

Comments of Eric Epstein

June 18, 2018

How will a tax increase impact the middle class, working class folks, and seniors with a limited income?

While we discuss socioeconomic impacts on students, we rarely discuss what happens when the District contributes to these deficits with annual tax increases.

Based on the Free and Reduced Price School Meals, we have one high school, two middle schools, and at least six elementary schools with significant numbers of students in the poverty zone.

Economic hardship is part of our budget. On May 27, 2018 the budget presentation identified “Poverty” and “Homeless Students.” That presentation was similar to the presentation on May 22, 2017, with the identical panel used to demonstrate the strain on our budget caused by socioeconomic pressures.

We have acknowledged that poverty has an impact on student performance. The Administration has stated that poverty impacts a student’s ability to learn. Which in turn, creates a host of difficulties for students, such as homelessness, food scarcity, poor health, and lack of resources.

Clearly, we have identified a problem. We have been asked to adequately fund schools with high student poverty rates.

So, why would we increase taxes to offset inequalities for disadvantaged students, while at the same time increasing hardships for their parents?

You wouldn’t clothe a child on one hand, and use your other hand to raise the price for clothing, would you??

We need to be sensitive to all community members. Another huge factor tilting the scale against a tax increase is that the cost of basic services increases every year. Middle class tax payers and seniors on a limited income are finding it harder to pay for basic needs. We need to stop squeezing the vanishing middle class.

Senior citizens with a limited income should not have to choose what basic service to give up. We live in a community where the impacts of our actions do not occur in isolation. The following annual increases endured by District taxpayers will help contextualize the potential impact of a tax increase:

Comcast:	\$ 7.35
Electric:	\$ 90.36
Gas:	\$364.32.
Property:	\$134.58
Storm water:	\$128 - \$192
Turnpike:	\$ 37.80
Water:	\$ 62.64.
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	\$825.05 - \$889.05 *

This year, tax payers are paying between \$825.05 to \$889.05 more for basic needs and services. The failure to provide tax relief is yet one more hit in a steady avalanche of fee increases, tax increases, and toll increases.

Next year is here. We can not ignore the harsh realities that impact the ability of folks to pay for basic needs. Taxpayers need a break. The diminishing middle class and seniors on a limited income are paying more and getting less.

We need to provide taxpayers with refuge from the storm. That break is not going to come from the cable industry or the health care sector.

Look around at our peers. Last year central Pennsylvania school districts raised taxes an average of 2.0%. We raised taxes by 5.9%. We have to be part of the solution. We can't blame all of our problems on state mandates.

I am proposing a budget freeze for certain programs which have witnessed steady growth over the last three years. I identified these areas in

a memo I shared with the Administration on January 25, 2018, and with the community at a board meeting this winter in the CD East Auditorium. To date we have had no public discussion on these issues.

In order to get to a no tax increase budget, I urge the Administration and Board to consider savings through line item budget freezes and reductions in certain areas which have witnessed steady growth including Administrative Services, Contracted Services, Diagnostic Testing and delaying non essential building renovations , e.g., Transportation Center.

Frankly, we should be discussing if that facility has outlived its useful life, and why we need to underwrite the storing of busses we lease to a private company.

Yes, I know know we haven't had this type of budget workshop or committee meetings to make this happen. School is out. We have a week to eliminate a tax increase that will impact our community for 52 weeks.

Nobody is talking about cutting or reducing budgets for extra curricular opportunities. But in the real world - as I broke tout the increases in basic services - folks have learned to do more with less.

So should we.

I am asking the Board to promote and support tax deferral through the County Act 50 program.

I have also pointed to problems with ABE and Special Education formulas. We need to support Equitable Education funding for all school districts. Our school district was underfunded by \$5.8 million this year. With the proper application of the approved formula, we would have had a \$3.0 million surplus.

I will be proposing resolutions for Tax Relief and Educational Equity at the next Board meeting.

I am also requesting that we offer a no tax increase budget that provides relief for low income, middle income, and retired taxpayers living on a restricted income.

* **Health care premiums were not factored into the Misery Index.** The Pennsylvania Department of Insurance approved average rate increases of 30.6% for individual plans to be sold in 2018 both on and off the ACA health insurance exchange.

Assuming a 270 day labor contract and .14 cent daly increase, a commuter would experience an annual increase of **\$37.80.**

The average price for a gallon of gas is up .76 cents per gallon from last year. If you take an average of 25 miles per gallon, and divide that by 12,000, miles driven by the average driver, you get an answer of 480 gallons per person. Multiply by the increase from last year: 76 cents and the net increase of fuel purchase annually is \$364.32.