



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

September 21, 2026

Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

Re: Authorization to Increase Department of Law Budget for Additional Risk Retention Needs

Dear Honorable Members:

Please find enclosed a resolution from the Department of Law seeking legislative authorization to utilize \$3 million in additional unbudgeted revenue to cover remaining 2026 funding needs in the Risk Retention fund.

Should your Honorable Body require further information, I encourage you to contact the Department of Law. Thank you for your consideration on this matter.

Sincerely yours,

A handwritten signature in blue ink that reads "Mark C. Poloncarz". The signature is fluid and cursive, with a long horizontal line extending to the right.

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/mc
Encl.

cc: Jeremy C. Toth, Esq., County Attorney
Mark Cornell, Director of Budget and Management

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Law
Re: Authorization to Increase Department of Law Budget for Additional Risk Retention Needs
Date: September 21, 2026

SUMMARY

The Department of Law seeking legislative authorization to utilize \$3 million in additional unbudgeted revenue to cover remaining 2026 funding needs in Risk Retention. In July, the County lost its appeal of a trial judgment issued in 2024. Moreover, Surrogates Court has finally approved a settlement we reached with a deceased plaintiff in 2025. Those two matters will cost the County 1.3 million dollars. Given that the County delayed several settlements reached in 2025 to 2026, the risk retention fund has been depleted and there is not enough left to pay these settlements and to pay anticipated bills for the remaining four months.

FISCAL IMPLICATIONS

The Department of Law contracts with the Legal Aide Bureau of Buffalo and the Erie County Bar Association for the provision of indigent legal services on the County's behalf. The budgeted appropriations for these services are paid to the agencies in equal quarterly installments over the course of the year. Each organization is required to return to the County any unspent funding that was advanced to them as part of an annual reconciliation process. Both organizations have recently completed their 2025 audited financial statements and the Legal Aid Bureau of Buffalo will return \$6,567 and the Erie County Bar Association will return \$823,991 in unused County funds.

The SFY 2023-24 Budget authorized ILS Aid to Localities reimbursement for 50% of the Article 18-B Assigned Counsel rate increase costs to counties for a one-year period. The program had been extended in each of the past two state budgets, (SFY 2024-25 & 2025-26), providing reimbursement totaling \$4.7 million in 2024 and \$6.2 million in 2025. The initial reimbursement to Erie County for 2026 was expected to be available only through April 1, 2026; however, the SFY 2026-27 Budget continued reimbursement eligibility for another year through April 1, 2027. Erie County now expects reimbursements in 2026 of at least \$4.5 million.

The Law Department would like to use this unbudgeted revenue now anticipated through the remainder of 2025 to cover costs associated with settlements and/or judgments and/or legal costs associated with ongoing litigation within the Department of Law's Risk Retention Fund.

REASONS FOR RECOMMENDATION

As discussed during the mid-year budget hearings, 5 million dollars is simply not enough to cover all of the County's legal bills which includes insurance premium costs, settlements and outside counsel bills. All three categories of expenditures have gone up in the past five years and there is no reason to believe that trend will change.

CONSEQUENCES OF NEGATIVE ACTION

The Department of Law will have insufficient funding to cover two judgments that are due. The County will also not be able to pay its obligations to outside counsel and those bills will go unpaid.

STEPS FOLLOWING APPROVAL

The Division of Budget will transfer the approved funding to the Department of Law's Risk Retention fund.

RESOLUTION SUBMITTED BY:
DEPARTMENT OF LAW

RE: Authorization to Increase Department of Law Budget for Additional Risk Retention Needs

WHEREAS, the Department of Law contracts with the Legal Aide Bureau of Buffalo and the Erie County Bar Association for the provision of indigent legal services on the County's behalf; and

WHEREAS, the budgeted appropriations for these services are paid to the agencies in equal quarterly installments over the course of the year; and

WHEREAS, each organization is required to return to the County any unspent funding that was advanced to them as part of an annual reconciliation process; and

WHEREAS, recently completed 2025 audited financial statements identified Legal Aid Bureau of Buffalo will return \$6,567 and the Erie County Bar Association will return \$823,991 in unused County funds; and

WHEREAS, the SFY 2023-24 Budget authorized ILS Aid to Localities reimbursement for 50% of the Article 18-B Assigned Counsel rate increase costs to counties, which had been extended twice providing reimbursement totaling \$4.7 million in 2024 and \$6.2 million in 2025; and

WHEREAS, the initial reimbursement to Erie County for 2026 was expected to be available only through April 1, 2026; however, the SFY 2026-27 Budget continued reimbursement eligibility for another year through April 1, 2027.

WHEREAS, Erie County now expects reimbursements in 2026 of at least \$4.5 million; and

WHEREAS, the County has legal bills that exceed the funds remaining in the risk retention fund.

NOW, THEREFORE, BE IT

RESOLVED, that the Erie County Legislature does hereby authorize the modification of the Department of Law's Division of Law 2026 Adopted Budget (Fund 110, Funds Center 16010) to recognize \$3,000,000 in revenues and transfer an equal amount to the Division of Risk Retention 2026 Adopted Budget (Fund 110, Funds Center 16020) as follows:

Department of Law
Division of Law
Fund 110, Funds Center 16010

REVENUES	CHANGE
408530 SA Criminal Justice Programs	\$ 166,634
409000 State Aid Revenue	<u>\$2,002,808</u>
423000 Refunds of Prior Years Expenditures	<u>\$ 830,558</u>
TOTAL	<u>\$3,000,000</u>

Department of Law
Division of Risk Retention
Fund 110, Funds Center 16020

APPROPRIATIONS	CHANGE
555000 General Liability	<u>\$3,000,000</u>
TOTAL	<u>\$3,000,000</u>

and be it further,

RESOLVED, that authorization is hereby given for the Director of Budget and Management to make any technical adjustments necessary to effectuate this resolution; and be it further

RESOLVED, that the Clerk of the Legislature shall forward certified copies of this Resolution to the County Executive's Office, Department of Law and Division of Budget and Management.