

AN ANALYSIS OF TAXPAYER ATTITUDES TOWARD A LOCAL INCOME TAX
TO SUPPORT PUBLIC SCHOOLS

A Dissertation
Submitted to
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by
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ABSTRACT

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While states have traditionally relied almost solely upon local property taxes for the main support of public education, other revenue sources have included sales, bank shares and occupational taxes at the local level. With the passing of the Local Tax Enabling Act in 1965 at the state level, most Pennsylvania school districts were empowered to collect non-real estate taxes (General Assembly of the Commonwealth of Pennsylvania, 1965).

On November 11, 1986, an earned income tax resolution was approved and adopted by the Township of Upper Dublin with an effective date of January 1, 1987. On June 1, 1993 the School District of Upper Dublin and the School Board of Directors followed suit and approved and adopted an earned income tax resolution. Currently, all School District of Upper Dublin residents pay a one-percent earned income tax

(Lukoff, 1986). The earned income tax revenues are shared equally between the township and school district.

The major aim of this study was to assess real estate property taxpayer attitudes in the School District and Township of Upper Dublin towards the earned income tax. More specifically, did taxpayers believe that the earned income tax held steady, or reduced, real estate property taxes?

The study employed one primary data collection strategy: a questionnaire mailed to a random sample of real estate property taxpayers in the School District of Upper Dublin. This methodology allowed the researcher to gain a more thorough understanding of the issue and to collect both quantitative and qualitative data.

The study revealed that taxpayers in the school district and township did not generally believe the earned income tax had reduced and/or held steady real estate property taxes. When the tax was instituted two decades ago, reducing real estate property taxes was one purpose, as was finding an additional source of revenue for the school district and township.

Additionally, taxpayers in the study viewed the earned income tax as a "good" or "fair" tax and certainly

recognized the purpose of the tax to fund education and township services via another source of revenue.

Accordingly, school district and township officials must recognize that taxpayer's feelings translate into implications for public policy. These implications include recognizing the mistrust and misinformation associated with the tax and developing a better informed public. Officials must recognize that taxpayers seem to believe that the earned income tax is a "good" and/or "fair" tax, but are required to pay it like any other tax.

DEDICATION

This work is dedicated to my loving and supportive wife, MaryLou and three sons, Charlie, Ben and Harry. It is also dedicated to the memory of my parents, Charlie and Pat Rittenhouse, who sadly have missed many milestones in my life but are with me each and every day.

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TABLE OF CONTENTS

ABSTRACT.....	iv
DEDICATION.....	vii
ACKNOWLEDGEMENTS.....	viii
LIST OF TABLES.....	xiii
CHAPTER	
1. THE PROBLEM.....	1
Introduction.....	1
Statement of Problem.....	9
Purpose.....	9
Research Questions.....	10
Delimitations.....	11
Limitations.....	13
Definitions.....	14
Need for Study.....	16
2. REVIEW OF RELATED RESEARCH.....	18
Funding of Public Education.....	19
Federal Funding of Public Education.....	19
State Funding of Public Education.....	24
Local Funding of Public Education.....	30
Attitudes towards Funding of Public Education.....	42
Determinants of "Fair" or "Good" Taxes.....	45
Tax Basis.....	47
Tax Yield.....	48
Tax Equity.....	49
Benefit Principle.....	49
Ability to Pay Principle.....	49
Horizontal and Vertical Equity.....	50
Tax Impact.....	51
Tax Neutrality.....	51
Tax Directness and Certainty.....	52
Tax Incidence.....	53
Tax Administration.....	53
Political/Decision-Making Theoretical Perspective....	54
Policy Analysis.....	60

3. RESEARCH METHODS AND PROCEDURES.....	63
Research and Design.....	63
Sample.....	64
Setting.....	64
Sampling Procedures.....	66
Sampling Method.....	68
Instruments.....	70
Threats to Validity.....	73
Data Collection.....	74
Analysis of Data.....	77
Research Question 1.....	77
Research Question 2.....	78
Research Question 3.....	78
Research Question 4.....	78
Description of Research Study.....	81
4. RESEARCH STUDY FINDINGS.....	86
Demographics of Respondents as a Result of the Analysis of Answers to Quantitative Questions.....	86
Demographic Patterns of Respondents.....	86
Individual Quantitative Question Analysis.....	89
Receipt of Letter.....	89
Residence.....	90
Real Estate Property Ownership.....	92
Years of Age.....	92
Paid Earned Income Tax.....	94
Yearly Gross Income.....	94
Work Location.....	95
Ethnicity.....	96
Profession.....	97
Political Party.....	98
Level of Education.....	100
Children.....	102
Children in School District.....	102
Analysis of Answers to Qualitative Responses to Open- Ended Responses.....	102
Analysis: Did Respondents Believe that the Earned Income Tax was a "Good" or "Fair" Tax.....	104
Analysis: Did Respondents Believe that the Earned Income Tax was "Good" or "Fair" to All Groups of Taxpayers or Only Certain Groups of Taxpayers.....	112

Analysis: Did Respondents Believe (Even if they did not pay the earned income tax to the school district) that the Earned Income Tax had Reduced or Held Steady their Real Estate Property Taxes?.....	116
Analysis: Did Respondents Believe that the Earned Income Tax had Reduced or Held Steady Real Estate Property Taxes for all Taxpayers, or only Certain Taxpayers, in the School District?.....	122
Analysis: Did Respondents Understand why the Earned Income Tax was Levied, Assessed and Collected?.....	126
Analysis: Relationships and Qualitative (Evaluative) Questions Compared to Quantitative (Demographic) Questions.....	130
Analysis: Comments Section.....	134
5. SUMMARY, CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS.....	137
Summary.....	137
Funding of Public Education.....	137
Attitudes toward Funding of Public Education.....	140
“Fair” or “Good” Taxes.....	141
Political/Decision-Making Theoretical Perspective...	142
Policy Analysis.....	144
The Research Study.....	145
Conclusions.....	147
Demographic Patterns of Respondents.....	147
Qualitative Question Patterns and Themes.....	150
Implications.....	158
Recommendations.....	160
General Recommendations.....	160
Policy Recommendations.....	161
Education Leadership Recommendations.....	162
REFERENCES.....	164
APPENDICES:	
A. WRITTEN PERMISSION TO CONDUCT A RESEARCH STUDY FROM THE SCHOOL DISTRICT OF UPPER DUBLIN.....	172
B. QUESTIONNAIRE INSTRUMENT.....	174
C. QUESTIONNAIRE CONSENT FORM.....	185
D. ADVANCE NOTICE LETTER (FIRST MAILING).....	189
E. FOLLOW-UP COVER LETTER (SECOND MAILING).....	191
F. FOLLOW-UP POSTCARD (THIRD MAILING).....	193

G. RESEARCH SURVEY ANALYSIS.....195
H. WORK LOCATION ANALYSIS - QUESTION 10.....206
I. PROFESSION ANALYSIS - QUESTION 12.....209

LIST OF TABLES

Table	Page
1. 2001-2002 Act 511 Taxes for Pennsylvania	29
2. 2000-2001 Source of General Fund Revenue for Pennsylvania School Districts	30
3. 2001-2002 Total Local Taxes Collected by Pennsylvania School Districts	40
4. 2000-2001 General Fund Revenue Sources for the School District of Upper Dublin	41
5. Receipt of Letter Responses	90
6. Residence Responses	91
7. Years of Age Responses	93
8. Yearly Gross Income Responses	95
9. Ethnicity Responses	97
10. Political Party Responses.....	99
11. Level of Education Responses.....	101
12. Evaluations of the Earned Income Tax.....	104
13. "Good" or "Fair" Responses.....	105
14. "Good" or "Fair" Categorized "Yes" Responses	107
15. "Good" or "Fair" Categorized "No" Responses.....	110
16. Categorized Group Responses.....	115
17. "Reduced or Held Taxes Steady" Responses.....	117
18. Categorized "No" Responses.....	119
19. Categorized Group Responses.....	124

20. Categorized "Yes" Responses..... 128

21. Chi-Square Analysis Results for Demographics..... 131

22. Comments Section - Categorized Responses..... 135

23. Evaluations of the Earned Income Tax..... 154

24. Chi-Square Analysis Results for Demographics..... 155

CHAPTER 1

THE PROBLEM

Introduction

While states have traditionally relied almost solely upon local property taxes for the main support of public education, other revenue sources have included sales, bank shares and occupational taxes at the local level. With the passing of the Local Tax Enabling Act in 1965 at the state level, most Pennsylvania school districts were empowered to collect non-real estate taxes (General Assembly of the Commonwealth of Pennsylvania, 1965).

On November 11, 1986, an earned income tax resolution was approved and adopted by the Township of Upper Dublin with an effective date of January 1, 1987. On June 1, 1993 the School District of Upper Dublin and the School Board of Directors followed suit and approved and adopted an earned income tax resolution. Currently, all School District of Upper Dublin residents pay a one-percent earned income tax (Lukoff, 1986). The 1% earned income tax is shared equally between the township and school district.

The purpose, or major aim, of this research study was to assess real estate property taxpayer attitudes towards the earned income tax in the School District of Upper Dublin. Did the taxpayers understand why the earned income

tax was collected? Did the taxpayers believe the tax reduced, or held steady, their real estate property taxes? Perhaps most importantly, did the Upper Dublin School District and Township taxpayers believe the earned income tax was "fair" or "good"? As these research questions were examined, the attitudes of various groups such as senior citizens or affluent residents towards the earned income tax revealed certain patterns and themes.

The study employed one primary data collection strategy: a questionnaire mailed to a random sample of real estate property taxpayers in the School District of Upper Dublin. This methodology allowed the researcher to gain a more thorough understanding of the issue and collect both quantitative and qualitative based data.

While the United States Constitution and its Amendments were silent regarding education and financing, many believe the framers did not foresee the complex and expensive system of education that exists today. The 10th Amendment, passed in 1789, reserved those powers not expressly delegated to the United States to each state (Honeyman, Thompson & Wood, 1994).

Honeyman, Thompson and Wood (1994) noted that while education was a state function, Congress has established a

long history of financing education via "other authority" and "indirect persuasion" (Honeyman et al., p. 97).

This "other authority", which was derived from the General Welfare Clause of the United States Constitution, required the government to provide for a strong defense, levy taxes and pay all of its debts. However, Congress has interpreted the General Welfare Clause in a more liberal manner. Public education has been utilized by Congress to push for social and economic justice through other means such as withholding federal funds until necessary changes in education are accepted (Honeyman et al., 1994).

Congress has also been able to have "indirect influence" on the financing of education. One example included the appointment of federal judges who wielded judicial and political power nationally on various education policies and issues (Honeyman et al., 1994).

Alexander and Salmon (1995) support the notion that funding of public education by the federal government has been "indirect" in nature:

Between 1862 and 1917 the federal government seemed to be concerned primarily with inadequacies in the programs of initiatives of higher learning. No new federal act of any major significance to the public schools was passed by Congress during this period (p. 286).

In 1917, Congress broke this tradition by passing the Smith-Hughes Act, which provided assistance to vocational education at the high school level. In a similar vein, the Lanham Act was enacted in 1941 by Congress. The act provided federal funding for schools and community facilities located near military bases.

With the launch of the first satellite by the Soviet Union in 1957, which caused panic in the United States, the position of the federal government in regards to education changed greatly. By 1958, a complex series of laws were enacted to improve education at all levels, including the National Defense Education Act of 1958 which provided higher learning student loans, necessary science equipment and schools to teach foreign languages (Alexander & Salmon, 1995).

The Elementary and Secondary Education Act ("ESEA") of 1965 and the Individuals with Disabilities Act in 1975 were the most important of the various acts enacted by Congress. The Elementary and Secondary Education Act contained various programs of aid under five titles. The Individuals with Disabilities Act provided for local boards of education to meet the needs of disabled individuals and is still an important program today (Alexander & Salmon, 1995).

Typically, taxing power was vested in each state by its sovereign and inherent fiscal responsibility, and codified in state constitutions, to provide for the general welfare of its citizens. This power of taxation, derived through legislative acts and statutes, was only limited by state and federal constitutions and the higher courts.

Responsibility for providing a free public education has been placed in the state legislature since the first constitution was drafted in the Commonwealth of Pennsylvania in 1776. Article III, Section 14, of the current Pennsylvania Constitution, stipulates that the state legislature bear primary responsibility educating its citizens. However, it was not until Pennsylvania passed the Free School Act in 1834 that the current system of education began to develop (League of Women Voters, 1989).

The income tax had its origins at the federal level and then individual states followed suit in various ways. In 1913, the constitutional barrier to a federal income tax was removed permanently by Congress with the passing of the 16th Amendment, which gives Congress today the right to levy and collect taxes on incomes and not use population as a guide (Alexander, Johns & Morphet, 1983).

Initially, the federal income tax was a low and modestly graduated tax. However, the current federal

income tax is graduated to levels which are higher and accounts for approximately 44% of the federal budget. Today, most states have followed suit and have adopted income taxes through legislation and constitutional amendments but at much lower tax rates (Alexander et al., 1983).

In 1911, Wisconsin passed legislation that imposed state income taxes. Today, most states still employ similar systems (Alexander et al., 1983).

While states have traditionally relied almost solely upon local property tax revenues as the main support of public education, other revenue sources have included sales, bank shares and occupational taxes at the local level. With the passing of the Local Tax Enabling Act on December 31, 1965 by the General Assembly of the Commonwealth of Pennsylvania, suburban townships and school districts were empowered to collect non-real estate taxes (General Assembly of the Commonwealth of Pennsylvania, 1965).

This act, more commonly known today as the "The Local Tax Enabling Act" or "Tax Anything Act" empowered local school districts in the Commonwealth of Pennsylvania to levy, assess and collect certain non-real estate taxes for general revenue purposes. These non-real estate taxes

included earned income, occupational privilege, mercantile and other miscellaneous taxes. Given that the earned income tax included all "salaries, wages, commissions, bonuses, incentive payments, fees, tips and other compensation" (General Assembly of the Commonwealth of Pennsylvania, 1965, pp. 1269-1270) this revenue source was quite sizable.

The Township and School District of Upper Dublin in Montgomery County, Pennsylvania, began to examine the possibility of utilizing the earned income tax in the mid-1980s as an additional source of revenue. Perhaps most importantly, both the township and school district were examining ways to ease the financial burden of the real estate property tax for its residents. The township and district were growing increasingly concerned about the impact that escalating property taxes were having on its senior citizens and low income families.

On November 11, 1986, an earned income tax resolution was approved and adopted by the Township of Upper Dublin with an effective date of January 1, 1987. The one-half percent tax passed by the Township Commissioners was on income and net profits earned by residents and non-residents who worked in the township (Lukoff, 1986).

On June 1, 1993 the School District of Upper Dublin and the School Board of Directors approved and adopted an earned income tax resolution. The resolution imposed an additional one-half percent tax on earned income and net profits for both residents and non-residents who worked in the township. Since 1993, the one-percent earned income tax has been divided equally between the school district and the township (Finarelli, 1993).

Because the research study examined the attitudes and interaction of various stakeholders, it was framed within the political decision-making theoretical perspective. As put forth by Bolman and Deal (1984), "Political frame views organizations (the school district) as arenas (the community) of scarce resources (income) where power and influence are constantly affecting the allocation of resources (earned income taxes) among individuals or groups" (p. 5).

The problem was also examined under the umbrella collectively known as policy analysis. Canady and Duke (1991) define policy as "any official action taken at the district or school level for the purpose of encouraging or requiring consistency and regularity" (p. 2).

Statement of Problem

The main problem that emerged revolved around the negative attitude of the real estate property taxpayer toward the general purpose of the one-percent tax reducing, or holding steady, real estate property taxes. This problem was caused by taxpayers not being aware that one of the original purposes of the earned income tax was to reduce, and or hold steady, real estate property taxes.

Accordingly, this study was developed to examine taxpayer attitudes and the various patterns and themes that emerged.

Purpose

The major aim of the research study was to examine real estate property taxpayer attitudes in the School District of Upper Dublin toward the one-percent earned income tax reducing, or holding steady, real estate property taxes. Since June 1, 1993 the School District of Upper Dublin has collected the earned income tax. As with any tax, school district policy makers must continually justify the tax and revenue source in the face of escalating real estate property taxes.

Did the taxpayers understand why the earned income tax was collected and did they believe that the tax reduced, or

held steady, their real estate property taxes? Perhaps most importantly, did they believe the tax was "fair" or "good"?

The research questions described in the next section were utilized to probe real estate property taxpayer attitudes and related issues. As these research questions were examined, the attitudes of various groups such as senior citizens or affluent residents towards the tax revealed certain patterns and themes.

Research Questions

To more fully understand taxpayer attitudes in regard to the local earned income tax, the series of research questions noted below were developed and explored in depth.

1. To what extent, do various real estate property taxpayers in the School District of Upper Dublin understand the general purpose of the earned income tax and why it is levied, assessed and collected?
2. How do the real estate property taxpayers in the School District of Upper Dublin feel about the general purpose of the earned income tax to reduce, or hold steady, real estate property taxes?
3. To what extent do various real estate property

taxpayers in the School District of Upper Dublin such as senior citizens pay and support the earned income tax, because they believe it is a "fair" or "good" tax?

4. What are the specific attitudes of the real estate taxpayers towards the earned income tax and why do they maintain these attitudes?

The research questions were framed and examined within the political decision-making framework. The overarching question for the study was whether real estate taxpayers believed that the tax reduced, or held steady, their real estate property taxes. Another core question examined whether taxpayers believed the tax was "fair" or "good". Additional questions targeted taxpayer understanding regarding the purpose of the tax and why they maintained certain attitudes. These attitudes were sorted into various categories as explained and discussed in future sections.

Delimitations

Due to the large number of schools levying, assessing and collecting the earned income tax, the study was deliberately limited to one school district. This allowed for an in-depth and complete examination of the history of

the tax in the district since the mid-1980s to the present and the attitudes of the real estate property taxpayers.

Because the researcher was the high school principal and an employee of the school district being utilized for the study, materials and opportunities otherwise not available to a non-employee or outside researcher enhanced the scope and depth of the study. This was particularly helpful when confidential taxpayer address information was made available to the researcher and allowed for a seamless mailing of the questionnaire.

A majority of the School Board members who enacted the earned income tax in 1993 resided within the boundaries of the school district and were accessible to the researcher to gain or clarify additional information. Furthermore, the research boundaries were limited to one school district to capitalize on the comfort and familiarity the taxpayers had with a questionnaire generated by the high school principal and graduate of Upper Dublin High School.

Due to the fact that the tax was, and still remains, a sizeable source of revenue, and is sometimes viewed as a "nuisance tax", the topic remains a source of controversy and misunderstanding in the school district, Montgomery County and the Commonwealth of Pennsylvania. The administering of a questionnaire hopefully resulted in a

high level of unbiased, truthful and accurate responses that allowed the researcher to gather and analyze useful attitudinal data. The data collection for the research study was completed during an eight week period.

Limitations

During the previous 15 years, the fiscally conscious Republican Party has controlled the School Board and related education policy in the School District of Upper Dublin. However, the Democratic Party has recently gained back some control of local politics. Accordingly, the researcher attempted to address any political bias that was contained in the responses.

The positionality of the researcher also was a consideration because the researcher was an employee and member of the management team in the school district in which the study was conducted. Thus, completely eliminating researcher bias was not feasible.

Any bias and related issues were limited because the collection of the tax was the fiscal responsibility of the Township of Upper Dublin and was not associated with the school district or high school. Bias was also limited by the fact that the researcher was not a resident of the

township or school district in which the study was conducted.

Definitions

The following definitions represented the major topics and terms contained in the proposal, study and dissertation.

Earned income (tax) - A proportional tax on "salaries, wages, commissions, bonuses, incentive payments, fees, tips and other compensation received by a person or his personal representative for services rendered, whether directly or through an agent, and whether in cash or in property" (General Assembly of the Commonwealth of Pennsylvania, 1965, pp. 1269-1270).

"Fair" or "good" tax - For the purposes of the study, Honeyman, Thompson and Wood (1994), note a "fair" or "good" tax was judged by five components which included the basis, yield, equity, incidence and administration of any tax. The tax basis was the object against which the tax was levied and tax yield was the ability of any tax to provide revenue.

Tax equity was how equitable a tax may or may not have been. Incidence involved the frequency in which a tax base

was collected while tax administration was linked with the method of collection.

Real estate property taxpayer - A resident in the School District of Upper Dublin who owned real estate property and paid real estate property taxes.

School District of Upper Dublin - The School District of Upper Dublin enrolled approximately 4,420 students and was staffed by over 300 teachers. The district contains five elementary schools grades kindergarten through 5th grade. Sandy Run Middle School educates students in 6th through 8th grade while Upper Dublin High School encompasses 9th through 12th grade (School District of Upper Dublin, 2000). The school district had, and still has, an excellent academic reputation within and without the Montgomery County and the Commonwealth of Pennsylvania.

For the 2006-2007 School Year, the school district budget was \$63,106,432. The earned income tax accounted for a total of \$4,065,000 or 2.0% of the total general fund budget (School District of Upper Dublin, 2007, p. 6-1).

Taxpayer - "A person, partnership, association, or any other entity, required hereunder to file a return of earned income or net profits, or to pay a tax thereon" (General Assembly of the Commonwealth of Pennsylvania, 1965, p. 1270).

Taxpayer attitudes - The expressed feeling or beliefs of real estate property taxpayers in the School District and Township of Upper Dublin, as recorded and categorized in a questionnaire, and analyzed by the researcher.

Upper Dublin Township - Upper Dublin Township was, and still remains, a diverse suburban community situated in Eastern Montgomery County in Southeastern Pennsylvania and is approximately 20 miles north of Center City Philadelphia. The township was established in 1784 and has evolved from a rural Quaker community into an important suburban community. The Fort Washington Industrial Park employs many residents and also provides the community with access to many important business and professional services (School District of Upper Dublin, 2001). The township includes the municipalities of Ambler, Ardsley, Dresher, Fort Washington, Glenside, Maple Glen, North Hills, Oreland, Roslyn and Willow Grove. Contiguous school districts which surround Upper Dublin include Abington, Hatboro-Horsham, Plymouth Whitemarsh, Springfield, Upper Moreland and Wissahickon.

Need for the Study

The results from this study may be useful to various school district policy makers within and without the School

District of Upper Dublin when examining and considering the policy of levying, assessing and collecting the earned income tax for general revenue purposes. The attitudinal data collected in the study could be utilized by Pennsylvania school districts to formulate policy and procedures that could enlighten the real estate property taxpayer to the financial benefits of the earned income tax.

Additionally, the results could possibly be utilized by any municipality considering the tax to design and implement a public relations plan to introduce the residents to the tax and soften public and political reaction to this controversial tax. Additionally, the historical information and related analysis could be of value to policy makers considering the earned income tax as an additional source of revenue in the future.

Although sparse, recent research on the earned income tax in Pennsylvania focused on financial components such as revenue, expenditures and related constitutional law. Due to the general lack of local, regional, state and national attitudinal data related to the earned income tax, it is hoped that the study contributes to the general body of knowledge regarding the earned income tax for various government entities in the Commonwealth of Pennsylvania.

CHAPTER 2

REVIEW OF RELATED RESEARCH

In order to capture the complex nature of financing for public education, the review of related research is comprised of four sections: Federal funding for public education, state funding for public education, local funding for public education and general attitudes in America toward public education.

Each section contains the major patterns and themes that emerged from the review of literature from a historical perspective. For the most part, the researcher attempted to provide a broad historical background with more specific information related to both the federal and state income tax and the local earned income tax.

The review of related research also includes a section regarding "fair" or "good" taxes and the five related components of taxation including: basis, yield, equity, incidence and administration of any tax. Defining a "fair" or "good" tax was critical to the study and informed the analysis of taxpayer responses to the questionnaire.

Various attitudes and beliefs emerged among the real estate property taxpayers from the questionnaires. For example, attitudes among taxpayer respondents from the Republican Party were compared to the Democratic Party.

Additionally, the interaction and general relationships among the various policy makers such as board members and real estate property taxpayers were examined in depth by the researcher.

Accordingly, the political decision-making theoretical perspective was useful to frame the problem. This theoretical lens was also useful to analyze the respondent data produced by the questionnaires.

Finally, the review of related research contains a section on policy analysis which shaped how the researcher examined the earned income tax and general school district and township policies.

Funding of Public Education

The literature review for the funding of public education includes the following sections: Federal funding of public education, state funding of education, local funding of education and attitudes towards the funding of public education.

Federal Funding of Public Education

Because the United States Constitution and its Amendments were silent regarding education and financing, many believe the framers did not foresee the complex and

expensive system that exists today. Resistance to a strong, centralized government such as Britain, which manifested itself in the Revolutionary War, eventually resulted in ten additional amendments (Honeyman et al., 1994).

The 10th Amendment, signed in 1789 as part of the Bill of Rights, reserved those powers not expressly delegated to the United States to the states. More specifically, the 10th Amendment states, "The powers not delegated to the United States by the Constitution nor prohibited by it to the states, are reserved to the states respectively, or to the people" (Honeyman et al., 1994, p. 97).

Honeyman, Thompson and Wood (1994) argue that while the die was cast, making education a state function, Congress has established and maintained a long history and involvement financing education through "other authority" and "indirect persuasion" (p. 97).

Honeyman, Thompson and Wood (1994) also suggest that the "other authority" derived directly from Article I of the Constitution required the government to provide for a strong defense. The General Welfare Clause of the Constitution, Article I, Section 8, granted the federal government the power to levy taxes and pay its debts.

Historically, providing education to Americans and providing for national defense gave Congress the ability to become directly involved in education policy. However, Congress has more liberally interpreted the General Welfare Clause. Education has been utilized by Congress to facilitate social and economic justice through more creative means such as withholding federal funds until policy reform agendas in education were uniformly accepted (Honeyman, Thompson & Wood, 1994).

Congress has also been able to have "indirect influence" through appointments of federal judges who wielded great judicial and political power nationally on various direct and indirect education issues (Honeyman et al., 1994, p. 98). In regards to "indirect influence" Alexander and Salmon (1995) note:

Between 1862 and 1917 the federal government seemed to be concerned primarily with inadequacies in the programs of initiatives of higher learning. No new federal act of any major significance to the public schools was passed by Congress during this period" (p. 286).

Alexander and Salmon (1995) also noted that in 1917 Congress broke this tradition by passing the Smith-Hughes Act, which provided assistance to vocational education below the college level. While numerous other acts have

funded education since 1917, this legislation was important in that it was the first special purpose grant.

In a similar vein, the Lanham Act was enacted in 1941 by Congress. The act provided federal funding for schools where military activities took place (Alexander & Salmon, 1995).

With the launch of the first satellite by the Russians in 1957, which caused great alarm in the United States, the relationship of the federal government to education changed greatly. By 1958, a long series of laws were enacted and improved education at all levels. One example included the National Defense Education Act of 1958 which provided higher learning student loans, science equipment and centers to teach foreign language (Alexander & Salmon, 1995).

Of the numerous federal education acts enacted by Congress, the two most important were The Elementary and Secondary Education Act (ESEA) of 1965 and the Individuals with Disabilities Act in 1975. The Elementary and Secondary Education Act contained a program of aid under five separate titles. For example, Title V strengthened the state departments of education. The Individuals with Disabilities Act provided for local boards of education to

meet the needs of disabled persons (Alexander & Salmon, 1995).

The federal government had its first experience with national income taxes during the political and financial strains of the Civil War. Alexander, Johns and Morphet (1983) note that "at its peak in 1866, similar income taxes accounted for almost 25 percent of federal internal revenues" (p. 102). Excluding this brief period of time, the federal government relied almost exclusively on excise and custom taxes for its revenues until the beginning of the twentieth century (Alexander et al., 1983).

During the national wave of trust and monopoly reform, a federal income tax was revived in 1894 at the low rate of 2% for both personal and corporate income. This type of tax was immediately and successfully challenged nationally under the constitutional constraint that no "direct tax" shall be levied unless it is in proportion to the population. In *Pollock v. Farmers' Loan and Trust Company*, the United States Supreme Court ruled in a 5-to-4 decision that the income tax was a direct tax on property and thus was unconstitutional (Alexander et al., 1983).

In 1913, the constitutional barrier was removed permanently by Congress with the passage of the 16th

Amendment. The amendment granted Congress the right to levy and collect taxes on incomes without regard to population. Initially, the federal income tax was a low and modestly graduated tax. However, today the federal income tax is graduated to higher levels and accounts for approximately 44% of federal budget receipts. Today most states have followed suit and have adopted income taxes through legislation and constitutional amendments but at much lower tax rates (Alexander et al., 1983).

With political pressure to reduce the size and fiscal burden of government, the federal government was forced, in the last two decades, to become more parsimonious with funding. Accordingly, greater costs were shifted to the state and local levels. Alexander and Salmon (1995) comment:

In 1980-81, local taxation provided 42.7 percent of school revenues and the federal and state governments contributed 8.5 percent and 48.8 percent respectively. By 1993-94, state revenue had declined by about 1.5 percentage points. Concurrently, local school districts were forced to increase their revenue by nearly 5 percentage points. This trend is not positive for public education (p. 294).

State Funding of Public Education

Because of the gradual shift from a reliance on federal funds, local school districts are forced today to seek out alternative funding sources such as the earned

income tax. State taxing power to fund public education was vested in each state by its sovereign and inherent fiscal responsibility and codified in state constitutions to provide for the general welfare of its citizens.

This power of taxation was vested and exercised through legislative acts and statutes and was only limited by state and federal constitutions and the higher courts. Alexander, Johns and Morphet (1983) note that in the *Shaffer v. Carter* decision in 1974, the Supreme Court of the United States succinctly explained the taxing authority of individual states in the following manner:

In our system of government the states have general dominion, and, save as restricted by particular provisions of the Federal Constitution, complete dominion over all persons, property and business transactions within their borders; they assume and perform the duty of preserving and protecting all such persons, property and business, and in consequence, have the power normally pertaining to governments to resort to all reasonable forms of taxation in order to defray the governmental expenses (p. 128).

Furthermore, Alexander, Johns and Morphet (1983) note that while school taxes were levied and collected by local school authorities, these monies were still considered state taxes. For example, state legislatures authorized local school districts to tax assessed property values for the main purpose of education. Generally, state legislators were not permitted to delegate their

legislative authority but rather specifically authorized for political entities what was to be taxed and how it was to be collected. If this authority was not specifically found in an act or statute approved by the legislature, the court was usually called upon to interpret the main purpose of the law.

The levying of state individual income taxes found its precedence in the so-called faculty taxes of the colonial times, which were a rudimentary form of taxation and combined both property and income taxes. To raise sorely needed revenue during the Panic of 1836, several states levied and collected income taxes, but were not able to sustain and monitor consistent taxation programs. In the 1860s, the fiscal strains of the Civil War saw a flurry of additional state income taxes. The taxes were on salaries and personal income in the North and South, with most states wisely abandoning their unpopular programs after the end of the war in 1865 (Alexander et al., 1983).

In 1911, Wisconsin passed legislation that imposed state income taxes at progressive rates. Today, most states still employ similar systems and only a handful do not collect state income taxes (Alexander et al., 1983).

Since the first constitution was drafted in the Commonwealth of Pennsylvania in 1776, responsibility for

providing a free public education was vested in the state legislature. However, it was not until the passage of the Free School Act in 1834 that the current education system began to develop (League of Woman Voters of Pennsylvania, 1989).

The current Pennsylvania Constitution stipulates that the legislature bear primary responsibility for educating its citizens. Article III, Section 14 of the Pennsylvania Constitution notes, "The general assembly shall provide for the maintenance of a thorough and efficient system of public education to serve the needs of the Commonwealth" (League of Woman Voters of Pennsylvania, 1989, p. 151).

While states have traditionally relied almost solely upon local property taxes for the main support of public education, other revenue sources have included sales, bank shares and occupational taxes at the local level. With the passing of the Local Tax Enabling Act on December 31, 1965 by the General Assembly of the Commonwealth of Pennsylvania, suburban townships and school districts were empowered to collect non-real estate taxes (General Assembly of the Commonwealth of Pennsylvania, 1965).

In the January, 1965 issue of *The Commonwealth of Pennsylvania Department of Internal Affairs Bulletin*, the Secretary of Internal Affairs, Genevieve Blatt (1965),

announced the publication of a new study titled, "The Administration of the Earned Income Tax in the Commonwealth of Pennsylvania." The article noted:

Previous to this study, little attention has been given to the administration of the significant source of local government revenue, even though more than half of Pennsylvania's citizens pay an earned income tax to the 1,556 taxing districts levying the tax and the tax returns about \$75 million a year to these municipalities and school districts (p. 13).

As noted below in *Table 1. 2001-2002 Act 511 Taxes for Pennsylvania*, the Pennsylvania Department of Education Bureau of Budget and Fiscal Management (2007) reported that earned income tax represented approximately 67% of the total Act 511 taxes collected by school districts. Of note, Act 511 is also known as the Local Tax Enabling Act. Approximately 27% of the Act 511 taxes included both occupation and real estate occupation taxes (p. 2).

The Pennsylvania Department of Education's website notes that the financial information presented in *Table 1* through *Table 4* in this section was last reported in the format utilized by the researcher in 2000-2001 or 2001-2002 and thus has not been updated using more current financial information.

Table 1. 2001-2002 Act 511 Taxes for Pennsylvania

Tax Type	Percentage of Total Act 511 Taxes
Earned Income Tax	67.1%
Occupation Tax	13.1%
Real Estate Transfer Tax	13.7%
Per Capita Tax	1.6%
Other Tax	4.4%
Total	100.0%

According to the Pennsylvania Department of Education (2007), local sources of revenue for 2000-2001 in the Commonwealth of Pennsylvania continued to be a major source of funding for public schools, with approximately 58% of the total general revenue fund represented by these taxes. As noted in the table below, revenues from state sources represented approximately 37% of the total general revenue fund with federal funding representing only approximately 4% of the total general revenue fund. Other revenue sources represented the remaining approximate 1% of the total general fund (p. 23b).

Table 2. 2000-2001 Source of General Fund Revenue for Pennsylvania School Districts

Revenue Source	Percentage of General Fund Revenue
Local Source	57.9%
State Source	37.3%
Federal Source	3.6%
Other Sources	1.1%
Total	100.0%

The real estate property tax remained the primary local source of public education funding representing approximately 80% of the total general revenue fund in the Commonwealth of Pennsylvania (The Pennsylvania Department of Education, 2007).

Local Funding of Public Education

Attitudinal data related to the earned income tax in both Montgomery County and the Commonwealth of Pennsylvania was limited or nonexistent.

The *Ambler Gazette*, while not possessing a state or national reputation, is widely circulated and fairly represents a rich, historical and attitudinal source for research purposes. This newspaper, published weekly, was

supplemented by the questionnaires in regards to taxpayer attitudes.

Currently, a one-percent earned income tax is levied upon township residents and non-residents who are engaged in business within the township. All taxes were collected and accounted for by the Township of Upper Dublin's Earned Income Tax Office. The one-percent tax is split evenly between the township and school district or one-half percent for each entity (Finarelli, 1993).

In the spring of 1984, the School District of Upper Dublin was no different than surrounding affluent Montgomery County school districts as it faced escalating expenses and an unforgiving, powerful and politically savvy taxpayer base. Teacher and administrative salaries, coupled with high transportation costs, state mandated programs and other costly areas dominated the local media. Cathey noted on March 15, 1984:

School boards and administrators, heading into their annual spring budget ritual, must again wrestle with the conflicting demands of providing a high-level education while trying to control costs. And taxpayers dealing with their own rising budgets, wait anxiously to learn how big a bite will come out of their income (p. 1).

During this time, Superintendent Dr. Clair Brown, publicly discussed common sense initiatives at board

meetings to cut costs and hold the line on additional real estate property taxes. The school district closed two schools, refinanced a bond issue and purchased fuel-efficient buses. As surrounding school districts and municipalities levied the earned income tax to combat escalating real estate taxes, Brown noted, "We do not harass our community with any of the nuisance taxes we could levy" (Cathey, 1984, p. 1).

After much debate in the fall of 1984, the School Board approved a \$16,160,266 budget, with a \$5.5 million real estate property tax increase (Kolodzinski, 1984). Local resident, Anita Schatz, noted at the time in regards to a possible earned income tax, "I don't think that's unreasonable and it's not an overburden. And I'm not the only person in the township who feels that way" (Kolodzinski, 1984, p. 4).

In the winter of 1985, Cathey again noted that both the school district and township continued to examine ways to control expenses and taxes, but also provide a high level of services. Business Manager Gregory Klemick noted, "The concern that I have is that those other sources are very limited. There are other taxes - an earned income tax, business taxes, fees and so-called nuisance taxes. But the bottom line is that the citizens are going to have

to pay for it. We would also have to look at all services, too" (1985, p. 1).

In 1985, anger among local property taxpayers continued to be evident in local newspapers and School Board meetings. Taxpayer and senior citizen Nancy Warren noted in a 1985 editorial that the School Board, by continually and consistently raising taxes, was sending a clear signal to senior citizens to "pack up and get out" (p. 7). Another irate senior citizen taxpayer noted, "I retired 16 years ago and I'm living by my wits and on what I earned and invested in 1959" (Gittings, 1985, p. 1).

In July, 1985 and beyond, editorials from senior citizens continued to decry rising real estate taxes, but also began to suggest possible solutions. Taxpayer Ronald Levicoff (1985) noted that the earned income tax was a possible solution to combat escalating real estate property taxes.

In September, 1986, the school district faced a well-publicized and embarrassing shortage in its general fund of more than \$530,000. In response to this shortage, Business Manager Klemick noted at the time that an earned income tax represented a possible additional revenue source for the school district (Frasch, 1986).

In the fall of 1986, the township examined the feasibility of a one-half percent earned income tax as a solution. Township Chairman Patrick Zollo noted the intent of the tax was "to shift the township tax burden from senior citizens and people with fixed incomes, toward the wage earners and those who take most advantage of township services" (Masonis, 1986, p. 1).

On November 11, 1986, the Upper Dublin Board of Commissioners voted unanimously to approve a one-half percent earned income tax (Lukoff, 1986). One taxpayer noted at the predictably raucous meeting that the tax was equitable and long overdue (Lukoff, 1986). The earned income tax served its purpose in 1987 as it boosted the general fund and reduced the township real estate property tax in 1987. Masonis (1986) noted at the time:

A one-half of one percent earned income tax, recently enacted by the Commissioners on all persons who live or work in the township and a reduction of the present real estate tax by 7.29 mills from 3.43 mills to 27.01 mills have been incorporated (sic) into the proposal (p. 1).

In 1987, the revenue generated by the earned income tax once again allowed the Township Commissioners to pass a popular 10 mill real estate property tax decrease (Larrick, 1987). On November 25, 1987 the district's Business Manager noted that the earned income tax levied by the

township surpassed the real estate property tax as the primary source of funding for general services such as police protection, trash collection and snow removal (Larrick, 1987).

In June, 1988, the School Board did not follow in the township's fiscal footsteps and passed an 11 mill tax increase (Swanick, 1988). Taxpayer Betsey Marvill (1988) rhetorically stated, "We senior citizens who have been in this township for many many years do count, don't we? We gave to this township what it is today" (p. 7). In November, 1988 and for the third consecutive fiscal year, the township lowered real estate property taxes (Swanick, 1988).

In April, 1989 the school district wearily eyed yet another significant tax increase of 14.8%. At the time, Upper Dublin School Board Finance Committee Chairman, Edwin Rosenthal, reacted by saying, "Should the school board enact an earned income tax, it could probably generate \$2.6 million on an annual basis" (Finarelli, 1989, p. 1).

Board member Robin Costa commented at the time that the earned income tax would benefit individuals who were on a fixed income. Board member Richard Brown supported Costa and noted that rising real estate property taxes were

forcing senior citizens out of the school district (Finarelli, 1989).

At the June, 1989 board meeting, the School Board unanimously adopted an 11.35% budget increase but again tabled the earned income tax discussion (Finarelli, 1989). The following November, the School Board created a committee to study the earned income tax. Superintendent Clair Brown noted at the time that the earned tax would give some tax relief to those individuals with lower incomes (Finarelli, 1989). In the same month, the township lowered the real estate property taxes, due to the effectiveness of the earned income tax, by 1.5 mills for a fourth consecutive year (Ahart, 1989). The following month the school district's Finance Committee unanimously decided not to recommend the tax to the School Board (Finarelli, 1989).

In June, 1990, the school district hiked taxes 15 mills (Finarelli, 1990). An *Ambler Gazette* editorial noted in September, 1990 that, "Taxing wages to limit real estate is clearly more equitable for the elderly and others on fixed incomes since spiraling millage can literally drive a family from its home" (p. 6). In December, 1990, the township ended their four-year streak reducing real estate property taxes and approved a two mill tax increase due to

the lose of earned income revenue to other municipalities (Finarelli, 1990, p. 5).

As the 1991-1992 budget for the school district called for an increase of 8.9%, Finance Chairman Rosenthal stated, "We are trying to explore options and see what we would have available, if necessary", such as an earned income tax (Finarelli, 1991, p. 1). The 1992 budget was adopted with only a 1.9 mill increase (Finarelli, 1991). However, the school district was stunned by an announcement in February, 1992 that due to mistakes by the Business Manager, the district was facing an unanticipated \$2 million deficit (Finarelli, 1992). In a meeting at the time, Board President Eugene Meyers noted that it was the responsibility of the school district to examine solutions to control real estate property taxes (Finarelli, 1992).

In May, 1992 the district passed the 1992-1993 budget with a 7.08 % increase (Finarelli, 1992). At the same time, the School Board once again unanimously rejected the earned income tax. A general editorial in the Ambler Gazette in 1992 protested:

Taxes at all levels are a growing problem for those who need to fund services and those who pay for them. We cannot avoid taxes, but we should make them as equitable as possible. Uniform use of the earned-income tax is a step in that direction (p. 6).

In April, 1993 and by a vote of 7-to-1, the board authorized the solicitors to prepare documents to enact an earned income tax (Finarelli, 1993). The following June, 1993, the school district not only adopted a budget with no millage increase, they also approved a one-half percent earned income tax (Finarelli, 1993). Since 1993, the full one-percent earned income tax has been collected by the township, with one-half of the tax distributed to the school district.

As the newest wave of property value reassessments currently sweep through Montgomery County, the earned income tax remains a political issue in the School District of Upper Dublin, Montgomery County and the Commonwealth of Pennsylvania. As property values that have not been reassessed in 25 years increase dramatically, the financial benefits for senior citizens and low income families have become diluted. Many districts are considering utilizing the earned income taxing powers granted under Act 50 of 1998 (Schwartz, 2000).

Under the Homestead Act, also known as Act 50, school districts may also impose an additional earned income tax of up to one and one-half percent following a referendum approved by voters. However, these increased earned income taxes must be coupled with the repeal of occupation,

occupational privilege, per-capita taxes and a real estate homestead exclusion of up to 50% (Schwartz, 2000).

The one-percent earned income tax is split equally among the School District of Upper Dublin and its member municipalities of Ambler, Ardsley, Dresher, Fort Washington, Glenside, Maple Glen, North Hills, Oreland, Roslyn and Willow Grove. For the 2006-2007 School Year, the school district budget was \$63,106,432. The earned income tax accounted for a total of \$4,065,000 or 2.0% of the total general fund budget (School District of Upper Dublin, 2007, p. 6-1).

Currently 25 of the 49 school districts (or approximately 59%) in Bucks, Chester and Montgomery County collect the earned income tax (Pennsylvania Department of Education, 2000).

The total local taxes collected by Pennsylvania school districts by type and percent for 2001-2002 are represented below in *Table 3*. Current and interim real estate taxes represented approximately 80% of the total local taxes collected. Delinquent real estate property taxes in Pennsylvania represented approximately 5% of total local taxes. Various Act 511 taxes represented approximately 12% of the total local taxes collected in Pennsylvania. Because the potential as a revenue source was sizable,

districts such as Upper Dublin have assessed and collected the earned income tax (Pennsylvania Department of Education, 2007, p. 42).

Table 3. 2001-2002 Total Local Taxes Collected by Pennsylvania School Districts

Tax Type	Percentage Collected
Current/Interim Real Estate Taxes	79.7%
Act 511 Taxes	12.1%
Delinquent Taxes	5.2%
Special Taxes	2.4%
Payments in Lieu of Taxes	0.2%
Public Utility Realty Taxes	0.2%
Per Capita Taxes	0.2%
Total	100.0%

As noted below in *Table 4*, local tax sources in 2000-2001 represented approximately 85% percent of the district's general fund, with approximately 13% generated from state sources and approximately 2% from federal and other sources. This is a direct reflection of the affluence of the school district and its residents and the minimal (less than 2%) federal funds provided for

education. To prevent, or at least minimize, an over-reliance on real estate property taxes, the district began to collect the earned income tax in 1993 (Pennsylvania Department of Education, 2007, pp. 18a, 18b).

Table 4. 2000-2001 General Fund Revenue Sources for the School District of Upper Dublin

Revenue Source	Percentage of General Fund Revenue
Local Source	85.2%
State Source	12.9%
Federal Source	1.4%
Other Sources	0.5%
Total	100.0%

A comparison of *Table 2* and *Table 4*, and in regards to the source of general fund revenue for Pennsylvania school districts versus the school district, demonstrates the wide gulf in local, state and federal funding for education.

For Pennsylvania school districts, local sources are 57.9% versus 85.2% for the School District of Upper Dublin. For Pennsylvania school districts, state sources are 37.3% versus 12.9% for the school district. For Pennsylvania school districts, federal sources are 3.6% versus 1.4% for the school district. As noted earlier in this section, the

school district recognized the real estate property tax pressure on the taxpayer, and employed an earned income tax to provide some relief.

One recent development in the school district related to the funding of education was the decision to build a new high school. As required under Act 1 in Pennsylvania, the school district put forth a referendum in March, 2007, which was approved at a rate of 63% by the residents. The new Upper Dublin High School project will begin in June, 2008 and be completed in approximately four years. The approval of the referendum was historical in that it was the first Act 1 referendum in Pennsylvania.

Finally, the topic of spending per student in the school district has always been a topic of discussion. The district, which prides itself in spending minimal money for maximum gain, is in the 3rd quartile (of 5) in spending per student and the 4th quartile (of 5) in tax burden with the 5th quartile being the lowest (Report Card on Schools, 2008, p. S4).

Attitudes towards Funding of Public Education

The purpose of this section is to examine attitudes in America towards the funding of public education. The review of literature provided a baseline to compare

attitudes in the school district at the state and national level.

In regards to taxpayer support for the federal funding of public education, the September 2, 2002 *Educational Marketer* summarized the annual *Phi Delta Kappa Gallup* poll and noted the following:

Despite economic woes, the American public strongly supports state funding of public schools and applauds the changes mandated by the federal education reform act, No Child Left Behind, according to the latest *Phi Delta Kappa/Gallup* poll on the public's attitude toward public schools, released two weeks ago (September 2, 2002, Volume 33).

The *Phi Delta Kappa/Gallup* poll noted that 78% of all respondents believed states should cut other areas and preserve state funding for public education. Additionally, 58% of respondents said they would support an increase in state taxes to fund education. Finally, the largest percentage of respondents, approximately 23%, cited the lack of financial support for public education as the biggest problem facing education today (*Educational Marketer*, 2002).

Various state taxpayer attitudes supported the findings of the *Phi Delta Kappa/Gallup* poll. In Virginia, the *PR Newswire* discussed the October, 2002 Annual Legislative Conference attended by numerous school district

superintendents. The article noted that opinion polls in Virginia indicated that a majority of Virginians would support a tax increase to improve or support public education.

The Day noted that in Connecticut, taxpayers (October, 2002) were also concerned with the adequacy of school funding. Approximately 66% of those questioned believed that funding should be increased, while 56% stated that they were willing to have their taxes increased to support schools.

The *Lancaster* (Pennsylvania) *New Era* noted that the education reform group, Good Schools Pennsylvania (2002) believed that most people in Pennsylvania would raise their own taxes if it produced public education reforms. The article noted:

More than 80 percent of people questioned in the poll said that they would vote for a candidate who was going to reform public education, even if it meant a tax increase. "People have answered with a resounding "yes" when asked if they want to fix public education," said Sheila Ballen, communications director of Good Schools Pennsylvania (p. 1).

In 2007, *The 39th Annual Phi Delta Kappa/Gallup Poll of the Public's Attitudes toward the Public Schools* posed the following question, "What do think are the biggest problems the public schools of your community must deal with? Two

of the groups, respondents with no children in school and public school parents, all cited "lack of financial support/funding/money" as the "biggest problem" facing public schools (Gallup and Rose, p. 44)

In summary, the review of literature related to the public's attitudes revealed consistent patterns and themes. It appeared that many Americans support public education in general. In terms of funding for education, many Americans also supported a tax increase for effective reforms.

Determinants of "Fair" or "Good" Taxes

The purpose of this section is to examine the determinants of a "fair" or "good" tax. One of the research questions posed was in regards to whether or not taxpayers in the school district viewed the earned income tax as a "fair" or "good" tax.

While Americans continue to complain about taxes, they believe more than their predecessors in taxation to support worthy programs (Honeyman et al., 1994). Furthermore, Honeyman, Thompson and Wood (1994) note the following:

Although no one likes to pay taxes, most citizens have finally understood that the price of civilization is related to their taxes. Under such recognition the last century has seen sentiment shift away from abolishing taxes toward a search for fair tax systems. Although officials might choose to argue that the shift is a fine one given recent state tax revolt and

the bitterness with which patrons still complain about taxes, the distinction is nonetheless important because it argues that resignation to taxation is accomplished by at least acquiescence if taxpayers can be satisfied that taxes are fundamentally fair (p. 173).

The principles of "fair" taxation have a long history and were well-grounded in the theories of John Locke and Adam Smith. Locke defended the right of citizens to benefit from working for wages and believed that the government had no right to take an individual's wealth. However, he tempered these beliefs and argued that we all have a responsibility to pay taxes in exchange for a certain level of freedom (Honeyman et al., 1994).

Adam Smith augmented Locke's approach to "fair" taxation, and argued taxation systems should be based on four criteria: equity, certainty, convenience and economy. According to Smith, equity required taxation in proportion to one's ability to pay. Certainty meant a certain level of understanding in terms of amount, manner, time and payment. Finally, he stated that any "fair" tax must be convenient for taxpayers to pay and that the government must avoid excessive taxes (Honeyman et al., 1994).

While many theorists in the past used the essence of Smith's beliefs to examine a "good" tax, the framework has been revised. Smith's terms were updated and replaced more

or less by tax basis, tax yield, tax equity, tax incidence, tax impact and tax administration (Honeyman et al., 1994, p. 174). This updated framework allowed both the researcher and taxpaying resident to examine or process how "fair" or "good" the earned income tax was, or was not, at least on a theoretical basis.

As put forth by Honeyman, Thompson and Wood (1994) and for purposes of this study, the framework for evaluating tax fairness was examined under the umbrella of tax basis, tax yield, tax equity, tax incidence and tax administration. This framework was utilized concurrently to shape the administration of the questionnaire and to interpret and analyze the patterns and themes which emerged from the respondents. In the following sections, each of the five components related to "fair" or "good" taxes will be discussed.

Tax Basis

The tax basis, or basis of any tax, was simply the object against which the tax was levied. The four tax bases included income, wealth, consumption and privilege. Income, or more specifically, earned income in the form of wages and salaries, was the basis of the earned income tax. Because the earned income tax was a flat one-percent in

total, it did not progressively tax higher income groups at a greater level. It also was not regressive in that it did not require a higher percentage from poor versus rich residents (Honeyman et al., 1994).

Tax Yield

The earned income tax was also judged to be "fair" or "good" relative to its performance providing revenue for the school district, or tax yield. Elasticity was simply the ability of any tax to expand its yield relative to income and is the main component of tax yield. Conversely, an inelastic tax is one which increased at a slower pace than income and accordingly had a poor tax yield. If tax revenue, or yield, increased at the same rate as income, the tax achieved elasticity of unity (Honeyman et al., 1994).

Because the earned income tax in the School District of Upper Dublin was fixed at one-half percent with minimal allowances or exemptions, the tax achieved elasticity of unity. As an individual's income increased, the revenue or tax yield generated by the tax, also increased at an equal pace.

Tax Equity

Tax equity was arguably the most complex and difficult tax fairness criteria to assess. For purposes of the study, and to achieve a certain level of clarity, several criteria were utilized and include the benefit and ability to pay principle, horizontal versus vertical equity, tax impact, neutrality, directness and certainty (Honeyman et al., 1994).

Benefit Principle

The benefit principle was basically “whether individuals may expect to receive direct or proportional returns on taxes paid” (Honeyman et al., 1994, p. 177). For example, any individual who drives a car, or drives more, enjoys greater use of the road system. However, with the earned income tax, districts and municipalities utilized the tax revenue in a variety of ways, and accordingly the benefit principle was more difficult to assess.

Ability to Pay Principle

Closely associated with the benefit principle was the ability to pay principle. This principle was a critical component of tax equity and represented one of the main

strengths of the earned income tax. Honeyman, Thompson and Wood (1994) note:

Ability to pay, called sacrifice theory, argues that each person should pay taxes based on financial status. Under this notion, persons with higher status are presumed more able to pay and should be made to contribute more than persons of lesser status. Although this seems to be common sense, it becomes more complex in that American society has difficulty determining if it wishes to pursue capitalist theory or socialist equality. For example, some taxes are based on ability, while others have no relationship (p. 178).

Because the earned income tax was proportional in nature, in that the ratio of taxes to income was always constant, taxpayer favoritism was non-existent. Perhaps the only taxpayer who benefited from the tax was those individuals who did not earn income.

Horizontal and Vertical Equity

Tax equity was also applied to any tax in terms of horizontal and vertical equity. Horizontal equity occurred when all taxpayers were on the same level, achieving a level of equality. Vertical equity required policy maker action to ensure the equality of unequals, or for all taxpayers to be placed on the same level. The earned income was horizontally and vertically equitable in that

the one-percent tax was theoretically and uniformly applied to all earners of income (Honeyman et al., 1994).

Tax Impact

Tax impact was the impact or effect a tax may have, or not have, on the individual taxpayer (Honeyman et al., 1994). In the instance of the earned income tax, the impact to the taxpayer was the payment of actual tax. In no instance was it possible for the taxpayer to shift the payment to another individual, like a landlord who might pass a real estate property tax increase on to the tenant.

Tax Neutrality

Tax neutrality was the notion that a tax should leave a taxpayer in the same relative financial before and after the tax. The theory was also expanded and applied more globally in that a neutral tax should not impact the economy in a negative manner. While the earned income tax was neutral for the individual taxpayer, it was not so for school districts or municipalities. While only a one-percent tax, the sheer existence and possibility of another tax for a workforce can discourage businesses from coming to, or remaining in, the taxing municipality (Honeyman et al., 1994).

Tax Directness and Certainty

The final two criteria of tax equity, directness and certainty, were simple to assess relative to the earned income tax. Directness simply required that taxes were not hidden while certainty demands that the type and amount of the tax was stated and known in advance by the taxpayer. Because the earned income tax was not hidden, and was instead collected from income earners in each paycheck, the tax was both certain and direct. Because the earned income tax was collected by employers and not submitted voluntarily by taxpayers, evasion and compliance were not usually issues. Similarly, because the burden of collection was with employers who already have systems in place, costs were typically reasonable (Honeyman et al., 1994).

Similar to a sales tax, and in terms of equity, the earned income tax was proportional and trickled into government coffers unlike lump sum payments required by inheritance taxes. Similarly, the progressive federal income tax rates of 15%, 28% and 31% created a great deal of animosity and anger among American taxpayers. While a more affluent taxpayer may cry foul because the one-percent tax was a much higher dollar figure, regressive and

progressive arguments simply do not apply (Honeyman et al., 1994).

Tax Incidence

Tax incidence was related to how, or how often, a tax was collected (Honeyman et al., 1994). The earned income tax demonstrated appropriate incidence in that it was collected in each instance the individual received payment in the form of a salary or wage. For example, salaried individuals received 26 checks on a bi-weekly basis, for a total of one-percent by the end of the year.

Tax Administration

Tax administration, the fifth and final criterion of a "fair" tax, required a system of collection which was simple and inexpensive. Any tax which was difficult and expensive to collect was not only counter-productive but also hurts the public's confidence in government (Honeyman et al., 1994). The School District of Upper Dublin and most other districts recognized this potential problem. To avoid expensive administration, the school district allows the township's Earned Income Office to collect the tax for both entities. Because the tax was fixed at one-half

percent for each entity, costly administration could have rendered the entire system useless.

The average taxpayer was probably not familiar with the five components of a "fair" tax. However, they certainly should have been able to judge whether or not they believe the tax was "fair" or "good."

Political/Decision-Making Theoretical Perspective

While it was recognized that education could be examined from various theoretical perspectives, the researcher believed that the political, or decision-making framework, was most appropriate. This was mainly due to the fact that the interactions and attitudes of all of the stakeholders were critical.

As described below by Bolman and Deal (1984), political decision-making theorists posited that decision-making in any organization revolved around the distribution of resources. The authors note:

Political frame views organizations as arenas of scarce resources where power and influence are constantly affecting the allocation of resources among individuals or groups. Conflict is expected because of differences in needs, perspectives and lifestyles among different individuals and groups. Bargaining, coercion and compromise are all part of everyday organizational life. Coalitions form around specific interests and may change as issues come and go. Problems may arise because power is unevenly distributed or is so broadly dispersed that it is

difficult to get anything done. Solutions are developed through political skill and acumen - such as Machiavelli suggested centuries ago (p. 5).

These scarce resources were allocated by coalitions of individuals and interest groups who naturally differed in their values, preferences and beliefs. The process of decision-making was ongoing and involved bargaining and jockeying between people. Because of the fluid nature of any relationship within this frame, conflict and power struggles were two factors which certainly shaped policy (Bolman & Deal, 1984).

In addition to the major or core assumptions described above, two major patterns or themes emerged from the review of literature. First, theorists in the political decision-making frame viewed organizations as non-partial entities which considered scarce resources and responded to situations accordingly.

Noted political scientist, Herbert A. Simon, wrote extensively regarding rationality in any organization and described an "economic man" who was rational. This "economic man" (or woman) selected the best course of action to maximize returns but was not in touch with reality. With the school district, the most rationale and

best determined course of action was the examination of an earned income tax (Hickson & Pugh, 1989, p. 138).

Simon believed that the second theoretical strand emerged as "economic man" who juggled various demands and resources, and quickly became "administrative man" and accordingly, a less rational individual. The "administrative man" "satisfices" and searched for a solution or action which was only "good enough" for the situation. With the earned income tax, the various demands and existing resources included various taxpayer subgroups and the budgetary demands on the school district (Hickson & Pugh, 1989, p. 138).

Decision-making then, was essentially "political" and refers to the process of "satisficing" and the yielding of power in any situation. More specifically, the question becomes in any situation, who needs to be satisfied and who can in essence, be ignored. In the eyes of school district and township officials, budgetary demands needed to be satisfied, and less affluent taxpayers could be ignored (Hickson & Pugh, 1989, p. 139).

Within the "economic man" versus "administrative man" frame, Simon also provided three stages when making a decision. The first stage, which he referred to in a military sense as the "intelligence activity", called for a

decision in response to a problem or situation. In the instance of the School District of Upper Dublin, the occasion was the political necessity for the School Board to soften escalating real estate property taxes for senior citizen and lower income groups (Hickson & Pugh, 1989, p. 137).

The second stage, or the "design activity", involved developing and weighing the merit of the various courses of action which may be taken by the person. With the School Board of Directors, they developed, analyzed and implemented several fiscal courses of action to combat escalating real estate property taxes. These courses of action included creating and passing fiscally lean budgets, renegotiating interest rates with bond issues and delaying or not completing physical plant repairs (Hickson & Pugh, 1989, p. 137).

The third stage, which involved selecting a specific course of action, was called the "choice activity" (Hickson & Pugh, 1989, p. 137). Selecting a particular course of action, of course, involved the implementation of a one-half percent earned income tax. For Simon, all managerial action was in essence decision-making by the individual person.

Crozier (and several others) simplified, in a way, Simon's focus on the decision-maker, who viewed the process as more of a power struggle or game. He states, "An organization can be considered as a set of games between groups of partners who have to play with each other" (Hickson & Pugh, 1989, p. 135). As with most games, players will take some chances, but not too many, while attempting to win the prize. There was usually no consensus regarding the rules, but certainly there was a general awareness with the earned income tax (Hickson & Pugh, 1989).

The board members, Superintendent and senior citizens certainly knew the rules. However, they were forced to play in different ways, with board members having voting power and senior citizens writing editorials and speaking at board meetings. More specifically, politically powerful senior citizens were able to use these methods to create a level of uncertainty among the district stakeholders.

Hickson and Pugh (1989) summarized Crozier's theories in this area and state, "The rationalization inherent in organizations breeds constant attempts to bring areas of uncertainty within the range of formal controls, and experts are themselves agents of the rationalization that diminishes their own power" (p. 161). While Crozier's

writings focused more on French industry, it certainly could be applied to senior citizen taxpayers who brought "areas of uncertainty" into the district bureaucracy. Additionally, the senior citizens were able to direct the board to realize that the real estate property taxes were too high and thus forced district stakeholders to diminish their own power by passing the unpopular but necessary earned income tax (Hickson & Pugh, 1989).

In the political decision-making theoretical framework, the public policy-making process was also examined utilizing systems theory and incrementalism. With systems theory, an open system, such as the School District of Upper Dublin, took resources in the form of taxes from its taxpayers and returned the processed resources in the form of government services such as education.

However, all systems naturally migrated toward entropy, or imbalance, such as senior citizens objecting to high property taxes. This entropy then caused the School Board of Directors and Superintendent to more closely monitor the situation. The equilibrium was maintained, if only temporarily, by modifying the system and adapting the earned income tax (King & Swanson, 1991).

The review of literature revealed that the political decision-making frame was the appropriate theoretical lens

to examine the earned income tax in the School District of Upper Dublin. The enactment of the tax was in reaction by school district officials to obtain needed funding and allocate scarce resources. The interaction between the School Board and various taxpayers was a power struggle with individuals who were familiar with the "game" and knew the rules.

The school district was viewed as an "open" system with individuals participating in various ways. This participation, whether positive or negative, moved the system (the school district) toward entropy, or imbalance. The system imbalance slowly moved towards equilibrium when the earned income tax was enacted.

Policy Analysis

Within the political and decision-making process or theoretical framework, taxpayer attitudes in regards to the earned income tax were also examined and analyzed under the umbrella of policy analysis. King and Swanson (1991) identified eight distinct conceptions of policy noting that policies were a collection of decisions made by an institution over the years which were developed to solve a specific problem. In the instance of the earned income tax, the school district was the governing body which

developed the policy (or act) to solve the problem of declining revenue.

Canady and Duke (1991) more succinctly define policy as "any official action taken at the district or school level for the purposes of encouraging or requiring consistency and regularity" (p. 2). Furthermore, they described school policy as a sort of "ecology of public policies" due to the range of potential policy sources such as the United States Constitution, various departments of education, school boards and school personnel (Canady and Duke, p. 2). For the study, the "official action" or "public policy" was the enactment of the earned income tax.

Why study or analyze school policy? King and Swanson (1988) viewed policy analysis as an opportunity to link any policy with the actual practice. By bridging the typical gap between policy and practice, policy analysis had the potential to examine any situation in terms of the predicted versus actual outcome.

The various areas in the literature review such as federal funding or policy analysis revealed several patterns and themes. First, and perhaps foremost, specific taxpayer attitudes towards the earned income tax did not exist in the current literature. Secondly, public education funding mandates typically began at the federal

level, while state and local agencies shouldered most of the fiscal responsibility. Finally, the political decision-making framework, imbedded within policy analysis, remained the critical lens in which to view the earned income tax.

Based on a review of the literature, and the general lack of attitudinal data discussed above, the researcher designed a questionnaire to add to the general body of knowledge on this topic. It was the general purpose of the study to accurately measure the attitudes of taxpayers in the school district toward the earned income tax.

CHAPTER 3

RESEARCH METHODS AND PROCEDURES

Research and Design

The major aim of this study was to assess real estate property taxpayer attitudes in the School District of Upper Dublin towards the earned income tax. More specifically, did the earned income tax hold steady, or reduce, real estate property taxes for taxpayers?

The study employed one primary data collection strategy: a questionnaire mailed to a random sample of real estate property taxpayers in the School District of Upper Dublin. This methodology allowed the researcher to gain a more thorough understanding of the issue and to collect both quantitative and qualitative based data.

A questionnaire had the distinct advantage of economy and convenience over a face-to-face or telephone interview. Dillman and Salant (1994) identified the strengths of a questionnaire which included minimizing sampling error at a low cost, respondent confidentiality and anonymity, elimination of interviewer bias and lower level clerical skills on the part of the researcher.

Dillman and Salant (1994) also identified the weaknesses of a questionnaire which included the potential for non-coverage error if the real estate property tax

rolls were incomplete. Additional problems could have stemmed from non-response errors whereas potential or actual questionnaire respondents discarded or incorrectly or improperly completed the questionnaire. Finally, the researcher had little or no control over whether or not the respondent who completed and returned the questionnaire was the targeted individual in the household.

Sample

The target population of this study included all of the real estate property taxpayers in the School District of Upper Dublin. The accessible population included individual real estate property taxpayers in the School District of Upper Dublin contained in the tax rolls. By efficiently defining the target population, securing an accurate population list and selecting a representative sample, generalizability was assured.

Setting

The setting of the study was the School District and Township of Upper Dublin. At the time of research study, the school district enrolled approximately 4,420 students and was staffed by over 300 teachers. The district contains five elementary schools grades kindergarten

through fifth grade which includes Fort Washington, Jarrettown, Maple Glen and Thomas Fitzwater Elementary Schools. Sandy Run Middle School educates students in grades six through eight while Upper Dublin High School encompasses grades nine through twelve (School District of Upper Dublin, 2000). Today, the school district has an excellent academic reputation within and without Montgomery County and the Commonwealth of Pennsylvania.

During the previous 15 years, the fiscally conscious Republican Party controlled the School Board and related education policy in the school district. However, the Democratic Party has recently gained back some control of local politics. As of September 1, 2007, the political composition of the standard 9 member School Board includes 5 Democrats and 4 Republicans for a Democratic majority. At the time of the research study, the district and township (which are contiguous) were almost even in terms of registered voters with Montgomery County Republicans maintaining a slim majority (M. Paston, personal communication, February 3, 2008).

For the 2006-2007 School Year, the school district budget was \$63,106,432. The earned income tax accounted for a total of \$4,065,000 or 2.0% of the total general fund budget (School District of Upper Dublin, 2007, p. 6-1).

The Township of Upper Dublin was, and still remains, a diverse suburban community situated in Eastern Montgomery County in Southeastern Pennsylvania and is approximately 20 miles north of Center City Philadelphia. At the time of the study, this diversity included a population in the school district which was approximately 81% white, 10% Asian, 7% African American and the remaining 2% a mix of Indian, Hispanic and "other" (School District of Upper Dublin, 2002).

The township was established in 1784 and has changed from a rural Quaker community "into an important business, limited-industry, residential setting with a population of approximately 24,500 (residents)" (School District of Upper Dublin, 2001, p. 1). The Fort Washington Industrial Park employs many residents and also provides the community with access to many important business and professional services. The township and area for the research study included the municipalities of Ambler, Ardsley, Dresher, Fort Washington, Glenside, Maple Glen, North Hills, Oreland, Roslyn and Willow Grove.

Sampling Procedures

For the 2002-2003 School Year, 9,283 real estate property tax bills (W. Coleman, personal conversation,

October 5, 2003) were mailed by the school district. To guarantee each of the real estate property taxpayers (and not only those individuals who pay both taxes), had an equal and independent chance of being selected, both earned income tax and non-earned income tax paying groups were sampled.

Based on the 9,283 real estate property taxpayers who were issued tax bills for the 2002-2003 School Year, and general sampling procedures suggested by Dillman and Salant (1994), a sample size of 370 real estate property taxpayers was needed to respond to the questionnaire. Anticipating a response rate of approximately 40% of the sample, 925 taxpayers were mailed a questionnaire.

A sample size of 370 taxpayers allowed for a 95% confidence level and a sampling error of plus or minus 5%. Because the population was relatively varied in terms of affluence and diversity, the sampling size was based on a conservative "50/50 split". A "50/50 split" was used because the respondents did not have similar characteristics and the results were varied. An "80/20" split would have been used if the opposite was true in regards to the sample.

Sampling Method

To efficiently sample the real estate property tax population in the School District of Upper Dublin, three basic steps were completed by the researcher: Identifying the target population, securing an accurate list frame, and selecting a sample (Dillman & Salant, 1994). The accessible population included all residents in the School District of Upper Dublin who paid real estate property taxes. A current list of names and addresses from the district's real estate property tax rolls served as the list frame, or population list. Finally, a table of random numbers was utilized to randomly and confidentially identify the sample which was to receive a questionnaire.

To identify the accessible population of those residents who pay real estate property taxes in the district, the researcher was dependent upon the information provided by the school district's business office. The business office tracked real estate property taxpayer information by utilizing a commercial software package. It was reasonably assumed that the accessible population and real estate property tax rolls were generally similar and accurate.

The researcher received official sponsorship from the School District of Upper Dublin's Board of School

Directors, Superintendent and Business Manager. This sponsorship included complete access to all pertinent information. As a general courtesy, the Township of Upper Dublin and critical administrators were also notified of the study.

The software package used by the business office was supported by a company called MacNeel Eisan Associates (or "MEA") and was utilized to randomly select the real estate property taxpayers and print accurate mailing labels. All steps of the process were completed in concert with the school district's Business Manager.

Dillman and Salant (1990) stated that three methods of selecting a random sample were available if the researcher was utilizing a questionnaire: Computer-generated lists of random numbers, lottery or a random numbers table (p. 61). The researcher believed that simple random sampling (SRS) was too cumbersome when combined with the extensive list of real estate property taxpayers.

To obtain an efficient and accurate sample, systematic sampling with a random start was employed to assure that each member of the target population had an equal chance of being selected. Similar to SRS, only the first element, or name in a sample, was chosen from a random numbers table. After the initial random element, or name, was chosen, a 1-

in-10-sample pattern was employed to identify every 10th element or name. This method of selecting the systematic random sample was utilized by the researcher until the sample size of 370 residents discussed in the previous section was identified and received a questionnaire. Each resident was assigned a confidential number which was utilized for identification purposes only and maintained securely by the researcher.

Instruments

To discover attitudes of individual real estate property taxpayers toward the general purpose of the earned income tax in reducing, or holding steady, real estate property taxes, all individuals selected in the sample were administered a questionnaire.

The questionnaire contained both open-ended questions and closed-ended questions with ordered and unordered responses. Perhaps most importantly, an open-ended question allowed respondents to directly state personal opinions in their own written words. Answers to open-ended questions were able to relate approval respondent frustration and reveal methodological strengths and weaknesses in regards to information that had been overlooked by the researcher.

It was recognized by the researcher that none of the two question choices discussed in this section were inherently best. However, a variety of questioning strategies allowed the researcher to probe the respondent on a variety of levels. For example, a closed-ended question such as "Do you pay real estate property taxes in the School District of Upper Dublin?" was followed up with a partially closed-ended question such as "Do you believe that the one-percent earned income tax in the School District of Upper Dublin has reduced, or held steady, your real estate property taxes?"

The items on the questionnaire were classified in three areas: behavior or attributes, attitudes or beliefs. A question such as "Do you currently pay the one-percent earned income tax?" identified an important attribute of the respondent that was crucial to the work of the researcher. A taxpayer attitude or belief may be identified with a question such as "In your opinion, is the one-percent earned income tax a "good" or "fair" tax?"

Because a questionnaire must stand on its own and convince respondents to complete and return the document, the format and design was important to the success of this study. As suggested by Dillman and Salant (1994), the questionnaires were printed with one column of questions

per page and utilized visually appealing 12-point type. The cover of the booklet contained three items: An informative and attractive title, the organization sponsoring the study, and a return address. The back cover contained an invitation and a blank space for the respondent to make general comments with a "thank you" for completing and returning the questionnaire (pp. 103-108).

As designed by Dillman (2000), the Tailored Design approach was utilized for this study and described as follows:

Tailored Design is the development of questionnaire procedures that create respondent trust and perceptions of increased rewards and reduced costs for being a respondent, which take into account features of the questionnaire situation and have as their goal the overall reduction of questionnaire error (p. 27).

To establish trust, a small token of appreciation of one dollar was provided and the questionnaire was approved in advance by the school district. Expected respondent rewards included saying "thank you" in correspondence, making the questionnaire interesting and supporting group (or school district) values in the cover letter. Finally, the researcher avoided subordinating language, making the questionnaire short and easy and minimizing personal information requests (p. 14).

Threats to Validity

Fraenkel and Wallen (1996) noted four threats to internal validity for any study which included mortality, location, instrumentation and instrument decay (p. 383). The questionnaires were answered by a pre-determined population, and collected at only one point in time, thus a mortality threat was minor. It was not necessary to send an additional questionnaire to any of the original respondents because mortality questions did not have to be addressed.

Instrumentation and instrument decay were minimized by utilizing only one questionnaire during a short period of time. The researcher did not have to change or modify either instrument during any time of the study.

The validity of the questionnaire could have been compromised if property values changed drastically during the study or a change in the political leadership could have impacted the data. For example, the questionnaire may have been completed by a taxpayer who believed that the tax had impacted positively on their property taxes, but then reversed this belief when the property taxes were raised by a certain party during the study. However, none of these conditions occurred.

Prior to administering the questionnaires, the questions and contents of the instrument were approved by the Board of School Directors and Superintendent. Finally, to assess internal validity, the questionnaire was piloted with a small group of colleagues in the school district. If applicable and feasible, any recommendations and changes suggested during the pilot by the colleagues were immediately incorporated into the study.

Common sense steps were taken when preparing the questions such as ordering on a scale from most interesting and topic related at the beginning to most objectionable or personal at the end. Additionally, questions on the same subject were grouped together. Finally, the questions were presented in an open format and a vertical flow from top to bottom consistently throughout the document.

Data Collection

To maintain confidentiality, all materials and completed questionnaire instruments were maintained in a secure and locked file cabinet in the researcher's home during the study. Upon completion of the dissertation, all materials and completed questionnaires will be shredded and destroyed after the standard five-year period.

To achieve high response rates with the questionnaire, the five elements espoused by Dillman's (2000) Tailored Design were incorporated. These elements included: (1) a respondent-friendly questionnaire, (2) up to five contacts, (3) inclusion of a stamped return envelope, (4) personalized correspondence, and (5) a small, financial incentive of one dollar which was sent with the second request. A basic, three-contact procedure was employed for the questionnaire.

The first mailing was a personalized and dated advance notice letter and was sent to all members of the sample prior to the actual questionnaire. An identification number was written on each questionnaire to allow the researcher to track the respondent and non-respondents.

Approximately one week later, the identical sample received a personalized cover letter, questionnaire and self-addressed stamped envelope. To increase the response rate, a cash incentive of a one-dollar bill was attached to each questionnaire. Dillman and Salant (1990) note, "Research (by James and Bullstein) has shown that when combined with the multiple contact strategy discussed above, an incentive as small as one to two dollars mailed with the first questionnaire can increase response rates 5 to 8 percent" (p. 146).

Four to eight days after the second mailing, all members of the sample received a thank-you postcard (third mailing) thanking those who have responded and requested a response from those who had yet to complete the questionnaire.

The fourth mailing, which was to be sent out approximately two to four weeks after the first mailing to those respondents who had not responded, was not necessary due to a high response rate. Similarly, the fifth contact via a personalized telephone call, was also not employed by the researcher.

To reduce and edit the data, the researcher transcribed the responses to each completed questionnaire and categorized each response. Each response was numbered to facilitate data being entered into an Excel spreadsheet. The categories were exhaustive and did not overlap. Each response was placed into one category, including the "miscellaneous" or "does not apply" category. Erroneous data was also categorized and reported as such. The categorized data represented the raw data and will be discussed more fully in the *Treatment of Data* section.

To ensure that the questionnaires were ethically managed, any risks to the respondents were minimized by providing a cover letter prior to administering the actual

questionnaires. The letter was sent on Temple University letterhead and noted the researcher's name, a brief description of the purpose for the questionnaires, contact telephone number, topics to be covered, confidentiality statement, advisor's name and telephone number and assurance to the respondent that the entire process was voluntary and could be discontinued at any time.

Analysis of Data

The purpose, or major aim, of the research study was to assess real estate property taxpayer attitudes towards the earned income tax in the School District of Upper Dublin. To examine these real estate taxpayer attitudes, four research questions were utilized to develop a questionnaire.

Research Question 1

To what extent, do various real estate property taxpayers in the School District of Upper Dublin understand the general purpose of the earned income tax and why it is levied, assessed and collected?

Research Question 2

How do the real estate property taxpayers in the School District of Upper Dublin feel about the general purpose of the earned income tax to reduce, or hold steady, real estate property taxes?

Research Question 3

To what extent do various real estate property taxpayers in the School District of Upper Dublin such as senior citizens pay and support the earned income tax, because they believe it is a "fair" or "good" tax?

Research Question 4

What are the specific attitudes of the real estate property taxpayers towards the earned income tax and why do they maintain these attitudes?

To examine real estate property taxpayer attitudes in regards to the four essential research questions, a questionnaire was developed. The questionnaire contained 18 questions (including a comments section) as contained in *Appendix B*.

The questionnaire contained an open-ended comments section after the final question for respondents to record

any additional information which would have wanted to share with the researcher.

After the responses to the questionnaire were recorded, sorted by category and place into an Excel spreadsheet, the data was summarized. The data was sorted and analyzed both quantitatively (closed-ended and demographic questions) and qualitatively (open-ended and evaluative questions).

With the quantitative closed-ended responses, the total size of the sample was reported as was the overall questionnaire response rate on both a numerical and percentage basis. The respondents were analyzed in demographic area(s) such as age, length of time in the school district, political affiliation, ethnic background, children in the school district and other parameters. The response rate for each of the closed-ended questions was recorded on a both a numerical and percentage basis.

The responses for the qualitative open-ended questions were also categorized and reported on both a numerical and percentage basis. The categories were based on the evaluative responses to the questions.

To more effectively analyze the more rich, detailed and thick qualitative responses, the researcher utilized

content analysis. Fraenkel and Wallen (1996) note in regards to content analysis:

Content analysis is a technique that enables researchers to study human behavior in an indirect way, through an analysis of their communications. It is just what its names implies: the analysis of the usually, but not necessarily, written contents of the communication (p. 405).

The "written contents of the communication" were the written responses to the questionnaire. The types of content analysis which were utilized included: analysis in terms of frequency counts, qualitative or nonfrequency analysis and contingency analysis (Fraenkel & Wallen, 1996).

Frequency count analysis, identified units for coding and careful counts of respondent's responses were made by the researcher. Nonfrequency analysis was a somewhat contrary approach to frequency counts in that the researcher determined whether or not categories were or were not present. Finally, contingency analysis required the researcher to count the number of instances in which combinations of two categories occurred in the same response.

Description of Research Study

On February 8, 2004 the researcher received written permission from the school district in a signed letter from the School Board President, Acting Superintendent and Business Manager. As per the instructions of the Temple University Institutional Review Board ("IRB") to utilize official school district letterhead and the appointment of a new Superintendent, an updated letter was executed on November 11, 2004. A sample of the letter can be found in *Appendix A*.

On April 8, 2005 the researcher and Business Manager jointly accessed the MacNeel Eisan Associates (or "MEA") real estate property tax computer base and randomly selected a sample from a population of the current 8,835 real estate property taxpayers. To achieve a response rate of 3% to 4% of the 8,835 real estate property taxpayers, a sample of approximately 1,000 current real estate property taxpayers were mailed a combined questionnaire and consent form. A 3% to 4% response rate required a range of 265 to 353 taxpayers responding and a median, or average, of 309 taxpayers responding to the questionnaire.

The entire current real estate property taxpayer database required the Tax Collector to print approximately 291 mailing address label sheets. Furthermore, the

standard sheet of mailing addresses contained 30 real estate property taxpayer addresses.

To achieve a random sample, the Business Manager selected the fourth page of the tax rolls to begin the process and then selected another page every 8.5 pages until 35 pages of mailing addresses were selected for a sample of 979 real estate property taxpayers. The MEA database and system was older and inflexible and thus did not allow for more sophisticated sampling procedures. In summary, the process produced 35 sheets of mailing addresses labels, or 30 addresses per sheet (or a sample of 1,050 taxpayers) to be affixed to the envelopes of all correspondence.

As a general courtesy, the researcher notified all necessary township leaders via a letter on June 27, 2005. On July 5, 2005 the researcher notified the School Board of Directors, Superintendent and Business Manager via a letter that the introductory letter was mailed to the sample of real estate property taxpayers on the same day.

From approximately July 12, 2005 through July 15, 2005 a cover letter, combined questionnaire and consent form and self-addressed stamped envelope were mailed to the random sample of 979 real estate property taxpayers. Due to the duplication of real estate property and business addresses,

77 (or 7%) of the 1,050 real estate taxpayer sample were pulled, destroyed and not utilized in the mailing. A follow-up letter thanking and reminding all members of the sample to return the questionnaire was mailed on July 20, 2005. It was determined by the researcher that due to an adequate response rate, additional letters to non-responsive taxpayers were not necessary.

From approximately July 15, 2005 through September 15, 2005 the researcher received responses from 388 real estate property taxpayers. In summary, of the 979 mailed questionnaires, 388 (or 39.6%) respondents completed and returned the combined questionnaire and consent form. The sample response rate of 388 taxpayers out of a population of 8,835 taxpayers translated into an acceptable response rate of 4.4%. This exceeded the response rate range goal of 3% to 4% (or 265 to 353 taxpayers).

A standard Microsoft Excel spreadsheet was developed by the researcher to track if a questionnaire and consent form were completed and returned and to record all of the quantitative data such as political party or profession. Due to the sheer size of the Microsoft Excel spreadsheet, the document and/or computer file is available for review but not contained within this document.

Several of the questions were open-ended and asked respondents to provide a written, or qualitative, response. The written evaluative responses such as taxpayer opinion in regards to whether or not the earned income tax was "fair" or "good" were recorded verbatim in a typed Microsoft Word document. The researcher found the written responses to be rich and contextual in nature as evidenced by 150 page document containing over 2,000 recorded qualitative and evaluative comments. Due to length of the document, it is not included in this document but available for review.

To make sense of the massive amount of qualitative data, the researcher utilized a grounded theory approach which was developed by Glaser and Strauss in 1967 (Borgatti, 2007). Grounded theory included an examination of a corpus of data such as the numerous qualitative responses described above. Utilizing comparative analysis, the researchers note "In discovering theory, one generates conceptual categories or their properties from evidence, then the evidence from which the category emerged is used to illustrate the category" (Borgatti, p. 23).

Utilizing a comparative analysis approach, the research sorted all of evaluative responses into qualitative categories. For example, one category was for

similar type responses that the tax was "good" and/or "fair" and so on. All written responses were studied and a range of 6 to 10 categories were identified.

The questionnaire contained 18 open-ended and closed-ended questions. Of the 18 questions, five were both closed-ended (or quantitative) and open-ended (or qualitative), and asked the taxpayer to respond in written form.

CHAPTER 4

RESEARCH STUDY FINDINGS

Demographics of Respondents as a Result of the Analysis of
Answers to Quantitative Questions

Based on the responses to the closed-ended, quantitative questions, the researcher was able to develop a demographic pattern among the respondents. This section consists of two sections: Demographic patterns among respondents and individual (and more specific) question analysis.

Demographic Patterns of Respondents

During the research study, 388 respondents submitted a completed questionnaire. Based on the answers from the closed-ended, quantitative questions, the researcher was able to identify demographic patterns among respondents.

As noted below, almost 100% of the respondents acknowledged that they had received an introductory letter. In a similar fashion, almost all of the respondents acknowledged that they resided in 1 of the 10 towns in the School District of Upper Dublin.

Question 4 asked the respondent if they owned real estate property in the school district, with a 100% "yes" response rate. With the questionnaire focusing on the

earned income tax (or any tax in general), the researcher believed an owner of real estate would most likely respond at a high rate. In another question, approximately 70% (or 69.7%) of the respondents revealed that they paid the earned income tax to both entities with the remaining 30% stating that they did not pay the tax or they were "unsure".

All 388 respondents in the sample stated that they were between the ages of 21 and 91 years of age. The average age range was 49.5 to 58.5 years of age with a median of 54.2 years of age.

In terms of where people work, the most frequent response was Fort Washington (6.3%) which was most likely a reflection of the employers in the large Fort Washington Industrial Park. Over 6 in 10 (or 61.8%) respondents responded "other" and typically wrote the location where they currently work. No demographic work patterns were detected, which was most likely indicative of the dense population and economic diversity of the area.

Almost 90% of the respondents stated that they were white, with approximately 6.0% Asian, approximately 2% African American and less than 3.0% Hispanic or "unsure". The responses accurately reflected the current ethnic background of the current population.

With political parties, the Republican Party was represented by 47.7% of respondents. The Democratic Party included 34.4% of respondents with the remaining 7.4% Independent. Of note, politics in the school district has shifted from a Republican to a Democratic majority as reflected by the 5 to 4 composition of members on the School Board.

As with most affluent, high achieving school districts, approximately 1 in 5 respondents completed high school or some high school. Over 1 in 4 respondents completed college, with over 1 in 2 completing graduate work or a graduate degree.

Almost 90% (89.2%) of the respondents stated that they had children with almost 9% (8.7%) responding "no". Over 6 in 10 respondents (65.0%) stated they had children in the school district with 1 in 3 (33.4%) stating "no" and less than 1% (0.5%) were "unsure".

In summary, the researcher had no plausible reason to explain such a high number (89.2%) of respondents with children responding to the survey other than an interest in taxation or public education. Perhaps, this high rate is also a reflection of parents having children in the system and thus assuming a sense of duty to respond.

Individual Quantitative Question Analysis

The demographic respondent information included the following area(s): Receipt of letter, residence, real estate property ownership, years of age, paid earned income tax, yearly gross income, work location, ethnicity, profession, political party, level of education, children and children in the school district.

Receipt of Letter

Question 1 was closed-ended and quantitative and asked the respondents if they had received an introductory letter from the researcher which explained the purpose of the questionnaire. It was intentional by the researcher to begin the survey with a simple, closed-ended question so as not to discourage the respondent.

As noted in *Table 5. Receipt of Letter Responses* below, most (or 97.8%) of the respondents answered "yes" and acknowledged receipt of a letter from the researcher with only 2.1% answering "no" or "unsure." Based on the high "yes" response rate the researcher believed that the respondents understood the purpose of the questionnaire.

Table 5. Receipt of Letter Responses

Response	Number of Responses	Percentage of Responses
Yes	380	97.8%
No	1	< 1.0%
Unsure	5	1.3%
Did Not Answer	2	< 1.0%
Total	388	100.0%

In summary, the high response rate of 97.8% demonstrated that most of the respondents received an introductory letter from the researcher.

Residence

Question 2 was closed-ended and quantitative and asked respondents where they resided at the time of the questionnaire. Over 90.0% of respondents stated that they resided in Ambler, Dresher, Fort Washington, Maple Glen or Oreland. The remaining responses were from Ardsley, Jarrettown, North Hills, Willow Grove and other areas. A more specific analysis is contained below in *Table 6, Residence Responses*.

Table 6. Residence Responses

Response	Number of Responses	Percentage of Responses
Abington	4	1.0%
Ambler	79	20.4%
Ardsley	3	< 1.0%
Dresher	87	22.4%
Fort Washington	76	19.6%
Jarrettown	1	< 1.0%
Maple Glen	88	22.7%
North Hills	3	< 1.0%
Oreland	22	5.7%
Willow Grove	15	3.9%
Other	9	2.3%
Unsure	1	< 1.0%
Did Not Answer	0	0.0%
Total	388	100.0%

In summary, the responses reflected that the respondents resided in various towns and areas in the school district and township of Upper Dublin.

Real Estate Property Ownership

Question 4 was closed-ended and quantitative and asked respondents if they owned real estate property in the school district, with a 100% "yes" response rate. Based on the 100% response rate the researcher surmised the sample of real estate property taxpayers provided by the school district was accurate and current. With a high response rate, no tables will be placed in this section.

Years of Age

The fifth question was closed-ended and asked respondents what their age was at the time of the study with range choices such as "21-30 years old". All 388 respondents in the sample stated that they were between 21 years of age ("21-30 years old" response) and 90 years of age ("81-90 years old" response). No respondents stated they were between the age of "18 to 20 years old" or "91 (or more) years old." Of the 388 quantitative responses, 87.1% of respondents were between the ages of 31 and 70 years old. Over one-half (57.4%) of respondents were between the ages of 41 and 60 years old. The average age range was 49.5 to 58.5 years of age with a median of 54.2 years of age.

A summary and analysis of age for the respondents is contained below.

Table 7. Years of Age Responses

Response	Number of Responses	Percentage of Responses
18-20 years old	0	0.0%
21-30 years old	4	1.0%
31-40 years old	50	12.9%
41-50 years old	115	29.6%
51-60 years old	108	27.8%
61-70 years old	65	16.8%
71-80 years old	31	8.0%
81-90 years old	14	3.6%
91 + years old	0	0.0%
Unsure	0	0.0%
Did Not Answer	1	< 1.0%
Total	388	100.0%

One pattern, or perhaps even respondent bias, which emerged, was the percentage of older taxpayers responding to the questionnaire. Over 1 in 4 (or 28.4%) respondents were 61 years or older. This could be attributed to the

fact that this demographic group typically has lower or little income and thus may have a greater interest in the earned income tax. Or, an individual with lower or no income, coupled with escalating property taxes, created a respondent who wanted to be heard.

Paid Earned Income Tax

Question 7 was closed-ended and quantitative and asked respondents if they paid the one-percent earned income tax to the School District of Upper Dublin and Upper Dublin Township. Approximately 70% (or 69.7%) of the respondents claimed to have paid the earned income tax to both entities. Over 1 in 5 respondents (or 23.2%) stated that they did not pay the earned income tax to either entity with 5.9% "unsure" if they paid the earned income tax.

Yearly Gross Income

Question 8 was closed-ended and asked respondents what their yearly gross or total income was "as of" the date of the questionnaire. As noted below, the range of salaries was somewhat consistent in each category. The average range was \$97,797.61 to \$110,177.70 with a median salary of \$103,987.65.

Table 8. Yearly Gross Income Responses

Response	Number of Responses	Percentage of Responses
\$00,000-\$19,999	21	5.4%
\$20,000-\$39,999	23	5.9%
\$40,000-\$59,999	41	10.5%
\$60,000-\$79,999	57	14.7%
\$80,000-\$99,999	45	11.6%
\$100,000-\$119,999	35	9.0%
\$120,000-\$139,999	33	8.5%
\$140,000-\$159,999	16	4.1%
\$160,000-\$179,999	11	2.8%
\$180,000-\$199,999	10	2.6%
\$200,000 or more	44	11.3%
Unsure	21	5.4%
Did Not Answer	32	8.2%
Total	389	100.0%

Work Location

Question 10 was closed-ended and asked respondents the location where they worked for a living. Possible responses included any of the towns in the school district and "other" or "do not currently work." The most frequent

response was Fort Washington (6.3%) which was most likely a reflection of the employers in the large Fort Washington Industrial Park. Over 6 in 10 (or 61.8%) respondents responded "other" and typically wrote the location where they currently worked. The other towns were somewhat evenly distributed among the local area. Almost 15% (14.4%) stated that they "do not currently work." A list detailing all of the towns can be found in *Appendix N*.

Ethnicity

Question 11 was closed-ended and quantitative and asked respondents to note their ethnic background. As noted below, almost 90% responded that they were white, approximately 6.0% (5.8%) Asian, approximately 2% (or 1.3%) black and less than 3.0% were Hispanic or "unsure".

Table 9. Ethnicity Responses

Response	Number of Responses	Percentage of Responses
White	345	88.7%
Black	5	1.3%
Asian	23	5.9%
Indian	0	0.0%
Hispanic	4	1.0%
Other	7	1.8%
Unsure	0	0.0%
Did Not Answer	5	1.3%
Total	389	100.0%

In summary, the responses accurately reflected the ethnic patterns in the school district and township of Upper Dublin.

Profession

Question 12 was closed-ended and asked respondents what they did for a living at the time of the research study. The respondents were able to select 1 of 28 responses or "other". Only one category, "executive, administrative or managerial" was greater than 10% (11.4%)

with all other categories spread somewhat evenly among the other 28 choices. A list of the professions is contained in *Appendix 0*.

In summary, the responses reflected the affluence and economic diversity of the school district and township of Upper Dublin.

Political Party

Question 13 was closed-ended and quantitative and asked respondents which political party they were registered to at the time of the questionnaire. As noted below in *Table 10*, the Republican Party was represented by 47.7%, Democratic Party was 34.4% and 7.4% were Independent. Almost 8% (7.9%) were "unsure" of their party. As noted earlier, these percentages did not represent the Democratically controlled School Board or the school district and township, which were almost evenly split among both parties.

The Philadelphia Inquirer noted on April 20, 2008 and on the eve of the Pennsylvania Presidential Primary:

The biggest of the communities that have flipped party plurality since this time last year is Upper Dublin Township in Montgomery County. There, percentage-wise, the Republican held a 45-41 advantage last April. Now they are at a 41-46 disadvantage. Other communities that have flipped include two townships similar to Upper Dublin - Plymouth and Whitemarsh,

both classic, post-war suburbs near the border with Philadelphia (Infield & Purcell, 2008, p. A12).

Table 10. Political Party Responses

Response	Number of Responses	Percentage of Responses
Republican Party	187	47.7%
Democratic Party	135	34.4%
Independent Party	29	7.4%
Other	14	3.6%
Unsure	17	4.3%
Did Not Answer	10	2.6%
Total	392	100.0%

In summary, the responses did not represent the current political situation in the school district and township. While the respondents reflected a Republican majority, the School Board and Board of Commissioners are currently controlled by the Democratic Party. The researcher did not have an explanation for the quantitative incongruence.

Level of Education

Question 15 was closed-ended and quantitative and asked respondents what their highest level of education was at the time of the research study. As reflected in the table below, approximately 1% (1.1%) had "no formal education", "some grade school", "completed grade school" or "some high school". Approximately 1 in 5 respondents (20.4%) "completed high school" or "some high school". Over 1 in 4 respondents (or 26.4%) "completed college" with 12.2% completing "some graduate work" and 41.1% completing "a graduate degree".

Table 11. Level of Education Responses

Response	Number of Responses	Percentage of Responses
No formal education	1	< 1.0%
Some grade school	2	< 1.0%
Completed grade school	0	0.0%
Some high school	1	< 1.0%
Completed high school	31	7.9%
Some college	41	10.4%
Completed college	104	26.4%
Some graduate work	48	12.2%
A graduate degree	162	41.1%
Unsure	0	0.0%
Did Not Answer	4	1.0%
Total	394	100.0%

In summary, the level of education responses reflected parents and community members in a high achieving, academically stringent and affluent school district and township.

Children

Question 16 was closed-ended and quantitative and asked respondents if they had children. Almost 90% (89.2%) of the respondents stated that they had children with almost 9% (8.7%) responding "no".

In summary, the researcher had no plausible reason to explain such a high number (89.2%) of respondents with children responding to the survey other than an interest in taxation or public education.

Children in School District

Question 18 was a closed-ended question and quantitative and asked respondents if they have, or have had, children who have attended school in the School District of Upper Dublin. Over 6 in 10 respondents (65.0%) stated they had children in the school district with one in three (33.4%) stating "no" and less than 1% (0.5%) were "unsure".

Analysis of Answers to Qualitative Responses to Open-Ended Responses

The table below summarizes the evaluative responses to Questions 3, 6, 9, 14 and 17. These questions, which were open-ended, asked the respondents to respond "yes", "no",

or "unsure" and also provided an opportunity to provide a written, evaluative response. Each question is analyzed individually following the table. The questions were grouped or coupled and ordered to make more sense as follows: Questions 3 and 14, which focused on if the earned income tax was "good" or "fair"; Questions 6 and 9, which focused on if the earned income tax had reduced, or held steady, property taxes; Question 17, which focused on if taxpayers knew why the earned income tax was levied, assessed and collected.

Table 12. Evaluations of the Earned Income Tax

Question	Yes	No	Unsure	No Response
Q.3 Was tax good or fair?	59.0%	26.7%	12.3%	2.1%
Q.6 Has tax reduced or held steady your real estate taxes?	24.7%	48.3%	26.8%	< 1.0%
Q.9 Has tax reduced or held steady real estate taxes for only some?	23.3%	41.4%	32.5%	2.8%
Q.14 Was earned income tax good or fair for only some?	50.1%	32.8%	11.6%	5.5%
Q.17 Did you understand why tax was levied?	60.8%	25.8%	11.2%	2.2%

Analysis: Did Respondents Believe that the Earned Income Tax was a "Good" or "Fair" Tax?

Question 3 asked the respondent, "In your opinion, is the one-percent earned income tax a "good or "fair" tax?" The question was closed-ended and quantitative in that it allowed the respondent to circle "yes", "no" or "unsure"

but was also open-ended and qualitative in that it allowed the respondent to record comments below the answer.

For Question 3 and as noted below in *Table 13. "Good" or "Fair" Responses*, 58.9% of respondents stated "yes" that the earned tax was "good" or "fair" with 26.7% answering "no". An additional 12.3% of respondents were "unsure" regarding the question. In total, 85.7% of respondents expressed a written opinion.

Table 13. "Good" or "Fair" Responses

Response	Number of Responses	Percentage of Responses
Yes	230	58.9%
No	104	26.7%
Unsure	48	12.3%
Did Not Answer	8	2.1%
Total	390	100.0%

The respondents who stated that "yes", the earned income tax was "fair" or "good", provided a wide variety of qualitative responses. Representative "yes" responses in regards to whether or not the earned income tax was "fair" or "good" were also rich in context and demonstrated a high

level of interest by the respondent. Representative “yes” responses included:

- “Fair & equitable to everyone who is eligible to pay” (Taxpayer 36, 2005, p. 5).
- “Fair based on gross income, so people who don’t make a lot of money are not forced to pay a tax they cannot afford” (Taxpayer 45, 2005, p. 5).
- “It is fair because all members of the township that are working are taxed at the same percentage. Compared to those who work in Philadelphia the 1% is a bargain” (Taxpayer 258, 2005, p. 5).

The qualitative “yes” responses were sorted into 10 categories. The categories are described below in *Table 14. “Good” or “Fair” Categorized “Yes” Responses.*

Table 14. "Good" or "Fair" Categorized "Yes" Responses

Response	Number of Responses	Percentage of Responses
Did not explain answer	24	10.4%
Tax met and/or fit the definition	22	9.6%
Tax supported education and/or services	21	9.1%
Tax was "good" and/or "fair"	34	14.8%
Tax basis was equitable and/or equal	13	5.7%
Tax was on earned income	56	24.4%
Tax reduced and/or held steady real estate property taxes	19	8.3%
Tax was similar to other townships and/or Philadelphia	10	4.3%
Tax was not costly to collect and/or administer	10	4.3%
Miscellaneous response	21	9.1%
Total	230	100.0%

No obvious trends were detected in the categorizing of the "yes" responses as supported by no category exceeding

15% or more. By far, the top category was "tax was on earned income tax" with a rate of 1 in 4 respondents (or 24.4%). No other category exceeded 15%. However, the overall comments were positive.

As mentioned above, approximately 1 in 4 (or 26.6%) of respondents to Question 3 did not feel that the earned income was "good" or "fair" and stated "no".

Representative "no" responses included:

- "I don't believe the tax is equitable as higher wage earners pay more on a per capita basis than lower wage earners. To be equitable a tax would have to be equal for all persons regardless of income" (Taxpayer 194, 2005, p. 5).
- "I think our taxes are high enough. We pay \$8,800 per year. The economy is bad and parents are struggling to meet expenses and save for college and graduate schools" (Taxpayer 513, 2005, p. 5).
- "There is no such thing as a good or fair tax. The earned income tax has the greatest impact on the low wage employee" (Taxpayer 709, 2005, p. 5).

As noted below in *Table 15. "Good" or "Fair" Categorized "No" Responses*, responses were categorized. With a "no" response, the researcher reasonably expected the comments to be negative in nature as supported by almost 1 in 4 (or 23.1%) of respondents commenting that real estate property taxes have risen. Other than "miscellaneous responses" at a rate of 22.1%, no category exceeded 13%.

Table 15. "Good" or "Fair" Categorized "No" Responses

Response	Number of Responses	Percentage of Responses
Did not explain answer	5	4.8%
Taxpayer knew little and/or nothing about the tax	10	9.6%
Tax was not "good" and/or "unfair"	13	12.5%
Real estate property taxes have increased	24	23.1%
Tax was costly to collect and/or administer	8	7.7%
Tax was similar to other townships and/or Philadelphia	8	7.7%
Tax was too high	3	2.9%
Tax should have been on state and/or federal level	5	4.8%
Tax should have been on other sources	5	4.8%
Miscellaneous response	23	22.1%
Total	104	100.0%

Only 12.3% of respondents stated in Question 3 that they were "unsure" and 2.1% did not respond. In general, the "unsure" qualitative responses were more brief when compared to the "yes" or "no" responses. Due to the limited number of "unsure" responses, tables were not developed for this section.

As evidenced that they were "unsure" whether the tax was "fair" or "good" in Question 3, representative responses included:

- "I am not aware of the administration costs of the earned income tax. Therefore, I am unsure if it meets the definition of a "good" or "fair" tax" (Taxpayer 372, 2005, p. 6).
- "I'm not sure who benefits from the tax" (Taxpayer 635, 2005, p. 6).
- "I don't know anything about the tax." (Taxpayer 866, 2005, p. 6).

In summary, and with a "yes" response rate of 59.0%, respondents seemed to support that the earned income tax was "good" and/or "fair". Additionally, if this response rate was combined with the "unsure" rate of 12.3%, the

resulting total was 70.1% of respondents supporting a tax which they feel was "good" and/or "unfair".

Analysis: Did Respondents Believe that the Earned Income Tax was "Good" or "Fair" to All Groups of Taxpayers, or Only Certain Group(s) of Taxpayers?

Question 14 asked respondents, "Do you believe that the earned income tax is "good" or "fair" to all group(s) of taxpayers, or only certain group(s) of taxpayers? A "good" or "fair" tax was defined as a tax which has a familiar tax basis, was equitable, collected in a predictable and known fashion and was not costly to administer. Which group(s) was the tax "good" or "fair" towards? Why?

Question 14 was closed-ended and qualitative in that it allowed the respondent to circle "yes", "no" or "unsure" but was also open-ended in that it allowed the respondent to record comments below the answer.

Approximately 1 of every 2 respondents (or 50.1%) believed that "yes" the earned income tax was "fair" or "good" to all groups of taxpayers. Overall, this was a very strong indication of support from the respondents that the tax was "fair" and/or "good". In regards to a "fair"

or “good” tax, representative “yes” responses included the following:

- “If every eligible taxpayer is paying the 1% tax, then I believe all groups are treated fairly” (Taxpayer 8, 2005, p. 10).
- “I have no reason to say it is not, and while it may be regressive, it is such a small amount that even low-wage earners can handle it” (Taxpayer 183, 2005, p. 10).
- “It meets the criteria of good/fair (I still have a problem with “equitable)” (Taxpayer 320, 2005, p. 10).

Approximately 1 in 3 taxpayers (or 32.8%) responded “no” in regards to whether the earned income tax was “good” or “fair” to only certain groups of taxpayers.

Representative “no” responses included:

- “Doesn’t seem to be helping the employed taxpayers who pay this tax in addition to escalating real estate taxes” (Taxpayer 185, 2005, p. 10).

- “The tax is not fair to anyone if the real estate and school tax in Upper Dublin continues to increase” (Taxpayer 329, 2005, p. 10).
- “Only “fair” to those who have less earned income = more unearned income” (Taxpayer 685, 2005, p. 10).

Approximately 20% of taxpayers responded to the open-ended and qualitative question, “The earned income tax is “fair” or “good” to which group(s) of taxpayers?” In total, 93 taxpayers responded with the categories noted in the table below. The top category was “miscellaneous response” at a rate of 27.1% followed by “low income groups” at 21.7%. Other groups were in the range of 8% to 12%.

Table 16. Categorized Group Responses

Response	Number of Responses	Percentage of Responses
Did not explain answer	1	1.1%
All groups	9	9.8%
Low income groups	20	21.7%
High income groups	11	12.0%
Elderly and/or retired groups	9	9.8%
Children in school groups	8	8.7%
No groups	9	9.8%
Miscellaneous response	25	27.1%
Total	92	100.0%

Finally, approximately 1 in 10 respondents (or 11.7%) in Question 14 were “unsure” in regards to which groups the earned income tax was “fair” or “good” towards. Most qualitative responses to this question were consistent. Representative “unsure” responses included:

- “Not sure where the money is going and who is benefiting from it” (Taxpayer 40, 2005, p. 11)

- “Unsure as to who benefits” (Taxpayer 125, 2005, p. 11).
- “I don’t understand how it can affect certain taxpayers differently” (Taxpayer 426, 2005, p. 11).

In summary, over 50% of respondents believed that the earned income tax was “good” and/or “fair” to groups. With only 11.7% stating “no” to the question and 4.9% not answering, support for the question was solid.

Analysis: Did Respondents Believe (Even if they did not pay the earned income tax to the school district) that the Earned Income Tax had Reduced or Held Steady their Real Estate Property Taxes?

Question 6 asked the respondent, “Do you believe (even if you do not pay the earned income tax to the school district) that the one-percent earned income tax has reduced or held steady your real estate property taxes?” Question 6 was closed-ended and quantitative in that it allowed the respondent to circle “yes”, “no” or “unsure” but it was also open-ended and evaluative in that it allowed the respondent to record qualitative comments below the answer.

The table below outlines the responses to the question.

Table 17. "Reduced" or "Held Taxes Steady" Responses

Response	Number of Responses	Percentage of Responses
Yes	95	24.7%
No	186	48.3%
Unsure	103	26.8%
Did not answer	1	< 1.0%
Total	385	100.0%

Almost one-half, or approximately 1 in 2 respondents (or 48.3%) stated "no", that they did not believe that the earned income tax had reduced or held steady their real estate property taxes.

Representative "no" responses included:

- "Income taxes have still risen-Even though the local tax rate is collected, the local tax is unnecessary" (Taxpayer 123, 2005, p. 7).
- "I received a substantial increase in my real estate taxes while I continue to pay

a huge EIT amount. It is an additional tax source, not an alternative tax source" (Taxpayer 192, 2005, p. 7).

- "No taxes in the country or township have been "reduced or held steady" in the 31 years I have lived here" (Taxpayer 803, 2005, p. 7).

As noted below, almost 2 in 5 taxpayers (or 39.7%) responded and were categorized as "real estate property taxes have increased steadily". The categories of "real estate property taxes have increased" (at 14.0%) and "real estate property taxes have increased greatly" (at 19.9%) equal a combined rate of 33.9%. In summary, the three categories totaled 73.6% or almost 3 of 4 "no" respondents feeling at some level that their taxes had increased.

Table 18. Categorized "No" Responses

Response	Number of Responses	Percentage of Responses
Did not explain answer	18	9.7%
Real estate property taxes have increased	26	14.0%
Real estate property taxes have increased steadily	74	39.7%
Real estate property taxes have increased greatly	37	19.9%
No connection between earned income and property taxes	13	7.0%
Miscellaneous response	18	9.7%
Total	186	100.0%

Only approximately 1 in 4 respondents (or 24.7%) in Question 6 stated that "yes", they believed the one-percent income tax had reduced or held steady their real estate property taxes. Representative "yes" responses included:

- "Even though my school taxes have increased over the 10 years I have lived here, I do feel that the 1% earned income tax has helped to minimize the escalation

of my school taxes" (Taxpayer 36, 2005, p. 6).

- "Yes, because it is an EIT so those individuals who work in Upper Dublin and do not have their own EIT tax contribute to the UDSD tax. These "extra funds" help to slow real estate tax increases" (Taxpayer 422, 2005, p. 6).
- "It gives the township the funds to operate that otherwise would be from property taxes" (Taxpayer 592, 2005, p. 6).

Approximately 1 in 4 respondents (or 26.8%) were "unsure" regarding the question. The "unsure" qualitative taxpayer responses in regards to whether the tax had reduced, or held steady, real estate property taxes were typically brief. Representative "unsure" responses included:

- "I do not know how the 1% EIT is related to my real estate tax" (Taxpayer 118, 2005, p. 7).

- "I have no basis on which to know whether the EIT has actively held down my real estate taxes" (Taxpayer 506, 2005, p. 7).
- "I really do not know that much about the relationship between such taxes" (Taxpayer 930, 2005, p. 7).

With a rate of 26.8% of respondents "unsure" in regards as to whether the earned income tax had reduced and/or held their real estate property taxes, two questions must be examined by the researcher. Was the question poorly worded, thus leading to some level of confusion by the respondent? Or, perhaps the cover letter or questionnaire should have explained to the respondent that one of the original purposes of the earned income tax was to reduce and/or hold steady real estate property taxes.

In summary, with only 24.7% of taxpayers responding "yes" to whether the tax had reduced and/or held their steady real estate property taxes, the Upper Dublin community does not believe that it has served its purpose. Conversely, with 3 of 4 taxpayers (75.1%) responding "no" or "unsure", the message to policy makers is certainly clear in regards to examining the public perception of the tax.

Analysis: Did Respondents Believe that the Earned Income Tax had Reduced or Held Steady Real Estate Property Taxes for all Taxpayers, or Only Certain Taxpayers, in the School District?

Question 9 asked the respondent, "Do you believe that the one-percent earned income tax has reduced or held steady real estate property taxes for all taxpayers, or only certain taxpayers, in the school district? Question 9 was closed-ended and quantitative in that it allowed the respondent to circle "yes", "no" or "unsure" but allowed the respondent to record qualitative comments below the answer.

Approximately 2 of every 5 respondents (or 41.4%) stated that they did not believe the earned income tax reduced, or held steady, real estate property taxes for all groups. Representative "no" responses included:

- "There has never been an analysis provided to me how the local tax has held real estate taxes steady-therefore I am unsure as to which groups have/have not benefited" (Taxpayer 123, 2005, p. 8).
- "Retired taxpayers (not paying EIT) benefit from those taxpayers paying the EIT" (Taxpayer 166, 2005, p. 8).

- “It has certainly helped those with large incomes. Middle income taxpayers still feel the crunch” (Taxpayer 503, 2005, p. 8).

If the respondent answered “no” to Question 9 if the tax reduced, or held steady, real estate property taxes, they were asked to note which groups were impacted. Overall, 99 (or 56.5% answering “no”) respondents answered the question with 32.4% answering “all” taxpayers, 14.1% “miscellaneous”, 8.1% “elderly and/or retired”, 9.1% “high income” and 9.1% “low income”. The groups are summarized in the table below.

Table 19. Categorized Group Responses

Response	Number of Responses	Percentage of Responses
Elderly and/or retired groups	8	8.1%
Low income groups	9	9.1%
New resident groups	4	4.0%
All groups	32	32.4%
No groups	7	7.0%
Real estate property owner groups	8	8.1%
Real estate property taxes have increased	8	8.1%
High income groups	9	9.1%
Miscellaneous response	14	14.1%
Total	99	100.0%

Approximately 32.5% were “unsure” in regards to Question 9. The responses were brief as evidenced that the respondent was not able to answer the question.

Representative “unsure” responses included:

- “Quite honestly, I don’t know how this tax has directly benefited me or anyone” (Taxpayer 146, 2005, p. 8).

- “I have no idea about all taxpayers”
(Taxpayer 287, 2005, p. 8).
- “I personally don’t have enough data to answer this question” (Taxpayer 693, 2005, p. 8).

Approximately 1 in 4 respondents (or 23.3%) stated “yes”, they believed that the earned income tax had reduced or held steady real estate property taxes for all taxpayers, in the school district. Representative “yes” responses included:

- “Instead of increasing RE tax on all homeowners (including retirees, unemployed, disabled), the earned income tax places a burden on able-bodied workers which gives less fortunate a tax break and a reduction in overall RE taxes” (Taxpayer 219, 2005, p. 8).
- “Even if all property owners are not paying the EIT the benefits of some paying are reaped by all property owners”
(Taxpayer 411, 2005, p. 8).

- “Again, if we did not have the EIT the monies it now provides would have to come from other sources” (Taxpayer 574, 2005, p. 8).

In summary, almost 3 of every 4 respondents did not believe, or were “unsure”, that the earned income tax had reduced or held steady real estate property taxes for “all” or “certain” taxpayers. Similar to Question 6, the high rate (32.5%) of “unsure” responses may attributed to a poorly worded question or a lack of awareness by the taxpayer that one of the purposes of the tax was to reduce and/or hold steady real estate property taxes.

Analysis: Did Respondents Understand why the Earned Income Tax was Levied, Assessed and Collected?

Question 17 asked respondents, “Do you understand why the earned income tax is levied, assessed and collected? Question 17 was closed-ended and quantitative in that it allowed the respondent to circle “yes”, “no” or “unsure” but was also open-ended and qualitative in that it allowed the respondent to record comments below the answer.

Approximately 3 of every 5 respondents (or 60.8%) stated “yes” that they understood why the tax was levied,

assessed and collected. 1 of every 4 respondents (or 25.8%) answered "no" while 1 in 10 respondents (or 11.2%) were "unsure".

As noted above, approximately 60.0% of the respondents answered "yes" to Question 17. Representative "yes" responses included:

- "To raise revenue based on ability to pay - not based on the value of your home, which the homeowner has little control of" (Taxpayer 17, 2005, p. 11).
- "It is levied on all "wage earners" and helps with maintaining quality education and quality of life" (Taxpayer 345, 2005, p. 11)
- "To provide necessary funds to support school district and township budgets outside of other taxing methods shortfalls" (Taxpayer 666, 2005, p. 11)

Somewhat predictably, those respondents who stated that "yes" they understood why the tax was collected, the responses were positive. A combined 40% of respondents recognized that the tax (which is split between school district and township) went to support education and

township services. Additionally and interestingly enough, 14.5% of respondents noted (even though not asked) that the tax reduced and/or held steady real estate property taxes.

Table 20. Categorized "Yes" Responses

Response	Number of Responses	Percentage of Responses
Did not explain answer	47	20.1%
Tax supported education	18	7.7%
Tax supported township services	38	16.1%
Tax supported education and/or township services	39	16.7%
Tax provided revenue	25	10.7%
Tax reduced and/or held steady real estate property taxes	34	14.5%
Tax did not reduce and/or hold steady real estate property taxes	3	1.3%
Tax was permitted by law	6	2.6%
Tax was not "good" and/or "fair"	7	3.0%
Miscellaneous response	17	7.3%
Total	234	100.0%

As noted above, 26.2% of respondents answered "no" that they did not know why the tax was levied, assessed and collected. Representative "no" responses included:

- "No because I do not understand why the income tax is levied & collected; seems to me the collection, accounting etc. is greater than 1% collected" (Taxpayer 106, 2005, p. 11).
- "I assume it goes toward township and school district financial obligations but I'm not certain" (Taxpayer 366, 2005, p. 11).
- "Where does the money go? We should receive information as to how the money is distributed instead of giving away money because we have no choice" (Taxpayer 691, 2005, p. 11).

As noted above, 11.2% of respondents were "unsure". Representative "unsure" responses included:

- "In answering this survey, I realize that I am not as informed on the matter as perhaps I could/should be" (Taxpayer 155, 2005, p. 12).

- “I understand it is a useful local tax but I never learned much about it b/c I pay Philly wage taxes (much higher)! “
(Taxpayer 278, 2005, p. 12).
- “I somewhat understand, not totally”
(Taxpayer 497, 2005, p. 12).

In summary, respondents (no matter what their opinion) recognized how and why the tax was levied, collected and utilized by the school district and township.

Analysis: Relationships of Qualitative (Evaluative) Questions Compared to Quantitative (Demographic) Questions

As noted below in *Table 17* below, the qualitative responses to the evaluative questions were compared to the quantitative responses to the demographic questions using Chi-square analysis. Analyses were performed on the demographic variables and the responses to the evaluative questions. These analyses involved Chi-square tests of independence and one-way analyses of variance.

Where a “yes” is noted in the table, it means that there was a significant effect. Where a “no” is noted in the table, it means the relationship was not significant.

Table 21. Chi-Square Analysis Results for Demographics

Question	Q.3	Q.6	Q.9	Q.14	Q.17
Q.5 Age	Yes	Yes	Yes	No	Yes
Q.7 Pays Tax	No	Yes	Yes	No	Yes
Q.8 Income	Yes	No	No	No	No
Q.11 Ethnicity	Yes*	No	No	No	Yes*
Q.12 Retired Vs. Not Retired	No	No	No	No	No
Q.13 Political Party	Yes	Yes	No	No	No
Q.15 Education	No	No	No	Yes	Yes
Q.16 Children	No	No	No	No	Yes
Q.18 Children in Upper Dublin	No	No	No	No	No

* - See description of ethnicity variable below

With Question 3 and in regards to whether or not the tax was "good" or "fair", a significant effect existed with four demographic variables: age, income, ethnicity and political party. With age, younger respondents were "unsure" with no measurable age difference between "yes" and "no" responses.

Respondents with more money had a higher percentage of "no" responses. With ethnicity, Asian respondents were more "unsure", but since most of the sample was white, too little variability existed to use the variable. No difference existed between Republicans and Democrats with Independents "unsure".

Question 6 asked respondents if the earned tax had reduced or held steady their real estate property taxes. A significant effect existed with three demographic variables: age, if they paid the earned income tax and political party.

As with Question 3, younger respondents were more "unsure" if the tax had held steady or reduced their real estate property taxes. Respondents who were "unsure" if they pay the earned income tax were more "unsure" than other respondents that it had reduced or held steady real estate property taxes. Finally, Republican respondents had more "no's" than Democrats and Independents.

Question 9 asked respondents if they believed that the earned income tax had reduced taxes for all, or only certain, taxpayers. A significant effect existed for a total of two demographic variables and included: age and if they paid the tax.

As with questions 3 and 6, younger respondents were more "unsure" than older respondents. Those respondents who paid the earned tax had more "no's" when compared to respondents who did pay the earned income tax.

Question 14 asked respondents if they believed that the earned income tax was "good" or "fair" to all groups of taxpayers, or only certain groups of taxpayers. There was a significant effect with only one demographic variable, education. In descending order, respondents who said "yes" had more education than respondents who said "no" who had more education than those who said "unsure".

Question 17 asked respondents if they understood why the earned income tax was levied, assessed and collected. A significant effect existed with five demographic variables: age, if they paid the tax, ethnicity, if they had children and education.

Those respondents who said "no" were younger. Predictably, those who did not pay the tax were more in favor of the earned income tax. Similar to Question 3, Asian respondents were more "unsure", but since most of the sample was white, too little variability existed to use the variable.

Those respondents without children did not seem to understand why the tax was collected and its purpose.

Finally, those respondents who stated "no" had less education.

Analysis: Comments Section

Respondents had the opportunity to write comments at the end of the questionnaire. Over 1 in 4 respondents (or 28.6%) took the opportunity and wrote a comment. The range of responses were varied and included comments for and against the tax with others simply wishing the researcher good luck. As with any instrument providing an "open" forum for a "free" response, the qualitative responses and categories were varied and interesting as noted below.

Table 22. Comments Section - Categorized Responses

Response	Number of Responses	Percentage of Responses
Good luck on research project	20	16.2%
Real estate property taxes have increased	20	16.2%
Taxpayer knew little and/or nothing about the tax	14	11.4%
Quality of schools was high	5	4.1%
Quality of schools was low	8	6.5%
Tax was similar to other townships and/or Philadelphia	6	4.9%
Questionnaire was poor	16	13.0%
New ideas	14	11.4%
Township services were poor	5	4.1%
Miscellaneous response	15	12.2%
Total	123	100.0%

Representative "comments" responses included:

- "I support more funding for our public schools. Upper Dublin has a great school

system, would like to see them at the top. Nothing is more important than the education of our youth" (Taxpayer 47, 2005, p. 12).

- "School taxes are getting out of hand! Full day kdgn. Teachers pay, benefits and retirement costs are a disgrace" (Taxpayer 252, 2005, p. 12).
- "Good luck with your dissertation! (We're a big Temple family - 2 Bachelor's, 1 Master'!) Sorry for late response - we were on vacation out of town" (Taxpayer 118, 2005, p. 12).

In summary, and as noted in the introduction to this section, the responses were varied and difficult to fit into patterns.

CHAPTER 5
SUMMARY, CONCLUSIONS, IMPLICATIONS AND
RECOMMENDATIONS

Summary

This chapter presents a summary of the results from the research study and the various conclusions which can be drawn from the data. Finally, the implications and recommendations for the research study and findings are discussed.

Funding of Public Education

While states have traditionally relied almost solely upon local property taxes for the main support of public education, other revenue sources have included sales, bank shares and occupational taxes at the local level. With the passing of the Local Tax Enabling Act in 1965 at the state level, most Pennsylvania school districts were empowered to collect non-real estate taxes (General Assembly of the Commonwealth of Pennsylvania, 1965).

In the early twentieth century, the income tax had its origins at the federal level and then individual states followed suit. In 1913, the constitutional barrier for a federal income tax was removed permanently by Congress with the passing of the 16th Amendment, which gave Congress the

right to levy and collect taxes on incomes without regard to population (Alexander, Johns & Morphet, 1983). Today, most states have followed suit and have adopted income taxes through legislation and constitutional amendments (Alexander et al., 1983).

The Township and School District of Upper Dublin in Montgomery County, Pennsylvania, examined the possibility of utilizing the earned income tax in the mid-1980s for general revenue purposes. Perhaps most importantly, both the township and school district were examining ways to ease the financial burden of the real estate property tax. In particular, the township and district were growing increasingly concerned about the impact that escalating property taxes were having on its senior citizens and low income families.

On November 11, 1986, an earned income tax resolution was approved and adopted by the Township of Upper Dublin with an effective date of January 1, 1987. The one-half percent tax passed by the Township Commissioners was on income and net profits earned by residents and non-residents who worked in the township (Lukoff, 1986).

In the spring of 1984, the School District of Upper Dublin was no different than surrounding affluent Montgomery County school districts as it faced escalating

expenses and an unforgiving, powerful and politically savvy taxpayer base. Teacher and administrative salaries, coupled with high transportation costs, state mandated programs and other costly areas dominated the local media.

Cathey noted on March 15, 1984:

School boards and administrators, heading into their annual spring budget ritual, must again wrestle with the conflicting demands of providing a high-level education while trying to control costs. And taxpayers dealing with their own rising budgets, wait anxiously to learn how big a bite will come out of their income (p. 1).

At the June, 1989 board meeting, the School Board unanimously adopted an 11.35% budget increase but again tabled the earned income tax discussion (Finarelli, 1989). The following November, the School Board created a committee to study the earned income tax. Superintendent Clair Brown noted at the time that the earned tax would give some tax relief to those individuals with lower incomes (Finarelli, 1989).

In the same month, the township lowered real estate taxes, due to their earned income tax, by 1.5 mills for a fourth consecutive year (Ahart, 1989). The following month the school district's Finance Committee unanimously decided not to recommend the tax to the School Board (Finarelli, 1989).

In April, 1993 and by a vote of 7-to-1, the board authorized the solicitors to prepare documents to enact an earned income tax (Finarelli, 1993). The following June, 1993, the school district not only adopted a budget with no millage increase, they also approved a one-half percent earned income tax (Finarelli, 1993). Since 1993, the full one-percent earned income tax has been collected by the township, with one-half of the tax distributed to the school district.

For the 2006-2007 School Year, the school district budget was \$63,106,432. The earned income tax accounted for a total of \$4,065,000 or 2.0% of the total general fund budget (School District of Upper Dublin, 2007, p. 6-1). Currently, 25 of the 49 school districts (or approximately 59%) in Bucks, Chester and Montgomery County collect the earned income tax (Pennsylvania Department of Education, 2000).

Attitudes toward Public Education Funding

The *Phi Delta Kappa/Gallup* poll noted that 78% of all respondents believed states should cut other areas and preserve state funding for public education. Additionally, 58% of respondents said they would support an increase in state taxes to fund education. Finally, the largest

percentage of respondents, approximately 23%, cited the lack of financial support for public education as the biggest problem facing education today (Educational Marketer, 2002).

Various state taxpayer attitudes supported the findings of the *Phi Delta Kappa/Gallup* poll. In Virginia, the *PR Newswire* discussed the October, 2002 Annual Legislative Conference attended by numerous school district superintendents. The article noted that opinion polls in Virginia indicated that a majority of Virginians would support a tax increase to improve or support public education.

The 39th Annual Phi Delta Kappa/Gallup Poll of the Public's Attitudes toward the Public Schools posed the following question, "What do think are the biggest problems the public schools of your community must deal with? Two of the groups, respondents with no children in school and public school parents, all cited "lack of financial support/funding/money" as the "biggest problem" facing public schools (Gallup and Rose, 2007, p. 44)

"Fair" or "Good" Taxes

The principles of "fair" taxation had a long history and were well-grounded in the theories of John Locke and

Adam Smith. Locke defended the dignity of a person's right to the fruits of his labor, and believed that the government had no right to displace one's right of wealth ownership. However, he tempered these beliefs and argued that a person had a certain social responsibility in the form of a just tax in exchange for freedom (Honeyman et al., 1994).

Adam Smith augmented Locke's approach to "fair" taxation, and argued representative taxation systems should be based on four initial criteria such as equity, certainty, convenience and economy. According to Smith, equity required taxation in proportion to one's ability to pay. Certainty meant clarity in terms of amount, manner, time and payment. Finally, he stated that "fair" taxation should be convenient to taxpayers and that the government should not create a program of excessive taxation (Honeyman et al., 1994).

Political/Decision-Making Theoretical Perspective

The review of literature revealed that the political decision-making frame was the appropriate theoretical lens to examine the earned income tax in the School District of Upper Dublin. The enactment of the tax was in reaction by school district officials to obtain needed funding and

allocate scarce resources. The interaction between the School Board and various taxpayers was a power struggle with individuals who were familiar with the "game" and knew the rules.

As described below by Bolman and Deal (1984), these theorists posited that decision-making in any organization revolved around the allocation of scarce resources. The authors note:

Political frame views organizations as arenas of scarce resources where power and influence are constantly affecting the allocation of resources among individuals or groups. Conflict is expected because of differences in needs, perspectives and lifestyles among different individuals and groups. Bargaining, coercion and compromise are all part of everyday organizational life. Coalitions form around specific interests and may change as issues come and go. Problems may arise because power is unevenly distributed or is so broadly dispersed that it is difficult to get anything done. Solutions are developed through political skill and acumen - such as Machiavelli suggested centuries ago (p. 5).

The school district was viewed as an "open" system with individuals participating in various ways. This participation, whether positive or negative, moved the system (the school district) toward entropy, or imbalance. The system imbalance slowly moved towards equilibrium when the earned income tax was enacted.

Policy Analysis

Within the political and decision-making process or theoretical framework, one can also examine or analyze educational policy that is collectively known under the umbrella of policy analysis. King and Swanson (1991) identified eight distinct conceptions of policy noting that policies were a collection of decisions by a governing body which were developed in reaction to a problem. In the instance of the earned income tax, the school district was the governing body which developed the policy (or act) to solve the problem of declining revenue.

Canady and Duke (1991) more succinctly defined policy as "any official action taken at the district or school level for the purposes of encouraging or requiring consistency and regularity" (p. 2). Furthermore, they described school policy as sort of "ecology of public policies" due to the range of potential policy sources such as the United States Department of Education, school boards and school personnel (Canady & Duke, p. 2). For the study, the "official action" or "public policy" was the enactment of the earned income tax.

The various areas in the literature review such as funding public education or policy analysis revealed several patterns and themes. First, and perhaps foremost,

specific taxpayer attitudes towards the earned income tax did not exist in the current literature. Secondly, public education funding mandates typically begin at the federal level, while state and local agencies shouldered most of the fiscal responsibility. Finally, the political decision-making framework, imbedded within policy analysis, remained the critical lens in which to view the earned income tax.

Based on a review of the literature, and the general lack of attitudinal data discussed above, the researcher designed a questionnaire to add to the general body of knowledge on this topic. It was the general purpose of the study to accurately measure the attitudes of taxpayers in the school district toward the earned income tax.

The Research Study

The major aim of this study was to assess real estate property taxpayer attitudes in the School District of Upper Dublin towards the earned income tax. More specifically, did the earned income tax hold steady, or reduce, real estate property taxes for taxpayers?

To summarize any research study, one must once again examine the initial questions which piqued your interest. As the topic of taxpayer attitudes towards the earned

income tax was examined, the following research questions were developed and imbedded in all elements of the research study.

1. To what extent, do various real estate property taxpayers in the School District of Upper Dublin understand the general purpose of the earned income tax and why it is levied, assessed and collected?
2. How do the various real estate property taxpayers in the School District of Upper Dublin feel about the general purpose of the earned income tax to reduce, or hold steady, real estate property taxes?
3. To what extent do various real estate property taxpayers in the School District of Upper Dublin pay and support the earned income tax, because they believe it is a "fair" or "good" tax.
4. What are the specific attitudes of the various real estate property taxpayers towards the earned income tax and why do they maintain these attitudes?

The researcher received 388 completed questionnaires and recorded all the qualitative data from the open-ended questions and quantitative data from the closed-ended questions. The data was interpreted in Chapter 4, but it

would be worthwhile to discuss some preliminary conclusions based on the data.

Conclusions

The conclusions section includes a discussion in regards to demographic patterns of respondents, qualitative question patterns and themes, implications and recommendations.

Demographic Patterns of Respondents

During the research study, 388 respondents submitted a completed questionnaire. Based on the answers from the closed-ended, quantitative questions, the researcher was able to identify demographic patterns among respondents.

As noted below, close to 100% of the respondents acknowledged that they had received an introductory letter. In a similar fashion, almost all of the respondents acknowledged that they resided in 1 of the 10 towns in the School District of Upper Dublin.

Question 4 asked the respondent if they owned real estate property in the school district, with a 100% "yes" response rate. With the questionnaire focusing on the earned income tax (or any tax in general), the researcher believed an owner of real estate would most likely respond

at a high rate. In another question, approximately 70% (or 69.7%) of the respondents revealed that they paid the earned income tax to both entities with the remaining 30% stating that they did not pay the tax or they were "unsure".

All 388 respondents in the sample stated that they were between 21 and 91 years of age. The average age range was 49.5 to 58.5 years of age with a median of 54.2 years of age.

In terms of where people work, the most frequent response was Fort Washington (6.3%) which was most likely a reflection of the employers in the large Fort Washington Industrial Park. Over 6 in 10 (or 61.8%) respondents responded "other" and typically wrote the location where they currently work. No demographic work pattern was detected, which is most likely indicative of the dense population and economic diversity of the area.

Almost 90% of the respondents stated that they were white, with approximately 6.0% Asian, approximately 2% African American and less than 3.0% Hispanic or "unsure". The responses accurately reflected the current ethnic background of the current population.

With political parties, the Republican Party was represented by 47.7% of respondents. The Democratic Party

included 34.4% of respondents with the remaining 7.4% Independent. Of note, politics in the school district has shifted from a Republican to a Democratic majority as reflected by the 5 to 4 composition of members on the School Board.

As with most affluent, high achieving school districts, approximately 1 in 5 respondents completed high school or some high school. Over 1 in 4 respondents completed college, with over 1 in 2 completing graduate work or a graduate degree.

Almost 90% (89.2%) of the respondents stated that they had children with almost 9% (8.7%) responding "no". Over 6 in 10 respondents (65.0%) stated they had children in the school district with 1 in 3 (33.4%) stating "no" and less than 1% (0.5%) were "unsure".

In summary, the researcher had no plausible reason to explain such a high number (89.2%) of respondents with children responding to the survey other than an interest in taxation or public education. Or, perhaps these respondents felt that they have a sense of duty to respond to be heard or simply do the right thing. With such a high percentage, the sample does not match the population, and must be recognized as a limitation.

In a similar manner, with over 1 in 3 of the respondents between 61 and 90 years of age, the sample does not match the population. This high response rate by senior citizens may be a result of escalating property taxes, lower or low income, or a combination of both. Certainly, this high response rate by senior citizens is a limitation and is an area for further study.

With high response rates from respondents with children and senior citizens, both limitations must be recognized as well as any bias. This is certainly an area for further research.

Qualitative Question Patterns and Themes

To summarize the findings, each qualitative research question was examined in a global manner.

1. *To what extent, do various real estate property taxpayer in the School District of Upper Dublin understand the general purpose of the earned income tax and why it is levied, assessed and collected?* As supported by a response rate of over 50% to Question 17 regarding the topic, respondents appear to have a solid understanding and level of support for the levying, assessment and collection of the earned income tax. Even with respondents who

responded "no" to the question, they still acknowledged the revenue goes toward education or township services.

2. *How do the various real estate property taxpayers in the School District of Upper Dublin feel about the general purpose of the earned income tax to reduce, or hold steady, real estate property taxes?* Question 6 asked respondents if they believed the earned income tax had reduced and/or held steady their own property taxes. Only 1 in 4 taxpayers stated that the earned income tax has served this purpose, with 3 in 4 taxpayers stating "no" or "unsure".

Similarly, Question 9 posed the identical question with one exception: the question asked the respondent if the earned income tax had reduced and/or held steady real estate property taxes for other people or groups. Again, taxpayers did not feel that the earned income reduced and/or held steady real estate property taxes.

With both Question 6 and Question, 3 of 4 respondents did not believe or were "unsure" if the earned income tax had held and/or reduced real estate property taxes personally or for others. This high rate can be attributed possibly to a poorly worded question, a failure by the researcher to explain the purpose and background of the tax

to combat rising real estate property taxes or a simple dislike of any tax in general.

A simpler explanation could be a "typical" taxpayer looks at the tax bill, sees the property tax going up, even at a minimal rate, and concludes that it is not working. Any additional research in this area must somehow address this natural reaction by most taxpaying respondents.

3. *To what extent do various real estate property taxpayers in the School District of Upper Dublin pay and support the earned income tax, because they believe it is a "fair" or "good" tax.* Question 3 in the questionnaire asked respondents if they believed the earned income tax was a "fair" or "good" tax. Approximately 59.0% of respondents believed the earned income tax was a "good" and/or "fair" tax.

Question 14 posed the identical question with one exception: the question asked the respondent if the earned income tax was a "fair" and/or "good" tax for other people or groups. Again, respondents believed and supported that the earned income tax was "fair" or "good" tax for other people or groups.

4. *What are the specific attitudes of the various real estate property taxpayers towards the earned income tax and why do they maintain these attitudes?* Overall, taxpayers did not believe that the earned income tax reduced and/or held steady real estate property taxes. However, they did believe that the tax was a "good" and/or "fair" tax. Finally, taxpayers seemed to know the purpose of the tax, even if they did not support it.

In summary, taxpayers believed that the earned income tax was a "good" or "fair" tax at a 59% rate because it was based solely on earned income. In terms of the tax being fair to others, taxpayers were almost split in half at 50.1%.

In regards to the question of whether or not the earned income tax reduced, or held steady, real estate property taxes, for themselves or others, taxpayers stated "yes" only 1 in 4 times.

A majority of taxpayers, or 60.8%, believed they knew why the earned income tax was levied, assessed and collected. However, as noted above, taxpayers may know the purpose of the tax, but do not agree with the result.

A summary of all of the qualitative responses is contained in the *Table 23* below.

Table 23. Evaluations of the Earned Income Tax

Question	Yes	No	Unsure	No Response
Q.3 Was tax good or fair?	59.0%	26.7%	12.3%	2.1%
Q.6 Has tax reduced or held steady your real estate taxes?	24.7%	48.3%	26.8%	< 1.0%
Q.9 Has tax reduced or held steady real estate taxes for only some?	23.3%	41.4%	32.5%	2.8%
Q.14 Was earned income tax good or fair for only some?	50.1%	32.8%	11.6%	5.5%
Q.17 Did you understand why tax was levied?	60.8%	25.8%	11.2%	2.2%

As noted below in *Table 24* below, the qualitative responses to the evaluative questions were compared to the quantitative responses to the demographic questions. Analyses were performed on the demographic variables and the responses to the evaluative questions. These analyses involved Chi-square tests of independence and one-way analysis of variance.

Where a "yes" is noted in the table, it means that there was a significant effect. Where a "no" is noted in the table, it means the relationship was not significant.

Table 24. Chi-Square Analysis Results for Demographics

Question	Q.3	Q.6	Q.9	Q.14	Q.17
Q.5 Age	Yes	Yes	Yes	No	Yes
Q.7 Pays Tax	No	Yes	Yes	No	Yes
Q.8 Income	Yes	No	No	No	No
Q.11 Ethnicity	Yes*	No	No	No	Yes*
Q.12 Retired Vs. Not Retired	No	No	No	No	No
Q.13 Political Party	Yes	Yes	No	No	No
Q.15 Education	No	No	No	Yes	Yes
Q.16 Children	No	No	No	No	Yes
Q.18 Children in Upper Dublin	No	No	No	No	No

* - See description of ethnicity variable below

With Question 3 and in regards to whether or not the tax was "good" or "fair", a significant effect existed with four demographic variables: age, income, ethnicity and

political party. With age, younger respondents were "unsure" with no measurable age difference between "yes" and "no" responses.

Respondents with more money had a higher percentage of "no" responses. With ethnicity, Asian respondents were more "unsure", but since most of the sample was white, too little variability existed to use the variable. No difference existed between Republicans and Democrats with Independents "unsure".

Question 6 asked respondents if the earned tax had reduced or held steady their real estate property taxes. A significant effect existed with three demographic variables: age, if they paid the earned income tax and political party.

As with Question 3, younger respondents were more "unsure" if the tax had held steady or reduced their real estate property taxes. Respondents who were "unsure" if they pay the earned income tax were more "unsure" than other respondents that it had reduced or held steady real estate property taxes. Finally, Republican respondents have more "no's" than Democrats and Independents.

Question 9 asked respondents if they believe that the earned income tax had reduced taxes for all, or only certain, taxpayers. A significant effect existed for a

total of two demographic variables emerged with this question and included: age and if they paid the tax.

As with questions 3 and 6, younger respondents were more "unsure" than older respondents. Those respondents who pay the earned tax have more "no's" when compared to respondents who paid the earned income tax.

Question 14 asked respondents if they believed that the earned income tax was "good" or "fair" to all groups of taxpayers, or only certain groups of taxpayers. There was a significant effect with only one demographic variable, education. In order, respondents saying "yes" had more education than respondents saying "no" who have more education than those saying "unsure".

Question 17 asked respondents if they understood why the earned income tax was levied, assessed and collected. A significant effect existed with five demographic variables: age, if they paid the tax, ethnicity, if they had children and education.

Those respondents who said "no" were younger. Predictably, those who did not pay the tax were more in favor of the earned income tax. Similar to Question 3, Asian respondents were more "unsure", but since most of the sample is white, too little variability exists to use the variable.

Those respondents without children did not seem to understand why the tax was collected and its purpose. Finally, those respondents who stated "no" have less education.

In conclusion, the researcher has determined that taxpayers in the School District of Upper Dublin believed that the earned income tax was "good" or "fair", did not believe the tax had reduced, or held steady, their own or other people's, real estate property taxes and understand (but do not agree with) the purpose of the earned income tax.

Implications

The implications from the research study for policy makers in the school district and township are obvious to the researcher. The literature review revealed that Pennsylvania legislators passed the Local Tax Enabling Tax Act in 1965 for two main reasons: to provide real estate property tax relief to taxpayers and to create an additional source of revenue for school districts. Upper Dublin Township passed the tax in 1986 with the School District of Upper Dublin following suit in 1993.

The research study revealed that the taxpayers in the school district and township did not generally believe the

earned income tax had reduced and/or held steady real estate property taxes. However, the earned income tax (and any additional tax) has provided an additional source of revenue for the school district.

One must examine the inherent contradiction which now exists in the school district with the original intent of the earned income tax system to provide some real estate property tax relief and also create an additional source of revenue for the school district. Taxpayers must pay the earned income tax, thus providing additional revenue to the school district, but do not feel that the tax provides real estate property tax relief.

The literature review also demonstrated that for any tax to be a success it must have been considered a "fair" or "good" tax. The five components included basis, yield, equity, incidence and administration. The research study revealed that taxpayers in the school district viewed the earned income tax as a "good" or "fair" tax and certainly recognized the purpose of the tax to support education and township services via another source of revenue.

School district and township officials must recognize that taxpayer's feelings translate into implications for public policy. These implications include recognizing the mistrust and misinformation associated with the tax and

developing a better informed public. Officials can capitalize on the fact that taxpayers seemed to believe that the earned income tax was a "good" and/or "fair" tax but it still must be paid like any other tax. Finally, while few citizens are happy paying taxes, the earned income tax is used by the school district to fund education and the township to provide services.

Recommendations

The following recommendations were developed by the researcher. The sections include general, policy and education leadership recommendations.

General Recommendations

While the research questions were certainly answered by the respondents, the research study also became an examination of the collection of beliefs and perceptions of school district and township residents. Accordingly, it is recommended that the researcher revisit and consider, in a future study, a more thorough examination of the perceptions and beliefs of residents in the school district and township.

Additionally, it is recommended that the researcher present the findings to school district and township

officials in a public forum. This forum can consist of three components: presentation of findings, questions and comments from school district and township officials and questions and comments from the public.

The presentation must focus on the failure in the eyes of the real estate property taxpayer of the earned income tax to provide relief. However, with taxpayers still believing the tax is "fair" and/or "good", the fact that the tax is used to fund education and township services must be emphasized.

Policy Recommendations

The earned income policy must be examined closely by both the school district and township. While the tax remains a revenue source in the millions of dollars for both entities, taxpayers did not believe that the tax has held, or reduced, real estate property taxes. In a similar vein, the district and township should consider informing the public regarding what programs the earned income tax supports.

The researcher is not aware of any district which has abolished the tax, nor is this a suggested course of action. However, perhaps the policy can be modified to give some taxpayer relief. The financial relief could come

in the form of earned income tax credits or reducing the total tax based on earned income. These policy actions may not only aid with reducing real estate property taxes but also improve public relations in regards to the earned income tax.

Education Leadership Recommendations

As noted in the literature review, the problem was examined within the political decision-making framework. The policy makers in both the school district and township must also utilize this lens and realize that any decision-making in regards to the earned income tax will involve some bargaining and jockeying. Tax revenues in any school district are critical and must be treated accordingly.

With any of the suggested policy changes described above, policy makers must lead the way. With the school district, this would include the board president, members of the board, Superintendent and Business Manager. With the township, these leadership positions would include the Commissioners, Township Manager and Tax Collector.

How these leaders would lead could include the steps described above but must include one critical component, a direct and frank dialogue with the public. The research study revealed that the taxpayers do not believe the earned

income tax has served its purpose of reducing and/or holding steady real estate property taxes. As noted previously, taxpayer awareness in regards to the original purpose of the earned income tax to reduce and/or hold steady real estate property taxes was not reflected in the correspondence and questionnaire and should have been emphasized by the researcher. Thus, public meetings, newsletters and public service announcements must be continually utilized by policy makers to justify the earned income tax.

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APPENDICES

APPENDIX A

WRITTEN PERMISSION TO CONDUCT A RESEARCH STUDY FROM THE
SCHOOL DISTRICT OF UPPER DUBLIN

Written Permission to Conduct a Research Study from the
School District of Upper Dublin

The following written permission to conduct a research study was provided by the School District of Upper Dublin.

September 1, 2006

Researcher's Name and Address

Subject: Written Permission to Conduct a Research Study

Dear _____:

By copy of this letter, we grant you permission to conduct a research study regarding the earned income tax to a sample of real estate property taxpayers in the School District of Upper Dublin. This research study is in partial fulfillment of your doctoral dissertation requirements at Temple University. We have reviewed and approved the questionnaire instruments and letters which will be mailed to a sample of real estate property taxpayers in the school district.

Additionally, it is our understanding that the questionnaire will be reviewed and approved by Upper Dublin Township, your Doctoral Advisory Committee and the Internal Review Board of Temple University. We trust that you will keep all information confidential and not share any information with any unauthorized outside sources.

After completing your doctoral dissertation, we respectfully request that you share a copy of your dissertation with the school district. Finally, please destroy all questionnaire materials in a timely fashion.

Sincerely,

Al Feather
President - School Board of Directors

John Knebl
Acting Superintendent of Schools

Wade Coleman
Business Manager

APPENDIX B
QUESTIONNAIRE INSTRUMENT

Questionnaire Instrument

The following questionnaire was sent with the questionnaire consent form and enclosed with a follow-up cover letter and self-addressed envelope, or second mailing.

Cover Page

Taxpayer Attitudes towards the Earned Income Tax

A Questionnaire

Taxpayer Attitudes towards the Earned Income Tax

A Questionnaire

The following questions have been developed and written by Charles E. Rittenhouse, a doctoral candidate at Temple University, and the Principal of Upper Dublin High School in Fort Washington, Pennsylvania. The School District of Upper, Upper Dublin Township and Temple University have approved the questions. The purpose of this questionnaire is to gain an understanding about your attitudes towards the earned income tax. Please complete one of the enclosed questionnaires and sign and date the questionnaire consent form. The questionnaire consent form describes your rights during the entire questionnaire process. The second questionnaire consent form is for your records.

After you complete the questionnaire and questionnaire consent form, mail both documents in the enclosed self-addressed stamped envelope to Charles E. Rittenhouse, 41 Chelfield Road, Glenside, PA, 19038. If you have any questions, you may give me a call at 215-576-8283. I thank you in advance for your time.

Questionnaire

Directions: Please read each question carefully and respond as directed. Circle and respond with only one answer for each question. For questions which ask for a written response, please write legibly and keep your comments brief.

Q-01. Did you recently receive a letter from Charles E. Rittenhouse explaining the purpose of the questionnaire? Circle one answer.

- 01. YES
- 02. NO
- 03. UNSURE

Q-02. Currently, where do you currently reside? Circle one answer.

- 01. ABINGTON
- 02. AMBLER

- 03. ARDSLEY
- 04. DRESHER
- 05. FORT WASHINGTON
- 06. JARRETTOWN
- 07. MAPLE GLEN
- 08. NORTH HILLS
- 09. ORELAND
- 10. WILLOW GROVE
- 11. OTHER (SPECIFY) : _____
- 12. UNSURE

Q-03. In your opinion, is the one-percent earned income tax a "good" or "fair" tax? A "good" or "fair" tax is defined as a tax which has a familiar tax basis, is equitable, collected in a predictable and known fashion and not costly to administer. Circle one answer and record your comments in the space provided.

- 1. YES (BRIEFLY EXPLAIN WHY YOU BELIEVE THAT THE EARNED INCOME TAX IS A "GOOD" OR "FAIR" TAX)

Please go to Question 4.

- 2. NO (BRIEFLY EXPLAIN WHY YOU BELIEVE THAT THE EARNED INCOME TAX IS NOT A "GOOD" OR "FAIR" TAX)

Please go to Question 4.

- 3. UNSURE (BRIEFLY EXPLAIN WHY YOU ARE "UNSURE")

Please go to Question 4.

Q-04. Do you own real estate property in the School District of Upper Dublin and pay real estate property taxes in the School District of Upper Dublin? Circle one answer.

- 01. YES

- 02. NO
- 03. UNSURE

Q-05.As of the date of this questionnaire, how old are you?
Circle one answer.

- 01. 18-20 YEARS OLD
- 02. 21-30 YEARS OLD
- 03. 31-40 YEARS OLD
- 04. 41-50 YEARS OLD
- 05. 51-60 YEARS OLD
- 06. 61-70 YEARS OLD
- 07. 71-80 YEARS OLD
- 08. 81-90 YEARS OLD
- 09. 91 (OR MORE) YEARS OLD
- 10. UNSURE

Q-06.Do you believe (even if you do not pay the earned income tax to the school district) that the one-percent earned income tax has reduced or held steady your real estate property taxes? Circle one answer and record your comments in the space provided.

1. YES (BRIEFLY EXPLAIN WHY YOU BELIEVE THAT THE EARNED INCOME TAX HAS REDUCED OR HELD STEADY YOUR REAL ESTATE PROPERTY TAXES)

Please go to Question 7.

2. NO (BRIEFLY EXPLAIN WHY YOU BELIEVE THAT THE EARNED INCOME TAX HAS NOT REDUCED OR HELD STEADY YOUR REAL ESTATE PROPERTY TAXES)

Please go to Question 7.

3. UNSURE (BRIEFLY EXPLAIN WHY YOU ARE "UNSURE")

Please go to Question 7.

Q-07. Do you currently pay the one-percent earned income tax to the School District of Upper Dublin and Upper Dublin Township? Circle one answer.

- 01. YES
- 02. NO
- 03. UNSURE

Q-08. As of the date of this questionnaire, what is your yearly gross or total income? Circle one answer.

- 01. \$00,000-20,000
- 02. \$20,000-40,000
- 03. \$40,001-60,000
- 04. \$60,001-80,000
- 05. \$80,001-100,000
- 06. \$100,001-120,000
- 07. \$120,001-140,000
- 08. \$140,001-160,000
- 09. \$160,001-180,000
- 10. \$180,001-200,000
- 11. \$201,000 OR MORE
- 12. UNSURE

Q-09. Do you believe that the one-percent earned income tax has reduced or held steady real estate property taxes for all taxpayers, or only certain taxpayers, in the school district? Circle one answer and record your comments in the space provided.

- 1. YES (BRIEFLY EXPLAIN WHY YOU BELIEVE THAT THE EARNED INCOME TAX HAS REDUCED OR HELD STEADY REAL ESTATE PROPERTY TAXES FOR ALL TAXPAYERS IN THE SCHOOL DISTRICT)

Please go to Question 10.

- 2. NO (BRIEFLY EXPLAIN WHY YOU BELIEVE THAT THE EARNED INCOME TAX HAS NOT REDUCED OR HELD STEADY REAL ESTATE PROPERTY TAXES FOR ALL TAXPAYERS IN THE SCHOOL DISTRICT)

Please answer Question 2A below.

2A. THE EARNED INCOME TAX HAS REDUCED OR HELD STEADY REAL ESTATE PROPERTY TAXES FOR WHICH GROUP(S) OF TAXPAYERS?

3. UNSURE (BRIEFLY EXPLAIN WHY YOU ARE "UNSURE")

Please go to Question 10.

Q-10. Where do you currently work? Circle one answer.

01. ABINGTON
02. AMBLER
03. ARDSLEY
04. DRESHER
05. FORT WASHINGTON
06. JARRETTOWN
07. MAPLE GLEN
08. NORTH HILLS
10. ORELAND
11. WILLOW GROVE
12. OTHER (SPECIFY) : _____
13. DO NOT CURRENTLY WORK
14. UNSURE

Q.11. What is your ethnic background? Circle one answer.

01. WHITE
02. BLACK
03. ASIAN
04. INDIAN
05. HISPANIC
06. OTHER (SPECIFY) : _____
07. UNSURE

Q-12. What do you currently do for a living? Circle one answer.

01. ADMINISTRATIVE, SUPPORT, INCLUDING SECRETARIAL OR CLERICAL
02. AGRICULTURAL, FORESTRY OR FISHING
03. BUSINESS OWNER
04. CONSTRUCTION OR EXTRACTIVE
05. DOCTOR, HEALTH DIAGNOSING OR TREATING PRACTITIONER
06. ENGINEER, SURVEYOR OR ARCHITECT
07. EXECUTIVE, ADMINISTRATIVE OR MANAGERIAL
08. HANDLER, EQUIPMENT CLEANER, HELPER OR LABORER
09. HEALTH TECHNOLOGIST OR TECHNICIAN
10. LEGAL PROFESSION, INCLUDING ATTORNEY OR PARALEGAL
11. MARKETING OR SALES
12. MECHANIC OR REPAIRER
13. MILITARY
14. NATURAL SCIENTIST, MATHEMATICIAN
15. PRECISION PRODUCTION
16. PRODUCTION WORKER
17. REGISTERED NURSE, PHARMACIST, DIETICIAN, THERAPIST OR PHYSICIAN ASSISTANT
18. RETAIL INDUSTRY
19. SELF-EMPLOYED
20. SERVICE INDUSTRY
21. SOCIAL SCIENTIST, SOCIAL WORKER, RELIGIOUS WORKER OR LAWYER
22. TEACHER, LIBRARIAN, COUNSELOR OR ADMINISTRATOR
23. TECHNOLOGIST OR TECHNICIAN, EXCEPT HEALTH
24. TRANSPORTATION OR MATERIAL MOVER
25. WRITER, ARTIST, ENTERTAINER OR ATHLETE
26. UNEMPLOYED
27. OTHER (SPECIFY): _____
28. UNSURE

(Dillman & Salant, 1994, p.183)

Q-13. To which political party are you currently registered to at the time of this questionnaire? Circle one answer.

01. REPUBLICAN PARTY
02. DEMOCRATIC PARTY
03. INDEPENDENT PARTY
04. OTHER (SPECIFY): _____
05. UNSURE

Q-14. Do you believe that the earned income tax is "good" or "fair" to all group(s) of taxpayers, or only certain group(s) of taxpayers? A "good" or "fair" tax is defined as a tax which has a familiar tax basis, is equitable, collected in a predictable and known fashion and not costly to administer. Which group(s) is the tax "good" or "fair" towards? Why? Circle one answer and record your comments in the space provided.

1. YES (BRIEFLY EXPLAIN WHY YOU BELIEVE THE EARNED INCOME TAX IS "GOOD" OR "FAIR" TO ALL GROUPS(S) OF TAXPAYERS)

Please go to Question 15.

2. NO (BRIEFLY EXPLAIN WHY YOU BELIEVE THE EARNED INCOME TAX IS "GOOD" OR "FAIR" TO ONLY CERTAIN GROUP(S) OF TAXPAYERS)

Please answer Question 2A below.

- 2A. THE EARNED INCOME TAX IS "FAIR" OR "GOOD" TO WHICH GROUP(S) OF TAXPAYERS?

Please go to Question 15.

3. UNSURE (BRIEFLY EXPLAIN WHY YOU ARE "UNSURE")

Please go to Question 15.

Q-15. What is the highest level of education you have completed? Circle one answer

01. NO FORMAL EDUCATION
02. SOME GRADE SCHOOL

- 03. COMPLETED GRADE SCHOOL
- 04. SOME HIGH SCHOOL
- 05. COMPLETED HIGH SCHOOL
- 06. SOME COLLEGE
- 07. COMPLETED COLLEGE
- 08. SOME GRADUATE WORK
- 09. A GRADUATE DEGREE
- 10. UNSURE

(Dillman & Salant, p. 116, 1994)

Q-16. Do you have children? Circle one answer.

- 01. YES
- 02. NO
- 03. UNSURE

Q-17. Do you understand why the earned income tax is levied, assessed and collected? Circle one answer and record your comments in the space provided.

1. YES (BRIEFLY EXPLAIN WHY YOU ANSWERED "YES")

Please go to Question 18.

2. NO (BRIEFLY EXPLAIN WHY YOU ANSWERED "NO")

Please go to Question 18.

3. UNSURE (BRIEFLY EXPLAIN WHY YOU ARE "UNSURE")

Please go to Question 18.

Q-18. Do you currently, or did you in the past, have children who attended schools in the School District of Upper Dublin? Circle one answer.

- 01. YES

APPENDIX C
QUESTIONNAIRE CONSENT FORM

Questionnaire Consent Form

The following questionnaire consent form was mailed with the questionnaire to members of the sample. Both documents were enclosed with the follow-up cover letter and self-addressed stamped envelope, or second mailing. The questionnaire consent form was mailed and returned by the respondent with the questionnaire. One of the questionnaire consent forms were kept by the respondent for their records. The form contains all of the components required by the Temple University Review Board. The letter was sent on official Temple University letterhead.

Questionnaire Consent Form

Taxpayer Attitudes toward a Local Tax to Support Public Schools

Charles E. Rittenhouse

215-576-8283

By signing and dating this form, I am acknowledging the following:

Purpose of Research

The purpose of this study is to examine real estate property taxpayer attitudes towards the earned income tax. More specifically, the study will examine how the various real estate property taxpayer subgroups feel about the tax in regards to why it is collected and whether or not they consider it a "fair" or "good" tax.

By completing the questionnaire, I will be sharing my attitudes and related information regarding the earned income tax with the researcher. This information will be analyzed by the researcher and confidentially shared with school district and township officials in the researcher's completed dissertation.

The entire study, including any correspondence which you may receive from the researcher, has been approved by the School District of Upper Dublin, Upper Dublin Township and Temple University.

Selection of Subjects

I understand that I have received the attached questionnaire because I pay real estate property taxes and

my name and address was randomly and confidentially selected from school district taxpayer records.

General Experimental Procedures

I understand that the general research procedure involves completing and mailing back the attached questionnaire and this signed and dated questionnaire consent form to the researcher. I keep one copy of the questionnaire consent form for my records. The responses to the questionnaire questions which I provide will be anonymously and confidentially entered into a computer database.

From my questionnaire responses, certain attitudes towards the earned income tax from various subgroups such as senior citizens or political affiliation will possibly emerge. These findings will be anonymous and confidential, placed in the researcher's dissertation and will eventually be shared with various school district and township policy makers.

Risks

I understand that the researcher has taken all necessary steps to eliminate any unforeseen hazards, discomforts and inconveniences.

Benefits

I understand that while I am accepting a small token of appreciation in the form of one-dollar bill, this compensation does not require participation. Finally, I understand that my attitudes and feelings as a real estate property taxpayer will be anonymously and confidentially shared with school district and township officials.

Confidentiality

I understand that the results of the research study will be published but my identity will not be disclosed. Finally, I understand that several steps have been taken by the researcher to insure my confidentiality and anonymity. These steps include the following:

- 1.) Each questionnaire has a printed identification number which allows the researcher to track which questionnaires are returned. In no instance does the questionnaire require you to write your name or any specific address information.
- 2.) The list of names and addresses, and all documents, will be maintained in a locked filing cabinet in the researcher's home.

- 3.) The lists of names and addresses and completed questionnaires will not be shared with any agency and will be shredded and destroyed after the standard three-year period.

Disclaimer/Withdrawal

I understand that my participation in this study is strictly voluntary and that I may stop answering questions at any time. Furthermore, I understand that if I refuse to participate or withdrawal from this study, my future interactions with the researcher or Temple University will not be prejudiced in any way.

Subject Rights

I understand that if I wish to have further information regarding my rights as a research subject, I may contact the Office of the Vice-Provost for Research of Temple University by calling 215-707-3249.

Questions

If I have any questions or comments, I may contact the researcher by calling 215-576-8283.

By signing below, I am acknowledging that I have read the questionnaire consent form, and I agree to participate.

Print Name

Sign Name

Date

APPENDIX D

ADVANCE NOTICE LETTER (FIRST MAILING)

Advance Notice Letter (First Mailing)

The following advance notice letter was the first correspondence mailed to all members of the sample. The letter was sent on official Temple University letterhead.

September 1, 2006

Real Estate Property Taxpayer's Name and Address

Dear _____:

Within the next week, you will receive a request to complete a questionnaire and questionnaire consent form. I am mailing the questionnaire to learn about how you feel about the one-percent earned income tax in the school district and its relationship to real estate property taxes. The entire study has been approved by the School District of Upper Dublin, Upper Dublin Township and Temple University.

The information you provide in the questionnaire will be used to complete my doctoral dissertation at Temple University. I am also currently the Principal of Upper Dublin High School. A summary of all questionnaire responses will also be confidentially shared with district and township policy makers.

I would greatly appreciate you taking a few minutes to complete and return the questionnaire and questionnaire consent form when you receive both documents in about a week. I thank you in advance for your time and effort. If you have any questions, or do not wish to participate in the research study, please feel free to call me at (215) 576-8283.

Sincerely,

Charles E. Rittenhouse
Temple University Doctoral Candidate
Upper Dublin High School Principal

APPENDIX E

FOLLOW-UP COVER LETTER (SECOND MAILING)

Follow-up Cover Letter (Second Mailing)

The following cover letter represented the second mailing and was mailed with a questionnaire, two questionnaire consent forms and a self-addressed stamped envelope approximately one week following the advanced notice letter (first mailing) to all members of the sample. The letter was sent on official Temple University letterhead.

September 1, 2006

Real Estate Property Taxpayer's Name and Address

Dear _____:

As a resident of the School District of Upper Dublin, you are most likely aware of the one-percent earned income tax that may be levied upon you as a taxpayer. I am mailing you this questionnaire in an effort to learn about how residents feel about the one-percent income tax and its relationship to real estate property taxes.

The entire study has been approved by the School District of Upper Dublin, Upper Dublin Township and Temple University. As a requirement of my doctoral program at Temple University, I am required to conduct an original research project.

Your household is one of a small sample of school district households that are being asked to give their opinion on this matter. Your name was drawn randomly and confidentially from school district tax rolls. It is important that you promptly complete and return the enclosed questionnaire and questionnaire consent form in the self-addressed stamped envelope provided. Please maintain one copy of the questionnaire consent form for your records. I have enclosed a small token of appreciation of \$1.00 for your efforts.

If you have any questions, please call me at (215) 576-8283. I thank you in advance for your time and effort.

Sincerely,

Charles E. Rittenhouse
Temple University Doctoral Candidate
Upper Dublin High School Principal

APPENDIX F

FOLLOW-UP POSTCARD (THIRD MAILING)

Follow-up Postcard (Third Mailing)

The following follow-up postcard represented the third mailing and was sent one week after the first questionnaire was mailed to all members of the sample. Because official Temple University postcards did not exist, United States Postal System postcards were utilized.

September 1, 2006

Real Estate Property Taxpayer's Name and Address

Dear _____:

Last week, a questionnaire and questionnaire consent form was mailed to your home seeking your opinions about the one-percent earned income tax in the School District of Upper Dublin and its relationship to real estate property taxes. Your name was randomly selected from a list of households in the district. The information provided by you in the questionnaire will be used to complete my doctoral dissertation at Temple University.

The entire study has been approved by the School District of Upper Dublin, Upper Dublin Township and Temple University. A summary of all questionnaire responses will also be confidentially shared with school district and township policy makers and public officials.

If you have completed and returned the questionnaire and questionnaire consent form, please accept my sincere thanks. If not, please do so today. I am especially grateful for your help because I believe that your responses will be very helpful to policy makers and public officials.

If you did not receive a questionnaire and questionnaire consent form, or if either document was misplaced, please call 215-576-8283 and I will mail you a replacement packet immediately. I thank you in advance for your time and effort.

Sincerely,

Charles E. Rittenhouse
 Temple University Doctoral Candidate
 Upper Dublin High School Principal

APPENDIX G
RESEARCH SURVEY ANALYSIS

Research Survey Analysis

Dates of study - July 15, 2005 - September 15, 2005

Population - 8,835 real estate property taxpayers

Notes: Total on tax rolls.

Estimated Sample - 1,000 real estate property taxpayers

Notes: Sample based on a projected population response rate of 3% to 4%.

Target Real Estate Property Taxpayer Population Response Rate - 3% to 4%

Notes: Target of 3% to 4% response rate.

Target Population Response Rate Range - 265 (3%) to 353 (4%) real estate property taxpayers

Notes: Range based on a population of 8,835 real estate property taxpayers.

Median of Population Response Rate Range - 309 Real estate property taxpayers

Notes: Median of 265 and 353 real estate property taxpayers.

Random Sample from Tax Rolls - Every 8.5 pages

Notes: Random sample of every fourth sheet determined by business manager.

Total Page Sample - 35 pages

Notes: To obtain a sample of 1,000 (and factor in business/bad addresses) real estate property taxpayers, 35 pages were selected, or 35 pages multiplied by 30 addresses per sheet, for a total of 1,050 real estate property taxpayers.

Address Labels - 30 per sheet

Notes: Standard Avery label sheet contained 30 address labels per sheet.

Sample - 1,050 real estate property taxpayers

Notes: Sample based on multiplying 35 pages of address labels by 30 addresses per sheet, or 1,050 real estate property taxpayers.

Repeat or Business or Bad Addresses Not Used - 71 real estate property taxpayer business and/or bad addresses.

Notes: Business addresses were eliminated because the study was based on individual real estate property taxpayer attitudes and bad address labels were pulled due to incorrect information.

Adjusted Sample - 979 real estate property taxpayers
Notes: Sample based on 1,050 address labels less 71 business/bad address labels.

Returned and Completed Questionnaires - 388
Notes: A returned and completed questionnaire was a completed questionnaire mailed back to the researcher.

Sample Response Rate - 39.6%
Notes: Sample response rate was based on 388 returned and completed questionnaires and an adjusted sample of 970 addresses.

Population Response Rate - 4.4%
Notes: Population response rate was based on 388 returned and completed questionnaires and a population of 8,835 real estate property taxpayers.

Total Questions in Questionnaire - 18

Total Closed-Ended Questions - 5 questions

Total Open-Ended Questions - 13 questions

Question 01.

Question Type - Closed-ended

01. Yes - 380 responses (97.9%)
02. No - 1 response (Less than 1.0%)
03. Unsure - 5 responses (1.3%)
Did Not Answer - 2 responses (Less than 1.0%)

Total - 388 Responses (100%)

Question 02.

Question Type - Closed-ended

01. Abington - 4 responses (1.0%)
02. Ambler - 79 responses (20.4%)
03. Ardsley - 3 responses (Less than 1.0%)

- 04. Dresher - 87 responses (22.4%)
- 05. Fort Washington - 76 responses (19.6%)
- 06. Jarretstown - 1 response (Less than 1.0%)
- 07. Maple Glen - 88 responses (22.7%)
- 08. North Hills - 3 responses (Less than 1.0%)
- 09. Oreland - 22 responses (5.7%)
- 10. Willow Grove - 15 responses (3.9%)
- 11. Other - (2.3%) - 9 responses (2.3%)
 - Upper Dublin - 7 responses (1.8%)
 - Spring House - 1 response (Less than 1.0%)
 - Three Tuns - 1 response (Less than 1.0%)
- 12. Unsure - 1 response (Less than 1.0%)
- Did Not Answer - 0 responses (0.0%)

Total - 388 Responses (100.0%)

Question 03.

Question Type - Open-ended

- 01. Yes - 230 responses (59.0%)
- 02. No - 104 responses (26.7%)
- 03. Unsure - 48 responses (12.3%)
- Did Not Answer - 8 responses (2.1%)

Total - 390 Responses (100.0%)

Question 04.

Question Type - Closed-ended

- 01. Yes - 388 responses (100.0%)
- 02. No - 0 responses (0.0%)
- 03. Unsure - 0 responses (0.0%)
- Did Not Answer - 0 responses (0.0%)

Total - 388 Responses (100%)

Question 05.

Question Type - Closed-ended

- 01. 18-20 years old - 0 responses (0.0%)
- 02. 21-30 years old - 4 responses (1.0%)
- 03. 31-40 years old - 50 responses (12.9%)
- 04. 41-50 years old - 115 responses (29.6%)
- 05. 51-60 years old - 108 responses (27.8%)

- 06. 61-70 years old - 65 responses (16.8%)
- 07. 71-80 years old - 31 responses (8.0%)
- 08. 81-90 years old - 14 responses (3.6%)
- 09. 91 (or more) years old - 0 responses (0.0%)
- 10. Unsure - 0 responses (0.0%)
- Did Not Answer - 1 response (Less than 1.0%)

Total - 388 Responses (100%)

Question 06.

- 01. Yes - 95 responses (24.7%)
- 02. No - 186 responses (48.3%)
- 03. Unsure - 103 responses (26.8%)
- Did Not Answer - 1 responses (Less than 1.0%)

Total - 385 Responses (100.0%)

Question 07.

Question Type - Closed-ended

- 01. Yes - 271 responses (69.7%)
- 02. No - 90 responses (23.2%)
- 03. Unsure - 23 responses (5.9%)
- Did Not Answer - 5 responses (1.3%)

Total - 389 Responses (100.0%)

Question 08.

Question Type - Closed-ended

- 01. \$00,000-\$19,999 - 21 responses (5.4%)
- 02. \$20,000-\$39,999 - 23 responses (5.9%)
- 03. \$40,000-\$59,999 - 41 responses (10.5%)
- 04. \$60,000-\$79,999 - 57 responses (14.7%)
- 05. \$80,000-\$99,999 - 45 responses (11.6%)
- 06. \$100,000-\$119,999 - 35 responses (9.0%)
- 07. \$120,000-\$139,999 - 33 responses (8.5%)
- 08. \$140,000-\$159,999 - 16 responses (4.1%)
- 09. \$160,000-\$179,999 - 11 responses (2.8%)
- 10. \$180,000-\$199,999 - 10 responses (2.6%)
- 11. \$200,000 or more - 44 responses (11.3%)
- Unsure - 21 responses (5.4%)
- Did Not Answer - 32 responses (8.2%)

Total - 389 Responses (100.0%)

Question 09.

Question Type - Open-ended

01. Yes - 99 responses (23.3%)

02. No - 176 responses (41.4%)

02A - Taxpayer groups - 99 responses (56.3%)

03. Unsure - 138 responses (32.5%)

Did Not Answer - 12 responses (2.8%)

Sub-total - 425 Responses (100%)

Total - 524 Responses (100.0%)

Question 10.

Question Type - Closed-ended

01. Abington - 14 responses (3.5%)

02. Ambler - 12 responses (3.0%)

03. Ardsley - 1 response (Less than 1.0%)

04. Dresher - 14 responses (3.5%)

05. Fort Washington - 25 responses (6.3%)

06. Jarrettown - 1 response (Less than 1.0%)

07. Maple Glen - 10 responses (2.5%)

08. North Hills - 0 responses (0.0%)

09. Oreland - 3 responses (Less than 1.0%)

10. Willow Grove - 11 responses (2.8%)

11. Other - 244 responses (61.8%)

Philadelphia - 51 responses

Retired - 21 responses

Blue Bell - 11 responses

Horsham - 11 responses

New Jersey - 10 responses

King of Prussia - 9 responses

Conshohocken - 7 responses

Blank - 6 responses

Spring House - 5 responses

Warminster - 5 responses

Whitpain - 5 responses

Huntingdon Valley - 4 responses

Bensalem - 4 responses

Malvern - 4 responses

North Wales - 4 responses

West Point - 2 responses

Jenkintown - 3 responses
All Over - 3 responses
Home - 3 responses
Plymouth Meeting - 3 responses
Bala Cynwyd - 2 responses
Cheltenham - 2 responses
Delaware County - 2 response
Elkins Park - 2 responses
Landsdale - 2 responses
Montgomeryville - 2 responses
New York City - 2 responses
Norristown - 2 responses
Several Places - 2 responses
Souderton - 2 responses
Valley Forge - 2 responses
Warrington - 2 responses
Whitemarsh - 2 responses
Bala Cynwyd - 1 response
Berwyn - 1 response
Boston - 1 response
Bristol - 1 response
Bryn Mawr - 1 response
Bucks County - 1 response
Southampton - 1 response
Camden - 1 response
Collegeville - 1 response
Different Townships - 1 response
Doylestown - 1 response
East Whiteland - 1 response
Ewing, NJ - 1 response
Exton - 1 response
Lafayette Hills - 1 response
Lower Gwynedd - 1 response
Lower Merion - 1 response
Mainland - 1 response
Melrose Park - 1 response
Morrisville - 1 response
New Britain - 1 response
New York/Maryland - 1 response
Newtown - 1 response
North Penn - 1 response
North Wales - 1 response
Out of State - 1 response
Pennsauken, NJ - 1 response
Perkasie - 1 response
Quakertown - 1 response
Roslyn - 1 response

Southampton - 1 response
 Springfield - 1 response
 Telford - 1 response
 Travel - 1 response
 Trevose - 1 response
 Upper Gwynedd - 1 response
 Upper Southampton - 1 response
 Varies - 1 response
 Washington DC - 1 response
 Wellsboro - 1 response
 West Chester - 1 response
 Worcester - 1 response
 Wyncote - 1 response
 Wyndmoor - 1 response
 Wynnewood - 1 response

12. Do not currently work - 57 responses (14.4)
 13. Unsure - 1 response (Less than 1.0%)
 Did Not Answer - 2 responses (Less than 1.0%)

Total - 395 Responses (100.0%)

Question 11

Question Type - Closed-ended

01. White - 345 responses (88.7%)
 02. Black - 5 responses (1.3%)
 03. Asian - 23 responses (5.9%)
 04. Indian - 0 responses (0.0%)
 05. Hispanic - 4 responses (1.0%)
 06. Other - 7 responses (1.8%)
 Blank - 2 responses
 Do Not Wish To Answer - 1 response
 Human - 1 response
 Jewish - 1 response
 Korean - 1 response
 N.A. - 1 response

07. Unsure - 0 responses (0.0%)
 Did Not Answer - 5 responses (1.3%)

Total - 389 Responses (100.0%)

Question 12.

Question Type - Closed-ended

01. Administrative, etc., - 23 Responses (5.7%)
02. Agricultural, etc. - 0 Responses (0.0%)
03. Business Owner - 25 Responses (6.2%)
04. Construction, etc. - 8 Responses (2.0%)
05. Doctor, etc. - 15 Responses (3.7%)
06. Engineer, etc. - 14 Responses (3.7%)
07. Executive, etc. - 46 Responses (11.4%)
08. Handler, etc. - 2 Responses (Less than 1.0%)
09. Health Technologist, etc. - 6 Responses (1.5%)
10. Legal Profession, etc. - 14 Responses (3.5%)
11. Marketing, etc. - 25 Responses (6.2%)
12. Mechanic, etc. - 1 Response (Less than 1.0%)
13. Military - 0 Responses (0.0%)
14. Natural Scientist, etc. - 9 Responses (2.2%)
15. Precision Production - 0 Responses (0.0%)
16. Production Worker - 1 Response (Less than 1.0%)
17. Registered Nurse, etc. - 17 Responses (4.2%)
18. Retail Industry - 6 Responses (1.5%)
19. Self-Employed - 29 Responses (7.2%)
20. Service Industry - 2 responses (Less than 1.0%)
21. Social Scientist, etc. - 6 Responses (1.5%)
22. Teacher, etc. - 33 Responses (8.1%)
23. Technologist, etc. - 5 Responses (1.2%)
24. Transportation, etc - 2 Responses (Less than 1.0%)
25. Writer, etc. - 2 Responses (Less than 1.0%)
26. Unemployed - 17 Responses (4.2%)
27. Other - 94 Responses (23.2%)
28. Unsure - 1 Response (Less than 1.0%)
- Did Not Answer - 2 Responses (Less than 1.0%)

Total - 405 Responses (100.0%)

Question 13.

Question Type - Closed-ended

01. Republican Party - 187 Responses (47.7%)
02. Democratic Party - 135 Responses (34.4%)
03. Independent Party - 29 Responses (7.4%)
04. Other (Specify) - 14 Responses (3.6%)
 - None - 3 responses
 - No Party/Independent - 3 responses
 - Non-partisan - 3 responses
 - Not Registered - 2 responses
 - N.A. - 2 responses
 - Undeclared - 1 response
05. Unsure - 17 Responses (4.3%)

Did Not Answer (2.6%)

Total - 392 Responses (100.0%)

Question 14.

Question Type - Open-ended

01. Yes - 194 responses - (50.1%)

02. No - 127 responses - (32.8%)

02A. Taxpayer Groups - 92 responses (72.4%)

03. Unsure - 45 responses - (11.6%)

Did Not Answer - 21 responses - (5.5%)

Total - 479 Responses - (100.0%)

Question 15.

Question Type - Closed-ended

01. No formal education - 1 response (Less than 1.0%)

02. Some grade school - 2 responses (Less than 1.0%)

03. Completed grade school - 0 responses (0.0%)

04. Some high school - 1 response - (Less than 1.0%)

05. Completed high school - 31 responses (7.9%)

06. Some college - 41 responses - (10.4%)

07. Completed college - 104 responses - (26.4%)

08. Some graduate work - 48 responses - (12.2%)

09. A graduate degree - 162 responses (41.1%)

10. Unsure - 0 responses (0.0%)

Did Not Answer - 4 response - (1.0%)

Total - 394 Responses (100.0%)

Question 16.

Question Type - Closed-ended

01. Yes - 347 responses (89.2%)

02. No - 34 responses (8.7%)

03. Unsure - 2 responses (Less than 1.0%)

Did Not Answer - 6 responses (1.5%)

Total - 389 Responses (100.0%)

Question 17.

Question Type - Open-ended

01. Yes - 234 responses (60.8%)
02. No - 99 responses (25.8%)
03. Unsure - 43 responses (11.2%)
Did Not Answer - 9 responses (2.3%)

Total - 385 Responses (100.0%)

Question 18.

Question Type - Closed-ended

01. Yes - 253 responses (65.0%)
02. No - 130 responses (33.4%)
03. Unsure - 2 responses (Less than 1.0%)
Did Not Answer - 4 responses (1.0%)

Total - 389 Responses (100.0%)

Comments

Question Type - Open-ended

Wrote Comments - 123 responses (31.7%)
Did Not Write Comments - 265 responses (68.3%)

Total - 388 Responses (100.0%)

APPENDIX H

WORK LOCATION ANALYSIS - QUESTION 10

Work Location Analysis - Question 10.

- 01. Abington - 14 responses (3.5%)
- 02. Ambler - 12 responses (3.0%)
- 03. Ardsley - 1 response (Less than 1.0%)
- 04. Dresher - 14 responses (3.5%)
- 05. Fort Washington - 25 responses (6.3%)
- 06. Jarrettown - 1 response (Less than 1.0%)
- 07. Maple Glen - 10 responses (2.5%)
- 08. North Hills - 0 responses (0.0%)
- 09. Oreland - 3 responses (Less than 1.0%)
- 10. Willow Grove - 11 responses (2.8%)
- 11. Other - 244 responses (61.8%)
 - Philadelphia - 51 responses
 - Retired - 21 responses
 - Blue Bell - 11 responses
 - Horsham - 11 responses
 - New Jersey - 10 responses
 - King of Prussia - 9 responses
 - Conshohocken - 7 responses
 - Blank - 6 responses
 - Spring House - 5 responses
 - Warminster - 5 responses
 - Whitpain - 5 responses
 - Huntingdon Valley - 4 responses
 - Bensalem - 4 responses
 - Malvern - 4 responses
 - North Wales - 4 responses
 - West Point - 2 responses
 - Jenkintown - 3 responses
 - All Over - 3 responses
 - Home - 3 responses
 - Plymouth Meeting - 3 responses
 - Bala Cynwyd - 2 responses
 - Cheltenham - 2 responses
 - Delaware County - 2 response
 - Elkins Park - 2 responses
 - Landsdale - 2 responses
 - Montgomeryville - 2 responses
 - New York City - 2 responses
 - Norristown - 2 responses
 - Several Places - 2 responses
 - Souderton - 2 responses
 - Valley Forge - 2 responses
 - Warrington - 2 responses
 - Whitemarsh - 2 responses
 - Bala Cynwyd - 1 response

Berwyn - 1 response
Boston - 1 response
Bristol - 1 response
Bryn Mawr - 1 response
Bucks County - 1 response
Southampton - 1 response
Camden - 1 response
Collegeville - 1 response
Different Townships - 1 response
Doylestown - 1 response
East Whiteland - 1 response
Ewing, NJ - 1 response
Exton - 1 response
Lafayette Hills - 1 response
Lower Gwynedd - 1 response
Lower Merion - 1 response
Mainland - 1 response
Melrose Park - 1 response
Morrisville - 1 response
New Britain - 1 response
New York/Maryland - 1 response
Newtown - 1 response
North Penn - 1 response
North Wales - 1 response
Out of State - 1 response
Pennsauken, NJ - 1 response
Perkasie - 1 response
Quakertown - 1 response
Roslyn - 1 response
Southampton - 1 response
Springfield - 1 response
Telford - 1 response
Travel - 1 response
Trevose - 1 response
Upper Gwynedd - 1 response
Upper Southampton - 1 response
Varies - 1 response
Washington DC - 1 response
Wellsboro - 1 response
West Chester - 1 response
Worcester - 1 response
Wyncote - 1 response
Wyndmoor - 1 response
Wynnewood - 1 response

APPENDIX I

PROFESSION ANALYSIS - QUESTION 12.

Profession Analysis - Question 12.

01. Administrative, etc., - 23 Responses (5.7%)
 02. Agricultural, etc. - 0 Responses (0.0%)
 03. Business Owner - 25 Responses (6.2%)
 04. Construction, etc. - 8 Responses (2.0%)
 05. Doctor, etc. - 15 Responses (3.7%)
 06. Engineer, etc. - 14 Responses (3.7%)
 07. Executive, etc. - 46 Responses (11.4%)
 08. Handler, etc. - 2 Responses (Less than 1.0%)
 09. Health Technologist, etc.-6 Responses (1.5%)
 10. Legal Profession, etc. - 14 Responses (3.5%)
 11. Marketing, etc. - 25 Responses (6.2%)
 12. Mechanic, etc. - 1 Response (Less than 1.0%)
 13. Military - 0 Responses (0.0%)
 14. Natural Scientist, etc. - 9 Responses (2.2%)
 15. Precision Production - 0 Responses (0.0%)
 16. Production Worker - 1 Response (Less than 1.0%)
 17. Registered Nurse, etc. - 17 Responses (4.2%)
 18. Retail Industry - 6 Responses (1.5%)
 19. Self-Employed - 29 Responses (7.2%)
 20. Service Industry - 2 responses (Less than 1.0%)
 21. Social Scientist, etc. - 6 Responses (1.5%)
 22. Teacher, etc. - 33 Responses (8.1%)
 23. Technologist, etc. - 5 Responses (1.2%)
 24. Transportation, etc - 2 Responses (Less than 1.0%)
 25. Writer, etc. - 2 Responses (Less than 1.0%)
 26. Unemployed - 17 Responses (4.2%)
 27. Other - 94 Responses (23.2%)
 28. Unsure - 1 Response (Less than 1.0%)
 - Did Not Answer - 2 Responses (Less than 1.0%)
- Total - 405 Responses (100.0%)