



FAIRBANK, MASLIN,  
MAULLIN, METZ  
& ASSOCIATES

June 13, 2018

Dear friends and allies,

As you know, budget trailer bill language has been proposed that would suspend the provisions of Assembly Bill 195 (Obernolte, Chapter 105, Statutes of 2017) related to local agency bond measures for a period of two years. Adoption of this language would achieve two goals: the temporary suspension of these flawed provisions would prevent them from negatively impacting the November 2018 election by creating voter confusion regarding local bond measures, while also providing time for the legislature to address these concerns more permanently, through the policy process.

In our role as one of the leading providers of public opinion research for local agency bond measures throughout California, my Partners and I have accumulated a significant body of data over the preceding nine months documenting the confusion that these provisions produce among voters and their commensurate negative impacts on local bond measure viability. We summarize these findings in the attached PowerPoint presentation entitled *"Decisive Margins: The Negative Impacts of AB 195 On Local Bond Measures in California."* **These negative impacts are no longer hypothetical, as we believe they contributed to the defeat of a community college bond measure – West Kern CCD's Measure C – in Tuesday's statewide primary election.**

With the deadline for local agencies to finalize ballot label language for bond measures appearing on the November 2018 ballot just weeks away, my Partners and I urge members of the legislature to take our research findings under advisement as you consider how to proceed with regard to this proposed trailer language.

If I can answer any questions or provide any additional information that may be of use regarding this issue, please do not hesitate to contact me at the phone numbers and/or email address below.

Sincerely,

A handwritten signature in blue ink that reads 'John Fairbank'.

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# Decisive Margins: The Negative Impacts of AB 195 On Local Bond Measures in California

Results from Selected Local Bond Measure  
Viability Surveys & June 2018 Primary Election  
Results with and without Ballot Label Language  
Required by AB 195



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# Presentation Overview

## ➤ Case Study #1: West Kern Community College District (Measure C)

- ✓ *June 5<sup>th</sup>, 2018 Statewide Primary Election results as of June 8<sup>th</sup>, 2018*
- ✓ *Results tracked from September 2017 survey of 203 registered voters in Kern County*

## ➤ Case Study #2: Carpinteria-Summerland Fire Protection District

- ✓ *312 interviews with likely November 2018 voters in Santa Barbara County*
- ✓ *Conducted via telephone and online May 11 – May 21, 2018*

## ➤ Case Study #3: Mt. San Antonio Community College District

- ✓ *800 interviews with likely November 2018 voters in Los Angeles County*
- ✓ *Conducted via telephone May 21 – May 24, 2018*

## ➤ Case Study #4: Hemet Unified School District

- ✓ *681 interviews with likely November 2018 Voters in Riverside County*
- ✓ *Conducted via telephone and online January 6 – January 10, 2018*
- ✓ *Results tracked from August 2016 survey of 300 likely November 2016 voters*

## ➤ Case Study #5: Del Mar Union School District

- ✓ *530 interviews with likely November 2018 Voters in San Diego County*
- ✓ *Conducted via telephone and online February 12 – February 19, 2018*
- ✓ *Results tracked from April 2016 survey of 255 likely November 2016 voters*

# How AB 195 Impacts Local Bond Measures

- Starting this year, ballot label language for local general obligation bonds must include detailed information on:
  - ✓ Tax Rate
  - ✓ Tax Duration
  - ✓ Revenue Raised
- For bond measures, this structure is confusing to voters which leads to more negative reactions.
- Because more words (out of 75 total) are required to describe taxes and financing, fewer words now available to describe objectives of bonds, projects, school improvements, fiscal accountability, etc.
- Effect is that voters know less about what the measure will accomplish, less about how the funding will be managed and watched, and are confused about who will pay and how much.
- Leads to ***significant (10+ percentage points) negative impact on support for local bond measures when AB195 language is used***, as compared with pre-AB195 language.

# Conclusions

- AB195 ballot language requirements consistently *reduces support for local G.O. bond measures by at least 10 percentage points* (as compared with common pre-AB195 language).
- AB195's confusing fiscal description of the bond measure *consistently leads to lower voter support.*
- Impact of AB195 requirements appears *consistent across agencies and bond measures of all types.*
- Preliminary evidence suggests that *nearly every voter demographic reacts negatively to AB195 requirements.*
- Maintaining AB195's ballot label language requirements for local bond measures *will jeopardize the viability of local funding for numerous local agencies and may undermine the gains made by local agencies in self-reliance for capital project funding* since 2000.

# Recent focus groups show that voters do not understand the language required by AB195.

- Focus groups with likely November 2018 voters in a Los Angeles County Unified School District were conducted in May 2018.
- Nearly all participants were confused by the section of the ballot language relating to the amount and duration of a bond and related tax rates.
- In particular, the new AB195-required language about taxes per assessed valuation was challenging for voters to decipher and many people were unsure about how much the measure would cost them personally.

## Quotes from focus group participants

*We definitely need the upgrading in our schools and safety.... But in terms of the actual money and where is it going to come from, no, I don't know...I'm not sure about the financial part like bonds and how that offsets from taxes or anything like that. I'm not a financial guy. – Male voter explaining why he would vote “no” on the bond measure.*

*I actually would have been more of a maybe because I honestly didn't understand kind of the logistics of what that meant. That was confusing...I am open if I could understand it better. - Female voter explaining why she would vote “no” on the bond measure*



# AB 195 language *contributed to the defeat of a West Kern Community College District bond* measure on the June 5<sup>th</sup> Primary Election Ballot.

## Pre-AB 195: (Tested September 2017)

To improve the quality of education at Taft College, shall the West Kern Community College District be authorized to upgrade dental hygiene, science, technology, engineering, math, petroleum job training facilities; update computers; repair, construct, and acquire facilities, sites, and equipment to prepare local students, veterans for jobs, and 4-year college transfers **by issuing \$85,000,000 in bonds at legal rates**, with audits, oversight, no money for administrators' salaries, all funds to benefit Taft College students?

**Polling Result: 71% Yes**

## AB 195 Compliant: (Appeared on the June 5, 2018 Primary Ballot)

To improve the quality of education at Taft College; upgrade job training, dental hygiene, science/technology facilities; repair roofs; remove asbestos/lead paint; construct/acquire facilities/land sites/equipment to prepare students/veterans for jobs/college transfers shall West Kern Community College District's measure be adopted **to issue \$50,000,000 in bonds at legal rates, averaging \$3,000,000 raised annually for bonds through maturity, rates of approximately 2.5¢/\$100 assessed value**, with independent audits/citizens' oversight and all funds benefiting students?

**Election Result: 48% Yes**

***Support for the bond measure dropped 23 percentage points when AB195-compliant ballot label language was used.***

# Negative impact on a Potential Fire Protection District Bond Measure in Santa Barbara County:

*Results below are from a May 2018 survey for Carpinteria-Summerland Fire Protection District in Santa Barbara County*

## Without AB 195 Requirements:

**CARPINTERIA-SUMMERLAND FIRE PROTECTION DISTRICT 9-1-1 EMERGENCY MEDICAL RESPONSE AND DISASTER PROTECTION MEASURE.** To build a new fire station in western Carpinteria and repair, update, and earthquake retrofit existing 50-year old and 94-year old fire stations to reduce 9-1-1 response times; recruit and retain firefighters and paramedics; improve emergency medical services; and improve response to wildfires, earthquakes, floods and other natural disasters, shall the Carpinteria-Summerland Fire Protection District issue 25 million dollars in bonds at legal rates, requiring independent financial audits, citizens oversight, and all funds spent locally?

**Polling Result: 74% Yes**

## With AB 195 Requirements:











**CARPINTERIA-SUMMERLAND FIRE PROTECTION DISTRICT 9-1-1 EMERGENCY MEDICAL RESPONSE AND DISASTER PROTECTION MEASURE.** To build a new fire station in western Carpinteria and repair, update, and earthquake retrofit existing fire stations to reduce 9-1-1 response times; recruit and retain firefighters and paramedics; improve emergency medical services and improve response to wildfires, earthquakes, floods and other natural disasters, shall the Carpinteria-Summerland Fire Protection District issue 25 million dollars in bonds at legal rates, levy one point three cents per 100 dollars of assessed value, raising one million 622 thousand dollars annually for local fire protection while bonds are outstanding, requiring audits, all funds spent locally?

**Polling Result: 61% Yes**

***For this two-thirds (66.67%) threshold measure, **AB-195 is the difference between viability and near-certain defeat.*****



# AB-195 language reduced support for the CSFPD bond across every demographic group.

Demographic	Bond Support (w/o AB195)	Bond Support (w/AB195)	Difference
All Nov 2018 Likely Voters	74%	61%	 -13%
Democrats	83%	64%	 -19%
Men	73%	57%	 -16%
Homeowners	71%	56%	 -15%
Latinos	80%	65%	 -15%
Whites	74%	63%	 -11%
Renters	78%	69%	 -9%
Women	74%	66%	 -8%
Independents	71%	63%	 -8%
Republicans	61%	54%	 -7%

# Negative impact on a Potential Community College District Bond Measure in Los Angeles County:

## Without AB 195 Requirements:

### MOUNT SAN ANTONIO COMMUNITY COLLEGE CAREER EDUCATION, REPAIR AND STUDENT SAFETY MEASURE:

- To upgrade job training/vocational classrooms, science, computer/technology labs
- Improve student safety, emergency communication systems/security door locks
- Improve career resources for veterans
- Remove asbestos/mold
- Acquire, construct, repair sites, facilities, equipment

Shall Mount San Antonio Community College District issue 750 million dollars in bonds at legal rates, requiring audits, citizens oversight, all funds for Mount San Antonio College College

**Polling Result: 76% Yes**

## With AB 195 Requirements:

### MOUNT SAN ANTONIO COMMUNITY COLLEGE CAREER EDUCATION, REPAIR AND STUDENT SAFETY MEASURE:

- To upgrade job training/vocational classrooms, science, computer/technology labs
- Improve student safety, emergency communication systems/security door locks
- Improve career resources for veterans
- Remove asbestos/mold
- Acquire, construct, repair sites, facilities, equipment

Shall Mount San Antonio Community College District issue 750 million dollars in bonds at legal rates, levy on average twenty-five dollars per one hundred thousand dollars of assessed valuation, 37 million dollars annually while bonds are outstanding, requiring audits, citizens oversight, all funds for Mount San Antonio College?

**Polling Result: 62% Yes**

*Support for the bond measure drops 14 percentage points when  
AB195-compliant ballot label language is used.*

# Negative impact on a Potential Unified School District Bond Measure in Riverside County:

Pre-AB 195:  
(Tested July 2016)

To expand science, technology, engineering and math (STEM) classrooms throughout the District; improve fire safety and security systems; acquire, construct/ repair classrooms and school facilities; replace deteriorating roofs; and upgrade electrical systems for modern technology; Shall Hemet Unified School District issue \$165.3 million of bonds with interest rates below legal limits, annual audits, independent citizen oversight and all funds spent locally and not taken by the State and spent elsewhere?

**Polling Result: 66% Yes**

AB 195 Compliant:  
(Tested January 2018)

To improve neighborhood schools by upgrading academic, vocational/career, engineering, science, technology classrooms; Improving school fire/safety systems; Repairing deteriorating classrooms, plumbing, roofs; Shall Hemet Unified School District issue \$150 million dollars in bonds at legal rates under a no-tax-rate-increase financing plan, estimated repayment of \$650,000 to \$16.5 million raised annually for approximately twenty-two years, projected tax rates of point six to six cents per one hundred dollars of assessed valuation, independent audits/citizens' oversight, no money for administrators?

**Polling Result: 55% Yes**

*Support for the bond measure drops 11 percentage points when AB195-compliant ballot label language is used.*

# Negative impact on a Potential Elementary School District Bond Measure in San Diego County:

Pre-AB 195:  
(Tested April 2016)

**LOCAL ELEMENTARY SCHOOLS REPAIR AND STUDENT SAFETY MEASURE** To repair/upgrade neighborhood schools by: Repairing deteriorating classrooms, restrooms, leaky roofs, portables; Removing mold/asbestos/lead paint; Upgrading safety, disabled accessibility, drinking water, heating/air conditioning; Upgrading educational technology/wiring, science labs; Shall the Del Mar Union School District issue \$135 million in bonds at legal interest rates, requiring annual independent audits, citizens' oversight, no Capital Appreciation Bonds, no money for administrators' salaries/pensions, all money for local schools?

**Polling Result: 67% Yes**

AB 195 Compliant:  
(Tested February 2018)

**LOCAL ELEMENTARY SCHOOLS REPAIR, UPGRADE AND STUDNET SAFETY MEASURE** To improve local elementary schools by: Repairing deteriorating classrooms, plumbing, leaky roofs; Upgrading science, technology, engineering classrooms/labs; Improving security, fire safety, emergency communications systems; Providing safe drinking water; Shall the Del Mar Union School District issue \$198 million in bonds at legal interest rates, averaging \$10.4 million raised annually until 2049, tax rates estimated at 3¢ per \$100 assessed valuation, requiring annual independent audits, citizens' oversight, no money for administrators, all money for local schools?

**Polling Result: 56% Yes**

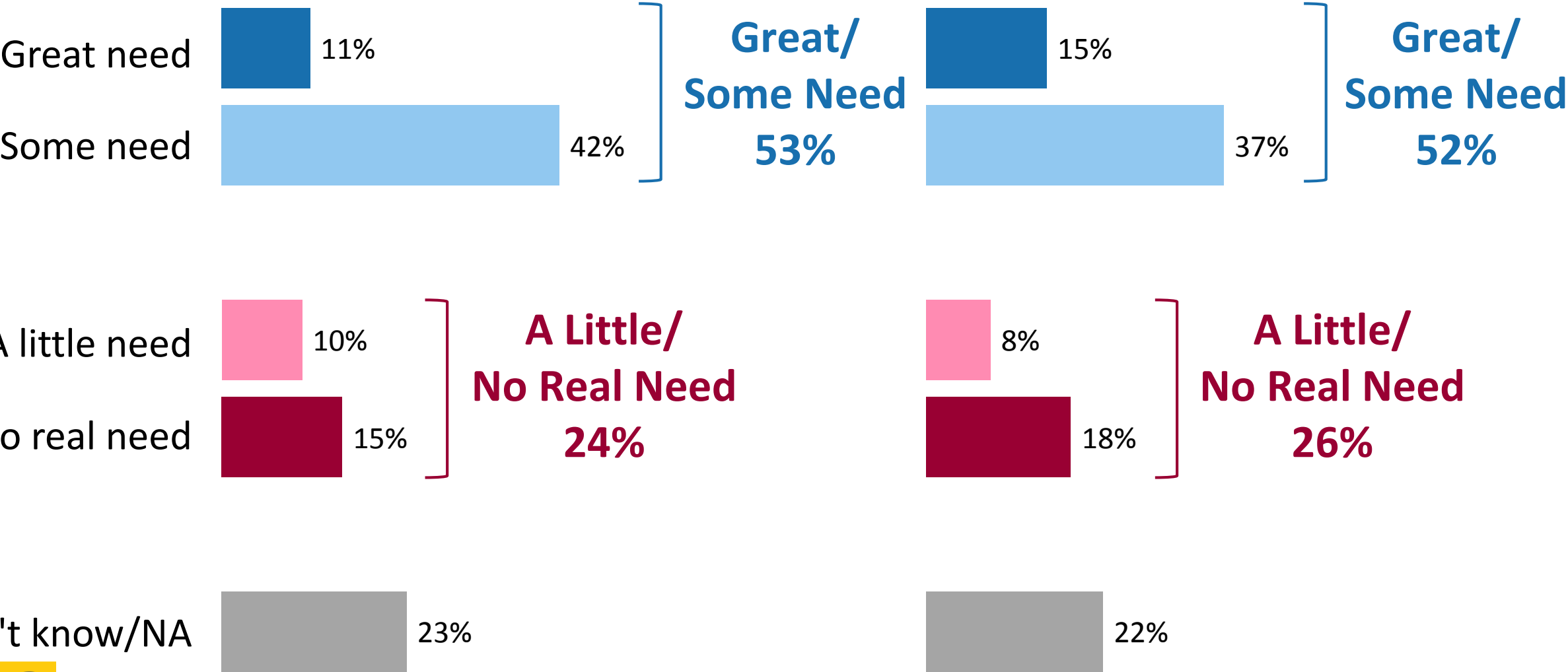
*Again, support for the bond measure drops 11 percentage points when AB195-compliant ballot label language is used.*

This 11-point decrease in support for the Del Mar Union school bond measure occurs *despite the fact that voters' perception of the District's financial needs are unchanged.*

Generally speaking, would you say that the Del Mar Union School District has a great need for additional funding, some need, a little need or no real need for additional funding?

April 2016

February 2018



# For more information, contact:

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