

6/5/23

Dear Wainscott School District Taxpayer:

Your Board of Trustees has prepared a revised proposed budget for 2023-2024 of \$6,144,331, which represents a \$17,000 decrease in the proposed 2023-2024 budget that failed to receive the required 60% voter approval by a mere three votes last month. The reduction reflects our elimination of the new equipment lines from the originally proposed budget. The revised proposed spending plan represents a \$2,016,763 increase over our current budget and is equal to the amount of the Contingency Budget for the 2023-2024 school year.

The revised proposed 2023-2024 budget represents a \$3,227,213, this includes the one million dollars previously approved by the voters in the May vote, or a 95.07%, increase in our tax levy and a corresponding increase in our tax rate from \$202.66 to \$336.07 per thousand assessed valuation in East Hampton and from \$1.156 to \$1.914 per thousand assessed valuation in Southampton. That increase in our tax levy will pierce the district's allowable tax levy cap. **Therefore, a 60% voter majority approval is needed to support our revised proposed 2023-2024 budget.**

We assure you these unprecedented increases are not discretionary expenditures. They are, primarily, ordinary contingent expenses that we are mandated and legally required to spend to educate the record number of students currently residing in our district, which has neared an all-time high. While the student population has remained stable over the last five years (presently 28 students, or 116% of capacity), the number of tuition students (pre-K and grades 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.

We are grateful that our voters approved the proposal in last month's budget vote to fund the approximately \$1,000,000 shortfall in the current budget to pay for the new tuition students in grades 4-12 who moved into our district beginning in September 2022. Please note that \$699,071 of the proposed increase in the revised proposed 2023-2024 budget will fund increased tuition costs for existing (including the 20 students who arrived this year) and contingent pre-K and grade 4-12 students. The remainder of the proposed increase represents (i) an \$863,655 increase in special education costs (including three mandated out-of-district placements totaling \$540,000 for tuition, transportation and additional services); (ii) \$180,000 in fees and costs for the district's first issuance of Tax Anticipation Notes which will provide the necessary cash flow to fund our larger budget); and (iii) \$304,037 principally for contractual increases such as salaries, employee benefits and busing contracts.

The Trustees respectfully request that you consider the following two additional points when casting your vote for the revised proposed 2023-2024 budget.

If the revised proposed budget fails to receive the requisite 60% supermajority vote, there is no guarantee that the district will be able to fund its operations in the 2023-2024 budget year. Typically, under controlling law, a district is required to implement its legally mandated contingency budget if its proposed budget is voted down twice and to operate under the same tax levy as the prior year. Since Wainscott does not receive any substantial amount of state aid, a rejection of the revised proposed budget would mean that the district would be forced to fund its 2023-2024 budget with the same amount as our 2022-2023 tax levy of \$3,394,568. That amount equates to 52% of the amount needed to fund the 2023-2024 operating budget and would result in the district not being able to meet its financial and moral obligations to educate our current students. If the revised proposed budget fails, the only avenue open to the district would be to seek special legislative relief from New York State that would permit it to raise the funds through an increased tax levy needed to prevent the district from engaging in unlawful deficit spending. Although the district has discussed this possibility with our state legislators, there is no guarantee that such legislation will be passed in time.

In short, the revised proposed 2023-2024 budget needs to be passed by at least a 60% majority or the district will face an unprecedented and highly disruptive financial crisis with an uncertain resolution.

Secondly, based upon feedback we received from many voters in last month's budget vote and election, many voters are concerned about the impact of the Town's proposed Route 114 community housing project on the district's existing facilities, educational programming and finances. Importantly, as we stated previously, none of the above numbers or dollar amounts reflect the impact of the proposed Route 114 community housing project. The Town expects the housing project to be completed during its 2025-2026 budget year. Therefore, please know that your vote on the revised proposed 2023-2024 budget will not have a direct impact on those issues that the Trustees are still discussing with the Town Board.

The budget revote will take place on Tuesday, June 20, 2023, from 2:00 p.m. to 8:00 p.m. in the New Schoolhouse located at 47 Main Street. Voting by absentee ballot is permitted. Absentee ballot applications must be received by the District Clerk at the New Schoolhouse no later than June 13, 2023 if by mail, or June 19, 2023 if by personal delivery. Please consult our school's website at <https://wainscottschool.org> for further details.

As always, your Board of Trustees thanks you for your continued support and understanding. It has never been so much more needed than at this critical juncture in the Wainscott School's long and impactful history.

Sincerely yours,
David E. Eagan, President
Kelly Anderson
William A. Babinski, Jr.