

Fall 10-2003

Examining Sentiment Toward the Property Tax and its Alternatives in Ohio's School Funding Formula

Peter M. Rancatore, Jr.

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Running head: Sentiment Toward Property Tax in Ohio School Funding

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Alternatives in Ohio's School Funding Formula

Peter M. Rancatore, Jr.

Golden Gate University

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Abstract

Despite the Ohio Supreme Court's determination that Ohio's school funding formula is unconstitutional because of its over-reliance on property tax, property tax remains the prevalent source of school funding in Ohio (the State). This study measured the sentiment of Ohioans toward the property tax and its alternatives.

Surveys were distributed to voters in Lucas County (the County) in late August of 2003 to evaluate public sentiment toward the property tax, and alternatives such as sales tax, income tax, and combinations of the three. The data collected included personal financial and background information of the participants. The research hypothesis formulated for purposes of this study is that Ohioans prefer a split between income and property taxes in lieu of the amount of property tax currently collected for the existing school funding system. The survey results varied somewhat by income level, gender, and political affiliation, but the vast majority of those surveyed preferred that the amount currently collected in property tax be reallocated and spread out among income, property, and sales taxes.

Examining the Sentiment Toward Progressiveness

In Ohio's School Funding Formula

Introduction

Traditionally, education in the United States has been a community responsibility, funded primarily through the levy of local property taxes (Dye, 1998). Therefore, a discussion of property tax reform invariably involves a discussion of education finance reform (Knudsen, 2001). Moreover, property tax is the primary mechanism utilized to fund schools, and it has been Ohio's single most important source of funding since the 1800s. With approximately 70% of all property tax collected in Ohio going to schools (Sobul, 2000), the property tax remains the primary source of revenue, accounting for over 51% of all school funding (Golden, 2002). However, with plaintiffs increasingly challenging the constitutionality of school funding mechanisms utilized by the states, state Supreme Courts, like Ohio's, are assuming more responsibility in public education (Dye, 1998).

The March, 1997 Ohio Supreme Court (the Court) decision in *DeRolph v. the State of Ohio* (*DeRolph*) concluded that Ohio's school funding formula is in need of a "systematic overhaul". The Court determined that the State's method of funding schools is unconstitutional, asserting that the State's over-reliance on the property tax leads to educational inequities in Ohio's school districts. Specifically, the *DeRolph* case magnified the inequities of school funding in rural Southern Ohio, where school buildings were in dire need of repair, and where corresponding student bodies traditionally under-perform on standardized tests. This evidence led the Court to declare that the State had not "provided for a thorough and efficient system of public schools" pursuant to the Ohio Constitution (Ohio School Funding.org, n.d.). Since that

time, the *DeRolph* decision has set off a contentious political debate over school funding between the Ohio State Legislature (the Legislature) and the Court that remains unresolved today.

In response to *DeRolph* and in an effort to reconcile existing funding inequities in school districts, the Legislature took action aimed at resolving the school funding issue. One step was to put State Issue 2 on the ballot on May 5, 1998. State Issue 2 would have raised the State's sales tax by 1%. The new revenue would have been split evenly between property tax relief, and additional school funding. However, the measure was trounced at the polls by an 80% to 20% margin (New Ohio Institute, 2003). Secondly, the Legislature has increased per pupil spending and contributed more than \$1 billion for school building repairs and new construction (Lima, 2003). Additionally, Governor Bob Taft has developed a 12-year \$10.2 billion plan to both construct new school facilities and repair dilapidated school buildings utilizing general obligation bonds for primary, secondary, and higher education (Johnson, 1999). However, the Court, maintaining that Ohio has not adequately and fundamentally changed the school funding system, has "admonished" the General Assembly for not devising a new formula less reliant on property tax. At one point, the Court instituted ongoing monitoring on the progress (or lack thereof) in developing a more appropriate school funding mechanism (Clowes, 2000), but has since vacated the monitoring position (*State ex rel. State v. Lewis*) due to issues surrounding the separation of powers.

Notwithstanding the Court's decision and previous mandate, 51% of spending on Ohio public schools still comes from local property taxes, down rather insignificantly from almost 52% in 1997 (Clowes, 2000). Therefore, despite the controversy, not much has changed in the

foundation of the school funding formula in Ohio. Property taxes still represent the chief component in Ohio's school funding formula.

Much has been debated with respect to Ohio's school funding dilemma. However, this project finds a niche in the available research by examining taxpayer sentiment toward Ohio's property tax and its available alternatives. Conducting a study that attempts to gauge the attitude of the voters is unique not just for Ohio's predicament, but for other states as well. Given that voters may be asked to approve a new school funding plan, this project may identify paths that Ohio officials may take (and perhaps paths that should be avoided) in order to make the system less reliant on the property tax. Involving the voters can insure that a new funding formula not only has widespread appeal, but also preserves the political integrity of elected officials while presumably satisfying the Court's mandate. Therefore, taking into account the Court's decision and the regressive nature of the property tax, it is believed that this research will prove that Ohioans prefer settling the school funding debate with an element of progressiveness applied to that part of the Ohio school funding formula presently dedicated solely to property tax. This step insures that taxpayers with higher incomes assume a larger responsibility for school funding statewide. To date, the legislature has not acted to overhaul the school funding/property tax system pursuant to the Court's mandate, which is now over six years old. However, if studies from the constituency of the policy makers can exemplify disdain with the current system and point to viable solutions, this may encourage legislative actions that dramatically modify the current school funding/property tax system.

Literature Review

Although there is a wealth of information and opinion in the press regarding the Ohio property tax/school funding issue, sentiment can be much more difficult to measure, and few

scholarly or other studies addressing taxpayer sentiment toward changes in the school funding mechanisms exist. However, evidence of change in sentiment toward the property tax may best be measured by the existence of reform movements. Therefore, in addition to some general background information on the implications inherent to property tax and details of Ohio's distinctive situation, it is worthwhile to examine some other tax reform movements as valid forms of secondary research and background information from which to establish a context for this study.

Background of an Unpopular Tax

In his work, Hal Hovey (1996) explains that alleviating property tax burdens was a fashionable idea in the 1990's. However, though property tax relief receives substantial "air time" in various state houses, legislators seem reluctant to abandon a taxing mechanism that they have relied on for so long, and seem to rely on more and more. Therefore, a type of hypocrisy is taking place.

Hovey (1996) describes the historic origins of the modern property tax, and discusses the merits of mainstream alternatives to the property tax. He discusses in detail various concerns brought about by the property tax, and lists a variety of reasons why the property tax is reviled, such as:

- Property taxes bear no relationship to ability to pay, as measured by income.
- Property taxes are due in large lump sums.
- Differences in property taxes depend largely on the school district in which the taxpayer happens to reside.
- Homeowners can be "thrown out" of their home if they cannot pay.

- Market valuation is not an appropriate method of taxation if a family farm is owned, or if the taxpayer owns an older home that is in a popular neighborhood.
- Administration of the property tax can be contentious, with allegations of certain taxpayers receiving special breaks from assessors.

Funding Alternatives and Their Implications

Hubell and Olson (1976) performed a study that evaluated potential financial effects of a more progressive tax mechanism in Kansas City, Missouri and Kansas City, Kansas. These cities were chosen because of disparities in per-student education expenditures in the 92 school districts that comprise the metropolitan area, and the fact that legislatures were considering alternative methods of educational finance at the time of the study. The study proposed eliminating the property tax and replacing the revenue via one of the following choices:

1. 100% by income tax
2. *60% to 40% mix between income and sales tax, respectively
3. *40% to 60% mix between sales and income tax, respectively

(*these are approximations, as the proposals for the two communities had slightly different proposed mixes of tax revenue).

Hubell and Olson (1976) also analyzed the financial effects of replacing the property tax on various income classes. They determined that both rural and inner-city households fare better under the income and sales tax proposals than under the property tax. Therefore, those living in other parts of the state that are not rural or inner-city bear a much larger tax burden, with wealth being redistributed to poorer school districts.

The effects of the taxes in terms of their progressiveness or regressiveness are also explained by the authors who suggest that the property tax is the most regressive tax, the sales

tax is less regressive than the property tax, and that the income tax is progressive. Additionally, they advise policy makers to consider the financial impacts not only on the rural and inner city taxpayers, but also on the various income classes. The authors further concluded that all of their methods fall short of ideal progressiveness, noting that upper income households pay proportionately lower average tax rates than any other income class. Therefore, the authors maintain that marginal income tax rates should be raised considerably if ideal progressiveness is desired, along with direct rebates going to lower income households.

Sentiment as Measured by Other Property Tax Reform

Michigan's "Proposal A"

For years, Michigan residents wanted property tax relief and more equivalent, per-pupil funding statewide in their school system. However, voters previously rejected reform measures dating back to 1972. Frustration with the system reached a zenith in August of 1993 when, in an unprecedented move, the Michigan Legislature passed Public Act 145 of 1993, which repealed the property tax, leaving the State with no way to fund its schools (Lockwood, 2002). This legislative strategy effectively created a crisis that forced a solution (Christoff, 2002).

Michigan's "Proposal A", passed by voters in March of 1994 dramatically altered the manner in which Michigan Schools are funded. Proposal A's major characteristics include:

- Decreasing the average property tax bill by 45%
- Raising the sales tax by 50% from 4% to 6%
- Raising the cigarette tax by 300% from 25 cents a pack to 75 cents a pack
- Capping assessment increases on homes to 5% a year or the inflation rate, whichever is less.

- Narrowing widespread disparity in spending per pupil among school districts (Christoff, 2002).

Proposal A also provided educational reforms. Such reforms included the introduction of competition via the charter schools into the arena of public education. Additionally, Proposal A also allows students to attend a public school in a district other than the one in which he or she resides. It also limited the ability of a school district to have property tax levies on the ballot (Lockwood, 2002).

However, of significant interest is the fact that Proposal A was not the only option for voters. Rather, it competed with an alternative plan that centered on an income tax increase. The alternative plan consisted mainly of a 1.4% increase in income tax, from 4.6% to 6.0%. The alternative plan also did not include an annual cap on property value, and made additional levies by schools permanent, as opposed to the temporary nature of such levies under Proposal A (Lockwood, 2002).

The Debate in Pennsylvania

Pro (2003), Triad Strategies (2003) and Quinnipiac University (2002) report results on the general sentiment regarding property taxes in Pennsylvania. In recent months, Pennsylvania Governor Ed Rendell has been touting property tax reform that would reduce property taxes 15% to 30 %. In exchange for the cut, the income tax would rise by over a third (Triad Strategies, 2003), from 2.8% to 3.75% (Pro, 2003).

A poll conducted by Susquehanna Polling and Research indicates fragile support for the Rendell plan, even among those it would help most: the poor and the elderly (Pro, 2003).

Highlights of this poll include:

- 52% support Rendall's plan, while 42% oppose it (Pro, 2003)

- Men support the plan 50% to 45%; women support it 52% to 38% (Pro, 2003)
- The greatest support for the plan (55%) is among those 45-59 (Pro, 2003)
- 53% of those 18-29 oppose the plan (Pro, 2003)
- Only 47% of those 60 and older support the plan (Pro, 2003)
- Only 46% of those with incomes of \$30,000 or less support the plan, even though most of them would be exempt from the tax (Triad Strategies, 2003)
- Strongest support (61%) came from those with income of \$76,000 a year or more (Triad Strategies, 2003)
- Those with income of \$31,000 to 75,000 were 55% to 39% in favor of the plan (Triad Strategies, 2003)
- The plan got the strongest backing in the Philadelphia area (57%), and the strongest opposition in Northeastern Pennsylvania (Triad Strategies, 2003)
- There is strong support for caps on future hikes (Triad Strategies, 2003)

Indications are that sentiment evolves over time. According to Roy Wells, CEO and managing director of Triad, a Harrisburg, Pennsylvania based lobbying firm (Pro, 2003), the “plan is getting a far better welcome than did the last major statewide reform effort in 1988, when voters killed the proposal by a two-to-one margin” (Triad Strategies, 2003). Moreover, a poll conducted by Quinnipiac University (2002) indicated the sentiment of Pennsylvania:

- Voters oppose raising the state income tax to pay for property tax relief by a 57 to 33 percent margin, and opposed raising the property tax by a 62 to 32 percent margin.
- 62% of those polled indicated that their property tax was “too high”, while 36% said it was “about right”.

- 53% of those polled said they thought the property tax was the least fair tax. Other choices included federal income tax (16%), Social Security tax (10%), state income tax (5%) & state sales tax (9%). Additionally, there appeared to be little, if any, variance among political affiliation and gender. However, only 39% in the Philadelphia area indicated that the property tax was the most reviled, while Allegheny and the Southwestern regions of the State recorded 60%.

California's Proposition 13

Led by Howard Jarvis and Paul Gann (Vosbergh, n.d.), California property owners experienced a transformation in local funding centered on alleviating the property tax burden. On June 6th, 1978, nearly two-thirds of California voters passed Proposition 13, which essentially takes the continuous market value appraisal system and throws it "out the window" in favor of an acquisition cost system. Hallmarks of the new system included:

- Property tax based on one percent of the property's purchase price.
- Property tax increases were limited to no more than two percent a year.

Prior to the passage of Proposition 13, Californians could, on average, expect a property tax bill equal to 3% of the market value of their home, and there were no caps on increases (Fox, n.d.).

There are many relevant aspects of the Proposition 13 that make it interesting. It certainly reformed the property tax, but reform is perhaps a misnomer. Proposition 13 was a revolt, fueled by negative sentiment emanated from the movement's leader, Howard Jarvis.

One aspect of Proposition 13 deals with mitigating the overall regressive nature of the tax. A study at the University of California at Davis found that Proposition 13 alleviated some of the regressive nature of the property tax. Specifically, this study determined that low and

middle-income people, on average, paid less in taxes than they would have paid under the former property tax system (Fox, n.d.).

The Role of the Judicial Process in School Funding

Focusing Events

Kingdon's policy process suggests that policymakers are reluctant to work on conditions until they become problems, and that one way to make a condition a problem is to capture the attention of a government official (1995). It stands to reason that a landmark Supreme Court decision would qualify as such an event that causes people to reevaluate an issue.

Proposition 13 may not only be "the mother" of all property tax reform, it may also be the mother of school finance reform born out of judicial decision. There is widespread belief that Proposition 13 happened because of the *Serrano v. Priest* (*Serrano*) case, a case which required equalized spending in school districts (Fischel, 2003). The most prominent advocate that *Serrano v. Priest* caused Proposition 13 is Dartmouth economist William Fischel (Stark & Zasloff, 2001). In a March 1978 Los Angeles Times interview, Fishel describes John Serrano's displeasure with Assembly Bill (AB) 65, the legislature's response to the *Serrano* decision. John Serrano describes AB 65 as "woefully inadequate" because the property tax was still a centerpiece of the proposed legislation. Additionally, news articles indicated that property tax would rise in the face of AB 65 (Fischel, 2003). This gave the appearance of maintaining the status quo property tax even in light of *Serrano*. Stark & Zasloff attribute the lack of viable solutions to legislative feuding (Fischel, 2003). However, this feuding and inaction may have given way to the Proposition 13 movement. Frustration of the taxpayers with the lack of meaningful legislative response from the Supreme Court decision is apparent in the title of Howard Jarvis' book, "I'm Mad As Hell."

Judicial Activism?

If *Serrano* caused Proposition 13, are state courts (like Ohio's) engaging in judicial activism? In this context, judicial activism means that state courts are embarking on their own efforts "to effect dramatic changes in public education" (Reed, 1996). Writers from the Buckeye Institute for Public Policy Solutions, a conservative think tank in Columbus, Ohio, make it clear that Ohio's Supreme Court overstepped its bounds, and that the Court's decision and any subsequent Court oversight of Ohio's school funding dilemma violates the principle of the separation of powers.

The basic framework that comprises the United States Constitution is the concept of the "separation of powers". Although the framers of the Constitution never utilized this term, they chose to fashion a government mechanism with the various checks and balances that comprise the separation of powers (Cooper, 1997). This system of checks and balances was implemented to insure that no one facet of our nation's government would rule supreme, and each branch of government would have its own distinct role: "The legislature is the policy-making branch of government with lawmaking authority. The executive branch possesses the authority to execute the laws, and the judiciary is charged with ensuring that the law is applied in a neutral manner" (Mayer & Owsiany, 2001).

David N. Mayer, a Law and History Professor at Capital University in Columbus, came up with his own interpretive analogy of the Court's decision: The Court saying the General Assembly hasn't met the Ohio Constitution's requirement of a "thorough and efficient system of common schools" would be similar to the U.S. Supreme Court telling the Congress that they have not "provided for a common defense" (Mayer, 1998). He goes on to state that the "thorough and efficient" criterion is not a rights provision; it is a power provision. It authorizes the General

Assembly to levy taxes or otherwise finance a statewide school system. It merely identifies the purpose for which the legislature may levy taxes. It is no more a mandate upon the legislature than the "Common Defense" provision in the U. S. Constitution (Mayer, 1998).

Clowes's (2000) major objection to the *DeRolph* decision centered on the Court's ability to legitimately hear the case. Namely, the *DeRolph* case is best described as non-justiciable. A non-justiciable issue is a political issue that lacks satisfactory criteria for a judicial determination (Clowes, 2000). Rather than hearing such cases, the Court should reserve them for the proper branch of government. As the argument goes, that would be the legislative branch, and Ohio Supreme Court Justice Deborah L. Cook (2001) best argues this in her dissenting opinion in *DeRolph*:

The fundamental principle of separation of powers and the related doctrine of non-justiciability prevent this Court from deciding what a 'thorough and efficient' system of public schools requires. The term thorough and efficient speaks to the question of educational quality, which is an issue that unquestionably involves difficult policy choices and value judgments that courts are not in the business of making.

With these statements, Justice Cook describes this issue as political in nature, and therefore an issue for which the Courts are ill equipped to deal with in an effective manner. Therefore, she contends that these duties are best left to the legislature to decide, with no interference from the Court.

These sentiments are echoed by Buckeye Institute advocates: "Determining the appropriate level of education funding in Ohio requires a series of policy decisions. These policy decisions, political, budgetary, and value judgments, are inextricable from education matters, and require a balancing of interests that are textually and traditionally committed to the General Assembly. The judicial brand is simply neither equipped nor empowered by the Constitution to make these kinds of decisions" (Mayer & Owsiany, 2001).

Collectively, this literature presents the backdrop from which Ohioans debate the merits of property tax/school funding reform, and whether or not such reforms should move forward. In an effort to help resolve the school-funding debate, this study attempts to gauge the sentiment of the constituency that legislators must respond to and reconcile it within the context of available literature.

Research Methodologies

The Purpose, Variables, Research Question, and Hypothesis

The purpose of this study is to evaluate the sentiment toward Ohio's current school funding formula that is heavily reliant upon the property tax, while concurrently attempting to identify viable alternatives. Due to time and funding constraints, this study is limited to Lucas County, Ohio. The dependent variable in this study is the satisfaction among Ohio taxpayers in the State's current property tax/school funding system. Independent variables in this study include common alternative methods of funding schools such as sales tax, income tax, and certain mixes of sales, property, and income taxes listed on the survey instrument in Appendix A. Special emphasis is given to the introduction of a progressive mechanism (an income tax). Control variables identified in this study include income level of taxpayer, political affiliation, age, and gender. These characteristics are examined relative to the data. Other geographic and demographic data gathered that could be used in further studies includes age, amount of property tax paid, and geographic location (school district, Ohio Senate or Ohio House District). The research question to be answered is: Do Ohioans espouse a more progressive taxing mechanism (an income tax) into that part of its school funding formula currently dedicated to property tax in order to decrease the heavy reliance on residential property tax? The research hypothesis formulated for purposes of this study is that Ohioans prefer a split between income and property

taxes in lieu of the amount of tax currently collected in property tax. The premise is that a progressive structure can coexist along with the property tax system, creating an environment more conducive to equity, while also being less burdensome to low and middle income homeowners. Additionally, since a progressive mechanism would substantively alter the current school funding formula, the Court may be much more likely to respond favorably to such a proposal. Because no relevant secondary data is known and current data is most desirable, primary research was compiled using the survey developed in Appendix A.

Establishing a Population

School funding is obviously an issue of public interest that affects all Ohioans in some fashion. Based on the 2000 Census, Ohio's population is 10,592,367 (US Census, 2001). Significant time and funding constraints limited this study to residents of Lucas County, Ohio. Based on the 2000 census, Lucas County's population is 455,054 (US Census, 2001).

Lucas County voters were selected as the target population for purposes of this study. It was reasoned that since voters select those State legislators charged with the responsibility to make laws and establish policy, their views on the topic are significant, and their ultimate influence in potential legislative and elective outcomes cannot be underestimated. Additionally, the voting public represents civic-minded citizens who may be most willing to comply in registering thoughts on an important topic of public interest.

A voting list was purchased in electronic form from the Lucas County Board of Elections. The data existed in the form of a text file that contained detailed information regarding all 281,904 registered voters in Lucas County as of August 13, 2003. The information on record with the Lucas County Board of Elections on that date included the voter's name, address, phone number, date of birth, political party affiliation, school district, state senate

district, state house district, congressional district, the elections in which a vote was cast, and a variety of other information not utilized for purposes of this study. This information contained in the County's file was converted into Microsoft Access for initial evaluation. From this list, the population was narrowed to include voters that voted in the last two general elections. It was reasoned that a pattern of consistent voting insures that the ultimate population represents a core group of reliable voters indigenous to the County. There were 133,575 voters in the last general election on November 5, 2002. Of those that voted that day, 92,180 also voted in the previous election on November 6, 2001. Of that amount, the County coded three voters as inactive. Presumably, these voters had died. One death was verified by checking the obituaries in the local newspaper, and all three had birthdates in the 1920s or before. Therefore, the population of this study consisted of 92,177 registered voters currently believed to be alive that voted in the last two general elections in the County.

Random Sampling

Voters in the target population for this study were numerically sorted by the registration number assigned to the voter by the County. For purposes of this study, the voter with the lowest registration number in the population was numbered 1, and the voter with the highest registration number was numbered 92,177.

Microsoft Excel was utilized to randomly select 500 numbers from the population utilizing the Excel command `=RAND()*92177`. To accomplish this, one cell was selected for a random number, and the remaining 499 cells were filled with random numbers by using the drag down command (left click with the mouse in the right hand corner of the cell, and drag the formula through to row 500). The numbers were then sorted numerically for ease of selection from the population. Because the random numbers selected included numbers with decimal

points, the numbers were truncated by rounding to the nearest whole number. Therefore, if the decimal point was .5 or more, the number was rounded up; otherwise, the whole number was as it appeared before the decimal point. However, on two occasions, this technique produced the same number. In those two cases, numbers were rounded down to avoid duplicate selections. The result was a random number database with 500 entries ranging from numbers 128 to 91,938. With the exception of one selection, the researcher was not acquainted with any of those randomly selected to participate in the survey.

The random number selections were matched with the Microsoft Access database lines. Because the researcher is an accountant and possesses considerable expertise in the use of Excel, the random selections were copied and carried over to Microsoft Excel for manipulation. After the list of the 500 selections was compiled, the data was pared to include only that information deemed relevant for purposes of this study. This included the voter's registration number, name, address, date of birth, political affiliation, voting history, and the appropriate voting districts.

Tactics Utilized to Increase Compliance

The survey instrument (Appendix A) was originally limited to 10 questions that fit on the front of one sheet of paper, some of which need not be answered by the respondent. It was reasoned that the one page format appeared simple, would enhance compliance, and would not be daunting or excessive to the participant.

In order to pre-test the instrument, twelve individuals were asked to read the survey or to participate in a very informal pilot group. Some of the individuals interacted together, some alone with the researcher. Of the nine that actually participated in the pilot study, eight said that they would complete the survey if they received it in the mail. Two in the group said that they generally do not fill out surveys, but would probably fill out this one. One said that the survey

would not get filled out under any circumstance. It took anywhere from 2 to 8 minutes to complete, with five of them finishing in the 4 to 6 minute range.

Most of the participants in the pilot study said that they appreciated the survey's short length. Three participants mentioned that it would help if an incentive existed, such as a coupon or \$1. One participant suggested that there be lines for the last question, but others seemed ambivalent to that request. Two participants also mentioned that they would have preferred check off boxes for the income level. One participant in the study objected to the question regarding ethnicity and commented that some people might not fill out the survey based on that question alone. Another person that read the survey but did not participate in the pilot study echoed this sentiment. All participants fully completed the first seven questions, but two participants merely checked off one box for Question #8. Two other participants suggested that the participants in the study should only number the top three choices in question #8. Two participants also mentioned that it would be a good idea to list the approximate time of completion of the survey.

The survey instrument was reevaluated in light of the focus group's comments, and changes were made based on the general response of the focus group. The question pertaining to the ethnic background of the participant was deleted since it seemed exogenous to the focus of the study, its absence shortened the questionnaire, and it was reasoned that the rate of compliance would be higher with a shorter survey instrument. Further, given the criticisms of Question #8, the choices were limited to 6, and the current system (100% property tax) was deleted as an option. Also, the part of Question #8 that requested numbering the options 1 to 6 was bolded. Finally, an approximate survey completion time of 5 minutes was added to the top of the survey, along with a smiley face☺.

The researcher also employed a number of tactics meant to increase compliance. First, only those that voted in the last two general elections were in this population. This target population, by virtue of a noteworthy voting record, seemed likely to be a responsive population given the nature of the issue and their consistent record of voting. Additionally, a number of subliminal tactics were employed to enhance responsiveness, such as:

- Handwriting addresses on the envelopes of each voter selected for the study, providing a more personal touch.
- Appealing to patriotism by using American flag stamps on both the mailing and on the self-addressed stamped envelope.
- Utilizing light blue paper for the survey was reasoned to be most appealing to the eye and something that wouldn't get lost amidst other "white paper" mail received by the prospective participant.
- Adding legitimacy to the request for information by describing the nature of the study and listing the researcher's personal information, such as phone number and suburban mailing address on the survey instrument.
- Appealing to civic-mindedness by identifying the respondents as conscientious voters.
- Adding a note that they would be contacted by phone if the survey was not returned.
- Listing a short turnaround time so the surveys would not get placed somewhere and forgotten. Respondents were asked to return the survey in 8-9 days.
- Providing integral elements of follow-up by offering a copy of the final report to those that requested one, while also emphasizing ownership of the process by letting

respondents know that their collective responses may be sent to elected representatives.

- Magnifying the survey topic by timing the survey to arrive in mailboxes 1) on approximately the same date as the county auditor's triennial property valuation notice, and 2) just before Labor Day weekend, providing participants time to read and respond to their weekend mail.

Survey Distribution

As soon as they were prepared, 500 surveys were mailed on three consecutive days, with 125 sent on August 28th, 2003 (Group 1); 200 sent on August 29th (Group 2); and 175 sent on August 30th (Group 3). Responses were requested within 8 to 9 days, with due dates of September 5th, 6th, and 8th respectively for Groups 1, 2, and 3. A self-addressed stamped envelope (SASE) was supplied for surveys that were mailed. Each SASE included a number attached to each respondent, so that the researcher could readily identify where to record the data when it arrived. This same identifying number was also coded on the backside of each survey in the bottom right corner. This assisted in the mailing process, and also added a safeguard should the survey be returned without the original envelope, or if it became separated in some part of the process.

Ten surveys were returned undeliverable, and 6 of the 10 were resent utilizing a variety of techniques. Such efforts included reviewing the original random sample list, and utilizing local phone books, city directories, and county property records. One survey was returned twice. Because a valid address could not be verified, four surveys were not resent. Also, time constraints prohibited personal follow-up to those that did not respond.

Recording the Response and Other Pertinent Data

As the data arrived, the responses were recorded. The Excel file previously created served as the data collection form (DCF). Added to the DCF were columns to record answers to the eight questions on the survey instrument. The responses were numerically sorted by the random number of the respondent (1-500), which was visible from the label on the SASE. This made the process of entering data on the DCF a bit more manageable. Verbatim text responses to Question #9 (Appendix A) were directly entered in a Microsoft Word file (Appendix B).

Although information in the DCF is personally identifiable and attached to a specific respondent, verbatim information was directly entered into Appendix B for Question #9, and these responses are not electronically identifiable. However, the backup hard copies of the responses still exist. Responses were generally entered into the Microsoft Word file in the order in which the response was received. The material in Appendix B was read and re-read to establish identifiable themes. After the themes were determined, the incidences of these themes were tallied and appear in Table 5 (on page 37).

As surveys were entered, the random number of the respondent was put in the upper right hand corner of the survey, along with the date that the response was received. The document was three hole punched and entered into a three ring binder.

In addition to the survey information and other information provided by the County, additional data fields were created for use on the DCF. Extra data fields were created for the age and gender of the voter utilizing the date of birth and name information provided by the County. Age was determined with the help of Excel, by using the formula of +2003 (for the current year) minus the year in which the voter was born. However, if a voter had a birthday on or after September 1, 2003, an extra year was added to the year of birth to arrive at the voter's

age. Also, a separate column was created to record the gender of the voter. The researcher determined the gender of the voter by examining the voter's name. For instance, voters with the first name of "Thomas" were deemed to be males, whereas voters with names "Elizabeth" were deemed to be females.

Additionally, a column was created on the DCF to indicate the amount of property tax assessed to the participant. Utilizing information obtained via the County's online database Areis (Lucas County Auditor, 2003), the amount of property tax assessed to the participant was recorded in the corresponding column on the DCF for respondents that answered "Yes" to Question #2. This amount was an aggregate amount for the 2002 calendar year, including taxpayers with multiple properties. This process omits property owned by the taxpayer that is located outside of Lucas County (such as a vacation or rental home in a neighboring county).

Demographics of the Sample

This study's random sample of the County's voters (Appendix C) includes both the 5th (Paul Gillmor-Republican) and 9th (Marcy Kaptur-Democrat) Congressional Districts. Those represented in this study were disproportionately from the 9th district (479), with a small number from the 5th district (21). Moreover, the sample spans 11 school districts in Lucas County, along with two Ohio Senate districts, and four State House districts.

The Lucas County area has a predominately Democratic flavor, and this fact is rather well represented by the political affiliation of the elected officials that represent this area. In addition to Democratic Congressional Representative Marcy Kaptur representing 95.8% of the sample, three of the four State House Districts are Democratic, and one of the two Senate Districts are Democratic. In the cases of both the State House and State Senate Districts, those representing the Democratic Party comprise 73.2% of the sample. However, those declared as

Democrats versus Republicans on the County's voter rolls in this sample indicate that Democrats outnumber Republicans by a 58.6% to 41.4% margin. However, when viewed in relation to the entire sample, Democrats hold a much narrower margin over undeclared voters, 36.8% to 30%. Moreover, Democrats are outnumbered by the aggregate sum of the 63.2% of the remaining voters in this sample of the County (Undeclared voters at 30%, Republicans at 26.8%, and Independents at 6.4%). The Lucas County voting population as of September 19, 2003 was represented by the following political affiliations: 67.3% undeclared, 15.9% Democrat, 14.2% Republican, and 2.6% independent. Voters from other "3rd parties" such as the Natural Law and the Libertarian party did not comprise .1% of the population (Paula Hicks-Hudson, Personal Communication, 2003).

In age categories, the largest group was 60 and over (32.4%), followed by the 40-49 group (24.6%), 50-59 (21.6%), 30-39 (12%), and 20-29 (5.2%). The County did not have birth dates on 21 (4.2%) of the voters. The youngest voter randomly selected for this study was 20 years old, and the oldest was 103. The average age of the sample was 53. Also, women outnumbered men in this sample by a 55% to 45% margin.

Summary of Key Findings

The total number of surveys mailed was 500. Of that amount, 27.8% (139) were returned, with various levels of completion and comments. Data obtained from surveys returned after September 19, 2003 was not considered in the findings. Interestingly, Groups 1 and 2 had a much higher rate of response than did Group 3. Group 1 returned 37/125 surveys for a 29.6% response rate; Group 2 returned 70/200 surveys for a 35% response rate; and Group 3 returned 32/175 for an 18.3% response rate. Four surveys were returned without answers to Questions #1 to #8. Considering the population size of 92,177, the number of responses (135), and a 95%

confidence level, the margin of error for this study is approximately 8.4% (Creative Systems Research, 2003). Appendix D lists the geographic and demographic breakdown of the participants in this study.

The following discussion presents the data obtained from the survey instrument. The designation N/A may stand for not answered or not applicable.

Question #1 - Do you own residential real estate in Ohio?

Answer to Owning Property	# of Respondents	% of Respondents
YES	127	94.1%
NO	8	5.9%

The results of this question establish that those responding in this study are homeowners.

Question #2 - Do you know how to compute your property tax bill?

Answer to Computing Prop Bill	# of Respondents	% of Respondents
YES	52	40.9%
NO	74	58.3%
N/A	1	0.8%

This question was asked in order to provide evidence of the complexity of Ohio's property tax system. The 1994 Commission to Study the Ohio Economy and Tax Structure described it as "one of the more complex property taxes in the U.S., and "so complicated that few taxpayers understand how it works or how their liability is determined" (Sjoquist, 1994).

The results from Question #2 indicate that 41% of those participating in the survey knew how to compute their own property tax bill. Given the complexity of the system, this seems to be an extraordinary high level of understanding. Of those participating in the informal pilot study, none knew how to compute their bill. It is hypothesized that the percentage of those that can actually compute their property tax bill is far lower, perhaps less than 5%.

Question #3 - Do you consider the amount of property tax that you pay appropriate considering your income level?

Property Tax Paid Relative to Income is...	# of Respondents	% of Respondents
About Right	42	33.1%
Too High	79	62.2%
Too Low	1	0.8%
N/A	5	3.9%

Question # 4 - Should there be limits on the amount of school related property tax paid based on income?

Limits Based on Income	# of Respondents	% of Respondents
Yes	106	78.5%
No	22	16.3%
N/A	7	5.2%

Question's 3 and 4 tested aspects of progressiveness for which participants identified a distinct preference.

With nearly five-eighths of those believing that their property tax was “too high” relative to income and nearly four out of five believing that there should be some type of limit on property tax paid based on income, there appears to be overwhelming support for a comprehensive “circuit breaker” program that delivers significant property tax relief. Circuit breakers are property tax relief programs, which target low and moderate income homeowners (Corporation for Enterprise Development, n.d.). Just as an electrical circuit breaker shuts off the flow of electricity when a system becomes overloaded, the property tax circuit breaker provides property tax relief when the ratio of property tax to income is too high (Geballe, 2000).

Currently, Ohio's Homestead exemption serves as a type of circuit breaker. It provides relief to property owners who are at least 65 years of age or totally and permanently disabled and whose combined income is \$24,700 or less (Cuyahoga County Auditor, 2003). Within the Homestead Exemption's income limitation, three income brackets exist, with those in the lowest

income level receiving a higher percentage of relief from their property tax bill. Based on the responses, Ohio's Homestead Exemption does not deliver adequate, broad-based relief.

Question # 5 - What was your household's approximate federal adjusted gross income for 2002? \$_____ (round to nearest thousand)

Income Range	# of Respondents	% of Respondents
\$5,000-\$24,000	21	15.6%
\$25,000-\$45,000	29	21.5%
\$50,000-\$70,000	23	17.0%
\$75,000-\$97,000	18	13.3%
\$100,000-\$150,000 & up	13	9.6%
\$375,000-\$400,000	2	1.5%
N/A	29	21.5%

Tax Effort

The specificity of the data in this question makes it possible to determine the approximate tax effort of the participant. Tax effort in this context is the ratio of school property tax to income. The latest data retrieved from the Ohio Department of Taxation lists Ohio's average and median tax effort per school district for the calendar year 2000 as 1.62% and 1.67% respectively. The highest tax effort was recorded at 3.66%, and the lowest was .63%. Tax effort is defined as total school taxes paid as a ratio to income. Specifically, total taxes are divided by Federal Adjusted Gross Income (Sobul, 2003).

The following discussion presents an analysis of tax effort of those that participated in the study, versus the State norms. In order to arrive at numbers comparable to the State's data, the property tax paid per taxpayer in this study was multiplied by 70% to come up with the school tax. This assumes that approximately 70% of the property tax paid goes to fund schools (Sobul, 2003). The school tax of the participants was then divided by the income data obtained in Question #5 to arrive at the tax effort.

The evidence indicates that many participants in this study are experiencing tax effort that far exceeds the norms. From the 101 participants that answered the income question and for which property tax information was available, the average tax effort of the participants in this study was 3.1%. Removing the high and low outliers yields a school tax effort of 2.9, nearly 74% above the Statewide median. A total of 76 of the 101 participants examined in this study had a school tax effort greater than the median. The following represents the distribution of school tax effort for participants in this study:

Table 1

Tax Effort by School Tax

Tax Effort	# of Participants
Up to 1.9%	28
2% to 2.9%	24
3% to 3.9%	20
4% to 4.9%	9
5% to 5.9%	5
6% to 6.9%	5
7% to 7.9%	0
8% to 9.9%	8
Over 10%	2

Question #6 - Should the State of Ohio play a greater role in collecting and disbursing funds to school districts?

More State Involvement?	# of Respondents	% of Respondents
Yes	83	61.5%
No	42	31.1%
N/A	10	7.4%

Property tax reform may invariably involve the State playing some type of major, non-traditional role in collecting and disbursing school funds currently collected by local governments. Considering the amount of trust that is involved, this prospect may seem especially distasteful to many. However, with nearly 5 out of 8 that answered “yes” to Question #6, there is a willingness to allow the State to take a more active role in collecting and disbursing school funds. Perhaps some reasoned that the State is better equipped than local officials to administer the collection and disbursement of school funds.

Question #7 - Should Ohio maintain the property tax in its current form as the principal source of revenue for Ohio schools?

Keep the Property Tax?	# of Respondents	% of Respondents
Yes	22	16.3%
No	105	77.8%
N/A	8	5.9%

The decisiveness of this response provides rather telling evidence of widespread alienation toward Ohio’s current property tax/school funding mechanism. The responses to this question should provide a basis from which to move forward in changing Ohio’s current school funding structure.

Question #8 - Of the amount of school funding currently raised from the property tax, which other method of school tax would you prefer most.

Use a scale of 1 to 6, one being the most preferable, 6 the least preferable.

- ___ Income tax (100%-Property tax eliminated and replaced with an income tax)
- ___ Sales tax (100%-Property tax eliminated and replaced with a sales tax)
- ___ Income tax/sales tax combination (50%/50%-Property tax is eliminated and replaced with sales and income taxes)
- ___ Sales/property tax combination (50%/50%-Half of the property tax revenue is replaced with sales tax revenue)
- ___ Income/property tax combination (50%/50%-Half of the property tax revenue is replaced with income tax revenue)
- ___ Property/income/sales tax combination (33%/33%/33%-Property, sales, & income tax each provide 1/3 of the school revenue)

It was hypothesized that Ohioans prefer a split between income and property taxes in lieu of the amount of property tax currently collected for the existing school funding system. Prima facie evidence of this preference may best be exemplified by the answer “no” to Question #7, and subsequently selecting the fifth choice for Question #8: “income/property tax combination (50%/50%-Half of the property tax revenue is replaced with income tax revenue)”. The following tables are useful in the discussion of how the alternatives fared.

Table 2

Tax Preferences by #1 Rankings as a Percentage of the Sample

Type of Tax	% of Tax Mix	# 1 Rankings
Income	(100%)	6.8%
Sales	(100%)	22.1%
Sales/Property	(50%/50%)	11.5%
Income/Property	(50%/50%)	4.8%
Income/Sales	(50%/50%)	10.6%
Income/Property/Sales	(33%/33%/33%)	44.2%

Table 3

Tax Preferences—All Rankings by # of Respondents

Type of Tax	# 1 Ranks	#2 Ranks	#3 Ranks	#4 Ranks	#5 Ranks	#6 Ranks	#NA Ranks
Income (100%)	7	9	4	5	22	28	60
Sales (100%)	23	12	6	6	21	15	52
Sales/Property (50%/50%)	12	17	17	16	10	7	56
Income/Property (50%/50%)	5	19	18	8	22	3	60
Income/Sales (50%/50%)	11	20	15	17	12	2	56
Income/Property/Sales (33%/33%/33%)	46	11	7	10	6	6	49

The sentiment toward the alternatives is discussed in order of how well each seemed to fair, with three categories: bottom, middle, and top. The bottom category is discussed first, followed by the middle, and the top.

The Bottom

- The 100% Income Alternative: The 100% income tax, on its own, appears to be the most reviled alternative. When considering 1st and 2nd rankings, the income tax finished last, with a total of 16 first and second place ranks. When considering the top two rankings, the next lowest alternative, the income/property option, had 50% more (24) ranks. The disdain for the pure income tax is also evident in the high number of last place ranks that it received (28), which was 93% more than the next closest last place ranking, the pure sales tax.

The Middle

- The Income/Property combination: This may represent the marriage of the two most despised taxes. Based on the fact that the income/property tax combination finished last in first place ranks, with a mere 4.8% of the participants choosing the income/property tax combination as the best choice, this option does not seem to have performed well

relative to the others. However, this seems to be a “middle of the road” choice, with 24 top ranks, 25 bottom ranks, while also having 26 middle ranks. Therefore, though not well liked, some appreciated what the strategic combination could affect.

- Sales/Property Alternative: This combination matches the two regressive taxing options. With 29 top ranks, 17 bottom ranks, and 33 in the middle, participants in this study seemed to appreciate this combination a bit more than the income/property combination.
- Income/Sales Alternative: With 31 top ranks, 35 middle ranks, and only 14 bottom ranks, this option seems to have fared better than the Sales/Property Alternative.
- The 100% Pure Sales Tax Alternative: This option certainly is somewhat of an enigma. It had its fans, and also had its critics. It had about as many top ranks (35) as bottom (36), with only 12 in the middle. It is best placed somewhere in the middle of the available options. The implication is that this option may polarize the constituency of this group.

The Top

- The Income/Property/Sales Alternative: Progressiveness seems to be most preferred when married with two regressive partners. Far and away, this option seemed to show the most strength, with the most top ranks (57), the least amount of bottom ranks (12), and a modest number (17) in the middle.

To assist in illustrating how each category fared, another means to gauge performance may be helpful. Although rudimentary in nature, assigning values to each rank may assist in arriving at a type of quantitative measurement. In the following scenario, a value of 6 was given for each 1st place rank, 5 for a 2nd, 4 for a 3rd place rank, and so on. That type of analysis yielded the following results:

Table 4

Rankings with Values per Rank

Type of Tax	Values for →	#1 Ranks	#2 Ranks	#3 Ranks	#4 Ranks	#5 Ranks	#6 Ranks	Totals
Income	(100%)	42	45	16	15	44	28	190
Sales	(100%)	138	60	24	18	42	15	297
Sales/Property	(50%/50%)	72	85	68	48	20	7	300
Income/Property	(50%/50%)	30	95	72	24	44	3	268
Income/Sales	(50%/50%)	66	100	60	51	24	2	303
Income/Property/Sales	(33%/33%/33%)	276	55	28	30	12	6	407

There are a number of flaws with this approach. For instance, it does not account for those that did not respond. Also, should there really be a value given for a last place vote, or even a second to last? Nonetheless, it may assist in providing a general picture of how the choices fared relative to each other.

Question #9 - What ideas do you have to fund Ohio schools?

The participants that chose to answer this question expressed many thoughts and ideas in a unique, free hand fashion. By design, there were no categories. However, there were some overriding themes that appeared. Therefore, an attempt was made to classify the responses into particular categories. After each major theme was identified, it was coded in Appendix B so that it could be easily tallied. The following table represents a good faith effort to both classify and quantify the remarks made by the participants in this survey. Participants may have touched on more than one point in their responses. However, in no case was the same theme counted more than once for the same participant.

Table 5

Interpretation of Major Themes of Participant Open Forum Sentiment by Incidence

More Lottery/Gambling Profits (LOT)	19
Low Confidence in School Administration (LC)	15
Pay to attend or participate (PAY)	12
More from Renters (R)	11
Equalized funding (EF)	10
Senior Citizen Breaks (SR)	4
Vouchers/Tuition Tax Credits (V)	4
Other Outside Fees (OTHFEES)	3
Corporate payments (CORP)	2

The most common theme (19 citations) seemed to be summed up by this: "What happened to all the Ohio Lottery money? Wasn't that supposed to fund the schools?" Generally, the surveys returned indicated a fundamental discontent regarding the expectations of lottery proceeds to be applied to the schools.

The next most common theme (15 citations) was a very low confidence level in, or a great disdain for, elected officials or those administering the school system. Though these remarks came in many different forms, there were many instances where general displeasure with some facet of school administration was expressed.

Many participants answering this question (12 citations) also believed that Ohio's Constitutional right to a free education should be altered, or at least looked at in a new light. Some believed that students who participate in extracurricular activities should have to pay additional funds. Also, many believed that only those families utilizing the schools should have to pay for them.

There was also a resentment toward those that rent (11 citations). Participants generally painted the picture that those renting were freeloading, while those that had property were bearing the brunt of the tax burden for the renters.

Another common theme was that there should be some type of equal funding among all school districts (10 citations), so that all will have the same opportunities, and no school district will have a distinct advantage based on funding available to the district. Presumably, this means equivalent per pupil funding.

To a lesser extent, other sentiment emerged, which included: additional breaks for senior citizens, expansion of the voucher program, ways of generating fees for schools outside of the school system, and increased corporate contribution to the tax base.

Effect of Independent Variables on Responses

A number of independent variables were also examined to understand how characteristics of a participant influence the results of the study. In this case, those responses that were in the minority are scrutinized to determine a pattern.

Summary of Responses Based on Political Affiliation

A brief analysis of the answers by political affiliation yielded some noteworthy observations (Appendix E). For instance, Democrats are most likely to believe that their property tax is "too high" relative to income. Additionally, Republicans seem twice as likely as Democrats to believe that caps on property tax based on income are unnecessary. Finally, Democrats are more likely to prefer an income tax. This finding mirrors a New Hampshire poll where Democrats were also more likely to support a statewide income tax than their Republican counterparts (Franklin Pierce College, 1999).

Summary of Responses Based on Gender

In terms of gender, many of the variances recorded in Appendix F are generally rather unremarkable. However, it seems as if females are much more willing to further involve the State in the collection and disbursement of school funding than their male counterparts

(Question #6). Also, Question #4 indicates that males are a bit less sympathetic to the idea of caps on property tax based on income than females are.

Summary of Responses Based on Income Level

Information contained in Appendix G indicates that wealthier participants are more likely to think that the amount paid in property tax is “about right” relative to income (Question #3). Also, wealthier participants are more likely to not want the State further involved in the collection and disbursement of local school funds (Question #6). Wealthier participants are also more likely to want to keep the property tax (Question #7). In contrast, those in the lowest income bracket are more likely to prefer the income tax (Question #8). Other interesting information includes:

- The average income for Democrats in the study was \$42,000.
- The average income for Republicans in the study was \$69,000.
- Of the 16 people that ranked income tax as a #1 or a #2 in Question #8, 100% of the 15 respondents said that their property tax was “too high” relative to their income (Question #3).

One participant did not answer this question.

- Of the 16 people that ranked income tax as a #1 or a #2 in Question #8, 100% of the respondents said “NO” to Question #7, keeping the property tax in its current form.

Conclusions

How Did Progressiveness Fair?

Research Question: Do Ohioans espouse a more progressive taxing mechanism (an income tax) into that part of its school funding formula currently dedicated to property tax in order to decrease heavy reliance on the property tax?

Given the information contained in Question #8, the part of the hypothesis that specifically believed that the income/property tax would be most preferred does not hold true. However, progressiveness was not left out of the formula altogether because the income/property/sales combination performed exceptionally well relative to the other options, and because there was strong support for caps on property tax based on income.

What Should Ohio Do?

With nearly 78% of those participating in the study indicating that Ohio should NOT keep the property tax in its current form as a mechanism to fund schools, support for change in this part of Ohio is overwhelming. However, this study focused on Lucas County, and the preferences in Lucas County may be vastly different from those in other areas of the state. If further analysis proves that this study is externally valid and similar conclusions can be drawn in many other counties, State legislators should work to develop a new school funding formula that lessens the reliance on the property tax. This broad-based school funding formula should reduce tax effort for those overburdened with property tax and replace some of the property tax with an income tax and sales tax to spread out the tax burden. Such an approach may not only satisfy voters, but also the Court's mandate. If voters can communicate their opinion to the legislature (or even to local school officials), perhaps then the State (or local school officials) will move to create a new school funding system.

Policy Consideration I – A New State System

This study provides some evidence that there is overwhelming support for caps on property tax based on income. Participants in this study predominately believed that their property tax was “too high” relative to their income by a 62% to 33% margin. Ironically, this data mirrors that of the Quinnipiac study (2002) conducted in Ohio's neighboring state,

Pennsylvania. The Quinnipiac study found that 62% thought that their tax was “too high”, while 36% thought it was “about right”. Moreover, compared to the State norms, many are experiencing tax effort considerably above the norm. Given that there are homeowners that are overly burdened, Ohio should consider a more comprehensive circuit breaker program that delivers meaningful property tax relief to a widespread age and income group. An example of such a type of program is the Vermont “threshold” circuit breaker, where homeowners receive a rebate of property taxes exceeding 4.5% of income, with a maximum benefit of \$1,350 (Mikhailov, 1998).

The Income Tax Component and Robinhood Implications

In addition to providing relief by capping property tax based on income, additional revenue will have to come from somewhere. All involved should realize that “Robinhood” is in play in school funding issues. Cutting someone’s tax will require an aggregate matching dollar rise in someone else’s tax. Plain and simple, changing a school funding formula will necessarily imply a redistribution of wealth: Some will pay more while others will pay less. Therefore, those with greater incomes will certainly be expected to pay more. After all, a wealthy person can avoid the tax by living in a small house, while an elderly, indigent widow that has been living in a larger home for some time will be much more burdened as a percent of her income.

The idea of insuring that everyone with ample economic ability to pay is not a new idea, and has been addressed by the 1986 Congress that enacted the Alternative Minimum Tax (AMT) with this thought in mind:

The Alternative Minimum Tax should serve one overriding objective: to ensure that no taxpayer with substantial economic income can avoid significant tax liability...The ability of high-income taxpayers to pay little or no tax undermines respect for the entire tax system...In addition, even aside from public perceptions...it is inherently unfair for high-income taxpayers to pay little or no tax due...(Willis, Hoffman, Smith, and Raabe, 1990).

The significance of the AMT principle is that, just as the federal government insures that those with high incomes pay, so should a state or local government. Hearings on these Robinhood implications would provide considerable, substantive input that would not only provide an integral element of due process that enhances the effectiveness of school district management (Cooper & Newland, 1997), but also would expand the public's confidence in the new system.

Sales Tax Component

Comments made by some participants (Appendix B) indicated that there were tax avoidance strategies in play, and the idea of a more broad-based plan makes it much more difficult for a taxpayer to avoid paying. Data derived from Questions #7 and #8 indicates that voters would like a system other than the current property tax system to fund schools. Further, in lieu of the amount of tax currently paid in property tax, voters would rather evenly split the current tax burden among sales, income, and property taxes.

Support for a broad-based school funding formula is not new, but is an idea that has been floating in the policy primeval soup for some time (Kingdon, 1995). However, not much has happened, and Bryan Flannery, a Democratic State Representative from Lakewood, Ohio, puts the blame on partisan politics (Rice, 2001). Flannery proposed to cut property taxes to 30% of the total school funding formula, and replace that funding "with a blend of sales, income and corporate franchise taxes, removing the excess burden from the property owner" (Flannery, 2001).

The performance of State Issue 2 at the polls in 1998 can indicate that passing the Statewide sales tax component can be problematic. Some more urban areas of the State already have sales tax rates that are as high as 8%. Therefore, the potential for municipal overburden

plays a more significant role. In this context, municipal overburden (Callahan & Wilken, 1974) is aggregate local taxation that is excessive enough to inhibit the passage of any other taxes. Therefore, because some sales tax rates in the State are so high (up to 8% in Cuyahoga County), there may be considerable opposition to their passage in those specific parts of the State.

Policy Consideration II – The Case for Local Redistributions

In the alternative, perhaps local governments will move to adjust the school funding formula on a local level. Considering that the State is generally not addressing the State's over-reliance on the property tax despite the Supreme Court decisions and an overwhelming disdain for the current property tax mechanism (see Question #5-nearly four out of five do not prefer the current system), local governments and school officials need to take matters into their own hands. After all, if the State had any intention of addressing the situation of over-reliance on property tax, it would have instituted changes by now. As pointed out in the in the 1994 Commission to Study the Ohio Economy and Tax Structure, changes in Ohio's tax structure have focused on periodic adjustments, rather than comprehensive transformation (Berno & Whitmore, 1994). Recognizing this "tradition", but more so in the spirit of reinventing government with a control strategy of empowerment (Osborne & Plastrik, 1997), local governments must consider local options to accomplish equity in the school funding formula.

Part I - A Local Sales Tax Option to Fund the Schools?

Presently, no school district sales tax mechanism exists. This does not mean that it's impossible to employ such a measure or that it has never been attempted. However, such an endeavor would be a trip down the road less traveled, and would not be without significant implications. In examining the first known attempt to accomplish a local school sales tax, there

would have to be a great deal of input, planning, and cooperation among school districts in order for it to happen, as well as a transformational leader that sees the project through.

Akron's Attempt to Pass a Local School Sales Tax Measure

In November of 2002, City of Akron Mayor Don Plusquellic and Summit County Chief Executive James B. McCarthy spearheaded a measure that would have raised the sales tax in Summit County by ½%. The additional funding from the increase was to be divided among the county's 17 school districts based on enrollment, and was touted as a better alternative than property tax (Warsmith, 2002). Though the measure had enough support in the City of Akron, it "was clobbered" in the outlying suburban school districts (Warsmith, 2003).

Reasons for the failure may include politics, but there were a number of other strategic issues that were overlooked. First of all, of the 17 school districts in Summit County, 3 of them had their own property tax measures on the ballot. This would essentially be an additional tax measure in their school district. Also, many believed that the timing of the measure, in the midst of a poorly performing economy, was not right (Warsmith, 2002). Among other things, the Northeast Ohio American Friends Service Committee (AFSC) raised due process objections, claiming that the proposed nine-member "Summit County Improvements Board" should not be appointed by Akron's Mayor and Summit County's Chief Executive. Rather, such a body should be elected. AFSC also opposed the tax based on its regressive nature. This group was actually a proponent of the income tax, arguing that the sales tax would "disproportionately hurt low and moderate-income people county-wide" (AFSC, 2003).

Finally, of significance is that the Akron sales tax measure was an additional tax increase, not a redistribution of tax liability among social strata. There were no implicit

trade-offs, such as a lower property tax in exchange for a reduced income tax. Interestingly, this failed measure yielded way to an income tax measure. Moreover, important lessons can be learned from the Akron experiment, and a cooperative and coordinated effort may yield positive results.

Part II - Progressive Options for Ohio School Districts

Consistent with results of the survey, an income tax portion of the redistribution is an important component in a new school funding formula, and many school districts already take advantage of this. Currently, there are at least two progressive options available to Ohio school districts. One is a school district income tax, and the other is a school income tax administrated in conjunction with a municipal income tax.

The school district income tax came into existence in 1981, and is administered by the State of Ohio via an income tax return. The State collects and disburses the tax for the district, retaining a 1.5% fee to administrate it. The school district income tax is levied only on residents, and corporations are exempt. As of January of 2003, there were approximately 126 school districts that impose an income tax, none of which were located in Lucas County (Ohio Department of Taxation, 2003).

Secondly, an obscure provision in Chapter 718.10 of the Ohio Revised Code provides for the levy of a school district tax in concert with a municipal income tax. The municipal income tax has a storied history in Ohio, dating back to 1946, and it is levied on all residents and workers who derive salaries, wages, tips, and other compensation within a municipal corporation. There are presently well over 500 municipalities in the State with a municipal income tax. However, the City of Euclid is the only municipality that administers a school tax as

a rider to its municipal income tax. However, the City of Akron's municipal income tax for schools will begin in 2004.

These taxes can be employed in such a manner that property taxes are reduced to compensate for the income tax revenue. This can be done as a single ballot measure that reduces or repeals property tax levies, while instituting the income tax. Alternatively, a school district can independently reduce an existing property tax levy directly with the county auditor, without being directly tied to a ballot measure (Ohio Department of Taxation, 2003).

In either event, the trade off can be beneficial to low income homeowners if the relief is significant. First, plain and simple, they get a property tax reduction. On the flip side of the equation, they should not have to pay nearly as much now that the income tax has been employed. As an example, the average person that took part in the study paid about \$2,700 in property tax. If property tax bills were cut in half, a senior citizen who does not need to file an income tax return because income is so low will automatically save \$1,350.

The municipal income tax differs from the school district income tax in a number of major ways, some of which include:

- It is levied on non-residents working within the district.
- It taxes gross income earned within the municipality (versus federal adjusted gross income).
- It taxes corporations.

Corporations--The Forgotten Players in the School Funding Formula

That said, it is interesting to note that there seems to be little sentiment to bring corporations back into the fold of the school funding formula. There were only two tallies recorded in Question #9 that expressed a desire to have more corporate contributions to the

school funding formula. However, it would be hard to believe that voters would not welcome additional corporate contributions with open arms. Further, there is considerable research that supports the idea to bring additional corporate contributions into the school funding formula. In the early 1990's, Ohio Senator Bob Cupp and Ohio State Professor Howard Fleeter advanced this idea, contending that "business property taxes for schools can be transferred to the State without significant financial harm to any but a few very wealthy school districts and with very large gain to less-wealthy districts" (Calkins, 2000). Calkins insists that any serious effort to fundamentally reform Ohio's school funding formula must address the business property tax base. This idea has some support. Ohio Governor Robert Taft's proposal that never made it to fruition was to aggregate all business property in the State and distribute those taxes among all the school districts. With Ohio's recent elimination of the inventory tax, perhaps corporations will be able to help defer the brunt of the tax bill that falls upon school district residents.

Basic Advice for Any Plan

Whatever the plan, there are many aspects to take into consideration. Lessons from Hubbel and Olson (1976) advise us to diligently study the effects of the new plan on the varying income classes. Also, the lesson from State Issue 2 of 1998 is that the trade off in property tax reduction should be substantial enough to impact a broad range of taxpayers struggling to pay the property tax. Michigan's 45% reduction and California's 66% reduction provide a ballpark for what will work at the ballot box. Also recall that Governor Rendall's similar plan for Pennsylvania discovered that support was poor even for the prospective beneficiaries of the plan (Pro, 2003). Therefore, a lobbying effort to convince those that will benefit from the tax is underway in Pennsylvania, and any successful effort will require good press. This thought

coincides with Hovey's (1996) prudence and experience in these matters, which dictate that the keys to success of a plan are to:

- Get the "winners" of the plan lined up to support it, and
- Recognize the losers. Hovey suggests being open and honest. Look the "losers" in the eye and tell them that their taxes will go up, and why they should support the plan anyway. Also, seek ways to mitigate their predicament. Otherwise, showing callousness and hiding facts from them will reduce support for the plan and enhance the opposition.

Closing Thoughts

It is rather callous for legislators to allow some to suffer from an unreasonably high property/school tax effort, without attempting to alleviate this phenomenon for those burdened by the property tax. Many other states have moved away from the property tax, why can't Ohio legislators let go of it? Given the poor performance of the property tax in this study, Lucas County officials (and local governments in other parts of the State) may want to reconfigure their own school funding formula based on a more broad based taxing initiative that significantly relieves homeowners of the tremendous burdens associated with school funding.

It may be folly to assume that local redistributions can effect significant change in all parts of the State. Some counties are just land, income, and retail poor, and no amount of local redistribution can effect changes that will not result in a high tax effort for those in that county. However, it may also be folly to assume that the State will eventually move to resolve the State's over-reliance on a complex property tax structure. Further, some local economies may, in aggregate, be diverse enough to effect a successful redistribution. Therefore, local school officials should move to enact redistributions in their own community. Though these movements may not work in all parts of the State, things can be better in certain larger metropolitan areas "in

your neck of the woods” where a more broad based economy exists. Moreover, districts may look to merge or partner with other districts in order obtain a broader economic base that can withstand an effective local redistribution.

These local movements can substantially reduce tax effort while also eliminating the need for Ohio voters to keep returning to the polls to approve property tax levies. Also, these local partnerships can potentially strengthen socioeconomic ties within our communities and create a culturally diverse area in which to reside. It can also foster academic cooperation between school districts that perform extraordinarily well with those that don’t. Ultimately, cooperation between school districts can both improve a community’s underperforming schools and attract better business talent in the economic region. Suburbanites should understand this role, and keep these regional implications in mind when they visit the ballot box and/or volunteer in their own community.

Education remains the premier entitlement program administered by local governments. In the spirit of our traditional local commitment to education, Ohioans should embrace community activism in financing education. We have both the tools and the power at our disposal to effect substantive change. However, we must discover our transformational school leaders and boldly embrace the spirit of our reinvention principles as we move forward to find an equitable school funding base for our own constituency, without the help of the State.

Areas For Further Research

Further Study in Lucas County and Other Areas

Further attempts to gather additional data for this study will be ongoing. Also, based on the information contained in this study and other polls alluded to in this work, independent variables identified (age, gender, political affiliation, etc.) may have a material affect on the

results. Therefore, further attempts to discover the relationships between these variables with a more sophisticated statistical analysis should be in the offing. Further, the Pennsylvania poll indicates that there can be wide variances in sentiment in different geographic areas of a state (Triad, 2003). Therefore, this study needs to be conducted in other parts of the State to determine its external validity. This is best done with a larger research team.

How Would Changes in the State's or a District's School Funding Formula Affect Tax Effort?

It stands to reason that the State, or any school district attempting to reconfigure its school funding formula would be altering the formula to make it more equitable. Based on the results contained herein, property owners desire expanding caps based on ability to pay. This is perhaps best measured by tax effort. Data gathered from this study did identify a specific amount of income earned by a taxpayer. Given this, that data can be plugged into a formula to determine a more specific impact on this sample.

Why Do School Tax Levies Fail?

There were a lot of different responses that came through in Question #9. Given the variety of responses and considering the disdain for the property tax, these provide some reasons why school property tax levies fail. However, exactly what role does municipal overburden play? Municipal overburden occurs when there is a wide range of non-school funded property taxes (Callahan & Wilken, 1974). With approximately 70% of an average property tax bill going toward school tax, perhaps the regressive nature of the property tax contributes significantly to municipal overburden and inhibits voters from supporting levies.

What Role Does Judicial Activism Play in Ohio School Funding?

Are state Supreme Courts setting the agenda for legislatures? Given circumstances not just in Proposition 13 but in the myriad of states in which property tax/school funding

equalization is taking place, the judicial process and the decision itself serves as a focusing event (Kingdon, 1995) for subsequent reform. A case study analysis emphasizing the history, discussion, and debate of Supreme Court rulings and potential spillover to the legislative occurrences as it impacts Ohio would be both worthwhile and interesting.

How Complex is Ohio's Property Tax?

Perhaps Bryan Flannery has the best understanding of Ohio's property tax system and school funding formula when he describes it as "a jigsaw puzzle where the pieces change shape every time you put it together" (Flannery, 2001). However, the results of Question #2 seem to indicate that almost 41% of residents in Lucas County have a good understanding of how their property tax bill is computed. This is difficult to believe. Ohio's tax system is far too complex for anyone to know how a property tax bill is computed. Conceivably, this question was poorly worded, and a much more technical approach is recommended in further research on this topic.

Where Does All the Lottery Money Go?

This is the \$1 million question. The Ohio Lottery (the Lottery) was passed by voter referendum in 1973, with one specific goal: to fund education. Article XV, Section 6 of the Ohio Constitution holds that the entire net proceeds of any lottery are to "be used solely for the support of elementary, secondary, vocational, and special education programs" (Ohio Lottery, 2003). Results from Question #9 of this study indicate that the lottery proceeds are believed to be the panacea for Ohio school funding (and perhaps even all of the State's budget problems). However, the Lottery has not only struggled to maintain growth, it is fighting decline. Revenues have steadily declined 15.2% from the peak of \$749 million recorded in 1997, to the \$635 million recorded for 2002 (Ohio Lottery, 2003). In order to jumpstart Lottery revenues, the State now takes part in a multi-state lottery which is projected to net \$41 million. However, despite

the above wording to the Constitution, the State has chosen to put the lottery profits into the education fund account, and then reduce the Department of Education's general revenue funds by \$41 million. This additional multi-state lottery revenue initially earmarked for education is going toward non-educational programs (Corlett & Ellis, 2002). If this shenanigan doesn't violate the letter of the law, it certainly violates its spirit, and is at the heart of the many low confidence tallies recorded in Appendix B. Many participants in this study would probably want a detailed narrative of the Lottery's function and transfers to education. An analysis of operational efficiency relative to other state lottery programs might be a good place to explore, along with its significance in the school funding formula. Ohioans should know that much information is available on the Internet, and is public record.

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Appendix A
School Funding Survey
 (only about 5 minutes to complete!! ☺)

Dear Lucas County Voter:

As a conscientious voter, you have been randomly selected to participate in my graduate research project, designed to measure your feelings toward property tax as the major source of Ohio's school funding.

Thank you very much for your assistance. The overall results from this study may be shared with Ohio legislators, but know that your personal responses will be kept completely confidential. Enclosed is a self-addressed stamped envelope for you to return your completed survey. Please return your response by September 8, 2003. I will contact you by phone if no response is received.

If you would like a copy of the results of this survey, please provide your name, address, and phone number, or your e-mail address. You may also call Peter Rancatore at (419) 861-2677, and a copy will be provided to you as soon as it is available.

Name: _____ Phone: _____
 Address: _____ E-mail: _____
 City, Zip: _____

1. Do you own residential real estate in Ohio? ☐ Yes ☐ No (if you answered "NO", skip to #4)
2. Do you know how to compute your property tax bill? ☐ Yes ☐ No
3. Do you consider the amount of property tax that you pay appropriate considering your income level?
☐ Yes, it is "About Right" ☐ No, it is "Too High" ☐ No, it is "Too Low"
4. Should there be limits on the amount of school related property tax paid based on income? ☐ Yes ☐ No
5. What was your household's approximate federal adjusted gross income for 2002? \$_____ (round to nearest thousand)
6. Should the State of Ohio play a greater role in collecting and disbursing funds to school districts? ☐ Yes ☐ No
7. Should Ohio maintain the property tax in its current form as the principal source of revenue for Ohio schools?
☐ Yes (if "YES", skip to # 9) ☐ No
8. Of the amount of school funding currently raised from the property tax, which other method of school tax would you prefer most.
Use a scale of 1 to 6, one being the most preferable, 6 the least preferable.
 ____ Income tax (100%-Property tax eliminated and replaced with an income tax)
 ____ Sales tax (100%-Property tax eliminated and replaced with a sales tax)
 ____ Income tax/sales tax combination (50%/50%-Property tax is eliminated and replaced with sales and income taxes)
 ____ Sales/property tax combination (50%/50%-Half of the property tax revenue is replaced with sales tax revenue)
 ____ Income/property tax combination (50%/50%-Half of the property tax revenue is replaced with income tax revenue)
 ____ Property/income/sales tax combination (33%/33%/33%-Property, sales, & income tax each provide 1/3 of the school revenue)
9. What ideas do you have to fund Ohio schools? (use other side if more room is necessary). **Thanks for your participation! ☺**

Appendix B

Thoughts from the Constituency-In their own words

Main Themes are Bolded and identified as follows:

CORP = more CORPorate contributions to tax base

EF = Equalized Funding per pupil or school district

LC = Low Confidence in school administration

LOT = more from LOTtery/gambling profits

OTHFEEES = OTHer outside FEES

PAY = PAY to attend or participate

R = more from Renters

SR = SenioR citizen breaks

V = Vouchers or tuition tax credits

- Retired people should not have an income tax, or lower rates. (**SR**) Meds and care are very high now.
- I don't feel the revenues generated from lottery have done much to help the schools. Perhaps *more or all* of the profits should be applied to this cause! (**LOT**)
- Let everyone pay their fair share, renters as well as homeowners. (**R**) There should never be a state income tax for schools. Corporations get tax breaks, they should pay back to the schools. (**CORP**) People who get free education should have to pay back their tuition fees just like students who have to take out loans for college. They also should have to stay & work in the state they received their education in rather than moving to another state for at least five years or so. (**PAY**)
- If you can afford the property you should pay *some*...It's very critical. I'm a Toledo Public School Employee and know Toledo *really* gets hit with the current system. I do feel the whole state needs to be more evened out-whatever system should provide = money to inner city and rural as suburban. (**EF**)
- Cut incomes of Ohio school's top officials—teachers not included. (**LC**) People who rent should be taxed for schools; homeowners have to bear the entire burden! (**R**) Wish I had a solid solution to this problem.
- Every time you involve more government, you get less results. (**LC**) I don't believe throwing more money @ anything produces more results. There are times when people have to learn to work with what they have to work with. As I've learned in my time, if you can't achieve results working harder-then you had better try a smarter approach. Thanks.
- #6 I don't believe they have proven they are in control. (**LC**)

#7 Equal opportunity for each child whether in Perry County or Ottawa Hills. Therefore, funding of schools is everyone's responsibility not just property owners. (R)

We have walked the mile. We have supported private and public schools. As property owners, a sales tax should replace taxing property tax. More dollars should be forthcoming from the lottery. (LOT)

Best wishes in your graduate progress. We are proud-2 of 3 of our children have their masters-one should finish in another year. It hasn't been the easiest road but rewarding.

- Should come from income tax.
- Cut expenses of Ohio Lotto-More of the lotto money should be going to schools. (LOT)
- Sliding fee for those that can afford to pay a portion of the cost of educating their children. (PAY)
- Base taxes on number of children attending public schools. (PAY)
- I feel all income should be taxed then everyone who is renting will contribute. When renting, no real estate taxes are paid but they use the schools. (R)
- I'm not that well versed to give any suggestions.
- Revise Ohio lottery-Reduce expenses & give more to schools. Too many dudes getting rich working for state lottery. (LOT)
- I would recommend using the Ohio Lottery. At present, the Ohio Lottery is in force, but only 1 tenth of 1% of the Ohio Lottery sales goes to the Ohio schools. I say take at least 50% of the Ohio Lottery sales and apply that to the Ohio schools. (LOT)
- It should be taken off the backs of property owners. Everyone should pay. (R) Retirees should not have to pay unless in proportion of their income. (SR)
- Set up a school voucher system so parents can send their children to the schools that provide the best education for their child. In addition to the vouchers, let the parents pay part of the cost out of their pocket for the choice- public or private school. (V) Lottery or other forms of gambling are bad choice to subsidize education funding or any other form of governmental funding.

- Stop giving tax deferrals for 10 years for industry and business such as Jeep. **(CORP)** The working individual ends up with all the tax burden. The product are bought and sold in another state. The property owner ends up paying the bill for education. Even the persons that own the low income housing receive federal funds and do not have to pay large property taxes because the expenses such as repair and upkeep are tax deductible. Taxes are only collected if the individuals purchase taxable items with a sales tax. Taxing beer and cigarettes encourages pirating and theft. The store proprietors end up paying more taxes to purchase new stock. No solution is good but the homeowner has been burdened too long. This was evident with the last vote to defeat the last school levy.
- All funding for schools needs to be based on ones ability to pay-income tax to support schools in the only way I see to evenly distribute the tax burden equally—nothing exempt—direct take out of any income earned. **(EF)**
- Smart plan based on the best of how they handle the problem in Michigan, Pennsylvania, New York, Illinois, Wisconsin, & Minnesota.
- Right now the system we have is a good one. I haven't seen anything better come along yet!
- #6 Schools should also play a role and be a part of the Board for disbursing. **(EF)**
- #7 Reduce real estate tax.
- Cut the graft & politics out of the entire system. = should equal money available. My neighbor would like to join your survey. **(EF)**
- What happened to the proceeds from the lottery? **(LOT)** How about using a tax on alcohol & tobacco? How about using the courts to collect fines & fees on people who violate sage school ordinances-minors and adults? How about fines & fees on people who speed through school zones? **(OTHFEEES)**
- The sales tax was instituted to pay for schools—and redirected. The income tax was also touted to be the solution—it wasn't. The gambling income is a joke **(LOT)** -- the whole amount could not fund schools. I taught 35 years; in a UT class I asked a state rep about the diversion of taxes for other (welfare) causes. **(LC)** He responded that we all vote for schools, but would never vote for welfare. Also a good education

with physical education is every child's right. Funds spent on a few team athletes are absurd. Coaching (football) may be one on one. English classes are one on thirty-five.

- Legalize pot; let it pay for schools. There's more weed smokers out there than beer drinkers.

(OTHFEEES)

- Lottery 1/3, sales tax 1/3, and property tax 1/3. **(LOT)** According to what senior citizens have, they shouldn't have to pay as much. **(SR)** People who have children in sports and other activities should pay more. **(PAY)**
- State mandates without funding is a big problem. **(LC)** No child left behinds sounds so good however not every child is capable of achieving 4th grade reading levels.
- #2 Not with the multiple valuation increases in the past 3 years!
- #4 Not based on income, but based on whether or not the taxpayer has children who attend school. **(PAY)**
- #7 Use Ray Kest's college fund! Let him apply for grants & scholarships like the rest of us! **(LC)**
- #3 I don't think the answer here will mean much.
- #5 Should use categories, not actual!
- Customer pay = Tuition **(PAY)**
- More lottery money to the schools. **(LOT)**
- I'm from Wisconsin and they never hold levies over kids heads. I think that's horrendous. **(LC)** The property taxes are higher there but they are distributed differently so schools aren't "begging" voters for more money. Where my parents live the school board decides if they need more money. They get input from board meetings then make a decision accordingly and raise property taxes if they feel they need to. **(EF)** No holding kids hostage.
- Let the parents/guardians of the children attending the schools pay a tuition based on income, and the people that don't use the schools should get a reduction in their property tax-or the portion that is allotted to the Toledo Public Schools. **(PAY)** I pay Catholic school tuition, and feel that I should not have to also pay for the public schools out of my property taxes, when I do not even use the schools, or I should get a

tax credit towards my tuition. **(V)** Also I think that the State lottery should be a major source of funding for the school system **(LOT)** - both public & private should benefit. I will vote NO! for the renewal levy for schools in Nov!

- The Ohio Turnpike. Being it was to become a free road and never did. Lets put a % of the toll to the schools. **(OTHFEEES)** Also, Ohio Lottery needs to cut back on some to paying administrator & put more of the lottery money to the schools. **(LOT)**
- Nothing should be depended on as sole source. 100% of anything (property, sales, or income) is a setup for failure.
- No matter how school funding is restructured, people who don't have kids, or kids in public schools, will have to pay. Just because I live in a home, instead of an apartment, I am paying for my kids, but I'm also paying for the kids that live in apartments and low-income housing. We are seriously thinking about moving to an apartment. Our property taxes have gone up 155% in the ten years we have been living here from 1,550 per year to 2,158 per year. The new school rebuilding tax is due to begin in January 2004. I don't want to know what our tax will be then. **(R)**
- Sorry, I do not care to complete this form. I will say that I am not in favor of the State of Ohio funding our school systems alone. Our schools would be in even greater financial problems, as the State is unable to fund many needed programs themselves and have cut funding to our MR/DD programs, vocational schools, etc. **(LC)**
- Where does the Lottery fit into all of this? **(LOT)**
- Yes, I pay tuition for my children to go to school. I feel as though myself and all people who do not have school age children living in their homes should be exempt from school tax. **(PAY)** Let parents pay for their own children's education and leave my money alone! The public schools spend thousands of dollars more than what private schools charge—yet the public schools produce idiots! **(LC)** If everyone had to support themselves this country wouldn't have such a large financial problem. And I bet parents would really make sure that their children went to school, passed their classes, and absorb all that is needed to become a responsible adult if they actually had to "support" their "own" children's education financially.

I think it's absurd to expect homeowner's and working adults to support every lazy, unemployed person that keeps producing children that they cannot take care of! Public schools are nothing more than a subsidized welfare system. You have "teachers" that don't want to teach but rather drug up every student that walks through the doors with Ritalin and other potentially dangerous amphetamines. So they can have a room full of zombies to be brainwashed or remain illiterate for life. I would be very pleased to see every public school close their doors forever! Same goes for the welfare department. I would be even more pleased to see their doors close indefinitely! Sincerely,

- Put gambling downtown. **(LOT)** Let teacher take a cut in pay like other workers do.
- I feel using income tax as source of funds towards schools would work better. Typically higher income people move out of city limits—more expensive homes/schools etc. But they work in Toledo. They should all have to pay equal \$ share. **(EF)** In the end, better schools = better education = more well rounded kids who will be able to live/work for a better life. Good luck with your project!
- What happened to the lottery sales? **(LOT)** We thought it was supposed to be for schools.
- I do not think the present system of property taxes being used to fund our schools. The school districts who need the money most get the least because of low property values. I feel that at least some form of sales tax and/or income tax needs to be used to fund the schools. This redistribution of tax funds would make it more equal and lessen the tax burden of property owners. **(EF)** On the other hand, I don't feel that the property owners should be let off the hook. One responsibility of owning property is paying taxes and supporting the schools. Hopefully, in the near future, something will be done to improve the funding of our schools in Ohio!
- Everyone should have to contribute! For example renters! **(R)**
- Property tax should only be allowed if it is voted on by property owners. The way it is now is taxation without equal representation. **(R)**
- Schools should be funded more equally—same amount per pupil regardless of where in-state; yet income tax fluctuates with economy, also sales tax—which is too regressive. What about a surtax for affluent areas, ie—...pay more per pupil in your district—above state set minimum—then a portion of that overage

would be sent to a fund that is distributed to poorer districts. I could explain better if you'd call. Sorry this is late. (EF)

- 1. School administration is wasting money on their high salaries. They should stop paying themselves first and give the money to the children and teachers. Take pay cuts for four years. (LC) 2. The school system should stop using scare tactics to try to force tax increases. Find some way for the people with the children ... to be primarily responsible for children's education. Then people without children pay secondarily. (PAY) What happened to the lottery? (LOT)
- Those with children attending public schools should bear a bigger burden. (PAY) Take "dependent" credit for school age children & use it for finance schools.
- Regardless of the "income" source, ALL public schools should ALL have equal and identical facilities; ie library books, computers, textbooks. (EF) The markedly significant difference between affluent areas and inner-city schools needs to be eliminated. The quality of education needs to be raised to MANDATORY levels and not only would this cause difficult students to fail, BUT it would hold TEACHERS AND ADMINISTRATORS responsible for "failing" grads AS WELL! (LC)
- Vouchers; Competition would be great. (V)
- All voters should pay for the schools, not just property owners. (R)
- If schools were funded by sales tax everyone would help pay, (R) but according to their means. Food should be exempt.
- Parents pay for all extra-curricular activity. Free education shouldn't necessarily include other activities. (PAY) Parents need to take more responsibility for their own children's education.
- First, the schools need to get their priorities and books in order. If parochial schools can put a kid through at \$3,000 per year per pupil, why do the public schools need \$7,000 per year per pupil? (LC)
- More of the lotto money should go toward schools. (LOT) Instead of making millionaires, make millionaire school systems.

- As I am a teacher, I have to say that schools definitely need more money. If property taxes will help schools, then I am all for it. Quality of schools is of the utmost importance.
- I favor sales taxes as a fair way to collect all tax. Income and property taxes are only paid by honest people. Sales tax collected by businesses at the register is a much more reliable way to collect taxes from everyone regardless of how they earn their money.
- I don't know.
- Possible break for senior citizens. (SR)
- 100% Vouchers (V)
- Parents should pay a greater portion of the school tax. If you have kids, a greater portion of your income tax should be used to cover school funding. People without children should pay a lesser tax since they do not have children utilizing the services provided by the schools. (PAY)
- I think the first step should include the accountability of funds spent and available. I feel the same about the spending track records of our governments as I do about schools. (LC) Stop the wasteful spending, trim the fat and then see what is needed & decide what steps to take. So much money is "thrown away" on fraudulent activities and such. Until this is taken care of and policed, no matter how much monies we obtain through whatever means, it is going to be enough. Thanks for giving me a chance to vent!
- Make more use of state and local voucher programs. Thank you. (V)
- Where is all the lottery money going to? (LOT)
- Get a governor that makes education a priority w/out managing to raise taxes. It seems to be his only answer. Proficiency tests are absurd. Make the teachers accountable for teaching. Too many are in the system waiting their time out due to tenure. (LC)
- Collect money's from all people using the schools—not just the property owners or working people. (R)
- Funded by the federal government to make school (education) equal. City schools and schools in suburbs are funded equally. (EF)
- #8 Do not like any choices.

- Before any taxes are looked at, the school system should open their books for all to see. **(LC)**
- Get more from the lottery. **(LOT)**
- Use the Lottery money to pay for Ohio schools. **(LOT)**

Appendix C

Tables on the Distribution of the Random Sample

Geographic Distribution of the Random Sample

School District	#	% of Total
Anthony Wayne	25	5.0%
Evergreen	5	1.0%
Maumee	22	4.4%
Oregon	29	5.8%
Otsego	1	0.2%
Ottawa Hills	4	0.8%
Springfield	26	5.2%
Swanton	3	0.6%
Sylvania	60	12.0%
Toledo	274	54.8%
Washington	51	10.2%
Totals	500	100.0%

House District	#	% of Total
46 - Lynn Olman (R)	134	26.8%
47 - Peter Ujvagi (D)	107	21.4%
48 - Edna Brown (D)	128	25.6%
49 - Jeanine Perry (D)	131	26.2%
Totals	500	100.0%

Senate District	#	% of Total
11- Teresa Fedor - (D)	366	73.2%
2- Randy Gardner - (R)	134	26.8%
Totals	500	100.0%

Demographic Distribution of the Random Sample

Age	#	% of Total
20-29	26	5.2%
30-39	60	12.0%
40-49	123	24.6%
50-59	108	21.6%
60 and over	162	32.4%
Unknown	21	4.2%
Totals	500	100.0%

Political Affiliation	#	% of Total
Democrat	184	36.8%
Republican	134	26.8%
Undeclared	150	30.0%
Independents	32	6.4%
Totals	500	100.0%

Sex	#	% of Total
Female	273	54.6%
Male	227	45.4%
Totals	500	100.0%

Appendix D

Tables of Distribution of the Participants

Geographic Distribution of the Participants

School District	#	% of Total
Anthony Wayne	8	6.0%
Evergreen	1	0.7%
Maumee	7	5.2%
Oregon	10	7.5%
Otsego	0	0.0%
Ottawa Hills	0	0.0%
Springfield	11	8.2%
Swanton	1	0.7%
Sylvania	17	12.7%
Toledo	66	49.3%
Washington	13	9.7 %
Totals	134	100.0%

House District	#	% of Total
46 - Lynn Olman (R)	41	30.6%
47 - Peter Ujvagi (D)	32	23.9%
48 - Edna Brown (D)	22	16.4%
49 - Jeanine Perry (D)	39	29.1%
Totals	134	100.0%

Senate District	#	% of Total
11- Teresa Fedor - (D)	93	69.4%
2- Randy Gardner - (R)	41	30.6%
Totals	134	100.0%

Demographic Distribution of the Participants

Age	#	% of Total
20-29	5	3.7%
30-39	18	13.4%
40-49	28	20.9%
50-59	27	20.1%
60 and over	52	38.8%
Unknown	4	3.0%
Totals	134	100.0%

Political Affiliation	#	% of Total
Democrat	43	32.9%
Republican	49	36.6%
Undeclared	32	23.9%
Independents	10	7.5%
Totals	134	100.0%

Sex	#	% of Total
Female	71	52.6%
Male	64	47.4%
Totals	135	100.0%

Appendix E**Responses Based on Political Affiliation**

Political Affiliation	# Per Party	% Breakdown by Political Affiliation
Undeclared	32	23.9%
Democrat	43	32.1%
Republican	49	36.6%
Independent	10	7.5%
Totals	134	100.0%

Question #3 - Property Tax Relative to Your Income is "About Right"

Political Affiliation	#3 "About Right"	#3 "About Right" Ratio %	% of Party
Undeclared	11	31.4%	34.4%
Democrat	5	14.3%	11.6%
Republican	16	45.7%	32.7%
Independent	3	8.6%	30.0%
Totals	35	100.0%	

Participants responding "NO" to Question #4, Caps on Property Tax

Political Affiliation	#4 NO	Caps on Property Tax?	% of Party
Undeclared	6	27.3%	18.8%
Democrat	4	18.2%	9.3%
Republican	10	45.5%	20.4%
Independent	2	9.1%	20.0%
Totals	22	100.0%	

Participants responding "NO" to Question 6, More State Involvement

Political Affiliation	#6 NO	Greater State Role?	% of Party
Undeclared	11	26.8%	34.4%
Democrat	9	22.0%	20.9%
Republican	17	41.5%	34.7%
Independent	4	9.8%	40.0%
Totals	41	100.0%	

Participants responding "YES" to Question #7, Keeping the Property Tax

Political Affiliation	#7 YES	Keep Property Tax?	% of Party
Undeclared	8	36.4%	25.0%
Democrat	5	22.7%	11.6%
Republican	8	36.4%	16.3%
Independent	1	4.5%	10.0%
Totals	22	100.0%	

Participants Ranking the Income Tax as Choice 1 or 2 for Question #8

Political Affiliation	Top Income Tax Rank	% Choosing Income Tax	% of Party
Undeclared	1	6.3%	3.1%
Democrat	8	50.0%	18.6%
Republican	5	31.3%	10.2%
Independent	2	12.5%	20.0%
Totals	16	100%	

Appendix F

Responses Based on Gender

Gender	# by Gender	% Breakdown by Gender
Male	64	47.4%
Female	71	52.6%
Totals	135	100.0%

Question #3 Property Tax Relative to Your Income is "About Right"

Gender	#3 "About Right"	#3 "About Right" Ratio %	% of Gender in Sample
Male	21	50.0%	29.6%
Female	21	50.0%	32.8%
Totals	42	100.0%	

Participants responding "NO" to Question #4, Caps on Property Tax

Gender	#4 NO	Caps on Property Tax?	% of Gender in Sample
Male	14	63.6%	19.7%
Female	8	36.4%	12.5%
Totals	22	100.0%	

Participants responding "NO" to Question 6, More State Involvement

Gender	#6 NO	Greater State Role?	% of Gender in Sample
Male	26	61.9%	34.4%
Female	16	38.1%	20.9%
Totals	42	100.0%	

Participants responding "YES" to question 7, Keeping the Property Tax

Gender	#7 YES	Keep Property Tax?	% of Gender in Sample
Male	11	50.0%	15.5%
Female	11	50.0%	17.2%
Totals	22	100.0%	

Participants Ranking the Income Tax as Choice 1 or 2 for Question #8

Gender	Top Income Tax Rank	% Choosing Income Tax	% of Gender in Sample
Male	7	43.8%	9.9%
Female	9	56.2%	14.1%
Totals	16	100.0%	

Appendix G

Responses based on Income Level

Income Level	# Per Income Level	% of Income Level
Up to \$34,000	36	26.7%
\$35,000 - \$74,000	37	27.4%
\$75,000 and up	33	24.4%
N/A	29	21.5%
Totals	135	100.0%

Question #3 Property Tax Relative to Your Income is "About Right"

Income Level	#3 "About Right"	#3 "About Right" Ratio %	% of Income Level
Up to \$34,000	6	14.3%	16.7%
\$35,000 - \$74,000	13	31.0%	35.1%
\$75,000 and up	16	38.1%	48.5%
N/A	7	16.6%	24.1%
Totals	42	100.0%	

Participants responding "NO" to Question #4, Caps on Property Tax

Income Level	#4 NO	Caps on Property Tax?	% of Income Level
Up to \$34,000	6	27.3%	16.7%
\$35,000 - \$74,000	7	31.8%	18.9%
\$75,000 and up	5	22.7%	15.2%
N/A	4	18.2%	13.8%

Participants responding "NO" to Question 6, More State Involvement

Income Level	#6 NO	Greater State Role?	% of Income Level
Up to \$34,000	7	16.7%	19.4%
\$35,000 - \$74,000	10	23.8%	27.0%
\$75,000 and up	13	31.0%	39.4%
N/A	12	28.6%	28.6%
Totals	42	100.0%	

Participants Responding "YES" to question #7, Keeping the Property Tax

Income Level	#7 YES	Keep Property Tax?	% of Income Level
Up to \$34,000	6	27.3%	16.7%
\$35,000 - \$74,000	5	22.7%	13.5%
\$75,000 and up	7	31.8%	21.2%
N/A	4	18.2%	18.2%
Totals	22	100.0%	

Participants Ranking the Income Tax as Choice 1 or 2 for Question #8

Income Level	Top Income Tax Rank	% Choosing Income Tax	% of Income Level
Up to \$34,000	7	43.8%	19.4%
\$35,000 - \$74,000	3	18.8%	8.1%
\$75,000 and up	4	25.0%	12.1%
N/A	2	12.5%	6.9%