



5/2/23

Dear Wainscott School District Taxpayer:

As explained below, unprecedented increases in the number of grade 4-12 tuition students and in our total special education expenditures have forced your Board of Trustees to propose a budget for 2023-2024 of \$6,161,331 or a 49.27% increase from last year's budget. In addition, a proposition requesting an amount not to exceed \$1,000,000 to provide for unforeseen, ordinary contingent expenses for the current 2022-23 school year has been included on the ballot.

The proposed budget increase and proposition is made up of two main components.

The first is an approximately \$1,000,000 shortfall in this year's budget to pay for 20 new grade 4-12 tuition students who moved into our District since September 2022.

The second is a \$2,033,676 proposed increase in our 2023-24 budget comprised of (i) a \$669,071.00 increase in tuition costs for existing and contingent Pre-K and grade 4-12 tuition students (including the 20 students who arrived this year); (ii) an \$869,655 increase in special education costs (including three out of district placements totaling \$540,000 for tuition, transportation and additional services); and (iii) \$180,000 in fees and costs for the District's first issuance of Tax Anticipation Notes. The remaining \$314,950 increases principally represent contractual increases such as salaries, employee benefits and busing contracts.

The proposed 2023-24 budget and proposition represents a 95.5 % increase in our tax levy and a corresponding increase in our tax rate from \$202.66 to \$396.20 per thousand assessed valuation in East Hampton and from \$11.56 to \$22.59 per thousand assessed valuation in Southampton. The proposed 95.5 % or \$ 3,244,213 increase in our tax levy will pierce the District's 2.83% effective statutory Tax Cap. **Therefore, 60.00 % voter approval is needed to approve our proposed 2023-2024 budget.**

We assure you these unprecedented increases are not discretionary expenditures. They are primarily "ordinary contingent expenses" which we are legally required to spend. The possibility of future budget increases was identified by the Trustees in last year's letter given the significant reduction in our fund balances mandated by the State and ongoing increases in our tuition expenses and special education costs. The size of the increases could not have been reasonably anticipated by your Board.

The number of students living in our District remains near an all-time high. While the student population in our highly successful K-3 program conducted in our new Schoolhouse has remained stable over the last five years (presently 28 students or 116% of capacity), the number of tuition students (Pre-K and 4-12) is at an all-time high of 92 students, including this year's unprecedented 20 new tuition students. Historically, the District typically netted no more than three new tuition students in any given year.

Importantly, none of the above numbers and dollar amounts reflect the impact of the proposed Fifty Unit (having One Hundred Bedrooms) Route 114 community housing project proposed by the Town within our District. The Town expects the housing project will be completed during its 2025-26 budget year. You are urged to read the Trustees' Analysis of the potential significant adverse impacts of the Town's proposed housing project on the District's existing facilities, educational programming and finances posted on the District's website @ <https://waincottschool.org/trustees-statement-re-eh-town-community-housing-project/>. The Trustees are engaged in substantive discussions with the East Hampton Town Board aimed at mitigating the project's potential significant adverse impacts on the District. Your Trustees continue to believe that there is a path forward that will result in a Town built housing project on Route 114 that will be a significant step toward addressing the Town-wide housing storage while ensuring that the Wainscott School will survive and continue to operate as the impactful and community defining institution that has served our community well for many generations. The Trustees will keep you informed of any material developments that may occur.

On a positive note, the Trustees thank our administration and staff for their continued dedication and professionalism in conducting our highly acclaimed K-3 education program in the Schoolhouse which continues to provide our young learners with an exemplary start to their social, emotional and educational growth.

In the meantime, the Trustees invite you to take part in the budget vote and District Election that will take place on Tuesday May 16, 2023, between 1:30pm and 8:00 pm in the New School house.

As always, your Board of Trustees thank you for your continued support and understanding.

Sincerely yours,

David E. Eagan, President

Kelly Anderson

William A. Babinski, Jr.