

TO: Interested Parties
FROM: Global Strategy Group
DATE: October 4, 2017
RE: **NEW POLL RESULTS — Oklahoma Voters Support Raising Revenue in Special Session**

As the Oklahoma State Legislature weighs the options for filling a \$215 million hole in the state budget, most voters want lawmakers to go beyond just balancing the budget during the legislative Special Session. Oklahomans are not happy with how the legislature has been dealing with taxes in recent years, and their priority is not lower taxes. Instead, voters want to see the state find the revenue to make investments that will ensure Oklahoma has a well-trained workforce, that will provide teachers a pay raise, and that will expand access to health care. Increasing the cigarette tax, raising income tax rates on the highest earners, and increasing the initial oil and gas production tax are all options for raising new revenue that a majority of Oklahomans support.

The state legislature's rating on tax policy is abysmal

Very few voters believe the Oklahoma State Legislature has done a good job handling tax issues in recent years (15% approve/69% disapprove). This includes a majority that strongly disapproves (52%).

- Most Republicans (22% approve/60% disapprove), Democrats (8% approve/76% disapprove), and Independents (11% approve/76% disapprove) and are not happy with the state legislature's performance in this area.
- ***The bottom line – Oklahomans are looking for a change when it comes to how the State Legislature handles taxes.***

Oklahomans are willing to pay more in taxes to make investments in critical state services, especially education and health care

When it comes to issues for the state legislature to focus on, “lowering taxes” (27% top priority) is less important to Oklahomans than “increasing teacher pay” (58% top priority) and “expanding access to health care” (47% top priority). Nearly half (49%) say “the state has gone too far in cutting taxes in recent years. I would be willing to pay more in taxes if it means paying teachers better, lowering class sizes, and funding health care services for those in need.” By comparison, just 42% who say that “Oklahoma taxes are high enough. Schools and government agencies need to do a better job with what they have rather than asking for more money.”

- Few Republicans (33% top priority), Democrats (25% top priority), and Independents (11% top priority) think lowering taxes should be a top priority.
- Majorities of Republicans (50% top priority), Democrats (65% top priority), and Independents (63% top priority) want to see teacher pay increased.
- ***The bottom line – Oklahomans are weary of tax policies that starve the state budget and prevent the state from making investments in critical services.***

Oklahomans think the Special Session needs to go beyond just balancing the state budget and want legislators to find revenue that will pay for more investments in education and other state services

Two-thirds (67%) believe “the legislature should pass a comprehensive revenue plan that avoids further budget cuts and allows for a teacher pay raise and other investments in critical state services.” Far fewer (15%) prefer that the legislature “only pass a tobacco tax increase to balance the budget, but not consider other revenue options that would allow for a teacher pay raise and other investments in critical state services.” Only 11% say “the legislature should not pass any revenue raising measures and allow the budget cuts to take effect.”

- Majorities of Republicans (59%), Democrats (74%), and Independents (72%) think the legislature should pass a revenue plan that avoids cuts, allows for a teacher pay raise, and makes other investments in state services.
- ***The bottom line – Voters are looking for state legislators to go beyond the budget status quo, so teachers can get a pay raise and other investments can be made in other critical state services.***

Most Oklahomans say raising income tax rates on the highest earners and increasing the cigarette tax are palatable options to generate more revenue

Only a limited number of voters (24%) support never raising taxes. In comparison, large majorities support raising taxes on people with incomes over \$200k (63% support/33% oppose) and increasing the cigarette tax by \$1.50 (62% support/36% oppose).

Policy Proposal	Support	Oppose
Raising taxes on people with incomes over \$200,000 a year	63%	33%
Increasing the state cigarette tax by \$1.50	62%	36%
Ending tax breaks on the capital gains earned by mostly high-income Oklahomans on stocks and real estate	55%	39%
Increasing the state sales tax by one cent	49%	49%
Expanding the sales tax to include currently untaxed services, like swimming pool maintenance and oilfield services	43%	50%
Increasing the state gas tax by 5 cents a gallon	36%	62%
Never raising any taxes	24%	74%

There is also appetite to increase the initial tax rate on new oil and gas production

When presented with short arguments in favor and against increasing the tax rate on new oil and gas production from the current 2% for the first 3 years of drilling to 7%, a majority supports returning the initial rate to 7% (55%). Only 39% want to maintain the current 2% initial rate.

- ***The bottom line – State legislators have multiple options for raising new revenue in the legislative Special Session that a majority of Oklahomans can get behind.***

Voters continue to recognize that a strong education system is the better way to attract new businesses to Oklahoma

A large majority (76%) believe “an educated and well-trained workforce” is more important to attracting business to locate in Oklahoma than “low personal income tax rates” (just 19%). This is the highest level of support for schools and vocational training since we first asked this question in 2012.

- Most Republicans (68%), Democrats (85%) and Independents (78%) say a qualified workforce is the best approach to spurring economic growth in the state
- **The bottom line – For the sixth year in a row, Oklahomans think it is better to entice companies to the state by touting a superior workforce, not low taxes.**

ABOUT THIS POLL

Global Strategy Group conducted a survey on September 28-October 1, 2017 with 400 registered voters in Oklahoma. The results have a margin of error of +/-4.9%, and care has been taken to ensure the geographic and demographic divisions of the expected electorate are properly represented based on past voter turnout statistics.

Q1. Are you at least 18 years old and registered to vote at [ADDRESS ON FILE]?
 Yes 100%
 No -
 Don't know/Refused -

Q1. And, thinking about some issues facing state government in Oklahoma...
 Strongly approve 2%
 Somewhat approve 13
 Somewhat disapprove 17
 Strongly disapprove 52
VOL: (Don't know/Refused) 16
 APPROVE (NET) 15%
 DISAPPROVE (NET) 69

Now I am going to read some issues on which the Oklahoma State Legislature could focus, and I'd like to know how much of a priority you think each one should be. In your opinion, should [ITEM] be a major priority, a minor priority, or not a priority? [IF MAJOR] Should it be the top priority?

	MAJOR PRIORITY					NET
	Top	Not top	Minor priority	Not a priority	(DK/Ref.)	MAJOR PRIORITY
• Increasing teacher pay	58%	21	15	5	1	79
• Expanding access to health care	47%	17	21	12	3	64
• Lowering taxes	27%	11	35	24	3	38

Q5. Thinking some more about the Oklahoma state budget, what statement do you agree with more?
 Oklahoma has gone too far in cutting taxes in recent years. I would be willing to pay more in taxes if it means paying teachers better, lowering class sizes, and funding health care services for those in need..... 49%
 Oklahoma taxes are high enough. Schools and government agencies need to do a better job with what they have rather than asking for more money..... 42
VOL: (Don't know/Refused) 9

Q6. And, which of the following do you think is more important to attract businesses to locate and invest in Oklahoma?

	Sept 17	Apr 16	Mar 15	Mar 14	Apr 13	May 12
An educated and well trained workforce	76%	68%	68%	68%	68%	70%
Low personal income tax rates.....	19	24	20	25	24	21
Neither	1	4	5	5	2	3
Don't know/Refused	4	4	6	3	6	6

As you may know, the Oklahoma Supreme Court struck down a state cigarette fee, which has left a \$215 million shortfall in the state budget, which will lead to deep cuts to health care and other services if the legislature does not approve revenue increases. Governor Mary Fallin has called the state legislature into special session to address the budget shortfall and fund other needs like a teacher pay raise.

Q7. When it comes to this special legislative session, which of the following statements comes closest to your opinion?

The legislature should pass a comprehensive revenue plan that avoids further budget cuts and allows for a teacher pay raise and other investments in critical state services	67%
The legislature should only pass a tobacco tax increase to balance the budget, but not consider other revenue options that would allow for a teacher pay raise and other investments in critical state services	15
The legislature should not pass any revenue raising measures and allow the budget cuts to take effect	11
VOL: (Don't know/Refused)	7

Now I'm going to read you some ideas for the Oklahoma state budget, and I'd like to know if you support or oppose each one. Do you support or oppose [ITEM]? [IF SUPPORT] And do you strongly support it or just somewhat support it? [IF OPPOSE] And do you strongly oppose it or just somewhat oppose it?

	SUPPORT		OPPOSE		(DK/Ref.)	NET	
	STRONGLY	SOME	SOME	STRONGLY		SUPPORT	OPPOSE
• Increasing the state cigarette tax by \$1.50	47%	15	11	25	2	62	36
• Raising taxes on people with incomes over \$200,000 a year	42%	22	14	19	4	63	33
• Ending tax breaks on the capital gains earned by mostly high-income Oklahomans on stocks and real estate	35%	20	18	21	6	55	39
• Increasing the state sales tax by one cent.....	22%	27	13	35	3	49	49
• Expanding the sales tax to include currently untaxed services, like swimming pool maintenance and oilfield services	16%	27	19	31	7	43	50
• Never raising any taxes	14%	10	32	42	2	24	74
• Increasing the state gas tax by 5 cents a gallon.....	13%	23	15	47	2	36	62

As you may know, Oklahoma currently taxes new oil and gas production at 2% for the first 3 years of drilling, before the rate rises to 7%. Supporters of the initial 2% rate say it is needed to promote economic activity in Oklahoma. Opponents of the initial 2% rate say it is an unnecessary giveaway to already profitable oil and gas companies and we should return the initial rate to 7%.

Q16. Having heard this, do you support maintaining the current 2% initial tax rate on new production or do you support returning the initial rate to 7%?	Support maintaining the current 2% initial rate	39%
	Support returning the initial rate to 7%	55
	VOL: (Don't know/Refused)	6

Now I have just a few final questions for statistical purposes.

P1. No matter how you may be planning to vote next year, when it comes to politics, do you generally think of yourself as a strong Democrat, not very strong Democrat, strong Republican, not very strong Republican, or Independent? [IF UNDECIDED] Do you think of yourself as closer to the Democratic Party or the Republican Party?	Strong Democrat	18%
	Weak Democrat.....	11
	Independent / Closer to the Democrats.....	9
	Independent.....	7
	Independent / Closer to the Republicans	12
	Weak Republican	12
	Strong Republican.....	28
	VOL: (Don't know/Refused)	2
	DEMOCRAT (NET)	29%
	INDEPENDENT (NET).....	31
REPUBLICAN (NET).....	40	
DEMOCRAT W/ LEANERS (NET)	39%	
REPUBLICAN W/ LEANERS (NET).....	53	

Coded Age [REFUSED ASSIGNED AGE ON FILE]	18-29	16%
	30-44	25
	45-54	16
	55-64	19
	65+	25
	Refused	-

D102. What is the last grade of school or level of education you completed?	Did not complete high school	1%
	Graduated high school	21
	Attended technical/vocational school	5
	Attended some college but no degree.....	19
	Graduated two-year college with Associate's degree	13
	Graduated four-year college with Bachelor's degree	24
	Obtained Master's, PhD, or other professional degree (MD, DM)	15
	Don't know/Refused	1

D105. When it comes to politics, do you generally think of yourself as:	Very liberal.....	8%
	Somewhat liberal	14
	Moderate	22
	Somewhat conservative	26
	Very conservative	25
	Don't know/Refused	5

Gender [BY OBSERVATION]	Male.....	46%
	Female.....	54

Party [FROM SAMPLE]	Democrat.....	39%
	Independent.....	15
	Republican.....	46

Region [FROM SAMPLE]	Oklahoma City DMA - Oklahoma County.....	19%
	Oklahoma City DMA - Rest	30
	Tulsa DMA - Tulsa County	16
	Tulsa DMA - Rest	20
	Outer Markets.....	15