



# PUBLIC OPINION MONITOR

## School Reform and the Michigan Public

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### INTRODUCTION

Michigan residents are very concerned about education reform. For the first time in the three-year history of the *Public Opinion Monitor*, education (financing and reform) and improving the economy were in a statistical tie as the most important state issue; 26 percent of the public identified each as most important.

This interest was also reflected in the public's response when asked what they felt should be the top priority of the legislature. Presented with four options, 56 percent of respondents chose "resolving the school finance issue" as the top priority over guaranteeing health care for all Michigan citizens (18 percent), reducing the influence of lobbyists and special interests (13 percent), and adopting the state budget (10 percent).

Increased interest in school finance reform was undoubtedly heightened by the legislature's elimination of all property taxes for school operations effective January 1994. Seventy-eight percent of survey respondents said they were aware of the legislative action. Fifty-six percent said it was a "bad idea" for the legislature to eliminate property taxes first and worry about how to replace the lost revenue later.

Arriving at a solution to the school finance issue will be difficult. The public was divided on its preferences for how to replace lost revenue, whether to replace all of the lost revenue, and what the goals for education reform should be.

The *Public Opinion Monitor* found the public has an increasingly negative opinion of President Clinton and about the direction in which the country is headed. In the August survey, 45 percent of respondents approved of the job the president was doing, down from 54 percent in April. The percentage of people believing the country is headed in the right direction dropped from 37 percent in April to 28 percent in August. When asked how they would vote today if

the 1992 presidential election were held again, 33 percent said they would vote for George Bush, 32 percent said Bill Clinton, and 25 percent said Ross Perot; the remaining 10 percent were undecided.

In contrast to President Clinton's approval ratings, public approval of Governor Engler inched up slightly. In the August survey, 53 percent approved of the job Engler was doing compared to 51 percent in April.

### THE SURVEY

The *Public Opinion Monitor* survey of 600 Michigan residents was conducted from August 6 to 9, 1993. Among its purposes were to

- evaluate the public's reaction to the legislature's elimination of property taxes and
- continue to monitor the political climate in Michigan.

Survey respondents were selected randomly from throughout Michigan. The sample was stratified by region and sex. The margin of error is plus or minus 5 percent. The demographic profile of the sample closely parallels the 1990 census data, giving confidence that the sample accurately reflects the opinion of all state residents.

### EDUCATION REFORM

#### Creating the Crisis

Changing Michigan's education system and the way it is financed will dominate political debate in 1993 and 1994. The legislature's action eliminating the property tax for school operations, first proposed by Sen. Debbie Stabenow, a Democratic candidate for governor, and quickly endorsed by Governor Engler, was not supported by the public. A majority of survey respondents (56 percent) felt it was a bad idea to eliminate property taxes without having a method for replacing the revenue worked out. However, 78 percent of the public agreed with the

statement "It will require a major crisis before the legislature and governor will act to change the current school funding system."

Senator Stabenow's action kicking off the funding crisis will not substantially damage her bid to become governor. Twenty-three percent of respondents said the action made them more likely to support her candidacy for governor, compared to 33 percent who said it made them less likely to support her. Among Democrats, 24 percent said it would make them support her more, while 29 percent said the action would tend to make them support her less.

A statewide poll on November 1993 ballot Proposal A conducted by Public Sector Consultants identified political credibility and trust as the most important factor in convincing the public to vote in favor of a school finance reform proposal. To a large extent, political alienation led to the defeat of Proposal A. The same lack of trust is evident in this poll. We found that a total of 46 percent of the public agreed with the statement "I trust the governor and legislature to find a good way to finance the schools now that it has been determined that property taxes are going to be reduced dramatically." However, only 14 percent strongly agreed. In contrast, 52 percent disagreed with the statement, with 30 percent strongly disagreeing.

### Goals of School Finance Reform

As legislators and the governor begin to analyze how best to reconstruct the school finance system, they will need to determine what outcome they are most interested in achieving. We asked the public to choose between four potential education finance goals. (See Exhibit 1 for goals and percentage of respondents supporting each.)

#### Exhibit 1: Education Goals and Percentage Selecting Each

Protect and improve the quality of education in your community	40%
Ensure greater equity among school districts in the resources available	33
Provide parents a choice of the school their children attend	15
Provide for a tax reduction	8

State residents are divided on what goal they want school finance reform to achieve. In Wayne, Oakland, and Macomb counties, improving the quality of education was identified as most important (47 percent selected it as their first choice). In the North (42 percent), the Thumb (48 percent), central Michigan (43 percent), and the southeast counties (54 percent), achieving financial equity was the most important goal. In the western part of the state, the public was evenly split between those two goals.

Providing parents a choice of schools was selected as the most important goal by only 15 percent of the total sample. Support was highest among Oakland and Macomb county voters (22 percent). Providing a total overall reduction in taxes was identified as most important by only 8 percent of Michigan residents.

### Level of Funding

A second question facing decisionmakers is whether to set tax levels to provide more money, the same amount of money, or less money for education than is currently available. The public is most supportive of setting taxes at a level that will supply at least the current amount of revenue for the schools. Only 23 percent want tax levels set to reduce the total amount of spending on education. (See Exhibit 2.)

#### Exhibit 2: Setting Tax Levels to Replace Lost Revenue

Option	Percentage Supporting
Increase total amount	23%
Keeping level the same	39
Decrease total amount	23

Of those who would like to see taxes set to reduce school funding, 7 percent believe the reductions should be exclusively from the school aid fund, 33 percent believe reductions should come from state programs other than schools, and 45 percent support reducing all state programs to pay for the tax reduction.

## Tax Options

The *Public Opinion Monitor* tested three options for how the legislature might replace the revenue lost from elimination of the property tax for school operations. According to Public Sector Consultants' senior economist, Robert Kleine, these options are the most likely to be seriously considered. While other options exist, the combination of the constitutional requirements established by the Headlee amendment and the amount of money that needs to be raised in order to replace the eliminated \$5.7 billion limits the choices of the legislature to these three approaches. Exhibit 3 lists the three options and percentage of the public that chose that option.

No consensus exists among the public as to what option they most prefer. While the combination of taxes provided in Option C received the most support

(34 percent), it is nowhere close to gaining majority support. Voters in all parts of the state preferred Option C, with the exception of residents of the Thumb, who preferred Option B (36 percent), and southeast Michigan residents, whose first choice was Option A (35 percent).

While Option C received a plurality vote, adopting the taxes would be very controversial. When voters were asked specifically about imposing a sales tax on all services, such as hair cuts and visits to a doctor, 67 percent opposed the tax (48 percent strongly opposed it).

## GOVERNOR'S APPROVAL RATINGS

Governor Engler's approval rating inched upward slightly from 51 percent in April to 53 percent in August. Because of the margin of error inherent in any survey, it is most accurate to say that his approval ratings remained steady at slightly above 50 percent. The latest ratings are the eighth in the series of *Public Opinion Monitor* surveys that measured public opinion of Governor Engler's performance. The results, shown in Exhibit 4, are nearly identical to the results attained in last summer's survey.

The governor remains most popular in "outstate" Michigan. His highest ratings are in the Thumb (67 percent approve), central Michigan (63 percent), and western Michigan (59 percent). His lowest approval ratings are in the City of Detroit (38

### Exhibit 3: Major Tax Alternatives and Percentages Supporting Each

<b>Option A:</b>	Increase the income tax from 4.6 percent to 5.9 percent, the single business tax from 2.3 percent to 3.7 percent, and a levy a statewide property tax of 17 mills.	27%
<b>Option B:</b>	Increase the sales tax from 4 percent to 10.5 percent, with approval by the voters.	20%
<b>Option C:</b>	Extend the sales tax to all services, levy a statewide property tax of 17 mills, increase the single business tax from 2.3 percent to 3.7 percent, and levy a package of sin taxes, such as a 50-cent tax increase for each pack of cigarettes.	34%
	Other/don't know	19%

### Exhibit 4: Approval/Disapproval of the Way Governor Engler Is Doing His Job

	April 1991	June 1991	Oct. 1991	Mar. 1992	July 1992	Nov. 1992	Apr. 1993	Aug. 1993
Approve	41%	49%	44%	51%	54%	47%	50%	53%
Strongly approve	17	16	16	20	19	17	13	14
Somewhat approve	24	33	28	31	35	30	37	39
Disapprove	38	46	47	40	39	44	42	39
Somewhat disapprove	15	22	18	14	18	22	19	18
Strongly disapprove	23	24	29	26	21	22	23	21

percent approve) and metropolitan Detroit (49 percent).

### PRESIDENT CLINTON'S APPROVAL RATINGS

Approval of the job Bill Clinton is doing as president dropped significantly from the April 1993 *Public Opinion Monitor* survey. In the August survey, 45 percent approved of the job Bill Clinton is doing as president; last April 54 percent approved. The president's approval rating is highest among Detroit voters (71 percent approve) and lowest in western (42 percent) and southeastern Michigan (42 percent). (See Exhibit 5.)

#### Exhibit 5: Approval/Disapproval of the Way Bill Clinton Is Doing His Job

	April 1993	August 1993
Approve	54%	45%
Strongly approve	18	13
Somewhat approve	36	32
Disapprove	34	49
Somewhat disapprove	15	23
Strongly disapprove	19	26

The president is facing the difficult task of presiding over a country deeply concerned about the direction it is taking. Michigan residents are as pessimistic about the future of the country today as they were prior to the 1992 general election. (See Exhibit 6.)

Concern over the future is also evident in Michigan residents' pessimism about their personal financial situation. When asked if they would be better off, about the same, or worse off financially a

#### Exhibit 6: Is the Country Heading in the Right Direction?

Survey	Right Direction	Wrong Direction
June 1992	34	66
November 1992	57	43
April 1993	44	56
August 1993	32	68

year from now, only 35 percent believed they would be better off.

### CONCLUSIONS

Michigan residents believe that education reform is the major issue facing the state today. As the governor and legislature grapple with the issue, the quality of education and funding equity are likely to dominate the debate. Residents of "outstate" Michigan are most concerned about equity, while voters in the metropolitan Detroit area are most concerned about the quality of education.

Governor Engler's approval ratings remain relatively constant at slightly above 50 percent approval. This comes at a time when President Clinton's approval ratings have dropped significantly and the public believes that the nation is heading in the wrong direction.

The 1992 presidential election provided voters with a renewed sense of hope and confidence in politics and government (see the fall 1992 *Public Opinion Monitor*). This *Public Opinion Monitor* found that voters have returned to a pessimistic view of the direction the country and their personal financial situation.

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