



CHEL TENHAM TOWNSHIP PODCAST

2018-19 CHEL TENHAM SCHOOL TAX IMPACT OF 2.4% INCREASE

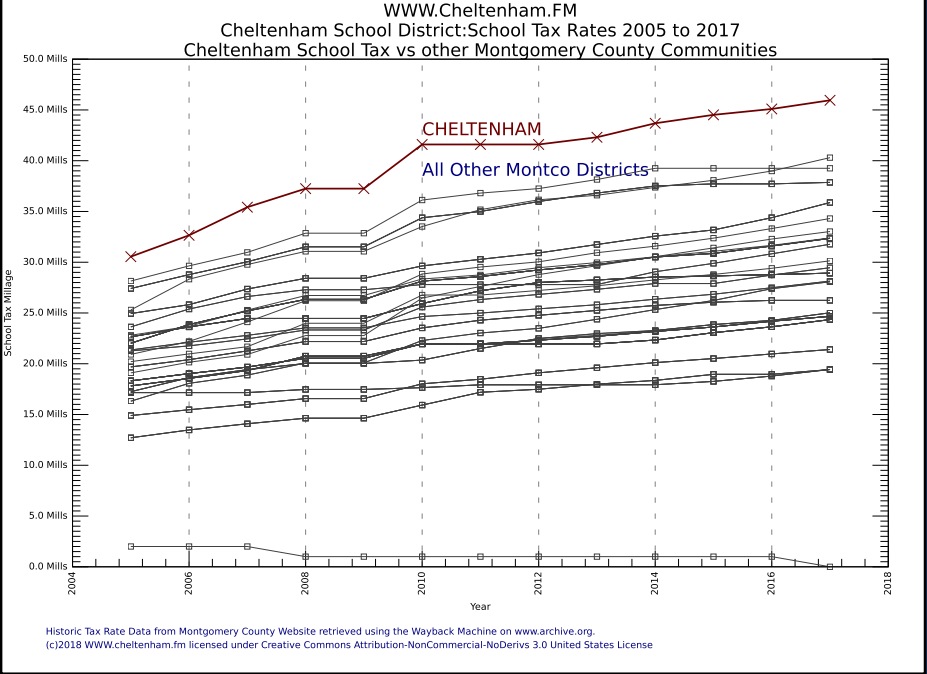


The Cheltenham Township School District has proposed a 2.4% property tax increase for 2018-19(1).

Property taxes are calculated on the percentage of the assessed house value (millage). To get an idea on the amount of tax paid by most people, the "median" house assessment is calculated. This median value is the "middle" assessment for all homes in the township.

For 2018-19, the Cheltenham Township median home assessment is \$144,290. The yearly school tax bill on this house will be \$6789 which is a \$565 monthly payment (at 47.0539 mills)(1).

While a 2.4% increase does not sound large, the stress it causes is disproportionate since Cheltenham has the highest school tax in Montgomery County.



This \$565 monthly payment is particularly regressive— hitting those on fixed incomes the hardest.



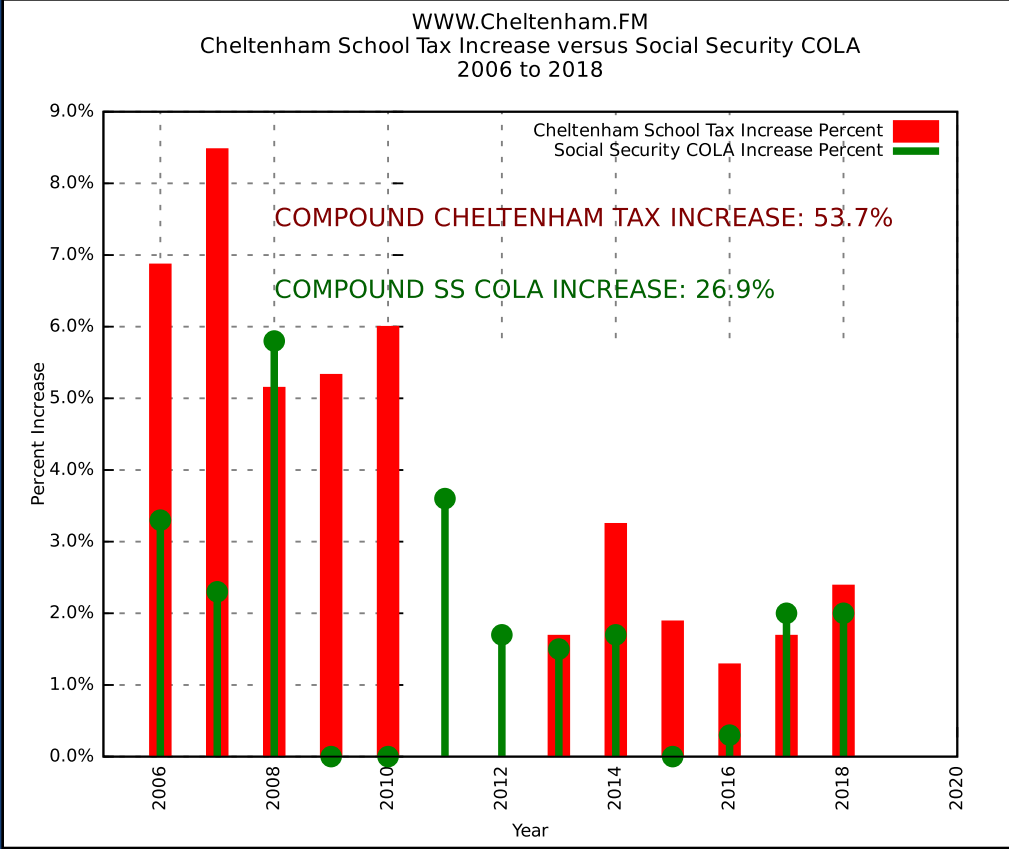
IMPACT ON SENIORS



Every year, Social Security publishes average Social Security monthly benefits in the yearly "fast facts" publication(2). For our Cheltenham Senior who lives in the median home, Social Security benefits are gutted by the Cheltenham school tax:

BENEFIT TYPE	MONTHLY AMT	CHEL TENHAM	TAX RATE
Retired Workers	\$1360	\$565	41.5%
Spouses of Workers	\$708	\$565	79.8%
Disabled Workers	\$1171	\$565	48.2%
Spouses of Disabled	\$324	\$565	174.3%

Property Tax increases in Pennsylvania are limited by the Taxpayer Relief Act (Act 1)(4). Act 1 limits increases to a yearly index published by the Pennsylvania Department of Education. This index is based on the "Federal employment cost index for elementary/secondary schools"(5). IT IS NOT based on the TAXPAYER ability to pay. Every year Social Security recipients receive a cost of living adjustment (COLA). Plotting Social Security COLA (7) versus Cheltenham School Tax Increases(6) shows that since 2006 school tax has increased 53.7% while Social Security has increased only 26.9%.

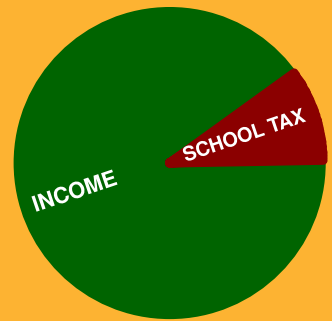


IMPACT ON WAGE EARNERS

According to US Census data, Median Household Income in the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metro Area was \$65,996 (8).

This equates to a gross monthly income of \$5500. For the Cheltenham resident in the median house, the \$565 monthly school tax payment is over 10% of gross income.

IMPACT ON WAGES

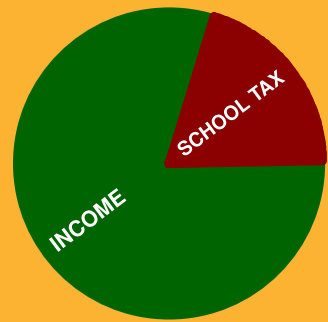


TAX RATE: 10.29 %

IMPACT ON THE UNEMPLOYED

Wage earners at the median household income level who find themselves unemployed get no relief from the school tax burden. According to the PA Department of Labor and Industry(9), weekly unemployment benefits are about one-half of full-time weekly wages-- so the school tax burden doubles.

IMPACT ON UNEMPLOYED



TAX RATE: 20.58 %

Notes
 (1) March 2018 CSD Financial Committee Meeting (captured on 3/17/2018 http://bit.ly/2GB4y4N))
 (2) Fast Facts 2017 (https://www.ssa.gov/policy/docs/chartbooks/fast_facts/2017/fast_facts17.pdf)
 (3) Social Security press release 10-2017-1 (https://www.ssa.gov/news/press/releases/2017/#10-2017-1)
 (4) Property Tax Relief http://www.education.pa.gov/Teachers%20-%20Administrators/Property%20Tax%20Relief/Pages/default.aspx
 (5) Act 1 Index 2006-2018: http://www.education.pa.gov/Documents/Teachers-Administrators/Property%20Tax%20Relief/SSAct1%20BaseIndexHistory%200607-1819.pdf
 (6) CSD Historic Tax Increase Data: https://www.cheltenham.org/site/handlers/filedownload.ashx?moduleinstanceid=3816&dataid=6996&FileName=Updated%20Financial%20Affairs%20Committee%20Presentation%20Nov%202017.pdf
 (7) Social Security COLA chart: https://www.ssa.gov/OACT/COLA/colaseries.html
 (8) US Census Bureau 2016 ACS Philadelphia Metro Median Income (Table 2) \$65,996: https://www.census.gov/content/dam/Census/library/publications/2017/acs/acsbr16-02.pdf
 (9) "Your Weekly Benefit Rate should equal about one-half of your full-time weekly wage.": http://www.uc.pa.gov/unemployment-benefits/benefits-information/Pages/Weekly-Benefit-Rate.aspx
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