

BUFFALO FISCAL STABILITY AUTHORITY

RESOLUTION NO. 05 - 72

MODIFICATION TO THE 2005-2006 BUDGET TO ADDRESS LOSS OF SAVINGS FROM SINGLE HEALTH INSURANCE CARRIER

WHEREAS, the School District has submitted a request to the Buffalo Fiscal Stability Authority (BFSA) for approval of a budget modification to the 2005-2006 budget upon the direction of BFSA, and

WHEREAS, the 2005-2006 budget originally contained savings from transferring to a single health insurance provider, and

WHEREAS, those savings are in jeopardy with an arbitration pending that may overturn the legal ability of the School District to make this change without the consent of the collective bargaining units representing District employees, and

WHEREAS, the budget modification retains the savings (for 10 months rather than 12), but recognizes the risk from the arbitration by including a "single carrier contingency" of \$7 million to hedge against a potential loss of savings, and

WHEREAS, to balance the contingency, 148 positions have been cut from the budget (114 of them are filled positions), and

WHEREAS, if there is agreement to move to a single health insurance provider and the risk of litigation or arbitration goes away, the contingency can be tapped to restore positions, and

WHEREAS, the modification also modifies active employee and retiree health care costs by \$2.2 million to further account for the loss of savings,

NOW THEREFORE BE IT RESOLVED THAT, the Buffalo Fiscal Stability Authority approves the modification of the 2005-2006 budget to create a single health insurance carrier contingency by eliminating 148 positions and adjusting the amount of savings generated by the move to a single health insurance provider; and

BE IT FURTHER RESOLVED THAT, if an agreement can be reached to solidify the single health insurance provider, the School District shall submit a budget modification reflecting the intention to restore positions in the 2005-2006 budget.

This Resolution shall take effect immediately.

Approved August 31, 2005

/S/ Richard Tobe
Richard Tobe
Secretary