

## **Board of Trustees Agenda Item**

**Board Meeting Date:** June 7, 2010

**Title of Item:** Discussion of Parcel Tax Survey Results and Discussion of Next Steps

### **Background and Analysis:**

#### **Background**

The Board of Trustees has debated the merits of a parcel tax measure several times during the past year. The Board, at their meeting of February 1, 2010, authorized staff to solicit proposals from polling companies to examine the feasibility of a parcel tax. Subsequently, the district prepared and distributed RFP No. 1257 for Campaign Consultation and Survey Services. Five responses were received in response to this solicitation. A subcommittee of the Board consisting of Trustees Bechtel and Cheng, along with Linda Thor, Andy Dunn and Mike Brandy screened the proposals and interviewed three firms on March 9, 2010. A recommendation from this subcommittee to appoint the firm TBWB Strategies was presented to and approved by the full Board of Trustees on April 5, 2010.

#### **Feasibility Phase Survey**

After the April Board approval work immediately began on crafting a questionnaire that would serve as the basis for the survey. The survey itself was begun on May 8, only after the results of the May elections became known. The survey is now complete and the polling consultant and political advisory team will be present at this June 7, 2010, Board Study Session to review and analyze the results of the polling.

The presentation of these results will conclude the Feasibility Phase of the process

#### **Planning & Communications Phase**

If the board elects to move ahead from the Feasibility Phase the district will move to a phase of Planning and Communications. During this phase, the District would need to communicate with the voters in the district about the financial challenges facing the district and options it is considering to solve these challenges. The results of the survey will guide this planning and communication work.

Costs incurred in this phase will involve communicating to the registered voter households in the District. Direct mail is often the most effective means of communication on an issue like this. Experience with other similar size organizations suggests a budget in the \$150,000 to \$200,000 range. These costs could also be paid out of the general fund since the Board will have made no final decision on an election and if the Board authorizes staff to move ahead Central Services Fund Balance will be used to fund this phase of the work.

#### **Campaign Phase**

If the Board agrees to call an election, it will enter the final phase of the process. While the first two phases are informational in nature and can be funded with district resources, just as with the campaigns for General Obligation bonds, the campaign phase is considered political advocacy and cannot involve district resources.

It is premature to attempt to establish a precise budget estimate for the Campaign Phase. Experience suggests a budget in \$275,000 to \$325,000 range. These funds would have to be raised through private donations.

The County estimates that our cost for the election itself for a November 2010 election would be approximately \$350,000.

## **Next Steps**

If the board elects to move ahead with a November 2010 election a resolution, under the authority of Government Code 54954.6 (excerpted below), must be adopted providing a 45 day notice of hearing prior to the date when the board must call for the election. Please note, even if the Board is uncertain about proceeding with a parcel tax at this juncture, the 45 day noticing requirement does not obligate the Board to proceed with the measure, it simply keeps the option on the table.

Before adopting any new or increased general tax or any new or increased assessment, the legislative body of a local agency shall conduct at least one public meeting at which local officials shall allow public testimony regarding the proposed new or increased general tax or new or increased assessment in addition to the noticed public hearing at which the legislative body proposes to enact or increase the general tax or assessment.

The legislative body shall provide at least 45 days' public notice of the public hearing at which the legislative body proposes to enact or increase the general tax or assessment. The legislative body shall provide notice for the public meeting at the same time and in the same document as the notice for the public hearing, but the meeting shall occur prior to the hearing.

The notice shall include, but not be limited to, the following:

- (A) The amount or rate of the tax. If the tax is proposed to be increased from any previous year, the joint notice shall separately state both the existing tax rate and the proposed tax rate increase.
- (B) The activity to be taxed.
- (C) The estimated amount of revenue to be raised by the tax annually.
- (D) The method and frequency for collecting the tax.
- (E) The dates, times, and locations of the public meeting and hearing.
- (F) The phone number and address of an individual, office, or organization that interested persons may contact to receive additional information about the tax.

## **Summary Schedule**

Looking ahead the attached schedule depicts several key milestones. A Special meeting of the Board has been scheduled for June 14 to allow the Board to consider whether to move ahead to the next phase of the election. June 18 marks the last date the public notice can be filed in advance of the August 2 Board meeting and a potential action to call a November election. August 6 is the deadline for filing a resolution with the county.

**Recommendation:** Information only

Submitted by:	Andy Dunn, Vice Chancellor, ext. 6201
Additional contact names:	
Is backup provided?	Yes

MEMORANDUM

May 27, 2010

TO: Andy Dunn, Vice Chancellor, Business Services, Foothill-De Anza Community College District

FROM: Bryan Godbe, President, Godbe Research  
Charles Heath, Principal, TBWB Strategies  
Sarah Stern, Principal, TBWB Strategies

RE: 2010 Parcel Tax Feasibility Survey – Summary of the Results

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***A statistically valid and representative survey was conducted to assess voter support for a parcel tax measure to preserve quality education at Foothill and De Anza Colleges.***

Foothill-De Anza Community College District commissioned Godbe Research, in partnership with TBWB Strategies, to conduct a telephone survey to assess potential voter support for a \$69 parcel tax measure to protect local community colleges from State budget cuts, provide local funding, and preserve affordable, quality education for students.

Interviews were conducted from May 7 through May 15, 2010. The timing of the survey ensured that voters were aware of outcome of the May 4, 2010 Palo Alto Unified School District and Fremont Union High School District parcel tax elections. The average interview time was approximately 18 minutes, and the survey was offered in English and Mandarin. A total of 800 voters who reside in the Community College District participated in the survey, and the study parameters resulted in a margin of error of plus or minus 3.5 percent. The survey sample is representative of voters in the Community College District in terms of gender, age, ethnicity, political party type and geography.

***Quality of education at local community colleges is a high priority to local voters, and significantly more important than preventing local tax increases.***

When asked to rate the importance of local issues, 4 out of 5 voters indicated that maintaining the quality of public education at local community colleges is extremely or very important. More notably, nearly twice as many voters rated this issue as highly important, in comparison with preventing local tax increases, which received only 43 percent extremely or very important ratings.

***The survey results indicate strong support for a \$69 parcel tax measure among likely November 2010 voters, and Godbe Research and TBWB Strategies recommend that the Foothill-De Anza Community College District move forward with placing a measure on the November 2010 ballot.***

- After hearing a summary of a \$69 parcel tax measure that replicates the language that would be placed on the ballot, 71 percent of the voters surveyed indicated support. Support increased to fully 75 percent after voters had heard additional information on the measure, including potential programs and services to be funded. In contrast, 21 percent of the voters were opposed and the remaining 5 percent were undecided.
- Given the 4 percent margin of error for the study, we can conservatively estimate that informed support among all likely November 2010 voters is not below 71 percent, well above the two-thirds majority required in a parcel tax election.

- The survey results also show that a shorter duration would garner stronger voter support. More specifically, a measure lasting 6 years received 69 percent support, and a measure lasting 4 years received 77 percent support.
- These survey results compare very favorably to recent parcel tax survey results for other community college districts in the region and K-12 school districts within Foothill-De Anza Community College District's boundaries.

***Voters' priorities closely align with the funding needs of the Foothill-De Anza Community College District. Regarding the funding that the measure would provide, the voters most support the following:***

- *Maintain math, science, writing and other core academic classes (85% favorable response);*
- *Prepare students for careers in math, engineering, and science (82% favorable response);*
- *Restore funding to help offer an adequate number of classes and labs to meet growing student enrollment (81% favorable response);*
- *Maintain programs to provide disabled students with equal access to college classes and programs (80% favorable response);*
- *Prepare students to transfer to 4-year colleges and universities (79% favorable response);*
- *Prepare students for healthcare careers, such as nursing and paramedics (79% favorable response);*
- *Keep community college libraries open and maintain library services (78% favorable response);*
- *Prepare students for careers in computers and technology (76% favorable response); and*
- *Maintain job-retraining programs (76% favorable response).*

***A proactive communication effort will be required to realize the strong support levels measured in the survey of votes.***

While support for a parcel tax is strong from the beginning of the survey, support increases as additional detail and information is introduced to voters. Accordingly, we recommend that the District engage in a proactive communication effort to raise awareness of the current funding challenges and the impact of cuts on priority programs and services for students. This communication effort should also inform local residents about the opportunity for a parcel tax to provide stable funding that cannot be taken away by the State, which will enhance local control and independence from Sacramento. The key features of the parcel tax, including the intended uses, tax rate, duration and accountability measures should also be communicated to avoid any potential for confusion.

In addition to an information-only communication effort led by the District, an advocacy campaign led by an independent campaign committee will be required to reach the two-thirds majority threshold for success. Key arguments in favor of the measure will help to solidify probable support and guard against erosion of support due to tax fatigue or opposition.

With a modest tax rate of \$69, a short duration of no more than 6 years and each of these strategic steps carefully and thoroughly executed between now and the November 2, 2010 election, Godbe Research and TBWB Strategies believe that the outlook for a successful parcel tax measure in Foothill-De Anza Community College District is very encouraging.

# T B W B

 GODBE RESEARCH  
Gain Insight

## FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT 2010 Parcel Tax Feasibility Study

Phase 1	Start	Delivery	Notes
Topline report**		26-May	Conference call to review overall survey results
Board Study Session		7-Jun	Informational presentation of poll results
<b>June Election</b>		<b>8-Jun</b>	
Special Board meeting		14-Jun	Recommended action from June 7 meeting
45 Day Notice of Public Hearing		18-Jun	Last day to post notice in advance of November election
Board of Trustees meeting		21-Jun	Regular meeting of the Board
<b>Phase 2</b>			
Public Information and Community Outreach	June	July	
Board Meeting -- Action Item for Parcel Tax Measure		2-Aug	
Deadline to file for November election		6-Aug	
<b>Phase 3</b>			
Conduct Campaign (No District Resources)	7-Aug	2-Nov	

\*CATI: Computer-Assisted Telephone Interviewing

\*\*Topline report: review of key findings before delivery of the final report

### Potential Election Dates:

November-10	Polling Place
May-11	Mail In
August-11	Mail In
November-11	Polling Place

Note: County Assessor imposes August 1 deadline to place new taxes on property tax bills. November 2010 and May 2011 dates will result in proceeds