Susquehanna Township School District

Town Hall Meeting Presentation

School Earned Income Tax & Occupation Tax Referendum

Why are we here?

To **end overcrowding** in our schools and ensure STSD continues to **meet the needs of learners** in Susquehanna Township, part of what makes our community a great place to live!

Why are we here?

To **listen** to your questions/concerns and **provide** additional information about our upcoming proposal.

EQUIP NOT PERSUADE

Enrollment Growth

500+ **more learners in the district since 2017, a 19% increase**

Enrollment has grown from 2,600 learners to over 3,100 learners in just eight years!

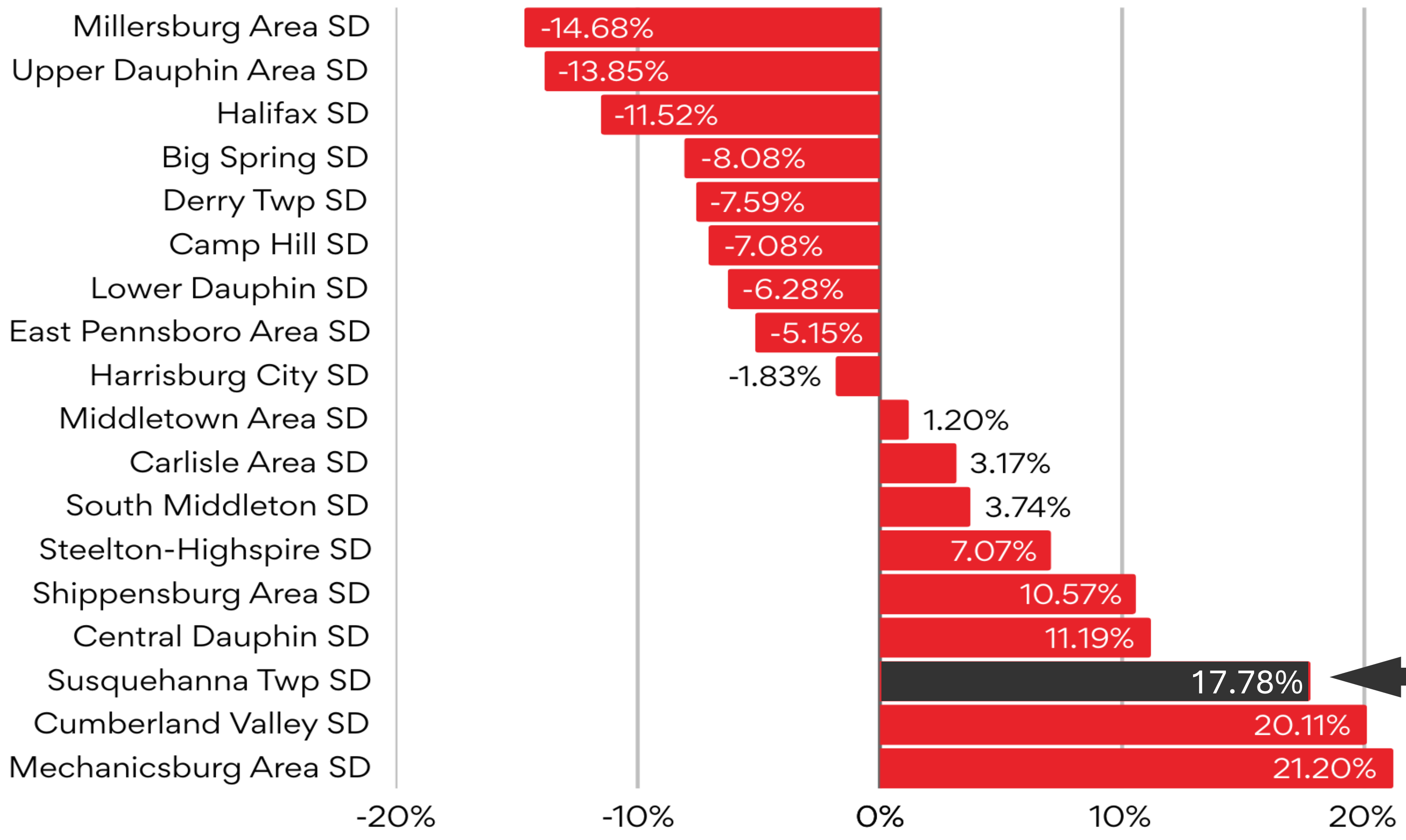
Enrollment Growth

Highest Enrollment in the Recorded History of STSD

Enrollment Growth

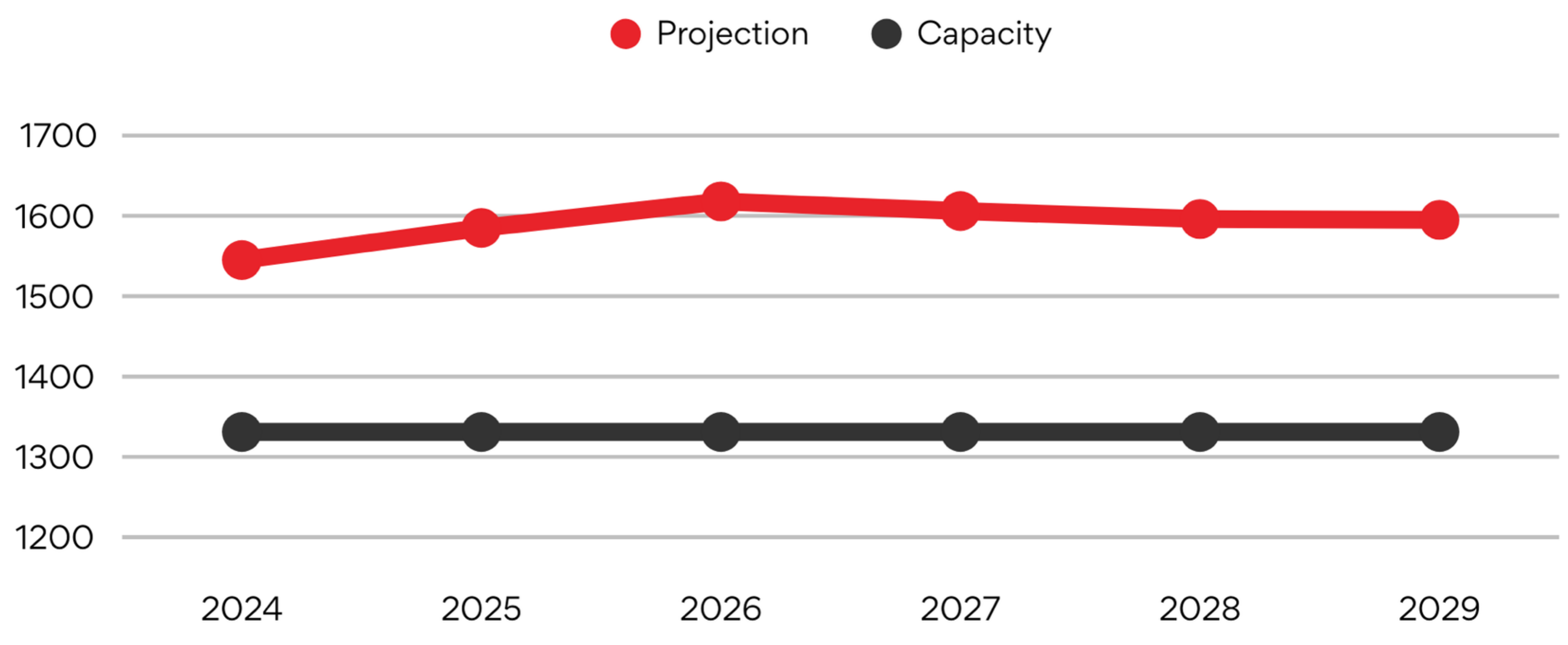
No New School in 58 Years

Enrollment Change 2016-2023



3rd highest growth in the region!

Grades K-5 Enrollment Projection vs. Elementary Schools Capacity



Over capacity by nearly 300 learners!

How many illegal immigrants have moved into the Township since 2021?

Federal Law: Plyler v. Doe (1982)

The U.S. Supreme Court ruled in *Plyler v. Doe* that **public schools must provide a free K–12 education to all children**, **regardless of immigration status**.

This includes undocumented students. The Court held that denying such access violates the Equal Protection Clause of the 14th Amendment.

Currently Using 20 Trailer Classrooms

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What is the student/teacher ratio?

Grade	Count	Research-based Best Practices
K	21	13-18
1	22	13-18
2	22	13-18
3	24	13-18
4	26	20-24
5	25	20-24
6	25	20-24
7	27	22-25
8	26	22-25

How many more teachers are needed to reduce ratios?

We would need approximately **11** new teachers (K-8) to reduce ratios within recommended limits

We have hired **5** new teachers (25-26SY)

No physical space to house new classrooms

“Floaters” (Interventionists)

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Long-Term Solution to Overcrowding

Get learners **out of temporary trailer classrooms** and **into a new elementary school**!

STSD has **42 acres** awaiting development for the new school on Stanley Drive.

New Elementary School Rendering

New Elementary School Rendering

New Elementary School Rendering

Can Existing Schools Be Expanded?

- **Each school** in the district has **undergone additions** over the years to increase capacity.
- Engineering **studies have been conducted** to explore the feasibility of further expansion.
- Existing schools are **landlocked and not structurally capable** of further expansion.

Has vacant office space been explored?

- **Yes!** In fact, STSD will be using vacant office space on Deer Path Road near TWH as another short-term solution.
- Fully renovating office space for long-term use as a school is **not cost-effective** when compared to a new build.

Deer Path Road Part of Long-Term Facilities Plan

- Short term – Enable reconfiguration to ease overcrowding at Holtzman and District Office.
- With completion of new elementary school, will serve as space to support new revenue-generating programs in the future.

4401 Deer Path Road Property

2024-25 School Configuration

SLAC	TWH	MS	HS
• Grade K • Grade 1 • Grade 2 **Plus Trailers**	• Grade 3 • Grade 4 • Grade 5 **Plus Trailers**	• Grade 6 • Grade 7 • Grade 8	• Grade 9 • Grade 10 • Grade 11 • Grade 12

District Office at 2579 Interstate Drive: Over Capacity

Short-Term Solution (4-5 years)

SLAC	TWH	Deer Path Rd	MS	HS
• Grade K • Grade 1 • Grade 2	• Grade 3 • Grade 4	• Grade 5 • Grade 6	• Grade 7 • Grade 8	• Grade 9 • Grade 10 • Grade 11 • Grade 12
Trailers Remain	**Trailers Removed**	**Admin Offices**		

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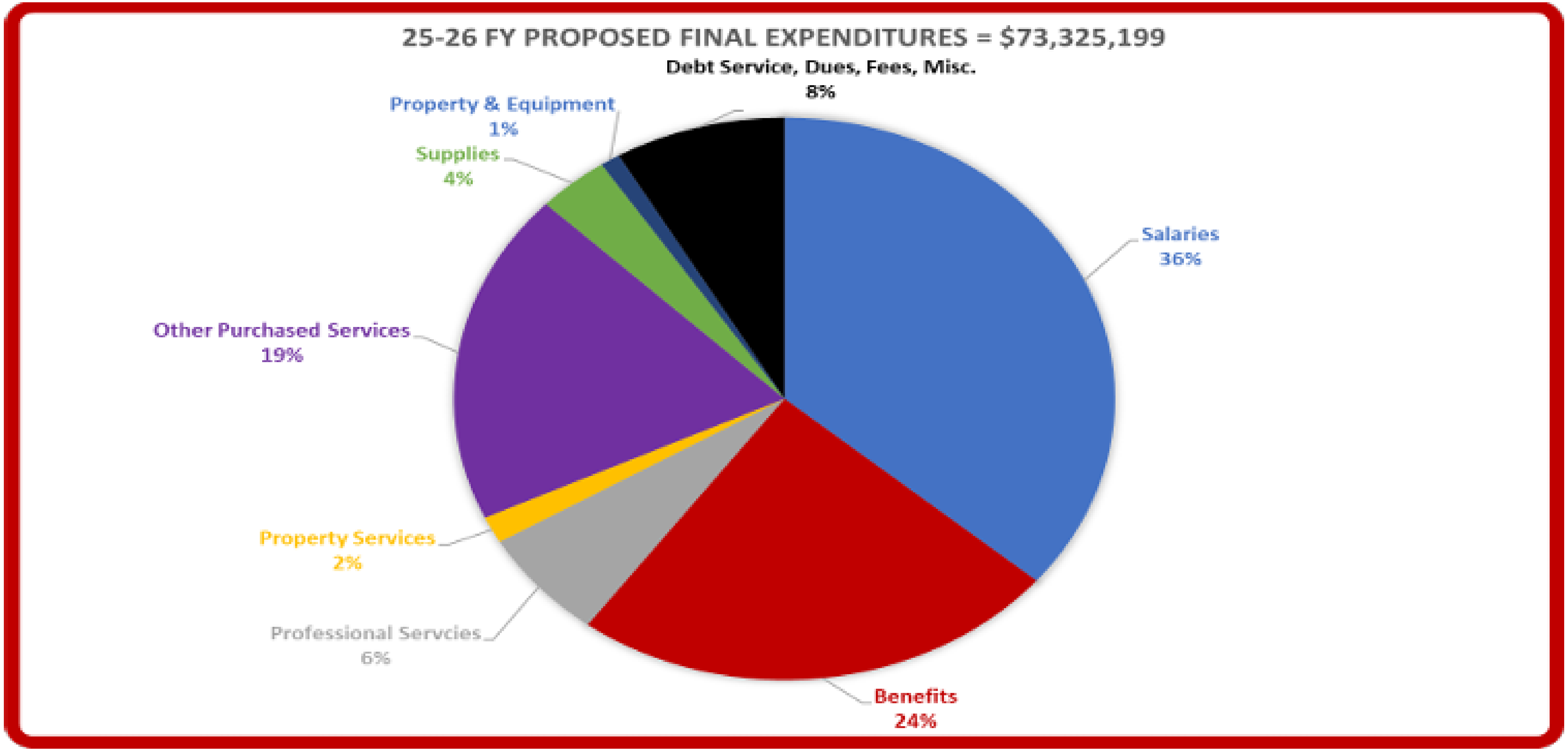
2030 Forward (with Referendum Approval)

Deer Path Rd	SLAC	TWH	Stanley Drive	MS	HS
• Admin Offices • Diag. Center • Cyber Program • AEDY Program	• Grade K • Grade 1	• Grade 2 • Grade 3	• Grade 4 • Grade 5 • Grade 6	• Grade 7 • Grade 8	• Grade 9 • Grade 10 • Grade 11 • Grade 12

Cost Savings with Stanley Drive: District Offices, Athletic/Recreational Fields

New Revenue Generators: Diagnostic Center, Cyber Program, AEDY Program

25-26 FY Expenditure Composition



Proposed Shift in Tax Structure

Eliminate the annual flat $270 occupational tax and **increase** the STSD portion of the earned income tax to 1.10% from 0.50%

Occupational Tax – What is it?

- $270 annual flat-tax assessed to working individuals age 18-69 earning $5,000+

$0

Eliminate the $270 flat tax

Earned Income Tax – What is it?

- Applies to employee earnings and net profits
- Fairer method vs. a flat tax
- Payroll deduction or quarterly/annual filings

+0.60%

Increase to 1.10% from .50%

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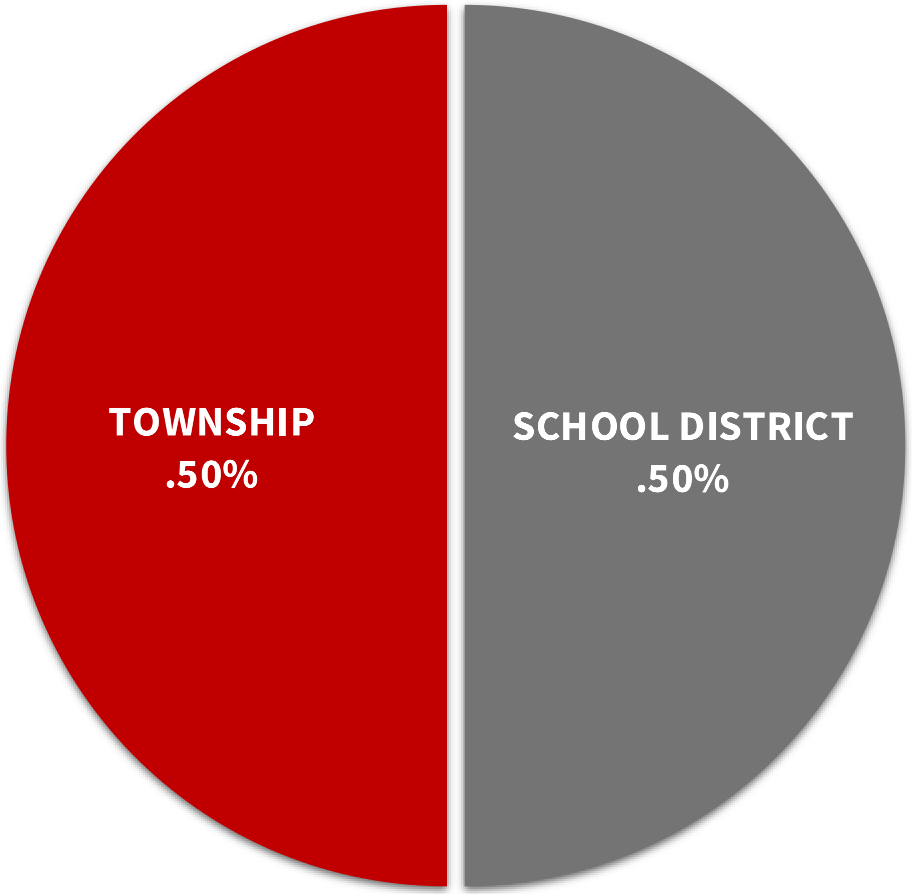
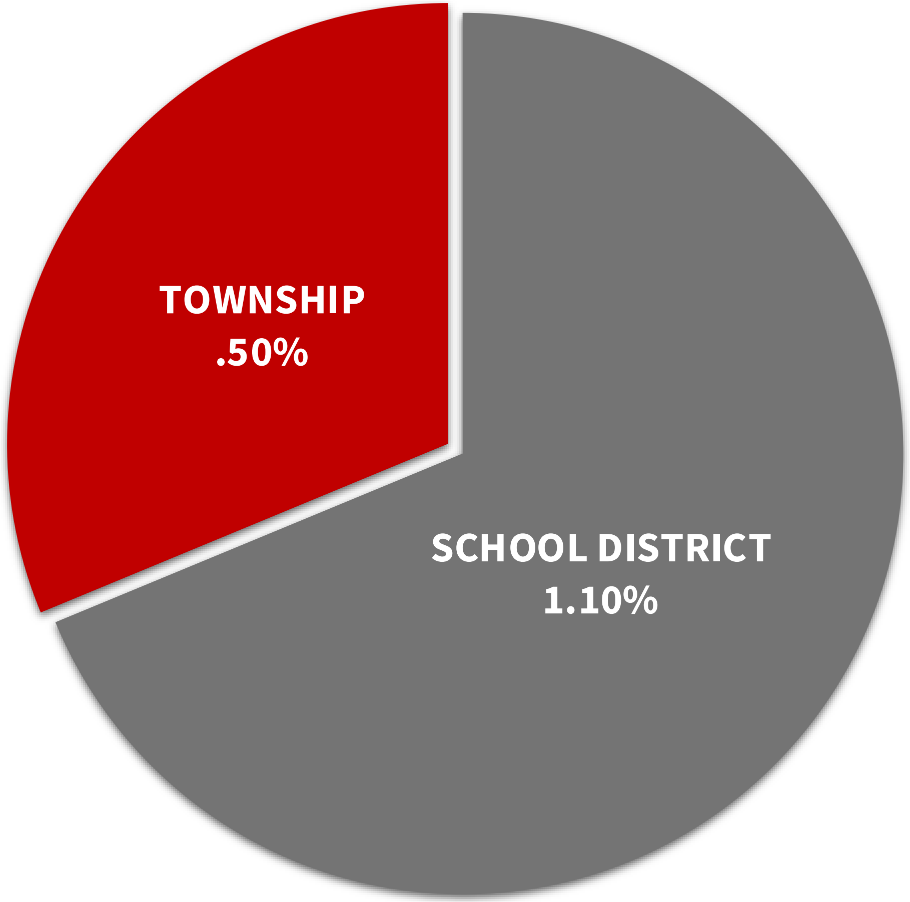
Earned Income Tax – The Breakdown



Total CURRENT EIT

1.00%

Earned Income Tax – The Breakdown



Total NEW EIT

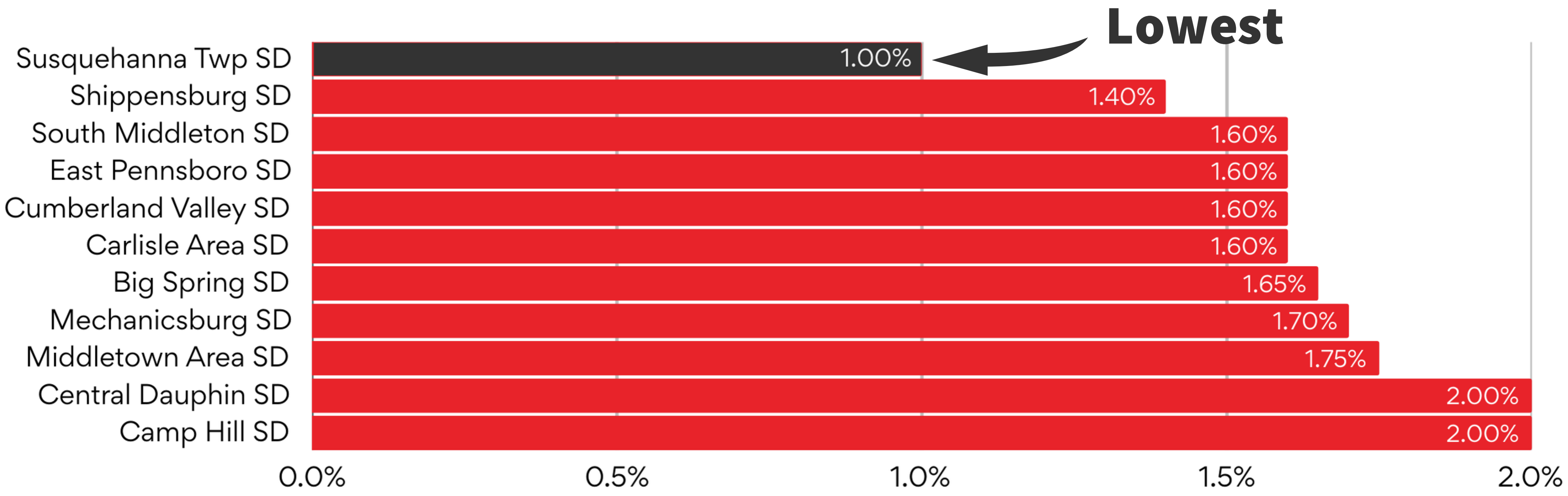
1.60%

Earned Income Tax

- Retirement income NOT subject to EIT!

Pension and Social Security income are exempt!

Current Earned Income Tax Rates in Dauphin and Cumberland Counties



Why Not Provide Surcharge to Current Occupational Tax?

- School districts **<u>cannot</u>** arbitrarily apply a "surcharge" to an existing occupational tax.
- Any increase in occupational tax or adjustment (e.g., rate change) would need to comply with:
  - **Act 511 statutory caps** (typically $10 per individual, or up to $290 total across all Act 511 taxes)
  - Local approval processes
  - Possibly **voter referendum**, especially under **Act 1 of 2006**, which limits how certain taxes may be increased without public vote.

Can you guarantee that real estate taxes will NOT increase if EIT is passed?

NO

Currently real estate tax increases are our
PRIMARY SOURCE OF REVENUE

EIT provides an **ADDITIONAL REVENUE SOURCE**

REDUCE OVERRELIANCE on Real Estate Taxes =
FEWER / LOWER Increases

Impact on wage earning individuals:

Median wage earner ($49,082)

Under current tax structure = $515 due
Under proposed tax structure = $540 due

Increase = $25 a year or about $2.08 / mo.

Impact on wage earning individuals:

Average wage earner ($59,549)

Under current tax structure = $568 due
Under proposed tax structure = $655 due

Increase = $87 a year or about $\boxed{\$7.25 / mo.}$

Tax Structure Change – Net Revenue

Elimination of the occupation tax and increase of the earned income tax will result in a net revenue increase of about:

$3.3 to $3.5 Million

Est. Increase in STSD Debt Payment

Approximate annual increase in debt to finance the new school:

$4.0 Million

Annual Impact of Tax Structure Change and New School Financing

Shortfall to be covered by other revenue growth, expense cuts during annual budget process

$3.5 Million

Net Increase in Annual Revenue

$4.0 Million

Increase in Annual Debt Payment

Current EIT+New Revenue from Families Moving Into District=Cost for New School

- Revenue Growth vs. Enrollment Growth- marginal/slow revenue
- Fixed Infrastructure Constraints – over capacity
- Upfront Capital Costs – exceeds incremental growth
- Timing Matters – rapid growth vs. incremental revenue

If the referendum does not pass:

- Additional Modulars at Stanley Dr (with site development costs)
- Unequitable Learning Environments

Your vote matters for our Community!

November 4 Ballot Referendum

Do you favor eliminating the Susquehanna Township School District flat rate occupation tax effective July 1, 2026, and increasing the rate of the Susquehanna Township School District earned income tax from .50% to a new School District earned income tax rate of 1.1% effective January 1, 2027?

Information | Calculator | FAQs

www.hannasd.org/eit

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