

**BUFFALO FISCAL STABILITY AUTHORITY
RESOLUTION NO. 17-01
REVIEW OF MODIFIED 2017-2020 DISTRICT FINANCIAL PLAN AND
REQUIREMENTS FOR THE DISTRICT'S PORTION OF THE CITY OF BUFFALO'S
2018-2021 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, the District submitted a modified 2017-2020 Financial Plan to the BFSA on January 25, 2017 which was modified to include the estimated net projected costs for the labor contract settled with the Buffalo Teachers' Federation on October 17, 2016; and

WHEREAS, the District's modified 2017-2020 Financial Plan is balanced for fiscal year 2017 with the use of reserves which had been set-aside for collective bargaining; and

WHEREAS, the District's modified 2017-2020 Financial Plan includes a remaining projected budget gap of \$76.8 million after all available reserves have been utilized; and

WHEREAS, the District has provided a nonspecific list of potential actions that District officials could or could not decide to implement to address the out-year projected budgetary gaps; and

WHEREAS, such potential gap closing actions include: eliminating some or all collective bargaining funding; unspecified and unclear potential savings for shared services; the elimination of the expansion of a proven program for Emerson II; potential unknown reductions to special education based on a study yet-to-be performed; the potential reversal of the expansion of the physical education program; unspecified significant staffing reductions; substantial reductions to funding of the New Education Bargain representing the District Superintendent's plan for improving educational services in the City of Buffalo, and; other various potential cuts and reductions to programs; and

WHEREAS, such actions as included in the modified 2017-2020 Financial Plan 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

WHEREAS, the District has not evaluated the Financial Plan to determine to what extent these actions would be necessary to implement and what the potential impact would be from taking such actions; and

WHEREAS, there is no ability to assess the impact of enacting such actions as the modified 2017-2021 Financial Plan is unclear with respect to the District's intention to close the projected out-year budgetary gaps; and

WHEREAS, the District must provide a financial plan that evaluates and prioritizes those gap closing actions to be made, to what extent they will be made, and to evaluate the potential impact of such actions on the provision of educational services; and

WHEREAS, the BFSA acknowledges that New York State ("NYS") will be approving a final budget before the required submission of the 2018-2021 Financial Plan and NYS funding will be known for 2017-2018; and

WHEREAS, it is anticipated that the City of Buffalo will submit the proposed City budget and related Four-Year Financial Plan to the BFSA on May 1, 2017; and

WHEREAS, it is the BFSA's intention to clearly communicate what information will be necessary in order for the 2018-2021 Financial Plan to be found to be complete and compliant with the standards set forth in BFS Act §3857, subd. 2.

BE IT THEREFORE RESOLVED, the District is directed to provide a 2018-2021 Financial Plan by May 1, 2017, and revised as necessary by June 1, 2017, that:

- (1) clearly defines and delineates the District's potential actions to close the budgetary gaps for each year of the 2018-2021 Financial Plan in sufficient detail to understand the impact that such potential actions will have on the District; and
- (2) prioritizes such potential actions and provides a solid plan for addressing the out-year deficits in a manner beyond a list of potential actions; and
- (3) provides evidence regarding the likelihood of occurrence for the achievement of additional revenues and budgetary savings; and
- (4) specifically identifies those programs, services, or levels of services that would be reduced or impacted which are to be determined upon the completion of various studies; and
- (5) assesses the effect of such changes upon the District's financial stability; and

BE IT FURTHER RESOLVED, that a list of potential actions is not an acceptable method to demonstrate a balanced financial plan; and

BE IT FURTHER RESOLVED, that District officials must reach a consensus as to how the budgetary gaps will be closed; and

BE IT RESOLVED FURTHER, that the Superintendent of the District shall review the 2018-2021 Financial Plan with the Board of Education to achieve the directives of this resolution; and

BE IT RESOLVED FURTHER, that in the event all information as requested is not provided, the 2018-2021 Financial Plan shall be found to be incomplete pursuant to BFA Act §3857, subd. 2.

This resolution shall take effect immediately.

Approved February 6, 2017

/s/ George K. Arthur

George K. Arthur,
Secretary