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811 First Avenue
Suite 451
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(206) 652-2454 TEL
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(510) 844-0690 FAX

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Suite 300M
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EMCresearch.com

To: Interested Parties
From: Alex Evans, Ruth Bernstein, Molly O'Shaughnessy, EMC Research
Date: November 23, 2011
Re: **Results of Statewide Voter Poll on Potential Education Reform Measure**

EMC Research conducted a telephone poll of 600 likely 2012 voters in California from November 13-17, 2011. The survey results show that while it will be extremely difficult to pass a statewide revenue measure in the November 2012 election, **an education reform measure including a tax increase dedicated to education has a good chance of winning voter approval.** Key findings of the survey are detailed below.

Conclusion

A voter initiative combining a broad-based tax dedicated to education with significant reforms appears to be viable for 2012. While the economic situation and voter mood makes 2012 a difficult year to pass a general revenue measure, voters continue to see education reform as an urgent need worth funding. Combining reforms and a broad-based tax dedicated to education appears to be the most effective approach to passing a revenue measure in 2012.

Key Findings

- Voters are willing to pay to improve California schools, but many feel that funding alone is not the solution and more revenue must be paired with major reforms.
- Passage of a broad-based revenue measure for the state's general fund will be very difficult in 2012.
- Voters prefer a tax increase dedicated to education over a general tax increase, and both a broad income tax for education and a sales tax for education draw majority support.
- Nearly 2/3 of voters support an initiative that pairs fundamental education reforms with a tax increase.
- Potential reforms based on the four components of the Kids Plan draw strong support.
- Voters remain in a pessimistic mood about California and the economy.
- Voters are dissatisfied with the quality of public education in California and feel improving schools is crucial to the state's economy.

Survey Methodology: The survey was conducted by telephone among a random sample of 600 likely November 2012 voters in California. The results have an overall margin of error of +/- 4.0% at the 95% confidence level. The survey was conducted November 13-17, 2011.

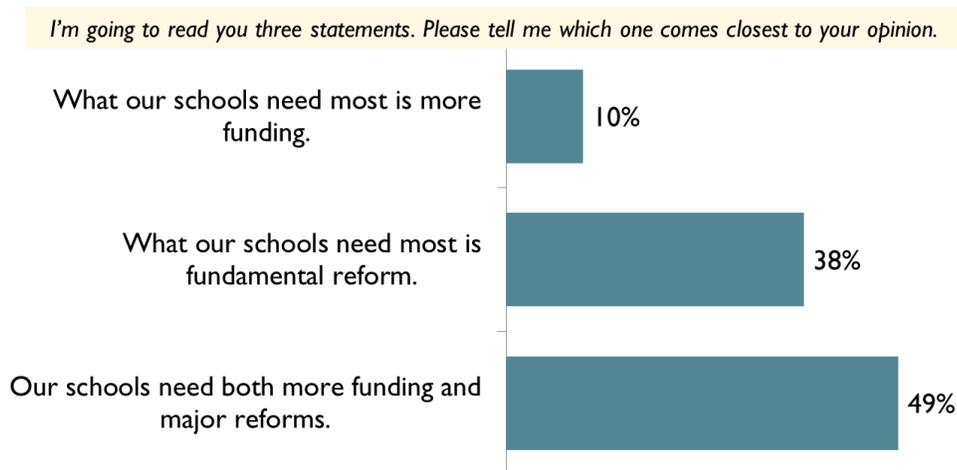
Detailed summary

Voters are willing to pay to improve California schools, but many feel that funding alone is not the solution and more revenue must be paired with reform.

A 62% majority of voters agree with the statement *I would be willing to pay more in taxes in order to truly improve the quality of education in California*, and 58% agree that *More state funding would lead to better educated students in California*.

However, a significant portion of voters are only willing to support additional tax revenues for schools if they are paired with significant reforms to education. A narrow 53% majority agree and 43% disagree with the statement *The most important thing our schools need is more funding*. California voters prefer pairing reforms with revenue: 2 in 3 voters (66%) agree with the statement *I would be willing to pay more in taxes for schools if it went along with significant reforms to our state education system*. Further, in response to a question that forced voters to choose what California schools need most, only 10% chose “more funding,” 38% chose “fundamental reform” and 49% chose “both more funding and fundamental reforms.” (Figure 1)

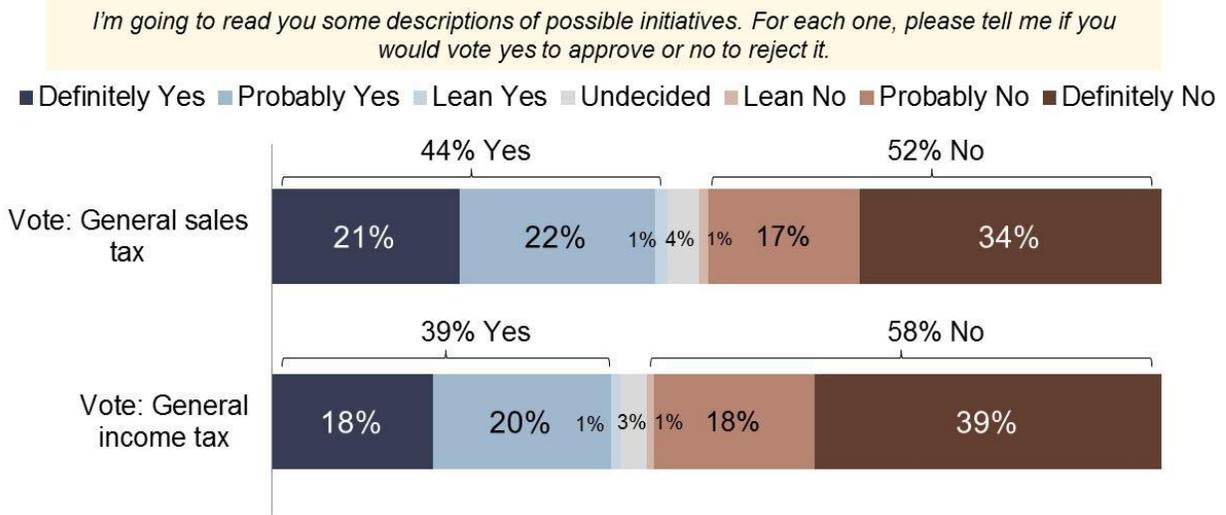
Figure 1: Most Important Need of California Schools



Passage of a broad-based revenue measure for the state’s general fund will be very difficult in 2012.

The survey tested support for two broad-based tax measures, a 1% income tax increase and a ½ cent sales tax increase, to provide general fund revenue “for uses such as education, social services, public safety and corrections.” Voter support fell short of a majority for both measures, with 39% Yes and 58% No on the income tax measure and 44% Yes and 52% No on the sales tax measure. Figure 2 shows detailed results

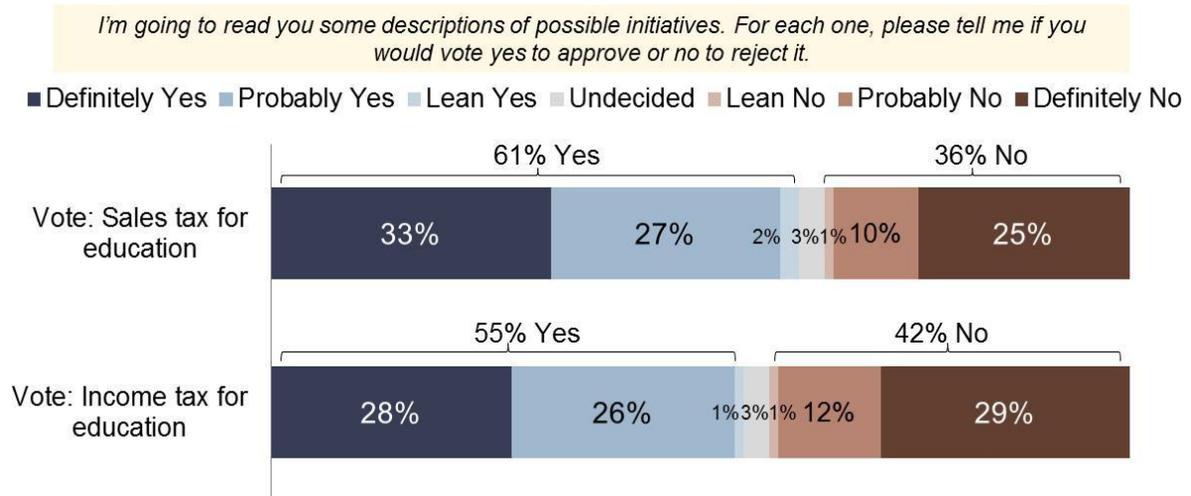
Figure 2: Voter Support for Potential General Tax Measures



Voters prefer a tax increase dedicated to education over a general tax increase, and both a broad income tax for education and a sales tax for education draw majority support.

In a forced choice question, 50% of voters chose the statement: *Any tax revenue from a sales or income tax measure should be dedicated only to fund schools*; and only 38% chose the statement: *Any tax revenue from a sales or income tax measure should go into the general fund to balance the budget*. More than 6 in 10 (61%) of voters said they would vote Yes on a ½ cent sales tax increase for education, with 36% voting No. In addition, a 55% majority said they would vote Yes for a 1% increase in the income tax to fund education, with 42% voting No. See Figure 4 on the following page for detailed results.

Figure 4: Voter Support for Potential Education Tax Measures



Nearly 2/3 of voters support an initiative that pairs reforms with a tax increase.

The survey also tested a potential education measure pairing broad education reforms with a tax increase, and 65% of voters said they would vote Yes, with only 20% voting No. The description of the initiative tested in the survey follows, and Figure 3 shows detailed results.

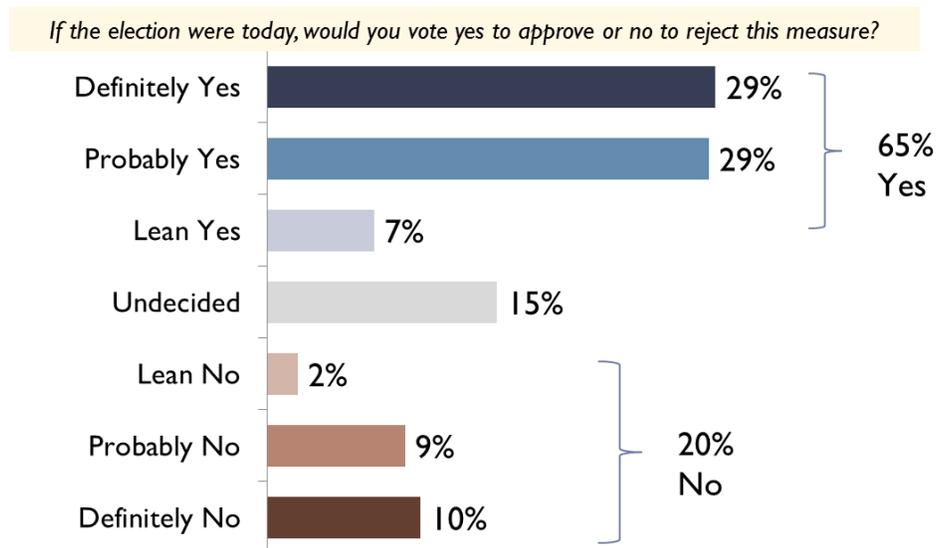
I'd like to ask you about a ballot initiative that may appear on the ballot in California next year.

This initiative would:

- *Create a revised K through 12 education funding system for California that gives control over spending decisions to local communities and educators instead of the state legislature;*
- *Require complete financial transparency and accountability for all education spending;*
- *Give local school districts more control over teacher hiring and dismissal decisions; and*
- *Provide substantial new funding for California schools by implementing a fair, broad-based new statewide tax for education.*

If the election were today, would you vote yes to approve or no to reject this measure?

Figure 3: Voter Support for Education Reform and Revenue Measure

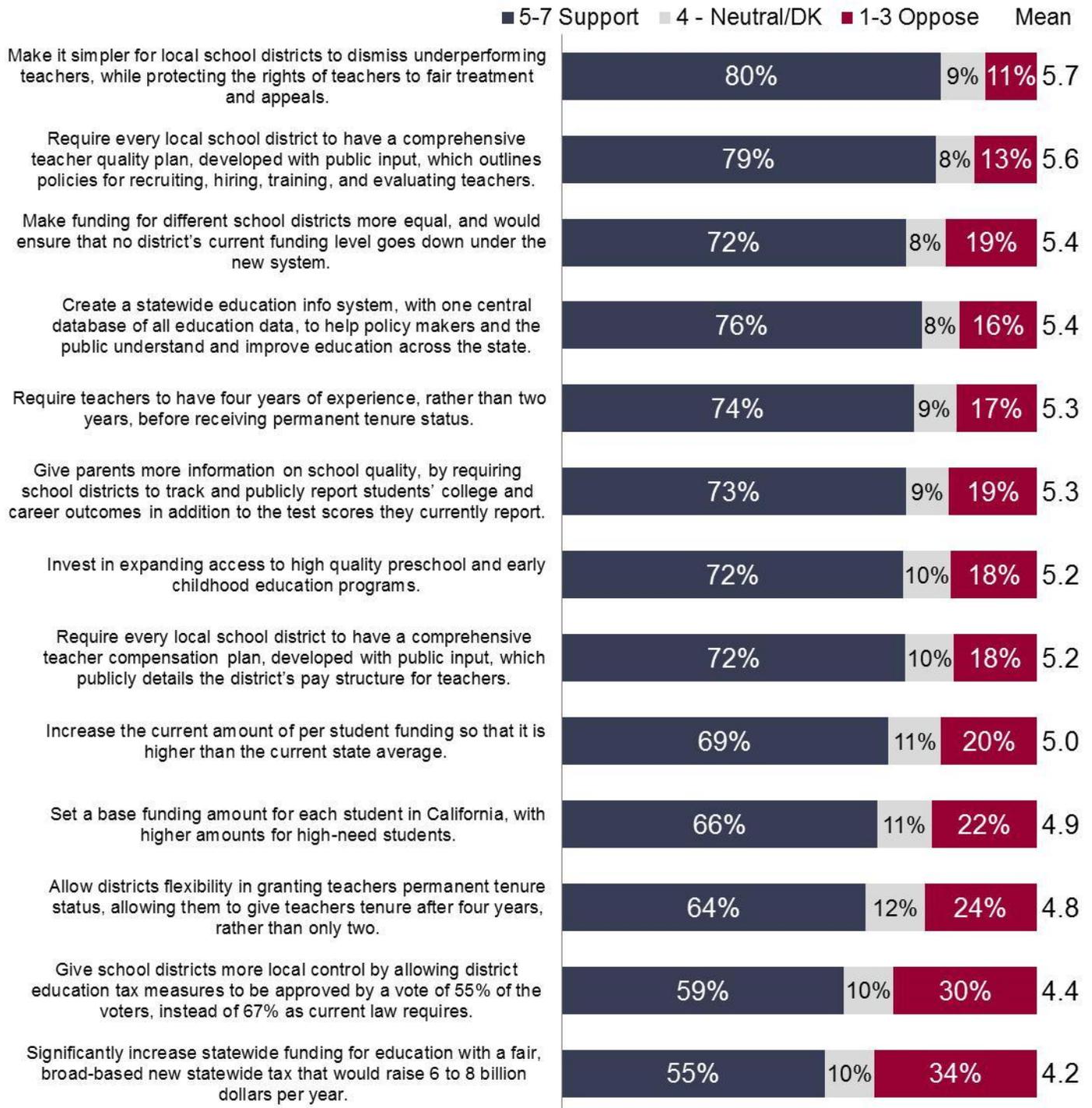


Potential reforms based on the four components of the Kids Plan draw strong support.

The poll included a series of questions on potential reforms based on the components of the 2012 Kids Education Plan and asked voters if they would support or oppose each one. Each element tested in the poll drew support from a majority of voters. Several potential reforms relating to teacher employment as well as education data drew strong support: 80% of voters said they supported making it simpler to dismiss underperforming teachers; 79% supported requiring all school districts to develop a comprehensive teacher employment plan with public input; and 76% supported improving education information systems. Voters also strongly supported equalizing funding across districts, increasing transparency and investing in expanding access to high quality preschool and early education funding. See Figure 5 on the following page for details on voter response to potential reforms based on the four components of the Kids Plan.

Figure 5: Voter Support for Potential Elements of Education Reform and Revenue Measure

Please tell me if you oppose or support each item, on a scale from 1 to 7 where 1 means you strongly oppose that item and 7 means you strongly support that item.



Voters remain in a pessimistic mood about California and the economy.

Nearly 7 in 10 voters (69%) say California is on the “wrong track,” compared to only 16% who say the state is headed in the right direction. Fewer than half (45%) expect the economy to improve over the next year. The current economic conditions and voter mood are troubling indicators for supporters of a revenue measure.

Voters are dissatisfied with the quality of public education in California and feel improving schools is crucial to the state’s economy.

Only 1 in 4 (26%) voters rate the overall quality of California public schools as “excellent” (2%) or “good” (24%); 46% say the quality of California schools is “only fair” and 22% “poor.” Voters feel more positive about their local schools, with 51% rating their local schools as “excellent” (14%) or “good” (37%), and 43% rating their local schools as “only fair” or “poor.” At the same time, voters know the urgency and importance of improving California schools. More than 7 in 10 (72%) voters agree with the statement *The health of California’s economy depends on restoring the quality of our schools.*