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City of East Lansing Survey on an Income Tax versus Property Tax Increase Proposal

Executive Summary and Demographic Analysis

- Educational
- Political
- Industrial
- Consumer

- Market
- Research
- Analysis

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METHODOLOGY

EPIC ▪ MRA administered live telephone interviews with 300 registered voters who reside in the City of East Lansing, at least seldom votes in August primary elections, and are very certain, fairly certain or will likely vote in the upcoming August 2018 primary election. The interviews were conducted from April 13, 2018 through April 18, 2018. Thirty percent of all respondents were contacted via cell phone.

Respondents for the interviews were selected utilizing an interval method of randomly selecting records of households of people who are registered to vote, have commercially-listed telephone numbers, as well as randomly generated phone numbers between listed numbers and a list of cell phone numbers from the area. The sample was stratified such that every area of the district was represented in the sample according to its contribution to an August primary election during a gubernatorial election year.

The entire sample of 300 respondents was split into two half-samples, in order to rotate the order in which the respondents heard and evaluated statements containing reasons to support or oppose a proposal to establish a city income tax. In Split Sample A, respondents heard and evaluated “positive arguments” to support the bond proposal first, followed by “negative arguments”; with the sequence reversed in Split Sample B.

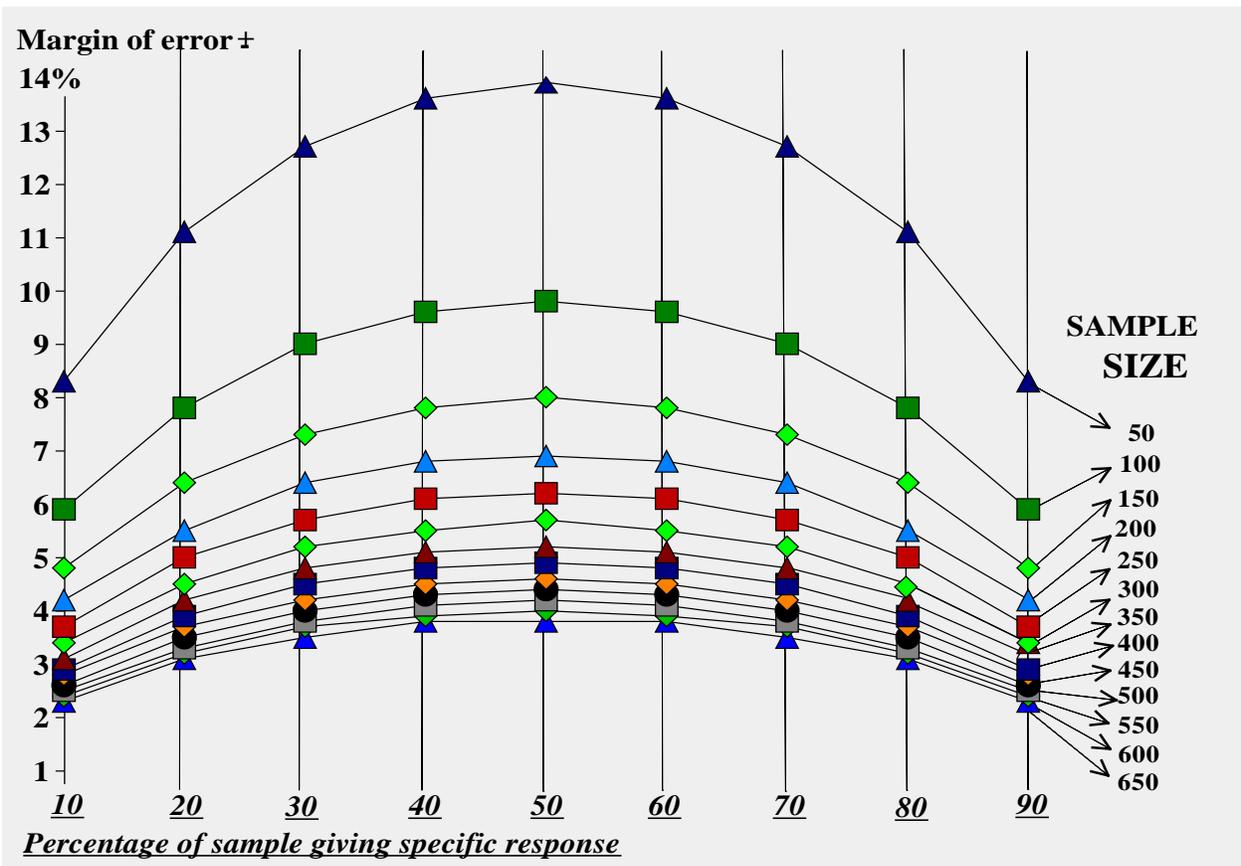
Generally, in interpreting survey results, all surveys are subject to error; that is, the results of the survey may differ from that which would have been obtained if the entire population was interviewed. The size of the sampling error depends on the total number of respondents asked a specific question. The table on the next page represents the sampling margin of error for different percentage distributions, based on sample size.

For example, when all survey respondents were asked if they would vote “yes” or “no” on the first cold question about establishing an income tax in the City of East Lansing, a 51 percent narrow majority of all 300 voter respondents said that they would directly vote “yes” (Q.9). As indicated in the chart below, this percentage would have a sampling error of plus or minus 5.7 percent. That means that with repeated sampling, it is very likely (95 out of every 100 times), that the percentage for the entire population would fall between 45.3 percent and 56.7 percent, hence 51 percent ± 5.7 percent.

EPIC • MRA SAMPLING ERROR BY PERCENTAGE (AT 95 IN 100 CONFIDENCE LEVEL)

Percentage of sample giving specific response

	<u>10</u>	<u>20</u>	<u>30</u>	<u>40</u>	<u>50</u>	<u>60</u>	<u>70</u>	<u>80</u>	<u>90</u>
SAMPLE SIZE	% margin of error ±								
700	2.2	3.0	3.3	3.7	3.6	3.7	3.3	3.0	2.2
650	2.3	3.1	3.5	3.8	3.8	3.8	3.5	3.1	2.3
600	2.4	3.2	3.7	3.9	4	3.9	3.7	3.2	2.4
550	2.5	3.3	3.8	4.1	4.2	4.1	3.8	3.3	2.5
500	2.6	3.5	4	4.3	4.4	4.3	4	3.5	2.6
450	2.8	3.7	4.2	4.5	4.6	4.5	4.2	3.7	2.8
400	2.9	3.9	4.5	4.8	4.9	4.8	4.5	3.9	2.9
350	3.1	4.2	4.8	5.1	5.2	5.1	4.8	4.2	3.1
300	3.4	4.5	5.2	5.5	5.7	5.5	5.2	4.5	3.4
250	3.7	5	5.7	6.1	6.2	6.1	5.7	5	3.7
200	4.2	5.5	6.4	6.8	6.9	6.8	6.4	5.5	4.2
150	4.8	6.4	7.3	7.8	8	7.8	7.3	6.4	4.8
100	5.9	7.8	9	9.6	9.8	9.6	9	7.8	5.9
50	8.3	11.1	12.7	13.6	13.9	13.6	12.7	11.1	8.3



KEY FINDINGS

- A 42 percent plurality of survey respondents said the City of East Lansing is seriously off on the wrong track, only 31 percent said the City is headed in the right direction, with 27 percent undecided.
- An 81 percent majority gave the City of East Lansing a positive rating for the job done providing basic city services to its residents (28 percent “excellent”), with 17 percent offering a negative rating (3 percent “poor”).
- A 47 percent plurality said that the local taxes and fees they pay are about right for what they get back in services, with relatively high 43 percent saying taxes are too high (23 percent “much too high”).
- A 56 percent majority gave East Lansing City Council and Administration a negative rating for the job done managing city finances, with 35 percent offering a positive rating.
- After hearing a detailed explanation about pension contributions paid from the city budget, and \$2 million per year needed for infrastructure improvements, when asked which of two statements came closer to their view, 58 percent said it is important to maintain existing city services and keep our commitment to retired city employees to fund pension and health insurance costs, even if that means having to pay higher taxes to generate more revenue. Twenty-nine percent said it is important to keep taxes as low as possible, even if it means reducing city services and programs, and changing the pension commitments made to retired city employees.
- On the first cold question with limited information about establishing a city income tax, a majority (57 to 35 percent) said they would vote “yes,” including a narrow 51 percent majority who would directly vote “yes” and 33 percent who would directly vote “no,” with 8 percent undecided.
- After hearing a more detailed statement about the proposed income tax plan, a 65 to 30 percent majority said they would vote “yes,” including a 58 percent majority who would directly vote “yes,” 28 percent who would directly vote “no.”
- When “no” voters were asked what the main reason was that they opposed the proposal, the top responses were: “wasteful spending/ineffective budget/distrust of city government and management of funds” (cited by 29 percent); “tax increase/taxes too high” (12 percent); “change the pension/benefit system” (9 percent); “it will drive out businesses and families” (6 percent); and “already voted no” (5 percent each).
- Of five reasons offered to support the proposal to establish an income tax, two were convincing to 75 percent, one was convincing to 73 percent, one was convincing to 71 percent and one was convincing to 64 percent.
- Of four reasons offered to oppose the proposed income tax, only one argument was convincing to a narrow 51 percent majority, one was convincing to 49 percent, one was convincing to 44 percent, and one was convincing to 34 percent.

- Among all 300 respondents, after hearing positive reasons first among Split Sample A respondents and negative arguments among Split Sample B respondents, a 60 to 35 percent majority said they would vote “yes,” including a 53 percent majority who would directly vote “yes” and 34 who would directly vote “no.”
- Among all 300 respondents, after hearing negative reasons second among Split Sample A respondents and hearing positive second among Split Sample B respondents, a 60 to 34 percent majority said they would vote “yes,” including a 57 percent majority who would directly vote “yes,” and 32 percent who would directly vote “no.”
- If a 5.4 mill increase in the property tax was placed on the ballot instead of an income tax proposal, a 68 to 25 percent solid majority would vote “no,” including 64 percent who would directly vote “no.”
- If a tax increase were dedicated to infrastructure improvements, including city facilities, maintaining and improving streets and sidewalks, and water and sewer systems, a 68 percent majority said they would be more likely to support a tax increase.
- If a tax increase were dedicated to road and street repair, a 58 percent majority would be more likely to support a tax increase.
- If a tax increase were dedicated to police and fire protection, a 55 percent majority would be more likely to support a tax increase.
- If a tax increase were dedicated to unfunded liabilities for retired city employees, or for parks and recreation facilities and programs, a 47 percent plurality would be more likely to support a tax increase for each purpose.
- If the funding for the income tax were dedicated to the one or more purposes respondents most support, a 68 to 28 percent majority would vote “yes” on the proposal, including 61 percent who would directly vote “yes.”
- If the income tax proposal were limited to a period of no longer than 12 years, when it would expire unless reauthorized by voters, a 71 to 25 percent majority would vote “yes,” including a 62 percent majority who would directly vote “yes.”
- If an alternative proposal were placed on the ballot to increase property taxes by 5.4 mills, a 68 to 25 percent majority would vote “no.”
- If the property tax proposal were dedicated to the purposes most supported by respondents, a 53 to 43 percent majority would vote “no.”
- If the property tax proposal were limited to 12 years, when it would expire unless reauthorized by voters, a 48 to 47 percent plurality would vote “yes,” including 46 percent who would directly vote “no” and 38 percent who would directly vote “yes.”
- The top sources of information about East Lansing City government were the Lansing State Journal (24 percent); comments from friends/word of mouth (16 percent); television news coverage about the city (12 percent); East Lansing Dialogue/printed version (9 percent); and East Lansing Info website (9 percent).

EXECUTIVE SUMMARY

The results of this survey clearly show that the City of East Lansing is well positioned to be able earn voter approval of a proposal to establish a city-wide income tax, which would then trigger the property tax reduction that was approved by voters in November of 2017. A very high 43 percent of respondents said that current taxes and fees in East Lansing, which are almost entirely comprised of property taxes, are too high for what residents get back in city services.

A vote to establish a city income tax is the path necessary to get relief from the property taxes that East Lansing voters say are too high (23 percent said “much too high”) and, while it is possible for the City of East Lansing to earn voter approval of a proposal to establish a permanent city income tax, which could be proposed without funding that would be dedicated to specific purposes that are most supported, several key voter groups decide to come on board and offer their support if the income tax is dedicated to those purposes with strongest support, with other groups moving toward support if the tax is limited to 12 years, when it would expire unless reauthorized by voters.

Strongest support for establishing an income tax is offered by voters who self-identify as Democrats. A 69 percent majority of Democrats said services should be maintained and commitments kept to retired city employees, even if that means taxes must be raised, 70 percent voted “yes” on the first cold test of the proposal with little information, and 80 percent supported the proposal after hearing more detailed information about the plan.

Among self-identified Republicans, 53 percent said that taxes must be kept low, even if that means cutting programs and services and changing commitments to retired city employees. A 53 to 40 percent majority of Republicans opposed the proposal on the first cold question, and a 48 to 45 percent plurality still opposed it after hearing more detailed information. After hearing arguments both for and against the proposal, a 52 to 38 percent majority of GOP voters reverted to their original opposition to the plan, but when asked how they would vote if the tax increase was dedicated to infrastructure, streets and roads, and police and fire protection, which made then more likely to support it, a 55 to 41 percent majority said they would vote “yes.” If the plan was limited to 12 years, a 55 to 40 percent majority said they would still vote “yes” (unchanged).

Independent voters, who are not likely to comprise a significant number of voters in an August primary election, barely support maintaining existing programs and keeping

commitments to retirees by a 50 to 32 percent majority, even if that means raising taxes. Independent voters then oppose the income tax proposal by a 50 to 44 percent majority, and still oppose it by a 50 to 47 percent bare majority after hearing more detailed information. Then, when the taxes would be dedicated to those purposes most supported, Independents support the income tax proposal by a bare 50 to 41 percent majority, but when the proposal is limited to 12 years, support increases to a 53 to 35 percent narrow majority.

The least frequent “half the time” or “seldom” August primary voters (representing a small sample size), chose program cuts over a tax increase to pay for unfunded liabilities and infrastructure improvements by a 56 to 39 percent majority. They then opposed the income tax proposal on the first cold asking by a 49 to 44 percent plurality, but supported it after hearing more details by a 59 to 34 percent majority. These least frequent voters then dropped their support to a 49 to 44 percent plurality when they were asked about dedicating a tax increase to the most supported purposes, but then increased support when the proposal was limited to 12 years by a 54 to 37 percent majority.

When the 42 percent of all respondents who said East Lansing is off on the wrong track were asked if they favored program cuts or a tax increase, a 45 to 39 percent plurality chose program cuts. On the first cold asking on an income tax proposal, a 54 to 40 percent majority said they would vote “no”, and after hearing more details about the proposal, a 50 to 46 percent bare majority still said “no.” When asked how they would vote if the tax increase was dedicated to those purposes they most supported, a 51 to 46 percent majority said they would vote “yes,” and when the proposal was limited to 12 years, a 52 to 43 percent majority said they would vote “yes.”

Among the 43 percent of survey respondents who said taxes are too high for what they get back in services from the City, a 47 to 33 percent plurality chose program cuts over a tax increase, opposed the income tax proposal on the first asking by a 57 to 38 percent majority, and still opposed it after hearing more detailed information by a 49 to 47 percent plurality. If the tax increase was dedicated to those specific purposes respondents most supported, a 51 to 46 percent narrow majority said they would vote “yes”, and if the proposal was limited to 12 years, a 53 to 41 percent majority of voters who said taxes are too high would vote “yes.”

Finally, among the 56 percent of respondents who gave the City of East Lansing a negative rating on the job being done managing city finances, a 42 percent plurality chose

maintaining programs, even if it required a tax increase, with 41 percent saying they prefer keeping taxes low, even if that requires cutting programs and services. This group of voters said they would vote “no” by a 50 to 44 percent bare majority to establish an income tax, but then, after hearing more details about the proposal, said they would vote “yes” by 52 to 44 percent. If the income tax revenue was dedicated to purposes most supported, a 57 to 38 percent majority said they would vote “yes”, and if the proposal was limited to 12 years, support increased to a 59 to 35 percent majority.

Clearly, while a proposal to establish a city income tax could earn voter approval if it was permanent and NOT dedicated to one or more purposes that were most supported, the proposal earns an increasing percentage of “yes” votes from several important voter groups if tax revenue is dedicated, and if the proposal is limited to 12 years.

The most convincing argument to support the proposal for a city income tax, which was convincing to a 75 percent majority (42 percent “very convincing”), states that “Assisting Michigan State University with extra fire and police protection, along with other city services, is a significant cost to the City of East Lansing. Having increased revenue from university employees will better enable the City to cover those costs without reducing funding for other basic city services for all residents.”

Another argument that was also convincing by 75 percent (40 percent “very convincing”), was, “Property taxes are already very high in East Lansing, but the City also has a legal obligation to pay the benefit costs for retired city employees, as well as an obligation to maintain roads, sidewalks and other city services. An income tax is the fairest way to spread the cost of paying for these needs, rather than placing the entire burden on homeowners.”

The next most convincing argument for the proposal, at 73 percent convincing (49 percent “very convincing”), was, “Over the past 15 years, the City has done all it could to absorb massive cuts in state revenue sharing by cutting 25 percent of its full-time work force – about 120 employees – and cut programs. If there is NOT a sufficient increase in revenue, East Lansing will be forced to close the Hannah Center, several parks, reduce police and fire protection and reduce or eliminate other services.” Although this argument is less convincing overall than two other arguments, it has the highest “very convincing” response of any argument (49 percent).

The next most convincing argument, at 71 percent convincing (43 percent “very convincing”), was, “Between the property tax cut that was already approved, and the proposal to

establish a city income tax, all taxes in East Lansing will be based on people's ability to pay. Those earning less than \$5,000, and senior citizens who live on retirement income, will not have to pay any income taxes, and if retirees own a home, they will benefit from a significant property tax cut."

Finally, the least convincing argument in support of the proposal, at 64 percent convincing (22 percent "very convincing"), was, "The new revenue from an income tax could all be dedicated to making additional payments to the City's underfunded pension. If that were the case, this would substantially resolve the pension problem over the next decade and a half. As compared to making only required payments, after five years this would begin to lower the city's pension payment and free revenue for other purposes."

Arguments against the proposal to establish a city income tax were, by and large, not convincing. The most convincing argument against the proposal to establish a city income tax, at a narrow 51 percent convincing (27 percent "very convincing"), was, "East Lansing residents were already asked to vote on this proposal just a few months ago, and it was soundly defeated. No means no! The city will just have to find another way to balance its budget, just as the rest of us do." Forty-five percent said this argument is not convincing.

The second most convincing argument against the plan, at 49 percent convincing (20 percent "very convincing"), was, "High taxes resulting from the adoption of a city income tax will force businesses to leave East Lansing, along with the jobs they provide, and also discourage businesses from locating here." Forty-eight percent said this argument was not convincing.

The third most convincing argument, at 46 percent convincing (14 percent "very convincing"), was, "The city has already amended its retirement and health benefit policies for many current city employees to reduce costs. The same hard decisions must be made for benefits of current retirees before we consider raising taxes." Forty-four percent said this argument was not convincing.

Finally, the least convincing argument against the proposal, at only 34 percent convincing (17 percent "very convincing"), was, "When a city income tax proposal was on the ballot in November of last year, the Chamber of Commerce and Michigan State University opposed the proposal, and are likely to oppose it again." A 59 percent solid majority said this argument was "not convincing at all".

Among Split Sample A respondents, after hearing and evaluating the arguments for the income tax proposal, a 55 to 37 percent majority said they would vote “yes,” including 49 percent who would directly vote “yes” and 36 percent who would directly vote “no.” After the same Split Sample A respondents heard and evaluated arguments against the proposal, a 51 to 41 percent narrow majority said they would vote “yes,” including 49 percent directly voting “yes” and 39 percent directly voting “no.” These “yes” vote results are 10 points lower than the 65 to 30 percent “yes” vote that was registered among all 300 respondents, after hearing more details about the proposal. Just among Split Sample A respondents, there was a big difference between the first cold vote and the vote after hearing more details about the proposal, and the same two votes among Split Sample B respondents. Moreover, it should be noted again that the error rate is much higher among split sample respondents (150 samples each) at 8 percent, than among the whole sample (5.7 percent).

Among Split Sample B respondents, after hearing arguments against the proposal first, a 64 to 32 percent majority said they would vote “yes,” including a 56 percent majority directly voting “yes” and 31 percent directly voting “no.” After these same Split Sample B respondents heard and evaluated arguments in favor of the proposal, a 68 to 28 percent solid majority said they would vote “yes.”

If instead of an income tax proposal, the City of East Lansing placed a proposal on the ballot to increase property taxes by 5.4 mills, a 68 to 25 percent majority said they would vote “no” on the proposal.

If the revenue from a tax increase was dedicated for a specific purpose, the purposes that respondents said they were more likely to support by the highest percentages were: “Infrastructure improvements, including city facilities, maintaining and improving streets and sidewalks, and water and sewer systems” (68 percent more likely/37 percent “much more likely”); “Funding exclusively for road and street repair” (58 percent more likely/26 percent “much more likely”); “Police and fire protection” (55 percent more likely/23 percent “much more likely”); “Unfunded liabilities for retired city employees” (47 percent more likely/20 percent “much more likely”); and “Parks and recreation facilities and programs” (47 percent more likely/17 percent “much more likely”).

If the revenue from a proposal to establish a city income tax was designated to fund the one or more purposes that respondents supported *the most*, a 68 to 28 percent solid majority of

respondents indicated that they would vote “yes,” including 61 percent who would directly vote “yes.”

Finally, if the proposal to establish a city income tax was limited to a period of no longer than 12 years, when it would expire unless reauthorized by voters, a 71 to 25 percent majority said they would vote “yes,” including 62 percent who would directly vote “yes.”

If the proposal to increase property taxes was dedicated to the one or more purposes that voters support the most, a 53 to 43 percent majority would vote “no,” including 51 percent who would directly vote “no,” and if the property tax increase was limited to a period of 12 years, a 48 to 47 percent plurality would vote “yes,” including 46 percent who would directly vote “no” and 38 percent who would directly vote “yes.”

In other key findings, 42 percent said the City of East Lansing is pretty seriously off on the “wrong track”, with 31 percent saying the city is headed in the “right direction”, and 27 percent saying they were “undecided”. Among Democrats, 38 percent said “right direction,” 32 percent said “wrong track,” with 30 percent “undecided”. Among Independents, 65 percent said “wrong track,” 15 percent said “right direction,” and 21 percent were “undecided”. Finally, among Republicans, 55 percent said “wrong track,” 23 percent said “right direction,” and 22 percent were “undecided”.

An overwhelming 81 to 17 percent majority gave the City of East Lansing a positive rating for the job done providing basic city services to its residents, including 28 percent who offered an “excellent” rating, and only 3 percent who offered a “poor” rating. A 90 percent majority of Democrats, 71 percent of Republicans, and 56 percent of Independents offered a positive rating.

A 43 percent plurality said taxes and fees in East Lansing were “too high” for what they got back in services, with 47 percent saying taxes are “about right.” A 70 percent majority of Republicans, 53 percent of Independents and 31 percent of Democrats said that taxes are “too high.”

Given the very high percentage of Republicans who feel that taxes are “too high”, as well as Independent voters, both groups would respond positively to a message that “agrees” that property taxes in East Lansing *are* in fact too high - but the only way to get the tax cut already approved by voters in November of last year would be to vote in favor of the income tax proposal - which would trigger a 4.6 mill property tax reduction.

Also, of the five “positive” arguments tested in the survey, Republicans said that four of those arguments were convincing to 63 to 67 percent (except the argument that addressed legacy costs).

A 56 to 35 percent majority of all respondents gave the East Lansing City Council and Administration a negative rating for the job they have done in managing the city’s finances. Among Democrats, a 47 to 43 percent plurality narrowly offered a negative rating, while 74 percent of Independent voters and 71 percent of Republicans offered a negative rating.

Before respondents were asked how they would vote on proposals to establish a city income tax or an increase in property taxes, they were informed that the East Lansing city budget pays \$7.5 million in pension contributions, representing 22 percent of the current city budget, and that five years ago, it was 16 percent, and that in another five years, it is projected to represent 30 percent of the budget. They were also informed that there is another \$2 million needed for infrastructure improvements.

Respondents were then asked which of two statements came closer to their view. A 58 percent solid majority said the statement that came closer to their view, was that “It is important to maintain existing city services and programs, and to keep our commitment to retired city employees to fund their pension and health insurance costs, even if that means having to pay higher taxes to generate more revenue.” Twenty-nine percent chose the statement that said, “It is important to keep taxes as low as possible, even if it means reducing city services and programs, and changing the pension commitments made to retired city employees.”

A 69 to 17 percent majority of Democrats, and a bare 50 to 32 percent majority of Independent voters, chose the statement that would call for increased taxes, while Republicans chose the statement calling for program cuts to keep taxes as low as possible by a 53 to 34 percent majority.

It will be *critically important* to effectively communicate the information that was presented in the more detailed statement following the first cold question on the income tax proposal. Support increased by eight points overall, from 57 to 65 percent, and just as importantly, the direct “yes” vote increased by seven points, from 51 to 58 percent, which makes voter approval likely this coming August.

It will also be important to communicate the four “positive” arguments that were most convincing to survey respondents, which were convincing to 71 to 75 percent. Clearly, arguments against the proposal to establish a city income tax were not convincing to respondents, and, perhaps surprisingly, a 59 percent solid majority said the argument that the Chamber of Commerce and Michigan State University had opposed the proposal, and will likely oppose it again, was NOT convincing.

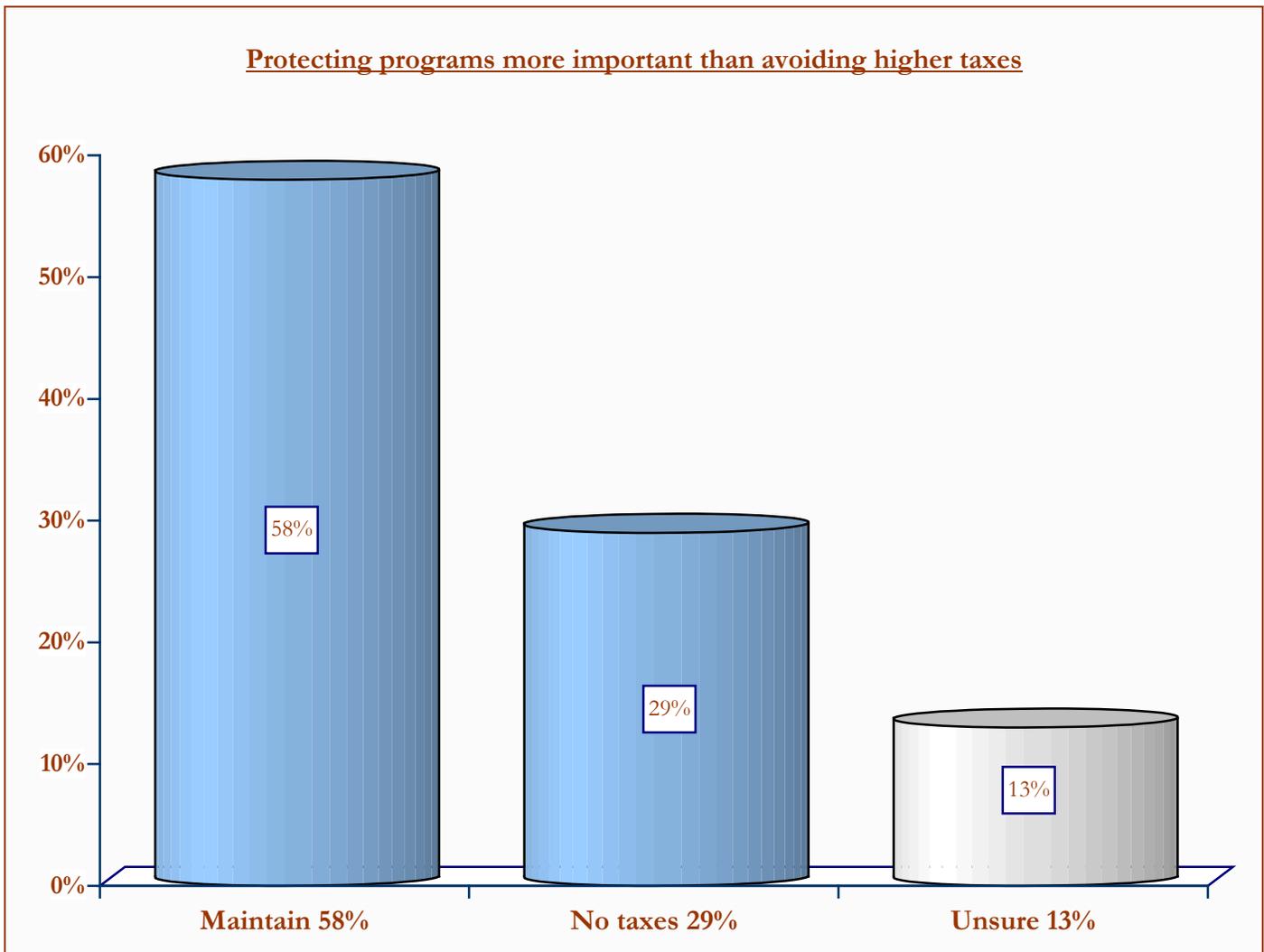
It is also worth noting that although the sample size of MSU employees, or respondents saying someone else in the home was an MSU employee, is relatively small (53 respondents combined), it clearly shows that MSU employees support a city income tax. An 82 percent majority of MSU employees supports the city income tax (when asked on the first cold question and the follow-up after more details), and a 55 percent majority of respondents who said someone else in the home was an MSU employee voted “yes” on the first cold question, with 68 percent supporting it after hearing the more detailed statement.

Also, 91 percent of MSU employees, and 61 percent of respondents who said someone else was an MSU employee, said that the argument about MSU employees contributing and providing revenue to help pay for the increased cost of providing services to MSU, was in fact a convincing argument. Notwithstanding opposition from MSU leadership, MSU employees who live in East Lansing are supportive of establishing a city income tax.

MORE DETAILED ANALYSIS

Maintaining programs, even if higher taxes required, preferred on unfunded liabilities

After hearing a description of how much unfunded liabilities, which are the ongoing cost of city employee pensions (\$7.5 million) and healthcare coverage when city employees retire, and infrastructure costs that are needed (\$2 million), when asked which of two statements comes closer to their view about how to best deal with these costs, 58 percent said it is important to maintain existing programs and keep commitments to retired city employees, even if that means paying higher taxes, with 29 percent choosing the statement about keeping taxes low, even if it means reducing city services and programs, and changing commitments to retired city employees.



Demographic groups of voters indicating by the highest to lowest percentage that existing programs should be maintained, even if it means raising taxes to pay for existing programs, unfunded liabilities, and infrastructure costs, above the city-wide results of 58 percent included:

* = small sample

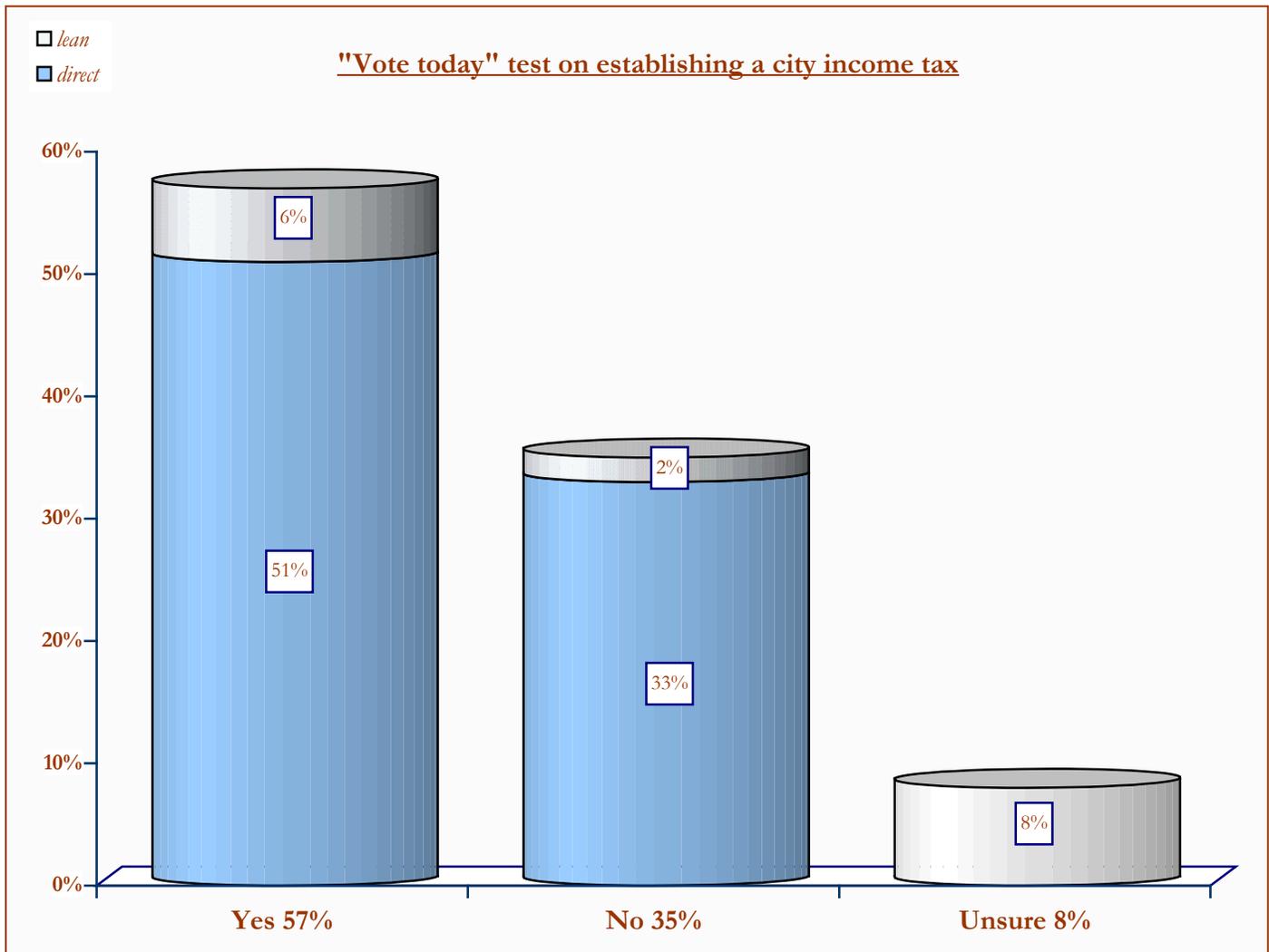
- 94 percent: City taxes too low *
- 84 percent: City headed in right direction
- 83 percent: Renters *
- 82 percent: Respondent employed at MSU
- 79 percent: Positive rating on job managing finances
Voted yes on first cold question
- 75 percent: Voted yes after hearing more detailed information
- 74 percent: City taxes about right
Undecided about job rating for managing finances
- 70 percent: More likely to vote for income tax if dedicated to infrastructure
- 69 percent: Democrats
- 68 percent: More likely to vote for income tax if dedicated to police and fire
- 64 percent: Union members
- 63 percent: Southern region
Votes by absentee ballot
Positive job rating for providing city services
- 62 percent: All the time primary voters
More likely to vote for income tax if dedicated to road repair
Gets info from LSJ
Women age 65 and over
- 61 percent: Age 50-64
- 60 percent: Very certain August primary voters
Undecided about vote after more detailed information
Age 65 and over
College educated
White voters
Income over \$100K
College educated women

Demographic groups indicating by the highest to lowest percentage that taxes should be as low as possible, even if that requires cutting or eliminating programs and services above the city-wide results of 29 percent, including:

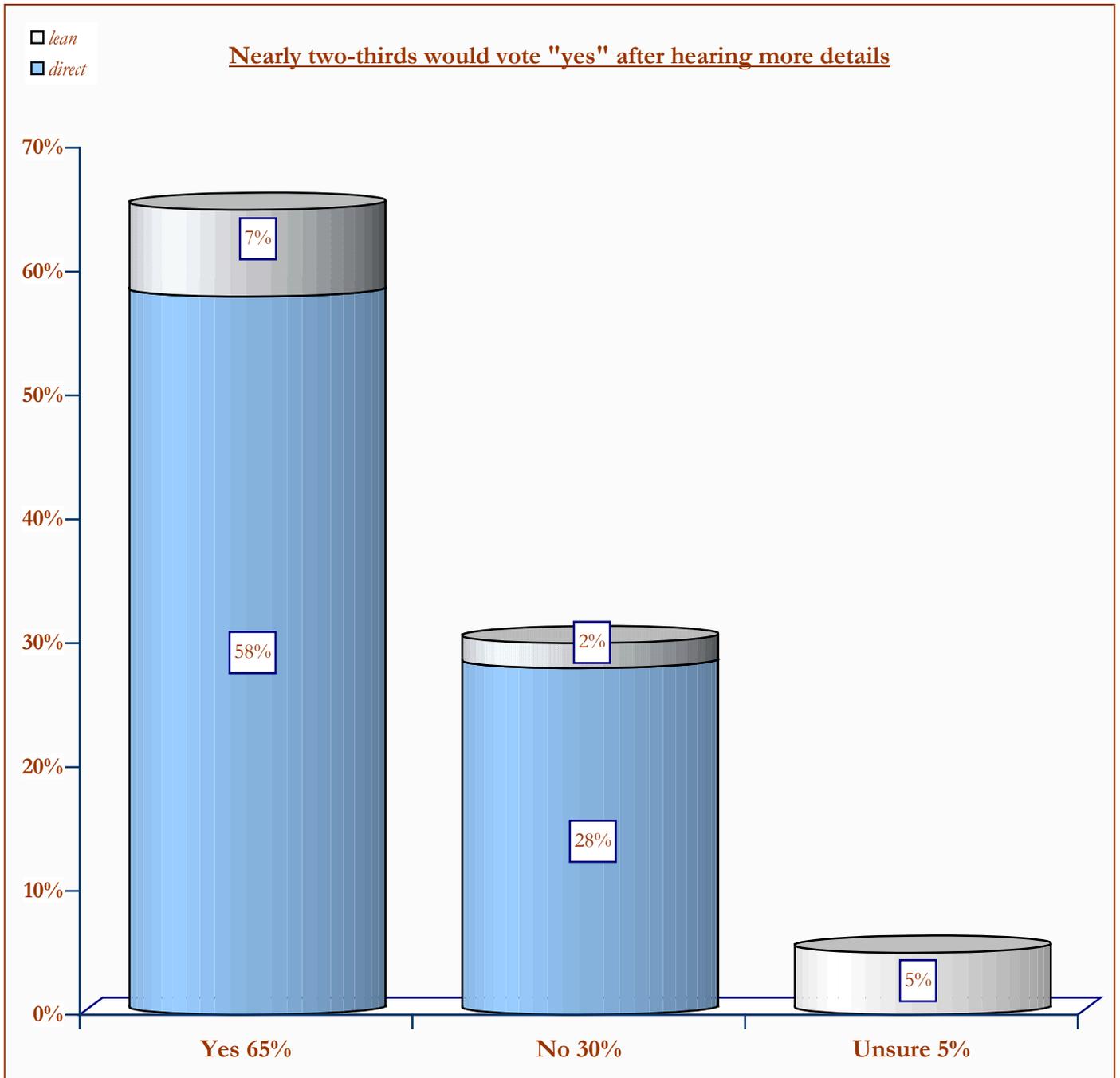
- 56 percent: Half the time/seldom August primary voters
Voted no after hearing more detailed statement
- 55 percent: Voted no on first cold question on income tax
- 54 percent: Less likely if income tax dedicated to infrastructure
- 53 percent: Republicans
- 50 percent: Less likely if income tax dedicated to police and fire
- 47 percent: City taxes too high
No influence if income tax dedicated to infrastructure
- 46 percent: Negative rating for job providing city services
- 45 percent: City off on wrong track
- 42 percent: HS or less education *
- 41 percent: Negative rating managing finances
No influence if income tax dedicated to road repair
Age 18-49
- 39 percent: Gets info from word-of-mouth
- 38 percent: No influence if income tax dedicated to police and fire
- 37 percent: No one in household employed by MSU
- 36 percent: Someone else in household a union member
No one in household a union member
Men without a college education
- 35 percent: Somewhat certain/probable August primary voters
Someone else in household employed by MSU
- 34 percent: Women without a college education
Men age 35-64
- 33 percent: Northern region
All men
Incomes of \$75K-\$100K
College educated men
- 32 percent: Gets info from all other sources
Post HS technical education
Independent voters
Men age 65 and over
- 31 percent: Homeowners
Incomes of \$50K-\$75K
Women age 35-64

First cold vote and second vote after hearing more information

On the first cold “vote today” test of a proposal to establish a city income tax in East Lansing, a 57 percent majority said they would vote “yes,” including 51 percent who would directly vote “yes” (without “leaners”). Thirty-five percent would vote “no,” including 33 percent who would directly vote “no” (without leaners). Eight percent were undecided.



After hearing a more detailed statement about the proposal, support increased to a 65 percent majority who would vote “yes,” including 58 percent who would directly vote “yes” (not including leaners). Thirty percent would vote “no,” including 28 percent who would directly vote “no” (not including leaners). Five percent were undecided.



Demographic breakouts of cold and second informed vote

The following table shows the total “yes” and “no” vote percentages on the first cold vote, and the second informed vote, after hearing more detailed information about establishing the city income tax in East Lansing, broken down by geographical regions and other demographic breakouts. The third column shows the difference between the two “yes” vote percentages:

Establish a City Income Tax	1 ST COLD		2 ND W/ INFO		% DIFF
	<u>YES</u>	<u>NO</u>	<u>FAV</u>	<u>OPP</u>	
City-Wide Results	57%	35%	65%	30%	+8%
Northern region (N of Saginaw)	47%	45%	56%	37%	+9%
Southern region (S of Saginaw)	65%	27%	71%	25%	+6%
Voting in August primaries					
Votes all the time	63%	30%	69%	26%	+6%
Votes most of the time	51%	41%	56%	39%	+5%
Votes half/seldom	44%	49%	59%	34%	+15%
Certainty of voting in August					
Very certain to vote	61%	32%	67%	28%	+6%
Somewhat certain/Probably vote	48%	44%	58%	37%	+10%
Method of voting					
Votes by absentee ballot	64%	29%	71%	23%	+7%
Votes absentee & at polls *	65%	35%	62%	32%	-3%
Votes at the polls	53%	38%	62%	34%	+9%
City headed in right direction					
City headed in right direction	70%	25%	78%	18%	+8%
City off on wrong track	40%	54%	46%	50%	+6%
Undecided about city direction	70%	17%	78%	14%	+8%
Positive job providing services					
Positive job providing services	64%	29%	72%	23%	+8%
Negative job providing services	28%	66%	36%	62%	+8%
City taxes too high					
City taxes too high	38%	57%	47%	49%	+9%
City taxes about right	73%	20%	79%	17%	+6%
City taxes too low *	94%	6%	94%	6%	0%
Undecided about taxes *	36%	29%	50%	21%	+14%
Job managing finances					
Positive rating	76%	14%	83%	13%	+7%
Negative rating	44%	50%	52%	44%	+8%
Undecided	67%	26%	74%	11%	+7%

Establish a City Income Tax	1ST COLD		2ND W/ INFO		% DIFF
	<u>YES</u>	<u>NO</u>	<u>FAV</u>	<u>OPP</u>	
City-Wide Results	57%	35%	65%	30%	+8%
Tax increase vs program cuts					
Increase taxes	79%	15%	84%	11%	+5%
Cut programs	26%	67%	36%	59%	+10%
Undecided *	34%	54%	44%	51%	+10%
Dedicated to police & fire					
More likely	66%	23%	77%	18%	+11%
No influence	49%	49%	54%	43%	+5%
Less likely	40%	53%	40%	50%	0%
Dedicated to infrastructure					
More likely	67%	24%	77%	18%	+10%
No influence	40%	60%	40%	57%	0%
Less likely	29%	60%	34%	60%	+5%
Dedicated to road repair					
More likely	62%	28%	73%	23%	+11%
No influence	44%	53%	47%	48%	+3%
Less likely	59%	33%	61%	31%	+2%
Source of city information:					
Lansing State Journal	61%	33%	67%	27%	+6%
EL Dialogue/print	52%	38%	63%	31%	+11%
TV news	55%	39%	63%	31%	+8%
City website	64%	30%	74%	26%	+10%
Friends/Word of mouth	52%	41%	57%	36%	+5%
All other sources	63%	34%	65%	31%	+2%
Home owner/renters:					
Owns/buying home	58%	35%	64%	31%	+6%
Renters *	44%	39%	67%	28%	+23%
Gender					
Men	55%	41%	60%	38%	+5%
Women	59%	31%	69%	24%	+10%
Union membership					
Respondent a member *	64%	32%	79%	21%	+15%
Someone else a member *	52%	36%	68%	28%	+16%
No one a member	57%	36%	63%	32%	+6%

Establish a City Income Tax	1ST COLD		2ND W/ INFO		% DIFF
	<u>YES</u>	<u>NO</u>	<u>FAV</u>	<u>OPP</u>	
City-Wide Results	57%	35%	65%	30%	+8%
Employed by MSU					
Respondent employed *	82%	18%	82%	18%	0%
Someone else employed *	55%	35%	68%	26%	+13%
No one employed	55%	37%	63%	32%	+8%
Age groups:					
Age 18-49	48%	45%	63%	34%	+15%
Age 50-64	58%	35%	66%	33%	+8%
Age 65 & older	62%	30%	67%	26%	+5%
Educational attainment					
High school or less *	42%	50%	67%	25%	+25%
Post high school/tech *	54%	32%	68%	22%	+14%
College	59%	35%	64%	32%	+5%
Racial background					
White	59%	34%	64%	32%	+5%
Other races	55%	35%	71%	23%	+16%
Party affiliation					
Democrats	70%	22%	80%	16%	+10%
Independents	44%	50%	47%	50%	+3%
Republicans	40%	53%	45%	48%	+5%
Income					
Income under \$50K	46%	48%	57%	38%	+11%
Income of \$50K-\$75K	62%	33%	73%	20%	+11%
Incomes of \$75K-\$100K	64%	31%	69%	28%	+5%
Incomes over \$100K	60%	36%	63%	33%	+3%
Gender and education:					
College educated men	56%	40%	59%	39%	+3%
Men without college *	57%	33%	71%	21%	+14%
College educated women	62%	30%	70%	24%	+8%
Women without college	49%	34%	66%	23%	+17%
Gender and age:					
Men under age 65	50%	48%	54%	46%	+4%
Men age 65 and over	62%	32%	68%	28%	+6%
Women under age 65	58%	31%	72%	23%	+14%
Women age 65 and over	61%	29%	66%	24%	+5%

Between the first cold question on establishing a city income tax and the second vote after hearing a more details, 55 percent of survey respondents were solid “yes” voters, 28 percent were solid “no” voters, and three percent were solid undecided. Nine percent moved toward voting “yes,” two percent moved toward voting “no” and two percent moved toward undecided.

Demographic groups indicating by the highest to lowest percentage that they would move toward voting “yes” after hearing more detailed information, above the city-wide results of 9 percent, included: **[Small sample size = *]**

- 50 percent: Undecided on first cold question on an income tax *
- 22 percent: Renters *
- 19 percent: Other races
- 17 percent: Votes in August primaries half the time/seldom
Women without a college education
- 16 percent: Someone else a union member *
Incomes under \$50K
Women under age 65
- 14 percent: Union members *
Age 18-49
Post HS technical education *
- 13 percent: Make cuts in programs and services
More likely if funds dedicated to road repairs
Gets info from TV news
Women
Someone else in home employed by MSU
Incomes of \$50K-\$75K
- 12 percent: Negative job rating for providing basic city services
Taxes too high
Undecided about raising taxes or making cuts
Gets info from East Lansing Dialogue (print)
College educated women
- 11 percent: Northern region
Somewhat certain to vote/will probably vote in August primary
Undecided about direction of the city
Undecided about job managing finances
More likely if funds dedicated to police and fire
More likely if funds dedicated to infrastructure
Republicans
- 10 percent: Voted by going to the polls
City headed in right direction
Vote yes if income tax dedicated to most supported purposes
No one employed by MSU
Democrats

Arguments in favor of an income tax more compelling than those against it

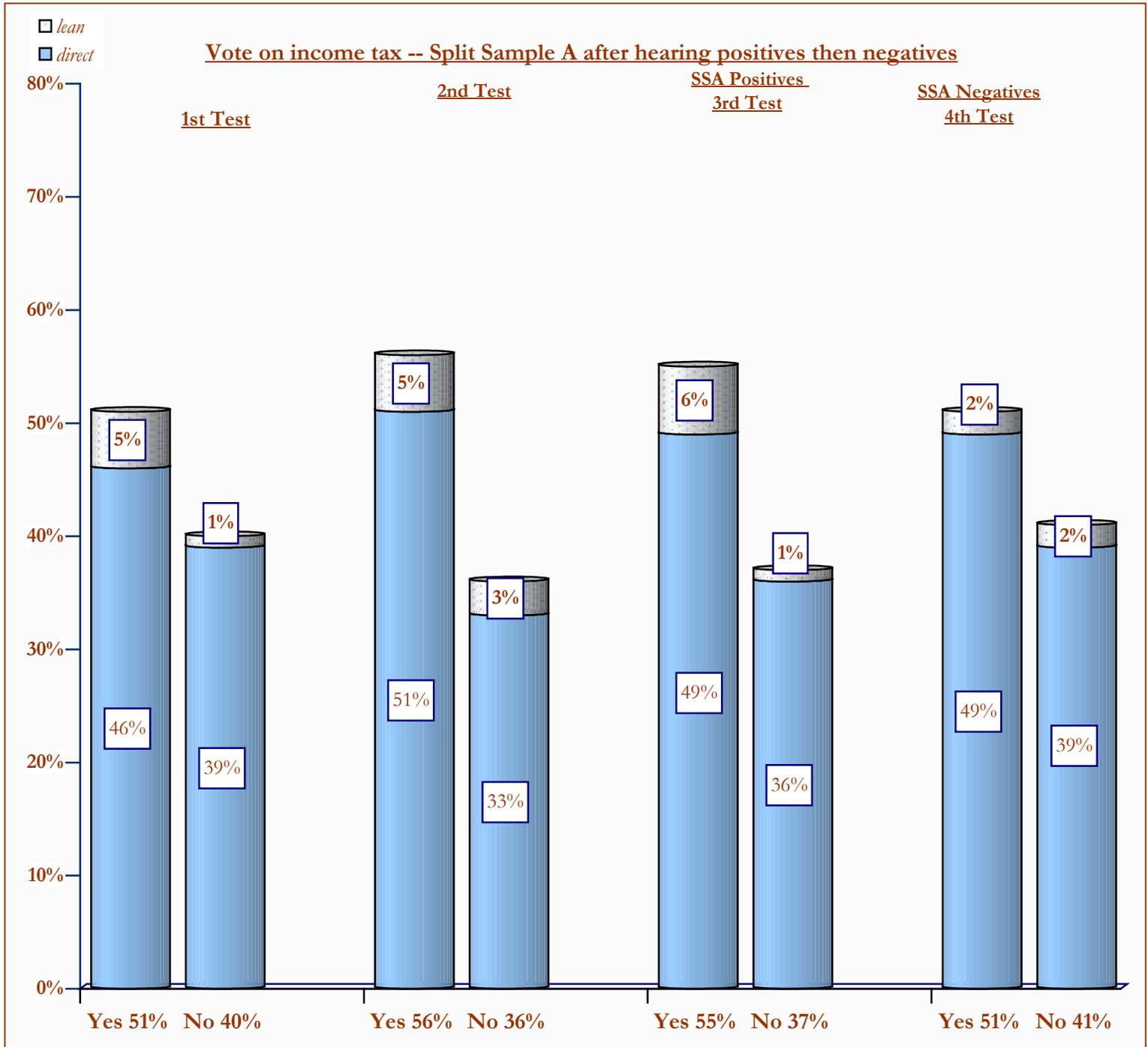
Five arguments in favor of the proposal to establish an income tax were convincing to a low of 65 percent to a high of 75 percent, while arguments against establishing an income tax were convincing to a low of 34 percent to a high of 51 percent of all respondents.

Most to least convincing arguments in favor of an income tax	<u>Very Cnvc</u>	<u>Total Cnvc</u>	<u>Not Cnvc</u>	<u>DK/ REF</u>
Assisting Michigan State University with extra fire and police protection, along with other city services, is a significant cost to the City of East Lansing. Having increased revenue from university employees will better enable the City to cover those costs without reducing funding for other basic city services for all residents.	42%	75	23%	2%
SSA:	37%	70%	27%	3%
SSB:	47%	79%	19%	2%
Property taxes are already very high in East Lansing, but the City also has a legal obligation to pay the benefit costs of retired city employees, as well as an obligation to maintain roads, sidewalks and other city services. An income tax is the fairest way to spread the cost of paying for these needs, rather than placing the entire burden on homeowners.	40%	75%	23%	2%
SSA:	27%	73%	25%	2%
SSB:	43%	77%	21%	2%
Over the past 15 years, the City has done all it could to absorb massive cuts in state revenue sharing by cutting 25 percent of its full-time work force - about 120 employees - and cut programs. If there is NOT a sufficient increase in revenue, East Lansing will be forced to close the Hannah Center, several parks, reduce police and fire protection and reduce or eliminate other services.	49%	73%	25%	2%
SSA:	47%	67%	30%	3%
SSB:	51%	79%	20%	1%
Between the property tax cut that was already approved, and the proposal to establish a city income tax, all taxes in East Lansing will be based on people's ability to pay. Those earning less than \$5,000, and senior citizens who live on retirement income, will not have to pay any income taxes, and if retirees own a home, they will benefit from a significant property tax cut.	43%	71%	26%	3%
SSA:	43%	68%	29%	3%
SSB:	43%	74%	23%	3%
The new revenue from an income tax could all be dedicated to making additional payments to the City's underfunded pension. If that were the case, this would substantially resolve the city's pension problem over the next decade and a half. As compared to making only the required payments, after five years this would begin to lower the city's pension payment and free revenue for other purposes.	22%	64%	31%	5%
SSA:	21%	61%	33%	6%
SSB:	24%	67%	29%	4%

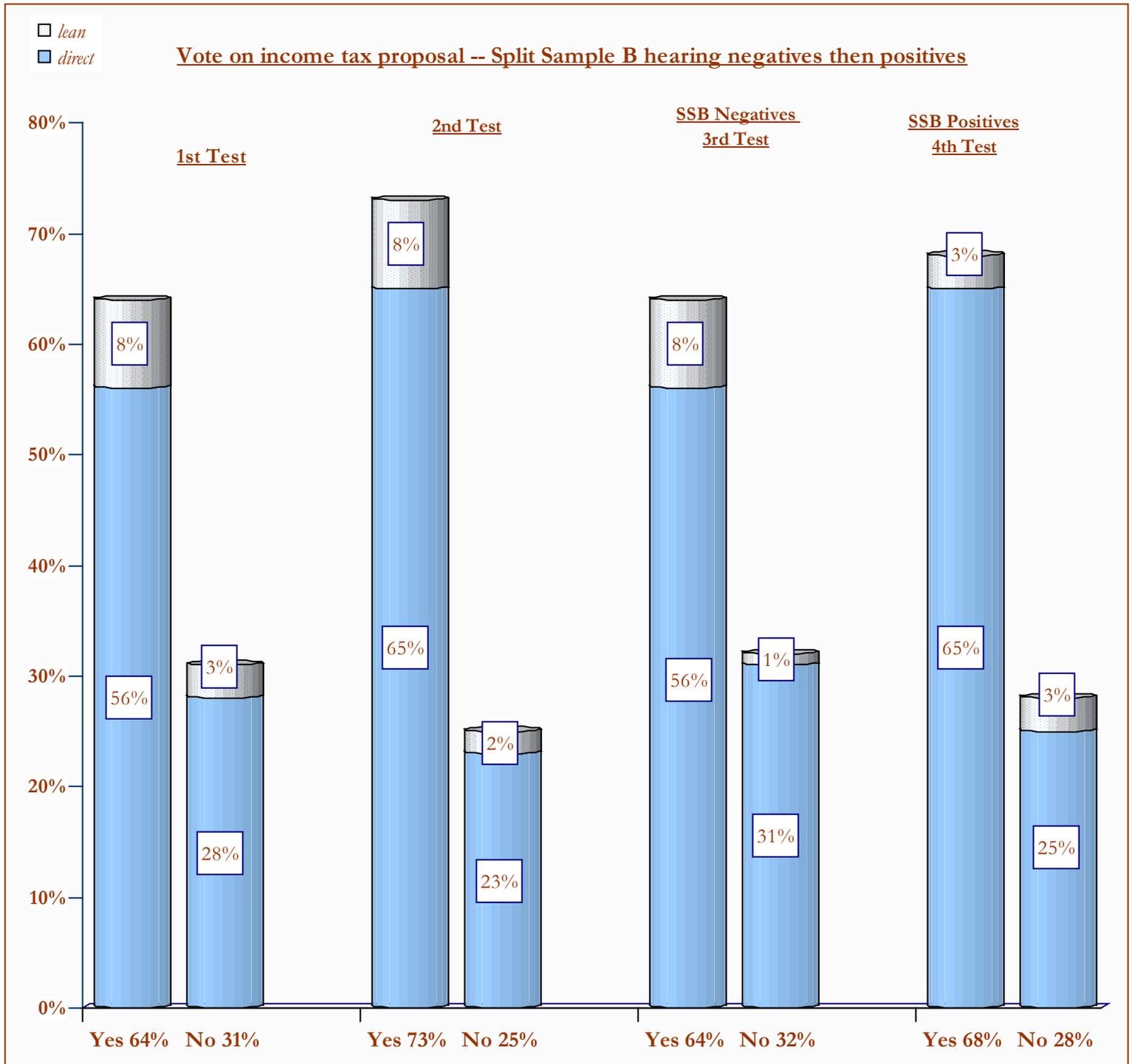
Most to least convincing arguments against an income tax	Very Cnvc	Total Cnvc	Not Cnvc	DK/ REF
East Lansing residents were already asked to vote on this proposal just a few months ago, and it was soundly defeated. No means no! The city will just have to find another way to balance its budget, just as the rest of us do.	27%	51%	45%	4%
SSA:	29%	55%	41%	4%
SSB:	27%	48%	49%	3%
Higher taxes resulting from the adoption of a city income tax will force businesses to leave East Lansing, along with the jobs they provide, and also discourage businesses from locating here.	20%	49%	48%	3%
SSA:	24%	57%	42%	1%
SSB:	15%	41%	54%	5%
The city has already amended its retirement and health benefit policies for many current city employees to reduce costs. The same hard decisions must be made for benefits of current retirees before we consider raising taxes.	14%	46%	44%	10%
SSA:	16%	49%	39%	12%
SSB:	12%	43%	48%	9%
When a city income tax proposal was on the ballot in November of last year, the Chamber of Commerce and Michigan State University opposed the proposal, and are likely to oppose it again.	17%	34%	59%	7%
SSA:	21%	35%	57%	8%
SSB:	14%	33%	61%	6%

Increased support with positive arguments vs. slippage of support after negative arguments

The chart below shows the response to the initial question among Split Sample A respondents, with the second test after the same SSA respondents heard more detailed information, a third test among SSA respondents after hearing positive arguments in favor of the income tax proposal, and a fourth test among SSA respondents after hearing negative arguments against the income tax proposal second.



The chart below again shows the same breakdown as the previous chart, except just among Split Sample B respondents. It shows the response to the initial question, the second test after SSB respondents heard more detailed information, the third test among after hearing negative arguments against the income tax proposal first, and the fourth test after hearing positive arguments in favor of the proposal second.



Obviously, there was a significant difference between the results of Split Sample A respondents and Split Sample B respondents. The error rate, at 8 percent, could make the initial vote for both split samples equal if Split Sample A was 8 percent higher and Split Sample B was 8 percent lower. In most cases, split sample results are closer.

Split Sample A started out at 51 percent support and increased to 56 percent after hearing more details about the proposal (up 5 points), remained the same at 55 percent after hearing arguments for the proposal, and then dropped by four points to 51 percent after hearing arguments against the proposal, the original starting point.

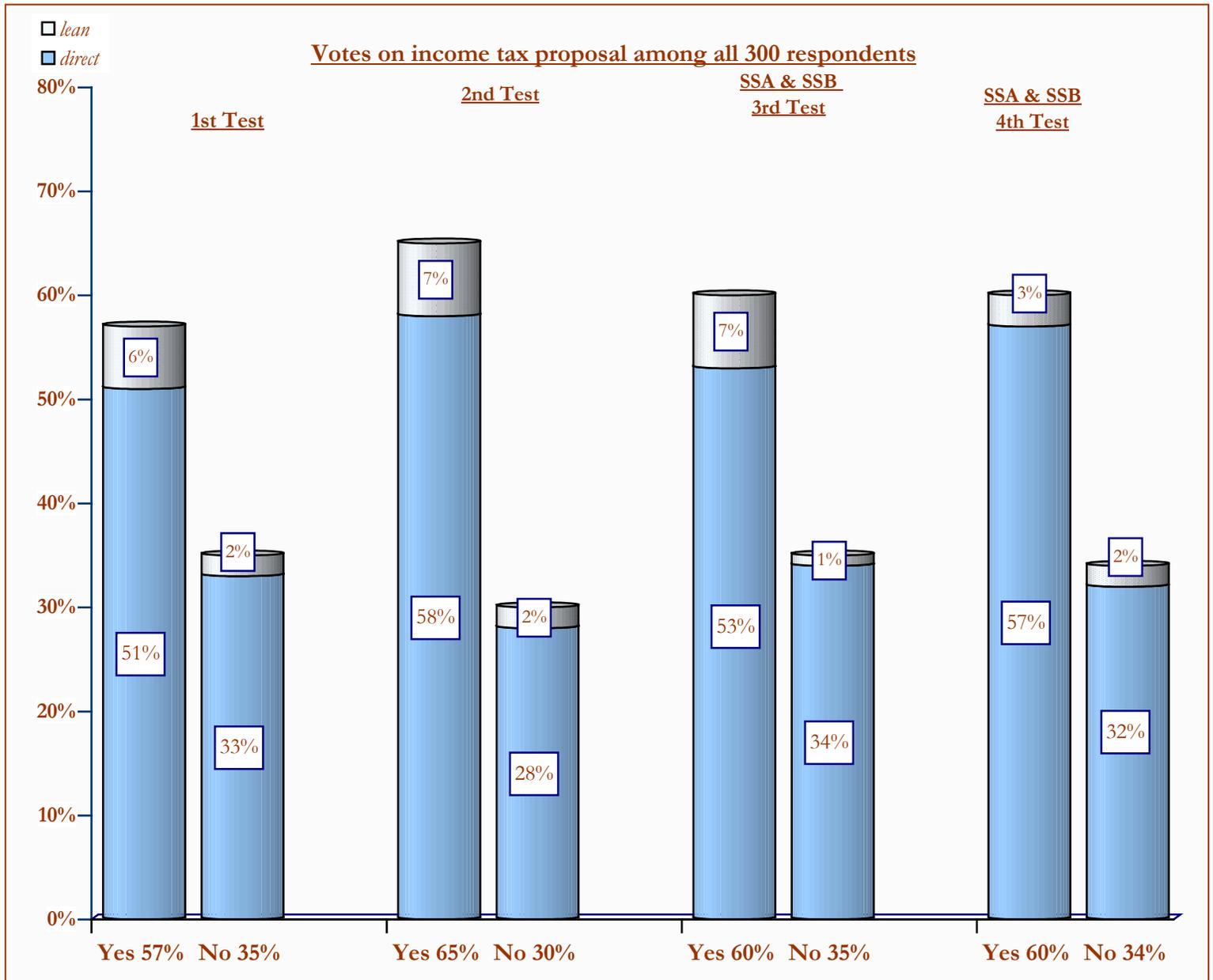
Split Sample B started out at 64 percent and after hearing more details, increased by 9 points to 73 percent after hearing more details about the proposal, then dropped to the level of the original results after hearing arguments against the proposal, and finally, increase by 4 points to 68 percent after hearing arguments in favor of the proposal second.

Although arguments against the income tax proposal are much less convincing than arguments for the proposal, nonetheless, they do cause a drop in support, and arguments for the proposal, do not improve the results significantly beyond the level of support when all respondents heard more detailed information about the proposal to establish a city income tax. That means it will be important to communicate those facts contained in the more detailed statement about the proposal, and because respondents said arguments in favor of the proposal were much more convincing than arguments against the proposal.

Moreover, when all respondents heard the argument that the Chamber of Commerce and Michigan State University opposed the proposal and are likely to do so again, 59 percent said this argument was NOT convincing. Also, it is important to note again that although the sample size is small, 82 percent of MSU employees voted “yes” on both the initial cold question and the follow-up question after hearing more details, and households where someone else was an MSU employee supported the proposal by 55 percent on the initial question, and 68 percent after hearing more details. Clearly, MSU leadership did not reflect the sentiment of MSU employees when first opposing the proposal. Also of note, when respondents heard the argument against the proposal that stated an income tax will force businesses to leave East Lansing, along with the jobs they provide, and also discourage business from locating here, just as many respondents said that argument was not convincing (48 percent), as the percentage that said it was convincing (49 percent).

Final vote after hearing arguments both for and against proposal

After hearing arguments both for and against the bond proposal, the chart below shows the same four votes on the proposal to establish a city income tax as were shown for each split sample. These “overall” results are more important to consider than the results among each split sample. More detailed information about the proposal increases support by 8 points (57 to 65 percent), but combined arguments both for and against the proposal - regardless of which arguments are heard first - result in an approximate 5 point drop to 60 percent.



Dedicated purposes increases support for a tax increase

All respondents were told that many city residents have said they would be more likely to support a tax increase if the extra revenue was dedicated for specific purposes. Respondents were then read a description of several purposes that a tax increase could be dedicated to fund. The purposes below are ranked from the highest to lowest percentages for purposes they said would make them more likely to support a tax increase.

	<u>Much More</u>	<u>TOT More</u>	<u>DK/No Influen</u>	<u>TOT Less</u>	<u>Much Less</u>
Infrastructure improvements, including; city facilities, maintaining and improving streets and sidewalks, and water and sewer systems.	37%	68%	20%	12%	5%
Funding exclusively for road and street repair.	26%	58%	24%	18%	8%
Police and fire protection.	23%	55%	32%	13%	6%
Unfunded liabilities for retired city employees.	20%	47%	29%	24%	9%
Parks and recreation facilities and programs.	17%	47%	28%	25%	11%

Dedicating funding from a tax proposal to infrastructure in general, including city facilities, maintaining and improving streets and sidewalks, and water and sewer systems, would make voters 68 percent more likely to support a tax proposal (37 percent “much more likely”).

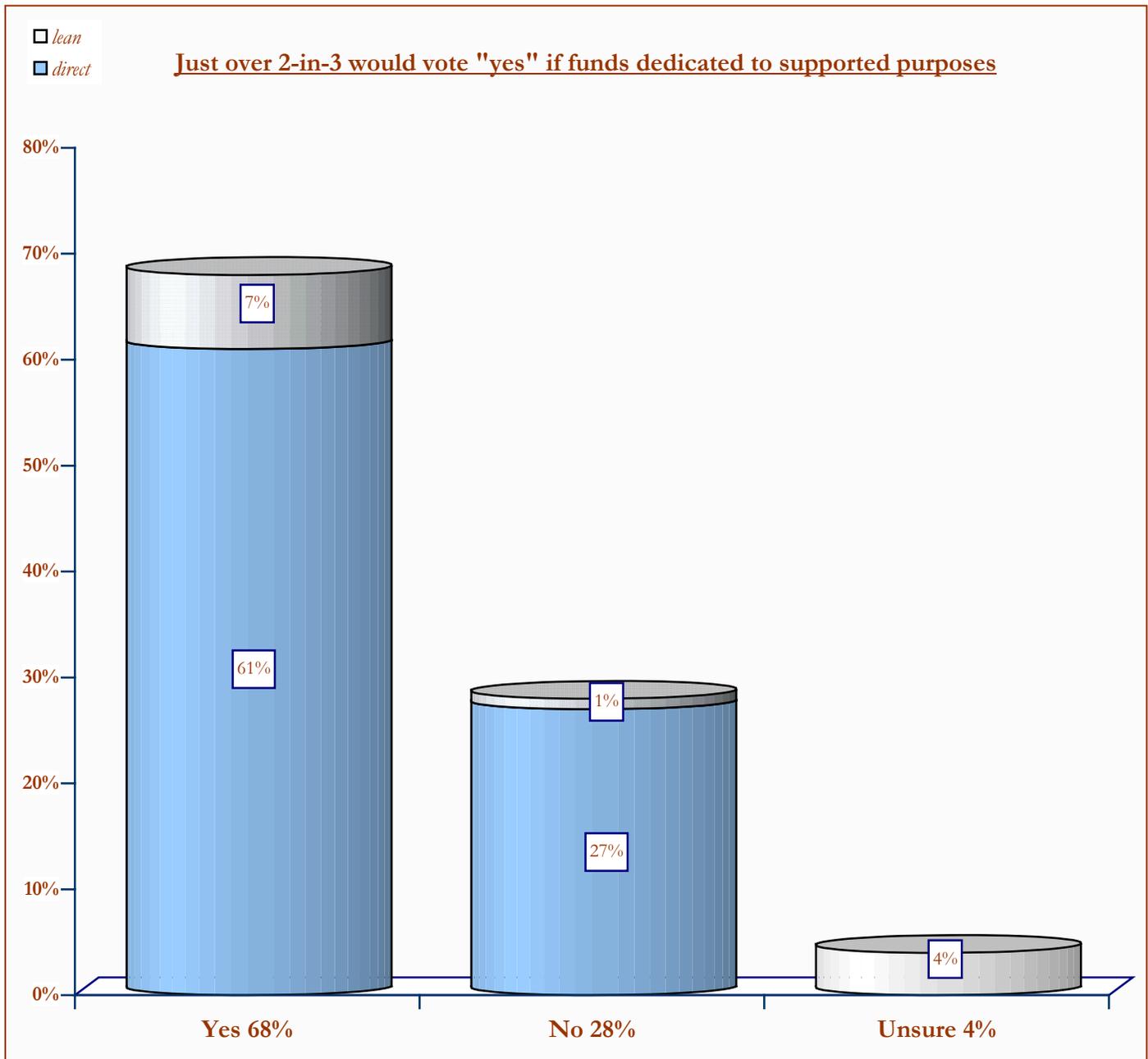
Dedicating funding exclusively to road and street repair would make voters 58 percent more likely to support a proposal to tax proposal (26 percent “much more likely”).

A 55 percent majority said they would be more likely to support a tax proposal if the funding were dedicated to police and fire protection (23 percent “much more likely”). Only a 47 percent plurality would be more likely to support a tax proposal if it was dedicated to unfunded liabilities for retired city employees, with the same 47 percent more likely to support a tax proposal if it was dedicated to parks and recreation facilities and programs.

These last two purposes have a lower percentage saying they would be more likely to support a tax proposal than the level of respondents voting for an income tax proposal on the initial asking, which means openly dedicating funding to these purposes are unlikely to increase support for a tax proposal.

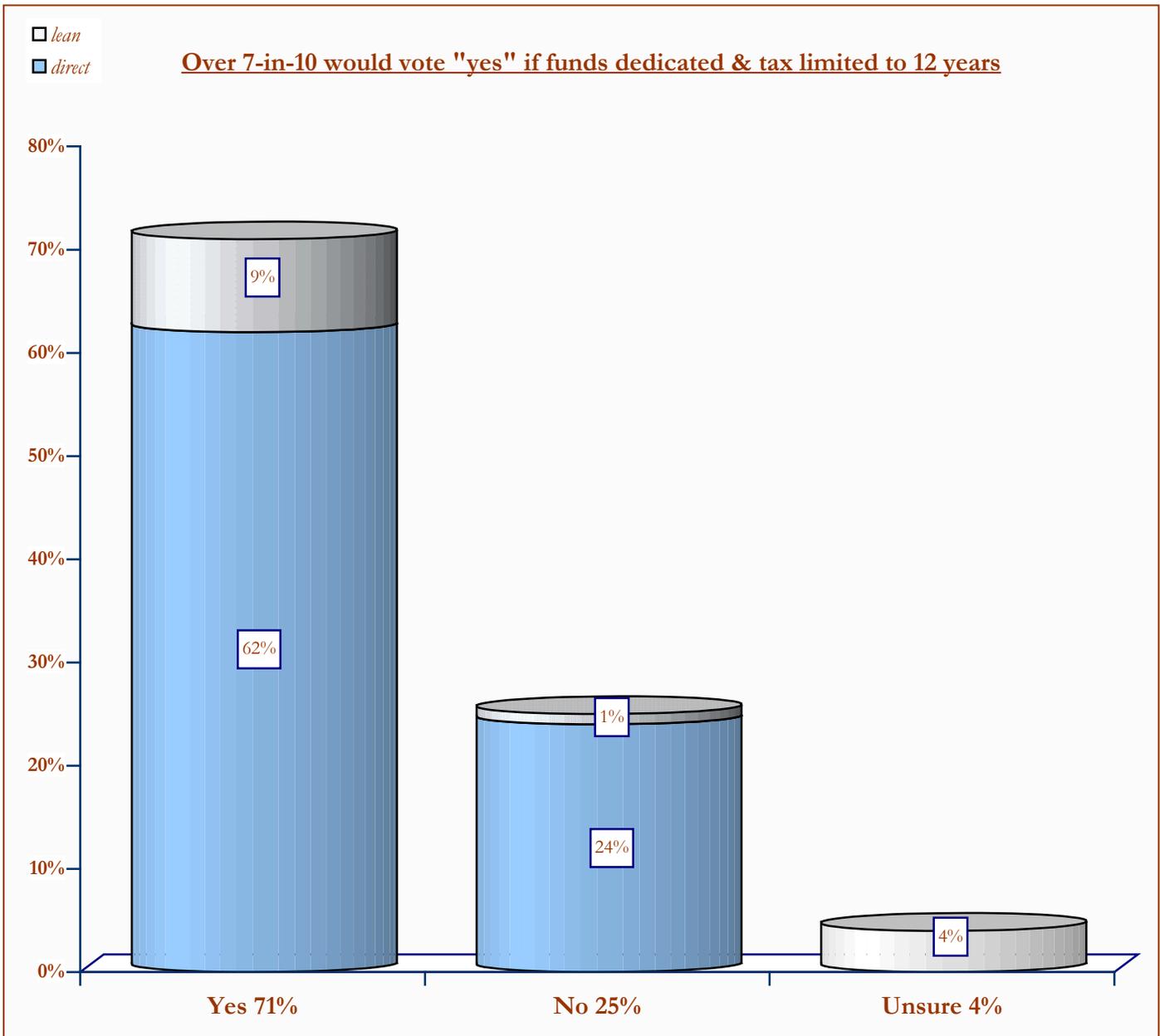
Vote on establishing an income tax with funding dedicated most supported

If the funding was dedicated to the one or two purposes that respondents most supported, a 68 percent majority said they would vote “yes,” including 61 percent who would directly vote “yes” (without “leaners”). Twenty-eight percent would vote “no,” including 27 percent who would directly vote “no” (without leaners). Only four percent were undecided.



Over 7-in-10 vote “yes” if income tax dedicated and limited to 12 years, unless reauthorized

If the funding from an income tax was dedicated to the one or two purposes respondents most supported, and also limited to 12 years, a 71 percent majority would vote “yes,” including 62 percent who would directly vote “yes” (without “leaners”). Twenty-five percent would vote “no,” including 24 percent who would directly vote “no” (without leaners). Only four percent were undecided.



The least frequent half the time to seldom August primary voters move toward voting “yes” by a majority after hearing more detailed information, but then oppose an income tax after hearing arguments. Dedicating the income tax funding to the most supported purposes moves these least frequent voters to voting “yes” by a 49 to 44 percent plurality, and then limiting the tax to 12 years moves these voters to a 54 to 37 percent majority voting “yes.”

Voters who were somewhat certain or will probably vote in the August primary election voted “yes” on the first cold vote by a 48 to 44 percent plurality, then moved to a 58 to 37 percent majority after hearing more details about the proposal. After hearing arguments for and against the proposal, there was a 47 percent tie, and on the final after arguments a 48 to 42 percent plurality voted “yes.” Dedicating the funding to the most supported purposes moves support to a 61 to 37 percent majority voting “yes,” and by limiting the tax to 12 years, support rose to 65 to 33 percent majority.

Voters who said the City of East Lansing is off on the wrong track opposed the income tax proposal through the first four tests including arguments for and against the proposal, but when the funding from the tax would be dedicated to the most supported purposes, support increased to a 51 to 46 percent majority, and by limiting the income tax to 12 years, support increased to a 52 to 43 percent majority.

Voters who gave the city a negative rating on the job done providing basic city services opposed an income tax proposal on all ballot tests, but when the funding is dedicated and the tax is limited to 12 years, these voters opposed the proposal, but only by a 50 to 46 percent bare majority.

Voters who said that city taxes are too high for what they get back in services opposed the income tax proposal through the first four ballot tests, but when the funding would be dedicated to most supported purposes, a 51 to 46 percent narrow majority said they would vote “yes,” and then when the income tax was limited to 12 years unless reauthorized, a 53 to 41 percent majority said they would vote “yes.”

Voters who gave the City a negative rating on managing finances opposed the income tax proposal on the first test, but said they would vote “yes” by a narrow 52 to 44 percent majority after hearing more details about the proposal. They then narrowly opposed the proposal by pluralities after hearing arguments for and against the proposal, but then moved to a 57 to 38

percent majority voting “yes” when funding was dedicated, and when the tax proposal was limited to 12 years, support rose to a 59 to 35 percent majority.

Republicans voted “no” on the first four ballot tests, but when funding was dedicated to the purposes they most supported, which was infrastructure (63 percent), roads (59 percent) and police and fire (53 percent), support increased to a 55 to 41 percent majority, and when the income tax was limited to 12 years, Republicans remained at a 55 to 40 percent majority voting “yes.”

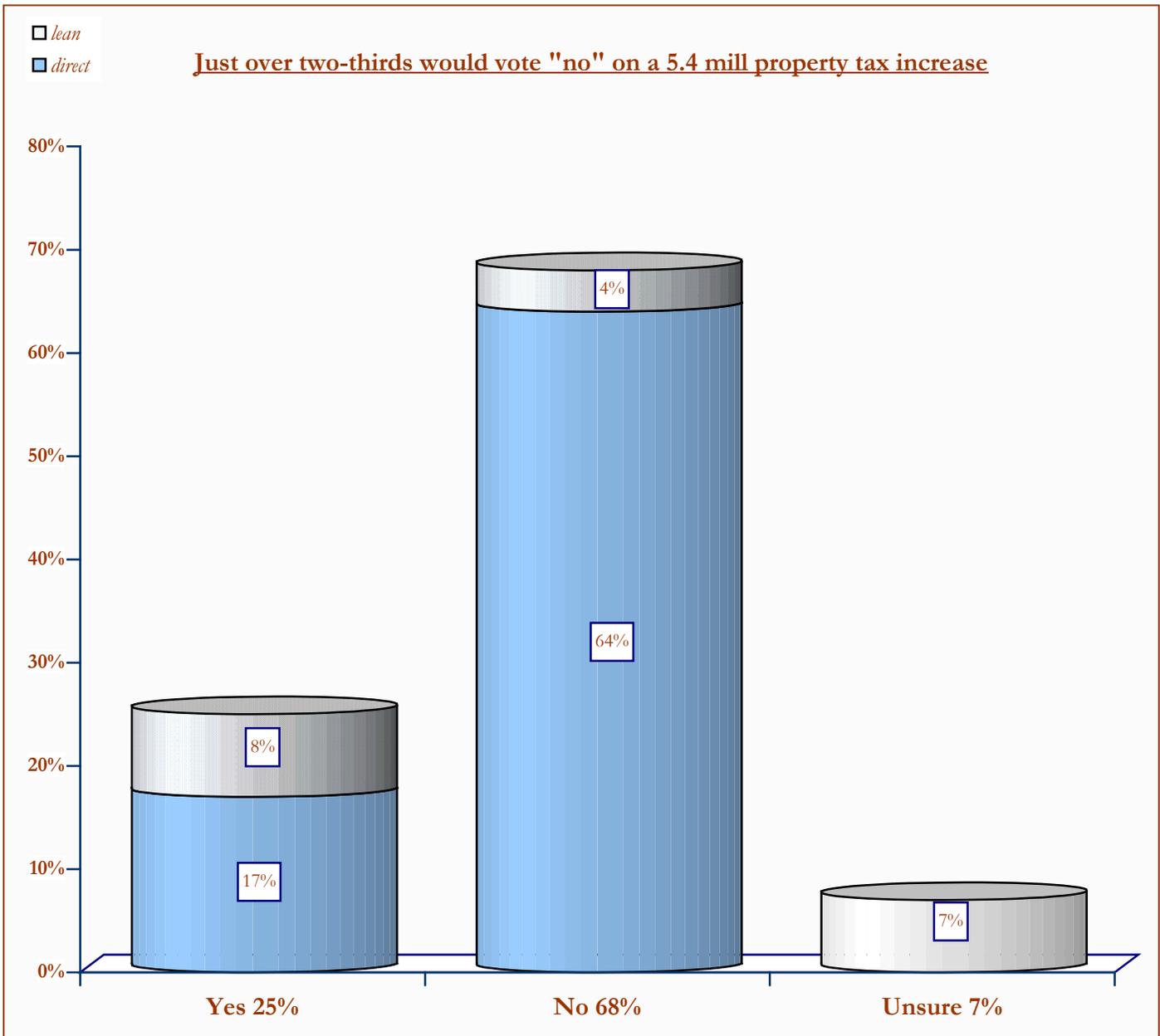
Finally, Independent voters opposed the income tax proposal on the first four ballot tests, but when the funds were dedicated to the purposes most supported (infrastructure and roads at 47 percent each), support increased to a bare 50 to 41 percent majority, and when the income tax was limited to 12 years, Independent voters said they would vote “yes” by a 53 to 35 percent majority.

Clearly, dedicating the funding and limiting the income tax to 12 years, unless it is reauthorized, causes several key voter groups to move toward support. The proposal can probably be won without dedicating the funding to the most supported purposes, or by limiting the tax to 12 years, but by adding those provisions, support grows significantly in the community.

It should be noted that, although respondents said the arguments in support of the proposal were much more convincing than those against it, the less convincing arguments against the proposal did cause a significant drop in support. This suggests that, if the City and supporters of the proposal are not able to communicate early and effectively, it is possible for the proposal to fail to earn voter approval.

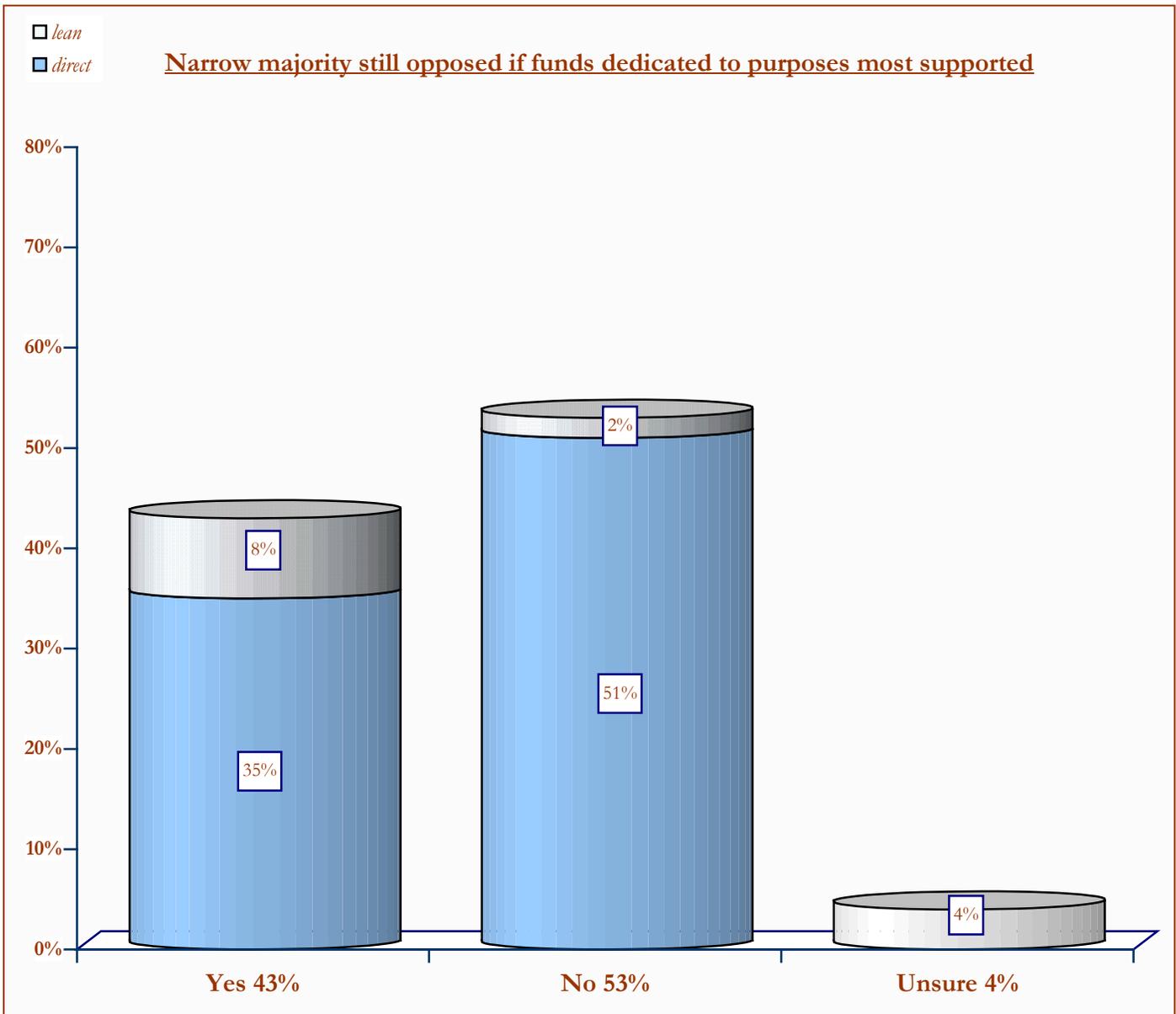
Just over two-thirds oppose 5.4 mill property tax increase instead of income tax proposal

When asked how they would vote on a proposal to increase property taxes by 5.4 mills instead of establishing a city income tax, a 68 percent majority would vote “no,” including 64 percent who would directly vote “no” (without “leaners”). Twenty-five percent would vote “yes,” including 17 percent who would directly vote “yes” (without leaners). Six percent were undecided.



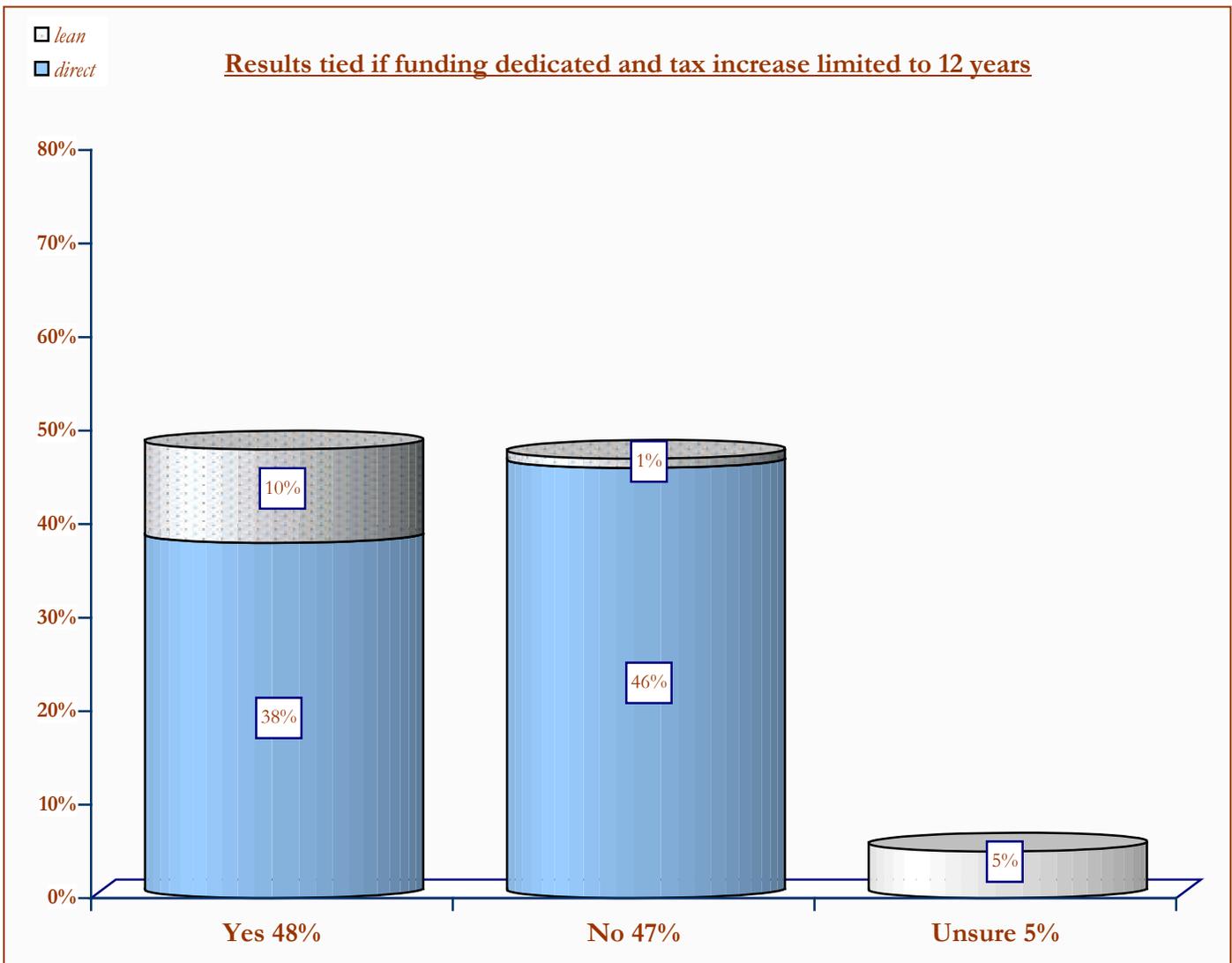
Less opposition to property tax increase if funds dedicated to purposes most supported

When asked how they would vote on a proposal to increase property taxes by 5.4 mills instead of establishing a city income tax, if the funding raised were dedicated to the one or two purposes most supported, a 53 percent majority said they would vote “no,” including 51 percent who would directly vote “no” (without “leaners”). Forty-three percent would vote “yes,” including 35 percent who would directly vote “yes” (without leaners). Four percent were undecided. It is important to note that there is a 16 point difference between the direct “no” vote (51 percent) and the direct “yes” vote (35 percent).



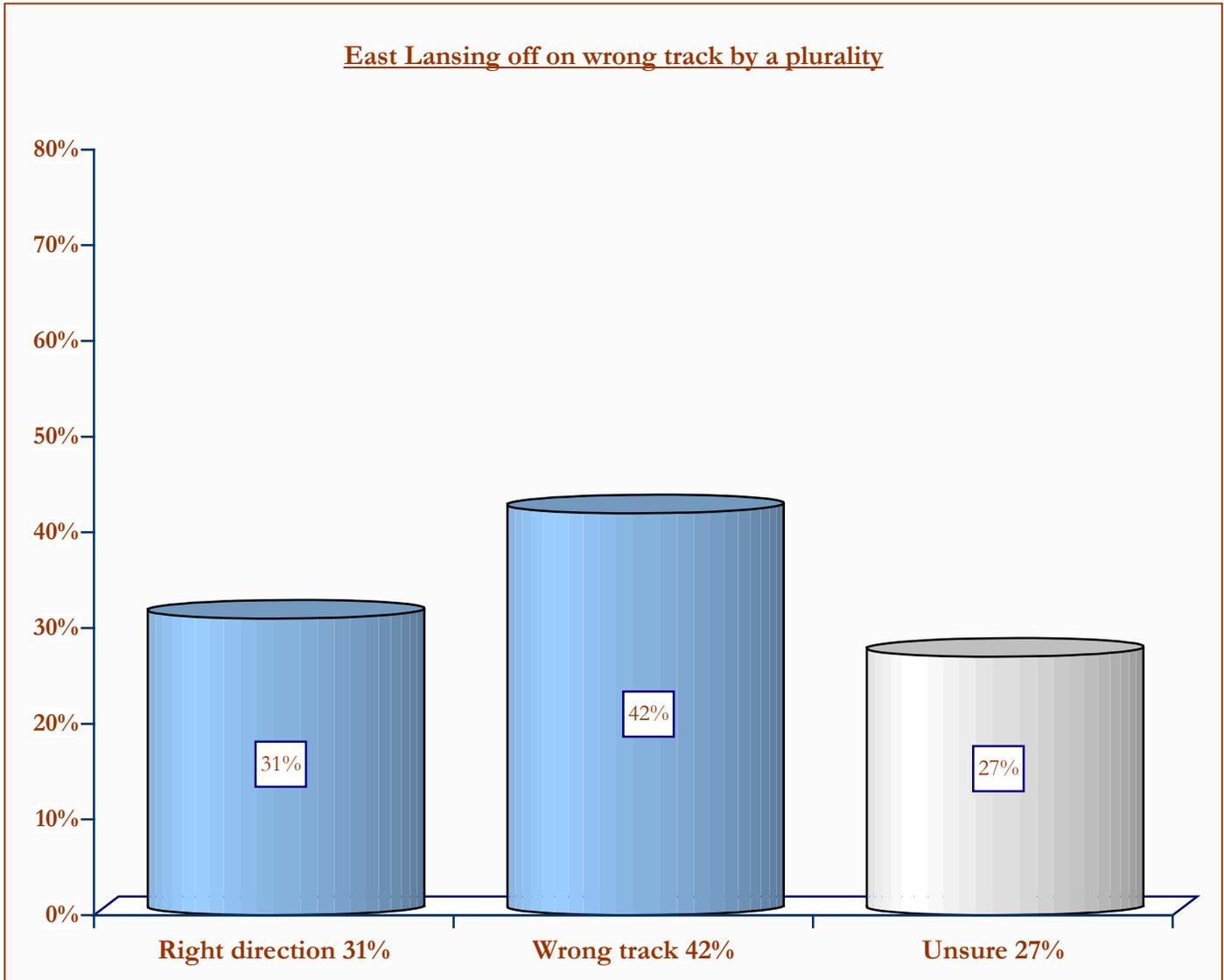
Property tax increase proposal tied overall if funds dedicated & increase limited to 12 years

When asked how they would vote on a proposal to increase property taxes by 5.4 mills instead of establishing a city income tax, if the funds were dedicated to the purposes most supported, and the tax increase was limited to 12 years unless reauthorized by voters, a 48 percent one point plurality said they would vote “yes,” including 38 percent who would directly vote “yes” (without “leaners”). Forty-seven percent would vote “no,” including 46 percent who would directly vote “no” (without leaners). Five percent were undecided. Again, it is worth noting that although the overall vote is essentially tied, there is an eight point difference between the direct “no” vote (46 percent) and the direct “yes” vote (38 percent). The prospect of earning voter approval of a 5.4 mill property tax is unlikely, even with the dedication of funding and a 12 year limit.



More say East Lansing off on the wrong track than headed in right direction

When asked if the City of East Lansing is headed in the right direction, or is seriously off on the wrong track, a 42 percent plurality said East Lansing is off on the “wrong track”, 31 percent said it is headed in the “right direction”, with 27 percent undecided.



While Democrats narrowly say the City is headed in the “right direction” (38 to 32 percent), Republicans say it is off on the “wrong track” (55 to 23 percent), with Independents the most negative in saying “wrong track” (65 to 15 percent).

Respondents who vote by absentee ballot were split on the question (35 to 34 percent), while respondents who go to the polls to vote said “wrong track” by 44 to 30 percent.

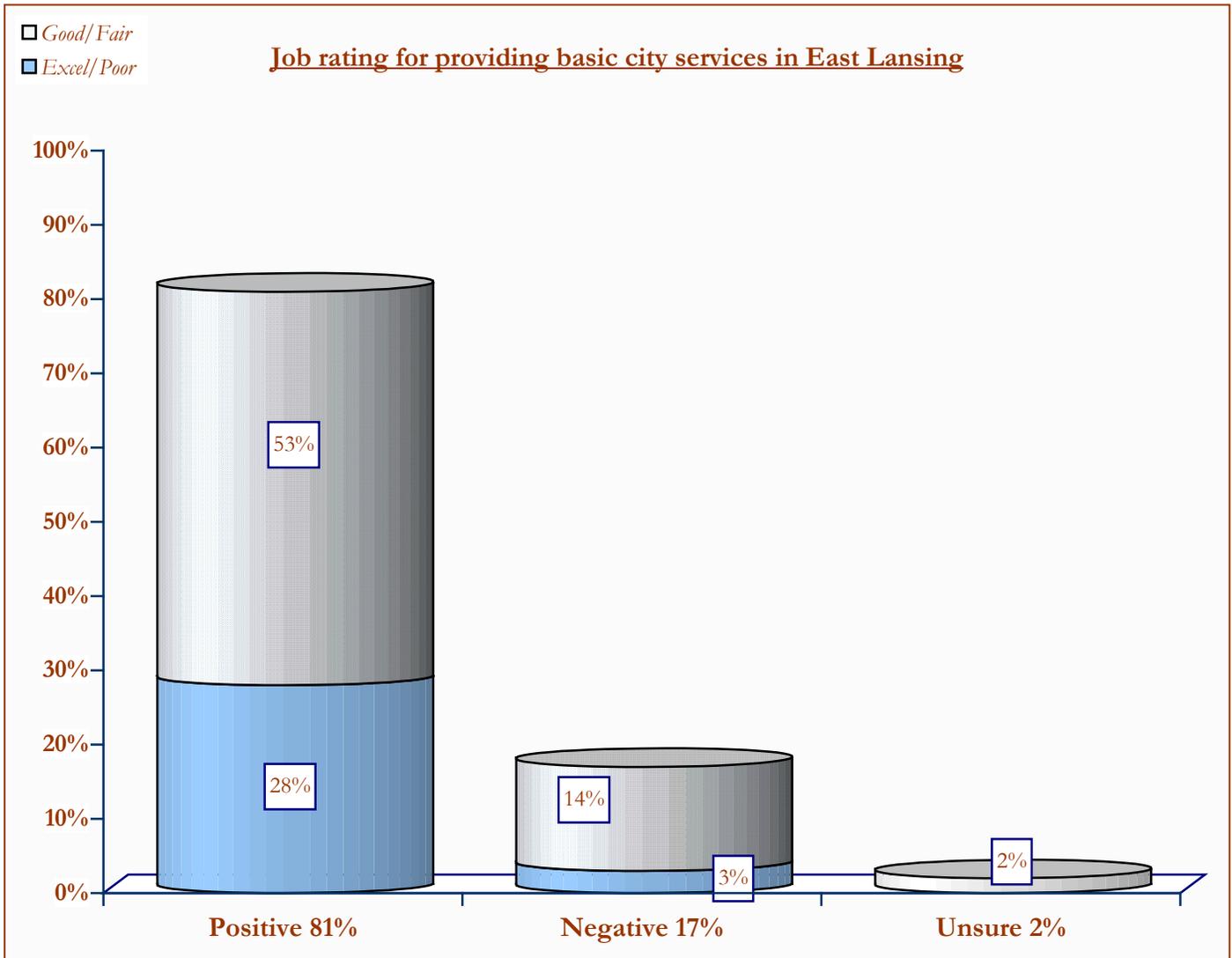
Respondents who offered a positive job rating for the City providing services were split on the direction of the City (34 to 35 percent), while respondents offering a negative rating said “wrong track” (74 to 14 percent).

Voters who said taxes are too high said “wrong track” (62 to 17 percent), while voters saying taxes are about right said “right direction” (43 to 30 percent). Similarly, respondents offering a positive rating for the City managing finances said “right direction” (57 to 16 percent), while those offering a negative rating said “wrong track” (61 to 15 percent).

Respondents who said to maintain programs, even if that means raising taxes, said “right direction” (45 to 28 percent), while respondents saying keep taxes low, even if that means cutting programs said “wrong track” (66 to 12 percent).

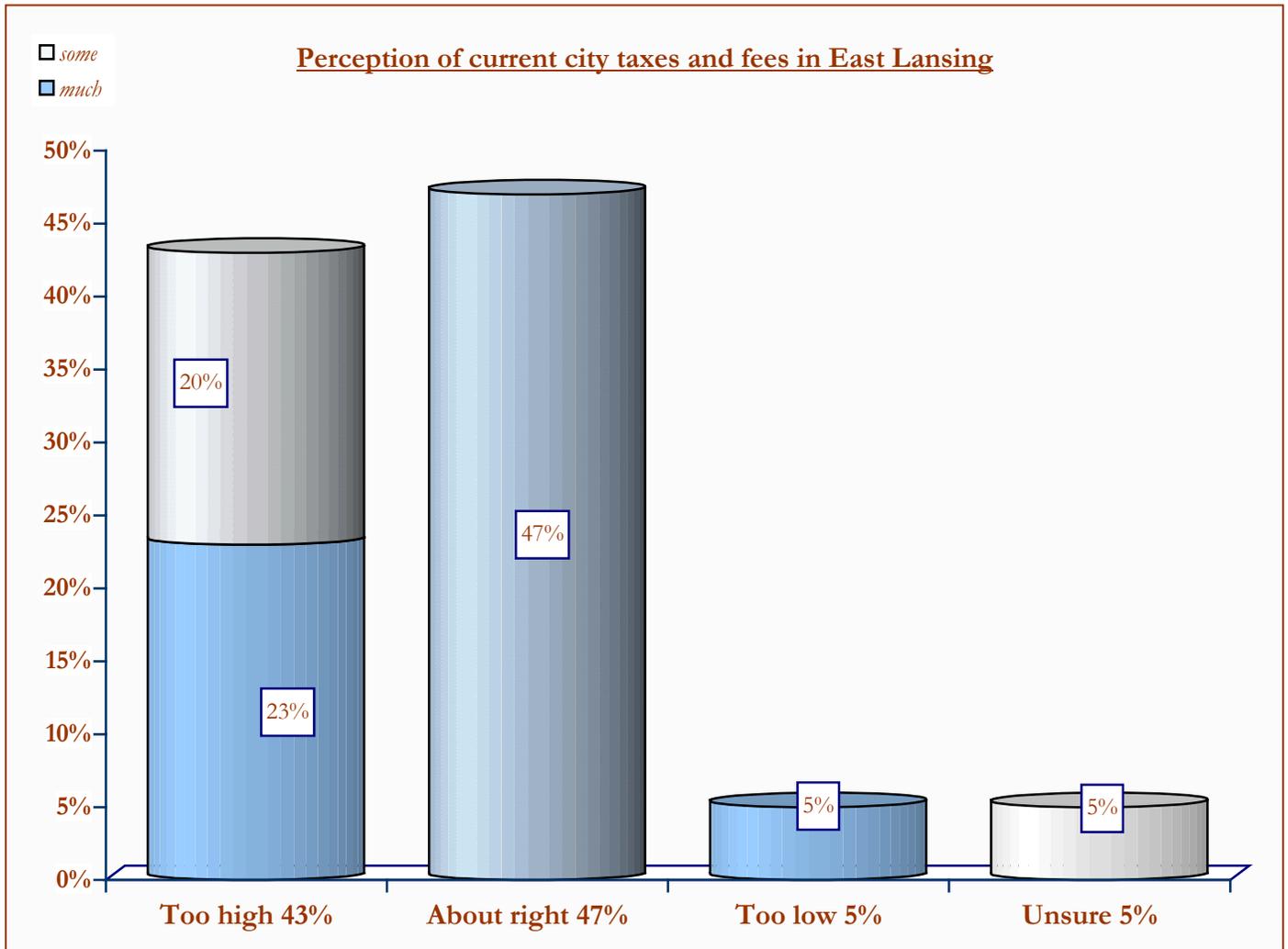
More than 8-in-10 offer positive job rating for providing basic city services in East Lansing

When asked to rate the job the City of East Lansing has done providing basic city services to its residents, an 81 percent overwhelming majority offered a positive rating, including 28 percent offering an “excellent” rating and 53 percent offering a “pretty good” rating. Only 17 percent offered a negative rating, with two percent undecided. When a positive response rating is this high, demographic analysis is of limited value.



More than 4-in-10 said city taxes and fees are too high

When asked if the local taxes and fees paid to provide city services is “too high,” “too low” or “about right” for what respondents get back in services, 43 percent said taxes are “too high” (23 percent said “much too high”) in the City of East Lansing, with 47 percent saying they are “about right”, five percent said “too low”, and five percent were undecided.



Experience on this question shows the ideal level of concern about city taxes and fees that are “too high” is in the high teens to low 20’s as a percentage. When the “too high” percentage is at that level, voters are generally very receptive to a tax related ballot proposal, if they are supportive of the purpose for a tax increase. When the “too high” percentage exceeds 30 percent, it becomes more difficult to garner support for a tax related proposal, and when the level

exceeds 40 percent, voter approval becomes extremely difficult - often impossible - to usually achieve.

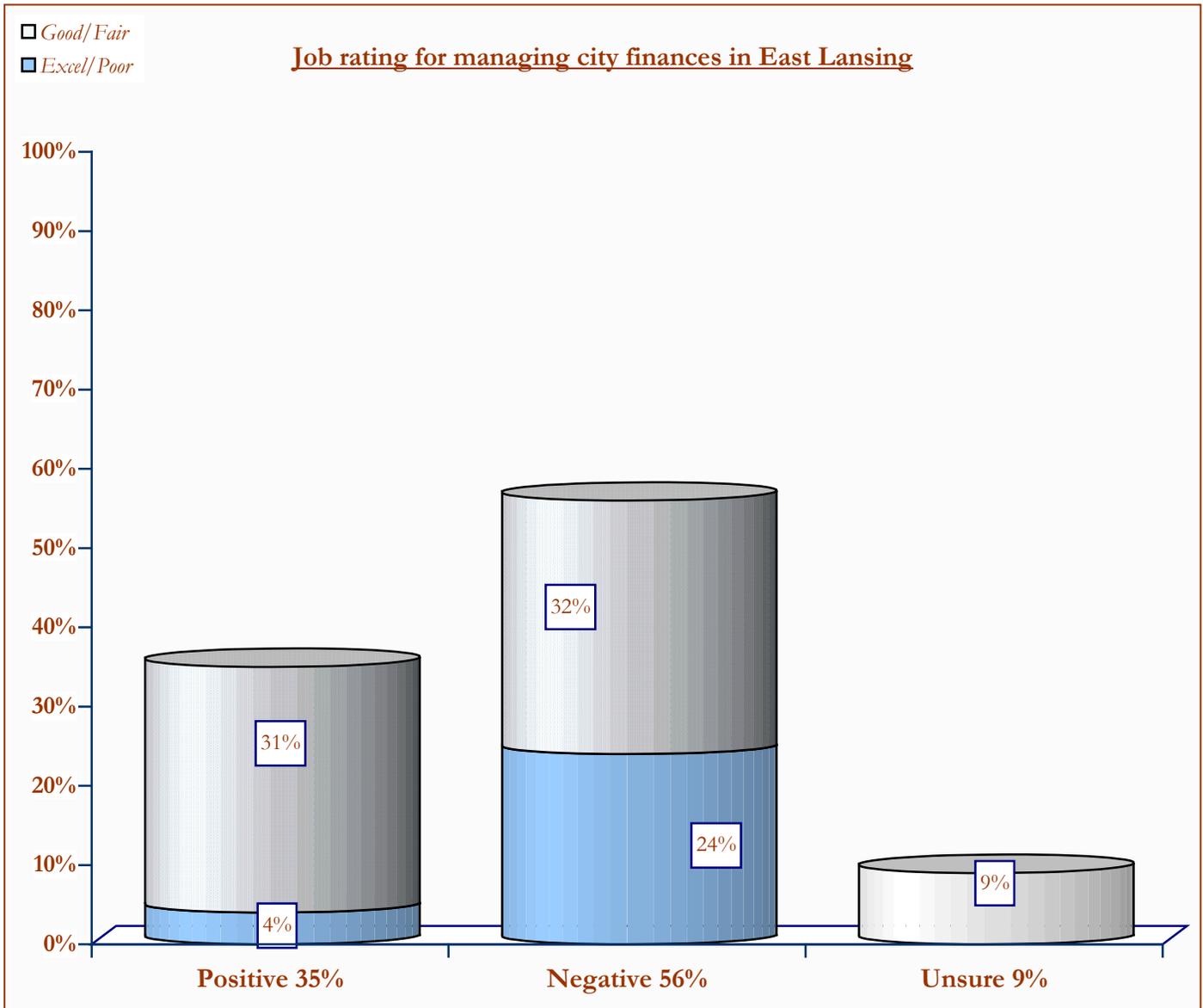
With 43 percent saying taxes and fees are too high, the City of East Lansing is at a level of concern where it would be almost impossible to earn voter approval of a property tax increase based only on the level of concern about taxes. That was further suggested by the results on the various questions about increasing property taxes, which reveal firm opposition. This high level of concern about taxes, in particular, property taxes, is also a compelling reason to consider establishing an income tax, which would trigger the property tax cut *already approved* by voters; and having a city income tax system, with identified income-level exemptions, would provide a much fairer tax system based more on the ability to pay.

Demographic groups indicating by the highest percentages that city taxes and fees are “too high” (above the city-wide 43 percent), included: (**Small sample size = ***)

- 76 percent: Negative rating for providing basic city services
- 71 percent: Keep taxes low, even if that means cutting programs
- 70 percent: Republican voters
- 69 percent: Voted “no” on initial question on establishing an income tax
- 68 percent: Half the time/seldom August primary voters
- 63 percent: City off on wrong track
- 61 percent: Undecided about making cuts or increasing taxes
- 58 percent: HS or less education
- 57 percent: Negative rating on managing city finances
Gets info from city website
- 55 percent: Voted “no” on increasing property taxes by 5.4 mills
Age 18-49
- 53 percent: Independent voters
- 51 percent: Gets info from word-of-mouth
- 50 percent: Union members
Women under age 65
- 49 percent: Incomes of \$75K-\$100K
- 48 percent: North region
Somewhat certain/will probably vote in the August primary
Votes at the polls
Someone else in home employed by MSU
Other races
Men under age 65
- 47 percent: Incomes of \$50K-\$75K
- 46 percent: College educated women
- 45 percent: Homeowners
Women

Majority offers negative rating for City Council and Administration in managing finances

When asked to rate the job the East Lansing City Council and Administration has done managing city finances, a 56 percent majority offered a negative rating, including 24 percent offering a “poor” rating and 32 percent offering an “only fair” rating. Thirty-five offered a positive rating, including only 4 percent “excellent” and 31 percent “pretty good,” with nine percent undecided.



Demographic groups indicating by the highest percentages that the City Council and Administration have done a positive job managing finances (above the city-wide 35 percent), included: (**Small sample size = ***)

- 64 percent: City headed in right direction
- 49 percent: Taxes about right
- 47 percent: Maintain programs, even if it means raising taxes
- 46 percent: Voted “yes” on the initial income tax vote
Gets info from East Lansing Dialogue (print)
- 45 percent: Undecided on initial income tax vote *
- 44 percent: Women age 65 and over
- 43 percent: Democrats
- 42 percent: Age 65 and over
Other races
- 41 percent: Post HS technical education
Incomes of \$75K-\$100K
- 40 percent: Positive job rating for providing basic city services
- 39 percent: Voted by absentee ballot
Women
Someone else in household works at MSU
College educated women
- 38 percent: All the time August primary voters
Taxes too low
Incomes under \$50K
Men age 65 and over
- 37 percent: Southern region
Women without college

Demographic groups indicating by the highest percentages that the City Council and Administration have done a negative job managing finances (above the city-wide 56 percent), included: (**Small sample size = ***)

- 84 percent: Negative job rating for providing services
- 81 percent: City off on the wrong track
Keep taxes low, even if it means cutting programs
- 79 percent: Voted “no” on initial income tax question
- 75 percent: HS or less education *
- 71 percent: Republicans
- 70 percent: Gets info from City website
Men under age 65
- 74 percent: Taxes too high
Independent voters
- 68 percent: Undecided about increasing taxes or cutting programs
- 66 percent: Half the time/seldom August primary voters
Age 18-49
- 62 percent: College educated men
- 61 percent: Gets info from all other sources
Incomes over \$100K
Men
Age 50-64
- 60 percent: Most of the time August primary voters
- 58 percent: Northern region
Someone else in household employed by MSU

Lansing State Journal, Comments/Word-of-mouth, TV news top information sources

All respondents were asked, “Where do you get most of your information about East Lansing City government?” The responses were:

24%	Lansing State Journal
16%	Comments from friends/word of mouth
12%	Television news coverage about the city
9%	East Lansing Dialogue (Printed Version)
9%	East Lansing Info website: www.eastlansinginfo.org
5%	City council meetings
4%	City website: www.cityofeastlansing.com
4%	East Lansing Dialogue (Web Version)
4%	Radio news coverage of the city
2%	Mlive
2%	Neighborhood Association/Meetings
2%	Social Media
2%	Town Courier
1%	City Pulse
1%	Direct Mail
2%	Other (<i>less than 1% each</i>)
1%	Undecided/Refused

An important note about demographic/age breakdowns

The participation of voters age 18 to 34 was shown at 5 percent in the survey, which is significantly below the 11 percent that is (historically speaking) roughly the average participation of that age group expect for an August primary election, and even lower than the 14 percent of that age group who participated in a more competitive 2010 primary for governor (and roughly the same percentage that participated in the presidential primary election when Hillary Clinton and Bernie Sanders were competing for nomination). At the time of this immediate survey, there was only one Democratic candidate who had spent a significant amount of advertising money on the 2018 primary campaign for governor, meaning that this youngest age group had not yet been attracted by any significant campaign activities to date.

Moreover, when the responses of the 5 percent of voters age 18 to 34, who participated in the survey, were reweighted to represent 14 percent (the highest level of participation seen in an even-year August primary election in the City of East Lansing), the results of all key indicators and responses remained unchanged. It is also possible that 18 to 34 year olds will not participate at the levels previously experienced, because they may not be overly-motivated to participate; unless a yet-to-be ignited desire to vote for, or against, specific candidates emerges. Nevertheless, if a sudden surge of participation among the voters age 18 to 34 demographic emerges for the August Primary election, data reweighting, in comparison to the raw obtained data, directly indicates that there would be only a limited impact on the vote involving an income tax proposal beyond what has been shown in the analysis of the data, and described in this report.

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