

SIVE | PAGET | RIESEL

Adam Stolorow
Direct Dial: 646.378.7256
astolorow@sprlaw.com

October 11, 2021

VIA EMAIL

Honorable Jeremy Saland, Acting Town Supervisor
and Members of the Town Board
Town of New Castle
200 South Greeley Avenue
Chappaqua, New York 10514

Re: Chappaqua Hamlet Rezoning - Final Generic Environmental Impact Statement (FGEIS)

Dear Acting Supervisor Saland and Members of the Board:

On behalf of my client the Chappaqua Central School District (CCSD), I write in response to the most recent revisions to the FGEIS for the Chappaqua Hamlet Rezoning. The numbers used by the Town Board's consultant to project per-student CCSD expenditures are not reliable, are not "conservative," do not reflect the actual cost to educate students in Chappaqua schools, and should not be used in the FGEIS without also showing CCSD's numbers. The current FGEIS numbers predict a budget surplus for CCSD of up to \$3.5 million with the full build-out of the Form Based Code (FBC) area.¹ CCSD's numbers, on the other hand, which are not fully presented in the FGEIS tables, would result in a budget deficit of up to \$4 million. We request that these numbers be presented in the FGEIS as well.

The revisions to the FGEIS released on October 5, 2021 include six new pages of analysis purporting to project the budgetary impact to CCSD of the full build-out of the Form Based Code (FBC) area based on projected tax revenues. On page 35 of the revised FGEIS, the Town Board's consultant Kimley-Horn concedes that its projected tax generation is not reliable and "is not possible with any realistic level of confidence." The FGEIS nonetheless proceeds with the analysis which it describes as a "conservative" estimate of tax generation versus projected cost to educate each new student.

On the tax generation side, the revised FGEIS projections are not conservative, because they do not account for the way real estate taxes translate into actual school budgets. In reality, no development generates new tax revenue directly for the district. In New York state, schools must request the voters to approve a budget and a resulting tax levy (subject to the tax cap). An unsuccessful budget vote would result in a contingent budget where the levy is frozen at the prior year amount, potentially requiring a flat or even negative budget year-to-year. The school

¹ Although the Town Board is currently only proposing to adopt the FBC in a 6-acre area in the North Greeley corridor, this letter addresses the impact of the full 72-acre area covered by the FGEIS, because that is the scope of the FGEIS.

district cannot, however, turn away any students who reside in a new development. Therefore, one could imagine a situation in which a new development increases enrollment while the budget must be reduced. While growth in property values do provide some relief in the form of allowable growth of the tax cap figure, the voters still must approve the budget. To assume new development automatically results in new revenue is procedurally incorrect and is not conservative.

On the cost-to-educate side, the revised FGEIS numbers are not conservative either. In its projection of cost to educate new students that may be generated by a full build-out of the FBC area, Kimley-Horn uses neither the CCSD 2019 figure of \$34,461 per student (cited elsewhere in the FGEIS) nor the New York State Department of Education (NYSED) 2021 figure of \$29,069. Rather, it calculated its own, far lower figure of \$20,432 which it used in the tables on page 39 of the revised FGEIS.

Kimley-Horn's figure is not based on any accepted method of reporting per-student cost to educate. CCSD's 2019 number of \$34,461 as used in the FGEIS should be updated to its 2021 reported cost per student of \$35,718, and this number should be used in the revised FGEIS tables. This number is based on CCSD's final audited actual expenses for its general fund divided by the Basic Education Data System (BEDS) day enrollment (\$127,657,029.89 divided by 3,574). This is the most straightforward and understandable figure of actual cost to educate per student. As Kimley-Horn notes, this figure includes debt and facilities improvements costs, but those are real expenses used to maintain facilities and thus should be included. The calculation of this figure is also consistent with per pupil spending figures shared with the community in years past, is a well-accepted and established methodology of determining cost per student, and is based on data points that are readily available to the public through various sources. *See, e.g.* Westchester Putnam School Boards Association, Facts & Figure\$ 2021, available at https://issuu.com/wpsba/docs/f_f_2021_-_website In contrast, the Kimley-Horn figure was invented for the purpose of the FGEIS.²

The attached tables show Kimley-Horn's calculations alongside CCSD's. Using Kimley-Horn's numbers, the potential budgetary impact to CCSD of the full FBC build-out ranges from a surplus of \$3,553,364 to a deficit of \$114,923. Using CCSD's numbers, the potential budgetary impact ranges from a surplus of \$2,085,908 to a deficit of \$4,028,139. **Both the CCSD numbers and the Kimley-Horn numbers show that the more students added to the FBC area, the worse the impact will be on the school district budget.** Given the admitted unreliability of Kimley-Horn's numbers on projected tax generation, the FGEIS should show the whole range of potential impacts on the cost-to-educate side. Leaving out the calculations performed by school district administrators and experts, in accordance with well established accounting principles, does not serve the community nor does it provide an accurate picture of all potential impacts of the FBC on the CCSD.

² Even if the CCSD number were reduced by approximately 10% to account for state aid, as suggested by the Acting Town Supervisor in his October 8, 2021 newsletter, the resulting cost per student would be approximately \$32,000 – far higher than the Kimley-Horn number of \$20,432.

New Castle Town Board
October 11, 2021
Page 3 of 4

Sincerely,



Adam Stolorow

Cc: CCSD Board of Education
Superintendent Christine Ackerman
David Shaw, Esq.
Jennifer Gray, Esq.
Edward Phillips, Esq.
Sabrina Charney Hull

Cost to Educate

	Number of new K-12 students	Annual Cost to Educate (2021)	Annual cost over 15-yr buildout
DGEIS (Rutgers CUPR)	96 (avg. 7 students/year)	X \$20,432 (TB adjustment of NYSED)	\$1,961,472 (TB) \$3,428,928 (CCSD)
CCSD multipliers – Max. buildout scenario	150 (avg. 10 students/year)	X \$35,718 (CCSD)	\$3,064,800 (TB) \$5,357,700 (CCSD)
CCSD multipliers – reverse 1 & 2BR unit scenario	256 (avg. 17 students/year)		\$5,230,592 (TB) \$9,143,808 (CCSD)

School Tax Surplus/Deficit

Number of new students	Annual Cost to Educate	Annual tax generation from new units		Resulting annual tax surplus/deficit	
		2019	2021	2019	2021
96	\$1,961,472 (TB) \$3,428,928 (CCSD)	\$5,115,669	\$5,514,836	+\$3,154,197 (TB) +\$1,686,741 (CCSD)	+\$3,553,364 (TB) +\$2,085,908 (CCSD)
150	\$3,064,800 (TB) \$5,357,700 (CCSD)			+\$2,050,869 (TB) -\$242,031 (CCSD)	+\$2,450,036 (TB) +\$157,136 (CCSD)
256	\$5,230,592 (TB) \$9,143,808 (CCSD)			-\$114,923 (TB) -\$4,028,139 (CCSD)	+\$284,244 (TB) -\$3,628,972 (CCSD)