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ORANGE COUNTY VOTER SURVEY

REPORT ON RESULTS

April 17, 2011
Prepared for Lacy Kelly

Association of California Cities – Orange County



ORANGE COUNTY VOTER SURVEY REPORT ON RESULTS

From Wednesday, April 13 through Friday, April 15, 2011 Probolsky Research conducted a telephone survey of Orange County voters.

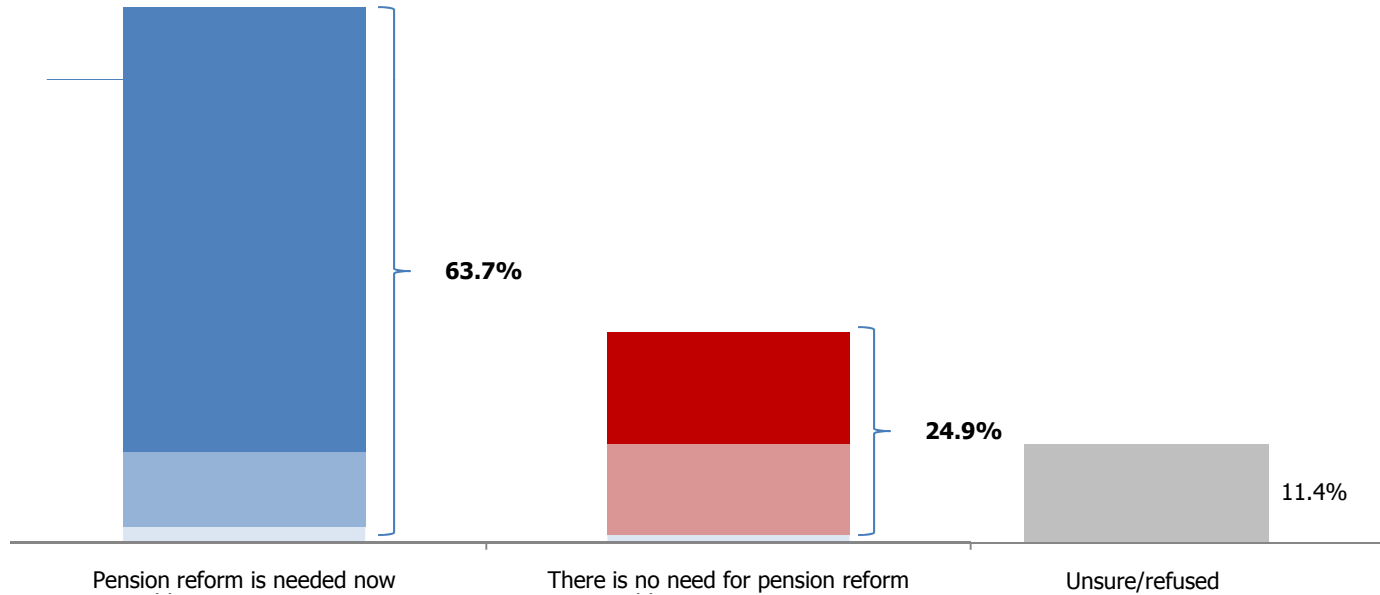
A total of 325 surveys were collected. A survey of this size yields a margin of error of +/- 5.7% with a 95% degree of confidence. Appropriate ratios were obtained such as for gender, age group, geographic location and political party registration.

Interviews were conducted in English and were conducted with voters on both landline and cell phones.

Numbers within these charts have been rounded for ease of presentation; some totals may be over or under 100% by between .1% and 1%. For exact numerical responses, please refer to the cross-tabulated results.

Probolsky Research LLC specializes in opinion research on behalf of government, corporate and media clients.

63.7% AGREE THAT PENSION REFORM IS NEEDED NOW



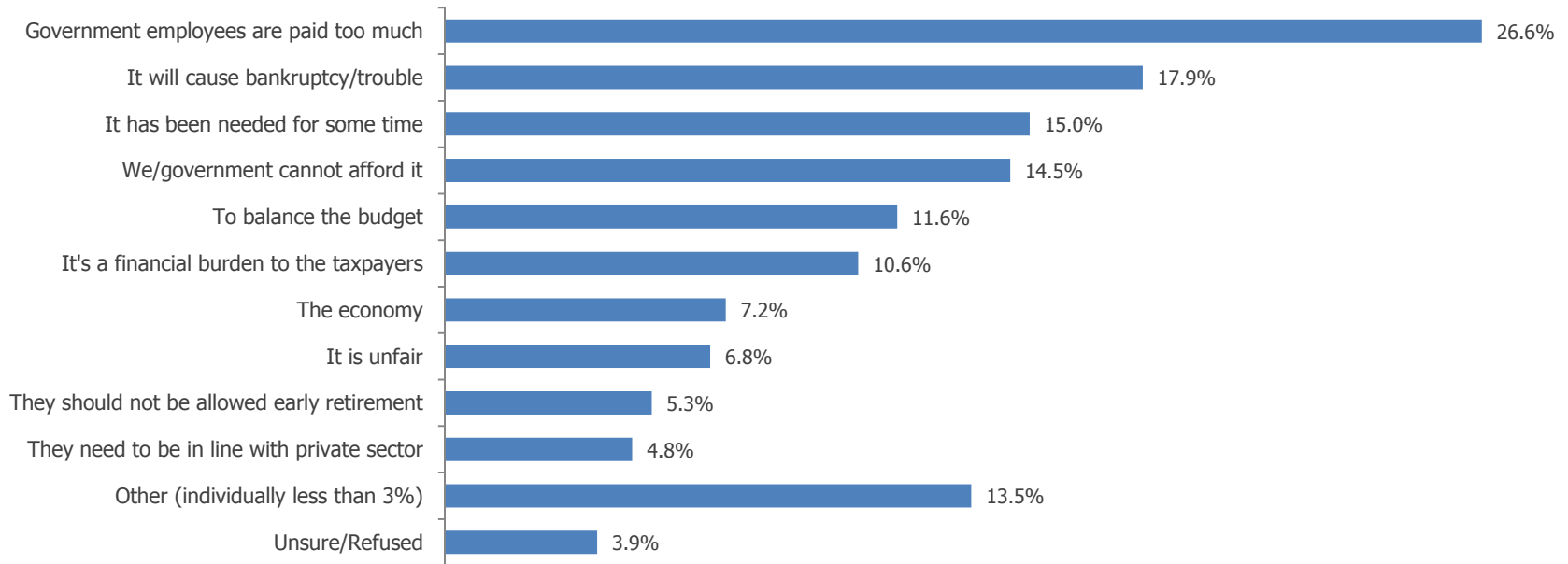
Question: With which of the following statements do you with agree the most?

Most local government employees benefit from overly generous pensions that are bankrupting our cities and the county. Pension reform is needed now.

OR

Most local government employees receive a fair pension and local government has the money necessary to pay for pension costs. There is no need for pension reform.

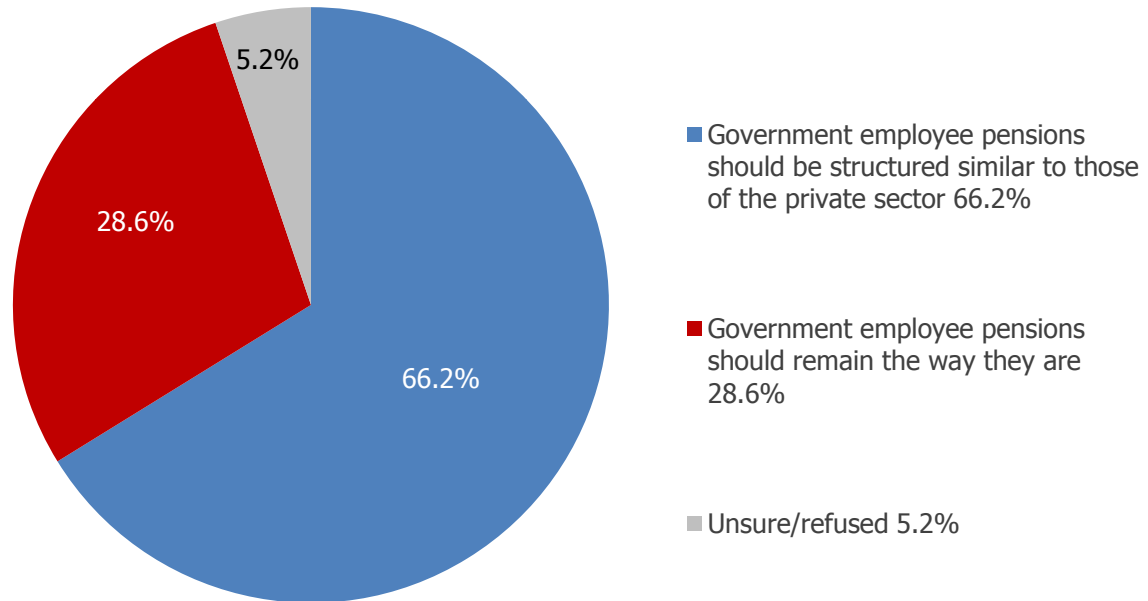
“GOVERNMENT EMPLOYEES ARE PAID TOO MUCH” IS THE MOST CITED REASON FOR WHY PENSION REFORM IS NEEDED NOW



Question: Thinking specifically, why would you say that pension reform for local government employees is needed now?*

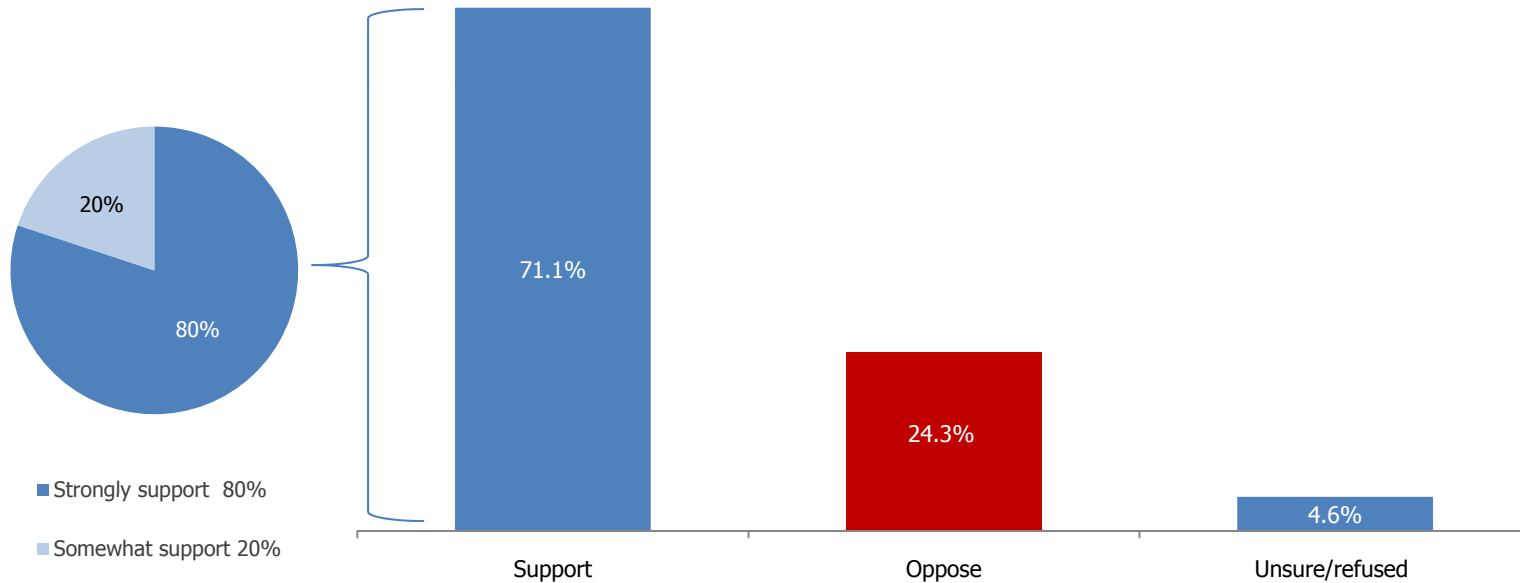
**Asked only of those who responded "Pension reform is needed now" to previous question*

66.2% THINK THAT GOVERNMENT EMPLOYEE PENSIONS SHOULD BE STRUCTURED SIMILAR TO THOSE OF THE PRIVATE SECTOR



Question: Government employees have traditionally received pensions that are protected from ups and downs in the economy. They receive a set pension check regardless of how the underlying investments that support their pensions are performing. If the market goes down, taxpayers have to make up the difference for those government employee pension plans. This is different for most private sector employees, who see their retirement investments impacted when the economy sags or booms. If the economy goes down, their retirement assets go down. Do you think that government employee pensions should remain the way they are, with guaranteed pensions no matter what happens in the economy or should their pensions be structured similar to those of the private sector?

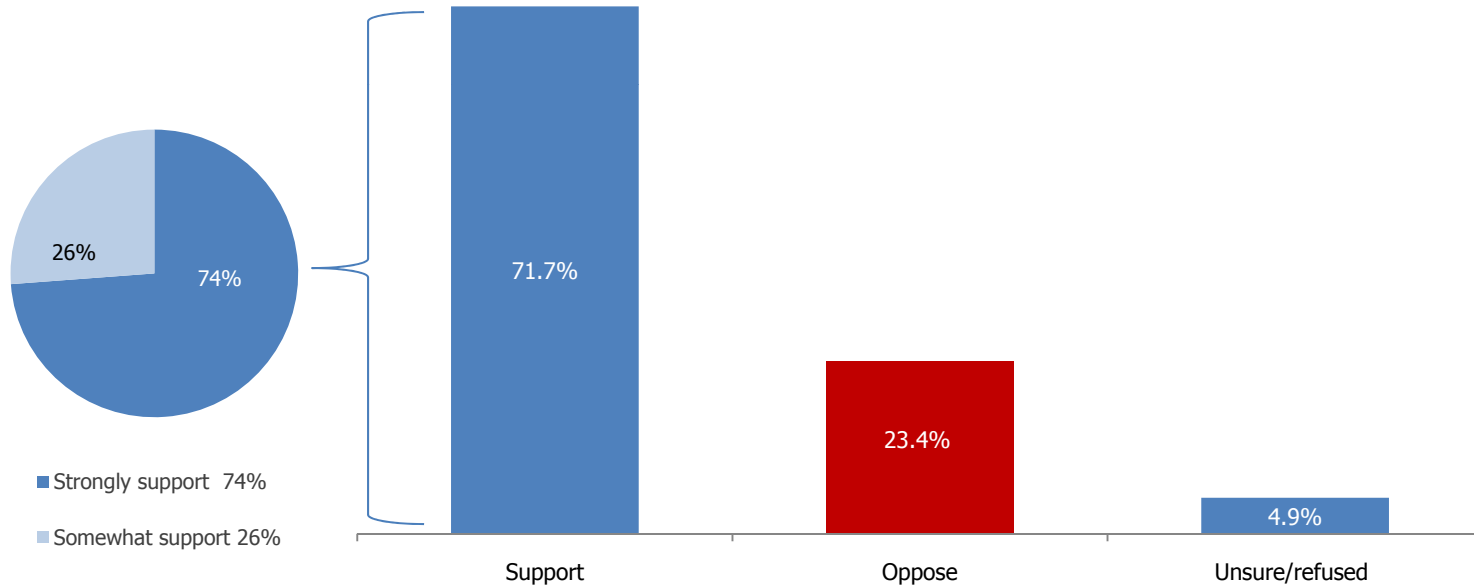
71.1% SUPPORT SETTING LOCAL GOVERNMENT EMPLOYEES' RETIREMENT AGE TO BE THE SAME AS THE SOCIAL SECURITY RETIREMENT AGE



Question: Many local government employees are able to retire and collect their pensions as early as age 50 to 55. Social Security retirement benefits cannot be collected until age 65 or 67. Do you support or oppose pension reform for local government employees that would set their retirement age to be the same as the Social Security retirement age?

71.7% SUPPORT ALLOWING LOCAL GOVERNMENT AGENCIES TO FREEZE UNAFFORDABLE PENSION PLANS AND OFFER AN ALTERNATIVE PLAN*

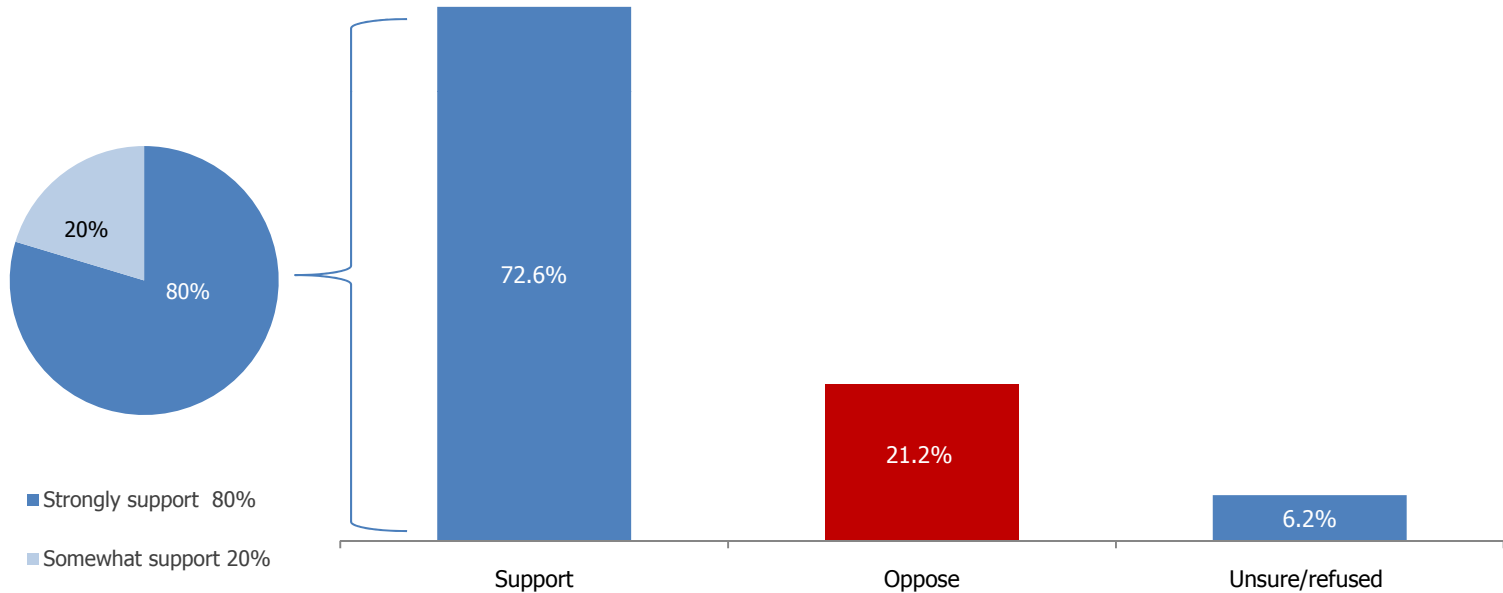
*Item proposed in the ACC-OC Pension Task Force Recommended Findings



Question: If a company or other non-governmental organization offers a retirement plan to employees which becomes unaffordable to maintain, they are allowed to freeze that plan. Benefits already accrued are honored, but additional benefits cannot be accrued, and employees are offered an alternative plan. Government agencies are not allowed to freeze local government employee pension plans if they are determined to be unaffordable. Taxpayers have to make up the difference. Do you support or oppose pension reform for local government employees that would allow local government agencies to freeze unaffordable pension plans and offer an alternative plan?

72.6% SUPPORT

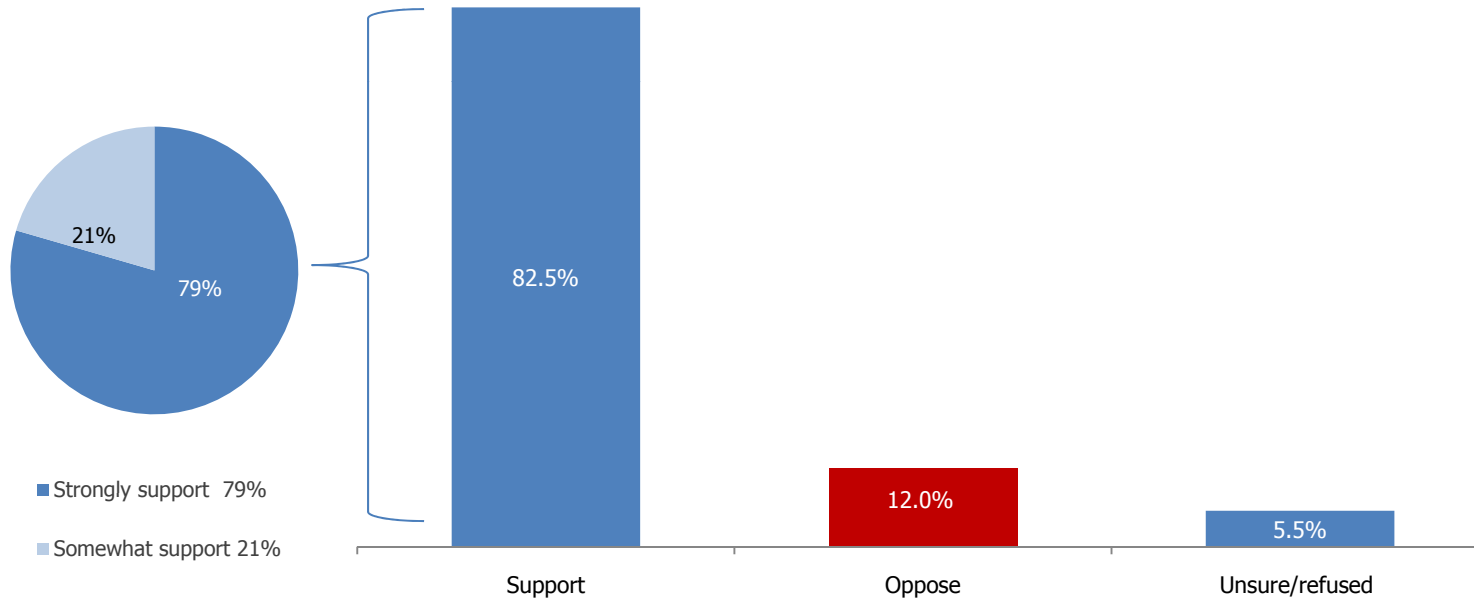
CAPPING THE AMOUNT OF BENEFITS LOCAL GOVERNMENT EMPLOYEES RECEIVE WHEN THEY ARE NO LONGER WORKING



Question: When many local government employees retire they can receive nearly 100% of their salary in retirement benefits. Do you support or oppose pension reform for local government employees that would cap the amount of benefits they receive when they are no longer working?

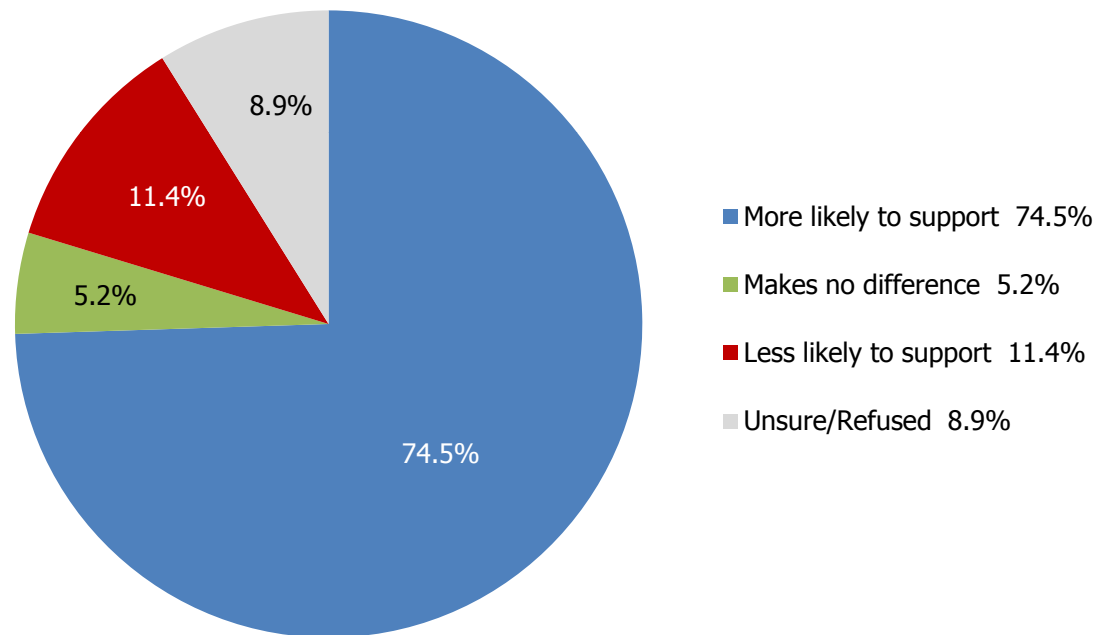
82.5% SUPPORT REQUIRING LOCAL GOVERNMENT EMPLOYEES TO CONTRIBUTE THE SAME AMOUNT AS THEIR EMPLOYERS TO THEIR PENSIONS

*Item proposed in the ACC-OC Pension Task Force Recommended Findings



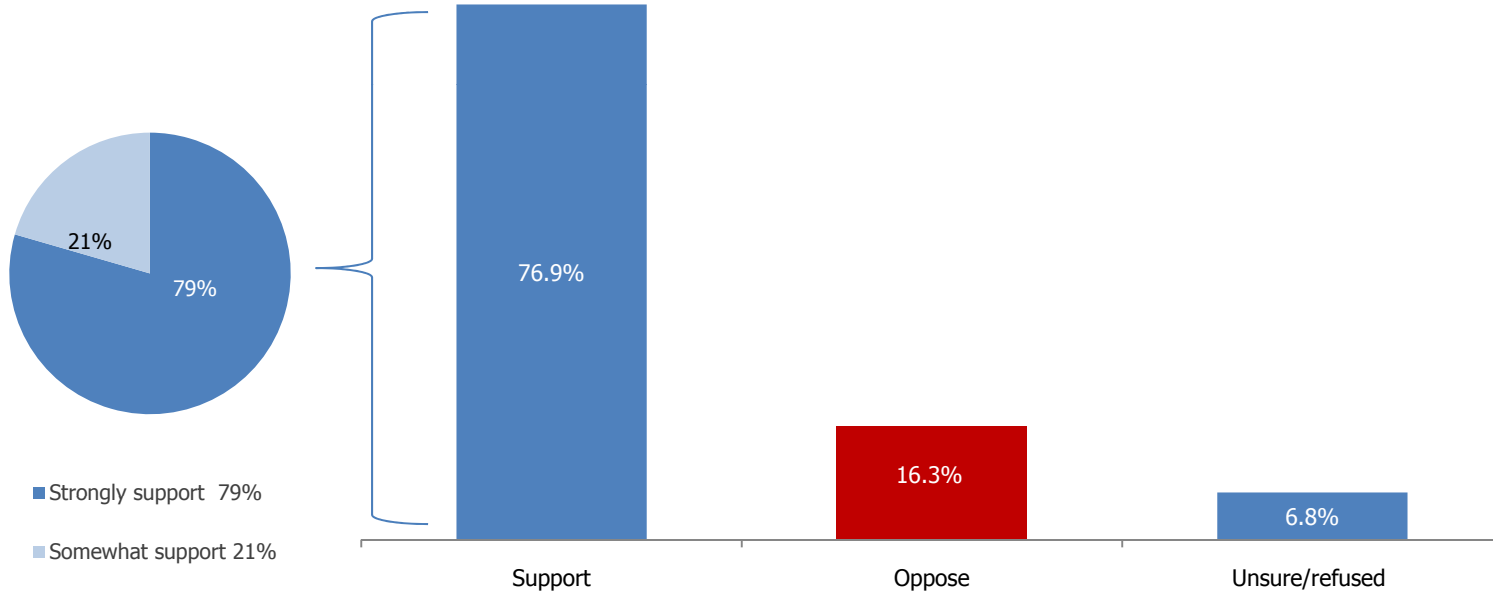
Question: Most local government employees do not contribute anything to their pensions. Do you support or oppose pension reform for local government employees by requiring them to contribute the same amount as their employers to their pensions?

74.5% BECAME MORE LIKELY TO SUPPORT PENSION REFORM KNOWING THAT IT WOULD PREVENT JOBS FROM BEING LOST



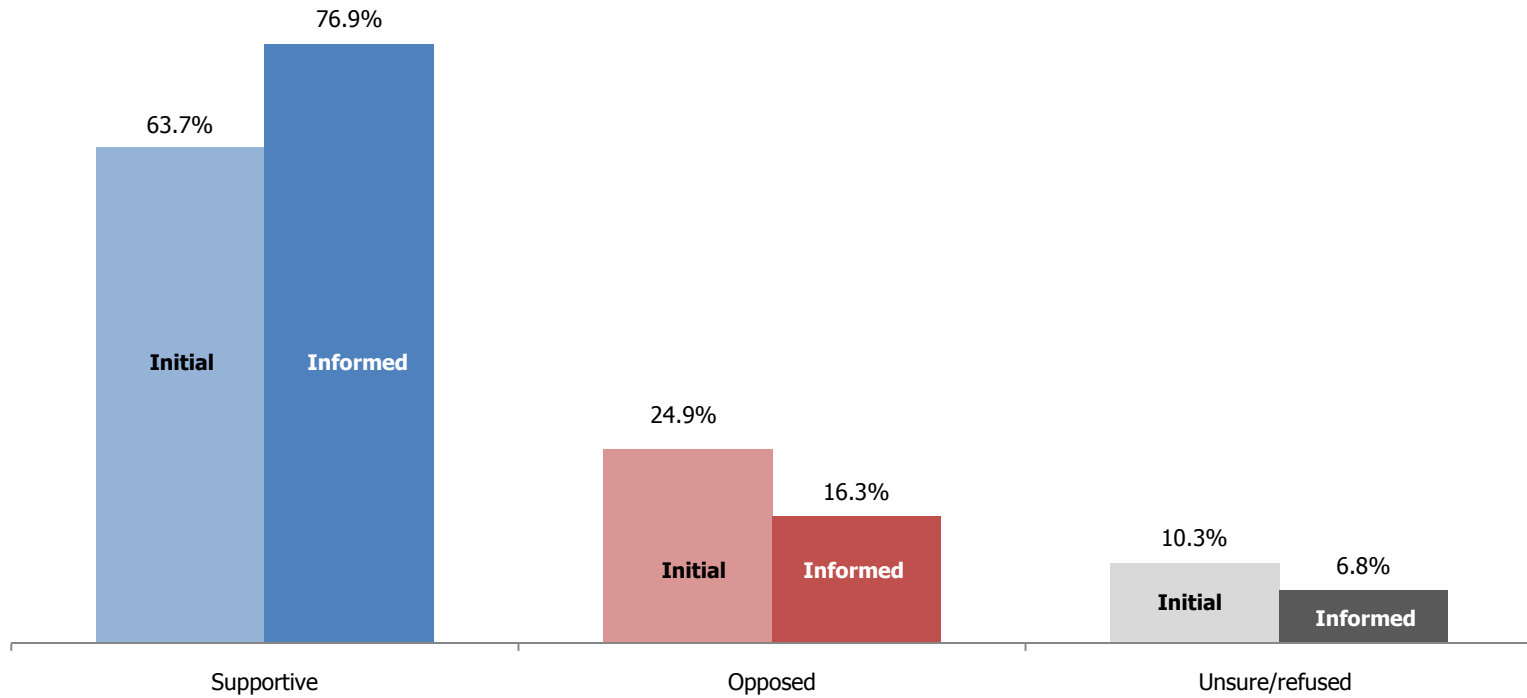
Question: if you knew that reforming local government employee pensions would prevent jobs from being lost, would you be more likely or less likely to support pension reform for local government employees?

76.9% OF INFORMED VOTERS SUPPORT PENSION REFORM FOR LOCAL GOVERNMENT EMPLOYEES



Question: After hearing all this, would you say that you support or oppose pension reform for local government employees?

MOVING THE DIAL: SUPPORT GROWS/OPPOSITION SHRINKS FOR PENSION REFORM FOR LOCAL GOVERNMENT EMPLOYEES



ORANGE COUNTY VOTER SURVEY CONCLUSIONS

Strong Support for Local Government Employee Pension Reform

Voters Support Specific Pension Reforms

- 82.5% support requiring local government employees to contribute the same amount as their employers to their pensions
- 71.1% support setting local government employees' retirement age to be the same as the Social Security retirement age
- 72.6% support capping the amount of benefits local government employees receive when they are no longer working
- 71.7% support allowing local government agencies to freeze unaffordable pension plans and offer an alternative

Knowing that Pension Reform Will Save Jobs Makes More Voters Support Reform

Ultimately, nearly 8 out of 10 Voters Support Pension Reform

- Nearly one-half of those who initially disagreed with the statement "pension reform is needed now" became supportive of pension reform for local government employees at the conclusion of the survey