

**BUFFALO FISCAL STABILITY AUTHORITY  
RESOLUTION NO. 14-04  
DECLARATION OF INCOMPLETE FINANCIAL PLAN AND FUTURE  
MODIFICATIONS TO THE FINANCIAL PLAN**

---

WHEREAS, Article 10-D Title 2 of the Public Authorities Law ("the BFSFA Act") requires the City of Buffalo (the "City") to submit a four-year financial plan that includes the City of Buffalo, the Buffalo Public School District (the "District"), the Buffalo Municipal Housing Authority ("BMHA") and the Buffalo Urban Renewal Agency ("BURA") (collectively the "Financial Plan") along with the Mayor's proposed City budget to the Buffalo Fiscal Stability Authority ("BFSFA") not later than the date required for submission of the budget to the Common Council as set by the City Charter; and

WHEREAS, the City of Buffalo submitted the proposed City budget and related Financial Plan to the BFSFA on May 1, 2014; and

WHEREAS, pursuant to §3857 of the BFSFA Act, the BFSFA is required to determine within twenty days after submission of a Financial Plan whether the Financial Plan is complete and complies with certain provisions of the BFSFA Act, and to submit its recommendations with respect to the Financial Plan; and

WHEREAS, pursuant to §3857.3 of the BFSFA Act, the Financial Plan shall be in such form and shall contain such information for each year during which the Financial Plan is in effect as the BFSFA may specify; and

WHEREAS, pursuant to §3857.4 of the BFSFA Act, the Financial Plan shall include any information which the BFSFA may request to satisfy itself that projected employment levels, collective bargaining agreements and other actions relating to employee costs, capital construction and other such matters as the BFSFA may specify are consistent with the financial plan; and

WHEREAS, the BFSFA has determined that additional information is required to be submitted by BMHA in order for the BFSFA to determine whether BMHA's Financial Plan is complete and complies with certain provisions of the BFSFA Act; and

WHEREAS, the BFSFA has determined that additional information relating to projected salaries and fringe benefits is required to be submitted by BURA in order for the BFSFA to determine whether BURA's Financial Plan is complete and complies with certain provisions of the BFSFA Act; and

WHEREAS, by Resolution No. 13-07 adopted June 19, 2013, BFSFA found the Buffalo School District's Financial Plan for Fiscal Years 2013-2014 through 2014-2017 to be complete and compliant with the standards set forth in BFSFA Act §3857, subd. 2, subject to certain reservations relating to lack of specificity as to potential program cuts in fiscal years 2014-2015 through 2016-2017 ("the out years") and the potential effects of such cuts on student achievement and essential services, and in light of those reservations BFSFA requested a report

providing further information in that regard and identifying any changes in state law or policy that would better enable it to perform its mission; and

WHEREAS, the District provided a report in January, 2014; and

WHEREAS, by Resolution No. 14-02, adopted March 26, 2014, BFSA found the District's report to be incomplete and informed the District that in order for the next Financial Plan to be found complete and in compliance with the standards set forth in BFSA Act §3857, subd. 2, it would be necessary for the District to:

- (1) clearly define and delineate the District's potential actions to close the budgetary gaps in the out years of the Financial Plan; and
- (2) provide evidence regarding the likelihood achievement of additional revenues and budgetary savings; and
- (3) specifically identify those programs, services, or levels of services that would be reduced or impacted as outlined in the District's Programs to Eliminate the Gap; and
- (4) assess to the extent possible the effect of such changes upon the District's financial stability and the educational achievement and welfare of its students; and
- (5) identify any changes in state law or policy that would better enable it to perform its mission; and
- (6) to review with and request the approval of the Plan by the Board of Education.

WHEREAS, the Financial Plan submitted by the District on May 1, 2014:

- (1) is expected to be approved by the Board of Education at a meeting on May 14, 2014, but was not approved prior to its submission to BFSA on May 1, 2014; and
- (2) is substantially more specific and informative than the Plan it submitted in 2013; but provides a list of potential savings and staffing and program cuts that could be effected in order to close the gaps in the out years of the Plan, without expressing the District's best judgment at this time as to which of those savings and cuts should be effected, if necessary to, and as to the effect of such savings and cuts on student achievement and welfare; and

WHEREAS, with its Financial Plan the District has proposed two reforms in state law and policy: (a) adherence by the state to a reliable formula for state financial assistance; and (b) modification of the Triborough Amendment of the Taylor Law.

WHEREAS, the District Superintendent has requested additional time to be able to delineate and prioritize the potential actions to close the budgetary gaps in the out years of the Financial Plan and to assess the effect of such savings and cuts on student achievement and welfare.

NOW THEREFORE BE IT RESOLVED that the BMHA is to submit information as requested by BFSA staff by May 30, 2014; and

NOW THEREFORE BE IT RESOLVED that the BURA is to modify its Financial Plan to include detailed summaries of projected salaries and fringe benefits as requested by BFSA staff by May 30, 2014; and

BE IT RESOLVED FURTHER that the District shall specifically delineate those potential actions to close the budget gaps in the out years of the 2015-2018 Financial Plan by prioritizing such potential actions, and such process should be performed as soon as practical; and

BE IT RESOLVED FURTHER that the Superintendent of the District shall review the modified Financial Plan with the Board of Education to the extent necessary to clearly define the actions comprised by the District's Programs to Eliminate the Gap and assess the effect of such changes upon the District's fiscal stability and the welfare and educational achievement of its students and request approval of the Financial Plan by the Board of Education; and

BE IT RESOLVED FURTHER that BFSA will require the District's Financial Plan for Fiscal Years 2015-2016 through 2018-2019:

(1) be approved by the Board of Education prior to its submission to BFSA on May 1, 2015; and

(2) recognizing that plans for the out years should represent the best judgment of the District at the time the Plan is adopted and are necessarily subject to modification in light of new information and evolving priorities from year to year, to identify specifically any reductions in staffing, services or programs that may be proposed to eliminate gaps in the out years of the Plan, and to assess the impact of such cuts on the achievement and welfare of its students.

This Resolution shall take effect immediately.

Approved May 14, 2014

/s/ George K. Arthur  
George K. Arthur,  
Secretary