



COUNCIL AGENDA: 02-14-12
ITEM: 3.10

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Dennis Hawkins, CMC
City Clerk

SUBJECT: SEE BELOW

DATE: 2-8-12

SUBJECT: 2012 COMMUNITY BUDGET SURVEY

RECOMMENDATION

As recommended by the Rules and Open Government Committee on February 8, 2012 and outlined in the attached memo previously submitted to the Rules and Open Government Committee, accept the report on the results of the 2012 Community Budget Survey.



Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Mayor Chuck Reed

SUBJECT: 2012 COMMUNITY BUDGET
SURVEY

DATE: February 2, 2012

Approved

Chuck Reed

Date

2/2/12

RECOMMENDATION

Agendize the report on the results of the 2012 Community Budget Survey conducted January 11-20, 2012.

BACKGROUND

In 2007, the City Council approved several items related to the Reed Reforms, including those reforms that gave direction to "Change to a Community Based Budgeting Process." These Reforms included starting the budget process with a survey of the public in early January of each year.

Attached are the results for the 2012 Community Budget Survey conducted by Fairbank, Maslin, Maullin, Metz and Associates (FM3) from January 11 to January 20, 2012. This year's survey explored residents' perceptions of City services, their funding priorities, and their support for or opposition to increase revenue or budget reductions. The 2012 Community Budget Survey is a telephone survey of 904 San José residents.

Attachment



City of San José

2012 Budget Priorities Survey

Report of Findings

January 2012

320-502

Fairbank, Maslin, Maullin, Metz & Associates - FM3

Public Opinion Research & Strategy

SANTA MONICA • OAKLAND • MADISON • MEXICO CITY

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INTRODUCTION

Between January 11 and 18, 2012, Fairbank, Maslin, Maullin, Metz & Associates (FM3) conducted a telephone survey of 904 randomly-selected San José residents over the age of 18 to assess their views on issues related to the San José City budget. The survey questionnaire was translated and administered in both Spanish and Vietnamese, as well as in English. Survey questions were developed in consultation with City staff, and many were repeated from previous budget surveys conducted in 2007, 2008, 2009, 2010 and 2011. The sample was weighted slightly to conform to demographic data on the City's population.

In this study, one-half of the survey respondents were adult residents selected using a Random-Digit-Dial (RDD) sampling methodology – where a computer randomly generates phone numbers within the City – and one-half were drawn randomly from lists of registered San José voters whose voter history suggests they are likely to cast ballots in November 2012 statewide general election. Using an RDD sample allows the greatest number of residents an opportunity to participate in the survey – because it provides a method of reaching both listed and unlisted numbers – while using a likely voter sample permits collecting data on support for potential ballot measures from a sample of respondents representative of the universe of likely voters.

For the purpose of this analysis, these two samples were generally combined, except for questions asking respondents to indicate their voting preference on potential future ballot measures. There are several places in the report, particularly in the discussion of potential ballot measures, where discussion focuses on a subgroup of “likely November 2012 voters.” This phrase refers to a subset of 746 respondents – from both the RDD (316 respondents) and voter list (429 respondents) samples – who indicated they “never miss” an election or vote in “almost all” elections. A second turnout model of “likely June 2012 voters” – a subset of the November likely voter model – was also used in the analysis of the survey. This phrase refers to a subset of 433 respondents (159 RDD respondents, and 274 voter list respondents) who are likely to vote in the June 2012 primary election based on voting history or who indicated they “never miss” an election.

Additionally, the RDD sample parameters were adjusted slightly to account for the increasing number of households that are functionally “cell phone only” (i.e., do not regularly use a landline). Consequently, while 400 of the RDD interviews were drawn from a sample of predominantly landline phone numbers (89 percent landline and 11 percent cell phone), 51 additional interviews were conducted from a RDD sample of cell phone numbers. Additionally, 48 interviews from the sample of likely voters were conducted on cell phones, due to the fact that many voters now submit their cell phone numbers when registering to vote. Ultimately, both RDD samples were combined and weighted slightly to conform to demographic data on the City's adult population.

The margin of error for the survey sample as a whole is plus or minus 3.3 percent. For the RDD sample (referred to as the “adult population sample”) as well as the sample drawn from voter lists (referred to as the “likely voter sample”) individually, the margin of error is 4.7 percent. The margin of error for smaller subgroups within each sample will be larger. For example, statistics reporting the opinions and attitudes of residents over age 65, who make up 16 percent of the sample, have a margin of error of plus or minus 7.9

percent. Therefore, for this and other population groupings of similar or even smaller size, interpretations of the survey's findings are more suggestive than definitive and should be treated with a certain caution.

This report discusses and analyzes the survey's principal findings. Following the summary of findings, the report is divided into three parts:

- **Part 1** examines San José residents' views of the City's budget, including their preferences for how to prioritize City spending, preferences for solving the budget deficit through reducing employee compensation, reducing services, or raising additional revenue, and reactions to the option of contracting out some City services to private companies.
- **Part 2** focuses on the reactions of San José residents to several specific proposals for raising additional revenue.

The topline results of the survey are included at the end of the report in **Appendix A**.

SUMMARY OF MAJOR FINDINGS

Overall, the survey results suggest that residents in San José are open to addressing the City’s budget shortfall through a variety of approaches. Although residents generally prioritize budget strategies that do not involve service cuts or tax increases, both of these options are seen as somewhat more acceptable than in previous years.

More specifically:

- When asked how they would divide a hypothetical \$100 of City spending among five different goals, residents on average indicated they would spend the most to achieve a *safe city* (\$25.40) and a *prosperous city* (\$22.50), the least to achieve a *green sustainable city* (\$16.10) and an *attractive vibrant community* (\$15.90), with a *reliable well-maintained infrastructure* falling somewhere in the middle (\$20.10). These priorities were similar to those found in 2011.
- As they did in 2011, survey respondents favor reducing City employees’ compensation and retirement benefits (48%) – a strategy likely seen as having the least impact on themselves – over raising additional revenue (28%) or reducing City services (13%) to address the City’s budget shortfall.
- Though raising additional revenue is the second choice of three, when reducing employee compensation is eliminated as an option – because it would be insufficient to address the entire shortfall – respondents are evenly divided between reducing City services (41%) and raising revenue (42%). This result diverges from the general preference for service cuts over raising revenue that held steady over the last several budget surveys.
- By a twenty-point margin (57% to 37%) respondents indicated they would support the general concept of the City “contracting out some City services to private companies, and eliminating the positions of City workers who currently provide those services” as a strategy to reduce expenses. This margin between supporters and opponents is smaller than in 2011.
- Several policy strategies to address the City’s budget deficit were “strongly” supported by a majority of residents. The most popular policy, supported by 85 percent of residents, and “strongly” supported by two-thirds, was *selling one of the three City-owned golf courses*.
- Given a choice, San José a substantial majority of residents (71%) prefer to limit cuts to public safety services in the face of inevitable cuts to city services in order to balance the budget. This largely remains true even when these residents are informed that these actions would come at the expense of funding for libraries, road maintenance, parks and other City services.

- Likely November 2012 voters had differing reactions to three different proposals to directly raise additional revenue for the City:
 - Nearly two-thirds of voters (65%) indicated they would support a one-quarter percent sales tax measure (30% would vote “no”), a level of support higher than what was seen in 2011. This level of support held generally steady even when respondents were presented with positive and negative arguments about the measure.
 - A majority (60%) of likely voters indicated they would support a measure adjusting the City’s existing business tax, which would regularly adjust it to keep pace with inflation. (30% would vote “no.”) This level of support was higher than what was seen in prior surveys conducted in 2009 through 2011, although previous surveys tested a measure that would also adjust the formula of the business tax to raise more revenue.
 - Support for a \$95 parcel tax measure dedicated to the maintenance and repair of streets and roads fell short (51%) of the two-thirds support threshold required to secure passage.
- Seven in ten likely voters (70%) would support a reallocation of the City’s hotel tax to fund essential city services. Just one-quarter of likely voters (25%) were opposed to this measure in its conceptual form.
- A majority (60%) of likely voters also indicated they would support a measure extending the City’s library parcel tax, which was last extended in 2004 and expires in 2014. However, this does fall short of the two-third threshold required for passing a parcel tax.
- 54 percent of likely voters indicated they would vote for a measure to reallocate a portion of the construction and conveyance tax to increase funding for park operations and maintenance. One-third (32%) of likely voters were opposed to the measure, while 13 percent were undecided.

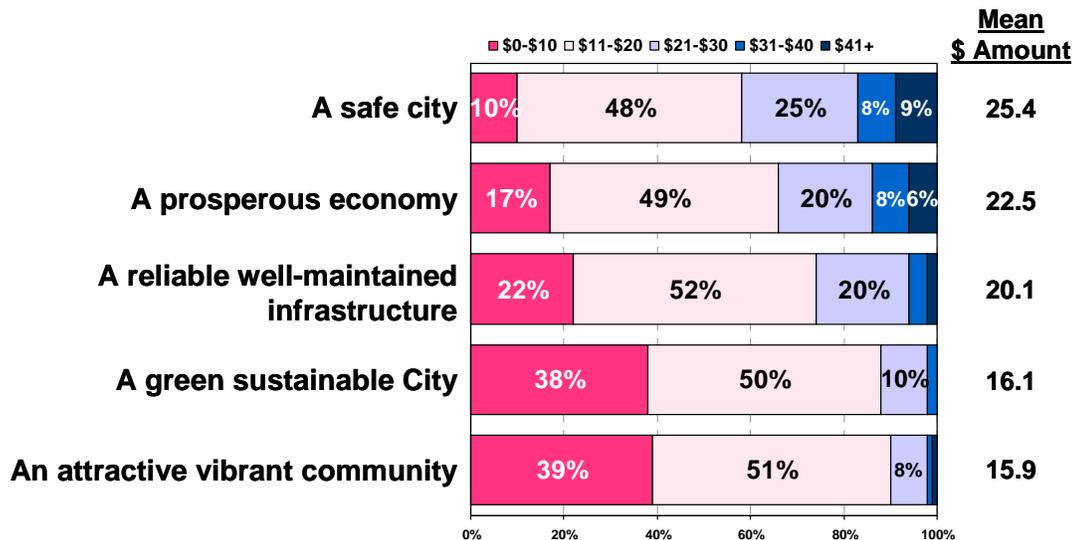
The remainder of this report presents these and other results of the survey in more detail.

PART 1: PERCEPTIONS OF THE SAN JOSÉ CITY BUDGET

1.1 Prioritization of City Spending

As was done in last year’s survey, respondents were asked to indicate how they would allocate funds if they were in charge of San José’s budget. Specifically, they were read five major objectives of the City – *a safe city, a prosperous city, an attractive vibrant community, a green sustainable city, and a reliable well-maintained infrastructure* – and asked to indicate how they would divide a hypothetical \$100 budget between each of the five goals. As shown in **Figure 1**, respondents placed a greater emphasis public safety and economic issues, “spending” on average more to achieve *a safe city* (\$25.40) and *a prosperous economy* (\$22.50) than the other goals. While infrastructure fell somewhere in the middle (*a reliable well-maintained infrastructure* at \$20.10), respondents indicated they would spend the least to achieve *a green sustainable city* (\$16.10) and *an attractive vibrant community* (\$15.90).

FIGURE 1:
**Hypothetical Allocations of a \$100 Budget between
Different City Objectives**
(Ranked by Mean Dollar Amount)



Results Among Subgroups

There was very little variation among different subgroups of respondents in mean budget allocations for the five priority goals. *A safe city* and *a prosperous economy* were the top two goals in essentially all of the subgroups analyzed, and *a green sustainable city* and *an attractive vibrant community* were typically assigned the fewest dollars on average. The differences of note include the following:

- Residents without a four-year college degree, Republican and independent women, and independents over age 50 allocated more to *a prosperous economy*, Democrats, Republican women and residents with annual household incomes greater than \$100,000 allocated more to *a safe city*.
- The results suggest a difference in the relative priorities assigned to *a reliable well-maintained infrastructure* among residents with different levels of education. Those without a four-year college degree on average assigned less than those with four-year college degrees or greater.
- Democrats and women ages 50+ allocated more to *a green sustainable city*; Republicans (particularly Republicans ages 18-49) and white men allocated less.

Comparisons to Prior Years

Though this relative ranking of budget priorities is consistent with the results of the 2011 survey, there was an increased central tendency within these recent results (Figure 2). While the mean dollar allocations for the economy, infrastructure and sustainability were essentially the same as last year, slightly more dollars (+\$1.60) were allocated on average for public safety and slighter fewer (-\$1.10) were allocated to a achieving *a prosperous economy*.

FIGURE 2:
Acceptability of Cuts to Specific Public Safety Services
 (Sorted by 2012 Mean Dollar Amount)

Priority Goal	Mean Dollar Amount		
	2011	2012	Δ
A safe city	\$23.80	\$25.40	+\$1.60
A prosperous economy	\$23.60	\$22.50	-\$1.10
A reliable well-maintained infrastructure	\$20.20	\$20.10	-\$0.10
A green sustainable city	\$16.60	\$16.10	-\$0.50
An attractive vibrant community	\$15.80	\$15.90	+\$0.10

Much like in 2011, these findings confirm that public safety and the economy are top budget priorities for City residents. However, while the differences between the mean dollar amounts were clearly not stark, the spread between *a safe city* and *an attractive vibrant community* has widened from last year, and more closely reflects the spread in 2010 (In 2010 the spread between *a safe city* and *an attractive vibrant community* was \$10.20 while that difference was \$8.00 in 2011, and \$9.50 in this survey.) In fact, the dollar allocations were generally balanced – with none of the five exceeding much more than one-quarter of the hypothetical budget – suggesting residents generally view all goals as desirable. However, respondents were not provided with any context regarding

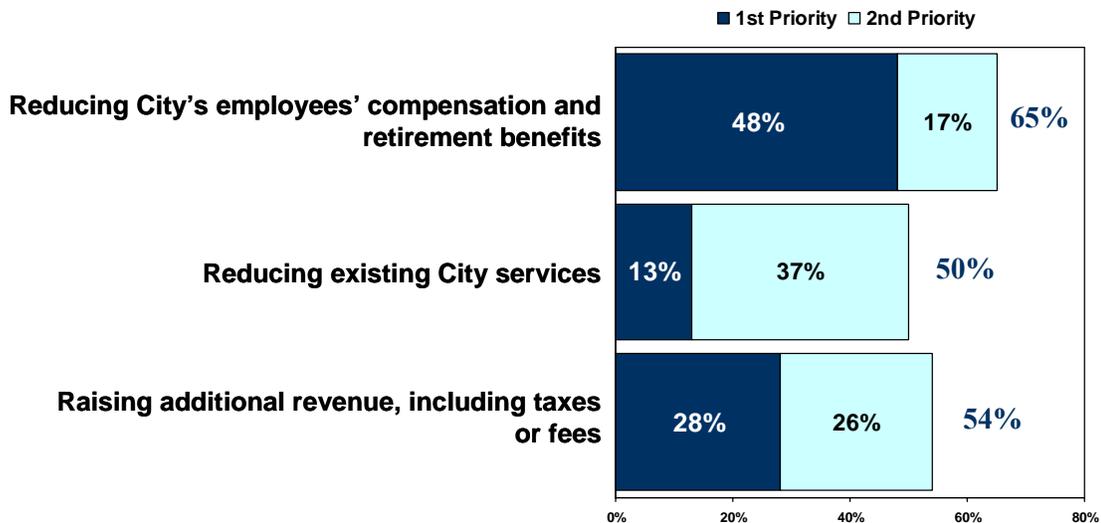
how much achieving these goals might cost. For example, public safety comprises a 2.5 to 3 times greater portion of the City’s budget than suggested by survey respondents and it would be unrealistic to spend less than one-quarter of the City’s budget on public safety. It is possible that if told how much of the budget is currently allocated to each goal in advance of this question, that the results may have been somewhat different.

1.2 Preferred Approach to Balancing the City Budget – Three-Way Choice

This survey tracks a question from two 2011 surveys and the 2010 survey, in which respondents were informed that the City of San José “will not be able to generate enough revenue to sustain services at current levels in the future” and then were presented with three strategies for addressing the budget shortfall – *reducing City’s employees’ compensation and retirement benefits, reducing existing City services, and raising additional revenue, including taxes or fees.*

Next, they were asked to indicate which strategies the City should place the highest and second highest priorities on pursuing. As shown in **Figure 3**, a greater proportion of respondents chose reducing employee compensation first (48%) than chose reducing services (13%) or raising additional revenue (28%). While reducing employee compensation was the clear preference between reducing services and raising revenue, the preferences between the latter two options were less clear in this three-way choice. While more chose raising revenue (28%) than reducing services (13%) as a first choice, more choose reducing services (37%) than raising revenue (26%) as a second choice.

**FIGURE 3:
 Preferences between Reducing Employee Compensation, Reducing Services or Raising Additional Revenue**



Results Among Subgroups

- Subgroups disproportionately more likely to prioritize *reducing City employee compensation* included residents with at most high schools educations, residents ages 40-64, Republicans (particularly older Republicans), and white men.
- Those disproportionately less likely to prioritize reducing City employee compensation included women who are registered Democrats or independents, Democrats under age 50, residents with a combined household income of less than \$30 thousand, and women ages 18-49.
- Democrats ages 18-49, residents with a post-graduate education, Latino women, and Asian women were more likely to prioritize *raising additional revenue*.
- Republicans (particularly those over age 50, and men) and Asian men were among the least likely subgroups to prioritize *raising additional revenue*.
- Those disproportionately more likely to prioritize *reducing City services* than other subgroups include Asian residents (particularly those over age 50), and residents with a combined household income of less than \$60 thousand.
- Residents with a post-graduate education, independents over age 50, and women over age 50 were less likely to prioritize service reductions.

Comparisons to Prior Years

Over the course of the last year, while on average slightly less than one-half of residents have expressed a preference for cutting employee benefits, there has been a slight shift in preference between reducing city services versus raising revenue. **Figure 4** shows the difference in the strategy preferences identified as the “highest” priorities from 2011 to 2012. The preference for reducing employee benefits has increased from 45 to 53 percent (January to July 2011) and then decreased to 48 percent in this current survey (a three-year average of 49%). The percentage of residents who would opt to reduce City services first has also remained relatively stable, oscillating between 15 and 10 percent. However, over the last three surveys more residents have indicated that raising additional revenue is their first choice – an increase from 20 to 23 to now 28 percent. The proportion of residents who were unable to choose one of these three options also decreased over the past year.

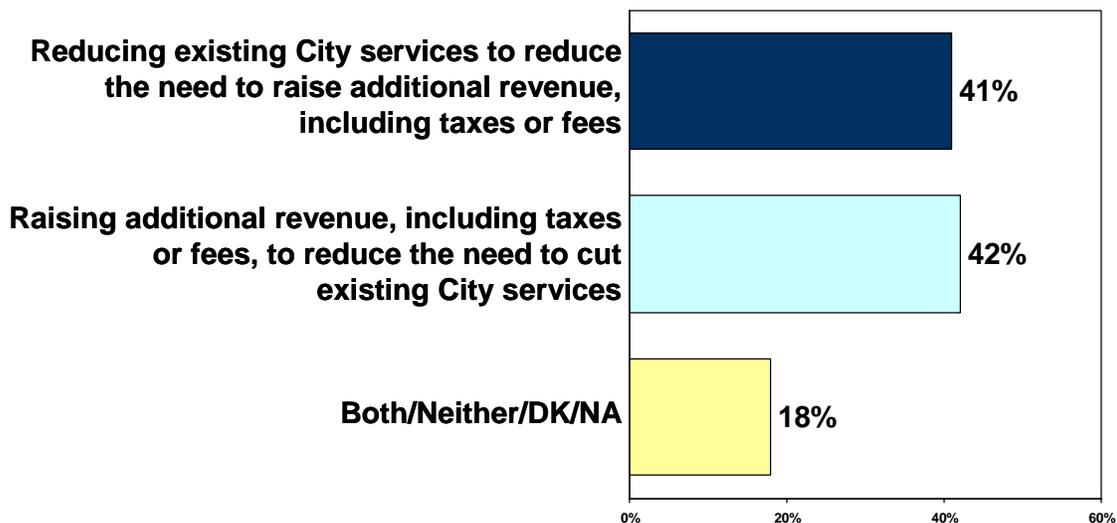
FIGURE 4:
Preferences between Reducing Employee Compensation, Reducing Services or Raising Additional Revenue Since 2011
(Sorted by 2012 Priority)

Priority Goal	Highest Priority (%)			
	January 2011	July 2011	January 2012	Δ (Overall)
Reducing City’s employees’ compensation and retirement benefits	45	53	48	+3
Reducing existing City services	15	10	13	-2
Raising additional revenue, including taxes or fees	20	23	28	+8
All/None/Don’t Know	19	14	11	-8

1.3 Preferred Approach to Balancing the City Budget – Two-Way Choice

Next, residents were informed that while “City and its employees agree upon substantial reductions to employees’ compensation and retirement benefits, San José will still face a large budget shortfall.” Subsequently, they were asked to choose between the two comparatively less attractive alternatives to addressing the budget shortfall – at least as indicated in their preferences in the prior question – reducing services and raising additional revenue. As shown in **Figure 5**, the same proportion of voters favor reducing services (41%) to raising revenue (42%), while 18 percent were essentially unable to choose between the two options.

FIGURE 5:
Preferences between Reducing Services or Raising Additional Revenue



Results Among Subgroups

- Subgroups in which more respondents preferred raising additional revenue over reducing services included Latino women, residents with a post-graduate education, and Democrats ages 18-49.
- Republican and Independent men, Asian residents, and residents with at most a high school education were more likely to prefer reducing services to raising revenue.

Comparisons to Prior Years

A similar question has been asked in the most recent City budget surveys (2008, 2009, 2010, and both 2011 surveys). The results, as shown in **Figure 6**, show that preferences have subtly shifted over the years, with a stark shift occurring over the past year. In previous years, there was a difference of six to ten points favoring the reduction of services to raising revenue. Started in July 2011, the dynamic flipped to four points in favor of raising additional revenue; the most recent survey shows these two options

essentially tied. What was previously a fairly consistent set of preferences among residents is now a toss-up.

FIGURE 6:
Preferences between Reducing Services or Raising Additional Revenue Since 2008

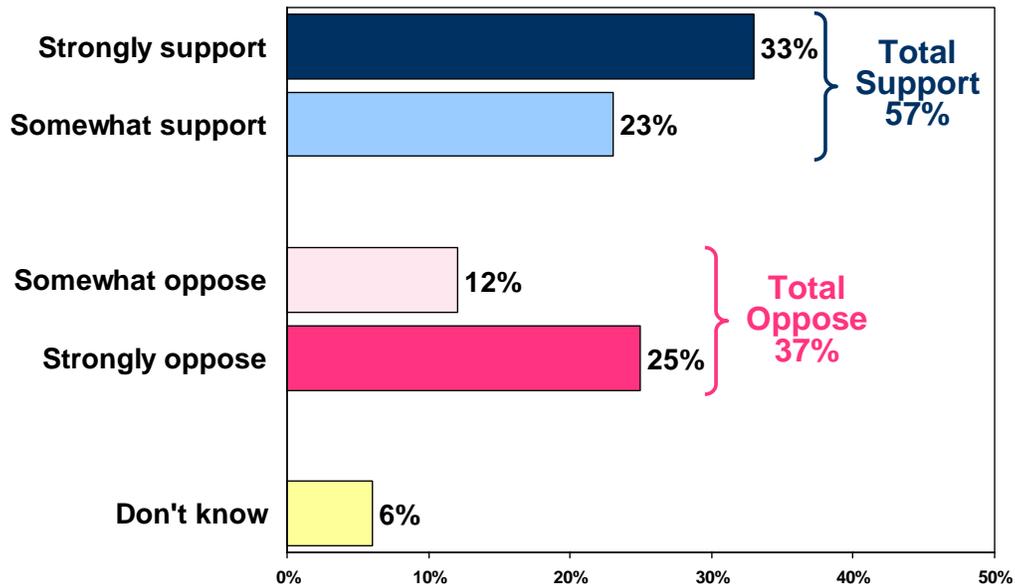
Priority Goal	Highest Priority (%)					
	2008	2009	2010	January 2011	July 2011	2012
Reducing existing City services	44	42	45	40	37	41
Raising additional revenue, including taxes or fees	34	34	38	34	41	42
Both/Neither/Don't Know	22	24	17	26	22	18
Difference between reducing services and raising revenue	+10	+8	+7	+6	-4	-1

1.4 Views on Contracting Out City Services

Respondents were asked whether they would support or oppose the City of San José “contracting out some City services to private companies, and eliminating the positions of City workers who currently provide those services” as a strategy to reduce City expenses. As shown in **Figure 7** on the following page, by a twenty-point margin (67% to 37%) respondents indicated they would support the City pursuing such a strategy. One-third of respondents (33%) said they would “strongly” support the strategy, outnumbering those who “strongly” oppose it (25%). The question only tested the general concept of contracting services out, and respondents were neither presented with a list of potential services that might be affected or pro and con arguments on the issue, factors that could clearly impact support. That being said, the results clearly suggest that voters are open to the City contemplating the approach.

FIGURE 7:
Support for Contracting Out Some City Services

Another strategy the City of San José could pursue to reduce expenses is contracting out some City services to private companies, and eliminating the positions of City workers who currently provide those services. Does this sound like something you would support or oppose?



Results Among Subgroups

- Though there was some variation among subgroups, the strategy was broadly supported by majorities of all major residential groups.
- Those groups disproportionately more likely to support the strategy were Independents over 50 years old, and men (particularly men over 50, and in general male populations of demographic subgroups).
- Those groups disproportionately more likely to oppose the strategy were women ages 18-49, Democrats ages 18-49, and Latino women.

Comparisons to Prior Years

While a clear majority of residents indicate they would support contracting out City services to reduce costs, the proportion of residents who hold this opinion have decreased slightly since the January 2011 survey. As shown in **Figure 8**, support for this idea has fallen from 62 percent in 2011 to 57 percent; opposition has increased from 30 percent to 37 percent.

**FIGURE 9:
Support for Contracting Out Some City Services Over Time**

Preference	Percentage (%)	
	2011	2012
Strongly Support	37	33
Somewhat Support	24	23
TOTAL SUPPORT	62	57
Strongly Oppose	19	25
Somewhat Oppose	11	12
TOTAL OPPOSE	30	37
UNDECIDED	8	6

1.5 Support for Specific Policies to Reduce the Budget Deficit

Survey respondents were asked whether they would support or oppose several other strategies that would help address the City of San José’s budget deficit. They were presented with the brief description of each policy, as presented in **Figure 9**, and did not hear any detailed discussion of the implications of adopting the policies or other factors that could have had the potential to impact support. Even considering this, each of the policy options presented was broadly popular among residents, and each was “strongly” supported by a majority of residents. The most popular policy, supported by 85 percent of residents, and “strongly” supported by two-thirds (66%), was *selling one of the three City-owned golf courses*.

**FIGURE 9:
Support for Policies to Reduce the Budget Deficit**

I’m going to read you a list of several other suggested strategies to address the City’s budget deficit. After I read each one, please tell me whether you support or oppose the City implementing that particular strategy.

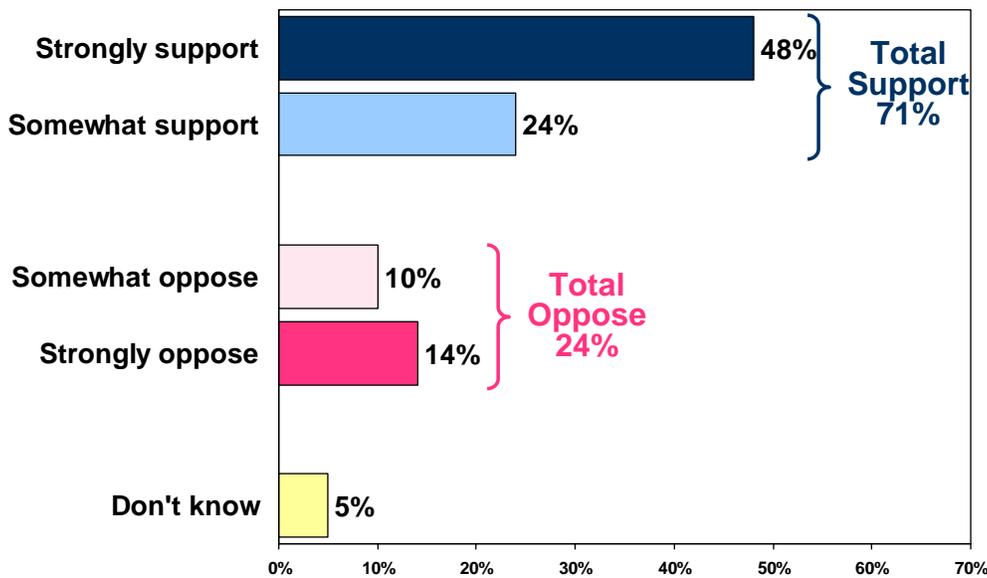
Policy	Percentage (%)				
	Total Supp.	Str. Supp.	S.W. Supp.	Total Opp.	DK/NA
Selling one of the three City-owned golf courses	85	66	19	12	3
Consolidating City boards and commissions	83	59	24	9	8
Selling surplus City property	80	60	20	13	7
Suspending the one percent capital improvement project budget set aside for public art until the City eliminates the backlog of unfinished infrastructure projects	77	53	24	14	8

1.6 Support for Lower Spending Cuts for Public Safety at the Expense of Other City Services

Given a choice, San José residents prefer to limit cuts to public safety services in the face of inevitable cuts to City services in order to balance the budget. As shown in **Figure 10** below, 71 percent of residents would support a proposal stipulating that *police and fire services should be cut at a lower rate than other city services*, including nearly half of residents (48%) “strongly” supporting this proposal.

FIGURE 10:
Support for Cutting Spending for Public Safety at a Lower Rate than Other City Services

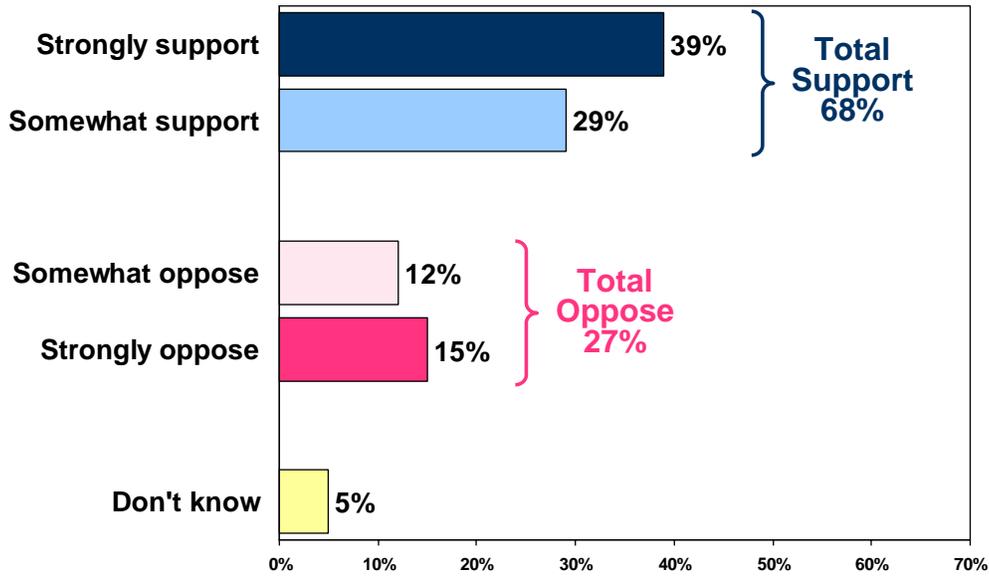
In order to cut costs and move toward a balanced city budget, many city services will have to be reduced. One proposal suggest that since public safety is central to the quality of life for all San José residents, police and fire services should be cut at a lower rate than other city services. Does this sound like something you would support or oppose?



Even when these residents who indicated they would support such a proposal were presented with the information that *in order to avoid reductions to police and fire services would necessitate larger cuts in libraries, road maintenance, parks and other City services*, a majority would still support it. **Figure 11** on the following page shows that two-thirds (68%) of those who indicated they would support the proposal mentioned in the previous paragraph would still support a proposal given the implications it would have on other City services.

FIGURE 11:
Support for Cutting Spending for Public Safety at a Lower Rate than Other City Services at the Expense of Other City Services

*(Asked only of those who would SUPPORT the proposal to limit cuts to public safety services)
And in order to avoid reductions in police and fire services, would you support larger cuts in libraries, road maintenance, parks, and other City Services?*



PART 2: SUPPORT FOR SPECIFIC REVENUE-GENERATING PROPOSALS

Survey respondents were asked to provide their opinions about several different options for generating revenue for the City. Specifically, they were asked about six potential finance measures requiring voter approval: three that would directly raise new revenue, one that would maintain existing revenue by extending the existing City library parcel tax, and two that would reallocate existing revenue sources. The six potential ballot measures that were tested include the following:

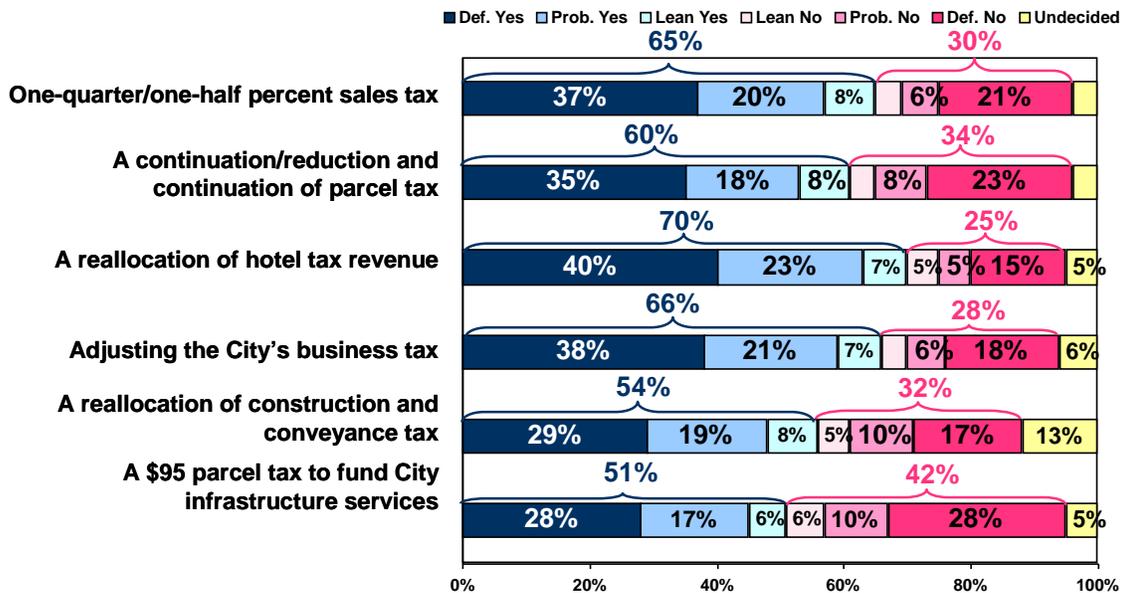
- A one-quarter/one-half percent sales tax with a 15-year sunset;
- A continuation/reduction and continuation of a \$28.28 parcel tax to fund library services;
- A \$97 parcel tax to fund City infrastructure services;
- A reallocation of the City’s hotel tax to fund essential City services;
- Changes to the City’s business tax with an inflation adjustment; and
- A reallocation of the City’s construction and conveyance tax to fund park operations and maintenance.

The survey results for the questions related to the potential ballot measures are based only upon the responses from 746 survey respondents deemed to be “likely voters” in the November 2012 election. This includes all of the respondents from both the RDD (316 respondents) and voter list (429 respondents) samples who indicated they “never miss” an election or vote in “almost all” elections.

2.1 Initial Support for Potential Ballot Measures Directly Raising New Revenue

All respondents were first presented with a ballot measure that would raise the City sales tax – half of the sample was asked if they would support a one-half percent sales tax increase, while the other half of the sample was asked about a one-quarter percent increase. The ballot measure that respondents were presented with second was the continuation of the San José library parcel tax. Again, the sample was split in half to assess opinions of two variations of the same measure. Respondents were either asked to continue the parcel tax, or to continue and reduce the tax. As the initial proposals, all respondents were read a sample ballot question for these first two measures. The next four measures were presented to respondents – in random order – in the form of short conceptual descriptions. **Figure 12** summarizes how likely November 2012 voters surveyed indicated they would vote on each measure, sorted with the first two measures respondents heard in order, followed by the next four conceptual measures in declining order of the measure receiving the greatest support. Each measure received majority support from likely voters, with the measure reallocating hotel tax revenue garnering support from more than two-thirds of likely voters..

FIGURE 12:
Initial Voter Support for Potential Finance Measures
(Results Among Likely November 2012 Voters)



When interpreting these survey results it is important to keep in mind the intensity of support and opposition for each measure. The results represent a snapshot in time and if the economic or electoral environments change (e.g., a major economic catastrophe, a well-funded opposition campaign) those holding tentative positions are most likely to change their initial opinions. Consequently, while in this section focuses primarily on the overall support or opposition to each measure – including those “definitely,” “probably” or “leaning” toward a “yes” or “no” vote – the “yes” and “no” vote totals are also presented removing those who are initially undecided and only “leaning” toward a “yes” or “no” position.

2.2 Support for a Sales Tax Increase

The first potential ballot measure presented to survey respondents would enact a one-quarter percent sales tax in the City of San José. The draft ballot language tested for the measure is shown below:

“The City of San José Vital City Services Measure. “To provide temporary funding to preserve essential City services such as: maintaining neighborhood police patrols; keeping 9-1-1 emergency response times low; keeping fire stations open; encouraging economic development and job creation; and maintaining streets, parks and library hours; shall the City enact a (SPLIT SAMPLE A: one-half percent sales tax) (SPLIT SAMPLE B: one-quarter percent sales tax), limited to 15 years, dedicated to City services and protected from State raids, subject to existing financial audits?”²

As previously shown in **Figure 12**, two-thirds of likely voters (65%) indicated they would vote “yes” on this measure, with 30 percent indicating they would vote “no.” Even though this overall level of support is relatively robust, eight percent of the “yes” voters were particularly noncommittal. These voters – “leaners” – were initially undecided when first asked, but asked a second time they indicated they were “leaning” toward voting “yes.” Removing these “leaners” from consideration, 57 percent of likely voters expressed support for the sales tax measure.

Using a split-sampling technique, a subtle variation of the sales tax ballot language was tested. One-half of the respondents heard the ballot language with the tax level characterized as a “one-half percent” sales tax, and the other half heard it described as a “one-quarter percent” sales tax. As shown in **Figure 13** on the following page, there was little overall difference in support and opposition to the measure however the tax level was described.

² Note: one-half of survey respondents were read the potential ballot language describing a “one-half cent” sales tax and the other half were read “a one-quarter cent” sales tax.

FIGURE 13:
Support for a Ballot Measure Enacting a Sales Tax
(Results Among Likely November 2012 Voters)

Vote	Percentage (%)		
	One-half Percent	One-quarter Percent	Total Combined
Definitely yes	35	38	37
Probably yes	22	19	20
Lean yes	8	8	8
TOTAL YES	65	65	65
Definitely no	18	24	21
Probably no	8	3	6
Lean no	3	4	4
TOTAL NO	29	31	30
UNDECIDED	5	4	5

Results Among Subgroups

- The subgroups disproportionately more likely to support the sales tax were voters ages 18-29, women ages 18-49, Democrats (particularly Democrats ages 18-49 and Democratic women), Latino women and Latinos ages 18-49, and Asian voters, particularly Asian women.
- The subgroups disproportionately more likely to oppose the sales tax were those with post-graduate degrees, voters ages 50-64, Republicans, independent men, white men, and Latino men.
- Renters showed similar levels of support as homeowners.
- Higher-income voters (\$60,000+) were less supportive than lower-income voters (<\$60,000).
- There appears to be a gender gap, with men less supportive than women. This gap appears to be largely driven by older men – who are more likely to oppose the measure – and younger women – who are more likely to support the measure.

Results Across Survey Samples

So far, the data examined here relating to a sales tax measure exclusively explored its support among the likely November 2012 voter sample of the survey. Looking at only voters who are likely to vote in the June 2012 election – a subset of the November voter model, which is itself a subset of the full survey sample – allows for the opportunity to explore whether a sales tax measure is more or less feasible if it was placed on the June ballot instead of the November ballot. One caveat would be that the June sample is smaller, and therefore has a larger margin of error (4.7% versus 3.3%).

That said, as shown in **Figure 14**, both voter turnout models show similar levels of support among likely voters. Taking into account a higher level of uncertainty in the June

likely voter model due to its higher margin of error, it is unclear whether a June ballot measure would be at a distinct advantage or disadvantage to a sales tax measure that was placed on the November ballot.

FIGURE 14:
Support for a One-Half/One-Quarter Percent Sales Tax Measure
Among Different Voter Turnout Models

Vote	Percentage (%)	
	June 2012 Likely Voters	November 2012 Likely Voters
Definitely yes	38	37
Probably yes	19	20
Lean yes	7	8
TOTAL YES	64	65
Definitely no	23	21
Probably no	5	6
Lean no	4	4
TOTAL NO	32	30
UNDECIDED	4	5

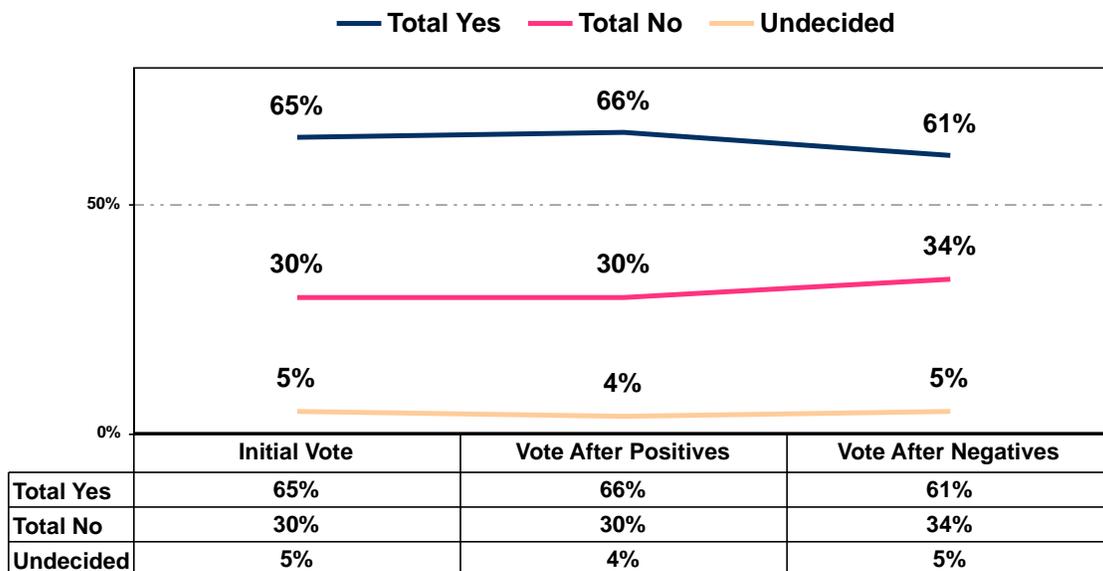
Support for a Sales Tax Ballot Measure After Pro and Con Messages

Survey respondents were presented with short potential statements from supporters and opponents of the sales tax measure and asked to indicate their vote leanings after hearing each set of statements. As shown in **Figure 15**, the strong initial support did not noticeably increase after likely voters heard a hypothetical, comprehensive statement from supporters, suggesting a ceiling of support around two-thirds of the electorate. Opposition to the tax remained static at 30 percent. Support for the sales tax was impacted, however, after respondents heard a hypothetical, comprehensive statement from opponents: support decreased from 66 percent to 61 percent, and opposition ticked up from 30 percent to 34 percent. Overall, the measure shows a high level of consistent support. In the face of positive and negative arguments, fully one-half of likely November 2012 voters (50%) consistently indicate they would vote “yes” on the measure. At the same time, 31 percent of the likely voters surveyed were either consistently undecided or changed their positions at some point in the survey, suggesting that about one-third of the electorate is fluid and open to persuasion. Consequently, combining some portion of these “swing” voters with the 20 percent who consistently opposed the sales tax and one could see a path to majority opposition, should events transpire to strengthen opponents’ arguments.

FIGURE 15:
Support for a One-Half/One-Quarter Percent Sales Tax Measure
After Messages from Supporters and Opponents
(Results Among Likely November 2012 Voters)

“Supporters of this measure say San José has already done all the cost cutting it can to address the City’s budget deficit – including eliminating more than two thousand jobs and reducing employee compensation by ten percent. But it is not enough to balance the budget. This tax measure – some of which would be paid by out-of-town people visiting the City – would help prevent deeper cuts in vital services like public safety, libraries, and street repair, and would subject all spending to audits and full public review.”

“Opponents of this measure say that the City should balance the budget by further cutting wasteful spending eliminating unnecessary contracts and reducing city bureaucracy instead of taxing hard-working San José residents during the worst economy in a generation. We cannot allow the City to raise taxes further, with unemployment rates as high as they are and no guarantee that city politicians and bureaucrats won’t just continue wasting and mismanaging the funds.”



Support for a Sales Tax Measure Over Time

A similar sales tax measure was tested for the City in the 2009 to 2011 budget surveys. The previous surveys, with the exception of the July 2011 survey, tested a “one-quarter cent” sales tax increase, as opposed to a “one-quarter percent” increase, as discussed in this section up until this point. As shown in **Figure 16** on the following page, voter support for a one-quarter cent/percent sales tax has varied somewhat significantly over the past four years, achieving its highest level of support in the most recent survey.

FIGURE 16:
Change in Support for a Ballot Measure Enacting a
One Quarter Cent/Percent Sales Tax from 2009 to 2012
(Results Among Likely Voters)

Vote	Percentage (%)				
	2009 [^]	2010 [^]	Jan. 2011 [^]	July 2011 [*]	2012 [*]
Definitely yes	36	33	36	31	38
Probably yes	20	13	17	18	19
Lean yes	6	8	7	8	8
TOTAL YES	62	54	60	57	65
Definitely no	26	32	24	25	24
Probably no	7	8	7	8	3
Lean no	3	3	4	4	4
TOTAL NO	36	43	35	37	31
UNDECIDED	2	3	5	6	4

[^]One-Quarter Cent Sales Tax Increase

^{*}One-Quarter Percent Sales Tax Increase

There are several factors at work that could explain these year-to-year variations:

- The voter samples in each case looked at different electoral circumstances turnout models. For example, the 2011 surveys looked at lower turnouts associated with off-year elections – including the potential for a statewide June 2011 special election. However, the 2012 likely voter sample uses a higher turnout election model – in this case, the November 2012 presidential ballot. As a rule of thumb, higher turnout elections tend to draw slightly more younger voters, voters of color and Democratic voters who are often more supportive of finance measures, all things being equal.
- Realistically, the oscillations on display in the table above year-to-year fall within the margin of error. Considering this fact, the data suggest that the electorate has been consistent on this issue: on average three-in-five voters support a one-quarter percent sales tax increase every year. Even while the ballot language tested changes, and each of the surveys tested a different sample, the overall results are similar.
- The ballot language tested was not exactly same in each survey. Because of different priorities and approaches, the exact ballot question used in each survey was slightly different and though some of the differences may seem minor, they could have influenced voters’ impressions. For example, the 2009 measure started with, “In order to protect and maintain essential City services..,” the 2010 measure started with, “In order to provide funding to protect and maintain essential City services....,” and the January 2011 measure started with, “To provide temporary emergency funding to preserve essential City services...” Additionally, the January 2011 language was a little more specific, referencing “neighborhood police patrols” (instead of just “police patrols”), “keeping 911 emergency response times low” (instead of just “911 emergency response”), and “keeping fire stations open” (instead of just “fire protection”). Also, the January 2011 language noted

how the revenues would be used to encourage “economic development and job creation,” when the prior measures tested did not reference local economic implications. As noted earlier, the July 2011 and the most recent survey measured support for a “one-quarter percent” sales tax increase rather than a “one-quarter cent” increase.

2.3 Support for Continuing the Library Parcel Tax

Respondents were presented with a second potential ballot measure that tested draft ballot language. This measure would extend an existing tax – a library services parcel tax, last extended for ten years in 2004 – for another ten years and would not generate new revenue. Additionally, the level of the tax would be “adjusted annually for inflation,” capped at 3% annually.

The draft ballot language tested for the measure is shown below:

The City of San José Library Services Protection Measure

(SPLIT SAMPLE A ONLY - CONTINUATION)

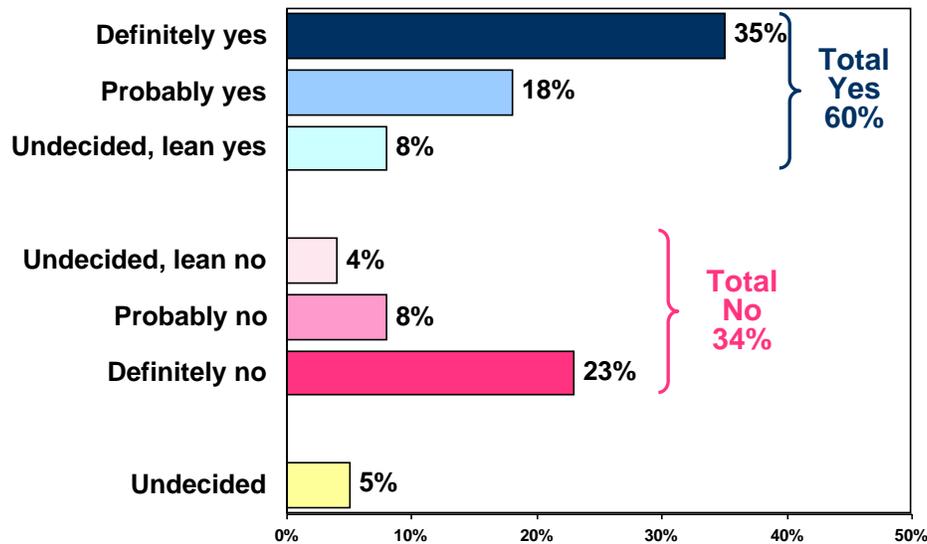
“To support local libraries, including buying needed books and materials; preventing severe reductions in hours; and preventing deep cuts in children’s reading programs; shall the City of San José continue until 2024 an existing annual parcel tax of 28 dollars and 28 cents for single-family residences and proportional for other properties, adjusted for inflation capped at 3 percent annually and subject to existing financial audits?”

(SPLIT SAMPLE B ONLY – CONTINUATION & REDUCTION)

“To support local libraries, including buying needed books and materials; preventing severe reductions in hours; and preventing deep cuts in children’s reading programs; shall the City of San José continue until 2024 – and reduce from 28 dollars and 28 cents to 26 dollars and 87 cents for single-family residences and proportional for other properties – an existing annual parcel tax, adjusted for inflation capped at 3 percent annually and subject to existing financial audits?”

As shown in **Figure 17** on the following page, the combined results show a majority (60%) of respondents indicated they would support the parcel tax extension, with one-third (35%) indicating they would “definitely” vote “yes.” One-third of likely voters (34%) expressed opposition, with only five percent undecided. While this support is generally strong, it does fall short of the two-third threshold required for passing a parcel tax.

FIGURE 17:
Support for a Ballot Measure Extending the Existing City Library Parcel Tax
(Results Among Likely November 2012 Voters)



Once again using a split-sampling technique, one half of the respondents heard the ballot language indicating the parcel tax would be continued, while the other half were asked about a measure that would continue the parcel tax, *and reduce* the amount of the tax. Interestingly, as shown in **Figure 18**, the measure that would only continue the parcel tax, but not reduce it, was supported by a higher proportion of likely voters than the measure that would reduce the tax as well (65% supported the former, 57% the latter). One reason for the result could be that at \$1.41 per parcel, the reduction was considered trivial by respondents, and therefore it was seen as a gimmick. Other survey research conducted in the City of San José has shown that voters are satisfied with the services offered by the public libraries, and therefore these voters may have suspected that reducing the parcel tax would result in service cuts.

FIGURE 18:
Support for a Ballot Measure Extending the Existing City Library Parcel Tax
(Results Among Likely November 2012 Voters)

Vote	Percentage (%)		
	Continuation Only	Continuation & Reduction	Total Combined
Definitely yes	38	31	35
Probably yes	19	16	18
Lean yes	7	9	8
TOTAL YES	65	57	60
Definitely no	21	25	23
Probably no	7	8	8
Lean no	3	4	4
TOTAL NO	29	37	34
UNDECIDED	4	6	5

Results Among Subgroups

- The subgroups disproportionately more likely to support extending the library parcel tax were those with kids at home, younger (18-29) voters, voters with a college education or higher, Democrats (particularly Democrats ages 18-49), Asian voters.
- The subgroups disproportionately more likely to oppose extending the library parcel tax were Republican men, white men, and Latino men.
- Women were more supportive than men.

Results Across Survey Samples

Examining the data across both turnout models again yields similar levels of support. As shown in **Figure 19**, both voter turnout models show that three-in-five likely voters would support the parcel tax continuation measure. Considering a higher level of uncertainty in the June likely voter model due to its higher margin of error, it is unclear whether a June ballot measure would be at a distinct advantage or disadvantage to a sales tax measure that was placed on the November ballot.

**FIGURE 19:
 Support for Extending the Existing City Library Parcel Tax
 Among Different Voter Turnout Models**

Vote	Percentage (%)	
	June 2012 Likely Voters	November 2012 Likely Voters
Definitely yes	37	35
Probably yes	15	18
Lean yes	7	8
TOTAL YES	59	60
Definitely no	25	23
Probably no	7	8
Lean no	4	4
TOTAL NO	36	34
UNDECIDED	5	5

2.4 Support for Reallocating the City’s Hotel Tax

One of the other potential revenue-generating measures described to respondents would reallocate the City’s existing hotel tax. Respondents were read the following conceptual description of the measure:

“A measure to protect and maintain essential City services like police patrols, 9-1-1 emergency response, fire protection, libraries, and streets and parks maintenance by reallocating revenue from the City’s hotel tax that currently supports conventions and arts and cultural programs.”

As previously shown in **Figure 12**, a substantial majority (70%) of respondents indicated they would vote “yes” on the measure, while only 25 percent indicated they would vote “no.” (This measure requires support from a majority of voters to pass.) This measure garnered the highest level of support from likely November 2012 voters among all the potential measures that were tested, both among full draft ballot language, and measures tested using conceptual descriptions.

Results Among Subgroups

- The subgroups disproportionately more likely to support the hotel tax reallocation measure were voters of color, voters ages 18-29, women ages 18-49, and Democrats (particularly Democrats ages 18-49).
- The subgroups disproportionately more likely to oppose the hotel tax reallocation measure were white men, Republicans ages 18-49, and men ages 18-49.
- Renters were more likely to support the measure than homeowners.
- In general, voters of color were more supportive than white voters.
- Higher-income voters (\$60,000+) were less supportive than lower-income voters (<\$60,000).

Results Across Survey Samples

As shown in **Figure 20**, both voter turnout models show similar levels of support among likely voters. The data do not show that a June ballot measure would be at a distinct advantage or disadvantage to a hotel tax reallocation measure that was placed on the November ballot.

**FIGURE 20:
 Support for Reallocating the Hotel Tax
 Among Different Voter Turnout Models**

Vote	Percentage (%)	
	June 2012 Likely Voters	November 2012 Likely Voters
Definitely yes	42	40
Probably yes	22	23
Lean yes	7	7
TOTAL YES	70	70
Definitely no	16	15
Probably no	4	5
Lean no	5	5
TOTAL NO	25	25
UNDECIDED	5	5

2.5 Support for Adjusting the City’s Business Tax

One of the other potential revenue-generating measures described to respondents would change the City’s existing business tax, including adjusting the formula used to calculate the tax to keep pace with inflation:

“A measure to protect and maintain essential City services like police patrols, 911 emergency response, fire protection, libraries, and streets and parks maintenance by adjusting the business tax to keep up with past and future inflation.”

As previously shown in **Figure 12**, a majority (66%) of respondents indicated they would vote “yes” on the measure, with only 28 percent indicating they would vote “no.” (This measure requires support from a majority of voters to pass.) The support for the measure is similar in total support and level of intensity for support as the sales tax measure. Additionally, 28 percent of support for the business tax adjustment comes from softer supporters, although only 7 percent of respondents were initially undecided by are “leaning” toward voting “yes.” Removing these leaners from consideration and the measure still has support from a majority (59%) of likely November 2012 voters.

Results Among Subgroups

- The subgroups disproportionately more likely to support the business tax measure were voters of color, voters ages 18-29, Democrats (particularly Democratic men, and Democrats ages 18-49), and women ages 18-49.
- The subgroups disproportionately more likely to oppose the business tax measure were men (particularly white men), and Republicans (particularly Republican men).
- Renters were more likely to support the measure than homeowners.
- In general, voters of color were more supportive than white voters.
- Higher-income voters (\$60,000+) were less supportive than lower-income voters (<\$60,000).

Results Across Survey Samples

Examining the data across both turnout models again yields similar results. As shown in **Figure 21**, both voter turnout models show similar levels of support among likely voters. Once again considering a higher level of uncertainty in the June likely voter model due to its higher margin of error, it is unclear whether a June ballot measure would be at a distinct advantage or disadvantage to a business tax adjustment measure that was placed on the November ballot.

**FIGURE 21:
 Support for Adjusting the Business Tax for Inflation
 Among Different Voter Turnout Models**

Vote	Percentage (%)	
	June 2012 Likely Voters	November 2012 Likely Voters
Definitely yes	40	38
Probably yes	21	21
Lean yes	6	7
TOTAL YES	67	67
Definitely no	20	18
Probably no	5	6
Lean no	3	3
TOTAL NO	27	28
UNDECIDED	4	6

Support for Adjusting the City’s Business Tax Over Time

Similar business tax reform concepts were tested in the 2009, 2010 and 2011 City budget surveys, though the language tested was somewhat different. The 2009 language referenced “modernizing” the tax with an inflation adjustment and the 2010 language used similar language but clarified that the tax would be increased. The 2011 language

was somewhat more specific: the “method used for calculating the tax” language was changed and it also made reference to “911 emergency response,” which was omitted from the prior surveys. The 2012 language omitted the concept of “increasing” and “changing” the tax, and only referenced adjustments to the tax to keep up with inflation. As shown in **Figure 22** on the following page, the overall conceptual support for this measure increases significantly with the reduced scope of the 2012 language (from 57% in 2011 to 67% in 2012). This strongly suggests that the revised conceptual language played an important role in increasing support for the measure.

FIGURE 22:
Support for a Ballot Measure Changing the City’s Business Tax from 2009 to 2012
(Results Among Likely Voters)

Vote	Percentage (%)			
	2009	2010	2011	2012
Definitely yes	25	20	29	38
Probably yes	15	17	18	21
Lean yes	5	6	10	7
TOTAL YES	45	43	57	67
Definitely no	23	31	25	18
Probably no	8	12	9	6
Lean no	7	6	3	3
TOTAL NO	38	49	37	28
UNDECIDED	17	8	6	6

2.6 Support for Reallocating the City’s Construction & Conveyance Tax

Respondents were asked about a ballot measure that would reallocate funds from the City’s construction and conveyance tax. The conceptual language tested for each measure is shown below:

“A measure to increase funding for park operations and maintenance by re-allocating construction and conveyance tax funding that currently supports construction projects.”

As noted previously in **Figure 12**, the reallocation measure achieved the support of 56 percent of likely November 2012 voters, following short of the two-thirds level of support required for passage. Support for this measure is also relatively soft – only 28 percent of voters say they would “definitely” vote “yes” while the same proportion (27%) indicated only soft support for the measure. Removing voters who were undecided at first but lean towards voting for the measure, support stands at 47 percent, or less than half of the November electorate. A higher proportion of voters are undecided on this measure (13%) than the other measures that were tested, indicating that there is probably some confusion over and/or lack of awareness of the construction and conveyance tax, a tax that unlike a sales tax, a parcel tax, or even a parcel tax, that most of the electorate does not likely have direct experience with.

Results Among Subgroups

- The subgroups disproportionately more likely to support the construction and conveyance tax reallocation measure were voters of color (particularly Latinos ages 18-49, Latino women and Asian women), women ages 18-49, and voters with children under age 18 living at home.
- Voters with a post-graduate degree, men ages 50+, and Republicans were disproportionately more likely to oppose the construction and conveyance tax reallocation measure.

Results Across Survey Samples

As shown in **Figure 23**, both voter turnout models show similar levels of support among likely voters. The data do not show that a June ballot measure would be at a distinct advantage or disadvantage to a construction and conveyance tax reallocation measure that was placed on the November ballot.

**FIGURE 23:
 Support for Reallocating the Construction and Conveyance Tax
 Among Different Voter Turnout Models**

Vote	Percentage (%)	
	June 2012 Likely Voters	November 2012 Likely Voters
Definitely yes	30	29
Probably yes	17	19
Lean yes	8	8
TOTAL YES	56	56
Definitely no	17	17
Probably no	10	10
Lean no	5	5
TOTAL NO	33	31
UNDECIDED	12	13

2.7 Support for a \$95 Parcel Tax

Respondents were asked about a \$95 parcel tax to support City services. The conceptual language tested for each measure is shown below:

“A measure to help maintain street paving, pothole repair and traffic safety on residential streets and major roads through a parcel tax limited to five years and contingent on the property type and size, but not to exceed 97 dollars per year for residential parcels.”

As previously shown in **Figure 12**, the parcel tax achieved only the support of 51 percent of voters, far below the two-thirds vote threshold required for passage among likely November 2012 voters. The June 2012 turnout model does not present a more viable path to victory for the measure. Among this set of likely voters, only 53 percent would support the measure; 42 percent would oppose the measure and four percent are undecided.

Results Among Subgroups

- The subgroups disproportionately more likely to support the parcel tax measure were voters with less than a college education, voters of color, voters ages 18-29, Democratic men, and voters with annual household incomes less than \$60 thousand.
- Republicans and voters with annual household incomes of more than \$100 thousand were disproportionately more likely to oppose the parcel tax measure.

CONCLUSIONS

The results of the 2012 City of San José Budget Priorities Survey lead us to draw the following conclusions:

- Though residents value maintaining the City’s infrastructure and living in an environmentally responsible and diverse community, they continue to place a higher budget priority on expenditures intended to maintain public safety and promote a prosperous local economy.
- Residents favor the concept of reducing employee compensation and retirement benefits to reducing City services or raising additional revenue. In general, they would like the City to explore ways to address budget shortfalls through means besides cuts or taxes and are open to contracting out some services and rethinking how employees’ retirement and pension benefits are structured, strategies that on the surface have the least obvious direct impacts on themselves.
- Following a long-term trend, when forced to choose between the two other options, voters now are equally divided between reducing services and raising revenue, where previously the preference was more clearly to reduce services. Generally speaking, they now appear more open to raising revenue than they have in recent years.
- A substantial majority of voters would rather limit cuts to public safety services at the expense of making larger cuts in support for other City services, such as libraries, road maintenance and parks. Voters also remain open to contracting City services to private companies, and support several options that would save the city money.
- At the same time, voters appear more open to supporting tax measures on the ballot, perhaps reflecting an acknowledgement that addressing the City’s budget shortfalls will require both service reductions and revenue enhancements/
- Voters appear more open to increasing the sales tax, adjusting the business tax, or reallocating the hotel tax than establishing a new parcel tax to support City services.

Overall, the survey reaffirms the findings from last year’s survey that the City’s budget challenges are more widely understood by residents and forcing them to confront that the debate has moved past any “easy” solutions to the City’s financial problems. Still, residents favor strategies that are “free” to them – contracting out services to private companies, selling City-owned golf courses that they probably don’t use, and reducing compensation to City employees. However, residents also seem more likely than in previous years to support revenue-raising ballot measures that could ease some of the City’s budget shortfall.

**APPENDIX A:
TOPLINE SURVEY RESULTS**

2012 CITY OF SAN JOSÉ COMMUNITY BUDGET SURVEY
320-502-WT
N=904

Time Began _____
 Time Ended _____
 Minutes _____

Hello, I'm _____ from F-M-3, a public opinion research company. We're conducting a public opinion survey about issues that interest residents of the City of San José. **(IF RESPONDENT REPLIES IN SPANISH OR VIETNAMESE, OR DESIRES TO SPEAK ONE OF THESE LANGUAGES, FOLLOW THE ESTABLISHED PROCEDURE FOR HANDING OFF TO AN INTERVIEWER WHO SPEAKS THE APPROPRIATE LANGUAGE.)** We are definitely not trying to sell anything, and we are only interested in your opinions.

(FOR LISTED SAMPLE, READ THE FOLLOWING INTRO:)

May I speak to _____? **(YOU MUST SPEAK TO THE VOTER LISTED. VERIFY THAT THE VOTER LIVES AT THE ADDRESS LISTED, OTHERWISE TERMINATE.)**

(FOR BOTH RDD SAMPLES, READ THE FOLLOWING INTRO:)

May I speak with the adult in your household who celebrated a birthday most recently? **(IF NOT AVAILABLE, ASK:)** May I speak to another adult member of your household who is 18 years old or older?"

(RESUME ASKING ALL RESPONDENTS IN ALL SAMPLES)

1. Before we begin, I need to know if I have reached you on a cell phone, and if so, are you in a place where you can talk safely? **(IF NOT ON A CELL PHONE, ASK: Do you own a cell phone?)**

- Yes, cell and can talk safely-----**(ASK Q2) - 28%**
- Yes, cell not cannot talk safely ----- **TERMINATE**
- No, not on cell, but own one-----**(ASK Q2) - 55%**
- No, not on cell and do not own one -----**(SKIP Q2) - 17%**
- (DON'T READ) DK/NA/REFUSED----- TERMINATE**

(ASK ONLY IF CODES 1 OR 2 "OWN A CELL PHONE" IN Q1)

2. Would you say you use your cell phone to make and receive all of your phone calls, most of your phone calls, do you use your cell phone and home landline phone equally or do you mostly use your home landline phone to make and receive calls?

- All cell phone ----- 18%
- Mostly cell phone----- 25%
- Cell and landline equally ----- 34%
- Mostly landline ----- 21%
- (DON'T READ) DK/NA-----1%**

(RESUME ASKING ALL RESPONDENTS IN BOTH RDD SAMPLES)

3. I will not need to know your exact address, but in order to help me verify that you live within the boundaries of our interviewing area, could you please tell me what the ZIP code is for your current residence? **(TERMINATE ALL WHOSE ZIP CODE IS NOT ON THE LIST OF SAN JOSÉ ZIPS)**

(RECORD ZIP CODE) _____

4. Do you live in the City of San José or in some other city?

San José -----100 %
 All other responses ----- **TERMINATE**
 (DON'T KNOW/NA) ----- **TERMINATE**

(RESUME ASKING ALL RESPONDENTS IN ALL SAMPLES)

NOW I WOULD LIKE TO ASK YOU ABOUT SOME DIFFERENT MEASURES THAT MAY APPEAR ON AN UPCOMING CITY OF SAN JOSÉ BALLOT IN A FUTURE ELECTION. PLEASE LISTEN CAREFULLY TO THE DESCRIPTION OF EACH ONE, AND THEN TELL ME HOW YOU THINK YOU MIGHT VOTE.

5. **(T*)** The first potential measure is entitled **The City of San José Vital City Services Measure**, and reads as follows:

“To provide temporary funding to preserve essential City services such as: maintaining neighborhood police patrols; keeping 9-1-1 emergency response times low; keeping fire stations open; encouraging economic development and job creation; and maintaining streets, parks and library hours; shall the City enact a **(SPLIT SAMPLE A: one-half percent sales tax)** **(SPLIT SAMPLE B: one-quarter percent sales tax)**, limited to 15 years, dedicated to City services and protected from State raids, subject to existing financial audits?”

If there were an election today, do you think you would vote “yes” in favor of this measure or “no” to oppose it? **(IF YES/NO, ASK: “Is that definitely or just probably?)” (IF UNDECIDED, DON’T KNOW, NO ANSWER, ASK: “Do you lean toward voting yes or no?”)**

	<u>½% SALES</u>	<u>¼% SALES</u>	
	<u>TAX</u>	<u>TAX</u>	<u>TOTAL</u>
TOTAL YES -----	64%	67%	66%
Definitely yes -----	36 %	39 %	38 %
Probably yes -----	20 %	19 %	20 %
Undecided, lean yes -----	8 %	9 %	8 %
 TOTAL NO -----	 30%	 29%	 30%
Undecided, lean no -----	3 %	3 %	3 %
Probably no -----	7 %	4 %	6 %
Definitely no -----	19 %	22 %	21 %
 (DON'T READ) DK/NA -----	 6%	 4%	 5%

6. Next, the second potential measure is entitled **The City of San José Library Services Protection Measure**, and reads as follows:

(SPLIT SAMPLE A ONLY - CONTINUATION)

“To support local libraries, including buying needed books and materials; preventing severe reductions in hours; and preventing deep cuts in children’s reading programs; shall the City of San Jose continue until 2024 an existing annual parcel tax of 28 dollars and 28 cents for single-family residences and proportional for other properties, adjusted for inflation capped at 3 percent annually and subject to existing financial audits?”

(SPLIT SAMPLE B ONLY – CONTINUATION & REDUCTION)

“To support local libraries, including buying needed books and materials; preventing severe reductions in hours; and preventing deep cuts in children’s reading programs; shall the City of San Jose continue until 2024 – and reduce from 28 dollars and 28 cents to 26 dollars and 87 cents for single-family residences and proportional for other properties – an existing annual parcel tax, adjusted for inflation capped at 3 percent annually and subject to existing financial audits?”

(RESUME ASKING ALL RESPONDENTS)

If there were an election today, do you think you would vote “yes” in favor of this measure or “no” to oppose it? **(IF YES/NO, ASK: “Is that definitely or just probably?”)** **(IF UNDECIDED, DON’T KNOW, NO ANSWER, ASK: “Do you lean toward voting yes or no?”)**

	<u>CONT</u>	<u>CONT& REDUC</u>	<u>TOTAL</u>
TOTAL YES -----	63%	58%	61%
Definitely yes-----	39%	31%	35%
Probably yes-----	18%	18%	18%
Undecided, lean yes-----	7%	9%	8%
 TOTAL NO -----	 32%	 35%	 34%
Undecided, lean no-----	4%	4%	4%
Probably no-----	8%	7%	8%
Definitely no-----	21%	24%	22%
 (DON’T READ) DK/NA -----	 4%	 7%	 6%

7. Now I would like to ask you about four other measures that may appear on a future City of San José ballot. After I read each one, please tell me whether you would vote yes to support it, or no to oppose it? **(IF YES/NO, ASK:)** “Is that definitely **(YES/NO)** or just probably?” **(IF UNDECIDED, ASK:)** Well, do you lean towards voting yes or no? **(RANDOMIZE)**

	<u>DEF</u> <u>YES</u>	<u>PROB</u> <u>YES</u>	<u>LEAN</u> <u>YES</u>	<u>LEAN</u> <u>NO</u>	<u>PROB</u> <u>NO</u>	<u>DEF</u> <u>NO</u>	<u>(DK/</u> <u>NA)</u>
[]a. A measure to help maintain street paving, pothole repair and traffic safety on residential streets and major roads <u>through a parcel tax limited to five years and contingent on the property type and size, but not to exceed 97 dollars per year for residential parcels.</u> -----	28%	17%	6%	5%	11%	27%	5%
[]b. A measure to protect and maintain essential City services like police patrols, 9-1-1 emergency response, fire protection, libraries, and streets and parks maintenance by <u>reallocating revenue from the City’s hotel tax that currently supports conventions and arts and cultural programs.</u> -----	41%	23%	7%	5%	5%	13%	5%
[]c. A measure to protect and maintain essential City services like police patrols, 9-1-1 emergency response, fire protection, libraries, and streets and parks maintenance by <u>adjusting the business tax to keep up with past and future inflation.</u> -----	39%	21%	7%	3%	6%	18%	6%
[]d. A measure to increase funding for park operations and maintenance by <u>re-allocating construction and conveyance tax funding that currently supports construction projects.</u> -----	28%	19%	8%	4%	10%	17%	13%

MY NEXT QUESTIONS DEAL WITH SAN JOSÉ'S CITY GOVERNMENT BUDGET.

8. (T) Next, I am going to ask you to imagine you are in charge of San José's city budget. The City of San José has five major priority goals and I would like you to tell me how you would prioritize City spending to achieve these goals. For this exercise, assume you have 100 dollars to spend on all five. After I read you all of the goals, please tell me how many dollars out of 100 you would spend on each goal, keeping in mind that the total must add up to 100 dollars. **(READ RANDOMIZED LIST OF GOALS; RE-READ INSTRUCTIONS AS NECESSARY AND ENSURE THAT THE TOTAL DOLLAR AMOUNT EQUALS \$100)**

	<u>\$0-\$10</u>	<u>\$11-\$20</u>	<u>\$21-\$30</u>	<u>\$31-\$40</u>	<u>\$41+</u>	<u>MEAN \$ AMOUNT</u>
[] A safe City -----	10%	48%	25%	8%	9%	25.4
[] A prosperous economy -----	17%	49%	20%	8%	6%	22.5
[] An attractive vibrant community -----	39%	51%	8%	1%	1%	15.9
[] A green sustainable City -----	38%	50%	10%	2%	1%	16.1
[] A reliable well-maintained infrastructure -----	22%	52%	20%	4%	3%	20.1
TOTAL -----	\$100					

NOW LET ME GIVE YOU SOME MORE INFORMATION ABOUT THIS YEAR'S CITY BUDGET. OVER THE PAST TEN YEARS, IN ORDER TO BALANCE THE BUDGET, THE CITY HAS IMPLEMENTED OVER 680 MILLION DOLLARS IN CUTS - ELIMINATING OR REDUCING A VARIETY OF CITY SERVICES, AND CUTTING MORE THAN TWO THOUSAND POSITIONS. HOWEVER, THE CITY STILL FACES A ROUGHLY 25 MILLION DOLLAR BUDGET SHORTFALL IN NEXT YEAR'S BUDGET.

9. (T) The City currently provides many services to its residents, but will not generate enough revenue to continue providing services at current levels in the future. Please tell me which one of the following three strategies the City of San José should place the highest priority on to address its budget shortfall: **IF FIRST CHOICE MADE, FOLLOW UP BY ASKING:** And which should be the City's second highest priority? **(RANDOMIZE)**

	<u>FIRST PRIORITY</u>	<u>SECOND PRIORITY</u>
[] a. Reducing City's employees' compensation and retirement benefits -----	48%	17%
[] b. Reducing existing City services -----	13%	37%
[] c. Raising additional revenue, including taxes or fees -----	28%	26%
(DON'T READ) All -----	3%	1%
(DON'T READ) None -----	4%	5%
(DON'T READ) Don't Know -----	4%	15%

10. (T) Next, even if the City and its employees agree upon substantial reductions to employees' compensation and retirement benefits, San José will still face a large budget shortfall. With that in mind, in making decisions about the budget, should the City of San José place a higher priority on: (RANDOMIZE)

[] Reducing existing City services to reduce the need to raise additional revenue, including taxes or fees ----- 41%

OR

[] Raising additional revenue, including taxes or fees, to reduce the need to cut existing City services ----- 42%

(DON'T READ)

(BOTH) ----- 5%

(NEITHER) ----- 8%

(DON'T KNOW/NA) ----- 5%

11. Next, I'm going to read you a list of several other suggested strategies to address the City's budget deficit. After I read each one, please tell me whether you support or oppose the City implementing that particular strategy. (IF SUPPORT/OPPOSE, ASK: Is that strongly SUPPORT/OPPOSE or just somewhat?) (RANDOMIZE)

	<u>STR</u>	<u>SMWT</u>	<u>SMWT</u>	<u>STR</u>	<u>(DK/NA)</u>
	<u>SUPP</u>	<u>SUPP</u>	<u>OPP</u>	<u>OPP</u>	
[]a. Consolidating City boards and commissions -----	59%	24%	5%	4%	8%
[]b. Selling one of the three City-owned golf courses-----	66%	19%	4%	8%	3%
[]c. Selling surplus City property-----	60%	20%	7%	6%	7%
[]d. Suspending the one percent capital improvement project budget set aside for public art until the City eliminates the backlog of unfinished infrastructure projects -----	53%	24%	5%	9%	8%

12. (T) Next, another strategy the City of San José could pursue to reduce expenses is contracting out some City services to private companies, and eliminating the positions of City workers who currently provide those services. Does this sound like something you would support or oppose? (IF SUPPORT/OPPOSE, ASK: Is that strongly SUPPORT/OPPOSE or just somewhat?)

TOTAL SUPPORT ----- 57%
 Strongly support ----- 33%
 Somewhat support ----- 23%

TOTAL OPPOSE ----- 37%
 Somewhat oppose ----- 12%
 Strongly oppose ----- 25%

(DON'T READ) DK/NA ----- 6%

13. Next, in order to cut costs and move toward a balanced city budget, many city services will have to be reduced. One proposal suggests that since public safety is central to the quality of life for all San Jose residents, police and fire services should be cut at a lower rate than other city services. Does this sound like something you would support or oppose? **(IF SUPPORT/OPPOSE, ASK: Is that strongly SUPPORT/ OPPOSE or just somewhat?)**

TOTAL SUPPORT ----- 71%
 Strongly support ----- 48%
 Somewhat support ----- 24%

TOTAL OPPOSE ----- 24%
 Somewhat oppose ----- 10%
 Strongly oppose ----- 14%

(DON'T READ) DK/NA ----- 5%

(ASK Q14 IF "SUPPORT" IN Q13)

14. And in order to avoid reductions in police and fire services, would you support larger cuts in libraries, road maintenance, parks, and other City services? **(IF SUPPORT/OPPOSE, ASK: Is that strongly SUPPORT/ OPPOSE or just somewhat?)**

TOTAL SUPPORT ----- 68%
 Strongly support ----- 39%
 Somewhat support ----- 29%

TOTAL OPPOSE ----- 27%
 Somewhat oppose ----- 12%
 Strongly oppose ----- 15%

(DON'T READ) DK/NA ----- 5%

(RESUME ASKING ALL RESPONDENTS)

MY NEXT QUESTIONS DEAL WITH THE FIRST POTENTIAL BALLOT MEASURES I MENTIONED EARLIER, WHICH WOULD HELP PRESERVE ESSENTIAL CITY SERVICES SUCH AS: MAINTAINING POLICE PATROLS; KEEPING FIRE STATIONS OPEN, ENCOURAGING ECONOMIC DEVELOPMENT; AND MAINTAINING STREETS, PARKS AND LIBRARY HOURS BY ENACTING A

(SPLIT SAMPLE A: ONE-HALF PERCENT SALES TAX).
(SPLIT SAMPLE B: ONE-QUARTER PERCENT SALES TAX).

15. (T) First, I am going to read you a statement from people who support this measure.

Supporters of this measure say San José has already done all the cost cutting it can to address the City’s budget deficit – including eliminating more than two thousand jobs and reducing employee compensation by ten percent. But it is not enough to balance the budget. This tax measure – some of which would be paid by out-of-town people visiting the City – would help prevent deeper cuts in vital services like public safety, libraries, and street repair, and would subject all spending to audits and full public review.

Now that you have heard more about it, do you think you would vote “yes” in favor of this measure or “no” to oppose it? **(IF YES/NO, ASK: “Is that definitely or just probably?”)** **(IF UNDECIDED, DON’T KNOW, NO ANSWER, NEED MORE INFORMATION ASK:)** “Do you lean toward voting yes or no?”)

	<u>1/2 % SALES</u>	<u>1/4 % SALES</u>	
	<u>TAX</u>	<u>TAX</u>	<u>TOTAL</u>
TOTAL YES -----	67%	68%	67%
Definitely yes -----	36 %	34 %	35 %
Probably yes -----	24 %	26 %	25 %
Undecided, lean yes -----	7 %	7 %	7 %
 TOTAL NO -----	 29%	 29%	 29%
Undecided, lean no -----	3 %	3 %	3 %
Probably no -----	8 %	6 %	7 %
Definitely no -----	17 %	19 %	18 %
 (DON’T READ) DK/NA -----	 5 %	 4 %	 4 %

16. (T) Next, I am going to read you a statement from people who oppose this measure.

Opponents of this measure say that the City should balance the budget by further cutting wasteful spending eliminating unnecessary contracts and reducing city bureaucracy instead of taxing hard-working San José residents during the worst economy in a generation. We cannot allow the City to raise taxes further, with unemployment rates as high as they are and no guarantee that city politicians and bureaucrats won't just continue wasting and mismanaging the funds.

Now that you have heard more about it, let me ask you one last time, do you think you would vote "yes" in favor of this measure or "no" to oppose it? **(IF YES/NO, ASK: "Is that definitely or just probably?") (IF UNDECIDED, DON'T KNOW, NO ANSWER, NEED MORE INFORMATION ASK:)** "Do you lean toward voting yes or no?"

	<u>½% SALES</u>	<u>¼% SALES</u>	
	<u>TAX</u>	<u>TAX</u>	<u>TOTAL</u>
TOTAL YES -----	63%	60%	61%
Definitely yes -----	33 %	30 %	32 %
Probably yes -----	20 %	20 %	20 %
Undecided, lean yes -----	9 %	10 %	10 %
 TOTAL NO -----	 31%	 37%	 34%
Undecided, lean no -----	3 %	5 %	4 %
Probably no -----	11 %	10 %	10 %
Definitely no -----	16 %	22 %	19 %
 (DON'T READ) DK/NA -----	 6 %	 3 %	 5 %

HERE ARE MY FINAL QUESTIONS. THEY ARE JUST FOR STATISTICAL PURPOSES.

17. (T) Do you live in a single-residence detached home, or do you live in a multi-family apartment, mobile home park, or condo building?

- Single family detached house----- 74 %
- Multi-family apt/condo ----- 22 %
- Mobile home park -----3 %
- (DON'T READ)** Don't know/Refused --1 %

18. (T) Do you own or rent the house or apartment where you live?

- Own ----- 71 %
- Rent ----- 28 %
- (DON'T READ)** Don't know/Refused --2 %

19. (T) Are there any children under the age of 18 living in your household?

- Yes**
- 37%**
- No ----- 62 %
- (DK/NA)**----- 1 %

20. (T) What was the last level of school you completed?

- Grades 1-8 -----4 %
- Grades 9-11-----4 %
- High school graduate (12)----- 21 %
- Some college ----- 21 %
- Business/vocational school-----3 %
- College graduate (4) ----- 34 %
- Post-graduate work/Professional school ----- 12 %
- (DON'T READ)** DK/Refused -----2 %

21. (T) Please stop me when I come to the category that best describes the ethnic or racial group with which you identify yourself. Is it....?

- Hispanic/Latino ----- 20 %
- African-American -----4 %
- Asian/Pacific Islander ----- 19 %
- Caucasian/White ----- 48 %
- Native American/Indian -----2 %
- Some other group or identification -----5 %
- (DON'T READ)** Refused-----2 %

22. (T) In what year were you born?

1994-1988 (18-24)	5%
1987-1983 (25-29)	8%
1982-1978 (30-34)	8%
1977-1973 (35-39)	9%
1972-1968 (40-44)	10%
1967-1963 (45-49)	12%
1962-1958 (50-54)	10%
1957-1953 (55-59)	8%
1952-1948 (60-64)	9%
1947-1938 (65-74)	9%
1937 or earlier (75 & over)	7%
(DON'T READ) DK/Refused	5%

23. (T) I don't need to know the exact amount but I'm going to read you some categories for household income. Would you please stop me when I have read the category indicating the total combined income for all the people in your household before taxes in 2011?

\$30,000 and under	15%
\$30,001 - \$60,000	20%
\$60,001 - \$75,000	14%
\$75,001 - \$100,000	12%
\$100,001 - \$150,000	11%
More than \$150,000	8%
(DON'T READ) Refused	21%

(ASK Q24 - Q26 OF BOTH RDD SAMPLES ONLY)

24. Are you a registered voter in the City of San José?

Yes	(CONTINUE TO Q25 AND Q26)	91%
No	(SKIP TO Q27)	8%
(DON'T READ) Refused	(SKIP TO Q27)	0%

(IF "YES" IN Q24 ASK:)

25. Are you registered as a Democrat, as a Republican, as a member of another political party, or as declining to state a party affiliation?

Democrat	49%
Republican	20%
Other/Declining to State	24%
(DON'T READ) Refused	6%

(ASK ALL RESPONDENTS WHO ARE "YES" IN Q24 AND ASK ALL VOTERS ON THE LISTED SAMPLE)

26. Which of the following best describes how often you vote in local elections: (READ LIST)

- I never miss an election----- 40%
- I vote in almost all elections ----- 38%
- I vote in most major elections, but occasionally miss one----- 13%
- I only vote in some elections, or -----5%
- I rarely vote-----2%
- (DON'T READ) Refused -----1%

(RESUME ASKING ALL RESPONDENTS IN ALL SAMPLES)

27. Here is my final question. Could you tell me the cross streets of the main intersection near where you live? (WRITE IN STREET NAMES)

Street _____

with
Street _____

THANK YOU VERY MUCH FOR YOUR TIME AND ATTENTION TO MY QUESTIONS.

Gender by observation:

- Male ----- 48%
- Female----- 52%

Language by observation:

- English ----- 93%
- Spanish -----4%
- Vietnamese -----3%

Sample:

- Standard RDD----- 44%
- Cell Phone RDD-----6%
- Voter List ----- 50%

Phone # _____

Date _____

ZIP _____

City _____

County _____

Interviewer _____

Cluster # _____

Verified by _____

Page # _____

VOTER LIST SAMPLE ONLY

Party: From file

Democrat-----	49%
Republican-----	23%
Decline-to-state-----	25%
Other party-----	3%

Name _____

Page # _____

Address _____

Voter ID # _____

City _____

Precinct _____

Zip _____

Interviewer _____

FLAGS

R03-----	52%
P04-----	42%
G04-----	64%
N05-----	50%
P06-----	45%
G06-----	58%
F08-----	60%
P08-----	40%
G08-----	86%
M09-----	43%
P10-----	57%
G10-----	78%
BLANK-----	5%

CITY COUNCIL DISTRICT

1-----	9%
2-----	12%
3-----	9%
4-----	8%
5-----	6%
6-----	10%
7-----	8%
8-----	12%
9-----	15%
10-----	11%

VOTE BY MAIL

1-----	13%
2-----	11%
3+-----	46%
BLANK-----	29%

PERMANENT ABSENTEE

Yes-----	69%
No-----	31%