 million in unassigned fund balance and per Board Policy is to maintain 4% of the General Fund Budget, which would total approximately \$34 million. Therefore, while this is not the preferable plan to close the projected deficits, there is \$18 million available for use if some of the other PEG actions are not desirable or attainable.		As Needed		As Needed		As Needed		As Needed
<b>REVISED SURPLUS/(GAP) AFTER ALL DEFICIT REDUCTION ACTIONS</b>		<b>0</b>	<b>\$ -</b>	<b>44</b>	<b>\$ 11,565,596</b>	<b>66</b>	<b>\$ 12,448,308</b>	<b>68</b>	<b>\$ 18,604,788</b>

# **WORKFORCE**

**2014-15 ACTUAL**

**2015-16 BUDGET & ACTUAL AS OF MARCH 31, 2016**

**2016-17 PRELIMINARY BUDGET AS OF APRIL 26, 2016**

**2017-18 THROUGH 2019-20 PROJECTIONS**

**BUFFALO CITY SCHOOL DISTRICT**

**FTE SUMMARY**

	Actual as of 6.30.15	2015-16			Four Year Plan			
		ORIGINAL BUDGET	REVISED BUDGET	ACTUAL AS OF 3.31.16	2016-17	2017-18	2018-19	2019-20
<b>BTF:</b>								
GENERAL FUND	2,917.4	2,994.0	3,013.0	2,989.8	3,107.7	3,137.7	3,157.7	3,157.7
GRANTS	499.1	473.5	498.1	496.1	456.3	456.3	456.3	456.3
<b>TOTAL BTF</b>	<b>3,416.5</b>	<b>3,467.5</b>	<b>3,511.1</b>	<b>3,485.9</b>	<b>3,564.0</b>	<b>3,594.0</b>	<b>3,614.0</b>	<b>3,614.0</b>
<b>BCSA:</b>								
GENERAL FUND	193.2	196.1	196.1	200.5	193.5	193.5	193.5	193.5
GRANTS	47.8	43.6	44.9	44.5	36.2	36.2	36.2	36.2
<b>TOTAL BCSA</b>	<b>241.0</b>	<b>239.7</b>	<b>241.0</b>	<b>245.0</b>	<b>229.7</b>	<b>229.7</b>	<b>229.7</b>	<b>229.7</b>
<b>PCTEA:</b>								
GENERAL FUND	329.0	365.0	367.0	334.4	376.1	376.1	376.1	376.1
GRANTS	86.0	87.9	99.6	78.6	87.5	87.5	87.5	87.5
FOOD SERVICE	11.0	12.0	12.0	11.0	12.0	12.0	12.0	12.0
<b>TOTAL PCTEA</b>	<b>426.0</b>	<b>464.9</b>	<b>478.6</b>	<b>424.0</b>	<b>475.6</b>	<b>475.6</b>	<b>475.6</b>	<b>475.6</b>
<b>BEST (Teacher Aides):</b>								
GENERAL FUND	360.0	394.5	285.0	286.2	351.0	351.0	351.0	351.0
GRANTS	13.0	3.5	4.0	3.0	2.5	2.5	2.5	2.5
FOOD SERVICE	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>TOTAL BEST</b>	<b>374.0</b>	<b>399.0</b>	<b>290.0</b>	<b>290.2</b>	<b>354.5</b>	<b>354.5</b>	<b>354.5</b>	<b>354.5</b>
<b>BEST (Teaching Assistants):</b>								
GENERAL FUND	283.0	292.5	402.0	412.0	366.5	366.5	366.5	366.5
GRANTS	232.0	189.4	193.1	190.8	190.1	190.1	190.1	190.1
FOOD SERVICE	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>TOTAL BEST</b>	<b>516.0</b>	<b>482.9</b>	<b>596.1</b>	<b>603.8</b>	<b>557.6</b>	<b>557.6</b>	<b>557.6</b>	<b>557.6</b>
<b>TRADESMEN:</b>								
GENERAL FUND	28.0	29.0	29.0	28.0	33.0	33.0	33.0	33.0
<b>TOTAL TRADESMEN</b>	<b>28.0</b>	<b>29.0</b>	<b>29.0</b>	<b>28.0</b>	<b>33.0</b>	<b>33.0</b>	<b>33.0</b>	<b>33.0</b>
<b>LOCAL 264</b>								
GENERAL FUND	63.0	75.0	72.0	60.0	71.0	71.0	71.0	71.0
GRANTS	-	-	-	-	-	-	-	-
FOOD SERVICE	29.0	29.0	29.0	28.0	29.0	29.0	29.0	29.0
<b>TOTAL LOCAL 264</b>	<b>92.0</b>	<b>104.0</b>	<b>101.0</b>	<b>88.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>LOCAL 409</b>								
GENERAL FUND	56.0	61.0	61.0	54.0	58.0	58.0	58.0	58.0
GRANTS	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>TOTAL LOCAL 409</b>	<b>57.0</b>	<b>62.0</b>	<b>62.0</b>	<b>55.0</b>	<b>59.0</b>	<b>59.0</b>	<b>59.0</b>	<b>59.0</b>
<b>EXEMPT &amp; BOARD MEMBERS</b>								
GENERAL FUND	27.1	34.0	34.0	31.7	37.5	37.5	37.5	37.5
GRANTS	0.5	-	1.0	1.3	1.5	1.5	1.5	1.5
<b>TOTAL EXEMPT &amp; BOARD MEMBERS</b>	<b>27.6</b>	<b>34.0</b>	<b>35.0</b>	<b>33.0</b>	<b>39.0</b>	<b>39.0</b>	<b>39.0</b>	<b>39.0</b>
<b>TOTAL GENERAL FUND</b>	<b>4,256.7</b>	<b>4,441.1</b>	<b>4,459.1</b>	<b>4,396.6</b>	<b>4,594.3</b>	<b>4,624.3</b>	<b>4,644.3</b>	<b>4,644.3</b>
<b>TOTAL GRANTS</b>	<b>879.4</b>	<b>798.9</b>	<b>841.7</b>	<b>815.3</b>	<b>775.1</b>	<b>775.1</b>	<b>775.1</b>	<b>775.1</b>
<b>TOTAL FOOD SERVICE</b>	<b>42.0</b>	<b>43.0</b>	<b>43.0</b>	<b>41.0</b>	<b>43.0</b>	<b>43.0</b>	<b>43.0</b>	<b>43.0</b>
<b>GRAND TOTAL</b>	<b>5,178.1</b>	<b>5,283.0</b>	<b>5,343.8</b>	<b>5,252.9</b>	<b>5,412.4</b>	<b>5,442.4</b>	<b>5,462.4</b>	<b>5,462.4</b>

## **CASH FLOW**

**2014-15 ACTUAL**

**2015-16 AND 2016-17 PROJECTED**

## BUFFALO CITY SCHOOL DISTRICT

### 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	ACTUAL April 2015	ACTUAL May 2015	ACTUAL June 2015	Total
<b>BEGINNING CASH &amp; INVESTMENTS</b>	<b>222,437</b>	<b>181,752</b>	<b>172,321</b>	<b>166,329</b>	<b>134,014</b>	<b>127,863</b>	<b>118,369</b>	<b>160,655</b>	<b>158,839</b>	<b>223,891</b>	<b>203,991</b>	<b>194,830</b>	<b>222,437</b>
<b>CASH RECEIPTS:</b>													
Basic Formula Aid <small>(net of Medicaid Takeback)</small>	-	1,000	3,584	-	38,601	32,842	114,248	49,209	120,395	11,647	49,209	19,124	439,859
Excess Cost <small>(includes State Medicaid)</small>	-	13,779	2,902	-	-	23,976	-	-	43,856	-	-	14,465	98,978
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	-	-	20,980	83,992
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	3,530	3,024	4,137	40,332
Food Service	2,296	1,498	66	2,758	3,063	1,559	2,293	2,421	1,816	3,078	1,800	2,773	25,421
Title I	4,246	-	-	-	-	-	-	-	-	-	-	-	4,246
Medicaid (Federal)	255	320	120	552	265	98	143	94	-	129	122	161	2,259
Other State & Federal	11,549	4,963	6,916	3,670	6,081	7,296	8,132	5,327	4,495	12,606	4,158	12,268	87,461
Other	1,066	2,031	2,423	690	186	8,904	2,246	324	577	1,677	428	2,296	22,848
<b>TOTAL CASH RECEIPTS</b>	<b>27,411</b>	<b>31,798</b>	<b>54,915</b>	<b>21,463</b>	<b>60,983</b>	<b>69,286</b>	<b>121,668</b>	<b>52,870</b>	<b>142,055</b>	<b>37,627</b>	<b>63,700</b>	<b>77,454</b>	<b>761,230</b>
<b>CASH DISBURSEMENTS:</b>													
Salary & FICA	20,894	12,314	24,739	29,962	30,137	29,904	45,279	30,760	31,232	29,950	30,403	31,522	347,096
Termination Pay	-	1,369	197	62	233	35	79	83	28	81	101	127	2,395
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	8,994	10,956	11,115	102,103
Health Insurance	11,313	11,392	11,237	11,514	11,425	22,690	86	11,414	11,353	11,424	11,383	11,394	136,625
Charter School Payments	16,305	-	16,687	-	16,359	657	15,290	-	16,343	-	16,026	-	97,667
Transportation	-	18	821	3,552	91	1,579	7,638	860	4,955	3,860	803	6,761	30,938
Tuition Payments	-	-	3,667	504	3,471	3,793	3,939	4,632	2,740	3,218	3,189	2,982	32,135
<b>TOTAL CASH DISBURSEMENTS</b>	<b>68,096</b>	<b>41,229</b>	<b>60,907</b>	<b>53,778</b>	<b>67,134</b>	<b>78,780</b>	<b>79,382</b>	<b>54,686</b>	<b>77,003</b>	<b>57,527</b>	<b>72,861</b>	<b>63,901</b>	<b>775,284</b>
<b>MONTHLY CASH &amp; INVESTMENTS</b>	<b>(40,685)</b>	<b>(9,431)</b>	<b>(5,992)</b>	<b>(32,315)</b>	<b>(6,151)</b>	<b>(9,494)</b>	<b>42,286</b>	<b>(1,816)</b>	<b>65,052</b>	<b>(19,900)</b>	<b>(9,161)</b>	<b>13,553</b>	<b>(14,054)</b>
<b>ENDING CASH &amp; INVESTMENTS</b>	<b>181,752</b>	<b>172,321</b>	<b>166,329</b>	<b>134,014</b>	<b>127,863</b>	<b>118,369</b>	<b>160,655</b>	<b>158,839</b>	<b>223,891</b>	<b>203,991</b>	<b>194,830</b>	<b>208,383</b>	<b>208,383</b>

## BUFFALO CITY SCHOOL DISTRICT

### PROJECTED CASH FLOW AS OF APRIL 15, 2016

2015-16 FISCAL YEAR

UNAUDITED

(in thousands)

	ACTUAL July 2015	ACTUAL August 2015	ACTUAL September 2015	ACTUAL October 2015	ACTUAL November 2015	ACTUAL December 2015	ACTUAL January 2016	ACTUAL February 2016	ACTUAL March 2016	April 2016	May 2016	June 2016	Total
<b>BEGINNING CASH &amp; INVESTMENTS</b>	<b>208,383</b>	<b>149,264</b>	<b>144,132</b>	<b>142,879</b>	<b>108,357</b>	<b>128,259</b>	<b>121,687</b>	<b>183,442</b>	<b>190,193</b>	<b>259,530</b>	<b>227,277</b>	<b>214,010</b>	<b>208,383</b>
<b>CASH RECEIPTS:</b>													
Basic Formula Aid (net of Medicaid Takeback)	20	-	-	-	39,028	30,233	122,739	49,134	119,142	13,800	49,100	15,600	438,796
Excess Cost (Includes State Medicaid)	-	14,550	1,780	-	-	24,133	-	-	44,108	-	-	14,890	99,461
Aid withheld for JSCB Bond Payments	-	-	-	-	-	(15,584)	(17,315)	(17,316)	(36,363)	-	-	-	(86,578)
Aid withheld for MBBA Bond Payment	-	-	-	-	-	-	-	-	(1,083)	-	-	-	(1,083)
JSCB Refinancing cash transfer to Capital Fund	-	-	(3,709)	-	-	(3,710)	-	-	(3,710)	-	-	(3,709)	(14,838)
Lottery Aid (June is net of 713K debt payment) & VLT Lott Grant	-	-	40,872	-	4,577	4,577	4,577	4,577	6,398	-	-	20,265	85,843
Property Taxes (Less Capital Debt of \$11 M)	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,959	4,959	59,518
Erie County Sales Tax	3,002	3,193	3,179	4,176	3,274	4,443	3,262	3,433	2,849	3,850	2,896	4,069	41,626
Food Service	2,174	827	494	2,693	2,982	2,464	2,436	2,579	2,142	2,850	2,803	2,590	27,034
Title I	-	-	-	-	22,717	5,208	-	4,236	-	4,017	5,475	3,000	44,653
Medicaid (Federal)	104	137	137	40	119	150	152	233	386	200	200	100	1,958
Other State & Federal	3,162	6,938	8,344	11,091	13,778	8,969	8,613	8,054	7,045	1,250	2,500	2,000	81,744
Other	1,582	350	826	714	230	13,203	3,728	219	581	1,000	1,000	1,000	24,433
<b>TOTAL CASH RECEIPTS</b>	<b>15,004</b>	<b>30,955</b>	<b>56,883</b>	<b>23,674</b>	<b>91,665</b>	<b>79,046</b>	<b>133,152</b>	<b>60,109</b>	<b>146,455</b>	<b>31,927</b>	<b>68,933</b>	<b>64,764</b>	<b>802,567</b>
<b>CASH DISBURSEMENTS:</b>													
Salary & FICA	25,042	9,132	23,855	30,145	30,411	46,245	30,793	31,246	31,675	31,800	32,200	33,200	355,744
Termination Pay	128	1,961	194	522	141	14	209	266	50	130	70	60	3,745
Carry Over Accounts Payable	15,154	10,018	591	509	-	-	-	-	-	-	-	-	26,272
Services & Supplies	4,699	3,474	4,471	7,737	7,764	18,906	7,620	5,500	9,174	10,150	10,530	10,770	100,795
Health Insurance	11,487	11,496	11,428	11,565	11,577	11,519	12,143	11,660	11,612	11,600	11,600	11,600	139,287
Transportation	2	6	776	903	1,986	5,066	124	920	5,131	7,000	7,000	8,000	36,914
Tuition Payments	-	-	842	5,040	2,595	3,868	3,521	3,756	2,282	3,500	2,800	3,900	32,104
Charter School Payments	17,611	-	15,979	1,775	17,289	-	16,987	10	17,194	-	18,000	-	104,845
<b>TOTAL CASH DISBURSEMENTS</b>	<b>74,123</b>	<b>36,087</b>	<b>58,136</b>	<b>58,196</b>	<b>71,763</b>	<b>85,618</b>	<b>71,397</b>	<b>53,358</b>	<b>77,118</b>	<b>64,180</b>	<b>82,200</b>	<b>67,530</b>	<b>799,706</b>
<b>MONTHLY CASH &amp; INVESTMENTS</b>	<b>(59,119)</b>	<b>(5,132)</b>	<b>(1,253)</b>	<b>(34,522)</b>	<b>19,902</b>	<b>(6,572)</b>	<b>61,755</b>	<b>6,751</b>	<b>69,337</b>	<b>(32,253)</b>	<b>(13,267)</b>	<b>(2,766)</b>	<b>2,861</b>
<b>ENDING CASH &amp; INVESTMENTS</b>	<b>149,264</b>	<b>144,132</b>	<b>142,879</b>	<b>108,357</b>	<b>128,259</b>	<b>121,687</b>	<b>183,442</b>	<b>190,193</b>	<b>259,530</b>	<b>227,277</b>	<b>214,010</b>	<b>211,244</b>	<b>211,244</b>

## BUFFALO CITY SCHOOL DISTRICT

### PROJECTED CASH FLOW - APRIL 2016<sup>(1)</sup>

2016-17 FISCAL YEAR

UNAUDITED

(in thousands)

	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017	
<b>BEGINNING CASH &amp; INVESTMENTS</b>	<b>211,244</b>	<b>159,692</b>	<b>161,054</b>	<b>142,479</b>	<b>110,934</b>	<b>98,195</b>	<b>85,259</b>	<b>131,194</b>	<b>137,943</b>	<b>205,954</b>	<b>207,765</b>	<b>200,261</b>	<b>211,244</b>
<b>CASH RECEIPTS:</b>													
Basic Formula Aid <small>(net of Medicaid Takeback)</small>	-	2,000	4,500		42,000	36,000	121,000	53,000	125,000	45,750	53,000	22,465	504,715
Excess Cost <small>(includes State Medicaid)</small>	-	14,500	1,750	-	-	25,000	-	-	44,000	-	-	12,366	97,616
Aid withheld for JSCB Bond Payments	-	-	-	-	-	(17,090)	(18,989)	(18,989)	(39,876)	-	-	-	(94,944)
Aid withheld for MBBA Bond Payment									(1,083)				(1,083)
JSCB Refinancing cash transfer to Capital Fund			(1,619)			(1,620)			(1,620)			(1,620)	(6,479)
Lottery Aid <small>(June is net of 713K debt payment)</small> & VLT Lott Grant	-	-	40,000	5,000	5,000	5,000	5,000	5,000	5,000	-	-	22,000	92,000
Property Taxes <small>(Less Capital Debt of \$11 M)</small>	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	59,520
Erie County Sales Tax	3,100	3,200	3,200	4,200	3,300	4,500	3,300	3,500	2,900	3,900	2,900	4,000	42,000
Food Service	2,300	1,000	750	2,800	3,150	2,650	2,600	2,750	2,300	3,050	3,000	2,650	29,000
Title I	-	2,800	-	3,700	-	4,000	-	3,500	-	4,000	5,000	3,000	26,000
Medicaid (Federal)	100	150	150	50	125	150	150	250	400	375	300	300	2,500
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
<b>TOTAL CASH RECEIPTS</b>	<b>20,071</b>	<b>40,654</b>	<b>55,219</b>	<b>29,349</b>	<b>63,905</b>	<b>82,030</b>	<b>126,299</b>	<b>63,243</b>	<b>155,505</b>	<b>64,285</b>	<b>73,160</b>	<b>76,421</b>	<b>850,141</b>
<b>CASH DISBURSEMENTS:</b>													
Salary & FICA	22,373	9,792	32,844	32,844	32,844	49,266	34,514	33,194	32,844	32,844	32,844	49,266	395,469
Termination Pay	-	2,500	1,000	50	50	-	100	-	100	130	70	60	4,060
Carry Over Accounts Payable	14,000	11,000	1,000	1,000	500	-	-	-	-	-	-	-	27,500
Services & Supplies	5,000	4,000	6,000	8,500	8,500	21,000	8,000	6,500	11,000	10,000	10,500	11,000	110,000
Health Insurance	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	144,000
Transportation	-	-	1,500	1,500	1,500	8,700	4,000	1,000	9,800	4,000	4,000	4,000	40,000
Tuition Payments	-	-	1,200	5,000	3,000	4,000	3,500	3,800	3,500	3,500	3,000	4,000	34,500
Charter School Payments	18,250	-	18,250	-	18,250	-	18,250	-	18,250	-	18,250	-	109,500
<b>TOTAL CASH DISBURSEMENTS</b>	<b>71,623</b>	<b>39,292</b>	<b>73,794</b>	<b>60,894</b>	<b>76,644</b>	<b>94,966</b>	<b>80,364</b>	<b>56,494</b>	<b>87,494</b>	<b>62,474</b>	<b>80,664</b>	<b>80,326</b>	<b>865,029</b>
<b>MONTHLY CASH &amp; INVESTMENTS</b>	<b>(51,552)</b>	<b>1,362</b>	<b>(18,575)</b>	<b>(31,545)</b>	<b>(12,739)</b>	<b>(12,936)</b>	<b>45,935</b>	<b>6,749</b>	<b>68,011</b>	<b>1,811</b>	<b>(7,504)</b>	<b>(3,905)</b>	<b>(14,888)</b>
<b>ENDING CASH &amp; INVESTMENTS</b>	<b>159,692</b>	<b>161,054</b>	<b>142,479</b>	<b>110,934</b>	<b>98,195</b>	<b>85,259</b>	<b>131,194</b>	<b>137,943</b>	<b>205,954</b>	<b>207,765</b>	<b>200,261</b>	<b>196,356</b>	<b>196,356</b>

<sup>(1)</sup> This cash flow is only intended for inclusion in the Four Year Plan - The Official 2016-17 Projected Cash Flow will be prepared once the 2016-17 budget is finalized and the final 2015-16 cash flow is known in July.