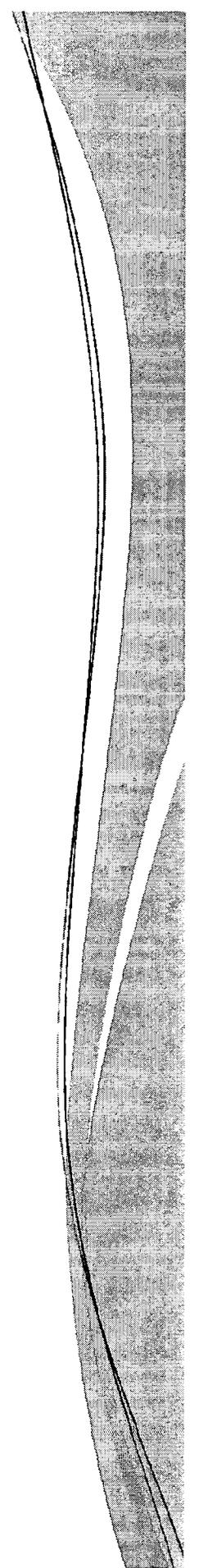


The Erie County Budget and Budget Process

Timothy Callan, Ph.D.

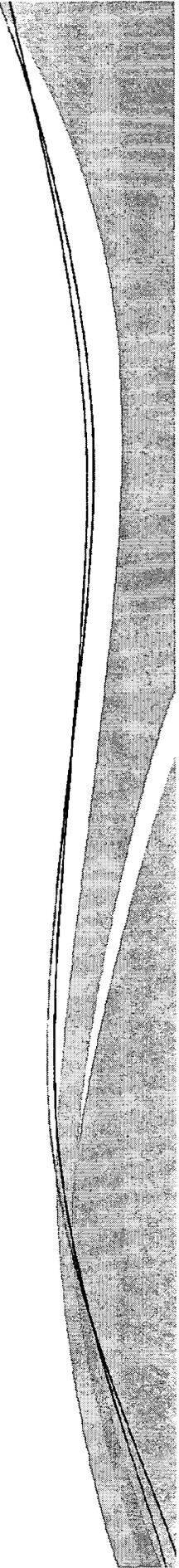
Deputy Budget Director

Division of Budget and Management



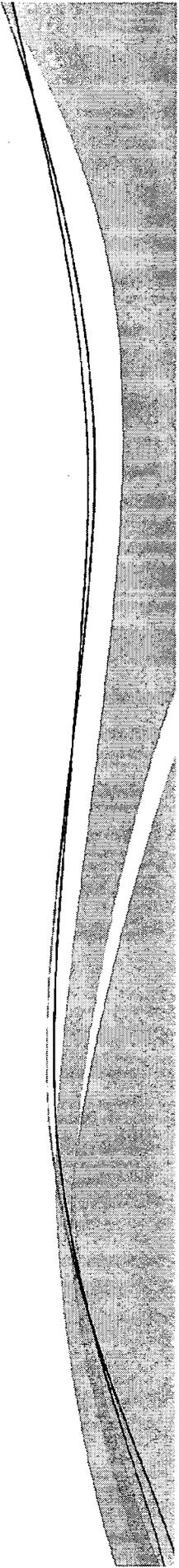
The Erie County Budget

- The Budget is comprised of six (6) operating funds, the Sewer Fund, Grant Fund, Community Development Fund, 2 minor funds and the Capital Budget.
 - General Fund – Fund 110 – the Main Operating Fund that most of us are within (\$1.38 billion)
 - Utility Fund – Fund 140 – the fund that comprises the energy aggregate and where we purchase electricity and natural gas (\$27 million)
 - Highway Fund/Road Repair Reserve Fund – Fund 210 – the fund for the County’s Highway Division (\$29.8 million)
 - E-911 Fund – Fund 230 – where all 911 call takers and support staff are budgeted (\$7.6 million)
 - Debt Service Fund – Fund 310 – the County pays all debt service on capital bonds for construction through this fund (\$65.4 million)
 - Library Fund – Fund 820 – the Buffalo and Erie County Public Library system (\$25.7 million)
 - Sewer Fund – Fund 220 – the County’s Division of Sewerage Management (\$52.7 million)
 - Grant Fund – Fund 281 – grants received from federal and state governments are recorded here (\$30.2 million)
- Community Development Fund – Fund 290 – the Department of Environment and Planning receives federal community development block grant funds for homes and home improvements through this fund (\$5.3 million)



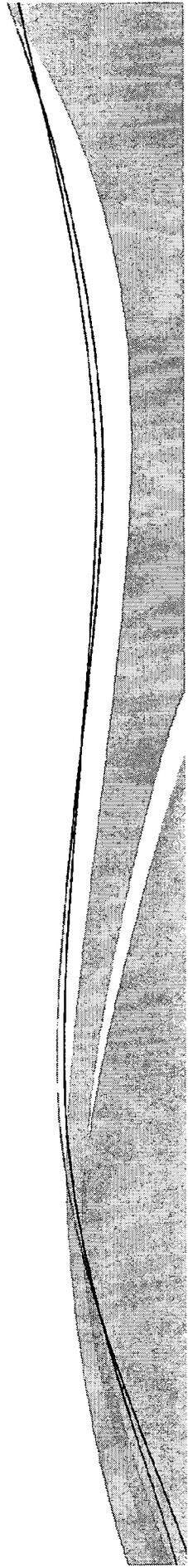
The Erie County Budget continued

- The Budget consists of the County Executive's budget message and summary, which provides a lot of summary data in an easy to read format to understand the County budget.
- Book A is the General Fund, Utility Fund, Library Fund, E-911 Fund, and Highway Fund.
- Book B is the Grant Fund, Sewer Fund, Community Development Fund, Debt Service Fund and Capital Budget. Also included are the annual Budget Resolutions which grant authority to departments to conduct certain spending and activities without having to go back to the Legislature during the year for approvals.



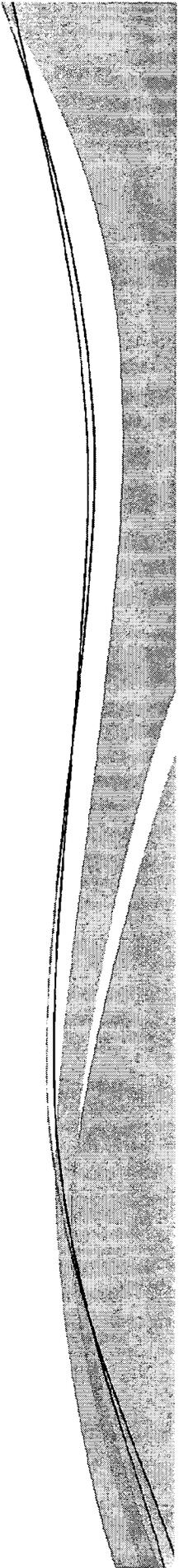
“Mandates” Drive the Budget

- 90% of the County’s operating budget is “mandated” by federal and state laws and regulations.
- This isn’t just about departments such as social services and health and human service programs. Other mandates include the Sheriff’s Division of Jail Management, and a district attorney prosecutorial function, for instance.



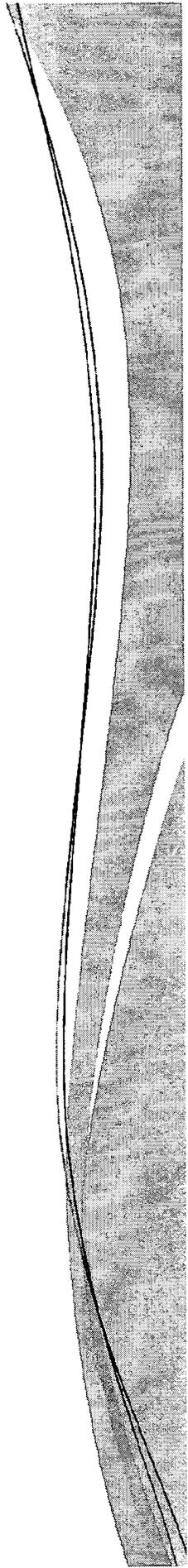
Budget Officials

- Under the Erie County Charter, the County Executive is the chief budget officer for Erie County.
- He appoints a director of management and budget to serve as his chief budget official and to perform the day-to-day functions of managing a \$1.5 billion budget.
- The Division of Budget and Management currently has six full time staff, one part time employee and one full time staffer designated to serve as chief fiscal officer for the Department of Social Services
- Contrary to popular belief, while the County Comptroller is designated as the chief fiscal officer of Erie County, the Comptroller has no budget responsibilities and does not establish, regulate or manage the budget.



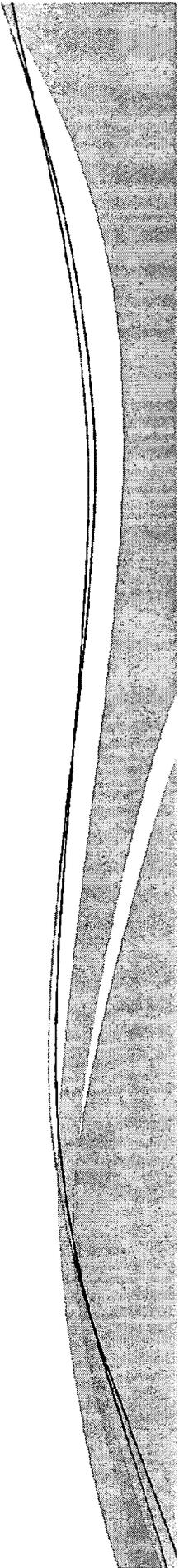
What's in the Budget?

- The budget consists of revenues and expenditures and they must balance. Under state law, the County cannot run deficits (unlike the federal government).
- Erie County employs a hybrid budget model that uses variants of line-item, programmatic, and performance-based budgeting.



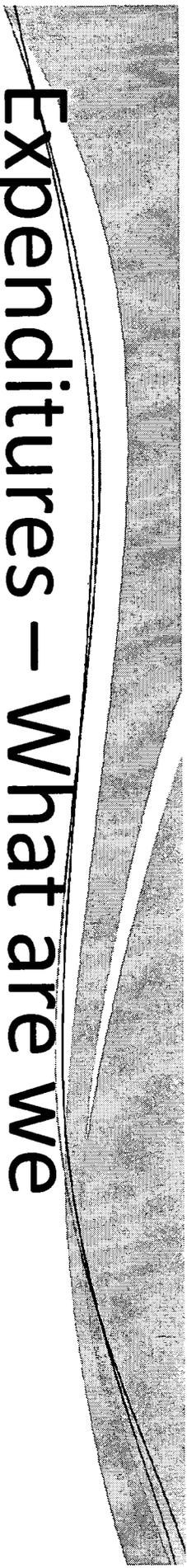
Revenues

- The County's single largest revenue source is the sales and compensating use tax (sales tax).
 - Did you know the County is legally required to share 45% of our 4.75% local sales tax with the cities, towns, villages, school districts, and the NFTA?
 - We estimate we will collect \$721 million of sales tax for 2013
- The second largest revenue source is the property tax levy (county and library combined).
 - In 2013, the County is levying a property tax of \$215 million (county) and \$22.1 million (library).



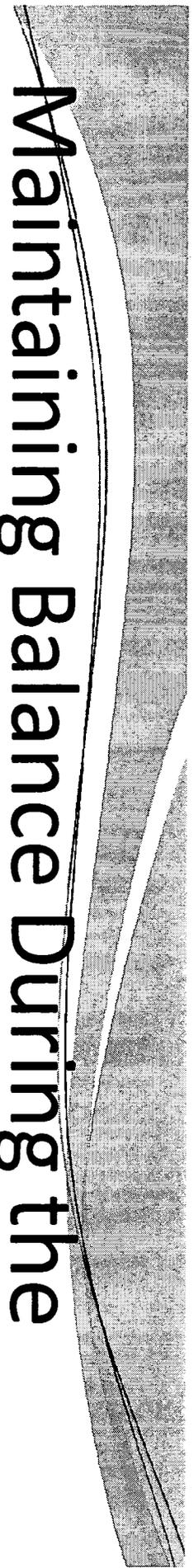
Revenues continued

- The third largest revenue source is State aid (\$178.7 million)
- The fourth largest revenue source is Federal aid (\$177.7 million)
- The County also inures revenue from appropriated fund balance (reserves), interfund revenue, other local sources and fees, fines and charges.



Expenditures – What are we Spending?

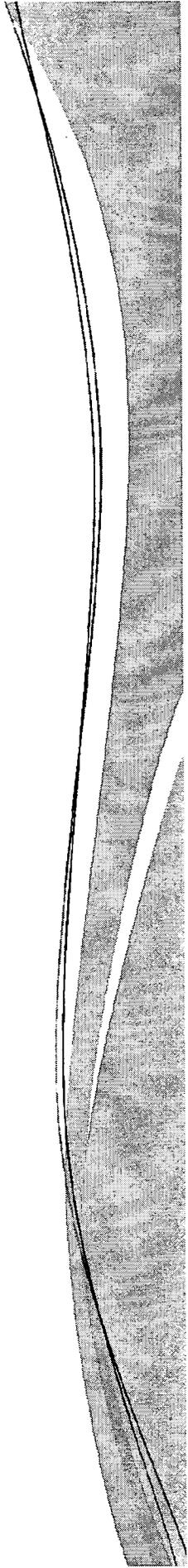
2013 Distribution of General Fund Expenses



Maintaining Balance During the

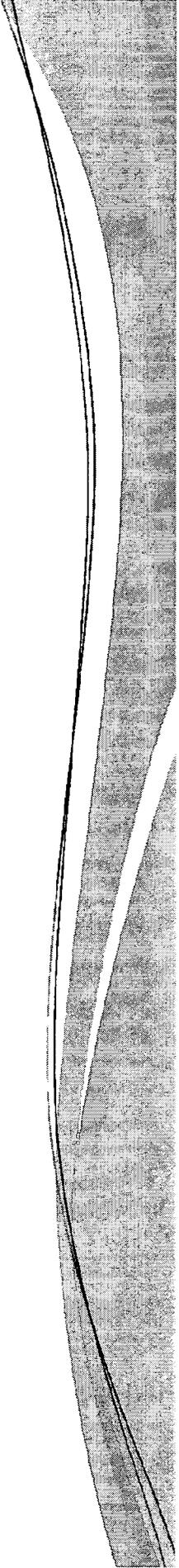
Year

- A budget is not a static document; it is a projection and estimate and we are constantly amending it, adjusting accounts and making changes.
- Amendments to spending totaling more than \$10,000 during the fiscal year or new revenues require Legislature approval via legislative resolutions submitted by the County Executive on behalf of his executive departments and the other independent elected officials.
 - This is where your department head and/or your department's fiscal and accounting staff interact and work with your department's budget analyst from the Division of Budget and Management.



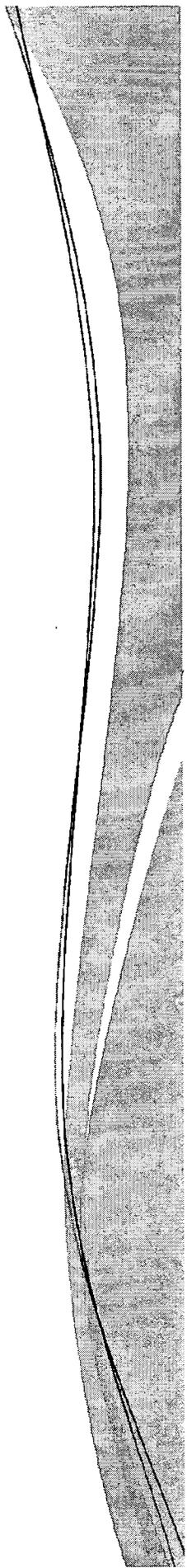
Budgetary Controls

- Requests to fill vacant positions – F-77s
- Requests to reallocate positions/change titles, reduce job groups, etc. – B-100s
- Fund Blocks – Budget-imposed measure to restrict departments from spending
- Purchase Requisitions
- Purchase Orders
- Travel Requisitions/approvals



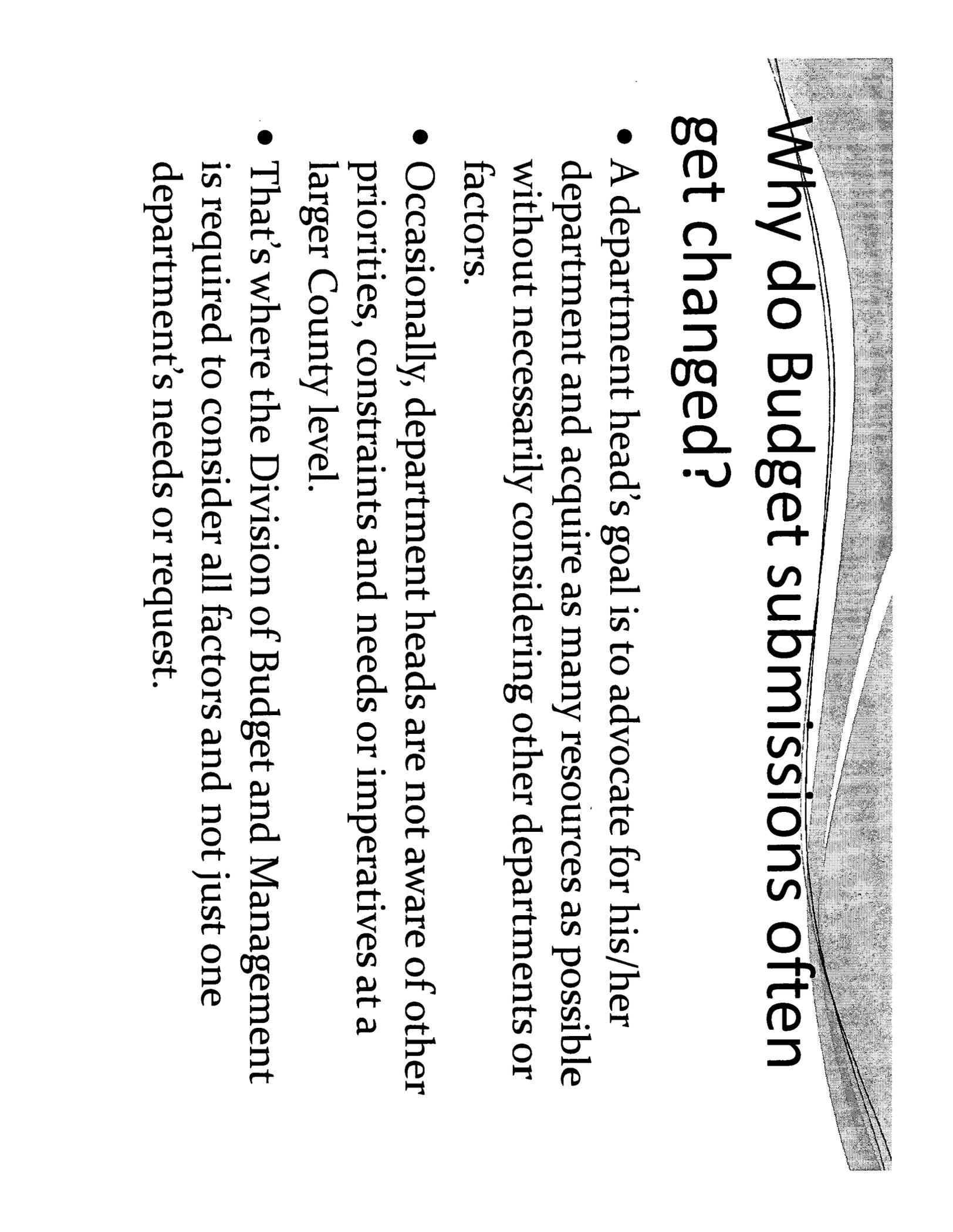
The Budget Process

- The County Charter requires that the County Executive must submit his proposed budget to the County Legislature by October 15th annually.
- The Legislature must approve a budget, with amendments, or not, by the first Tuesday of December annually.
- The County Executive can object to additional new spending by the Legislature (veto), and the Legislature can override that veto by a 2/3 vote (8 out of 11 legislators)



Budget Process continued

- The Division of Budget and Management starts working with department heads on their budget submissions for the next fiscal year starting in July annually.
- Department heads must submit their budget requests to the Division of Budget and Management by August 15th annually.



Why do Budget submissions often get changed?

- A department head's goal is to advocate for his/her department and acquire as many resources as possible without necessarily considering other departments or factors.
- Occasionally, department heads are not aware of other priorities, constraints and needs or imperatives at a larger County level.
- That's where the Division of Budget and Management is required to consider all factors and not just one department's needs or request.