



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Ashwini Kantak

**SUBJECT: RETAIL SALES AND USE TAX &
GENERAL OBLIGATION BOND
BALLOT MEASURE**

DATE: August 1, 2012

Approved

Date

8/1/12

SUPPLEMENTAL MEMO

REASON FOR SUPPLEMENTAL

To provide a detailed report about the July 2012, telephone survey findings.

Attached for distribution is the "City of San José 2012 Sales Tax Measure Survey, Report of Findings, July 2012." This report summarizes a telephone survey conducted between July 8 and 12, 2012, of 800 likely voters by the public opinion research firm of Fairbanks, Maslin, Maullin, Metz & Associates (FM3). The primary purpose of the survey was to assess the viability of a sales tax measure on the upcoming November ballot. The survey assessed support for a ¼ percent and a ½ percent sales tax measure and sought to learn how other factors such as sunset provisions and other ballot measures might impact support for such a measure. The survey also tested the level of support for a transportation infrastructure bond measure.

ASHWINI KANTAK
Assistant to the City Manager

For questions, please contact me at (408) 535-8147

Attachments





City of San José 2012 Sales Tax Measure Survey Report of Findings

July 2012

220-3447

Fairbank, Maslin, Maullin, Metz & Associates - FM3
Public Opinion Research & Strategy

SANTA MONICA • OAKLAND • MADISON • MEXICO CITY

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INTRODUCTION

Between July 8 and 12, 2012, Fairbank, Maslin, Maullin, Metz & Associates (FM3) conducted a telephone survey of 800 voters in the City of San José likely to cast ballots in a November 2012 general election. The primary purpose of the survey was to assess the viability of a sales tax measure on the upcoming November ballot. The survey explored different amounts for a sales tax and also sought to learn how other factors might impact support for such a measure (these included the recent voter-approved modifications to City of San José public employee pensions and other tax measures at the state and local levels on the same ballot). Another topic covered in the survey was whether a sunset provision for the sales tax measure would increase support for it. The survey also tested support for a transportation infrastructure bond measure.

The survey questionnaire was translated and administered in both Spanish and Vietnamese, as well as in English. Survey interviews were conducted on both cell phones and landline phones. Survey questions were developed in consultation with City staff. The sample was weighted slightly to conform to demographic data on the City's population.

The margin of sampling error for the survey sample as a whole is plus or minus 3.5 percent. The margin of sampling error for smaller subgroups within each sample will be larger. For example, statistics reporting the opinions and attitudes of voters over age 50, who make up 49 percent of the sample, have a margin of error of plus or minus 4.9 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 two parts:

- **Part 1** examines how voters react to a proposed citywide sales tax ballot measure, how other factors and provisions impact support for the measure, and voter priorities for spending revenue that would be raised by this measure.
- **Part 2** focuses on voters' reactions to a potential City of San José transportation infrastructure bond measure.

This report also includes comparisons to previous City of San José surveys from 2012, 2011, 2010, and 2009.

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

SUMMARY OF MAJOR FINDINGS

Overall, the survey findings indicate that a City sales tax measure is supported by a considerable majority of voters and winning approval from voters in November appears feasible. Support for the measure is consistently above 50 percent, even after voters hear arguments from opponents of the measure. Majority support is also maintained when voters learn more about other statewide and local tax measures on the ballot. A \$195 million transportation bond measure that was also tested falls short of the two-thirds threshold required for passage.

More specifically:

- A one-half or one-quarter percent sales tax increase in the City is supported by roughly three in five voters. This level of support has been consistent over the course of three surveys in 2012, and other prior surveys going back to 2009.
- Knowing that other statewide, county and water district revenue measures will be on the same November ballot decreases support for the measure slightly, suggesting that ballot crowding could pose a minor threat to the viability of the measure.
- While the sales tax measure that was tested is not immediately impacted by its lack of a sunset provision, this has the potential to be a major vulnerability for the measure. Learning that the measure would continue on an ongoing basis results in many supporters of the measure to say they would be much less likely to vote to approve it. While a sunset provision of nine to 15 years does not appear to increase support for the measure, it would obviate criticisms that the sales tax measure is permanent.
- The pension modification ballot measure that was recently approved by City of San José voters has only a small effect on support for the sales tax measure. Few voters suggest that this one factor would lead them to change their overall vote preference.
- Positive and negative statements about the measure do not significantly move support for the measure, but increases opposition by a small degree.
- When it comes to spending revenue for a sales tax measure, voters prioritize funding emergency services, gang prevention programs, and other public safety services over parks, libraries, and community centers. Maintaining the City's long term fiscal stability is another important priority for new revenue.
- A \$195 million infrastructure bond measure is supported by a majority (56%) of voters, but falls short of the two-thirds vote threshold required for passage.

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

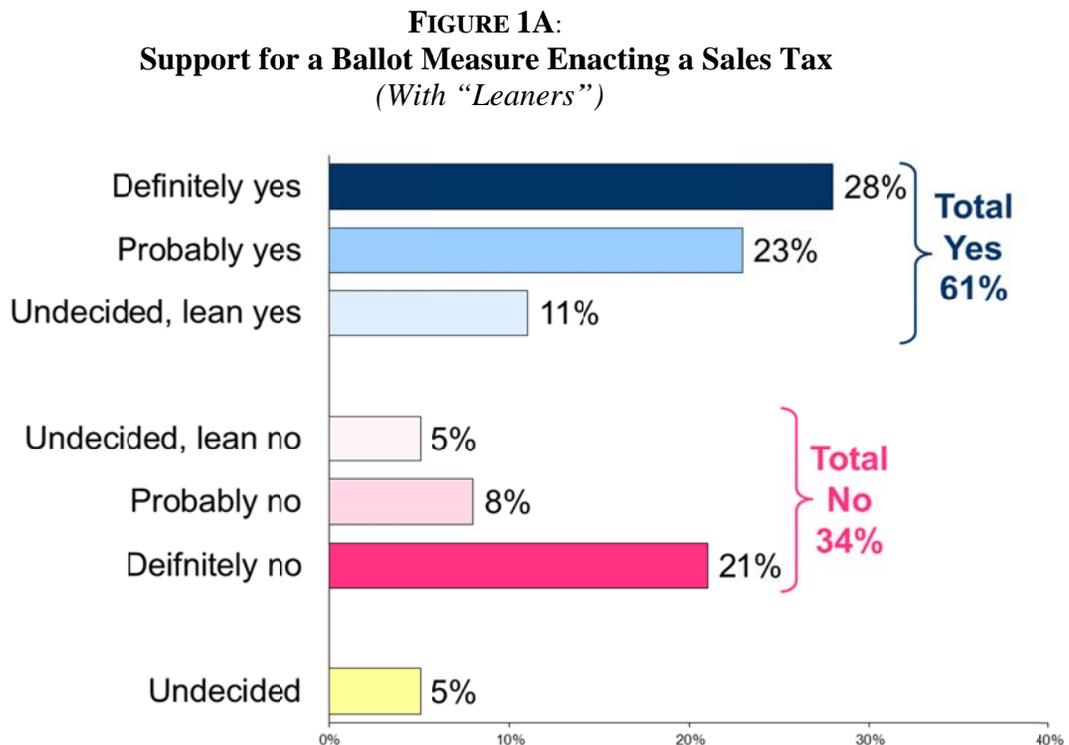
PART 1: SUPPORT FOR A SALES TAX MEASURE

1.1 Initial Support for a Sales Tax Measure

Respondents were presented with draft ballot language for a one-half or one-quarter percent sales tax measure 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 Funding Measure.** “To provide funding for City services such as: neighborhood police patrols; 9-1-1 emergency response; firefighting; code enforcement, library services; and the maintenance of streets and parks, shall the City enact a (1/2% sales tax / 1/4% sales tax) with all revenue subject to existing financial audits and solely controlled by the City and not the State?”*

Overall, support for a sales tax measure, including “leaners,”¹ stands at 61 percent of the electorate, as shown in **Figure 1A**. Without “leaners” (**Figure 1C**), just 51 percent of the electorate says they would vote “yes” on the measure. Just over one quarter of voters (28%) said they would “definitely” vote to raise the sales tax in San José, indicating that support is not overly strong.



¹ “Leaners” are defined as voters who indicated that they were undecided on the measure, but “leaned” towards voting “yes” or “no.”

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 **Figures 1B** and **1C**, the difference between the two iterations was not statistically significant.

Historically, prior surveys have found that a one-quarter percent/cent sales tax measure garners slightly higher levels of support than a one-half percent/cent sales tax (this point is explored in greater detail on the following pages). This trend is better reflected when respondents were asked to “vote” on the measure at other instances in this survey (see **Figure 8C**). Therefore, while these results are statistically equivalent, other findings in this survey and in previous surveys suggest a slight preference for a one-quarter percent sales tax. Therefore, it is important not to emphasize too heavily the fact that the survey showed the one-half percent sales tax performing one percentage point stronger than the one-quarter percent sales tax on this single question.

FIGURE 1B:
Support for a Ballot Measure Enacting a Sales Tax At Different Amounts
 (With “Leaners”)

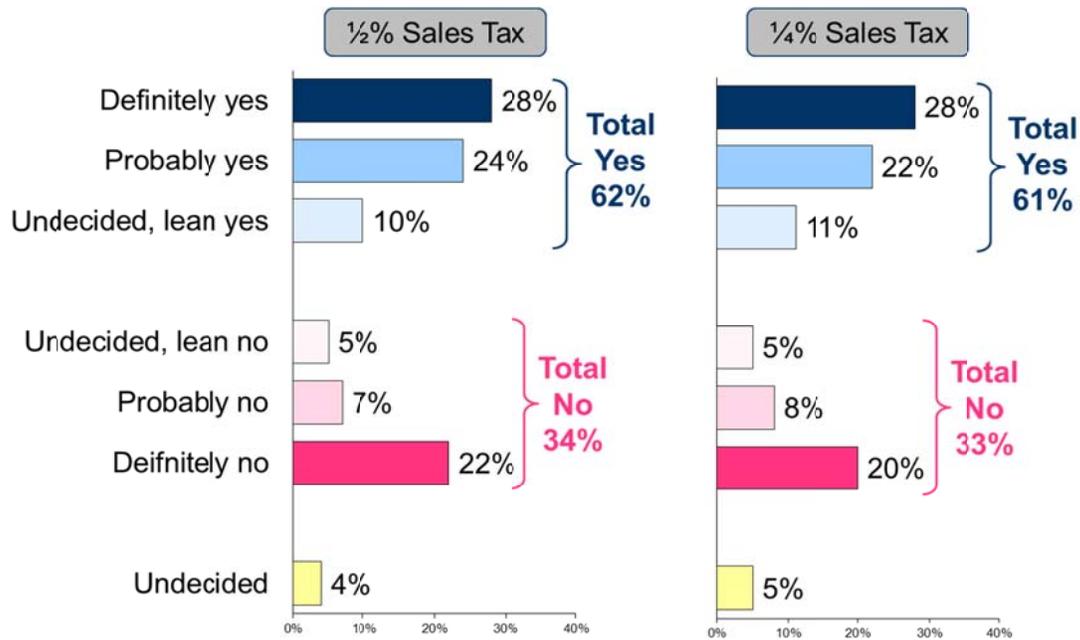


FIGURE 1C:
Support for a Ballot Measure Enacting a Sales Tax At Different Amounts
(Without “Leaners”)

Vote	Percentage (%)		
	One-half Percent	One-quarter Percent	Total Combined
Definitely yes	28%	28%	28%
Probably yes	24%	22%	23%
TOTAL YES (without leans)	52%	50%	51%
Definitely no	22%	20%	21%
Probably no	7%	8%	8%
TOTAL NO (without leans)	29%	28%	29%
UNDECIDED (with leans)	19%	21%	21%

Results Among Subgroups

- The subgroups disproportionately more likely to support the sales tax were voters age 18-49, Democrats, middle-income voters (\$60-100K annual household income), renters and apartment dwellers, and Asian voters and other voters of colors.
- The subgroups disproportionately more likely to oppose the sales tax were Republicans, white men, voters age 65 and older, and higher-income voters (\$100K+).
- There appears to be a gender gap, with men less supportive than women.

Support for a Sales Tax Measure Over Time

In previous surveys conducted on behalf of the City, similar sales tax measures were tested. The previous surveys conducted in January 2011 and earlier tested a “one-quarter *cent*” sales tax increase, as opposed to a “one-quarter *percent*” increase that was tested in surveys since that time.² As shown in **Figure 2A**, voter support for a one-quarter cent/percent sales tax has varied only somewhat over the past four years, achieving its highest level of support in survey from this past January. Strong support for a sales tax increase has decreased notably since earlier this year, from 38 percent “definitely” yes to 28 percent (a finding that also holds true from the last survey conducted in May).

FIGURE 2A:
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 [*]	Jan. 2012 [*]	May 2012 [*]	July 2012 [*]
Definitely yes	36	33	36	31	38	29	28
Probably yes	20	13	17	18	19	22	22
Lean yes	6	8	7	8	8	11	11
TOTAL YES	62	54	60	57	65	63	61
Definitely no	26	32	24	25	24	19	20
Probably no	7	8	7	8	3	10	8
Lean no	3	3	4	4	4	5	5
TOTAL NO	36	43	35	37	31	34	33
UNDECIDED	2	3	5	6	4	3	5

[^]One-Quarter Cent Sales Tax Increase

^{*}One-Quarter Percent Sales Tax Increase

As was noted in the May 2012 survey, an important finding that is illustrated in these data is that support for a one-quarter cent/percent general purpose sales tax measure has consistently measured in the 54-65 percent range over that past three years, despite a change in ballot language, economic conditions, City budget situations, and other factors that may influence support. This finding holds true in the most recent survey.

The situation is a little different when reflecting on the support for a half-cent/percent sales tax measure over the past several years. **Figure 2B** shows a vote progression from 2010 to the present survey³ for this variation of the sales tax measure. Overall, support for the higher rate is

² Also, ballot language tested for a sales tax measure has changed slightly over time, including some changes in this recent version.

³ A half-cent/percent variation of the sales tax was not tested on every survey which tested a quarter-cent/percent sales tax.

consistently higher in each 2012 survey (measuring from 58-65% vote “yes”) than in the surveys from previous years (47-51% vote “yes”).

FIGURE 2B:
Change in Support for a Ballot Measure Enacting a
One-Half Cent/Percent Sales Tax from 2009 to 2012
(Results Among Likely Voters)

Vote	Percentage (%)				
	2010 [^]	July 2011 [*]	Jan. 2012 [*]	May 2012 [*]	July 2012 [*]
Definitely yes	26	25	35	24	28
Probably yes	16	17	22	24	24
Lean yes	6	9	8	9	10
TOTAL YES	47	51	65	58	62
Definitely no	33	28	18	22	22
Probably no	10	9	8	10	7
Lean no	4	5	3	7	5
TOTAL NO	48	31	29	39	34
UNDECIDED	5	8	5	3	4

[^]One-Half Cent Sales Tax Increase

^{*}One-Half Percent Sales Tax Increase

1.2 Support for a Sales Tax Measure After November Ballot Information

Using a technique similar to one previously employed in the May 2012 survey, voters were presented with a short statement explaining that the November ballot may include a statewide sales tax measure, as well as a County sales tax measure and a water district parcel tax measure. The purpose of this exercise was to determine whether ballot crowding might have an impact on support for the sales tax measure. The description read as follows:

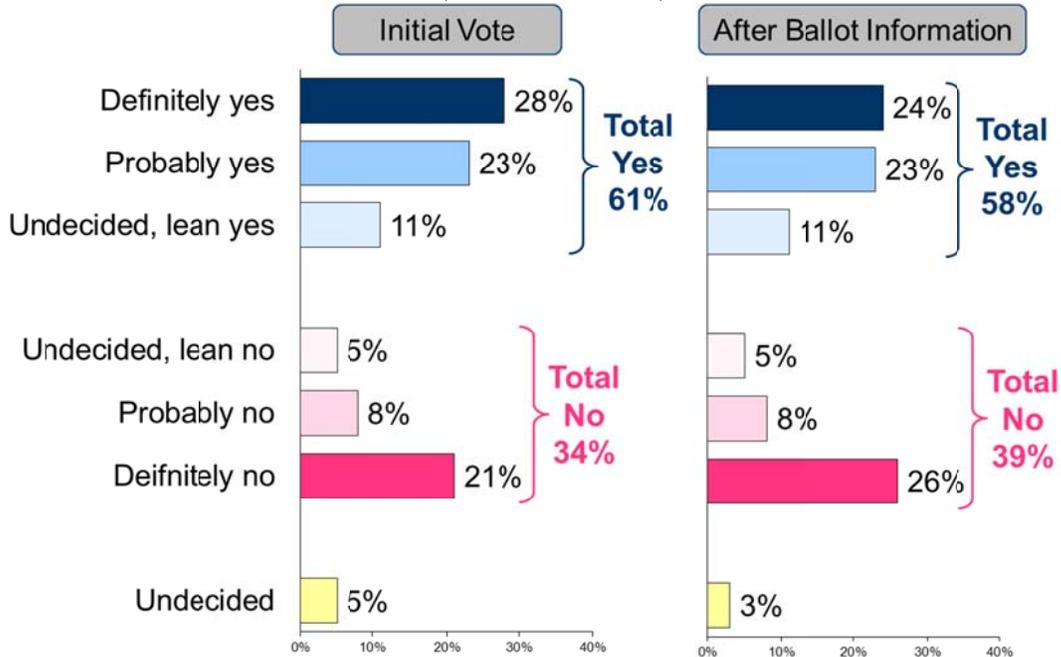
Now I would like to tell you a little bit about some of the other measures that may be on the ballot in this November's election at the same time as this City of San José sales tax measure.

Statewide these measures include a measure sponsored by the Governor to both temporarily increase personal income taxes on wealthy taxpayers and temporarily increase state sales taxes to fund education and public safety services, and a different measure to increase state personal income tax rates at all levels to fund pre-schools and public education.

Locally, these measures may include a countywide one-eighth percent sales tax increase to fund County services, and a Santa Clara Valley Water District Parcel tax continuation to fund water supply projects.

As shown in **Figures 3A** and **3B**, a somewhat smaller proportion of likely voters support the measure after hearing this description than supported the measure initially. After hearing the explanation, support for a sales tax measure decreased from 61 to 58 percent, and opposition increased from 34 to 39 percent (both changes are within the survey's margin of error). Moreover, there was also a modest drop-off from voters who said they would "definitely" support a sales tax measure, from 28 to 24 percent. These findings are remarkably similar to the results from the equivalent exercise from the May survey, and serve to strengthen the finding from that survey that ballot crowding in November could have a minor, negative impact on a City sales tax measure, but will not likely have a major impact on support for it.

FIGURE 3A:
Support for a Ballot Measure Enacting a Sales Tax After November Ballot Information
(With “Leaners”)



Voters who were disproportionately more likely to change their preference to a “no” vote after hearing this information were women (particularly Asian women, Independent/Republican women, and women over age 50), voters over age 65, and voters with a post-graduate degree.

FIGURE 3B:
Support for a Ballot Measure Enacting a Sales Tax After November Ballot Information
(Without “Leaners”)

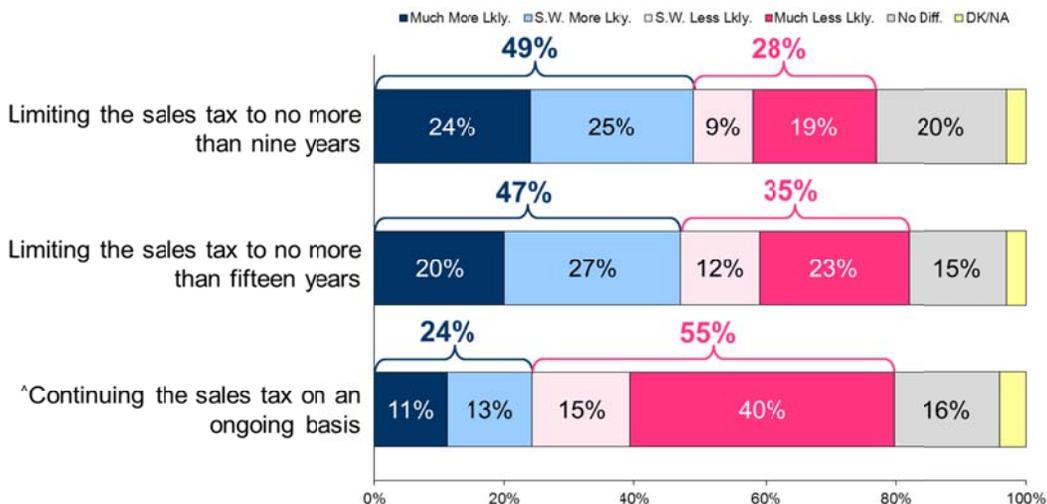
Vote	Percentage (%)	
	Initial Vote	After Ballot Information
Definitely yes	28%	24%
Probably yes	23%	23%
TOTAL YES (without leans)	51%	47%
Definitely no	21%	26%
Probably no	8%	8%
TOTAL NO (without leans)	29%	34%
UNDECIDED (with leans)	21%	19%

1.3 Impact of Sunset Provision on a Sales Tax Measure

In a separate survey question, voters were asked how a sunset provision for the sales tax measure—or a lack of one—might impact their vote (one-half sample was asked about a nine year sunset while the other half of the sample was asked about a 15 year sunset). As shown in **Figure 4**, pluralities of voters said they would be more likely to support the sales tax measure with a nine year (49% more likely) or a 15 year sunset (47% more likely). Looking at the intensity for each sunset length, there appears to be a slight preference for the nine year sunset (24% much more likely; 19% much less likely) over a 15 year sunset (20% much more likely; 23% much less likely).

However, the idea of continuing the sales tax without a sunset received a much more negative response: 55 percent of voters said they would be less likely to support the sales tax measure if it continued on an ongoing basis.⁴

**FIGURE 4:
Support for Sunset Provisions**



Another way to look at the results of this question is to see how voters’ preferences for a sunset compare to their initial vote preference on the sales tax measure. Using this information, it is a useful exercise to recalculate the vote preference for the sales tax measure in each scenario. To achieve this, we do the following:

- Voters who were initially “yes” or undecided voters AND said they were “much less likely” to support the measure given each provision were changed to a “no” vote; and
- Voters who were initially “no” or undecided voters AND said they were “much more likely” to support the measure given each provision were changed to a “yes” vote.

⁴ It is important to note that a ballot measure *without* a sunset provision would not explicitly describe the lack of a sunset in the ballot language. Without a sunset provision, the measure could be described by third parties as going on “forever,” but this is not a fact that would be explicitly communicated to a voter looking at the ballot when voting.

The results of this exercise are represented in **Figure 5** and reveal very important findings about how each provision could impact support for the measure. When voters are explicitly told that the measure contains no sunset clause, a majority of voters (52%) say they would vote “no” on the measure—an *eighteen point swing* from the initial vote. While this information about a lack of sunset will not appear on the ballot label, this information could drastically impact support if it were effectively communicated to voters by third parties.

The second finding from this exercise is that a nine or 15 year sunset provisions have very little impact on support for the measure. Opposition to the measure increased slightly, from 34 to 37 percent, but support remains high at 59 percent.⁵ Unlike a measure that included *no* sunset clause, this information would be present on the ballot label when voters go to the polls.

When taken together, these findings suggest that a sunset provision would not improve support on its own, but would preclude any criticism that the sales tax would continue on an ongoing basis.

FIGURE 5:
Impact of Sunset Provisions on Support for a Sales Tax Measure

Vote	Percentage (%)		
	Initial Sales Tax Measure Vote	Continuing the sales tax on an ongoing basis (No Sunset)	Limiting the sales tax to no more than 9/15 years (With Sunset)
TOTAL YES	61%	45%	59%
TOTAL NO	34%	52%	37%
UNDECIDED	5%	3%	4%

⁵ There is an explanation for why support moved so little in this exercise, even though nearly half of voters (**Figure 4**) said they would be “more likely” to support a measure with a sunset clause. Simply, the vast majority of these “more likely” respondents had already indicated they would vote “yes” on the sales tax measure. The same principle applies to the “less likely” respondents—many of which had already indicated they would vote “no.” Also, 21 percent of voters indicated that a nine or 15 year sunset would make no difference on their vote preference.

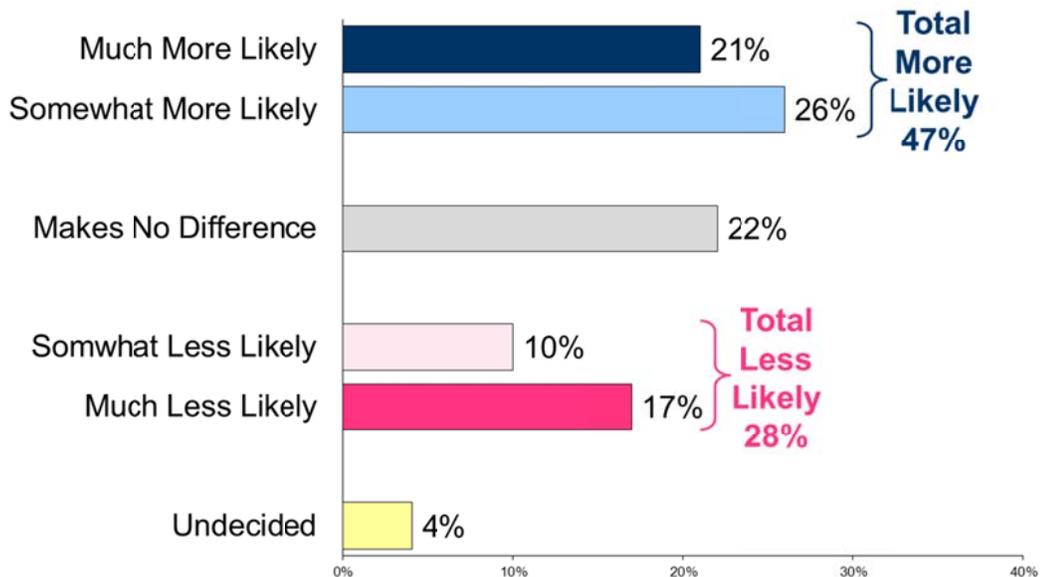
1.4 Impact of the San José Pension Changes on a Sales Tax Measure

During the survey, voters were also presented with information about the citywide pension modification measure that was approved by voters in June 2012 primary election. The description read as follows:

“San José voters recently approved a local ballot measure enacting a number of changes to the pension system for City employees. This ballot measure put limitations on the pension benefit for new City employees, including increasing the retirement age for new employees and requiring new employees to pay half of the cost of their benefits. Other changes include providing an option for current employees to go into a lower pension benefit or paying more to stay in the current pension benefit.”

Overall, a plurality of voters (47%) said they would be more likely to support the sales tax measure given this information, compared to 28 percent who said they would be less likely, and 22 percent who said this information makes no difference (**Figure 6**).

FIGURE 6
Impact of Pension Changes



Using the same technique as described in the previous section (1.3), we can look at how the information about city employee pension changes could impact how voters would vote on the sales tax measure. As shown in **Figure 7**, this information has very little impact on vote preferences. Opposition increases slightly to 37 percent, but support for the measure remains statistically unchanged at 60 percent. (Like the results for the sunset provisions in the previous section, this small change in support can be attributed to the fact that many of the respondents who indicated that this information would make them more or less likely to support the measure were already “yes” or “no” voters, respectively.

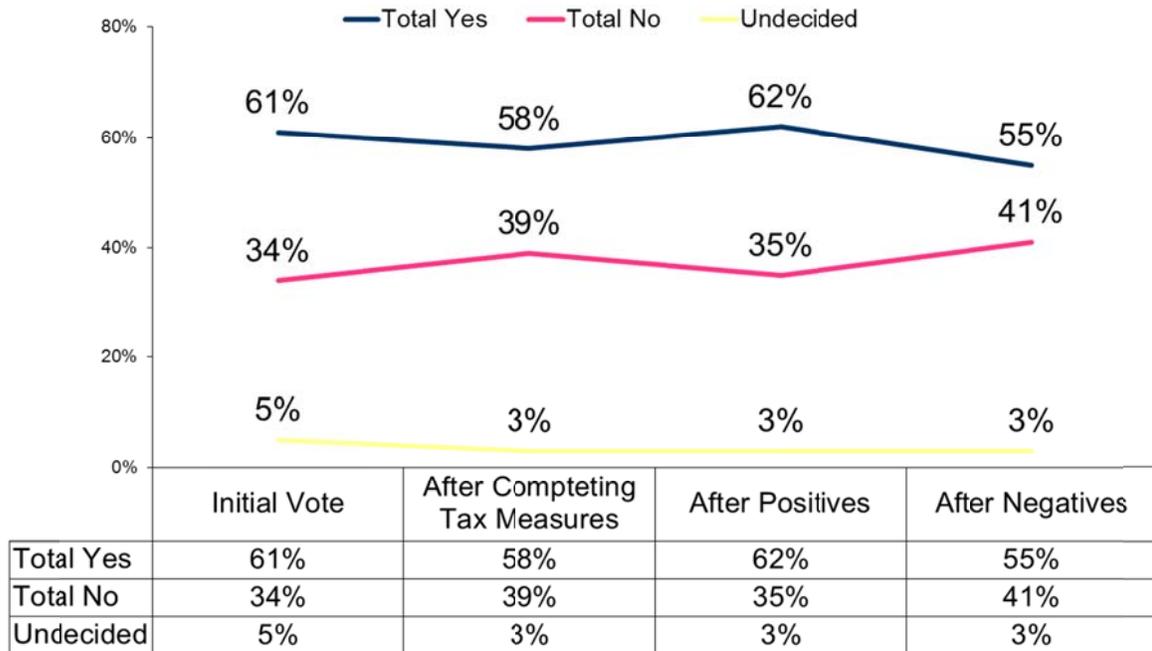
FIGURE 7
Impact of Pension Changes on Support for a Sales Tax Measure

Vote	Percentage (%)	
	Initial Vote	Pension Change Information
TOTAL YES	61%	60%
TOTAL NO	34%	37%
UNDECIDED	5%	3%

1.5 Support for a Sales Tax Measure After Messaging

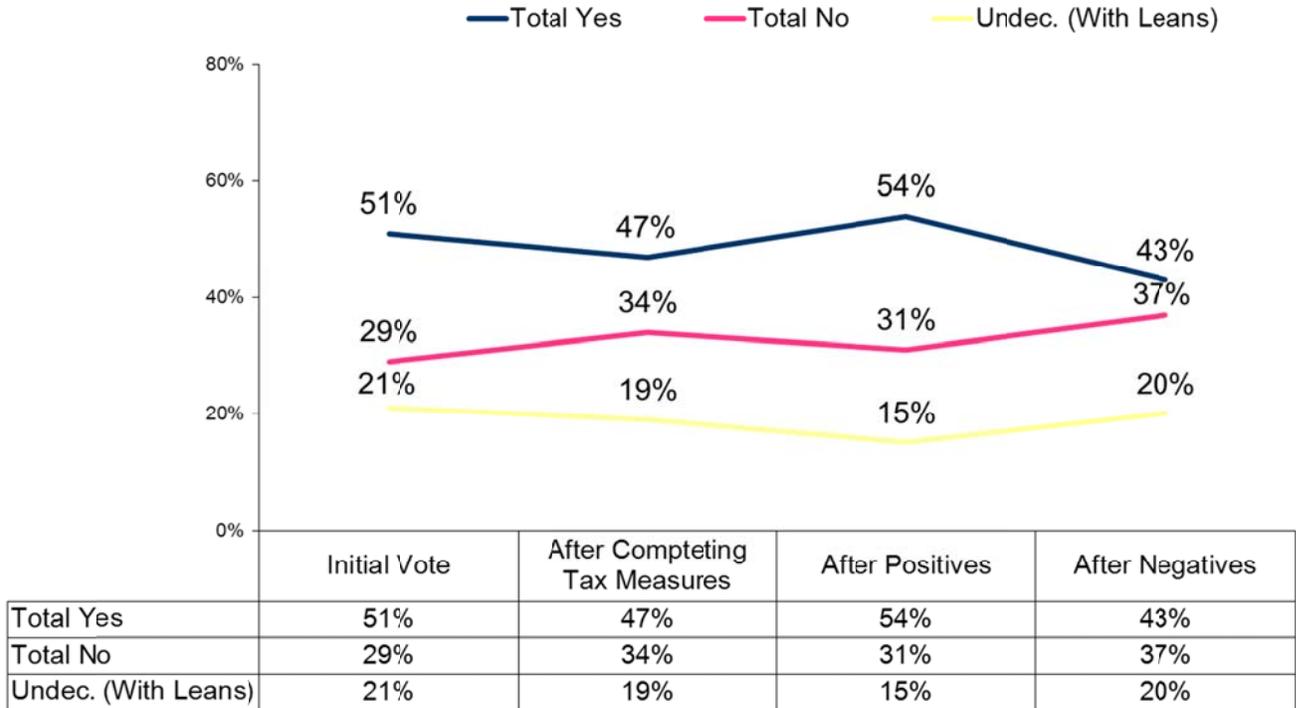
Survey respondents were presented with one potential statement each from both supporters and opponents of the proposed sales tax measure and asked to indicate their vote leanings after hearing each set of statements. Overall, the argument for the measure had little effect on support, while the negative message decreased support and increased opposition. As shown in **Figure 8A**, overall support decreased from 61 to 55 percent after both messages, while opposition increase from 34 to 41 percent. These results suggest that majority support can be maintained after pro and con arguments.

Figure 8A:
Support for a Sales Tax Measure
After Messages from Supporters and Opponents
(With “Leaners”)



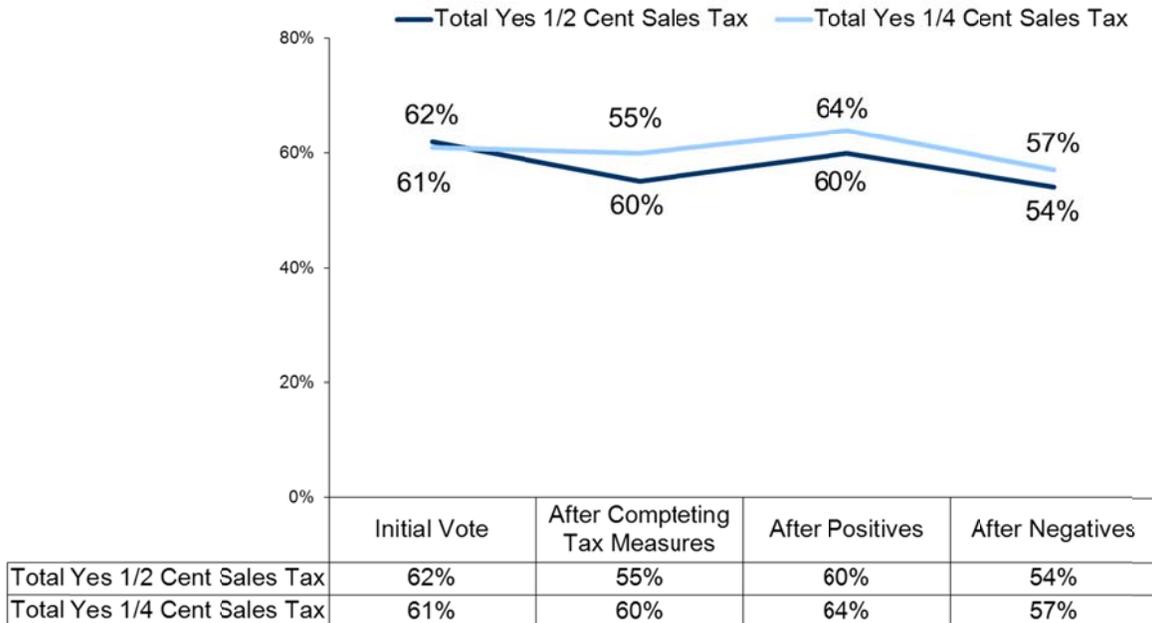
As shown in **Figure 8B**, support similarly decreased after both messages when “leaners” are not included in the “yes” and “no” vote totals, and the final vote falls well short (43%) of the majority vote threshold required for passage.

Figure 8B:
Support for a Sales Tax Measure
After Messages from Supporters and Opponents
(Without “Leaners”)



Finally, **Figure 8C** shows the separate vote progression for the ½ percent sales tax and the ¼ percent sales tax measure among voters who indicated they would vote “yes” on these measures (including leaners). While the difference between the measures falls within the margin of error, the trend shows that the ¼ percent sales tax measure is consistently supported by a somewhat greater proportion of the electorate than the ½ percent measure after the initial vote question. While the ¼ percent sales tax may show slightly higher support, these results suggest that majority support for both the ¼ percent and ½ percent sales tax measure can be maintained after pro and con arguments to achieve the majority vote threshold required for passage.

Figure 8C:
Support for a Sales Tax Measure
After Messages from Supporters and Opponents
 (% Vote “Yes” With “Leaners”)



1.6 Spending Priorities for a Sales Tax Measure

As a part of the survey, voters were presented with a list of various items and projects that might be funded by a potential City sales tax measure and asked to rate each item as “extremely,” “very,” “somewhat,” or “not too” important that the item is funded by the measure. As shown in **Figure 9**, the most important priorities among voters included funding emergency public safety services, including “increasing emergency medical response services” (70% total extremely or very “important”), “operating all of the City’s fire stations” (69%), “increasing 911 emergency response services” (69%), “increasing firefighting services” (63%) and “increasing neighborhood police patrols” (60%). Other priorities include funding various gang prevention initiatives and investigating robberies and residential property crimes. “Maintaining the long-term financial stability of the City” was also considered an extremely or very important priority by 68 percent of voters.

Medium-priority items consisted mostly of projects that addressed transportation needs. Examples include “improving safety for drivers, bicyclists and pedestrians on local streets and intersections” (60% total extremely or very “important”), “maintaining neighborhood streets” (55%), fixing potholes (53%), and improving traffic flow (50%).

Lower-priority items include funding for parks, libraries, community centers, code enforcement, and disability and senior citizen sidewalk access improvements.

**Figure 9:
Ranking of Sales Tax Measure Funding Priorities**

Item	Total Extr./ Very Imp.	Extr. Imp.	Very Imp.	S.W. Imp.	Not Too Imp./ DK/NA
Increasing emergency medical response services	70%	31%	39%	18%	12%
Operating all of the City’s fire stations	69%	28%	41%	19%	12%
Increasing 911 emergency response services	69%	28%	41%	17%	14%
^Maintaining the long-term financial stability of the City	68%	28%	40%	17%	15%
Maintaining anti-gang and at-risk youth programs	65%	25%	40%	20%	14%
Increasing firefighting services	63%	27%	36%	19%	18%
Providing police officers dedicated to gang prevention	62%	25%	37%	21%	17%
^Investigating robberies	62%	24%	38%	26%	12%
^Increasing neighborhood police patrols	60%	24%	36%	24%	17%
Improving safety for drivers, bicyclists and pedestrians on local streets and intersections	60%	17%	43%	24%	16%
Investigating residential property crimes like theft and burglary	59%	21%	38%	27%	13%
Repaving deteriorating streets in neighborhoods throughout San José	59%	18%	41%	28%	12%

Item	Total Extr./ Very Imp.	Extr. Imp.	Very Imp.	S.W. Imp.	Not Too Imp./ DK/NA
Delivering job creation programs	58%	25%	33%	25%	18%
^Keeping City parks safe	58%	17%	41%	26%	16%
Maintaining City streets	57%	17%	40%	29%	15%
Investigating residential property crimes and auto thefts	57%	21%	36%	29%	14%
Maintaining neighborhood streets	55%	16%	39%	30%	15%
Ensuring safe pedestrian crossings on busy streets	54%	17%	37%	24%	22%
Fixing potholes in neighborhoods throughout San José	53%	17%	36%	31%	16%
Restoring library services	51%	15%	36%	30%	20%
Improving traffic flow and signal coordination on City streets	50%	14%	36%	30%	20%
Improving disabled access to sidewalks	48%	15%	33%	29%	22%
Improving traffic flow for drivers, bicyclists and pedestrians on local streets and intersections	47%	14%	33%	30%	23%
Maintaining neighborhood parks	46%	12%	34%	37%	17%
Maintaining City parks	46%	12%	34%	35%	19%
Improving senior access to sidewalks	45%	13%	32%	34%	20%
Restoring library days and hours	44%	17%	27%	35%	22%
Delivering economic development programs	44%	14%	30%	32%	25%
Keeping Community Centers open	38%	12%	26%	39%	22%
Reducing blight on private property through code enforcement	35%	11%	24%	33%	31%
Restoring code enforcement services to confront blight on private property	34%	11%	23%	33%	33%
Restoring Community Center hours	32%	11%	21%	38%	29%

^Not Split Sampled

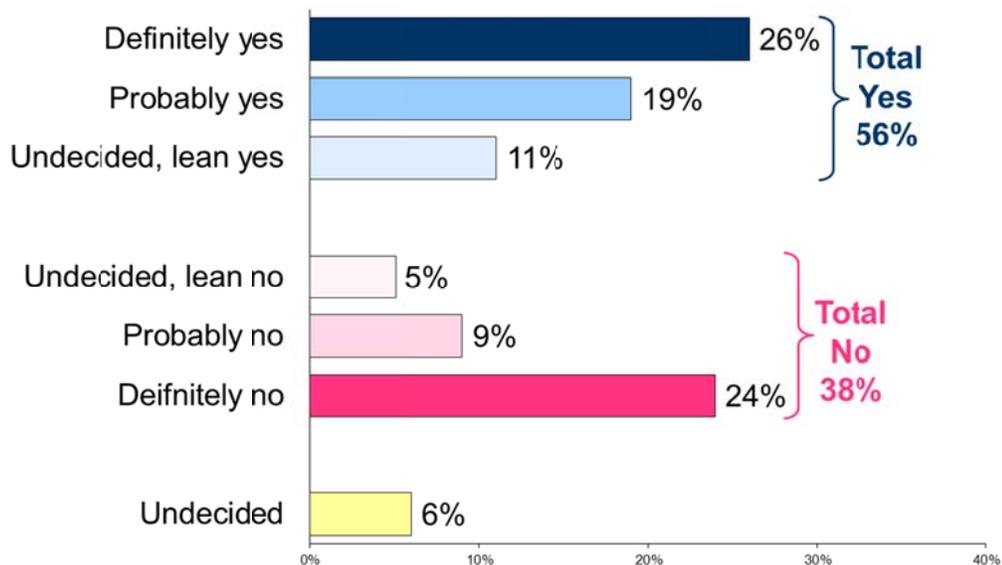
PART 2: SUPPORT FOR AN INFRASTRUCTURE BOND MEASURE

Respondents were also asked to assess how they would choose to vote on a \$195 million bond measure that would fund transportation infrastructure improvements. The draft ballot language tested for the measure is shown below:

The City of San José Road Rehabilitation and Safety Improvement Bonds. “To fix potholes and repave deteriorating streets and roads in neighborhoods throughout San José, improve disabled and senior access to sidewalks, improve traffic flow and safety for drivers, bicyclists and pedestrians on local streets and intersections, and ensuring safer pedestrian crossings on busy streets, shall the City issue 195 million dollars in general obligation bonds, subject to independent oversight and existing financial audits?”

As shown in **Figure 10**, a majority (56%) of voters indicated they would vote “yes” on this measure. While supported by a solid majority, this level of support falls significantly short of the two-thirds vote threshold required for approval. Close to two in five voters (38%) said they would vote “no” on the measure, and six percent were undecided.

FIGURE 10:
Support for an Infrastructure Bond Measure



Results Among Subgroups

- The subgroups disproportionately more likely to vote for the \$195 million bond measure include voters ages 18-29, renters and apartment dwellers, Democrats, Asian voters, Latino voters over age 50, and other voters of color.
- The subgroups disproportionately more likely to vote against the bond measure include Republicans, white men, voters over age 50, college graduates, homeowners, and high-income voters.

CONCLUSIONS

The results of the 2012 City of San José Sales Tax Measure Survey lead us to draw the following conclusions:

- Overall, a consistently strong majority of voters expressed support for a sales tax measure. However, there are several important findings from the survey that require attention in order to pave a successful path forward for a measure of this type. This includes:
 - Strongly considering the inclusion of a sunset provision on the sales tax measure. A sales tax lacking a sunset can be described by those who are critical of the measure as going on “forever,” and the survey suggests this may have a negative impact on the fortunes of the measure;
 - Noting that a ¼ percent sales tax may have a slight advantage over a ½ percent sales tax, especially in light of several other tax measure that will be on the November ballot;
 - Communicating the recently-approved pension modifications for City employees may be helpful, but on its own will not convince voters to support the measure. This information could also have the inverse effect if some voters take the news to mean that since City budget projections are more favorable, there is less of an acute need for a new source of revenue; and
 - Highlighting projects in the ballot label that voters prioritize (such as public safety services and improving overall fiscal stability).

- The version of the infrastructure bond tested on this survey falls more than ten percentage points short of the two-thirds threshold, suggesting that it would be very challenging to pass such a measure this November.

**APPENDIX A:
TOPLINE SURVEY RESULTS**

CITY OF SAN JOSÉ FINANCE MEASURE SURVEY
220-3447-WT
N=800

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

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) - 29%**
- Yes, cell not cannot talk safely ----- **TERMINATE**
- No, not on cell, but own one-----**(ASK Q2) - 49%**
- No, not on cell and do not own one -----**(SKIP Q2) - 22%**
- (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 ----- 19%
- Mostly cell phone----- 28%
- Cell and landline equally ----- 32%
- Mostly landline ----- 21%
- (DON'T READ) DK/NA-----1%**

(RESUME ASKING ALL RESPONDENTS)

3. In November there will be a general election for President, Congress, the State Legislature, and state and local ballot measures. I know it is a long way off, but how likely are you to actually vote in this election? Will you definitely vote, probably vote, are the chances 50-50 that you will vote, will you probably not vote, or will you definitely not vote?

- Definitely vote ----- 91%
- Probably vote-----8%
- 50-50-----1%
- Probably not vote----- **TERMINATE**
- Definitely not vote----- **TERMINATE**
- (DON'T KNOW/NA)----- TERMINATE**

NOW I WOULD LIKE TO ASK YOU ABOUT TWO POTENTIAL CITY OF SAN JOSÉ MEASURES THAT MAY APPEAR ON BALLOT IN THE NOVEMBER’S ELECTION. PLEASE KEEP IN MIND THAT ONLY ONE OF THESE MEASURES MAY APPEAR ON THE BALLOT THIS NOVEMBER.

(SPLIT SAMPLE C: ASK Q4 THEN Q5)

(SPLIT SAMPLE D: ASK Q5 THEN Q4)

4. The **FIRST/NEXT** potential measure is entitled **The City of San José City Services Funding Measure**, and reads as follows:

“To provide funding for City services such as: neighborhood police patrols; 9-1-1 emergency response; firefighting; code enforcement, library services; and the maintenance of streets and parks, shall the City enact a **(SPLIT SAMPLE A: one-half percent sales tax) (SPLIT SAMPLE B: one-quarter percent sales tax)**, with all revenue subject to existing financial audits and solely controlled by the City and not the State?”

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%</u>	<u>¼%</u>	<u>ASKED</u>	<u>ASKED</u>	<u>TOTAL</u>
	<u>TAX</u>	<u>TAX</u>	<u>FIRST</u>	<u>SECOND</u>	
TOTAL YES -----	62%	61%	60%	63%	61%
Definitely yes -----	28%	28%	28%	28%	28%
Probably yes -----	24%	22%	22%	24%	23%
Undecided, lean yes -----	10%	11%	10%	11%	11%
 TOTAL NO -----	 34%	 33%	 34%	 34%	 34%
Undecided, lean no -----	5%	5%	5%	5%	5%
Probably no -----	7%	8%	7%	8%	8%
Definitely no -----	22%	20%	22%	21%	21%
 (DON’T READ) DK/NA -----	 4%	 5%	 6%	 4%	 5%

(SPLIT SAMPLE C: ASK Q4 THEN Q5)

(SPLIT SAMPLE D: ASK Q5 THEN Q4)

5. The **FIRST/NEXT** potential measure is entitled **The City of San José Road Rehabilitation and Safety Improvement Bonds**, and reads as follows:

“To fix potholes and repave deteriorating streets and roads in neighborhoods throughout San José, improve disabled and senior access to sidewalks, improve traffic flow and safety for drivers, bicyclists and pedestrians on local streets and intersections, and ensuring safer pedestrian crossings on busy streets, shall the City issue 195 million dollars in general obligation bonds, subject to independent oversight and 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>ASKED FIRST</u>	<u>ASKED SECOND</u>	<u>TOTAL</u>
TOTAL YES -----	58%	54%	56%
Definitely yes -----	26%	26%	26%
Probably yes -----	19%	18%	19%
Undecided, lean yes -----	12%	9%	11%
 TOTAL NO -----	 34%	 42%	 38%
Undecided, lean no -----	4%	6%	5%
Probably no -----	11%	8%	9%
Definitely no -----	19%	28%	24%
 (DON’T READ) DK/NA -----	 8%	 4%	 6%

NOW I WOULD LIKE TO ASK YOU A FEW QUESTIONS ABOUT ONE OF THESE POTENTIAL MEASURES - SPECIFICALLY, THE CITY OF SAN JOSÉ (SPLIT SAMPLE A: ONE-HALF PERCENT) (SPLIT SAMPLE B: ONE-QUARTER PERCENT) SALES TAX MEASURE.

6. First, the structure of this measure has not been finalized. I am going to mention some different provisions that may be included in this measure. After hearing each one, please tell me whether you would be more likely or less likely to support the measure if it included that particular provision. **(IF MORE/LESS LIKELY, ASK: “Is that much MORE/LESS likely or just somewhat?”)**
(RANDOMIZE)

<u>MUCH MORE LIKELY</u>	<u>SMWT MORE LIKELY</u>	<u>SMWT LESS LIKELY</u>	<u>MUCH LESS LIKELY</u>	<u>(DON'T READ) NO DIFF</u>	<u>(DON'T READ) DK/NA</u>
---------------------------------	---------------------------------	---------------------------------	---------------------------------	-------------------------------------	-----------------------------------

[]a. Continuing the sales tax on an ongoing basis ----- 11% ----- 13% ----- 15% ----- 40% ----- 16% ----- 4%

(SPLIT SAMPLE A ONLY)

[]b. Limiting the sales tax to no more than nine years ----- 24% ----- 25% ----- 9% ----- 19% ----- 20% ----- 3%

(SPLIT SAMPLE B ONLY)

[]c. Limiting the sales tax to no more than fifteen years ----- 20% ----- 27% ----- 12% ----- 23% ----- 15% ----- 3%

(RESUME ASKING ALL RESPONDENTS)

7. Next, San José voters recently approved a local ballot measure enacting a number of changes to the pension system for City employees. This ballot measure put limitations on the pension benefit for new City employees, including increasing the retirement age for new employees and requiring new employees to pay half of the cost of their benefits. Other changes include providing an option for current employees to go into a lower pension benefit or paying more to stay in the current pension benefit.

Having heard this, would you be more or less likely to support the City of San José **(SPLIT SAMPLE A: one-half percent) (SPLIT SAMPLE B: one-quarter percent)** sales tax measure funding City services such as police, fire, and street and park maintenance? **(IF MORE/LESS LIKELY, ASK: “Is that much MORE/LESS likely or just somewhat?”)**

	<u>½%</u> <u>TAX</u>	<u>¼%</u> <u>TAX</u>	<u>TOTAL</u>
TOTAL MORE LIKELY -----	45%	49%	47%
Much more likely -----	20%	21%	21%
Somewhat more likely-----	24%	28%	26%
(DON'T READ) Makes no difference -----	24%	20%	22%
TOTAL LESS LIKELY -----	28%	27%	28%
Somewhat less likely -----	12%	9%	10%
Much less likely -----	16%	19%	17%
(DON'T READ) DK/NA -----	4%	3%	4%

8. Now I would like to tell you a little bit about some of the other measures that may be on the ballot in this November's election at the same time as this City of San José sales tax measure.

Statewide these measures include a measure sponsored by the Governor to both temporarily increase personal income taxes on wealthy taxpayers and temporarily increase state sales taxes to fund education and public safety services, and a different measure to increase state personal income tax rates at all levels to fund pre-schools and public education.

Locally, these measures may include a countywide one-eighth percent sales tax increase to fund County services, and a Santa Clara Valley Water District Parcel tax continuation to fund water supply projects.

Having heard this, let me ask you again about the City of San José (**SPLIT SAMPLE A: one-half percent**) (**SPLIT SAMPLE B: one-quarter percent**) sales tax measure funding City services such as police, fire, and street and park maintenance. 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%</u> <u>TAX</u>	<u>¼%</u> <u>TAX</u>	<u>TOTAL</u>
TOTAL YES -----	55%	60%	58%
Definitely yes -----	23%	25%	24%
Probably yes -----	23%	23%	23%
Undecided, lean yes -----	10%	12%	11%
 TOTAL NO -----	 42%	 36%	 39%
Undecided, lean no -----	5%	5%	5%
Probably no -----	10%	7%	8%
Definitely no -----	27%	25%	26%
 (DON'T READ) DK/NA -----	 2%	 4%	 3%

9. Next, I am going to read you a list of items that might be funded by this City of San José sales tax measure. After I read each one, please tell me how important it is to you that money from the measure be used to pay for each of the following—is it extremely important, very important, somewhat important or not too important? (**RANDOMIZE**)

	<u>EXT</u> <u>IMPT</u>	<u>VERY</u> <u>IMPT</u>	<u>SMWT</u> <u>IMPT</u>	<u>NOT TOO</u> <u>IMPT</u>	<u>(DK/</u> <u>NA)</u>
[]a. Maintaining the long-term financial stability of the City -----	28%	40%	17%	13%	2%
[]b. Increasing neighborhood police patrols -----	24%	36%	24%	16%	1%
[]c. Investigating robberies -----	24%	38%	26%	10%	2%
[]d. Keeping City parks safe -----	17%	41%	26%	15%	1%

	<u>EXT</u> <u>IMPT</u>	<u>VERY</u> <u>IMPT</u>	<u>SMWT</u> <u>IMPT</u>	<u>NOT TOO</u> <u>IMPT</u>	<u>(DK/</u> <u>NA)</u>
(SPLIT SAMPLE A ONLY)					
[]e. Increasing firefighting services -----	27%	36%	19%	17%	1%
[]f. Increasing emergency medical response services -----	31%	39%	18%	11%	1%
[]g. Fixing potholes in neighborhoods throughout San José-----	17%	36%	31%	15%	1%
[]h. Maintaining City streets-----	17%	40%	29%	14%	1%
[]i. Maintaining neighborhood parks -----	12%	34%	37%	16%	1%
[]j. Restoring library services-----	15%	36%	30%	19%	1%
[]k. Delivering job creation programs -----	25%	33%	25%	14%	4%
[]l. Restoring Community Center hours -----	11%	21%	38%	28%	1%
[]m. Investigating residential property crimes like theft and burglary -----	21%	38%	27%	12%	1%
[]n. Improving traffic flow for drivers, bicyclists and pedestrians on local streets and intersections -----	14%	33%	30%	22%	1%
[]o. Improving disabled access to sidewalks-----	15%	33%	29%	22%	0%
[]p. Ensuring safe pedestrian crossings on busy streets-----	17%	37%	24%	20%	2%
[]q. Providing police officers dedicated to gang prevention -----	25%	37%	21%	16%	1%
[]r. Restoring code enforcement services to confront blight on private property -----	11%	23%	33%	28%	5%

(SPLIT SAMPLE B ONLY)

[]s. Operating all of the City’s fire stations-----	28%	41%	19%	10%	2%
[]t. Increasing 9-1-1 emergency response services---	28%	41%	17%	12%	2%
[]u. Repaving deteriorating streets in neighborhoods throughout San José-----	18%	41%	28%	11%	1%
[]v. Maintaining neighborhood streets -----	16%	39%	30%	14%	1%
[]w. Maintaining City parks-----	12%	34%	35%	18%	1%
[]x. Restoring library days and hours-----	17%	27%	35%	21%	1%
[]y. Delivering economic development programs-----	14%	30%	32%	18%	7%
[]z. Keeping Community Centers open-----	12%	26%	39%	21%	1%
[]aa. Investigating residential property crimes and auto thefts-----	21%	36%	29%	13%	1%
[]bb. Improving traffic flow and signal coordination on City streets -----	14%	36%	30%	19%	1%
[]cc. Improving senior access to sidewalks -----	13%	32%	34%	19%	1%
[]dd. Improving safety for drivers, bicyclists and pedestrians on local streets and intersections-----	17%	43%	24%	15%	1%
[]ee. Maintaining anti-gang and at-risk youth programs-----	25%	40%	20%	13%	1%
[]ff. Reducing blight on private property through code enforcement-----	11%	24%	33%	24%	7%

(RESUME ASKING ALL RESPONDENTS)

NOW I WOULD LIKE TO READ SOME STATEMENTS FROM SUPPORTERS AND OPPONENTS OF THE CITY OF SAN JOSÉ (SPLIT SAMPLE A: ONE-HALF PERCENT) (SPLIT SAMPLE B: ONE-QUARTER PERCENT) SALES TAX MEASURE FUNDING CITY SERVICES SUCH AS POLICE, FIRE, AND STREET AND PARK MAINTENANCE.

10. First, I am going to read you a statement from people who support this measure.

San José has already done all the cost cutting it can to address the City’s budget shortfalls during the last ten years – including eliminating almost two thousand jobs, reducing employee compensation by ten percent, providing an option for current employees to accept a lower level pension benefit or requiring them to pay more to stay in the current level of pension benefits and reducing pension benefits for new employees. However, the City still is expected to face a budget deficit in the next year. 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 potentially allow some recently cut or reduced services to be restored. Additionally, all spending would be subject 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>½%</u> <u>TAX</u>	<u>¼%</u> <u>TAX</u>	<u>TOTAL</u>
TOTAL YES -----	60% -----	64% -----	62%
Definitely yes -----	24%-----	27%-----	26%
Probably yes -----	28%-----	27%-----	28%
Undecided, lean yes -----	7%-----	10%-----	9%
 TOTAL NO -----	 37% -----	 33% -----	 35%
Undecided, lean no -----	3%-----	4%-----	3%
Probably no -----	9%-----	6%-----	7%
Definitely no -----	24%-----	23%-----	24%
 (DON’T READ) DK/NA -----	 4%-----	 3%-----	 3%

11. Next, I am going to read you a statement from people who oppose this measure.

The City should address future budget shortfalls 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. Particularly when combined with the other tax measures on the ballot, this measure would make San José’s sales tax the highest in the state. Additionally, much of this tax would go to pay off bond debt and wouldn’t even be spent on actual City services. Besides, the City had a budget surplus this year and recently reduced city employee pension costs which will help in future years, proving that the City can work within its means when taxpayers hold them accountable. We cannot allow the City to raise taxes permanently with no guarantee that city politicians and bureaucrats won’t just return to 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%</u> <u>TAX</u>	<u>¼%</u> <u>TAX</u>	<u>TOTAL</u>
TOTAL YES -----	54%	57%	55%
Definitely yes -----	20%	21%	20%
Probably yes -----	22%	24%	23%
Undecided, lean yes -----	11%	12%	12%
 TOTAL NO -----	 42%	 40%	 41%
Undecided, lean no -----	3%	7%	5%
Probably no -----	11%	9%	10%
Definitely no -----	29%	25%	27%
 (DON’T READ) DK/NA -----	 4%	 3%	 3%

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

12. **(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 -----	75%
Multi-family apt/condo -----	21%
Mobile home park -----	2%
(DON'T READ) Don't know/Refused --	2%

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

Own -----	73%
Rent -----	25%
(DON'T READ) Don't know/Refused --	2%

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

Yes ----- 33 %
 No ----- 66 %
 (DK/NA)----- 1 %

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

Grades 1-8 ----- 1 %
 Grades 9-11----- 1 %
 High school graduate (12)----- 17 %
 Some college ----- 25 %
 Business/Vocational school ----- 5 %
 College graduate (4)----- 36 %
 Post-graduate work/Professional
 school ----- 14 %
 (DON'T READ) DK/Refused ----- 1 %

16. (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 ----- 17 %
 African-American ----- 3 %
 Asian/Pacific Islander----- 14 %
 Caucasian/White ----- 57 %
 Native American/Indian ----- 1 %
 Some other group or identification ----- 5 %
 (DON'T READ) Refused ----- 2 %

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

1994-1988 (18-24)----- 8 %
 1987-1983 (25-29)----- 5 %
 1982-1978 (30-34)----- 7 %
 1977-1973 (35-39)----- 7 %
 1972-1968 (40-44)----- 11 %
 1967-1963 (45-49)----- 8 %
 1962-1958 (50-54)----- 11 %
 1957-1953 (55-59)----- 9 %
 1952-1948 (60-64)----- 9 %
 1947-1938 (65-74)----- 12 %
 1937 or earlier (75 & over)----- 8 %
 (DON'T READ) DK/Refused ----- 5 %

18. (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-----	12%
\$30,001 - \$60,000-----	18%
\$60,001 - \$75,000-----	14%
\$75,001 - \$100,000 -----	14%
\$100,001 - \$150,000-----	9%
More than \$150,000-----	8%
(DON'T READ) Refused-----	25%

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

Gender by observation: Male ----- 49%
 Female----- 51%

Language by observation: English ----- 93%
 Spanish -----5%
 Vietnamese -----1%

Party Registration: From file Democrat----- 48%
 Republican----- 22%
 Decline-to-state ----- 26%
 Other party -----4%

Name _____

Page # _____

Address _____

Voter ID # _____

City _____

Precinct _____

Zip _____

Interviewer _____

FLAGS

R03 ----- 52%
P04 ----- 43%
G04 ----- 62%
N05 ----- 49%
P06 ----- 45%
G06 ----- 59%
F08 ----- 63%
P08 ----- 39%
G08 ----- 82%
M09 ----- 44%
P10 ----- 53%
G10 ----- 79%
BLANK ----- 7%

VOTE BY MAIL

1 ----- 12%
2 ----- 6%
3+ ----- 53%
BLANK ----- 29%

PERMANENT ABSENTEE

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

CITY COUNCIL DISTRICT

1 ----- 10%
2 ----- 10%
3 ----- 7%
4 ----- 10%
5 ----- 7%
6 ----- 12%
7 ----- 7%
8 ----- 11%
9 ----- 13%
10 ----- 13%