

BUFFALO FISCAL STABILITY AUTHORITY
Buffalo City School District's 2024-25 Third Quarter Report Analysis
June 16, 2025

Introduction

The Buffalo City School District (District) issued its fiscal year (FY) 2024-25 third quarter report (Q3 2025 Report) on April 29, 2025. It includes the District's current fiscal year-end (CFYE) projections as compared to the 2024-25 Adopted Budget (Adopted Budget).

The 2024-25 Modified Budget's total budgeted appropriations are equal to the 2024-25 Adopted Budget (Adopted Budget) overall; several minor budgetary transfers occurred between various expenditure lines. The Buffalo Fiscal Stability Authority's analysis compares the Adopted Budget amounts with the third quarter's actual results.

The following is the Buffalo Fiscal Stability Authority's Q3 2025 Report analysis.

Key Findings

- The District is forecasting a favorable \$4.6 million revenue budgetary variance, not significantly dissimilar to the Adopted Budget. The Buffalo Fiscal Stability Authority (BFSA) believes current fiscal year-end (CYFE) revenues will not be significantly greater than budget (\$0.5 million; 0.04%) based on the most recent New York State Education Department (NYSED) State Aid Management System (SAMS) estimate, BFSA's Supplemental Charter School Tuition aid forecast, offset somewhat by BFSA's Erie County Sales Tax receipt CFYE forecast.
- The District is forecasting a favorable \$24.0 million expenditure budgetary variance. The BFSA believes CYFE expenditures will depict at least a \$43.5 million budgetary variance based on the BFSA's forecasts for Employee Compensation and the District's Transportation and All Other Expenditure forecasts, barring any unforeseen/unbudgeted new expenditures.
- The 2024-25 Adopted Budget and 2025-2028 Adopted Financial Plan contained an inaccurate 2024-25 Charter School base tuition rate and had erroneously stated that a \$14.0 million one-time payment had been included as a Special Education set-aside. Based on these assumptions and actual enrollment, BFSA had previously forecasted a \$25.2 million CFYE favorable variance as compared to the Adopted Budget. BFSA has since revised its 2024-25 Charter School Tuition forecast and now conservatively estimates a minimum \$3.1 million favorable budgetary variance.
- The City of Buffalo was requested to approve the District's capital plan in the amount of \$55.4 million; the City of Buffalo Common Council approved this in December 2024. Since then, the requested bond sale decreased to \$22.0 million for District capital projects due to timing issues, as not all proposed capital projects met the NYSED's submission deadlines. Subsequently, the DaVinci project did not meet timing requirements as a lease has not yet been executed.

- Included in the request are twenty-one individual projects with an estimated \$33.4 million combined maximum cost. The estimated \$11.4 million excess cost over the borrowed amount will be funded via General Fund resources.
 - All design work has been completed and all projects except for the PS #212 Leonardo DaVinci High School at Buffalo State University - Buckham Hall are scheduled to be completed by September 2026. The PS #212 capital project should be completed by December 2027.
 - The City of Buffalo (City) has not been requested to borrow on behalf of the District since 2012. The District intends to utilize the funds to improve its buildings and infrastructure. New York State (NYS) will reimburse approximately 97% of all expenditures through NYS Building Aid. There is no cost to the City.
 - As of May 13, 2025, the Buffalo City Comptroller had not issued a commitment to sell District bonds.
- District enrollment was higher at January 7, 2025, than at the end of the 2023-24 school year. If overall enrollment remains at or near this level, it will mark the first instance within the last ten school years where enrollment increased year-over-year, albeit by 146 (0.4%) year-to-year increase.
 - The Adopted Budget represents year one of two which are focused on reducing total staff counts by eliminating vacancies, not filling positions that become vacant through retirements, eliminating 36 Teacher on Special Assignment (TOSA) positions at the schools, and continuing the Superintendent-imposed hiring freeze for non-essential staff. The two-year plan reduces total full-time equivalent (FTE) counts from 2023-24 by approximately 226 positions while mitigating current fiscal year (CFY) layoffs. The District was able to assign all laid-off TOSA employees to classroom instruction. Two FTE employees were ultimately laid off in the CFY. No further CFY layoffs are anticipated.

Outlook Items

1. **Expiring Collective Bargaining Agreements** - All collective bargaining agreements will expire over the next three fiscal years, including five at the end of the current fiscal year. These collective bargaining units include the following.

June 30, 2025 Expiration

- Buffalo Association of Substitute Administrators (Substitute Administrators)
- Buffalo Council of Supervisors and Administrators (Administrators)
 - Negotiations underway
- Buffalo Educational Support Team (Teacher's Aides and Teaching Assistants)
- Local 264 (Blue-collar)
- Substitutes United of Buffalo (Substitute Teachers)

June 30, 2026 Expiration

- Buffalo Teachers' Federation (Teachers)
- Local 409 engineers (Engineers)
- Professional, Clerical, and Technical Employees' Association (white-collar)

June 30, 2027 Expiration

- Transportation Aides of Buffalo (Bus Aides)

BFSA has estimated that settling labor agreements will increase 2025-26 through 2027-28 General Fund employee compensation and benefits by \$22.4 million for 2% annual contractual increases and \$33.5 million for 3% annual contractual increases. This estimate included a significant level of position reductions beginning in 2025-26. The updated 2025-26 through 2028-29 estimated cumulative increases are \$69.2 million and \$105.5 million on a General Fund basis and based on the 2025-26 staffing plan. The year-over-year increases are estimated as follows.

Percent Increase	2025-26	2026-27	2027-28	2028-29	4-Year Cumulative Increase
2%	\$0.9M	\$12.6M	\$22.6M	\$33.1M	\$69.2M
3%	1.4M	19.0M	34.1M	50.2M	105.7M

Note: The Employee Compensation and Benefit increases are more pronounced beginning in 2026-27 after a potential teacher labor agreement settlement.

BFSA will be able to more accurately estimate these prospective costs once the 2026-2029 Financial Plan has been developed.

2. Projected Structural Imbalances/Status of District's 'Right-Sizing' Initiatives

The District's 2025-2028 Financial Plan estimated a cumulative four-year deficit of \$199.6 million. The deficit is fully funded during these four years through fund balance, a nonrecurring funding source. The growth in projected expenditures continues to outpace revenues, with a widening budget gap projected in the plan's final year (year four). These projected structural imbalances will be exacerbated by the delayed/deferred implementation of the right-sizing initiative.

The 2025-26 Adopted Budget does not include year two of two of the right-sizing initiative. These actions included reducing an additional 250 teaching positions via attrition or layoff if necessary and closing two schools. These or similar actions are anticipated within the 2026-2029 Financial Plan. The 2025-26 operating deficit is \$78.8 million, significantly greater than the \$36.4 million depicted for 2025-26 in the 2025-2028 Adopted Financial Plan. The 2025-26 budget was adopted on May 28, 2025. The proposed 2026-2029 Financial Plan has been finalized.

2024-25 Adopted Budget Highlights

The following summarizes the FY 2024-25 Adopted Budget.

General Fund Revenues, Expenditures, and Appropriated Fund Balance

- General Fund revenues are budgeted at \$1,082.3 million, an increase of \$2.6 million (1.2%) over the prior fiscal year (PFY) actual revenues.
- General Fund expenditures are projected at \$1,165.7 million, a \$144.5 million (12.4%) increase over the PFY actual expenditures. This increase is largely due to the expiration of federal stimulus funding and the Buffalo Board of Education’s decision to continue approximately \$45.0 million of the \$91.7 million in programs, services, and personnel previously funded via these funds.

Structural Deficit

- The Adopted Budget includes a substantial deficit of \$83.4 million (7.2% of total General Fund appropriations). The deficit is closed through the appropriation of fund balance.

General Fund CFYE Projections

The following depicts the 2024-25 Adopted Budget and the CFYE projected balances. BFSA’s CFYE revenue forecast is not significantly different from the BCSD’s forecast. BFSA forecasts a greater expenditure variance, particularly within Employee Compensation.

General Fund	2024-25 Adopted Budget	2024-25 Projected FYE (BCSD)	2024-25 Variance Projected FYE (BCSD)	2024-25 Projected FYE (BFSA)	2024-25 Variance Projected FYE (BFSA)
	\$ in Millions				
Revenues	\$1,082.3	\$1,086.9	\$4.6	\$1,082.8	\$0.5
Expenditures	1,165.7	1,141.7	24.0	1,122.2	43.5
Surplus (Deficit)	(\$83.4)	(\$54.8)	\$28.6	(\$39.4)	\$44.0

General Fund Revenues

The Adopted Budget included total estimated General Fund revenues of \$1,082.3 million. Actual Q3 2025 General Fund revenues were \$821.3 million. The District is forecasting a minor \$4.6 million CFYE variance. BFSA forecasts a minor, \$0.5 million variance, not significantly different than the District’s forecast. The following depicts the 2024-25 Adopted Budget revenues and CFYE projected revenues:

Buffalo City School District Revenues						
2024-25 3rd Quarter	2023-24 Actuals	2024-25 Adopted Budget	FYE 2024-25 Projected (District)	FYE 2024-25 Projected Variance (\$ - District)	FYE 2024-25 Projected (BFSA)	FYE 2024-25 Projected Variance (\$ - BFSA)
\$ in Millions						
<i>Real Property Tax</i>	\$70.8	\$70.8	\$70.8	\$0.0	\$70.8	\$0.0
<i>Erie County Sales Tax</i>	59.0	56.0	57.8	1.8	60.0	4.0
<i>Federal Medicaid Reimbursement</i>	5.2	4.0	5.5	1.5	5.5	1.5
<i>New York State Aid (less Building Aid)</i>	803.6	837.2	837.2	0.0	830.7	(6.5)
<i>New York State Building Aid</i>	110.9	102.0	102.0	0.0	102.2	0.2
<i>Miscellaneous</i>	20.2	12.3	13.6	1.3	13.6	1.3
Total General Fund Revenues	\$1,069.7	\$1,082.3	\$1,086.9	\$4.6	\$1,082.8	\$0.5

Erie County Sales Tax receipts were greater than the PFY to date by \$0.9 million (1.97%). BFSA forecasts CFYE Erie County Sales Tax receipts at \$60.0 million, \$2.2 million greater than the BCSD forecast and \$3.0 million greater than the Adopted Budget.

BFSA’s forecast is conservative; the Buffalo-Niagara region has been negatively impacted by the unanticipated federally imposed tariffs on Canadian imports and the subsequent response by Canadian shoppers. Likely 2025-26 Erie County Sales Tax receipts will be significantly impacted by these events.

The NYSED released the SAMS full aid update. Several NYS formula-based aids will be slightly less than what was included within the Adopted Budget (e.g., NYS Transportation Aid). The District currently has more enrolled pupils than assumed in the Adopted Budget; NYS Foundation Aid will likely offset some of the unfavorable variances within the smaller, formula-based aids. BFSA forecasts the District will receive an additional \$0.8 million than budgeted Supplemental Charter School Reimbursement revenues based on the reimbursement rate and the number of Buffalo resident public school pupils in area charter schools.

BFSA forecasts total NYS Aid to be unfavorable by \$6.5 million at CFYE.

The Federal Medicaid Reimbursement is budgeted at \$4.0 million. This revenue is a reimbursement of Medicaid-eligible healthcare services funded and provided by the District. The District projects a \$1.5 million favorable variance based on the amount of actual reimbursements received CFY to date. BFSA concurs with this projection.

All Other Revenue (Miscellaneous) combined totals \$12.3 million in the Adopted Budget. All Other Revenues include tuitions, interest, interfund revenues for indirect costs, and miscellaneous items. The District projects a \$1.3 million CFYE variance based on increased intrafund transfers from the Special Projects Fund. BFSA concurs with the projection.

2023-24 Actual Revenues Compared to CFYE 2024-25 Forecasted Revenues

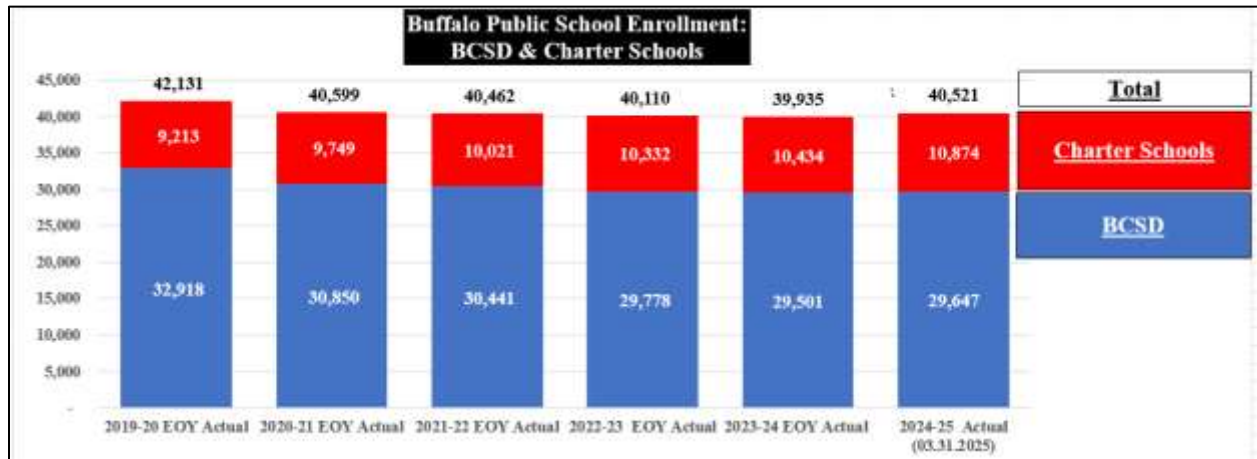
Actual FYE 2023-24 General Fund revenues were \$1,069.7 million. The District forecasts CFYE General Fund revenues at \$1,086.9 million, a net increase of \$17.2 million (1.6%). BFSFA forecasts CFYE General Fund revenues at \$1,081.9 million, a net increase of \$12.2 million (1.1%).

The District’s year-to-year projected changes are comprised of the following:

- New York State Aid (less Building Aid) is projected to increase by \$33.6 million (4.2%)
- New York State Building Aid – A decrease of \$8.9 million (8.0%)
- Erie County Sales Tax revenue – A decrease of \$1.2 million (2%)
- Federal Medicaid Reimbursement – An increase of \$0.3 million (5.8%)
- Miscellaneous revenue – A decrease of \$6.6 million (32.7%)
 - 2023-24 included a significant amount of interfund transfers from the Special Project Fund related to the American Rescue Plan Act (ARPA)

CFY District & Charter School Enrollment

The following compares budgeted and actual Buffalo pupil public school enrollment within District and area charter schools.



The District’s September through March pupil count exceeded the 2023-24 fiscal year-end (FYE) amount. This is the first District year-to-year enrollment increase since 2014-15, albeit not by a sizable amount. The most recent BEDS count of 29,647 represents a 146 (0.5%) year-to-year increase.

General Fund Expenditures

The Adopted Budget's General Fund appropriations total \$1,165.7 million, a \$141.1 million (13.8%) increase over the prior fiscal year's actual expenditures.

General Fund expenditures are examined in seven discrete subcategories in the following order:

- Employee Compensation
- Employee Benefits
- Charter School Payments
- Transportation
- Reserve for Contingency
- All Other Expenditures
- Debt Service

The Adopted Budget was modified and increased by \$5.4 million to recognize PFY carryover encumbrances. The budget modification was automatic per accounting standards and required neither BFSAs review nor the Buffalo Board of Education's approval.

The following schedule summarizes expenditures and compares the 2023-24 actual results, the Adopted Budget, the Modified Budget, the District's CFYE projections, and the BFSAs CFYE forecasts.

Buffalo City School District Expenditures								
2024-25 3rd Quarter	FYE 2023-24 Actuals	2024-25 Adopted Budget	Budget Transfers	2024-25 Modified Budget	FYE 2024-25 Forecast (District)	Adopted Budget to CFYE Forecast Variance (District)	FYE 2024-25 Forecast (BFSAs)	Adopted Budget to CFYE Forecast Variance (BFSAs)
	\$ in Millions							
<i>Total Employee Compensation</i>	\$370.7	\$424.8	\$1.3	\$426.1	\$415.1	\$9.7	\$397.1	\$27.7
<i>Total Employee Benefits</i>	203.9	226.6	0.5	227.1	227.1	(0.5)	226.2	0.4
<i>Payments to Charter Schools</i>	148.0	172.9	(2.5)	170.4	170.4	2.5	169.8	3.1
<i>Debt Service</i>	108.5	91.7	0.0	91.7	91.7	0.0	91.7	0.0
<i>Transportation</i>	55.2	63.8	(0.8)	63.0	61.0	2.8	61.0	2.8
<i>Reserve for Contingency</i>	0.0	3.0	(2.5)	0.5	0.5	2.5	0.5	2.5
<i>All Other Expenditures</i>	138.3	182.9	4.0	186.9	175.9	7.0	175.9	7.0
Total General Fund Expenditures	\$1,024.6	\$1,165.7	\$0.0	\$1,165.7	\$1,141.7	\$24.0	\$1,122.2	\$43.5

The BFSAs forecasts expenditures to be less than the District's projection and notes that revenues and appropriated fund balance are adequate to cover all expenditures. The Modified Budget presented excludes the PFY carryover encumbrances to offer a comparison to the originally approved budget.

The District's year-end forecast is conservative. BFSAs anticipates budgetary savings within Employee Compensation.

2023-24 Actual Expenditures Compared to 2024-25 Forecasted Expenditures

Actual 2023-24 General Fund expenditures were \$1,024.6 million. The District projects 2024-25 General Fund expenditures at \$1,141.7 million. Expenditures at this level would represent a substantial year-to-year increase of \$117.1 million (11.4%). The BFSA forecasts 2024-25 General Fund expenditures at \$1,122.2 million. Expenditures at this level would still represent a substantial year-to-year increase of \$97.6 million (9.5%).

The District continued a sizeable portion of the programs, services, and personnel previously funded via federal ARPA funds. The General Fund was increased by approximately \$45.0 million to continue a portion of these activities. While entity-wide positions decreased by 197 FTEs, positions in the General Fund increased by 162 FTEs, including 115 BTF FTEs.

The District's projected year-to-year increase is comprised of the following:

- Employee Compensation – An increase of \$44.4 million (12.0%)
 - Contributing Factors:
 - An increase in General Fund FTE positions
 - All employees have current labor agreements and will receive both step increases (if eligible), and contractual salary increases
- Employee Benefits – An increase of \$23.2 million (11.4%)
 - Contributing Factors:
 - An increase in General Fund FTE positions
 - All employees have current labor agreements and will receive both step increases (if eligible), and contractual salary increases
- Charter School Payments – An increase of \$22.4 million (15.1%)
 - Contributing Factors:
 - Increase in the number of Buffalo resident pupils enrolled in Buffalo-area charter schools and the tuition rate
- Debt Service – A decrease of \$16.8 million (15.5%), based on established debt service schedules.
- Transportation – An increase of \$5.8 million (10.5%)
 - Contributing Factors
 - First Student contractual increase
 - Increase in bus runs from enrollment growth
- Reserve for Contingency – The prior year's budget included \$63.6 million for the Reserve for Contingency, which was “zeroed out” during the year via budget transfers. The Adopted Budget amount totals \$3.0 million and will be zeroed out by CFYE via budget transfers.
- All Other Expenditures – An increase of \$37.6 million (27.2%)
 - Contributing Factors
 - Reflects a traditional school year's operation (supplies, equipment, etcetera)
 - Transfer of previously grant-funded programs and services to the General Fund

BFSA's CFYE 2024-25 Forecasted Expenditures

Employee Compensation

Employee Compensation is the District's largest expenditure. The Adopted Budget included Employee Compensation expenditures at \$424.8 million. The Modified Budget increased this amount slightly by \$1.3 million via budgetary transfers. BFSA's analysis focuses on the Adopted Budget amount as compared to the CFYE projections.

Employee Compensation includes the salary and wages of District employees, including the following groups/categories:

- The Buffalo Teachers' Federation
- The Substitutes United of Buffalo
- The Buffalo Association of Substitute Administrators
- The Buffalo Council of Supervisors and Administrators
- The Professional, Clerical and Technical Employees' Association
- The Buffalo Educational Support Team
- The Transportation Aides of Buffalo
- Skilled Trades (Trades)
- Local 264 members
- Local 409
- Miscellaneous Compensation Items

The following table lists the District's full-time positions. FTEs are presented on both an All Funds basis and a General Fund basis.

Q3 2025 Full-Time Employee Counts									
Employee Group	All Funds				General Fund				Contract Status
	2024-25 Adopted Budget	Actual at 3.31.2025	Vacancy (#)	Vacancy (%)	2024-25 Adopted Budget	Actual at 3.31.2025	Vacancy (#)	Vacancy (%)	
BTF (Teachers)	3,737	3,608	129	3.5%	3,360	3,200	160	4.8%	Current thru 6/30/2026
BEST (Teacher Aides/Teaching Assistants)	966	955	11	1.1%	791	811	(20)	-2.5%	Current thru 6/30/2025
BCSA: Administrators	298	290	8	2.7%	254	254	0	0%	Current thru 6/30/2025
PCTEA: White-Collar	570	491	79	13.9%	484	423	61	12.6%	Current thru 6/30/2026
Local 264									
Blue-Collar	67	51	16	23.9%	61	51	10	16.4%	Current thru 6/30/2025
Cook Managers	27	31	(4)	-14.8%	0	0	0	0.0%	Current thru 6/30/2026
Trades	41	41	0	0.0%	41	41	0	0.0%	Prevailing Wage
Local 409: Operating Engineers	57	39	18	31.6%	56	39	17	30.4%	Current thru 6/30/2026
Exempts	43	38	5	11.6%	43	38	5	11.6%	All contracts current
Board Members	9	9	0	0.0%	9	9	0	0%	N/A (elected positions)
Total Full-Time Employees	5,815	5,553	262	4.5%	5,099	4,866	233	4.6%	

The following table lists the District’s part-time positions on an All Funds basis solely (General Fund breakout unavailable).

2024-25 3rd Quarter Part-Time Employees		
Employee Group	3.31.2025	Contract Status
BTF (Teachers)	108.0	Current thru 6/30/2026
BEST (Teacher Aides/Teaching Assistants)	9.0	Current thru 6/30/2025
Local 264: Food Service Workers & Cooks	430.0	Current thru 6/30/2027
SU/B: Substitutes	444.0	Current thru 6/30/2025
TAB:Bus Aides	219.0	Current thru 6/30/2027
BASA: Substitute Administrators	20.0	Current thru 6/30/2025

The following schedule summarizes Employee Compensation expenditures and compares the 2023-24 actual results, the Adopted Budget, the Modified Budget, and the District’s CFYE projections.

Buffalo City School District Expenditures						
2024-25 3rd Quarter	FYE 2023-24 Actuals	2024-25 Adopted Budget	Budget Transfers	2024-25 Modified Budget	FYE 2024-25 Projected (District)	FYE 2024-25 Forecasted Variance (District)
Employee Compensation	\$ in Millions					
<i>Teachers</i>	\$266.5	\$295.8	(\$3.1)	\$292.7	\$290.7	\$5.1
<i>Administrators</i>	29.6	36.2	1.3	37.5	34.5	1.7
<i>Professional, Clerical, & Technical Employees Assoc. (White Collar)</i>	19.6	28.4	0.9	29.3	26.3	2.1
<i>Local 264 - (Blue Collar)</i>	2.5	2.9	0.1	3.0	3.0	(0.1)
<i>Teacher Aides/ Teaching Assistants</i>	22.8	25.0	1.4	26.4	25.4	(0.4)
<i>All Other Employees/ Overtime</i>	29.7	36.5	0.7	37.2	35.2	1.3
Total Employee Compensation	\$370.7	\$424.8	\$1.3	\$426.1	\$415.1	\$9.7

The District forecasts a \$9.7 million CFYE Employee Compensation budgetary variance. BFSA forecasts a higher CFYE budgetary variance at \$27.7 million based on:

- 1) Actual versus budgeted employee salaries, and
- 2) Vacant positions from July 1st through March 31st.

This is a conservative estimate and assumes no unplanned Employee Compensation expenditures are required.

Actual General Fund Employee Compensation was \$281.3 million as of Q3 2025, \$9.6 million less than the \$290.9 million budgeted through the third quarter.

Employee Benefits

Employee Benefits is the second largest expenditure category and includes the cost to the District for all non-salary/wage-related benefits for employees. The Adopted Budget included budgeted Employee Benefit expenditures at \$226.6 million. Several minor budget transfers have occurred (net \$0.5 million increase).

Employee Benefits include payments for:

- The pension expense under the New York State Teachers’ Retirement System (NYSTRS) and New York State Employee Retirement System (NYSERS)
- The employer portion of the payroll tax
- Health insurance for current and retired employees
- Termination Pay and other miscellaneous benefits

The following chart summarizes the budgeted and forecasted CFYE General Fund Employee Benefits by major categories.

Buffalo City School District Expenditures						
2024-25 3rd Quarter	FYE 2023-24 Actuals	2024-25 Adopted Budget	Budget Transfers	2024-25 Modified Budget	FYE 2024-25 Projected (District)	FYE 2024-25 Forecasted Variance (District)
Employee Benefits	\$ in Millions					
<i>Civil Service Retirement</i>	\$4.9	\$5.3	\$0.0	\$5.3	\$5.3	\$0.0
<i>Teacher Retirement System</i>	29.3	33.4	0.0	33.4	33.4	0.0
<i>Social Security</i>	28.6	30.6	0.0	30.6	30.6	0.0
<i>Health Insurance - Active Employees</i>	80.3	78.9	0.6	79.5	79.5	0.0
<i>Health Insurance - Retirees</i>	47.1	57.0	0.1	57.1	57.1	0.0
<i>Termination Pay</i>	2.0	4.5	0.0	4.5	4.5	0.0
<i>All Other Fringe Benefits</i>	11.7	16.9	(0.2)	16.7	16.7	0.0
Total Employee Benefits	\$203.9	\$226.6	\$0.5	\$227.1	\$227.1	\$0.0

Actual General Fund Employee Benefits expenditures were \$105.8 million as of Q3 2025, \$5.9 million less than the \$111.7 million budgeted through the third quarter.

The District does not currently forecast any budgetary variances. BFSA forecasts a favorable budgetary variance of \$0.4 million for the CFYE, correlated to the Employee Compensation forecast.

Payments to Charter Schools

Payments to Charter Schools are the fourth largest General Fund expenditure category and include the portion of NYS Aid the District receives and forwards to area charter schools. The District receives NYS Aid based on the total number of Buffalo resident pupils enrolled in both District and charter public schools. A charter school tuition payment is forwarded to area charter schools, and other aid payments are based on the number of Buffalo resident pupils enrolled in these schools.

The Adopted Budget included \$172.9 million in Payments to Charter Schools; the Modified Budget is \$2.5 million less. The District does not forecast any CFYE budgetary variance.

BFSA believes the forecast is conservative and forecasts a \$3.1 million CFYE favorable variance (as compared to the Adopted Budget) based on the following:

1. The actual 2024-25 Charter School Tuition base rate of \$14,614 per pupil. The 2024-25 Adopted Budget includes Charter School base tuition at \$13,417 per pupil.
2. The average Buffalo pupil enrolled in area charter schools of 10,863, 237 (2.1%), lower than assumed within the Adopted Budget.

Actual Payments to Charter Schools were \$1.3 million less than the budget-to-date amount of \$85.2 million, which indicates a favorable CFYE budgetary variance.

Debt Service

Debt Service payments are the fifth largest expenditure category, including the principal and interest the District pays for outstanding debt. They are budgeted at \$91.7 million for 2024-25. Debt Service expenditures were not modified.

Neither the District nor BFSA are projecting any CFYE variances in debt service expenditures. Actual payments were \$87.9 million.

Debt service payments have predetermined payment dates and amounts. The District largely structured its debt service payments between January 1st and March 31st.

Transportation

Transportation expenditures are the sixth largest category, including the District's transportation costs to bus District, area charter, special education students at agencies, and non-public resident pupils. This includes transportation to and from schools for regular school days, after-school programs, and summer school.

The Modified Budget totals \$63.0 million in Transportation expenditures, a slight adjustment from the Adopted Budget of \$63.8 million. Actual Transportation expenditures were \$31.4 million, or \$7.8 million less than the \$39.2 million budgeted year-to-date. The variance is largely due to the timing of contractual payments; the BCSD is forecasting a \$2.0 million favorable budgetary variance.

Reserve For Contingency

The Reserve for Contingency expenditure totals \$3.0 million in the Adopted Budget. The Modified Budget includes \$0.5 million. Various budget transfers have occurred to reduce this expenditure line. Most significantly, a \$2.0 million budgetary transfer to Interfund Transfers occurred. The funds are transferred from the General Fund to the Capital Fund. While the amount budgeted is not significant overall as compared to the Adopted Budget, this contingency has been used much more significantly in previous budgets including the 2023-24 Adopted Budget, which included \$63.3 million.

All Other Expenditures

All Other Expenditures is the third largest and final expenditure subcategory. It is a composite category that includes all General Fund expenditures other than those described above, including tuition, contracts, textbooks and supplies, and repairs and maintenance. These expenditure areas have historically shown fiscal year-end favorable budgetary variances, though FYE 2022 and FYE 2023 resulted in budgetary variances of \$(7.4) million and \$(8.2M). FYE 2024 was favorable by \$19.0 million as the District covered a significant portion of contractual expenditures with grant funding.

The following chart summarizes the budgeted and forecasted CFYE General Fund All Other Expenditures by major categories. Various budgetary adjustments have been performed to address actual versus anticipated expenditures.

Buffalo City School District Expenditures						
2024-25 3rd Quarter	FYE 2024-25 Actuals	2024-25 Adopted Budget	Budget Transfers	2024-25 Modified Budget	FYE 2024-25 Projected (District)	FYE 2024-25 Forecasted Variance (District)
All Other Expenditures	\$ in Millions					
<i>Utilities</i>	\$9.3	\$12.5	\$0.0	\$12.5	\$12.5	\$0.0
<i>Tuition</i>	32.3	35.1	0.0	35.1	35.1	0.0
<i>Contracts - Custodian</i>	22.3	23.3	(1.9)	21.4	21.4	1.9
<i>Equipment</i>	3.6	9.1	0.7	9.8	8.8	0.3
<i>Contracts - Misc.</i>	28.0	51.3	(0.7)	50.6	49.6	1.7
<i>Rental Contracts</i>	11.7	10.1	(0.5)	9.6	9.6	0.5
<i>Repairs/Maintenance</i>	3.3	8.8	0.2	9.0	9.0	(0.2)
<i>Textbooks</i>	3.6	5.5	0.0	5.5	5.5	0.0
<i>Supplies and Misc.</i>	8.8	15.2	1.0	16.2	15.2	0.0
<i>Software</i>	4.1	6.6	0.0	6.6	6.6	0.0
<i>Interfund Transfers</i>	11.3	5.4	5.2	10.6	2.6	2.8
Total All Other Expenditures	\$138.3	\$182.9	\$4.0	\$186.9	\$175.9	\$7.0

The District forecasts a net CFYE \$7.0 million budgetary variance. BSA does not disagree with this forecast.

Non-Major Governmental Funds

Food Service Fund

The Food Service fund administers the District’s food service program. The District provides breakfast, lunch, and afterschool snacks to all District students, six Buffalo charter schools, Buffalo Hearing & Speech Center students, three non-public schools, and two out-of-district charter schools. The District also administers a summer food service program to provide meals to summer school pupils, various organizations, and parks and community centers.

The Food Service 2024-25 Adopted Budget is as follows

Food Service Fund	2024-25 Adopted Budget	2024-25 Modified Budget	CFYE Projection	Variance
	\$ in Millions			
<i>Revenues</i>	\$45.0	\$43.9	\$41.8	\$(2.1)
<i>Expenditures</i>	49.5	50.5	43.4	7.1
Surplus/(Deficit)	\$(4.5)	\$(6.6)	\$(1.6)	\$5.0
Appropriated Fund Balance	\$4.5	\$6.6	\$1.6	\$5.0
Deficit/Surplus	-	-		-

The 2024-25 Food Service Adopted Budget (Food Service Adopted Budget) was automatically modified on July 1, 2024, for \$0.7 million in carryover encumbrances. The District forecasts a \$(2.1) million revenue variance and a \$7.1 million expenditure variance at CFYE.

As of Q3 2025, actual Food Service revenues and expenditures were \$22.6 million and \$27.7 million, respectively.

SPECIAL PROJECTS FUND

The Special Projects Fund includes grants from various sources, with most from the federal government or NYS. The Special Projects Fund Modified Budget totaled \$150.3 million and has been modified to include \$18.1 million in new grant awards.

The Special Projects Fund is a self-balancing fund. If anticipated grant applications are rejected, reduced, or require resubmission, mandated expenditures are funded via the General Fund.

Summary

The 2024-25 fiscal year will very likely conclude with an operating deficit. BFSAs estimates this deficit at \$39.4 million. The District has forecast a deficit of \$54.8 million. The 2024-25 fiscal year will mark the first operating deficit since FYE 2017. Total Fund Balance grew substantially over the last seven years by \$241.5 million.

BFSA has no concerns related to the District's projections for the current fiscal year-end. The District has demonstrated the ability to fund the projected deficit with reserves. The District will likely report a larger budgetary surplus compared to what is currently being reported, as actual Employee Compensation will likely be less than projected. BFSA is forecasting a slightly favorable revenue variance for the current fiscal year and has further forecasted a \$43.5 million favorable budgetary variance within expenditures.