



EPIC-MRA PRESS RELEASE & POLL MEMO

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600 Sample Michigan Statewide Survey

Polling Dates: May 20, 2017 through May 24, 2017

Conducted by live interviewers – included 30% cell phones

Margin of Error: ±4.0%

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Key findings:

Solid plurality opposes plan to convert teacher pensions from hybrid system to a 401-K style defined contribution plan

Over 4-in-10 favor using \$540 million reserved for teacher pension conversion for roads instead of pension changes

Nearly 6-in-10 say teachers and other school employees are paid too little in salary and wages

Over 7-in-10 say health insurance, retirement, and other benefits teachers/other school employees receive is about right or too little

This statewide survey was conducted among active and likely November 2018 general election voters. The survey questions included in this press release and polling memo were commissioned by the Michigan Education Association (MEA).

Plan to convert teacher pensions from hybrid system to 401-K plan opposed

All respondents heard, and were then asked, the following:

“All employees of Michigan public school districts are automatically enrolled in the Michigan Public School Employees Retirement System. In the past, school employees were put in a traditional pension system that paid a set monthly amount to retirees. To deal with underfunding of the system because of insufficient payments from the state and local districts, changes were made in 2012 to provide two retirement choices for new employees. One is a hybrid retirement system – which combines a scaled back version of the traditional pension with a 401(k)-style defined contribution plan; and the other is a 401(k)-only system. Both options require employees to pay a percentage of their salary into the system. Citing potential cost savings in about thirty years, the Speaker of the House and the Senate Majority Leader have said they would like to close the hybrid system and put new employees strictly into a defined contribution 401(k)-style plan. Most estimates place the cost for this

- Educational
- Political
- Industrial
- Consumer

- Market
- Research
- Analysis

change to the State of Michigan at approximately \$20 billion over the next thirty years. In anticipation of these costs, legislative leaders have cut and reserved over \$540 million from Governor Snyder’s proposed \$10 billion general fund budget as they finalize negotiations for the upcoming fiscal year.”

“Based on this description, and whatever else you may have seen, heard or read about this issue, do you Support or Oppose action by the legislature to spend approximately \$540 million out of the next fiscal year general fund budget to begin paying for the cost of converting the current school employees’ retirement benefits from a hybrid system to a strictly 401K style defined contribution plan? [IF SUPPORT/OPPOSE, ASK: “Would that be strongly or just somewhat?” AND CODE BEST RESPONSE]

15% Strongly support
 17% Somewhat support
32% TOTAL SUPPORT
47% TOTAL OPPOSE
 15% Somewhat oppose
 32% Strongly oppose
 21% Undecided/Refused

Voters oppose the proposal by a plurality of 47 to 32 percent, and, perhaps more importantly; 32 percent strongly oppose the plan, while only 15 percent strongly support it.

Partisan Breakdown	Dem				Ind		Gop			
	All	Dems	Ind	Gop	Men	Wom	Men	Wom		
Support	32	22	32	43	23	21	36	27	49	36
Oppose	47	60	42	35	56	62	42	43	36	35
Unsure	21	18	26	22	21	17	22	30	15	29

Democrats are solidly opposed, Independent voters are also opposed, and Republicans are not overly supportive -- Republican women are evenly split on the question.

Voters want \$540 million spent on roads -- not changing the teacher pension system

All respondents heard, and were then asked, the following:

“Regarding the \$540 million that legislative leaders have reserved in the budget process, what do you think the top priority for those funds should be? [READ AND ROTATE 1 THROUGH 5]

43% Add over one-half billion dollars to the Department of Transportation’s budget to fix the state’s roads and bridges.
 19% Put the \$540 million back into the child safety, public health and environmental quality line items that were in Gov. Snyder’s original proposed budget.
 12% Make the first of several similar-size payments necessary to change the pension system for school employees.
 10% Make a deposit into the auto no-fault catastrophic claims reserve fund to provide automobile insurance rate relief.
 4% Provide a one-time tax rebate of about \$117 to those who filed a 2016 Michigan income tax return.
 13% Undecided/Refused

Only 12 percent of respondents said that the funding should be spent to “Make the first of several similar-size payments necessary to change the pension system for school employees.” Every demographic group broken down by political party and gender said the money should go to the roads by the highest percentages, including a 51 percent majority of Independent and Republican men, and 45 percent of Republican women.

Voters think teachers and school employees are paid too little

All respondents heard, and were then asked, the following question about school employee salary and wages:

“Now I would like to ask about the salary and wages paid to public school employees. Thinking about salary and wages only – and not including health insurance, retirement or other benefits - do you think school teachers and other school employees who work in your local public school district are paid too much, too little, or about the right amount? **[IF TOO MUCH/TOO LITTLE, ASK: ‘Would that be Much or Just somewhat?’ AND CODE BEST RESPONSE]”**

<u>May '17</u>		<u>Dec. '14</u>
2%	Much too much	2%
3%	Somewhat too much	7%
5%	TOTAL TOO MUCH	9%
27%	About the right amount	36%
57%	TOTAL TOO LITTLE	45%
22%	Somewhat too little	21%
35%	Much too little	24%
11%	Undecided/Refused	10%

Respondents said, by a solid 57 percent majority, that teachers and school employees in their local public schools are paid too little, with another 27 percent saying they are paid “about the right amount,” and only 5 percent saying they are paid “too much.” This represents a significant change from the survey conducted in December of 2014 when a much lower 45 percent said teachers and school employees were paid “too little.”

A 72 percent majority of Democrats, 58 percent of Independent voters, and 39 percent of Republican voters said teachers are paid “too little,” with 38 percent of Republicans saying they are paid about the right amount. Only 9 percent of Republicans, 4 percent of Independents and 3 percent of Democrats said teachers and school employees are paid “too much.”

Voters think teachers and school employees have about the right amount or too little benefits

All respondents heard, and were then asked, the following question about school employee benefits:

“Thinking specifically about the health insurance, retirement and other benefits that are part of a total compensation package, do you think the benefits local public school teachers and other public school employees receive in your area are too much, too little, or about the right amount? **[IF TOO MUCH/TOO LITTLE, ASK: ‘Would that be Much or Just Somewhat?’ AND CODE BEST RESPONSE]”**

<u>May '17</u>		<u>Dec. '14</u>
4%	Much too much	8%
7%	Somewhat too much	11%
11%	TOTAL TOO MUCH	19%
42%	About the right amount	43%
29%	TOTAL TOO LITTLE	24%
13%	Somewhat too little	12%
16%	Much too little	12%
19%	Undecided/Refused	14%

Respondents said, by 42 percent, that the health insurance, pension and other benefits are “about right,” with 29 percent saying they receive “too little” in benefits, and only 11 percent saying they have “too much.” This shows a significant change from the results of the December 2014 survey when 24 percent said they have “too little” in the way of benefits (5 points lower than now), 19 percent said they have “too much” in benefits (8 points higher than now), and 43 percent said benefits are “about right” (nearly unchanged).

Among Democrats, 40 percent said benefits are “about right”, with 39 percent saying “too little.” Independents said by 37 percent that benefits are “too little,” with 32 percent saying “about right.” Forty nine percent of Republicans said benefits are “about right,” only 19 percent said they were “too much,” with 14 percent saying they were “too little.”

These results suggest that any intent on the part of Republican legislators to make the change proposed in the school employee pension system is NOT based on any belief among their base of support that such a change is needed.