

# The Public On Proposal A

Analysis: May 1993 Survey

## *Methodology*

Six hundred registered voters were surveyed from April 30 through May 2, 1993. The sample was stratified by county and gender, and the interviewees selected randomly. The geographic stratification was based on the turnout in the spring 1981 statewide special election on school finance reform. The interviews were conducted by Florence Morros Interviews of Oak Park, Michigan. A sample of this size has a margin of error of plus or minus 4.5 percent in 95 of 100 samples. Public Sector Consultants believes the survey's findings accurately reflect current attitudes among Michigan voters.

This statewide public opinion survey, on Proposal A, by the Public Opinion Research Institute of Public Sector Consultants, Inc., is underwritten as a public service by the Michigan Retailers Association (MRA) and the Michigan State Medical Society (MSMS). Public Sector Consultants is grateful to both organizations for permitting us to independently analyze and disclose all survey results.

The poll has two major purposes: to increase public understanding of the issues associated with Proposal A and to provide policymakers with information on why voters are choosing to support or oppose the proposal. The results of the poll also provide the press and other political analysts with an understanding of the political dynamics associated with Proposal A.

The poll is not a prediction of the vote on June 2. In fact, the data suggest that most people do not yet feel knowledgeable about Proposal A. The MRA/MSMS poll is best understood as an analysis of what voters think about the proposal, property tax reform, and school finance reform.

## **SUMMARY**

Based on the perceptions of likely voters, Proposal A has a reasonably good chance of being adopted on June 2 if the public overcomes a substantial distrust of government and is convinced that passing the proposal will realize the goals of achieving greater equity in financing schools, maintaining the financial stability of the schools, and providing property tax relief. By nearly a two-to-one margin (54-31 percent), likely voters support the measure. Auguring against adoption, however, are the history of school finance referenda defeats, voters' perceived lack of knowledge about the provisions of the measure, the practice of confused voters to vote "no," the reservation of many people that the proposal may do too much for business, uncertainty about

whether individual taxes will go up or down, the loss of federal tax deductibility of property taxes, the fear that local control over education will be eroded, and—most important—voter distrust of state political leaders. Nonetheless, most survey respondents believe that Proposal A has two significant merits: improving K–12 education (reducing the disparity of funding among school districts, keeping K–12 education strong, and stabilizing education funding) and reducing property taxes. Large majorities believe that school finance needs to be fundamentally changed (63 percent) and that the way we finance public schools has reached a crisis (81 percent).

## CONCLUSIONS

A careful review of the survey data brings us to five conclusions about what is on people's minds as they decide whether to support the proposal.

1. The public does not yet really understand the details of Proposal A. Only 9 percent of the public reported feeling "very knowledgeable" about Proposal A, and many respondents changed their opinion when additional or conflicting information was provided. Passage of the proposal depends on the public's becoming fully aware of the proposal, convinced of the certainty of its provisions, and then comfortable with its consequences.
2. The public broadly supports a reduction in property taxes and an increase in the sales tax. There also is strong support for providing greater equity in school finance and keeping schools financially sound. The combination of a shift from property taxes to a sales tax and a better way to finance schools should help sell Proposal A.
3. Proposal A's fortunes depend in part on the level of trust the public has in the legislature and governor and in the public's discerning that a constitutional amendment insulates the plan's beneficial elements (e.g., dedicating the Lottery proceeds to K–12 education) from tinkering by politicians. Sixty-eight percent of respondents do not trust their elected state leaders to find a good way to finance the schools; only 21 percent do. To 36 percent of respondents, the mere fact that a constitutional amendment is on the ballot constitutes proof of the failure of the legislative process; 45 percent see it as a negotiated compromise requiring voter approval.
4. While the governor is the state's preeminent opinion leader, and he played a significant role in getting Proposal A on the ballot, the vote on the proposal will not be a referendum on his leadership. The poll found a high correlation in opinion about Proposal A and current support of Gov. John Engler, but this is likely to weaken as voters become aware of the consequences of the proposal. Gubernatorial support of constitutional amendments never has been sufficient to assure their passage, and this election is not likely to be different. Only 38 percent of survey respondents said they trust the governor's opinion about property taxes, and this is not significantly strong to assure passage of Proposal A.
5. There is consensus that good schools are essential to the "success of the community" (96 percent of respondents agreed with the statement). There also is support for greater equity

in the way Michigan finances its schools and for maintaining the financial stability of Michigan schools.

## HIGHLIGHTS

Responses in support of and opposition to Proposal A were compared to respondents' region of residence, race, income, education level, political ideology, partisan affiliation, and other variables. A number of key statistics that stand out are presented below. Further discussion and analysis are contained in the sections that follow.

- Many voters do not yet feel well informed about Proposal A. We found that
  - 38% were unaware of the June 2 special election;
  - 55% of those aware of the special election do not feel very knowledgeable about the proposal; and
  - only 9% of all voters feel very knowledgeable about Proposal A's provisions.
  
- By a 54–31% margin, likely voters support Proposal A. Among all voters, the support is 51–32%.
  
- Support for the measure is greatest among
  - small town (59% support), rural (56%), and suburban (55%) residents;
  - those who approve of Governor Engler's performance in office (64%);
  - those who trust state politicians to find a good way of financing schools (78%);
  - those who support a shift from the property to the sales tax (78%);
  - those who believe that the measure will decrease overall taxation (86%) or keep tax levels about the same (68%); and
  - those aged 65 and over (56%).
  
- Support the measure is weakest among
  - residents of Detroit (50%) and outstate cities (48%);
  - those aged 34 and younger (46%);
  - those who do not trust state politicians to find a good way of financing schools (48%);
  - those who believe the proposal will lead to higher taxes overall (37%);
  - those who disapprove of Governor Engler's performance in office (44%); and
  - self-described liberals (43%).

- Factors apparently not involved in differences in outlook toward Proposal A are
  - household income level;
  - gender;
  - race;
  - whether respondents are parents; and
  - partisan leanings.
  
- Respondents perceive that the proposal basically is a sales tax hike (thought to be so by 19%) or a school funding plan (18%), not a property tax cut (4%).
  
- Support erodes if people become convinced that passing Proposal A will
  - benefit businesses more than homeowners (30% of supporters become opponents);
  - reduce local school districts' ability to set revenue levels (14% of supporters become opponents); or
  - take away some of their federal income tax deduction because property taxes are deductible, but sales taxes are not (11% of supporters become opponents).
  
- Entities or people providing information about Proposal A in whom voters have the greatest confidence are
  - their local school superintendent (24%);
  - the Michigan Education Association (22%); and
  - Governor Engler (17%).
  
- Voters have the least confidence in
  - the AFL-CIO (7%) and
  - the UAW (8%).

## **KNOWLEDGE ABOUT PROPOSAL A**

The MRA/MSMA poll tested public support for Proposal A in a number of ways. First, the survey asked respondents if they were aware of the vote on Proposal A coming up on June 2. Sixty-two percent said they were, 38 percent said they were not.

The 62 percent aware of the proposal were asked how knowledgeable they are about it. Table 1 shows the response and its application to the entire survey sample.

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**Table 1: Level of Knowledge about Proposal A**

	<b>People Aware of Proposal</b>	<b>Entire Sample</b>
Very knowledgeable	15%	9%
Somewhat knowledgeable	59	37
Not very knowledgeable	26	16
Unaware of election	—	38

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If the public is to feel comfortable in supporting the proposal, the level of knowledge about the proposal and its consequences will need to increase substantially.

Individuals aware of Proposal A were asked if they favor or oppose its passage. Among the 62 percent aware of the proposal, 51 percent favor passage, and 31 percent are opposed.

For individuals unaware of Proposal A, interviewers explained it using two descriptions: One closely paralleled the ballot language, and the other was more conversational. The poll found a significant consistency in opinion about the proposal regardless of how it was described. (See Table 2.)

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**Table 2: Support and Opposition to Proposal A**

	<b>Aware of A Without Explanation</b>	<b>Ballot Language Explanation</b>	<b>Conversa- tional Explanation</b>
Strongly support	21%	19%	20%
Somewhat support	30	38	34
Neutral/undecided	16	20	20
Somewhat against	13	14	13
Strongly against	19	8	13

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Advocates of Proposal A can take some encouragement from the fact that support was greatest (57 percent) among people who were read the ballot-type language, which closely approximates what they will see on June 2.

## **SUPPORTERS AND OPPONENTS OF PROPOSAL A**

Respondents most likely to vote on June 2 favor the measure by a margin of 54–31 percent. Among all respondents aware of the June 2 referendum, the proposal is favored by a margin of 51–31 percent.

Support for and opposition to Proposal A are difficult to characterize and differentiate by geography, demographics, partisanship, and certain other factors: Variances in opinions as a result of such factors seem to be fairly minimal. We suspect this is partly attributable to the relatively low level of familiarity with the proposal, making it difficult for many people to judge the measure's direct effect on their individual taxes and school district. When surveyed, people just were beginning to gather information and weigh the significance of various aspects of the proposal. Interviewers reported an unusually high percentage of respondents expressing a desire to learn more about the proposal.

## Geography

Support for Proposal A is greatest among residents in

- small towns (59 percent);
- rural areas (56 percent); and
- suburbs (55 percent).

Many of the school districts benefiting most from the \$4,800 foundation grant embodied in Proposal A are in out-state rural areas. But 50 percent of Detroiters and 48 percent of residents of out-state cities also support the measure.

Regionally, voters in northern Michigan are more supportive than those living in the metropolitan Detroit area. (See Table 3.)

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**Table 3: Support for Proposal A, by Region**

Metropolitan Detroit	52%
City of Detroit	50
Southeastern Michigan	37*
Western Michigan	57
Central Michigan	50
Thumb	55
Northern Michigan	76

\*Statistically unreliable due to small sample size.

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## Approval of the Governor

Governor Engler is campaigning hard for the measure, which he and legislative leaders negotiated and placed on the ballot. His 1990 campaign pledge to reduce property taxes could be fulfilled by Proposal A's passage, a goal he failed to achieve last year with the defeat of Proposal C.

There is a strong correlation between approval of the governor's performance in office and support for Proposal A. (See Table 4.)

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**Table 4: Approval/Disapproval of Governor's Performance**

	<b>Strongly Approve</b>	<b>Somewhat Approve</b>	<b>Neutral</b>	<b>Somewhat Disapprove</b>	<b>Strongly Disapprove</b>
Those for Proposal A	67%	63%	53%	44%	43%
Those against Proposal A	22	28	37	38	25

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Passage of Proposal A would enhance the governor's image as a leader willing to bring diverse groups together to solve a difficult state problem. Because of the importance of the plan to the administration, the poll asked a number of questions related to the governor's leadership on the proposal. Respondents were asked if they agree or disagree with three statements about the governor's leadership style. (See Table 5.)

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**Table 5: Responses to Statements about Governor Engler's Leadership Style**

	<b>Percentage Agreeing</b>	<b>Percentage Disagreeing</b>
Governor Engler is someone who is willing to make the tough decisions we need for the best interests of Michigan	58%	34%
Governor Engler is the kind of leader who is willing to bite the bullet and cooperate with Democrats to make things work in Michigan	42	41
I trust Governor Engler's opinions about how best to change the property tax system	38	45

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The governor is given credit for a willingness to make tough decisions, but people are less willing to trust his opinion about changing property taxes. Among respondents identifying themselves as Democrats, 25 percent agree with the statement about trusting the governor's opinion on reforming property taxes; however, among Republicans, 24 percent disagree. (See Table 6.) Respondents who say they split their votes between Democratic and Republican candidates are nearly equally divided on the question: 37 percent agree, and 42 percent disagree.

**Table 6: Responses to "I Trust Governor Engler's Opinions about How Best to Change the Property Tax System"**

	Agree	Disagree
Democrats	25%	61%
Republicans	59	24
Ticket splitters	37	42

When asked whether the governor's support of Proposal A is consistent with "his promise to decrease property taxes and to make education his top priority," 46 percent said yes; 30 percent feel it was a violation of his promise. (See Table 7.)

**Table 7: Is the Governor's Support of Proposal A Consistent with or a Violation of His Promise to Decrease Property Taxes and Make Education His Priority?**

	Consistent with Promise	Violation of Promise
All respondents	46%	30%
Respondents approving of Engler	60	20
Respondents neutral	37	37
Respondents disapproving of Engler	33	36

Proposal A may be interpreted by some as a referendum on the governor's leadership. The governor's support of Proposal A was critical in getting it on the ballot, and his opposition to it almost certainly could help defeat Proposal A, but the poll reveals that his support will not be sufficient, in itself, to ensure passage of the proposal. Historically, Michigan voters have not followed the lead of their governor on school finance measures, and this history appears to be repeating: A number (45 percent) of people apparently lack confidence in the governor's opinion about property tax reform.

### Trust in Government

A significant finding of the MRA/MSMS poll is that passage of Proposal A well may depend largely on the extent to which the public has faith that the state will deliver sound school finance reform. This is a tough sell.

The poll found that only 21 percent of the public feels that the legislature and the governor can be trusted to find a good way to finance public education. On the other hand, 68 percent fear that the solution would be "more like the lottery, where the money did not go where many people thought it would." That Proposal A amends the constitution and locks in its provisions should—but may not—reassure voters.

Support for and opposition to Proposal A directly correlates with respondents' attitudes about the credibility of the legislature and governor. Table 8 lists the percentages of people aware of Proposal A who support, oppose, or are undecided about it according to whether they trust the legislature and the governor.

**Table 8: Support and Opposition to Proposal A by People Who Trust/Do Not Trust the Legislature and Governor**

	Support Proposal	Oppose Proposal	Undecided
Trust the legislature/governor	78%	12%	10%
Do not trust the legislature/governor	48	37	15

The lack of trust also is reflected in a fairly high number of individuals (36 percent) who believe that a statewide ballot proposal means legislators have failed to find a solution and are passing the problem on to the electorate. However, 45 percent believe a statewide ballot question "represents success in that legislators have compromised, found a solution, and now are seeking final voter approval." Nevertheless, the margin by which referenda pass usually is small, and the successful passage of Proposal A will depend on people's being convinced that the legislature and governor can be trusted to deliver the promised results or that the constitutional change preempts politicians from subverting its provisions (including the dedication of lottery proceeds to K-12 education).

### Other

We examined other factors that could explain how individuals might view Proposal A and found very little variation. Household income level, partisan affiliation, political ideology, race, age, and whether respondents are parents have little bearing on opinion about the measure. The lack of significant correlation probably is due to voters having limited knowledge of the details of the proposal and its consequences.

Older voters (aged 65 and over) are slightly more supportive than the youngest (aged 34 and under): the proposal is supported by 56 and 46 percent, respectively. Whites and blacks are about equally supportive (56 and 51 percent, respectively). Fifty-six percent of people who are parents back it, but so do 54 percent of people who are not. Women are only slightly more supportive than men (57 and 53 percent, respectively). Household income levels have little bearing on support or opposition.

Political partisanship appears to have little consequence on attitudes toward Proposal A. This is interesting because of the strong relationship between opinion about Governor Engler and position on Proposal A. Republicans support the measure by a 63-30 percent margin, Democrats by a 53-35 percent margin, and independents by a 52-33 percent margin. Self-professed

conservatives support the measure (by 57–32 percent), and moderates support it as well (by 65–18 percent); liberals split about evenly, with 43 percent in favor and 41 percent against. Greater opposition among liberals likely stems from concern about increasing the sales tax, generally viewed as regressive, i.e., it falls somewhat more heavily on lower-income households.

## CHANGING OPINIONS

One objective of this particular survey was to test how additional information given to the public during the campaign for Proposal A might influence voters' decisions. Interviewers asked people opposed to the proposal how it could be changed to earn their support. The responses are grouped according to similarity; Table 9 lists the most commonly mentioned.

**Table 9: How Proposal A Could be Changed to Earn Support**

Wouldn't change/don't know	29%
Reduce taxes, eliminate sales tax increase, cut property taxes more	23
Guarantee lottery experience won't be repeated	20
Ensure no further property/sales tax increases.	9
Changes in education system, e.g., require better use of money	5
Provide more money/resources for education	2
Other	9

Among individuals supporting Proposal A, the survey also tested the extent to which support would erode if the public were to become aware of and convinced of the truth of three specific aspects of the proposal. Table 10 shows how support for Proposal A dropped when the particular information was given to respondents.

**Table 10: Factors Eroding Support of Proposal A**

Would you continue to support Proposal A if you learned that . . .	Percentage Withdrawing Support
the plan benefits business more than homeowners	30%
the plan would reduce your local school district's ability to set revenue levels	14
you cannot deduct sales tax from federal income tax	11

Support for Proposal A is not very firm. A campaign that emphasizes aspects of the proposal perceived to be negative would hurt it significantly. Whether Proposal A would assist business more than homeowners is debatable (Public Sector Consultants' analysis concludes that in the early years businesses that own property would receive a significant tax deduction, but eventually, tax savings to homeowners would surpass that to businesses), but the perception of same could damage the proposal's chances.

### THERE IS SUPPORT FOR THE BASICS OF PROPOSAL A

The survey asked voters which of four options they feel should be the primary goal of school finance reform and found respondents to be widely supportive of the goals of Proposal A. (See Table 11.) Taken together, the supporters of achieving greater equity in school finance (41 percent) and shifting from the local property tax to a state tax (17 percent) add up to a majority of the voters (58 percent). Surprisingly, only a few (12 percent) believe that reducing property taxes should be the major goal of school finance reform.

**Table 11: What Should be the Primary Goal of School Finance Reform?**

Distribute state money to schools more equally	41%
Provide more money for the schools	19
Shift from property tax to state tax	17
Reduce property taxes	12

Support for making equity the primary goal of school finance reform varies according to where the individual lives and in what type of community (see Table 12): It is strongest in western Michigan (59 percent identified equity as the top priority) and weakest in the Detroit suburban area (26 percent in Wayne, Oakland, and Macomb counties minus Detroit).

**Table 12: Percentage Identifying Equity as the Top Priority, by Region and Type of Community**

Western Michigan	59%
Detroit City	47
Northern Michigan	43
Thumb	41
Southeastern Michigan	41
Central Michigan	33
Metropolitan Detroit (3-county area)	26
Rural	54
Small towns	49
Large cities other than Detroit	37
Suburbs	27

Support for greater equity in financing education is reinforced in the response to a question about which possible consequences of passing Proposal A would make respondents more likely to support the plan. Seventy-four percent said that “reducing the gap in funding levels among school districts” would influence them positively; only 10 percent said this would make them less likely to support Proposal A.

Respondents appear to understand the relationship between narrowing the spending gap among districts and their own self-interest. Respondents from rural areas and small towns understand that their school districts are likely to benefit from the passage of Proposal A, but suburban respondents are less likely to view increased equity as being beneficial to their school districts.

The state sales tax will increase from the present 4 percent to 6 percent if Proposal A passes, however this does not appear to be an insurmountable obstacle to the proposal’s passage. The poll found 50 percent of the respondents more likely to support passage of the proposal because it includes a sales tax increase; 35 percent are less likely. There is some regional/subgroup variation in opinion about increasing the sales tax. Table 13 shows the percentages by region of people more and less likely to support Proposal A because it includes the sales tax increase.

**Table 13: Support for Proposal A with the 2 Percent Sales Tax Increase**

	More Likely	Less likely	Margin
Detroit	55%	33%	+22
Metropolitan Detroit	53	37	+16
Southeastern Michigan	41	34	+7
Western Michigan	45	28	+17
Central Michigan	43	33	+10
Thumb	43	49	-6
Northern Michigan	62	31	+31

Increasing the sales tax generates somewhat more opposition from liberals than from conservatives. The poll found that of self-described conservatives, 54 percent are more likely to support the proposal because of the sales tax increase being included. Of self-described liberals, 48 percent are more likely to support the proposal; as mentioned above, some liberals view the sales tax as regressive. The strong support for the sales tax among Detroiters suggests that support for Proposal A may increase there from the current 50%.

**PERCEIVED POSITIVE AND NEGATIVE ASPECTS OF PROPOSAL A**

Survey respondents were asked what they view as the most significant argument in favor of Proposal A. They are evenly split in their selection of the four options. (See Table 14.)

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**Table 14: Most Significant Arguments in Favor of Proposal A**

Provide greater equity in school finance	20%
Keep education system strong	18
Lower taxes	16
Improve balance between property and other taxes	16

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The combination of providing greater equity in school funding and providing better balance between property and other taxes is consistent with the findings discussed above about the major goals of school finance reform.

When asked about the shortcomings of Proposal A, the most often cited was the prospect of higher taxes. (See Table 15.)

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**Table 15: Most Significant Argument against Proposal A**

Increases taxes	34%
Increases schools' dependence on state funding	27
Helps homeowners but hurts renters	17
Limits individual's role in setting tax and expenditure levels for local schools	11

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The identification of a tax increase as being the most significant argument against Proposal A also is reflected in responses to a question about whether the measure is viewed as a tax increase, tax decrease, or revenue neutral (a balance). (See Table 16.)

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**Table 16: Opinions about Effect of Proposal A on Taxes**

Will raise taxes	36%
Taxes will stay the same	33
Don't know	18
Will lower taxes	13

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## **STRENGTHS AND WEAKNESSES OF COMPONENTS OF PROPOSAL A**

The MRA/MSMS poll tested the relative strengths/weakness of the proposal's components. Respondents were read a list of its possible consequences and asked whether each will make him/her more likely or less likely to support the plan. (See Table 17.) A follow-up question was asked to gauge the strength of opinion.

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**Table 17: Effect of Possible Consequences of Proposal A**

	<b>More Likely to Support</b>	<b>Less Likely to Support</b>	<b>Makes No Difference</b>
Provide for a 20 percent reduction in property taxes for the average homeowner	81%	9%	8%
Maintain overall financial stability of local school districts	78	8	9
Limit future property tax assessments to no more than 5 percent per year	75	12	8
Reduce gap in funding levels among school districts	74	10	12
Roll back recent property tax increase to last years levels	74	10	12
Reduce overall state taxes by \$213 million	69	14	12
Increase sales tax by 2 cents	50	35	13
Reduce power of local school boards	40	44	14
Provide greater tax relief for businesses than homeowners	38	45	14

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There is widespread support for the basic components of Proposal A. Eighty-one percent look with favor on the possibility that Proposal A would reduce property taxes by 20 percent, and 78 percent are receptive to its potential for maintaining financial stability of local schools. The combination of these two arguments can be effective in selling the proposal to the public.

The same approach was used to test two other aspects of Proposal A. Thirty-nine percent of respondents said they would be more likely to support the proposal if they were convinced it is "an historic compromise between Republicans and Democrats," but 42 believe it wouldn't make any difference in their view of Proposal A. Fifty-two percent said they would be more likely to support the plan if they became convinced "there is widespread support for it among groups that seldom agree, including teachers, business groups, labor unions, and school administrators," but 30 percent believe this argument would not make a difference to them.

### **CREDIBILITY OF INFORMATION SOURCES**

As people evaluate the likely effects of Proposal A, they are likely to look to certain opinion leaders for information. The poll asked people if they place a great deal, some, or very little confidence in what several groups or individuals say about school finance reform. (See Table 18.)

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**Table 18: Level of Confidence in Selected Individuals and Groups**

	<b>Great Deal</b>	<b>Some</b>	<b>Not Much</b>
Local school superintendent	24%	40%	29%
Michigan Education Association	22	45	28
Governor Engler	17	42	39
Chamber of Commerce	14	50	29
Detroit Free Press	14	43	34
Local newspaper	14	51	30
Detroit News	12	42	36
United Automobile Workers	8	41	47
AFL-CIO	7	39	48

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The education community will play a critical role in interpreting Proposal A to the voters. Assuming the proposal will be defined as a school finance reform measure, people/groups that will be the most influential are local superintendents, Michigan Education Association, and the governor. Given that the governor and the Michigan Education Association appeal to different groups, the combination of the two may be effective in generating support the proposal.

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