

Exhibit IX.A.5

SCHOOL POPULATION

Submit as Exhibit IX. A.5. an assessment of the likely impact on school populations in the Host Municipality and nearby municipalities resulting from new jobs the Gaming Facility provides, and the Applicant's plans and commitments to remedy or mitigate any negative impacts. Provide copies of any contracts, agreements or other understandings evidencing such mitigation commitments.

ASSESSMENT OF IMPACT ON SCHOOL POPULATIONS

Enrollment Trends & Projections

As part of the full Fiscal Impact Analysis submitted as Exhibit VIII.B.4 and Exhibit IX.A.2.a, New York-based firm Camoin Associates provided the attached analysis regarding expected change in enrollment to local and regional school districts from the new jobs created by the Nevele Resort, Casino & Spa. The content is a relevant excerpt of that full report needed to address the content of this exhibit.

As detailed in the Camoin Associates report, from 2004-2013, student enrollment in the Catskill/Hudson Valley Region as a whole declined by nearly 21,000 students (-11%). The Ellenville Central School District will likely receive a large portion of the new students. Since the 1994-95 school year, student enrollment in the Ellenville Central School District dropped dramatically by 322 students (a 16% decline). It is anticipated that Nevele will generate about 100 new school students in the Catskill/Hudson Valley Region, of which approximately 40 will be located in Ulster County. Considering the significant decline in enrollment over the past 10-years, regional schools have more than enough capacity within existing buildings to accommodate the expected increase in students associated with Nevele.

Plummeting school enrollment in the Hudson Valley Region is discussed in the attached report by Patterns for Progress: *The Empty Classroom Syndrome – A Discussion Brief on the State of School Enrollment Projections in the Hudson Valley*. The report predicts that enrollments in regional school districts will continue to decline through 2020, when they will finally “bottom out”. What’s driving this trend? A combination of declining birth rates, continued unemployment, families moving to urban areas, slowed population growth, particularly in school-age populations – all related to a shrinking regional economy. The report concludes, “Barring a significant spike in new jobs or a catalyst the magnitude of 9/11, the enrollment crisis in our schools may be with us for years. The challenges created by the demographic shift are considerable, stretching from the closure of school buildings to the idea of consolidating districts.”

Mitigation of Impacts to School Populations

The addition of an economic development driver, such as the Nevele Resort, Casino & Spa, has the potential to stabilize and, in many cases, boost enrollment for the region's school districts. As stated above, the Ellenville Central School District, the district in which the project is located, is expected to receive the greatest number of new students. In 2011, the Ellenville Central School District's cost per student was \$23,502. When projected to 2017, the cost is just over \$28,000 per pupil. If we assume that the project results in 20 new students - the worst-case scenario - the total cost would be approximately \$561,000, with about \$272,000 derived from local school property taxes (State Aid and other revenue sources including grants and awards account for the balance of the cost).

The Patterns for Progress report notes that many school districts are operating well below capacity, skewing the average cost per student indicator upward. In the case of many local school districts, this elevated level of spending per pupil is not providing additional educational opportunities, but is necessary to meet basic operational standards. An increase in student enrollment would help bridge this gap, allowing schools to operate more efficiently while better serving the needs of their students.

Therefore, the anticipated impact of the Nevele Resort, Casino & Spa on local and regional school populations is negligible and no mitigation is proposed.