

May 2, 2008

Town of Pine Plains Planning Board
Town of Pine Plains Town Hall
P.O. Box 955
Pine Plains, NY 12567

Re: Comments to the Carvel Property Development DEIS
Pursuant to 6 NYCRR §617.9(a)(3)&(4)

Dear Sir or Madam:

This office represents the Pine Plains Central School District (hereafter "School District" or "PPCSD") in connection with proposed residential developments throughout the District. The School District has reviewed a copy of the draft environmental impact statement (DEIS) dated January 11, 2008 for the Carvel property development (CPD), with special attention having been given to Chapter 14, Community Services and Fiscal Impacts and Chapter 7, Visual Resources & Community Character and the project sponsor's general obligations under the State Environmental Quality Review Act. The School District's comments on the DEIS regarding foreseeable impacts on the school district by the CPD, as presently proposed, are set forth below.

Attached hereto as Appendix I, are the comments of Dr. Paul M. Seversky, which discuss State aid projections for the School District in light of impacts related to the CPD. In regard to demographic studies previously completed by Dr. Seversky, the School District references and incorporates herewith through such reference, his Enrollment Projection/Demographic Study, November 2005 and School Building Pupil Capacity Analysis Study, January 2006. These reports are of great importance to the School District as they directly address impacts that the Carvel property development will have on the School District. These documents have already been submitted to the planning board by the School District, if additional copies are necessary, please notify this office and they will be provided to you immediately.

Increasing residential development in the School District, including the Town of Pine Plains, requires that lead agencies for major residential subdivisions carefully scrutinize the potential environmental and land use impacts on the School District and its capacity to deliver high quality educational services to its students. As an interested

agency under SEQRA, the School District wants to ensure that the full range of potential impacts to the School District are thoroughly and objectively explored by the lead agency, including the “existing patterns of population concentration, distribution or growth, existing community or neighborhood character, and human health.” 6 N.Y.C.R.R. § 617.2 (l).

As an interested agency, the School District also seeks to ensure that the reviewing agencies have the benefit of the District’s perspective and expertise on the significance of certain impacts. The District’s expertise relates primarily to the potential impacts on adequate classroom space, reasonable class sizes, accessible recreational opportunities and infrastructure, increased staffing demands, the accessibility of land for future needs of the district for such things as new buildings, a bus garage, athletic fields, and parking lots, as well as the availability of a full range of quality educational resources. As you are aware, the School District retained Dr. Paul Seversky to perform a demographic study of the School District to assist the Board of Education and the towns in making informed decisions regarding the capacity of the School District to absorb additional students and to evaluate the additional resources and measures that would be required as a result of the CPD.

SEQRA instructs the lead agency to consider the reasonably related long-term, short-term, direct and indirect, and cumulative impacts, including other simultaneous or subsequent actions that may result from the action, are dependent on the action or are included in any long range plan of which the action is a part. The potential cumulative impacts of multiple residential developments on the School District’s resources should be the subject of careful examination by the Pine Plains Planning Board.

Rampant and unplanned growth can lead to burgeoning school populations and the potential for increasing tax burdens on existing residents of the District. The associated environmental impacts that will result from a substantial increase in school age children in the School District may affect access to quality education and recreational opportunities. Student transportation and the distribution of students among the existing schools must also be addressed.

The School District has identified several areas of concern within the DEIS and concurs, in relevant part, to comments previously provided by The Hudson Group (THG) in its document entitled, “Highlights and Summary of Findings for August 2006 Revised Submission of Chapter 14, Submitted by The Hudson Group, LLC: Carvel Project Review.” Below please find our comments to the DEIS for the Carvel Property Development, which have been broken down by chapters and major and minor areas of concern.

I. CHAPTER 14: COMMUNITY SERVICES AND FISCAL IMPACTS:

A. Areas of Major Concern:

1. The DEIS inadequately evaluates the potential adverse impacts the CPD may have on the District including student enrollment and costs, and the inability to reasonably rely on any scenario put forth by the project sponsor (e.g., the Proposed Second Home Community scenario, the Comparative Home Scenario or the 50/50 scenario.) The DEIS fails to comply with 6 NYCRR §617.9(B)(5)(iii) in that it fails to identify the reasonable likelihood of the occurrence of any one of the 3 scenarios presented.
 - a. The Comparative Primary Home analysis would clearly place additional needs on the district for staffing, teachers, buses, special educational and BOCES services, etc.; demand for which could be realized almost immediately. The DEIS states that this scenario would add 2,338 residents to the town of Pine Plains, which would almost double the current population. See, pg. 14-139, DEIS Chapt. 14.
 - b. If the District takes a wait-and-see-approach to the actual scenario, it may be too late for it to properly plan for increased enrollments as a result of the CPD.
 - c. The PPCSD concurs with comments provided by The Hudson Group¹ as follows, “We believe that for fiscal and other impact analysis purposes, the most reasonable planning assumption for the Carvel Project should be 50 percent primary homes and 50 percent secondary homes.”
 - d. The PPCSD concurs with the Hudson Group in that a persuasive case against the presumption that a substantial portion of the dwelling units proposed will be primary homes still has not been made by the project sponsor.
 - e. In Appendix 14-1, p.7 and in other tables used to calculate the number of school age children, much smaller multipliers were used to determine the potential number of school-aged children produced for units in attached vs. detached units, but for units with the same number of bedrooms. This methodology seems flawed. The same multiplier should be used for units with the same number of bedrooms.
2. The CPD creates the following scenario for PPCSD which is not adequately addressed in the DEIS: the PPCSD will see an increase in per pupil expenditures because of new school children generated by the CPD and an increase in district costs. Such new costs will need to be balanced with decreases in State aid and the School District’s desire to avoid school tax increases.

¹ Highlights and Summary of Findings for August 2006 Revised Submission of Chapter 14, Submitted by The Hudson Group, LLC: Carvel Project Review.

- a. The DEIS assumes that 15.5% of children will be enrolled in private schools. However, students enrolled in private school are entitled to special education services which are the responsibility of the public school district in which they reside.
 - b. Students attending private schools are also entitled to transportation services by the district in which they reside.
 - c. The effective addition of 2000 +/- acres to the school district's footprint will increase transportation costs, including costs for drivers, buses, and fuel, regardless of the number of children attending PPCSD. Even if only a few students require transportation, costs will increase because of the geographic area to be served by bussing. The district is obligated to transport both public and private students up to 15 miles. N.Y. Educ. L. §3635(1)(a)&(c).
3. The data relied on by the DEIS is outdated (e.g., 1987 American Housing Survey, and 2000 Census data) and does not accurately reflect changes in commuting patterns, increases in real estate/housing costs in Dutchess County and general down-state area, and residential trends favoring moving upstate.
 4. The preservation and availability of land for future needs of the district for such items as building expansion and/or construction of new school buildings, bus garages, athletic fields and playgrounds, and parking lots should be evaluated based on accurate data and responsible projections. 6 NYCRR §617.9((b)(5)(g)). The Planning Board should ensure that land located in appropriate locations will be set aside for the future reasonable needs of the school district related to the project's impacts. If acquisition of land for such foreseeable uses is not made now, the District may not be able to afford purchase of such land at such time in the future that it is needed or it simply may not be available for purchase.
 - a. Land availability is of particular importance because a 90/10% primary home scenario, combined with other proposed housing developments (e.g., Parkview Estates and Village Green), will push PPCSD to full capacity. Additional growth in the town would require the PPCSD to expand. By phasing the project (if approved), the Planning Board would ensure that the district will have the time it needs to prepare for new students including any necessary building expansions, staff increases and resources.
 - b. Eighty percent of the District's budget is personnel related. As additional students enroll, the PPCSD will require increased staffing and expenditures long before new construction is necessary.
 5. One potential form of mitigation involves the establishment of an Education Supplemental Trust. Through this mechanism, the project sponsors can help off-set impacts including those associated with

supplemental courses and extracurricular activities such as art, music, and athletic programs and potentially for the purchase of land and green energy initiatives.

- a. The recent economic downturn affecting real estate could actually hurt PPCSD. Declining property values combined with lower state aid (due to increased “wealth” of the district based on the incomes of CPD homeowners) and a need to increase property tax revenue will hamper the School District’s ability to maintain ancillary, but much valued programs.
7. The current DEIS makes it unclear whether current student-teacher ratios or the Board of Education’s policy on class size and the class size parameters contained in the collectively bargained agreement with the Pine Plains Federation of Educators, has been taken into consideration by the assertion that even at full build-out PPCSD will not exceed its capacity.
 8. The market-based analysis relied on to demonstrate the need for the CPD and the intended and/or anticipated residents seems misguided and inaccurate. The PPCSD concurs with comments provided by THG, cited to previously, which disagreed with the premise that Carvel is too distant a commute to NYC to serve as a primary residence. No persuasive argument has been made to the contrary. The Hudson Group pointed out that the DEIS overlooks the concentration of high paying jobs in Southern Dutchess County, in and near Fishkill, and the fact that telecommuting is becoming more common for people working in the metro-NYC area. In further concurrence with THG, the School District points out that families may choose to make Carvel their primary residence and NYC their secondary residence so to ease the burden of commuting.
 - a. The starting price point at \$375,000 puts units within the reach of many persons working in the NYC metropolitan area.
 - b. While welcome to the community, the projected price places the CPD within the reach of policemen, firefighters, health care professionals, and others who perform shift-work who have already established a pattern of having primary residences upstate so to provide a more bucolic residential environment for their families.
 - c. The 100 Mile distance to NYC is a reasonable commuting distance for many people including shift workers who do not necessarily commute on a daily basis in standard rush-hour traffic and can use public transportation.

- d. The Metro-North commuter Rail system would be within a short distance from CPD and would provide easy access for commuters to the city.
- e. IBM has a major high tech complex in East Fishkill employing high paid professionals who may find CPD a nice fit for them given its high-end appeal.
- f. The DEIS states that commuting patterns, of Dutchess County residents are getting longer and that residents are willing to travel greater distances to their workplaces. See page 14-40 of the DEIS.
- g. Families may be willing to forego larger homes with larger lots for brand-new smaller ones with more luxurious amenities, notwithstanding a potentially longer commute.
- h. Reliance on comparisons with other planned communities – Santa Lucia Preserve, The Reserve, Bentwater, Palmetto Bluff, Bay Creek, The Peninsula and Kiawah Island are in geographical locations and climates not comparable to Pine Plains. Proximity to Westchester and New York City make it reasonable to assume that primary home buyers would be within a commutable distance. The PPCSD concurs with comments provide by THG, in that “Most of the case studies presented in this report of other communities are of warm climate and beach/shore-front communities that are relatively far removed from large metropolitan centers. The case study most comparable to Carvel is the Bentwater in Montgomery, Texas, close to the City of Houston. This community consists of 40 percent primary residential units and 60 percent second homes.”²
 - i. The comparison to Indian Wells, Ca. is entirely misplaced as that location is extremely exclusive, is located near Palm Springs, CA and is generally associated with enormous wealth and celebrities. Further the average age of Indian Wells residents is 64, as opposed to the projected average age of 47 at Carvel.
 - ii. In regard to the number of school age children that will be produced by the CPD, reliance on Kiawah Island seems entirely misplaced because of the many distinct differences between the two properties. Kiawah Island is a relatively isolated barrier island off the coast of South Carolina with ocean front homes and condominiums priced up to the 5 million dollar range. Since development began on the island in the mid-1950s, it has largely become a private, gated-resort

² Supra at page 3.

community with limited public access that is part of a master plan. It is the home of a 5 star hotel, several professional gold courses (designed by Jack Nicklaus and others) that have been the site of the Senior PGA championship and Ryder Cup and the recently rated number 1 tennis resort in the country.

- iii. The PPCSD is concerned about drawing conclusions from such dissimilar locations.
- e. With employment rates increasing upstate, specifically in Dutchess, Putnam, and Rockland counties, it is foreseeable for more people to establish their primary residence in Dutchess County and possibly within the CPD. See table 14-20 Total Employment (All Industries) 2001-2004, pg. 14-38.
6. The state aid analysis is out of date because the Campaign for Fiscal Equity lawsuit and the new “foundation aid” formula and its implementation show that there is no consistent state formula for which to project state aid from year to year. In any event, if current formulas continue, the school district’s share of state education aid will continue to decline, due partially to increased combined wealth formulas which can only rise further if the CPD is built.
7. The DEIS analysis just snapshots year 5 and 10, but school budgets are developed and approved annually and do not follow a straight trend line, due to their sensitivity to state economic conditions. By using a straight line method, the developer arrives at a five-year average property tax per pupil of \$8,147. This methodology is flawed in that it ignores the upward trend in property tax per pupil, declining federal and state aid (facts acknowledged elsewhere in the DEIS) and increasing costs for the school district.
8. The DEIS ignores the upward trend in property tax per pupil. Given the district’s experience with declining federal and state aid and increasing costs, the most reasonable methodology would be to follow this trend. Otherwise, actual district costs will be higher than actually projected in the DEIS.
9. As previously stated by THG, “The Pine Plains School District [school aid] calculations...use a mixture of current valuations, expenditures, and income and projected future valuations and income. This confusing mixture – of apples and oranges – leads to erroneous results.”³
10. Operational costs of the school district must be adjusted to reflect, at a minimum, the consumer price index (CPI). Given the district’s

³ Supra at page 23.

experience with rising costs of fuel, health insurance, and retirement benefits, in addition to contractual salary increases, it is unrealistic not to make this adjustment. Indeed, many school district expenses increase at rates well beyond the CPI.

b. Areas of Minor Concern:

1. See Figure 17, p. 26 of the Robert Charles Lesser & Co. study, which lists 13 Private schools in the area around Pine Plains, 4 of which are described as “Special Ed.” One of these schools is actually a pre-school and would not draw students from the district.
2. Carvel’s plan to use “common driveways” to link units will impose hardships for buses that are not permitted to back out of driveways. Issues of monitoring individual land owner responsibility for snow plowing and driveway maintenance will tax district resources. An alternative would be for buses to make fewer stops in designated areas with greater accessibility and efficiency.
3. The middle/high school building is a Red Cross emergency shelter site for the area and the addition of potentially 2000+ residents will pose hardship in accommodating emergency needs of the entire community.
4. The district may reconfigure their elementary schools to K-2 and 3-5 district wide and this large developed area of single family houses may impact enrollment and planning for this potential change.
5. The DEIS does not address the foreseeable impacts that service workers who come to Pine Plains to work at the CPD – golfing staff, grounds keepers, clubhouse staff, housekeeping, etc – and their families may have on the PPCSD. It is reasonably foreseeable that a development of such size would draw workers into relocating into the PPCSD for work and such workers would have school age children who would be enrolled at PPCSD.

II. CHAPTER 7 – VISUAL RESOURCES & COMMUNITY CHARACTER –
COMMENTS:

- A. The evaluation of impacts as minimal and attendant mitigation measures are predicated on the assumption that CPD will be primarily a seasonal community. As stated above, no rational basis has been set forth by the project sponsor that would allow a reasonable person to rely on that assumption with any degree of certainty. If either the Comparative home scenario or the 50/50 scenario are in fact realized impacts on community

character, including the rural character of the School District, will be on a significantly greater scale than identified in the DEIS, such as:

1. Traffic pattern impacts. More cars on rural roads will affect daily commuter traffic, increase wait time and the need for more traffic lights, cross walks and sidewalks, and may effect bussing routes and schedules.
 2. More full time residents at CPD would create a demand for more commercial services and businesses and therefore, more development, to serve the needs of a growing population. The DEIS assumes minimal impacts here.
- B. The DEIS does not address how the addition of approximately 951 new home sites will preserve or maintain the fundamental rural element currently present within PPCSD, despite its proposed mitigation measures. The addition of so many new homes without considering principles of smart growth or clustering to a rural area will have an irreversible effect, despite the assertion that the development will be consistent with the Comprehensive Plans for the Towns of Pine Plains and Milan. Page 7-20, Chapt. 7. Clearly, the School District and towns will be fundamentally changed by the CPD.
- C. The DEIS does not address whether the larger building lots could later be further subdivided, thereby potentially adding more students to PPCSD enrollment and drawing on local services.
- D. The DEIS does not address the potential for the second homes to be rented out by the week or month (as is common in vacation home communities) and the effects such rental units may have on the local commercial infrastructure, community character and secondary growth issues, including traffic patterns.
- E. The DEIS does not address whether the expanded golf course, academy course, and/or driving range will increase traffic flow and/or create parking problems on public roadways due to large volumes of golfers and their guests on busy days, tournament days, or for special events. Chapter 7 states that only small scale parking areas will be available. This may impact school bus routes and schedules. Mitigation measures, through covenants and restrictions, should be implemented to ensure that parking on public roadways due to the CPD will not negatively impact the community or the School District's bussing needs.
- F. The DEIS states that the architectural design will include Dutch Colonial and rural farm styles and use natural colors and building materials. Will the parcels contain a covenant to ensure that the structures will always blend with the rural character? Page 7-20, 7-23, Chapt. 7.

III. CUMULATIVE IMPACTS OF EXISTING 99 BUILDING LOTS NEAR CPD AND OTHER HOUSE DEVELOPMENT PROPOSALS WITHIN PPCSD:

- A. The Town Board and/or the applicant is obligated by law to consider the cumulative impacts of other housing developments planned within the PPCSD, Town of Pine Plains and Town of Milan, such as the pre-existing 99 lots near the CPD, Parkview Estates, Village Green and all other subdivision and building applications currently before the Planning Board.
- B. SEQRA requires that an environmental impact statement identify and discuss reasonably related short-term and long-term impacts, as well as cumulative impacts and other associated environmental impacts. 6 NYCRR §§617.9(b)(5)(iii)(a), 617.10(e). Cumulative impacts of other proposals encompassing the same geographic area must be considered, even if not owned or proposed by the same applicant, where there is a commonality of purpose among the proposals (e.g., to expand the housing base). *Save the Pine Bush, Inc. v. City of Albany*, 70 N.Y.2d 193, 512 N.E.2d 526, 518 N.Y.S.2d 943 (N.Y. 1987); *Chinese Staff & Worker's Assn. v. City of New York*, 68 N.Y.2d 359, 509 N.Y.S.2d 499, 502 N.E.2d 176 (N.Y. 1986).

Thank you for the opportunity to comment on the Carvel Property Development Draft Environmental Impact Statement. The school district is confident that the project sponsor will give its comments due consideration and suggest mitigation measures where necessary to address the district's concerns. The School District requests that the Planning Board continue to keep it informed as it progresses through the environmental review of the CPD application. Kindly include this office on the distribution list for application materials, notices, agendas, and minutes concerning this application.

Very truly yours,

Jennifer M. Wilson, Esq.

cc. Ms. Linda Kaumeyer, Superintendent
Ms. Helene McQuade, Board of Education
Dr. Paul M. Seversky
1133 Taconic, LLC
Landmark Land Company, Inc.
Matthew D. Rudikoff Associates, Inc.

APPENDIX I

COMMENTS OF DR. PAUL M. SEVERSKY

ON BEHALF OF

THE PINE PLAINS CENTRAL SCHOOL DISTRICT

REGARDING THE CARVEL PROPERTY DEVELOPMENT
DRAFT ENVIRONMENTAL IMPACT STATEMENT

THE ESTIMATED FUTURE IMPACT OF THE CARVEL PROJECT ON STATE AID REVENUE FOR PINE PLAINS CENTRAL SCHOOL DISTRICT

Background:

State aid is based in part on the full value of the property in the towns within the school district and personal income of the residents of the district. Both factors are used on a per pupil basis, i.e., full value per pupil and income per pupil. The wealth measures are compared to the state average wealth per pupil to determine the district's "need" for state aid.

The comparison to the state average is a critical part of the formulas. If a district's wealth per pupil is greater than the state average, they are considered wealthy and would therefore not receive as much aid as a district of similar enrollment, but less wealth. If a district's wealth is increasing at a rate greater than the state average, they may also experience declines or leveling off of aid from one year to the next.

It is not possible to predict future state averages for full value/pupil or income per pupil at this time. This is a critical part of the equation.

The wealth measures used in the NY State formulas are lagged by 3 years. The 2008-09 state aid is based on 2004 and 2005 full value and income. Therefore, it takes about 3 years for the impact of any significant change in a wealth measure to have an impact on state aid.

If the homes in the Carvel project are not built and on the assessment rolls until 2010, then the resulting full value of property wealth will not be used in the state aid formulas until 2013. This assumes that the current state aid formulas are in place and not changed legislatively.

Assumptions for Estimating State School Aid Revenue to Pine Plains CSD if the Carvel Project Comes to Fruition:

It is recommended that the potential impact of the Carvel Project on the state school aid revenue for Pine Plains be monitored based on any new annual legislative changes and based upon a consistent application of state formula related assumptions. The assumptions include:

- The true value history of the district for the past three years is:
2005: \$1,366,467,907
2006: \$1,601,367,317
2007: \$1,837,193,662
- The average increase in true value of the district over the past three years is 11.48%.

ASSUMPTION: The true value of the district will increase 10% per year without the impact of Carvel.

- At this point, the Carvel project estimates the addition of 981 housing units over a ten-year build-out.

ASSUMPTION: The average true value added to the total true value of the district for each Carvel housing unit will be \$400,000. Therefore, for the purposes of modeling a state aid impact scenario, it is calculated that the Carvel project will add the following true value to the district over the next ten years. Since there is up to a two year lag time before the total true value of a district influences the calculation of state aid, the actual true value of record for a particular year due to Carvel development will be known in future years as the modeling scenario is undertaken annually to update estimates.

Year 1: 106 x \$400,000 = \$42,400,000
Year 2: 106 x \$400,000 = \$42,400,000
Year 3: 106 x \$400,000 = \$42,400,000
Year 4: 106 x \$400,000 = \$42,400,000
Year 5: 106 x \$400,000 = \$42,400,000
Year 6: 90 x \$400,000 = \$36,000,000
Year 7: 90 x \$400,000 = \$36,000,000
Year 8: 90 x \$400,000 = \$36,000,000
Year 9: 90 x \$400,000 = \$36,000,000
Year 10: 91 x \$400,000 = \$36,400,000

ASSUMPTION: It is assumed that the current district-wide income that supports each Pine Plains pupil will be the same adjusted by a 4% inflation factor for each year into the future.

- In 2004, about 100 pupils living in the Pine Plains School District attended private schools or were home schooled. Those 100 pupils represented 13.9% of the public school enrollment for 2004-2005. The capacity of private schools in the Pine Plains area is undefined.

ASSUMPTION: It is not prudent to plan that an estimated number of potential new school age population pupils will attend a private school instead of Pine Plains. Pine Plains should diligently assume estimated new school age population will attend the public school in order to make sure there is capacity available for all children.

- Parkview and Village Green are two other developments within the Pine Plains School District.

ASSUMPTION: Both developments are proceeding as planned by the developers in November of 2005.

- The Carvel build-out is estimated over the next ten years. The Hudson Group concludes that “for fiscal and other impact analysis purposes, the most reasonable planning assumption for the Carvel Project should be 50 percent primary homes and 50 percent secondary homes.”

ASSUMPTION: As per page 31 of the *November 2005 Enrollment Projection/Demographic Study*, it is assumed that 265 Carvel units will be occupied by permanent residents in the first five years of build-out and 225 more in the next five years. It is assumed that 2.67 people will occupy each household. Of the total new population to the district because of Carvel, 28.43% of the new population will be preschoolers or of school-age (as per 2000 Census data). Therefore, as per page 20 B of the *November 2005 Projection Study*, it assumed Pine Plains enrollments will be:

	<u>K-6</u>	<u>7-12</u>
2009	648	675

2010	685	692
2011	735	712
2012	751	745
2013	781	757
2014	783	773
2015	786	792
2016	810	777

- There is no methodology to estimate the attendance rate of future enrollments as well as the size of the special needs pupil enrollments.

ASSUMPTION: It is assumed that the attendance rates of future enrollments will reflect the attendance rates for the 2007-2008 school year. It is also assumed that future enrollments will reflect the proportion of the 2007-2008 K-12 enrollment with special education needs and therefore receive special education services.

A Current Perspective: Estimates of State School Aid Revenue for Pine Plains Given Current Legislation and the Assumptions Outlined Above

The Combined Wealth Ratio, which is based on the ‘wealth indicators’ of full property value of the district and income of its residents, is the basis for the calculation of state aid ratios. The current CWR for Foundation Aid in current state aid law is 1.477. A CWR of 1.0 means that a school district has ‘average full value and income wealth’ supporting each enrolled pupil as compared to the ‘average full value and income wealth’ in total across the state that support each enrolled pupil in the state. The current CWR of 1.477 for Pine Plains means that the combined factor of full value property wealth and resident income is over 47% higher than the average of both wealth factors statewide.

Looking ahead using the documented 2006 and 2007 full values for Pine Plains and keeping the income and state averages constant, the CWR for Pine Plains would increase as follows:

Using updated 2006 FV 1.630
Using updated 2007 FV 1.790

Should the state average full value per pupil increase at a similar rate as the district’s full value per pupil, the CWR may not increase as much. The opposite is true as well. If the state average per pupil does not increase (or declines), the district may look even wealthier and the resulting CWR could be higher.

The district is already experiencing an increase in property values over the period from 2005 to 2007. Consequently, they may experience a leveling off of aid or minimum increases over the next couple years. Therefore, Pine Plains will in all likelihood receive a smaller amount of revenue share from any state aid formula or stream that relies on the CWR factor to implement distribution.

The district is currently, for 2008-2009, receiving the minimum increase of 3% in Foundation Aid, offset presently by decreases in other expense-driven aids. Assuming

the formula law remains the same, and the total full value of the district continues to increase at a rate greater than the state average, then the district will continue to receive only a 3% minimum increase in aid each year, if not less, depending upon the current year legislation enacted, and can anticipate continued declines in expense-driven aids. Therefore, as the Carvel project comes 'on line' by adding to the total full value of the school district in the large amounts projected, the Pine Plains District will look significantly wealthier in formulas that rely on the Combined Wealth Ratio as the main variable in the distribution of available state aid revenue based on school district needs rank-ordered by wealth of the district.

The Other Part of the Equation: Expenditures and Property Taxes

The estimated trend of total full value and the income wealth of the district increasing with the institution of the Carvel Development suggests that Pine Plains will qualify for less state aid revenue given current law. With a potentially smaller amount of state school aid revenue, the local tax levy amount theoretically would increase since state aid and property tax revenue are the two major sources of funding for school districts.

Total expenditure less state aid equals the property tax levy necessary to achieve a balanced budget. In 2006-2007 the Approved Operating Expense per pupil unit in Pine Plains is \$10,530. To give a context, the 2006-2007 AOE range in the state is from \$6,671 to \$89,401.

The *November 2005 Enrollment Projection/Demographic Study* estimates an increase in pupil enrollment if the Carvel Project attracts a 50% on-resident, 50% resident market. Therefore, in all likelihood there will be more pupils to serve. A school budget is a result of the vision that the community through its school district board of education has for the education program it wants for the children of the community. Assuming a modest inflation rate of 3% annually; assuming Pine Plains will not qualify for increases in state school aid because of its increasing wealth; and assuming an increasing pupil population; the annual local school tax levy will probably increase. Certainly, the property value added to the Pine Plains district because of the Carvel Project means that there are more 'per thousand property values' to share and pay for an increased tax levy. However, increasing annual total tax levies will likely occur. The amount that the various towns of Pine Plains will share in each annual tax levy will be contingent upon the equalization rates set by the state.