

THE PRESIDENT HAS SEEN

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THE WHITE HOUSE
WASHINGTON

31 October 1995

MEMORANDUM TO ~~THE PRESIDENT~~
THE VICE PRESIDENT

CC: LEON PANETTA
ERSKINE BOWLES
GEORGE STEPHANOPOULOS
DON BAER
DICK MORRIS
MARK PENN
DOUG SCHOEN
MAGGIE WILLIAMS
DAVID STRAUSS
SKILA HARRIS

FROM: HAROLD ICKES *(initials)*

RE: CALIFORNIA BALLOT INITIATIVES REGARDING MINIMUM
WAGE, GUARANTEED AFFORDABLE COLLEGE EDUCATION,
GUARANTEED STUDENT LOANS FOR QUALIFIED STUDENTS,
FREEZING UNDERGRADUATE FEES AT PUBLICLY FUNDED
STATE COLLEGES AND UNIVERSITIES, AND GOVERNOR
WILSON'S PROPOSED TAX CUT.

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JRA 11/25/95*

Attached is a 20 October 1995 memorandum to Harold Ickes, et al, from Mark Mellman reporting on recent polling by The Mellman Group regarding possible California ballot initiatives on the minimum wage, guaranteed affordable four year college education for qualified students, guaranteed student loans for qualified students, freezing undergraduate fees at publicly funded state colleges and universities, and Governor Wilson's tax cut proposals.

PHOTOCOPY
WJC HANDWRITING



TO: Harold Ickes, Doug Sosnik, John Emerson and Wendy Smith
FROM: Mark Mellman
DATE: October 20, 1995

After yesterday's meeting, John Hein of CTA asked me to send you the enclosed memo which discusses some preliminary work we did for them on minimum wage and affordable higher education.



Memorandum

To: John Hein

**From: Mark Mellman
Eliot Waxman**

Date: June 1, 1995

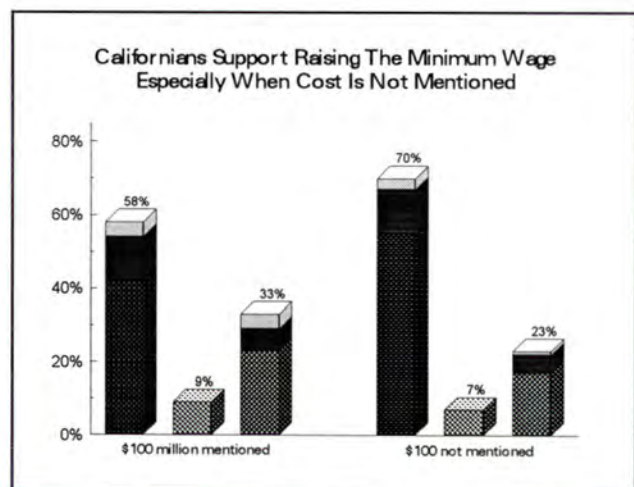
Re: Additional Ballot Initiatives

The results of our recent survey show varied support for three potential ballot initiatives. A proposed minimum wage initiative and an initiative guaranteeing an affordable four year college education for qualified students are currently popular, but Wilson's proposed tax cut initiative fails to generate majority support. This memorandum will provide some additional analysis on these three issues.

Minimum Wage

An overwhelming majority support an increase in the California minimum wage when its cost to government is not mentioned. Overall, 7 in 10 (70%) voters say they will vote to increase the minimum wage by \$.90 over two years, while only 1 in 4 (23%) will vote no. The intensity of support is strong, as a majority (55%) say they "strongly" support this initiative.

* Many of the initiative's most likely supporters are voters who will be the largest beneficiaries of this increase in wages. They include voters with a high school diploma or less (82% yes, 15% no), women (75% yes, 18% no), voters earning \$25,000 per year or less

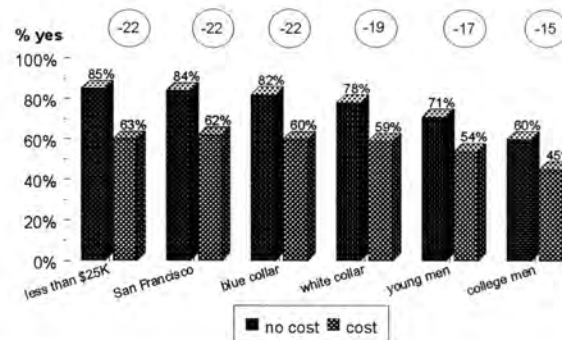


(85% yes, 12% no) and residents of the San Francisco region (84% yes, 10% no). In partisan terms, Democrats (85% yes, 11% no) are more likely than independents (66% yes, 19% no) and Republicans (55% yes, 38% no) to support the initiative, but even majorities of these groups as well as conservative Republicans (52% yes, 41% no) and Republican women (59% yes, 33% no) support the minimum wage increase.

The strong support for this initiative declines significantly when voters learn it will cost state and local governments \$100 million annually to increase the minimum wage. A solid majority (58%) still supports the initiative, though this represents a 12 point decline from the level of support that is generated when no cost is attached. One in three (33%) oppose it when cost is discussed -- a 10 point increase over the situation where cost is not described. The intensity of support continues to favor the initiative. Strong proponents outnumber strong opponents 42%-23%.

Much of the decline in support can be attributed to two groups of voters: voters who are generally anti-tax, and voters who are less affluent. Californians representing the former group include young men (17 point decline, 54% yes, 37% no, when cost is mentioned), college educated men (15 point decline, 45% yes, 45% no) and white collar workers (19 point decline, 59% yes, 41% no). The latter group still supports the initiative overwhelmingly, but less so than when no cost is attached. For example, voters earning less than \$25,000 per year (22 point decline, 63% yes, 27% no) and blue collar workers (22 point decline, 60% yes, 27% no) still favor an increase but by lesser margins. In addition, voters in San Francisco are 22 points less likely to support an increase in the minimum wage when they know the cost (22 point decline, 62% yes, 29% no).

When the Cost of Minimum Wage Increases Is Mentioned, Some Groups Post Strong Declines



Guaranteed Affordable College Education

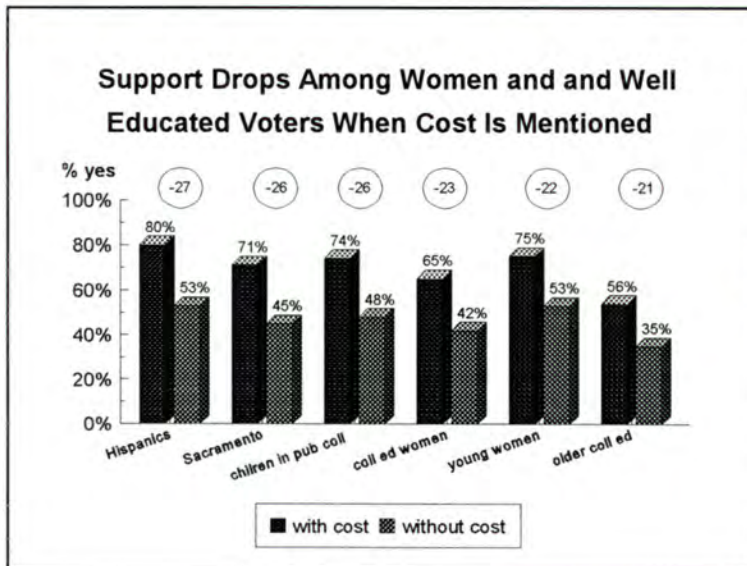
The concept of a guaranteed affordable four-year college education for qualified students is popular and Californians strongly support such an initiative when the total cost is not discussed. Overall, 63% of voters support a proposed initiative that would “guarantee that every student in California who meets academic requirements be able to receive a college education at a four-year public university regardless of ability to pay,” while 28% oppose it.

The intensity of support favors the proposal's proponents, as "strong" supporters (44%) outnumber "strong" opponents (20%) by more than 2-to-1.

Most likely supporters of this initiative are groups with the strongest interest in affordable higher education. They include women (67% yes, 23% no), young women (75% yes, 15% no), voters with a high school diploma or less (67% yes, 21% no), voters earning less than \$25,000 per year, (74% yes, 19% no), voters under 45 years old (68% yes, 21% no), Democrats (75% yes, 19% no) and parents with children in public colleges (74% yes, 19% no).

Here too support for the initiative drops significantly when voters learn the cost associated with the plan (\$650 million). Fewer than half (48%) say they will vote yes on the initiative when the cost is mentioned, a 15 point drop. Two in five (39%) say they will vote no when cost is indicated, an 11 point increase. Moreover, the level of intensity for this

initiative no longer favors its supporters. Equal numbers of voters are strong in their vote choice on both sides of the issue (28% strong yes, 25% strong no).



Somewhat surprisingly, parents with children in a public college or university are among those who show a disproportionate decline in support (26 point decline, 48% yes, 39% no). Other subgroups exhibiting large declines include: young women (22 point decline, 53% yes, 34% no), college educated women (23 point decline, 42% yes, 42% no), older college educated voters (21 point decline, 35% yes, 53% no), hispanics (27 point decline, 53% yes, 34% no),

residents of Sacramento (26 point decline, 45% yes, 46% no) and Los Angeles county (22 point decline, 42% yes, 39% no) and voters making more than \$65,000 per year (21 point decline, 42% yes, 49% no).

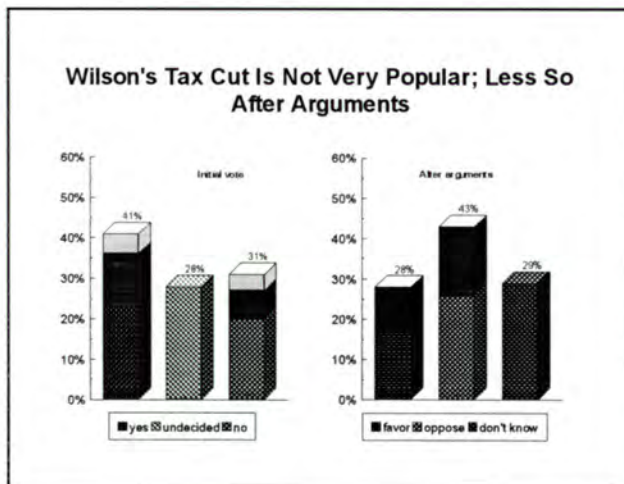
The survey went further in testing the concept of providing guaranteed student loans for qualified students. Voters were read arguments in favor of this idea centering on the increasing student fees and opposition arguments focusing on higher taxes. Half (51%) support providing guaranteed student loans, compared to 38% who oppose this idea. Voters who are the likely beneficiaries of this policy continue to be supportive, but at considerably

lower levels than they are without the push arguments (women: 55%; young women: 59%; young no college: 58%; child in public college: 69%). Voters at the lower end of the income scale -- particularly those earning between \$25,000 and \$45,000 per year (51% provide loans, 42% do not provide loans) -- are no longer strong supporters of this idea, however.

Finally, we tested the concept of freezing undergraduate fees at publicly-funded state colleges and universities. After hearing arguments on both sides of this issue (rising costs of college vs. higher taxes), 54% of voters say they support freezing student fees, while 32% oppose this idea. There are few demographic differences on this measure, although voters with some college education (66% freeze fees, 17% do not freeze fees) are the most likely supporters of this idea.

Wilson's Tax Cut

Governor Pete Wilson's tax cut proposal is not particularly popular with California voters. Only a plurality (41%) of California voters support this initiative, while 31% oppose it. Almost 3 in 10 (28%) are undecided. The intensity of opinion is evenly distributed (24% strong yes, 20% strong no) and it is much lower than the minimum wage and affordable higher education initiatives. Not surprising, the strongest supporters of Wilson's initiative include men (46% yes, 36% no), middle income voters earning \$45,000 to \$65,000 per year (47% yes, 27% no), residents of San Diego (51% yes, 26% no) and Republicans (47% yes, 28% no).



The lack of popularity makes Wilson's tax cut initiative susceptible to an attack based on the financial impact it will have on education -- cutting \$4 billion over four years. When voters were read competing arguments about the initiative, a plurality shifted toward opposition. The arguments for the initiative focused on high taxes and cutting government waste, while the arguments against the initiative centered on the consequences of cutting education.

Following the arguments, only 28% say they favor Wilson's tax cut initiative, while 43% say they oppose it. This represents a 13 point drop in support and a 12 point increase in opposition. Among the most likely opponents are voters who are usually strong supporters of education. They include young women (22% favor, 51% oppose), young college educated voters (27% favor, 52% oppose) and Democrats (18% favor, 52% oppose). Democrats are stronger opponents than other partisans, but a plurality of independents (30% favor, 40% oppose) oppose it, and Republicans (37% favor, 36% oppose) are evenly divided on Wilson's proposal.

There are fewer demographic distinctions characterizing the defectors from this initiative than there are with the minimum wage and affordable higher education initiatives. One interesting subgroup that shifts its opinion are middle income voters earning \$45,000 to \$65,000 per year. Initially, they are one of the strongest supporters of the initiative, but move to strong opponents after hearing the arguments (19 point decline, 28% favor, 46% oppose). Other defectors include young women (18 point decline, 22% favor, 51% oppose), young college educated voters (17 point decline, 27% favor, 52% oppose) and Democrats (17 point decline, 18% favor, 52% oppose).

