

**BUFFALO FISCAL STABILITY AUTHORITY
RESOLUTION NO. 15-03
REQUIREMENTS FOR THE CITY OF BUFFALO'S 2016-2019 FOUR-YEAR
FINANCIAL PLAN**

WHEREAS, Article 10-D, Title 2 of the New York State Public Authorities Law (the "BFSA 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 (the "BMHA") and the Buffalo Urban Renewal Agency (the "BURA") (collectively the "Financial Plan") along with the Mayor's proposed City budget to the Buffalo Fiscal Stability Authority (the "BFSA"); and

WHEREAS, it is anticipated that the City of Buffalo will submit the proposed City budget and related FY 2016-FY 2019 Four-Year Financial Plan to the BFSA on May 1, 2015; and

WHEREAS, by Resolution No. 13-07 the BFSA found the FY 2014-FY 2017 Financial Plan to be complete and compliant with the standards set forth in the BFSA Act §3857, subd. 2, subject to reservations as follows:

- (1) the District faces a structural imbalance over the Financial Plan in that there are rapidly increasing costs mandated by state law and lagging state financial assistance; and
- (2) the District's final Four-Year Financial Plan is balanced for fiscal year 2014, but depends upon the use of reserves, staffing reductions, closing of two charter schools, and unspecified program cuts to achieve balance in fiscal years 2015, 2016 and 2017 ("the out years"); and
- (3) the District's actions to close the budgetary gaps in the out years includes actions that are undefined as they are based on studies to be performed in the upcoming year and it is therefore unclear if such savings can be realized; and
- (4) such actions could have a devastating impact on the District and such potential impact should be evaluated with respect to the potential effects of such actions on the educational achievement of the District's students; and
- (5) there is a significant risk that the District will encounter a fiscal crisis at some time during the out years, and may be unable to preserve essential services, maintain programs mandated by the state and federal law, and ensure the availability of a sound basic education to all of the children of the City.

WHEREAS, in light of these reservations the District was requested to prepare a report that:

- (1) clearly defines and delineates the District's potential actions to close the budgetary gaps in the out years of the Financial Plan; and
- (2) provides evidence regarding the likelihood of occurrence for the achievement of additional revenues and budgetary savings; and
- (3) specifically identifies those programs, services, or levels of services that would be reduced or impacted as outlined in the District's current Programs to Eliminate the Gap action plan which are to be determined during the next fiscal year upon the completion of various studies; and
- (4) assesses the effect of such changes upon the District's financial stability and the educational achievement and welfare of its students; and
- (5) identifies any changes in state law or policy that would better enable it to perform its mission.

WHEREAS, the District provided a report in January 2014 which was found to be incomplete in that it did not provide all the information as requested by BFSAs; and

WHEREAS, by Resolution No. 14-02, the BFSAs required that the FY 2015-FY 2018 Financial Plan for the District include the information as originally requested with respect to the plans to eliminate the budget gaps identified over the four years of the Financial Plan in order for the Financial Plan to be found complete and compliant with the BFSAs Act; and

WHEREAS, by Resolution No. 14-04, the BFSAs agreed to the District Superintendent's request for 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, and such process should be performed as soon as practical; and

WHEREAS, also by Resolution No. 14-04, it was determined 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

WHEREAS, the District has failed to submit a modified Financial Plan as provided for within Resolution No. 14-04; and

WHEREAS, by Resolution No. 14-04 it was also resolved that the FY 2016-FY 2019 Financial Plan be approved by the Board of Education prior to its submission on May 1, 2015; and

WHEREAS, it is the BFSA's intention to clearly communicate what information will be necessary in order for the FY 2016-FY 2019 Financial Plan to be found to be complete and compliant with the standards set forth in BFSA Act §3857, subd. 2.

NOW THEREFORE BE IT RESOLVED, that the FY 2016-FY 2019 Financial Plan for the District shall include the following information with respect to the plans to eliminate budget gaps identified over the four years of the Financial Plan:

- (1) clearly define and delineate the District's specific actions to close the budgetary gaps in the out years of the Financial Plan; and
- (2) provide evidence in support of the likelihood that estimated increases in revenues and reductions of expenditures in the out years will be realized; and
- (3) specifically identify those programs, services, or levels of services that would be reduced or impacted by 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 the District to perform its mission, and provide detailed support for legislation to enact such changes, based upon the District's experience and objectives.

BE IT FURTHER RESOLVED that the BFSA will require the District's Financial Plan for Fiscal Years 2015-2016 through 2018-2019 to be approved by the Board of Education prior to its submission on May 1, 2015; and

BE IT FURTHER RESOLVED, that the Financial Plan as submitted on May 1, 2015 shall include the level of detail as requested by this Resolution; and

BE IT FURTHER RESOLVED, that in the event all information as requested is not provided, the Financial Plan shall be found to be incomplete pursuant to BFSA Act §3857, subds. 2, 3 and 4.

BE IT FURTHER RESOLVED, that the BFSA have immediate access to all cross-district comparative research data currently available to the District in the study being conducted by Education Resource Strategies as referenced in the meeting on December 3, 2014, between BFSA and District and Board of Education officials.

This resolution shall take effect immediately.

Approved March 11, 2015

/s/ George K. Arthur

George K. Arthur,
Secretary