



North Dakota

Key Findings North Dakota Statewide Survey October 25-29, 2011

#11554

 PUBLIC OPINION STRATEGIES **Lori Weigel**
Partner, POS

Dave Metz
Partner, FM3



Methodology

- 500 telephone interviews with registered voters likely to vote in 2012 throughout North Dakota
- Overall margin of error of $\pm 4.38\%$ at the 95% confidence interval for the total sample; sub-groups vary
- Bi partisan research team of Public Opinion Strategies and Fairbank, Maslin, Maullin, Metz and Associates.
- Interviews conducted October 25-29, 2011
- Interviews were conducted on traditional land lines and on cell phones



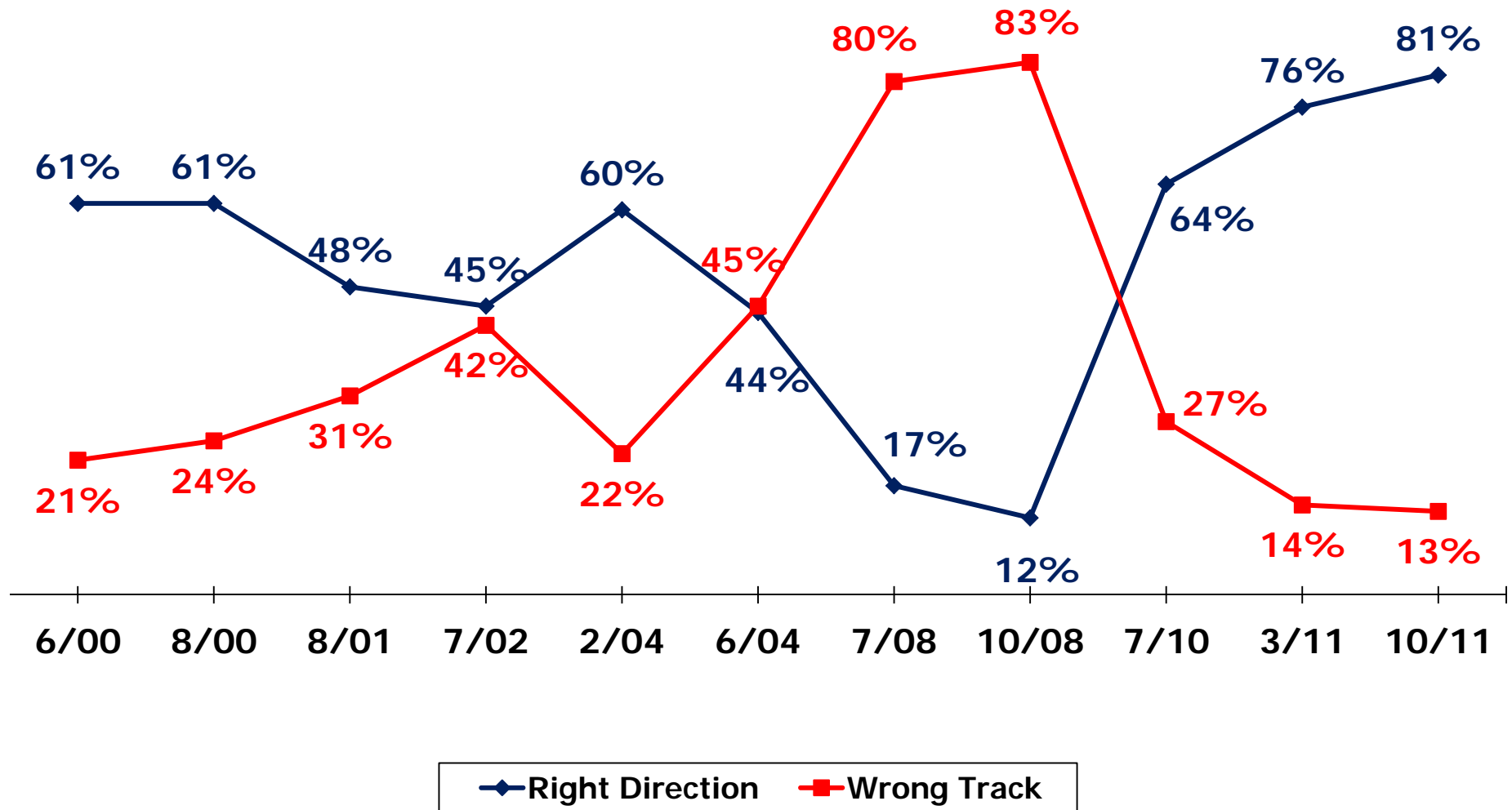
North Dakota

Key Findings

Key Findings

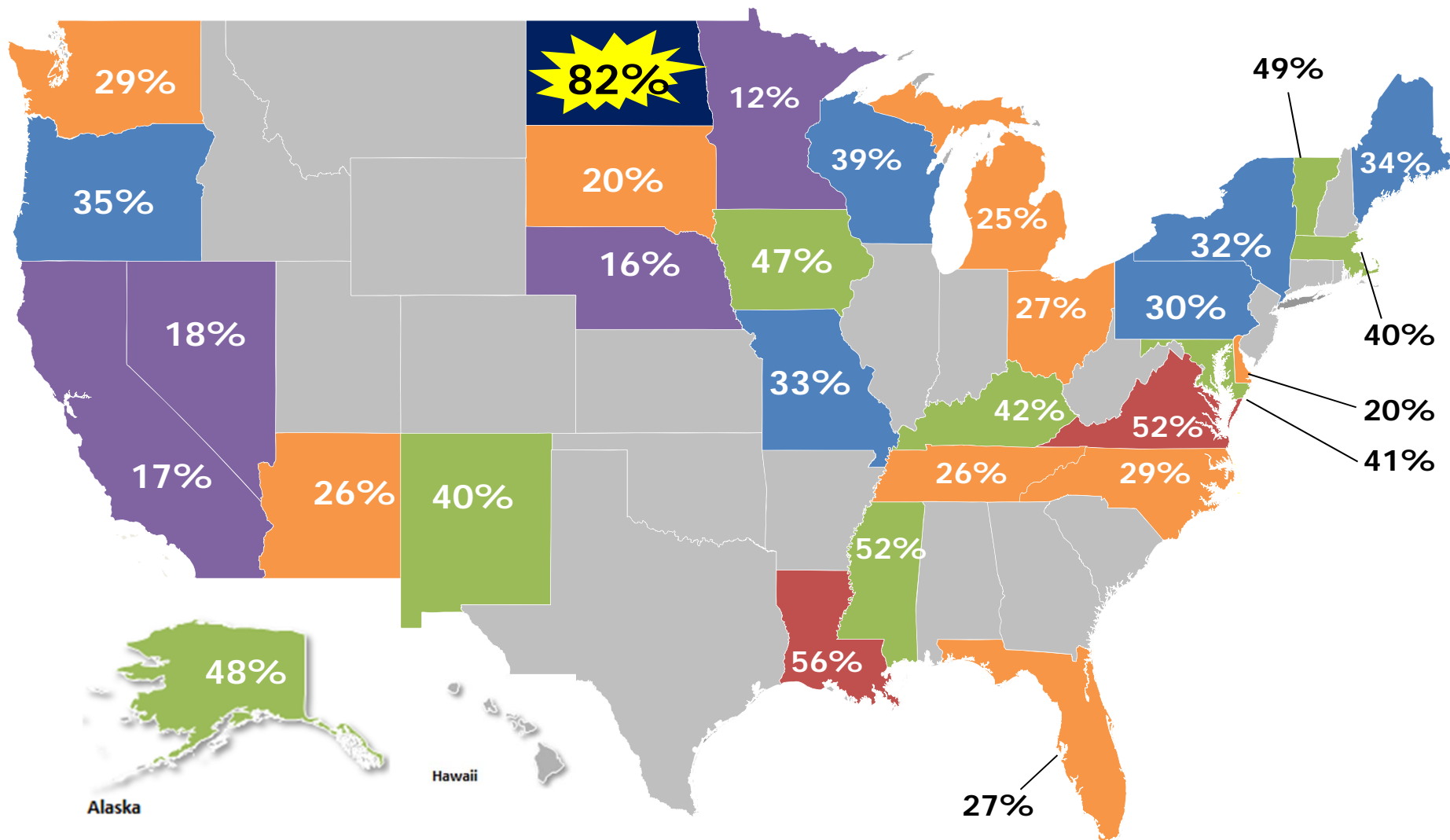
- **A solid majority of voters indicate they would vote Yes in support of a proposed conservation funding amendment. Support is broad-based and widespread. Support does not appear to be affected by the presence of another amendment regarding farming on the ballot.**
- **Messages in support of the amendment are far more compelling than rationales against it. Support increases after additional information about the measure, how funds could be used, and the accountability provisions which will be put in place. That said, some details of how the fund work are less significant to voters.**
- **In addition, a potential supporting coalition rates as far more credible than two possible opposition coalitions, although every attempt to avoid any potential opposition should still be made.**

Views of the direction of North Dakota are at a high point over the last decade.



"Generally speaking, would you say that things in North Dakota are going in the right direction or have they pretty seriously gotten off on the wrong track?"

In fact, North Dakotans' optimism is the highest of any state over the last several months.





North Dakota

Constitutional Amendment

Constitutional Amendment Language as Tested

A new section to the Constitution of North Dakota is created and enacted as follows:

To conserve our water, wildlife, working farms and ranches and parks, [TEN/FIVE] percent of total revenue derived from taxes on oil and gas production and [TEN/FIVE] percent of total revenue derived from taxes on oil extraction must be transferred by the state treasurer to a special fund in the state treasury. The legislative assembly may transfer funds from any source into the fund, and such transfers become part of the principal of the fund.

The principal and earnings of the fund shall be used for grants to state agencies, tribal governments, local governments and non-profit organizations for the following purposes:

- Restore, protect and enhance water quality in lakes, rivers, wetlands, streams and groundwater
- Restore, protect and enhance lands, prairies and forests for people and wildlife
- Enhance working farms and ranches, and encourage beginning farmers and ranchers, through conservation incentives;
- Increase public access for hunting, fishing and outdoors recreation;
- Create and maintain parks, walking trails and other recreation areas; and
- Improve flood control through voluntary conservation initiatives

A citizen board shall be created to oversee and distribute funds. No more than three percent of these funds can be used for administration. The State Treasurer shall oversee the investment of these funds.

If the election were being held today, would you vote Yes in favor or No against the constitutional amendment?

**Words highlighted in brackets reflect wording differences between Sample A and Sample B language respectively.*

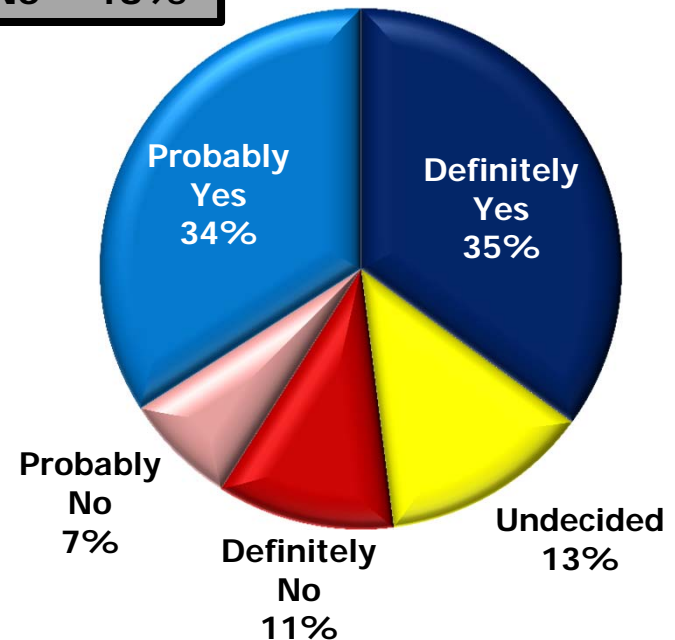
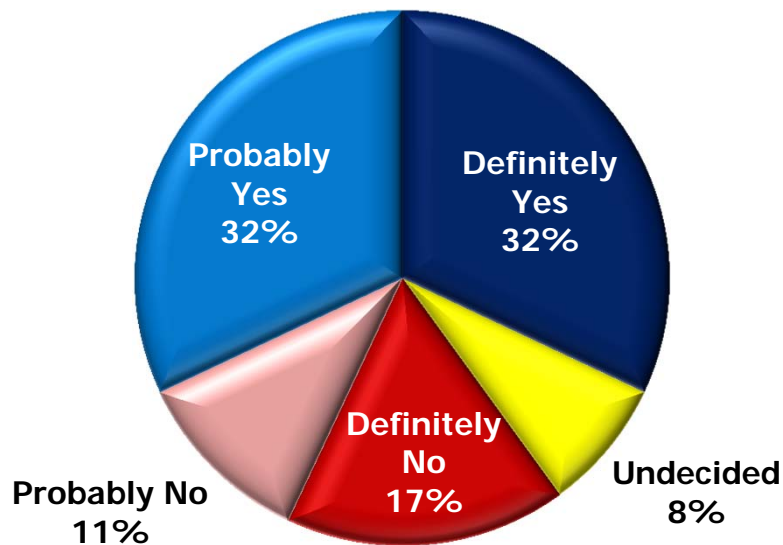
Support is strong for both amounts tested, although there is less opposition at the 5% mark.

Initial Ballot 10%

Initial Ballot 5%

Total Yes 64%
Total No 28%

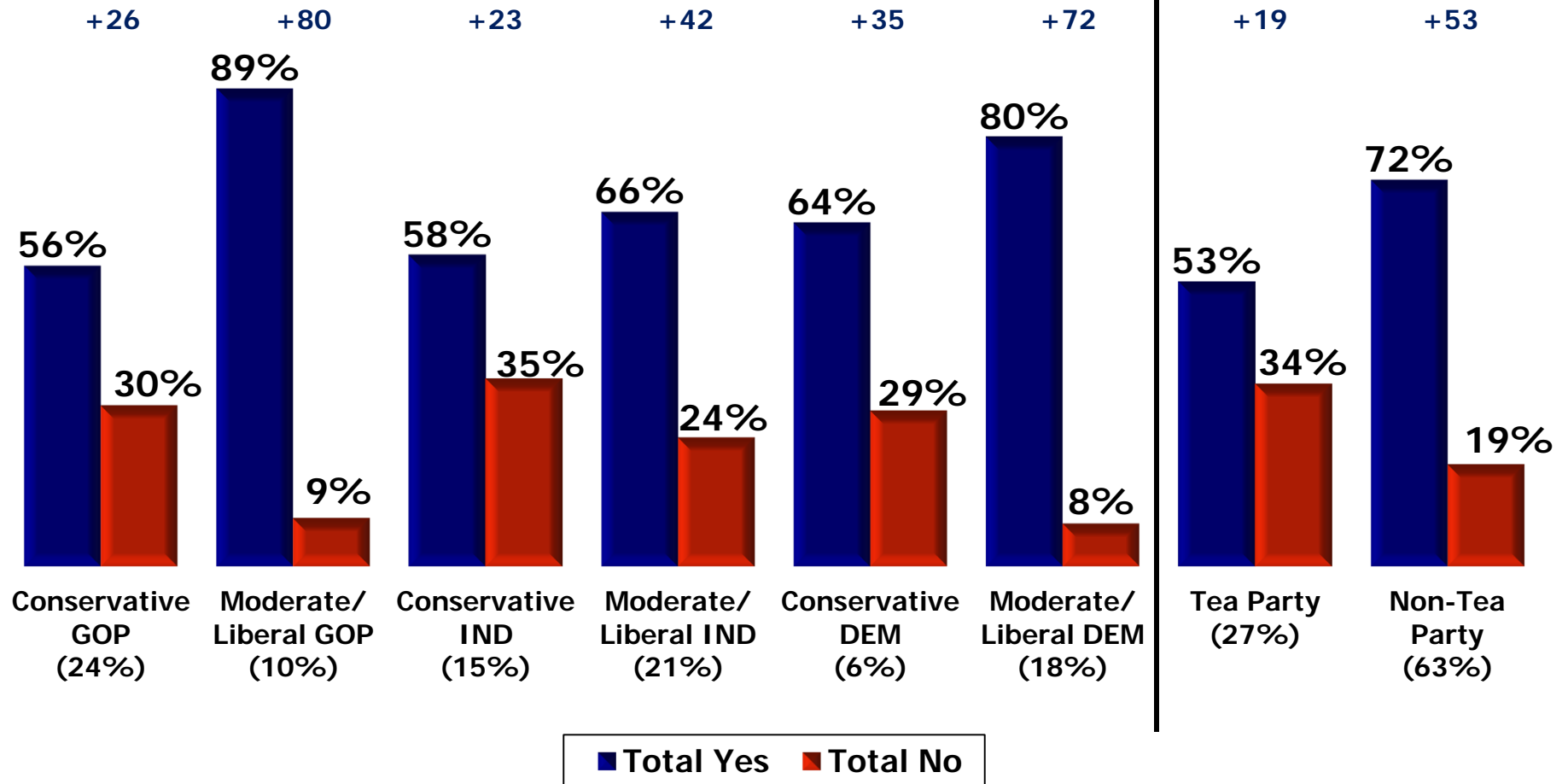
Total Yes 69%
Total No 18%



Combining both versions, we can see that political ideology is more significant than party affiliation.

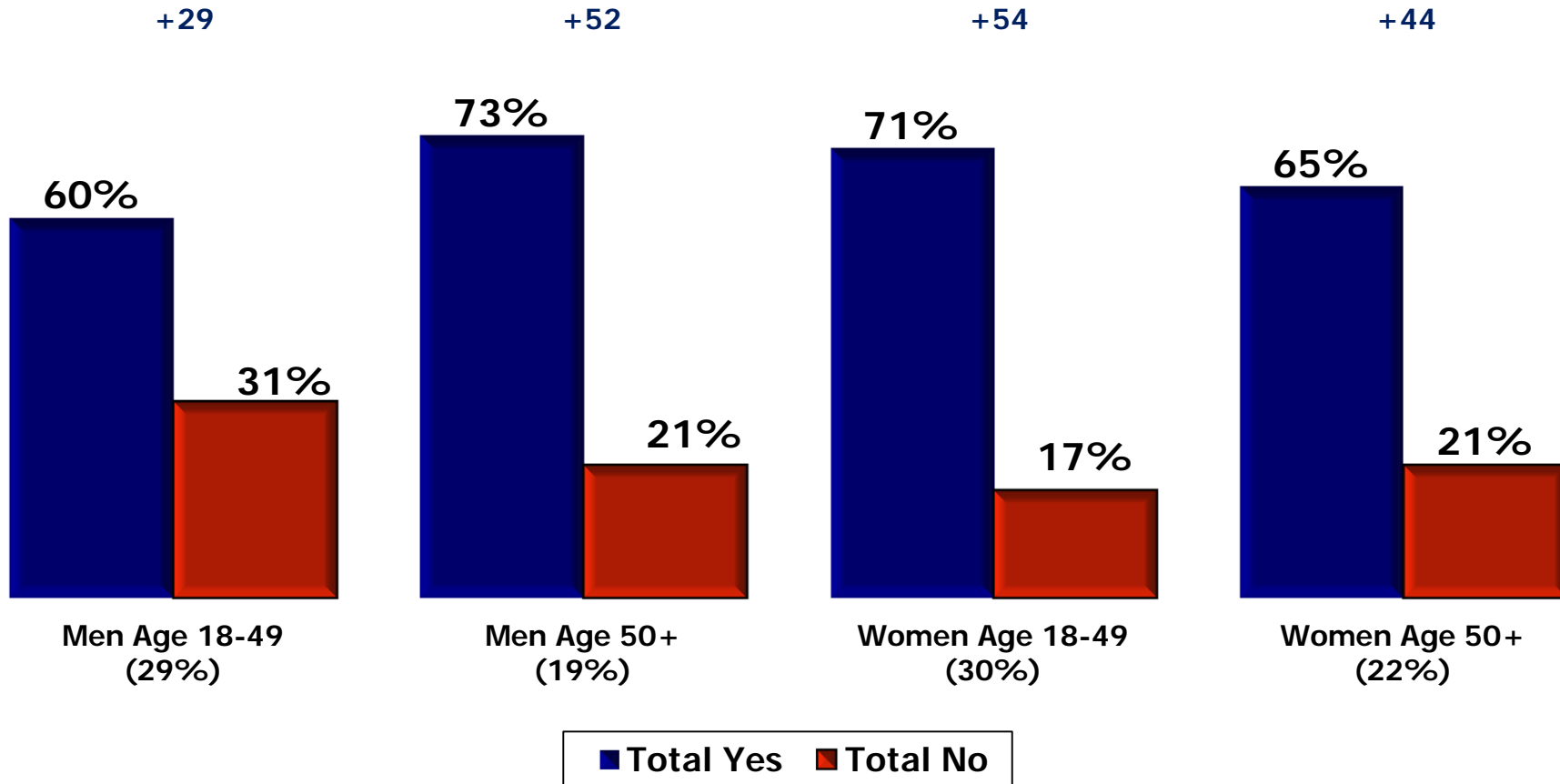
By Ideology/Party

By Tea Party



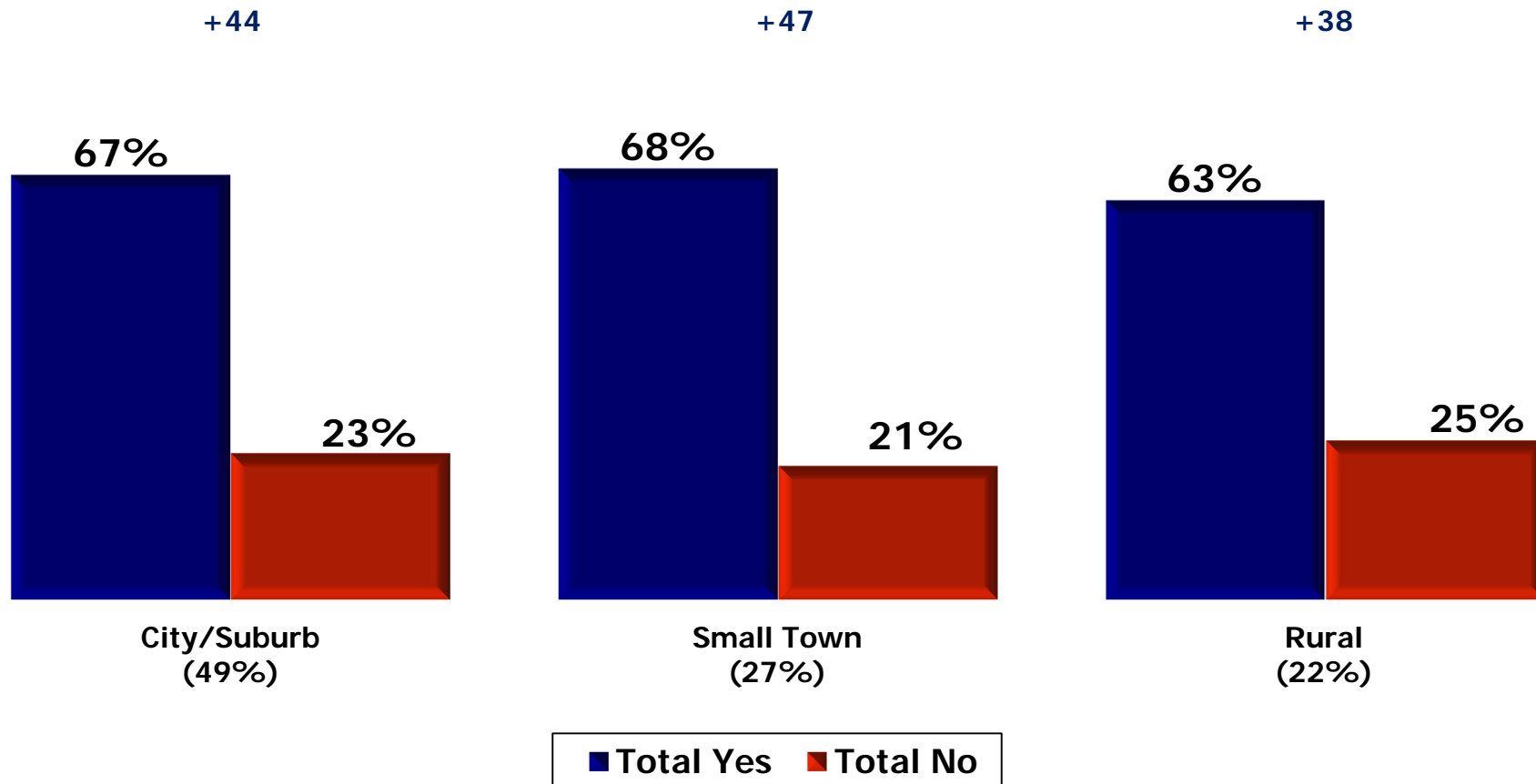
Older men are one of the more supportive sub-groups.

By Gender/Age

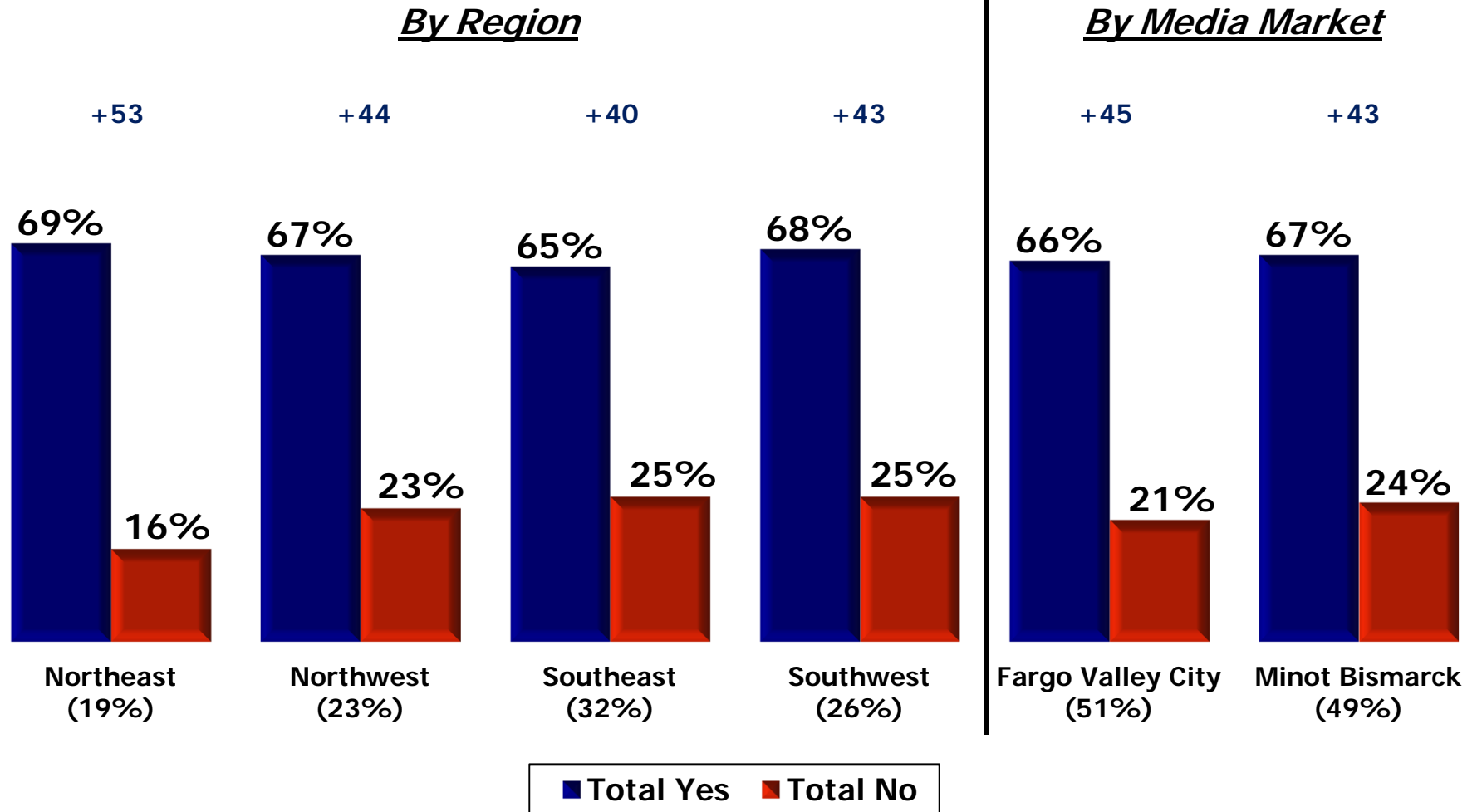


There is basically no difference between urban and more rural areas.

By Type of Community

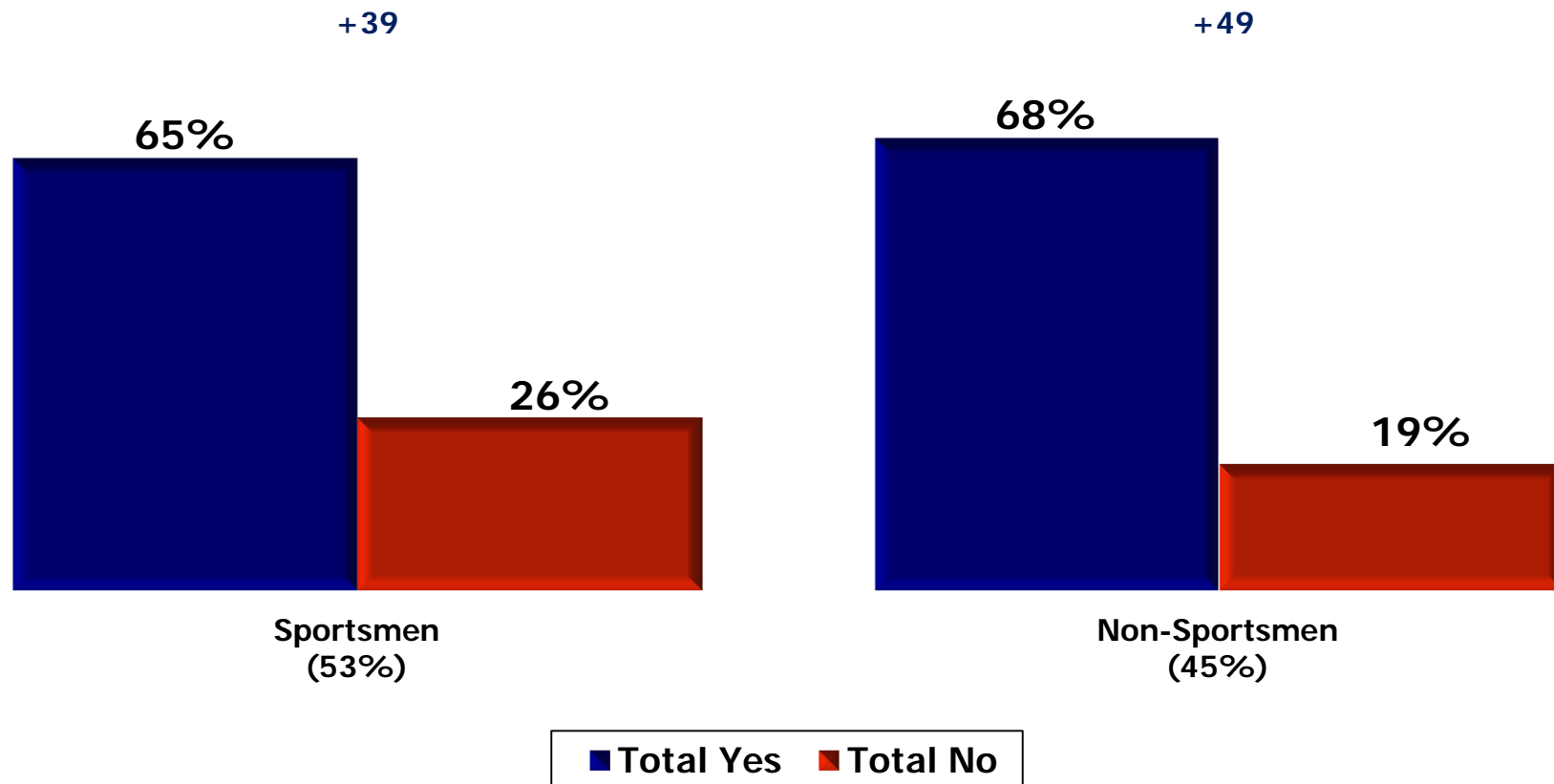


Support is fairly constant across the state.



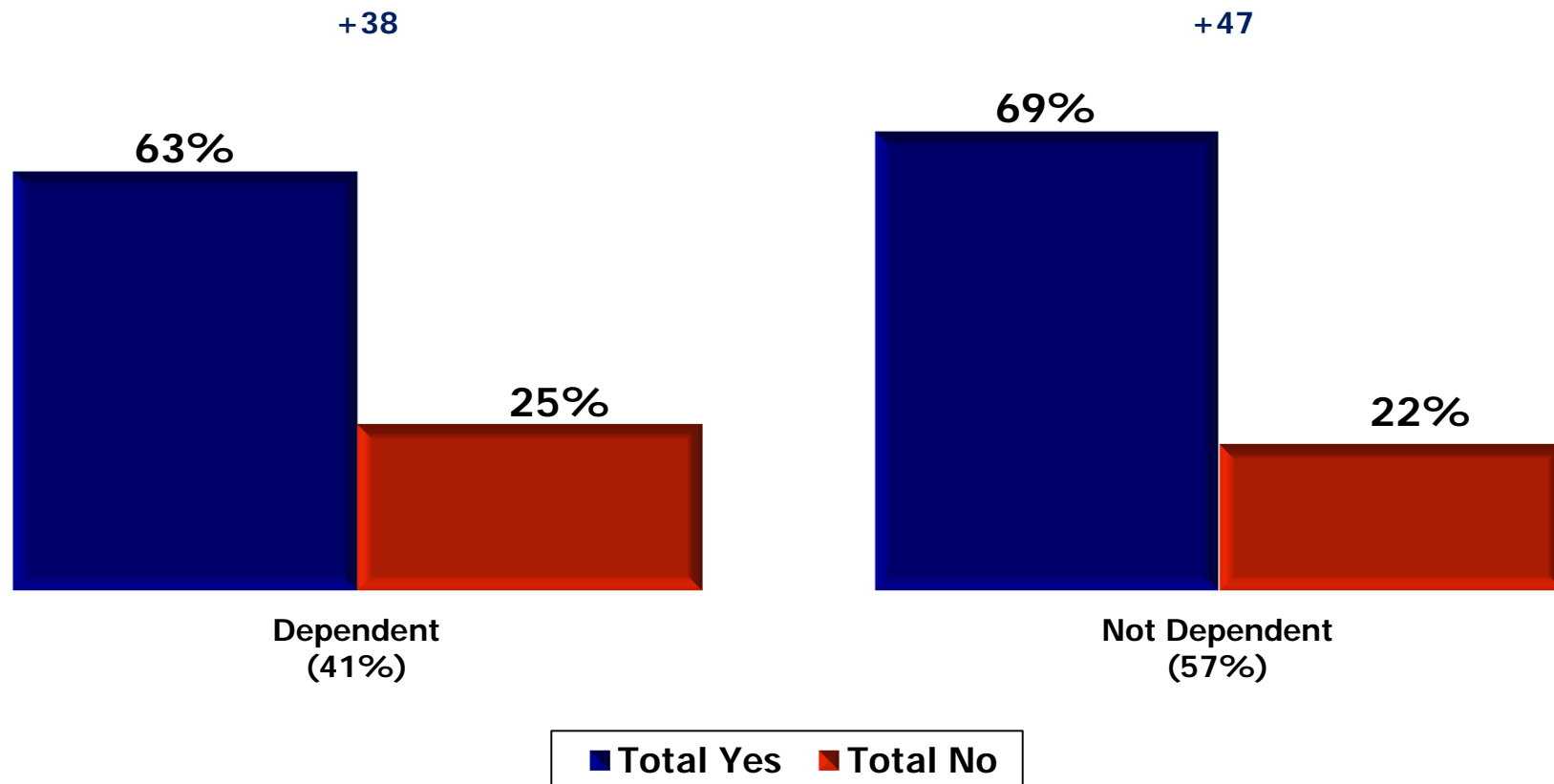
Support levels are fairly similar between sportsmen and those who do not hunt or fish.

By Having Hunting or Fishing License in Last 3 Years



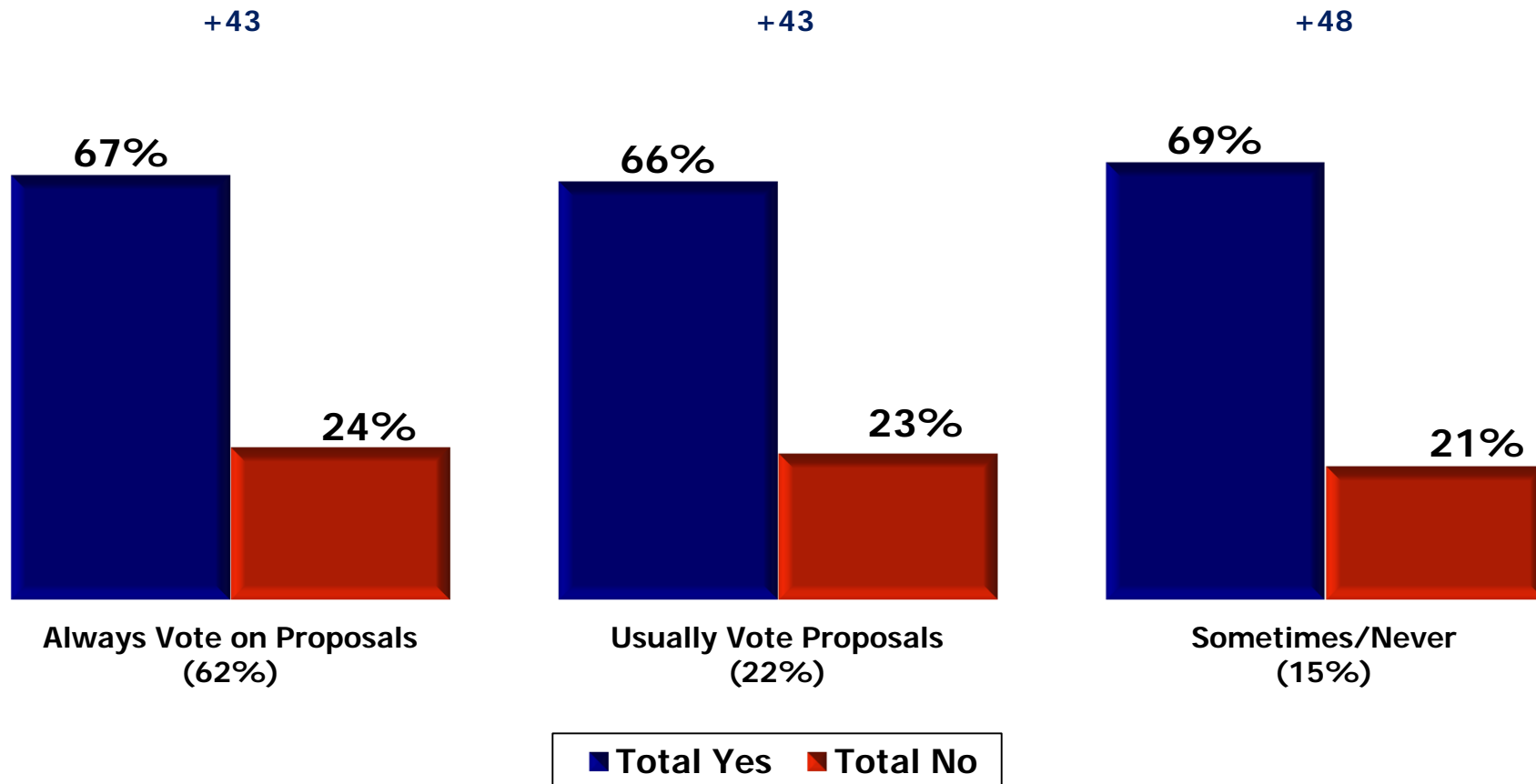
There is a modest difference in support levels between those in agriculture and other voters.

By Dependence on Farming or Ranching Economy



There is little distinction based on self-reported voting through the entirety of a ballot.

By Self-Reported Likelihood to Vote



Voters who indicate that they vote the entire ballot are more likely to be highly educated and older.

Top Groups: Always Vote on Ballot Proposals

Men College+	79%
Graduate School	74%
Rural Men	74%
Minot Bismarck Age 50+	72%
Moderate/Liberal Democrat	72%
Women Age 50+	71%
Republican Men	71%
Democrat Women	71%
Democrat Age 50+	70%
Tea Party Republican	70%
Independent Age 50+	69%
College Graduate	69%
Age 65+	68%
Republican Age 50+	68%

Key Themes: Voting YES

- **Flood control is important**
- **Clean water is important**
- **Conservation is good use of the money**
- **Recreation, parks and wildlife**
- **Oil companies do very well and need to repair the land**
- **It just sounds like a good idea**

Reasons for Voting Yes

"I think that we need to make sure our water stays clean. The oil industry is having an adverse effect on our water. I think an amendment like that would look forward to the future and ensure we are good stewards of our water and natural resources."

– Burleigh/Female/Democrat

"I think it is important. There is a big need to restore water quality and land quality for future generations. To lessen the impact of the oil and gas industry, their impact on the state lands. Air quality, I guess nothing has been said about that."

– Grand Forks/Male/Independent

"Some of the proposal is necessary and some of the proposal is very necessary. I am Native American so the grants to help tribal people, and the grants for clean water, those are necessary parts of the proposal."

– Rolette/Female/Democrat

"I think what mainly they're going for is maintaining our quality of life and that's what we need to do. Keep the quality going and not just use it for drilling and whatnot. We need to protect the land too."

– Williams/Female/Democrat

Key Themes: Voting NO

- **This means more government/bureaucracy; more regulations**
- **This should not be in the Constitution**
- **More money going to government means more money wasted**
- **Fargo/bureaucrats will somehow find a way to divert the money away from this purpose**
- **The oil companies are already paying a lot in taxes/confusion over whether new tax**
- **Farmers get enough money already**

Reasons for Voting No

"I believe that everyone is getting their fair share as it is. The oil company is already paying for the land to be fixed. Now if they would fix the roads, I would be in agreement."

– *Williams/Female/Republican*

"It has no business being in the constitution. It should be left to the legislators and House, Senate and Governor to divide up the funds. I feel it goes against the intentions of the political process and purpose of elected officials."

– *Grand Forks/Male/Independent*

"The energy production is extremely important and anything to tax it is wrong. Whenever you put that amount of money into the government's hands it will be wasted."

– *Cass/Male/Independent*

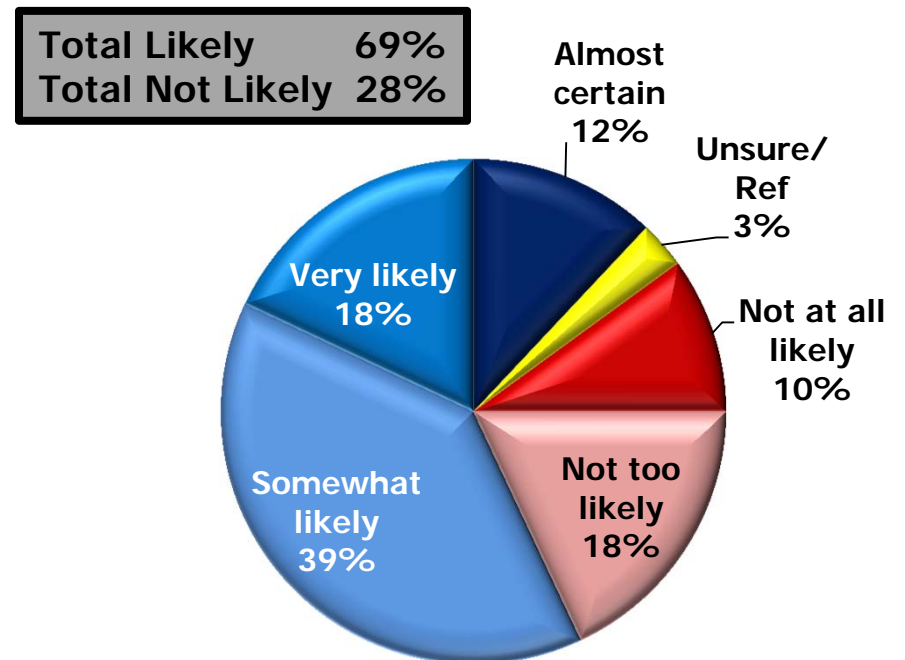
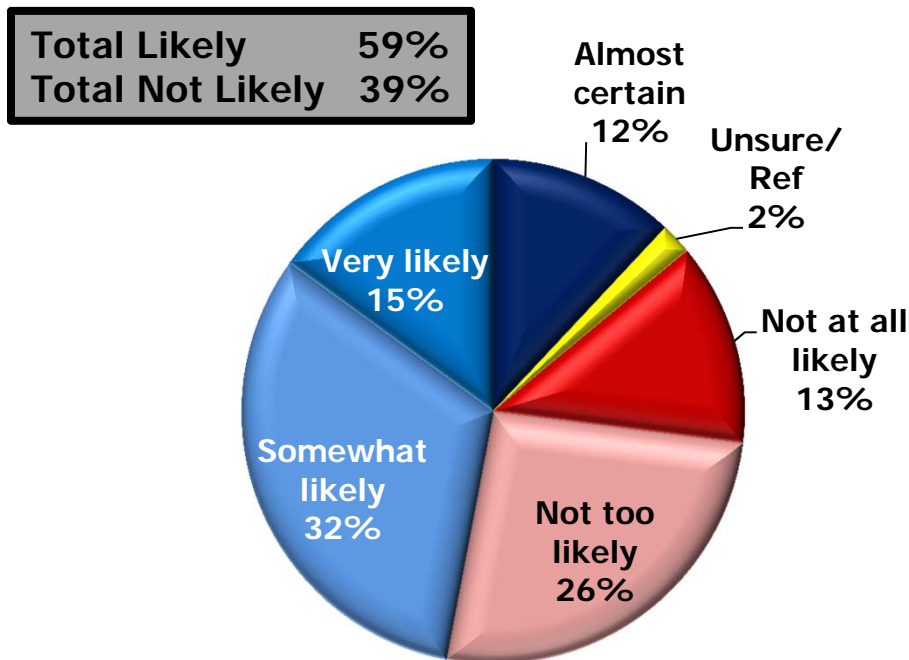
"What it does is create another government agency and we have enough of them right now. We don't need another. I'd vote No."

– *Williams/Female/Republican*

A majority of voters believe the amendment will result in some increased cost to them.

Taxes will increase

Gas/Heat prices will increase

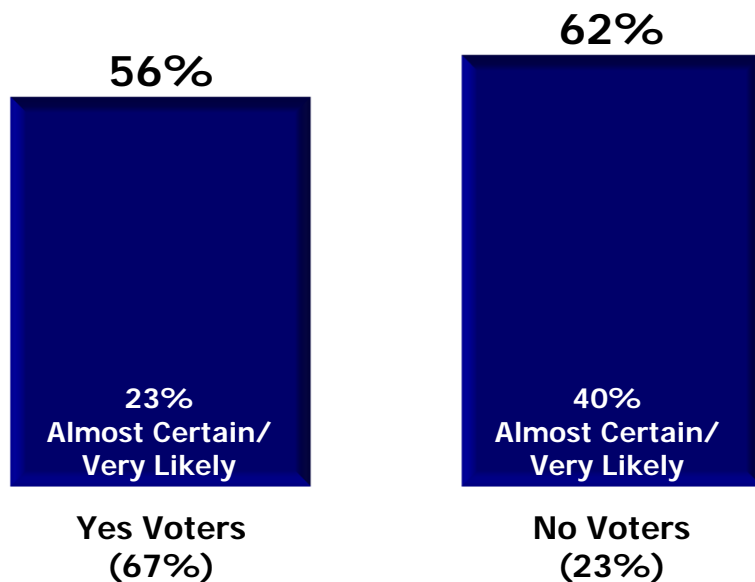


"If voters approve this constitutional amendment, how likely do you believe it is that your taxes will increase due to the amendment?"

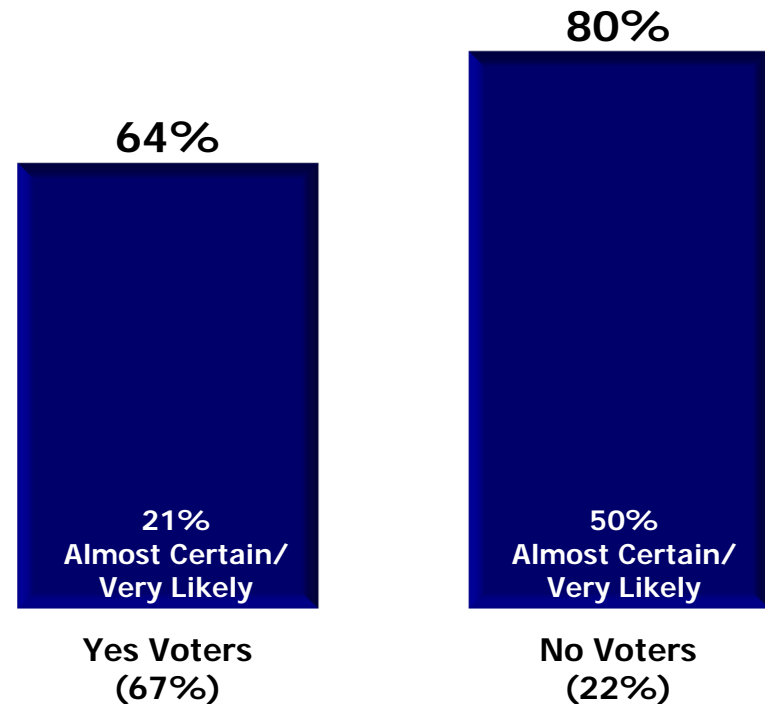
"If voters approve this constitutional amendment, how likely do you believe it is that the price you pay for gasoline or to heat your home will increase due to this amendment?"

Although it is worth noting that a majority of Yes voters assume some cost impact and *still* support it.

Belief That The Measure Will Increase Taxes Among Yes and No Voters



Belief That The Measure Will Increase Gas Prices Among Yes and No Voters



"If voters approve this constitutional amendment, how likely do you believe it is that your taxes will increase due to the amendment?"

"If voters approve this constitutional amendment, how likely do you believe it is that the price you pay for gasoline or to heat your home will increase due to this amendment?"

Anticipating this might be an issue we also tested a follow-up “explanation” that makes it clear there is no tax increase.

Constitutional Amendment Plain Language

This amendment would set aside in a dedicated fund [TEN/FIVE] percent of the existing funds paid by oil and gas companies when they drill in North Dakota. It would not increase taxes. Funds would be used for protecting water quality, lands, and forests; enhancing farms and ranches; improving outdoor recreation opportunities; creating and maintaining parks and trails; and improving natural flood controls.

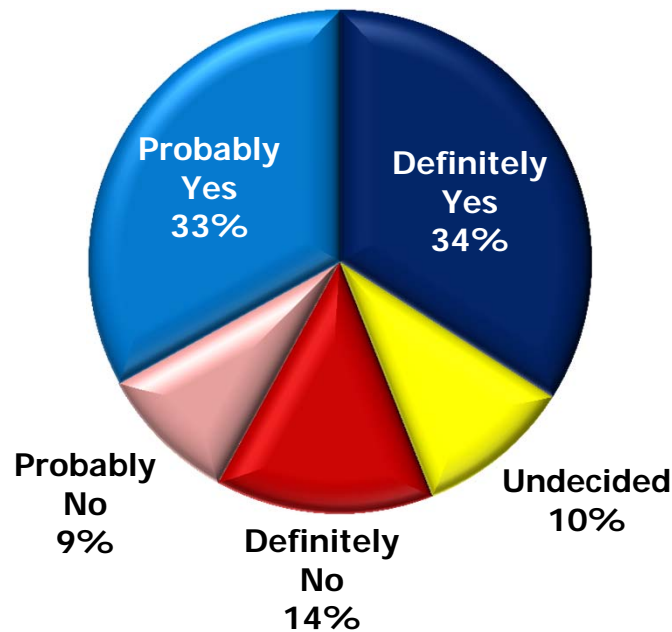
**Words highlighted in brackets reflect wording differences between Sample A and Sample B language respectively.*

Three-quarters of voters indicate support after hearing this explanation stating there is no tax increase.

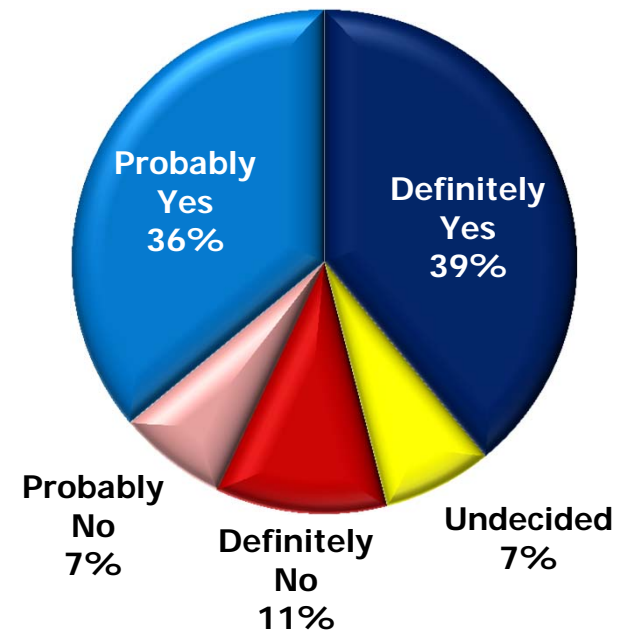
Initial Ballot Combined

Plain Language Ballot Combined

Total Yes 67%
Total No 23%



Total Yes 75%
Total No 18%

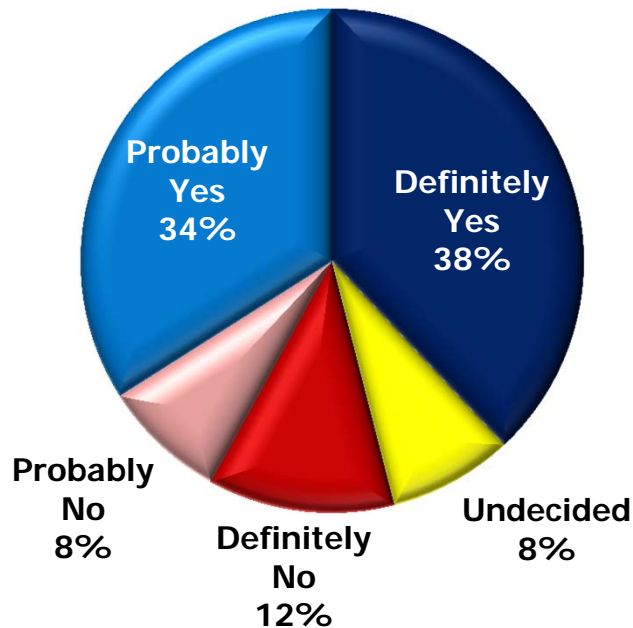


The distinction between dedicating 10% and 5% virtually disappears once voters know it does not increase taxes.

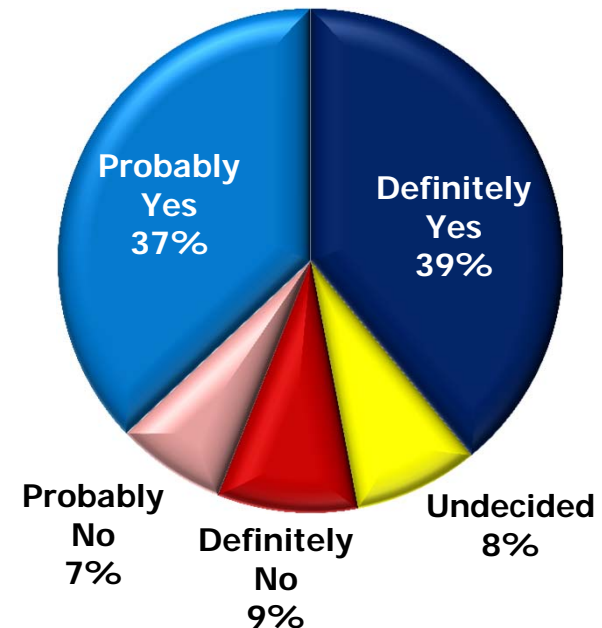
Plain Language Ballot 10%

Plain Language Ballot 5%

Total Yes 73%
Total No 21%



Total Yes 76%
Total No 16%





North Dakota

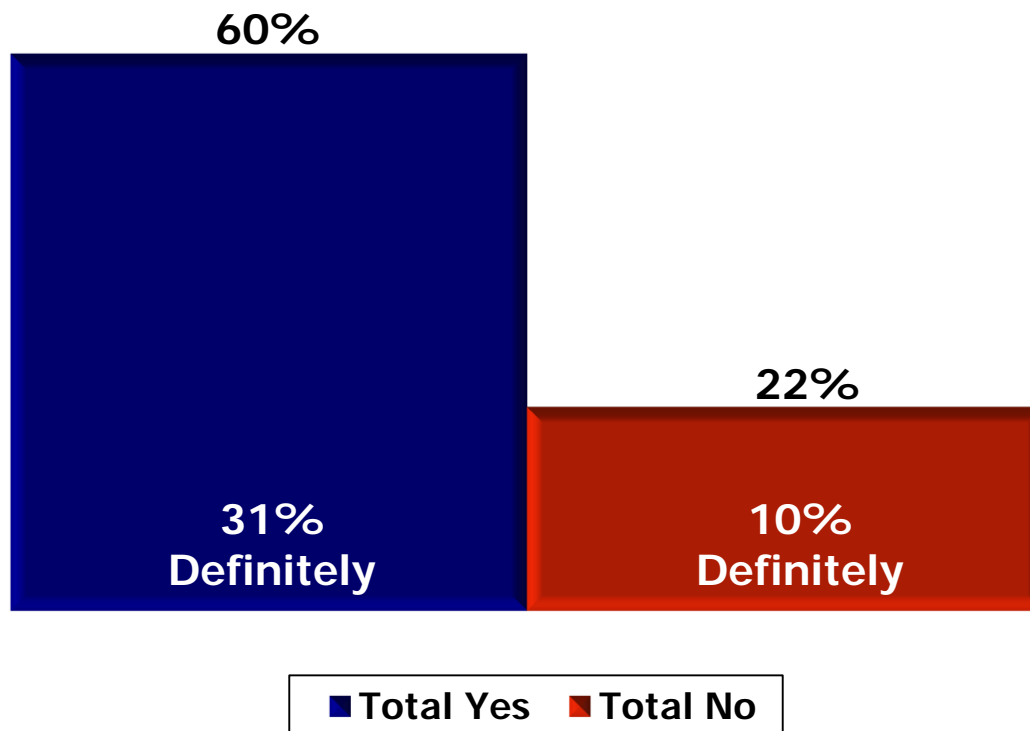
Impact of Other Amendments

The Right to Farm and Ranch amendment also has solid support.

In addition to this amendment, there may be another constitutional amendment on the ballot. Please tell me if the election were held today, if you would vote Yes in favor or No against this amendment.

"The rights of farmers and ranchers to engage in modern farming and ranching practices shall be forever guaranteed in this state. No law shall be enacted which abridges the rights of farmers and ranchers to employ agricultural technology, modern livestock production, and ranching practices."

+38



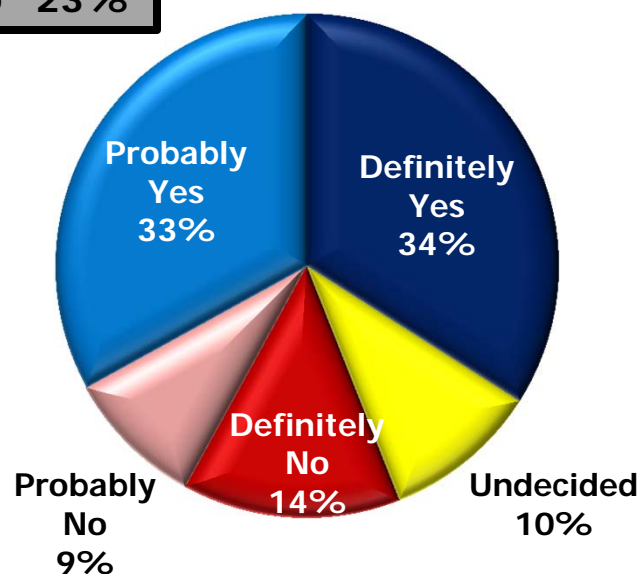
We asked directly about its presence on the ballot and it does not appear to have any impact.

"And if both of these proposed amendments to the state constitution are on the ballot, how would this affect your vote for the amendment to dedicate a small percentage of existing revenue from oil and gas production to water quality, land conservation, flood control and working farms and ranches? Would you then vote Yes in favor or No against this amendment?"

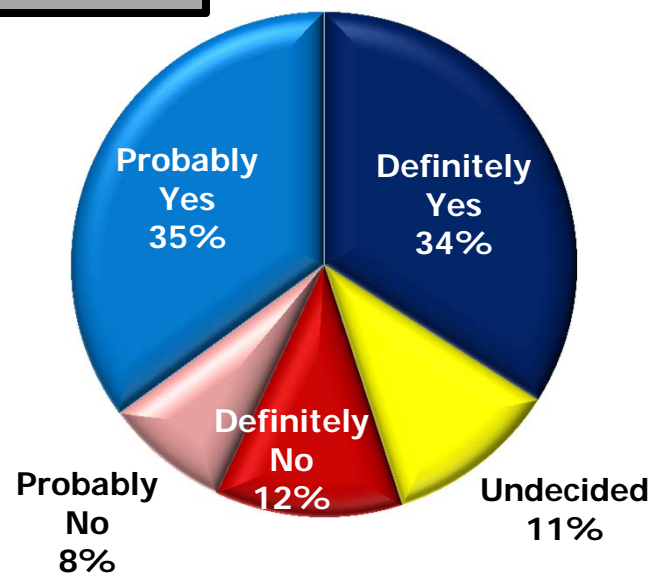
Initial Combined Ballot

Ballot After Farm and Ranch Measure

Total Yes 67%
Total No 23%



Total Yes 69%
Total No 20%



CAUTION

However, if others draw a more direct and negative comparison between the conservation amendment and other measures, it *could* certainly impact support in ways difficult to simulate in a survey.



North Dakota

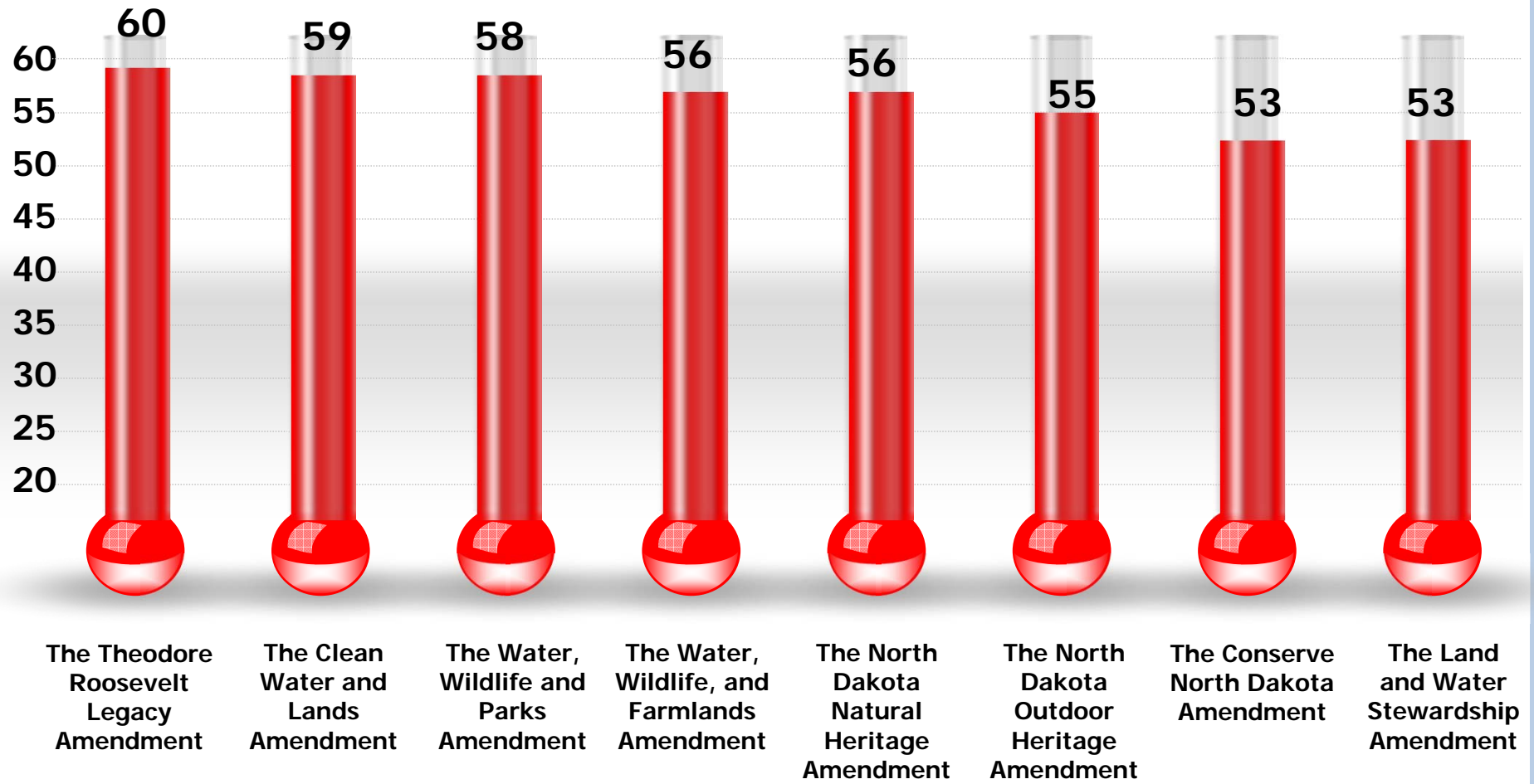
Crafting Ballot Language

Crafting Ballot Language

First, we intentionally did not test a name for the amendment or the fund in the language of the amendment so that we could test a range of options.

All of the names test positively with an average score above 50. A simple name that clearly indicates the purpose of the fund is likely ideal.

Thermometer Ratings for Amendment Names (Mean Score)

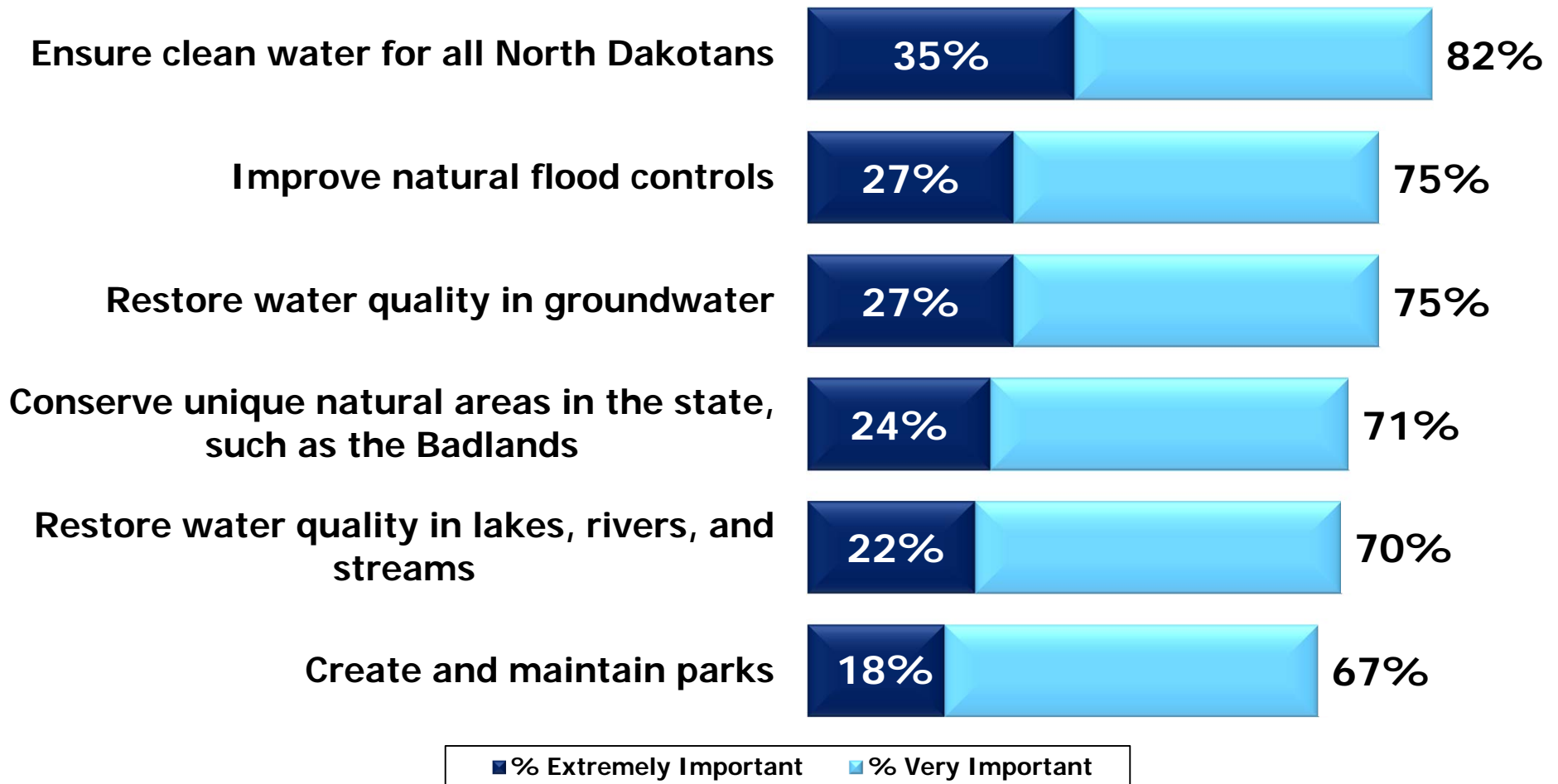


Crafting Ballot Language

We also tested a range of different ways we could describe how funds from the amendment could be used. All phrases were half sampled in order to draw out language distinctions and greater nuance in responses.

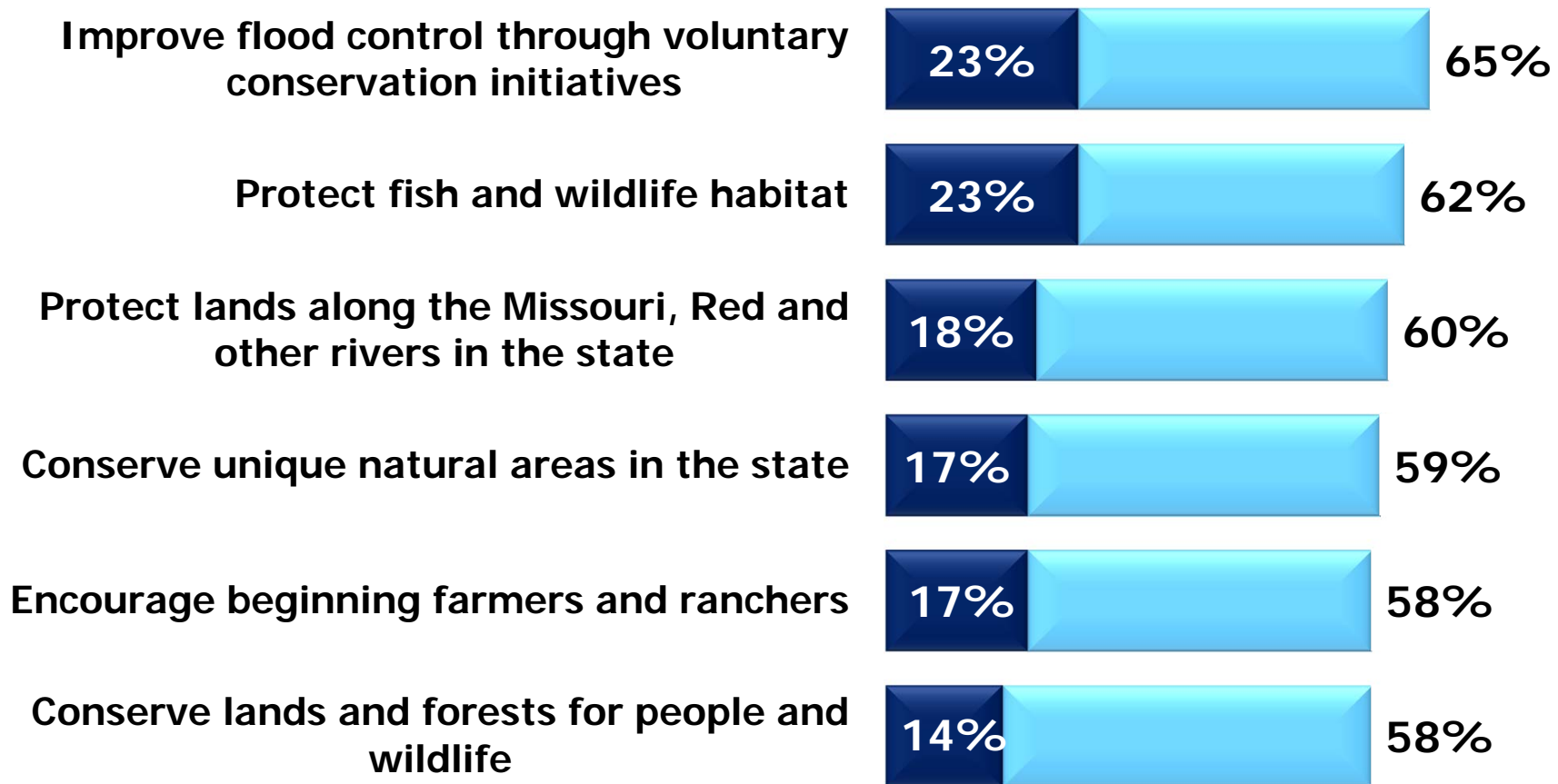
Water and “natural flood controls” tend to be seen as most important, although parks resonates.

Projects Ranked by % Extremely/Very Important



Solid majorities also find wildlife habitat and other key phrases to be important uses of these funds.

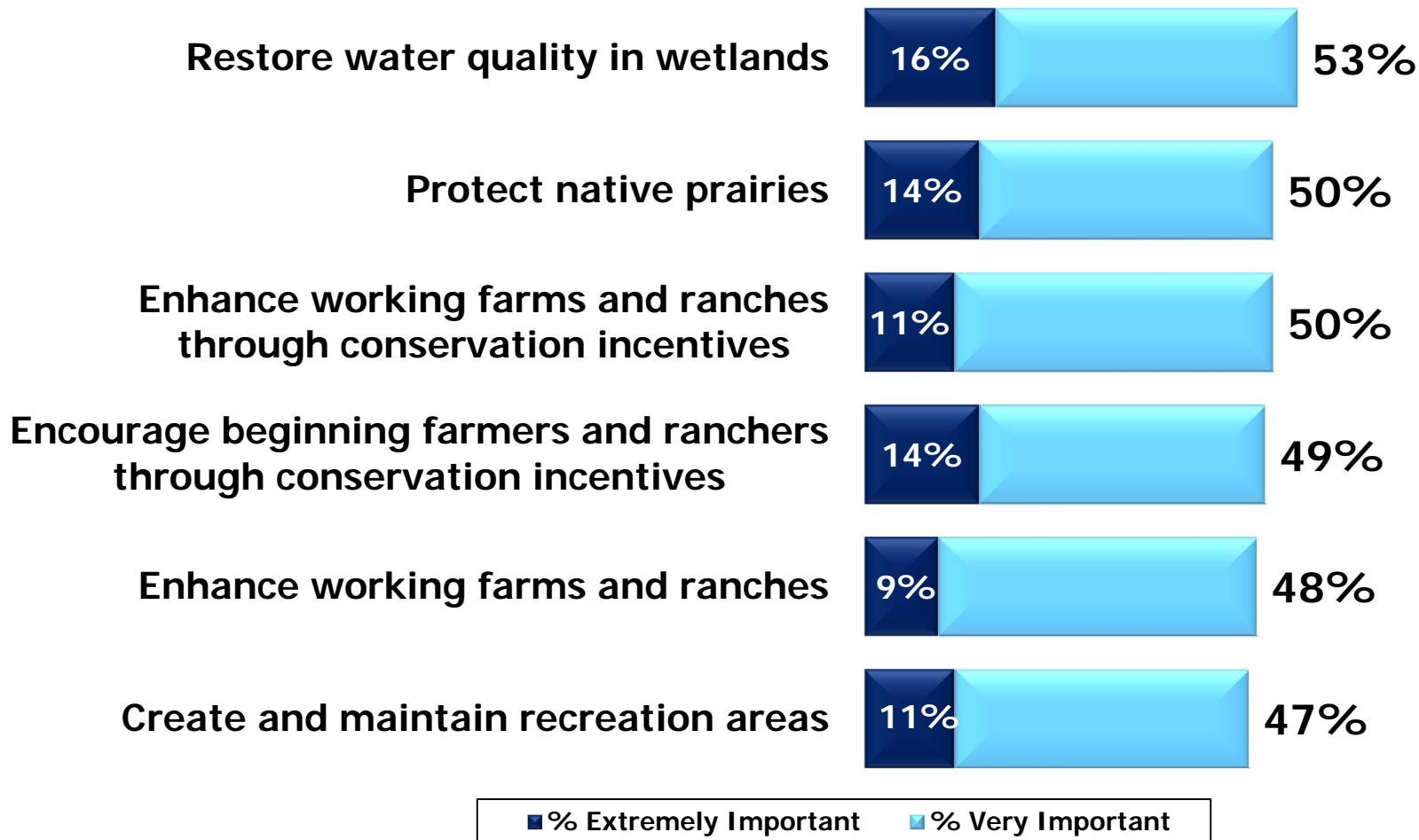
Projects Ranked by % Extremely/Very Important



■ % Extremely Important ■ % Very Important

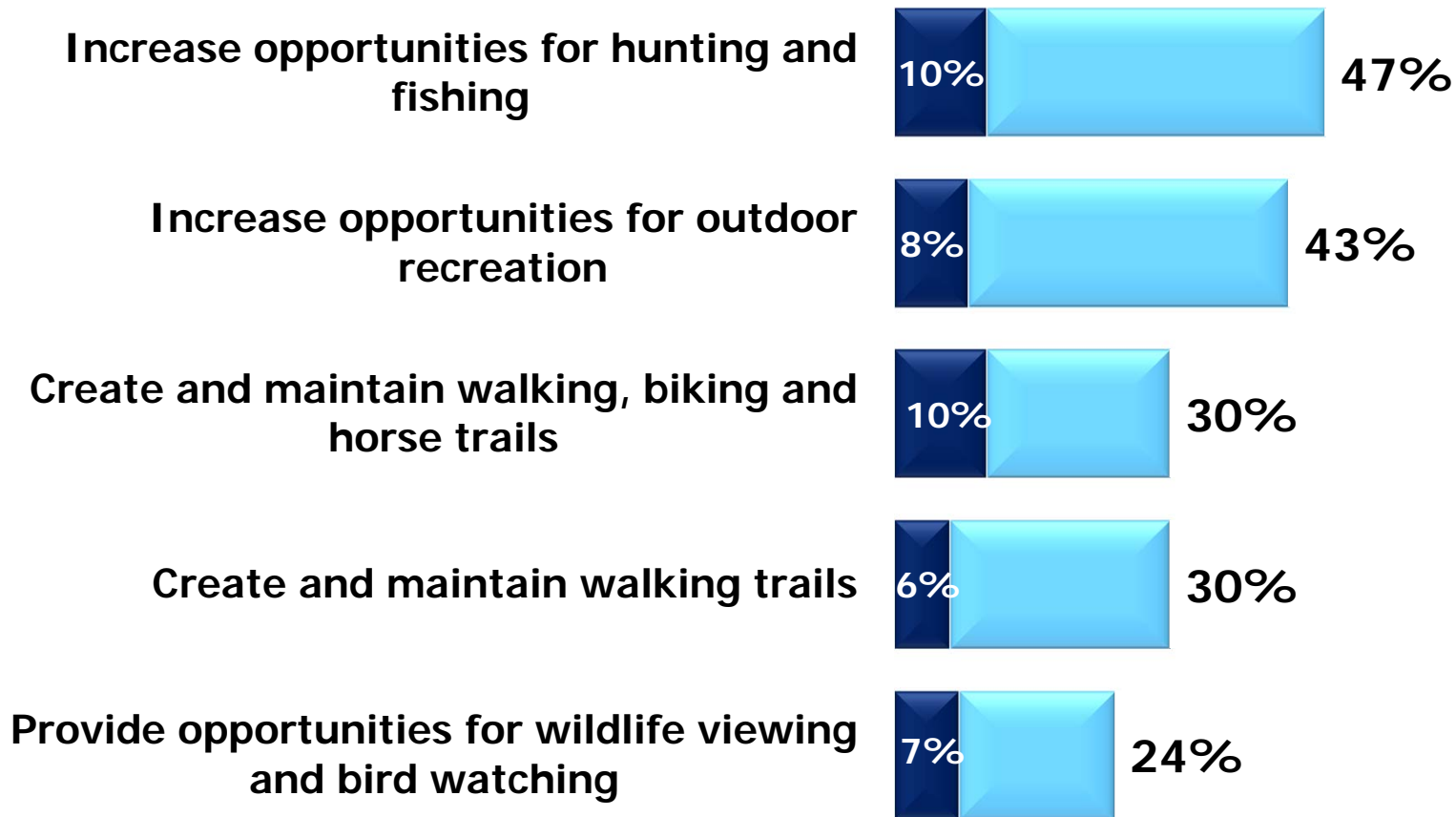
There is far less intensity related to wetlands, prairies and many ag-related components.

Projects Ranked by % Extremely/Very Important



More “active” recreation components are seen as less important to voters.

Projects Ranked by % Extremely/Very Important



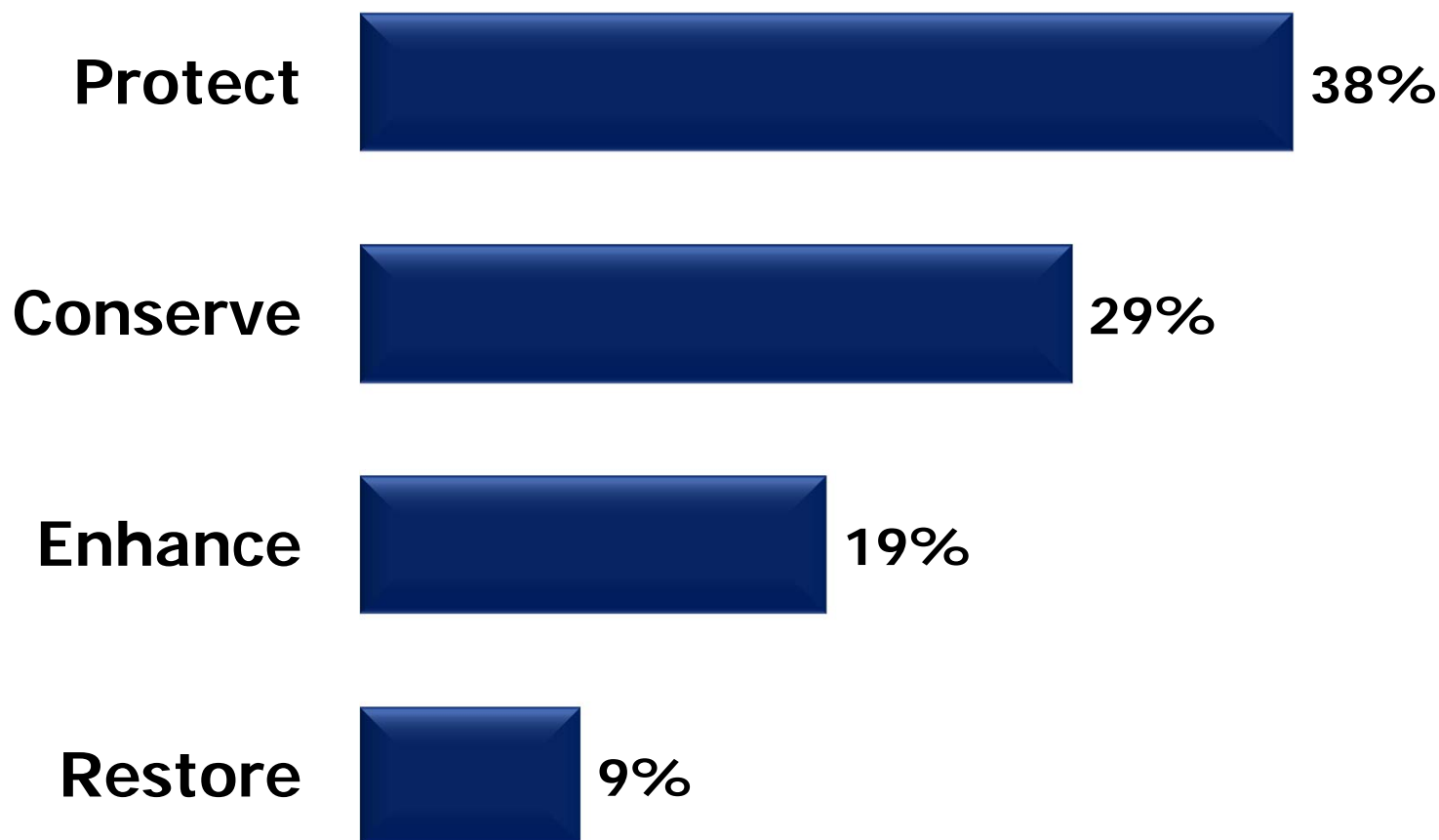
■ % Extremely Important ■ % Very Important

“Soft” supporters are focused on flood control and water.

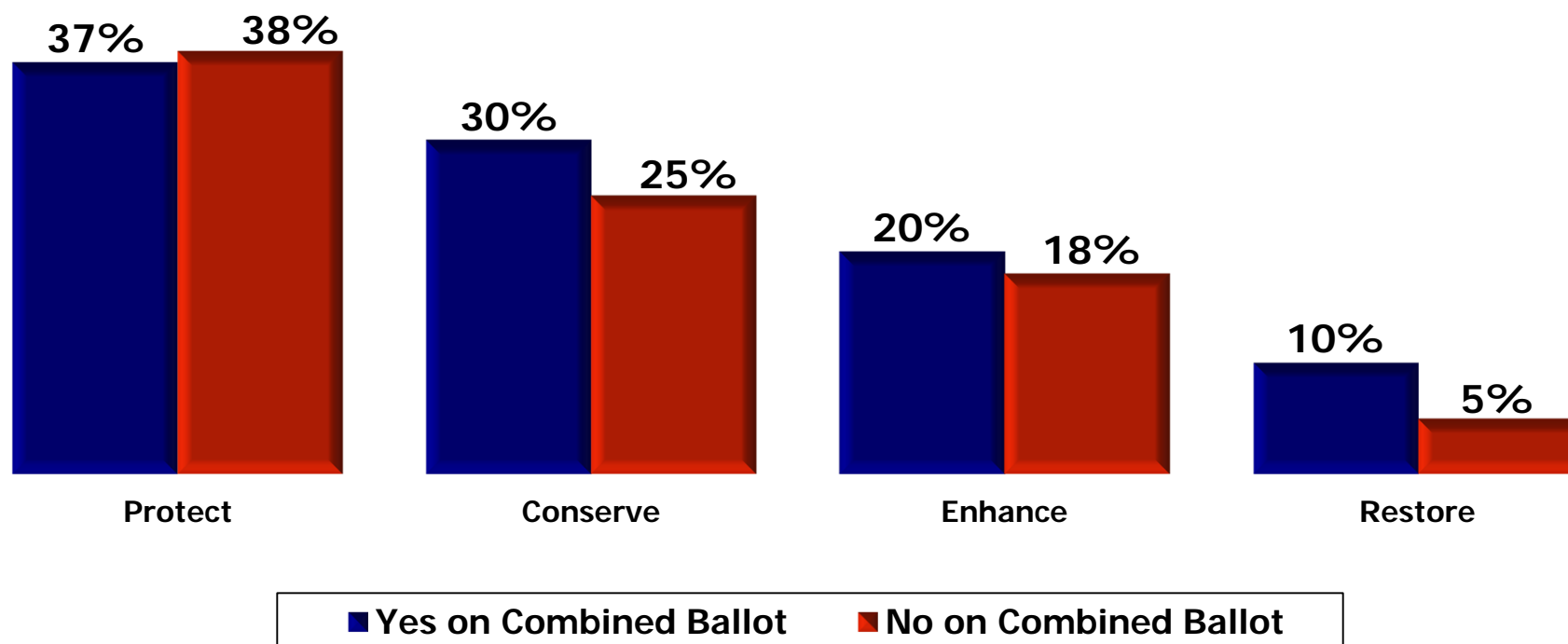
<u>Top Components Among Probably Yes Voters</u>	<u>% Ext/Very Important</u>
Improve natural flood controls	88%
Ensure clean water for all North Dakotans	87%
Restore water quality in groundwater	84%
Restore water quality in lakes, rivers and streams	78%
Improve flood control through voluntary conservation initiatives	74%

“Conserving and protecting” are clearly the stronger verbs than can be used in reference to how funds are used.

“And which one would give you a more favorable impression. If you were to hear that this amendment would...”



Each phrase resonates equally well among supporters and opponents of the amendment.

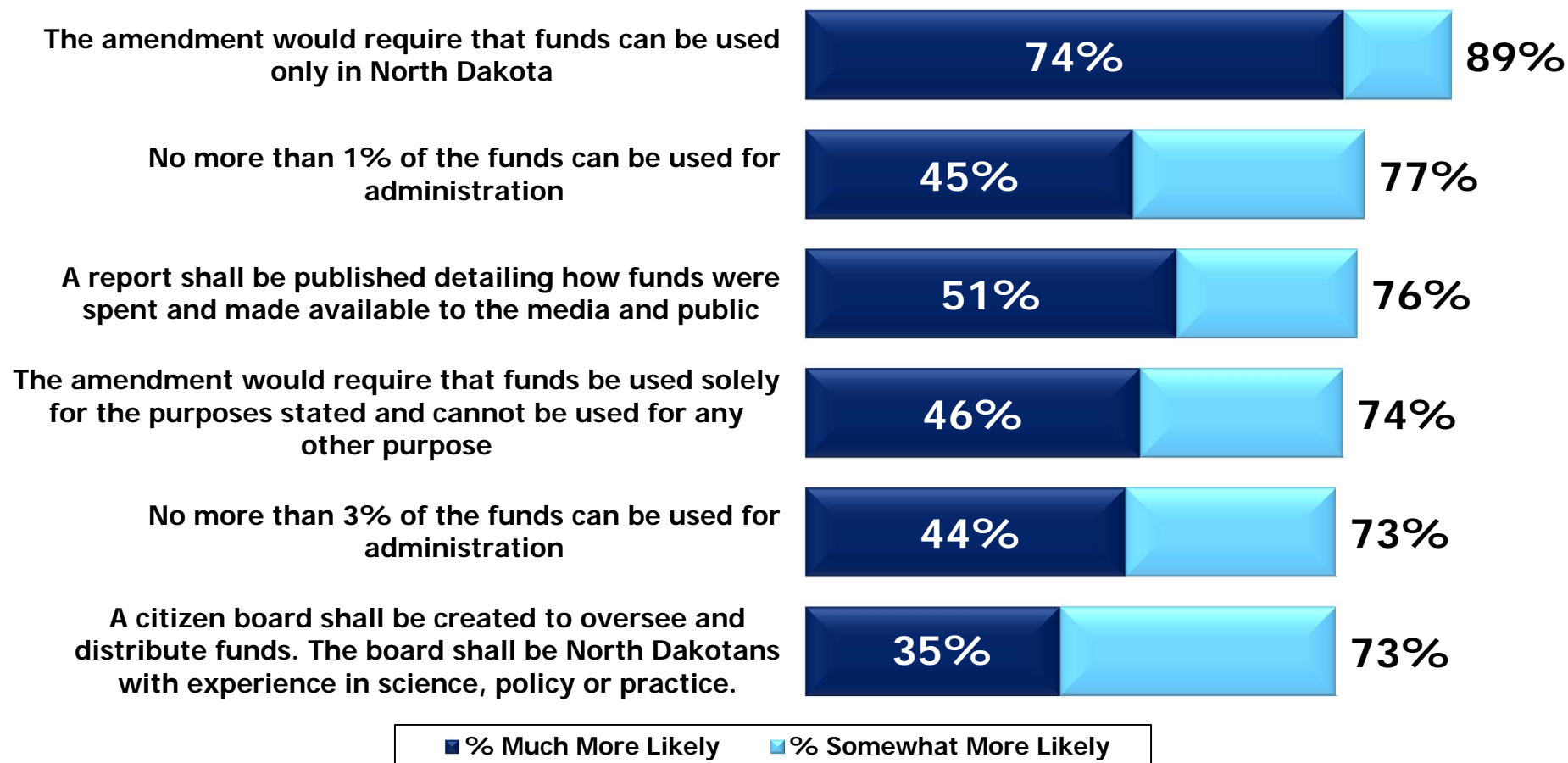


Crafting Ballot Language

We also tested a number of accountability and other provisions that could be spelled out in ballot language in order to ensure the fund works properly.

Ensuring that funds are used only in state and for stated purposes with a cap on administration resonates strongly.

Projects Ranked by % Total More Likely



An independent audit is also important. However, the selection of the citizen committee and who receives funds might be an area to attempt to streamline.

Projects Ranked by % Total More Likely

An annual independent audit shall be conducted and made available to the public



A citizen board shall be created to oversee and distribute funds. The board shall be North Dakotans appointed by the Governor, State and Senate leaders and the North Dakota chapter of the Wildlife Society



Funds shall be provided as grants to state agencies, local governments and non-profit organizations



Funds shall be provided as grants to state agencies, tribal governments, local governments and non-profit organizations



The state treasurer shall oversee the investment of these funds



■ % Much More Likely ■ % Somewhat More Likely

Stating that funds can be used for easements is not a turn-off to voters.

The amendment would allow funds to be used for voluntary easements with private land owners

% Much More Likely

13%

% Total More Likely

51%

% Total Less Likely

19%



Messages

Messages

We tested twelve different messages as rationales to support the amendment (each respondent only heard six).

Here are some statements from people who may *SUPPORT/OPPOSE* the constitutional amendment we have been discussing. After hearing each statement, please tell me whether you find it very convincing, somewhat convincing, not very convincing or not convincing at all as a reason to vote *YES IN FAVOR OF/NO AGAINST* the amendment.

This was rotated with 9 different criticisms and statements opponents might make about the measure, worded as critics might state them.

Clean water, instilling urgency, and ensuring accountability are compelling messages.

Supporters' Messages

% Very Convincing

% Total Convincing

We must protect North Dakota's lakes, rivers, streams, forests and prairies now before they are gone forever.

49% 79%

Nothing is more important than having clean water to drink. This constitutional amendment would help keep pollution out of our rivers, lakes and streams and protect the quality of our drinking water supplies.

49% 79%

The amendment ensures that all funds will be managed in a common-sense, fiscally responsible way. All of its funds will be in a dedicated trust and are used only for the purposes listed in the amendment. The Legislature will not have access to these funds.

48% 81%

Both versions of a message that connects the amendment to oil and gas impacts is compelling.

Supporters' Messages

% Very Convincing

% Total Convincing

Oil and gas drilling are having an impact on natural areas, wetlands, water and wildlife in our state. We should ensure that we dedicate a portion of oil and gas company fees already being collected to help conserve and restore these areas.

47% 83%

Hunting, fishing, and other outdoor recreation is important to our state economy. Over two hundred sixty million dollars is spent annually in the state by hunters, anglers and other wildlife-related visitors. Eighty percent of that money stays in rural communities.

43% 85%

It is only appropriate that we set aside a small amount of the fees paid by oil and gas companies drilling in the state to help protect our water, forests, prairies, and beautiful natural areas.

42% 74%

Notably, “restoring” water quality in a more negative frame is not nearly as compelling as a positive clean water message.

Supporters' Messages

% Very Convincing

% Total Convincing

This amendment will NOT increase taxes on North Dakota residents, now or in the future.

40% 73%

North Dakota's land, water, and prairies are part of God's creation and we have a moral responsibility to protect them.

39% 76%

Just under one-half of North Dakota's streams are so polluted that water quality experts say in just a few years they will be unable to support life. The state Department of Health has issued advisories against people consuming fish in more than sixty percent of North Dakota's lakes and reservoirs, due to contaminants like mercury. By voting yes on this amendment, we can help restore water quality in North Dakota.

36% 73%

The process of procuring land is far less compelling than conveying to voters how they could benefit.

Supporters' Messages

% Very Convincing

% Total Convincing

More than half of North Dakota's native prairies will be lost in another thirty years. By voting yes on this amendment, we can help conserve North Dakota's natural areas, prairies, and wildlife habitat for the future.

34% 73%

This constitutional amendment will help us pass on North Dakota's outdoor traditions to our children and grandchildren.

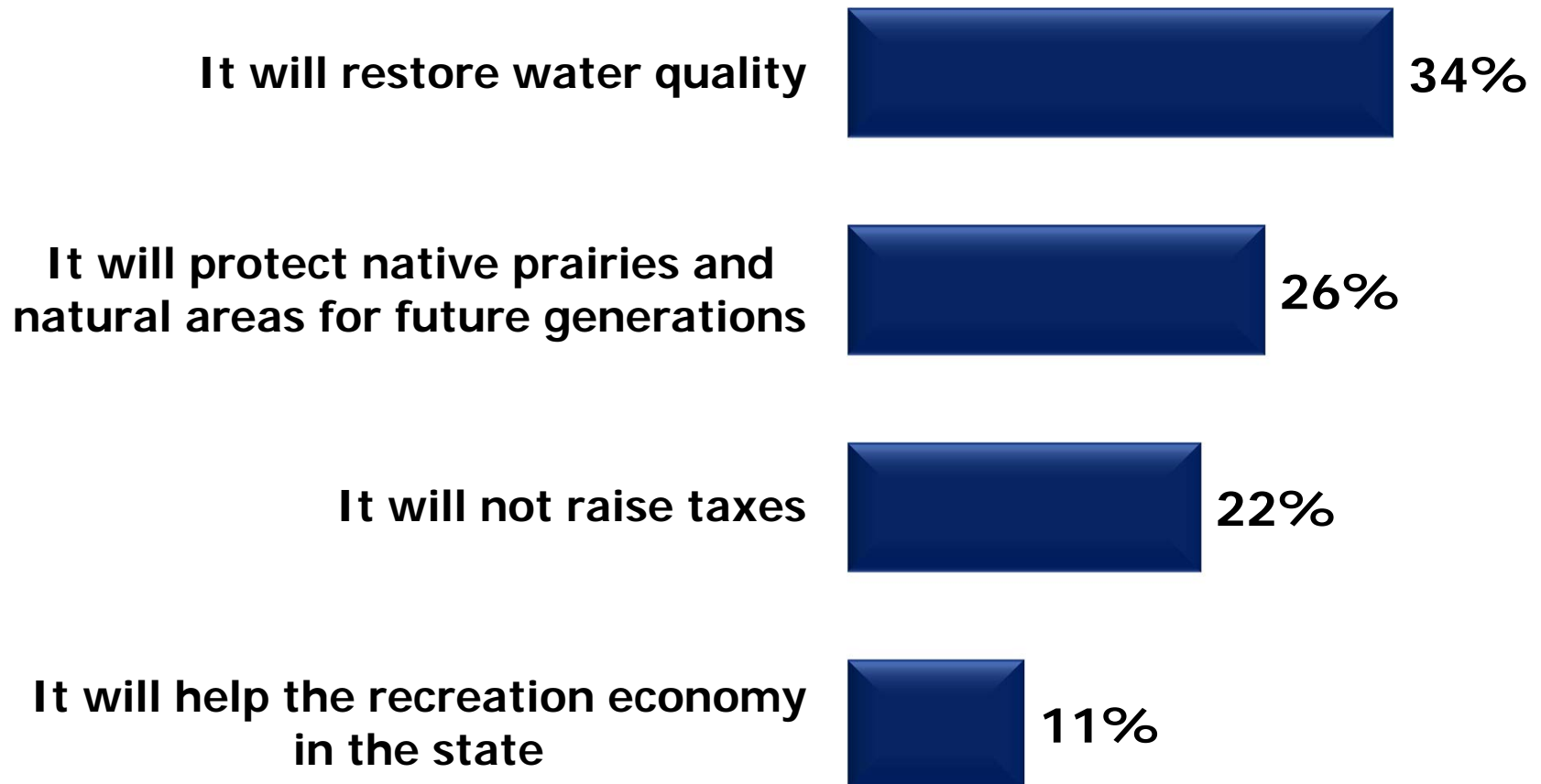
32% 74%

The fund would only purchase lands from owners who willingly agree to conserve their land.

27% 71%

"Water" tends to top the rationales, although in retrospect we would likely tweak the language.

"No matter what your position is on the constitutional amendment we have been discussing, which one do you think offers the best reason to vote 'yes?'"



An economic message is actually strongest among GOP voters, although oil & gas impacts resonate across the party spectrum.

% Very Convincing Grid By Party

	GOP	IND	DEM
#1	Outdoor recreation is important to our economy (49%)	We must protect North Dakota's lakes, rivers, streams, forests and prairies now before they are gone (55%)	Nothing is more important than having clean water to drink (59%)
#2	Oil and gas drilling are having an impact on natural areas (47%)	Oil and gas drilling are having an impact on natural areas (47%)	Oil and gas drilling are having an impact on natural areas (54%)
#3	The amendment ensures that all funds will be managed in a common-sense, fiscally responsible way. (45%)	Nothing is more important than having clean water to drink (46%)	The amendment ensures that all funds will be managed in a common-sense, fiscally responsible way. (53%)

Those who reject the amendment initially are not very open to any of the messages.

% Very Convincing Grid By Combined Ballot

	YES	NO
#1	Nothing is more important than having clean water to drink (59%)	We must protect North Dakota's lakes, rivers, streams, forests and prairies now before they are gone (28%)
#2	Oil and gas drilling are having an impact on natural areas (58%)	Land and water are part of God's creation and we must protect them (28%)
#3	The amendment ensures that all funds will be managed in a common-sense, fiscally responsible way. (58%)	The amendment ensures that all funds will be managed in a common-sense, fiscally responsible way. (21%)

The economic impact of hunting and fishing is more likely to resonate with sportsmen, while clean water is tops with non-sportsmen.

% Very Convincing Grid By Sportsmen

	SPORTSMEN	NON-SPORTSMEN
#1	Oil and gas drilling are having an impact on natural areas (50%)	Nothing is more important than having clean water to drink (58%)
#2	The amendment ensures that all funds will be managed in a common-sense, fiscally responsible way. (48%)	We must protect North Dakota's lakes, rivers, streams, forests and prairies now before they are gone forever (54%)
#3	Outdoor recreation is important to our economy (46%)	North Dakota's land, water, and prairies are part of God's creation and we have a responsibility to protect them (45%)

The strongest criticism of the measure is less compelling than the weakest supportive message.

Opponents' Messages

% Very Convincing

% Total Convincing

This measure will siphon off millions of dollars every year from North Dakota schools, health care, roads, and other vital needs.

23% 60%

This amendment will buy up and hold land that could be used for farming or developing our natural resources and bring new jobs to the state. The state's top priority should be keeping jobs in our state.

21% 57%

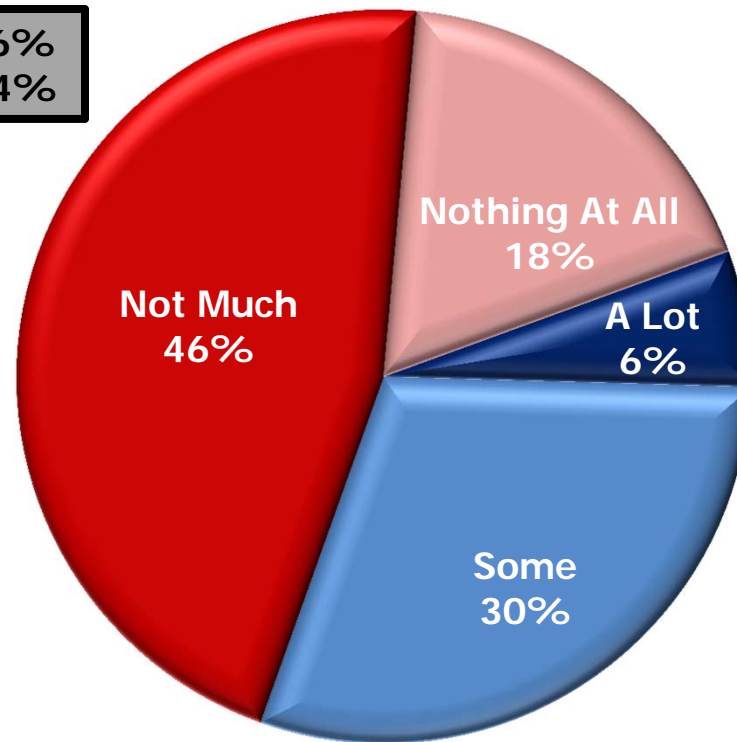
We just passed a measure last year that sets aside oil and gas money into a Legacy Fund. We do not need to pass another measure like this.

18% 50%

Confusion with the 2010 measure that created the Legacy fund does not appear to be an issue in large part because most voters do not remember it.

"How much, if anything, have you seen, read or heard about the North Dakota State Legacy Fund which was created by voters in 2010 and sets aside thirty percent of revenue from oil and gas extraction in North Dakota into a separate fund?"

A Lot/Some	36%
Nothing At All/Not Much	64%



Asked of 106 respondents

Fewer than half find these rationales against the amendment to be somewhat compelling.

Opponents' Messages

% Very Convincing

% Total Convincing

This measure will inevitably lead to land owners being forced through eminent domain to give up their land to the state.

17% 49%

Given the economy right now, this is not the time to create a new government program that increases spending on the environment.

17% 42%

Conserving our natural areas and water is a nice idea, but this amendment sets aside too much money for this purpose. The backers of this amendment need to be less greedy, and ensure there is enough money for other needs.

16% 47%

None of these arguments connect with state voters.

Opponents' Messages

% Very Convincing

% Total Convincing

This amendment is backed by liberal, out-of-state environmentalist groups that want to spend our money protecting obscure species of fish and insects - at the expense of jobs.

14% 40%

This measure will take land off the tax rolls permanently, and hurt our state's funding for such things as public schools.

13% 49%

This amendment will create a new, big government program that puts political appointees and bureaucrats in charge of buying private land so government can decide what to do with it.

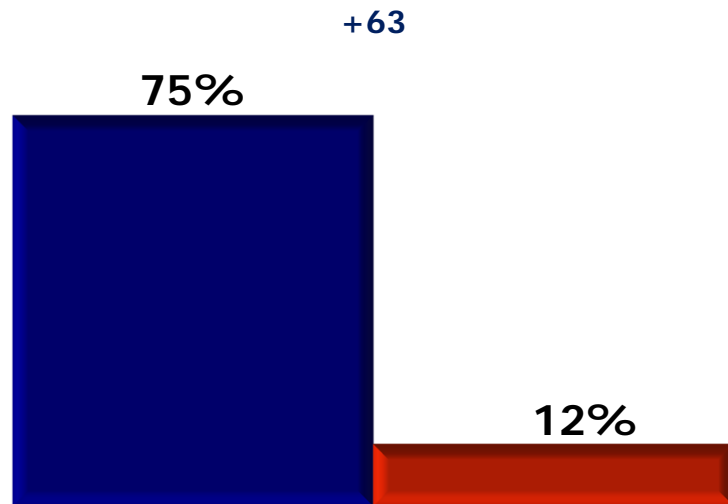
12% 48%

Supporters of the amendment have far greater credibility, but teacher opposition is more concerning.

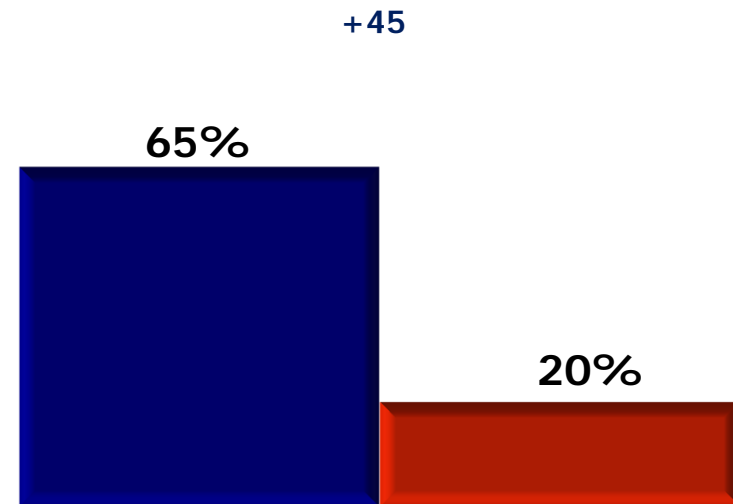
"Now, supposing you were to hear which groups and organizations might be on each side of this amendment, do you think you would be more likely to vote with..."

Supporters of the amendment, which include conservation organizations, hunters, fishermen, birders, some ranchers and local business owners
OR
*Opponents of the amendment, which include the Farm Bureau, some oil and gas companies, **teachers**, and anti-tax organizations*

Without Teachers Opposing



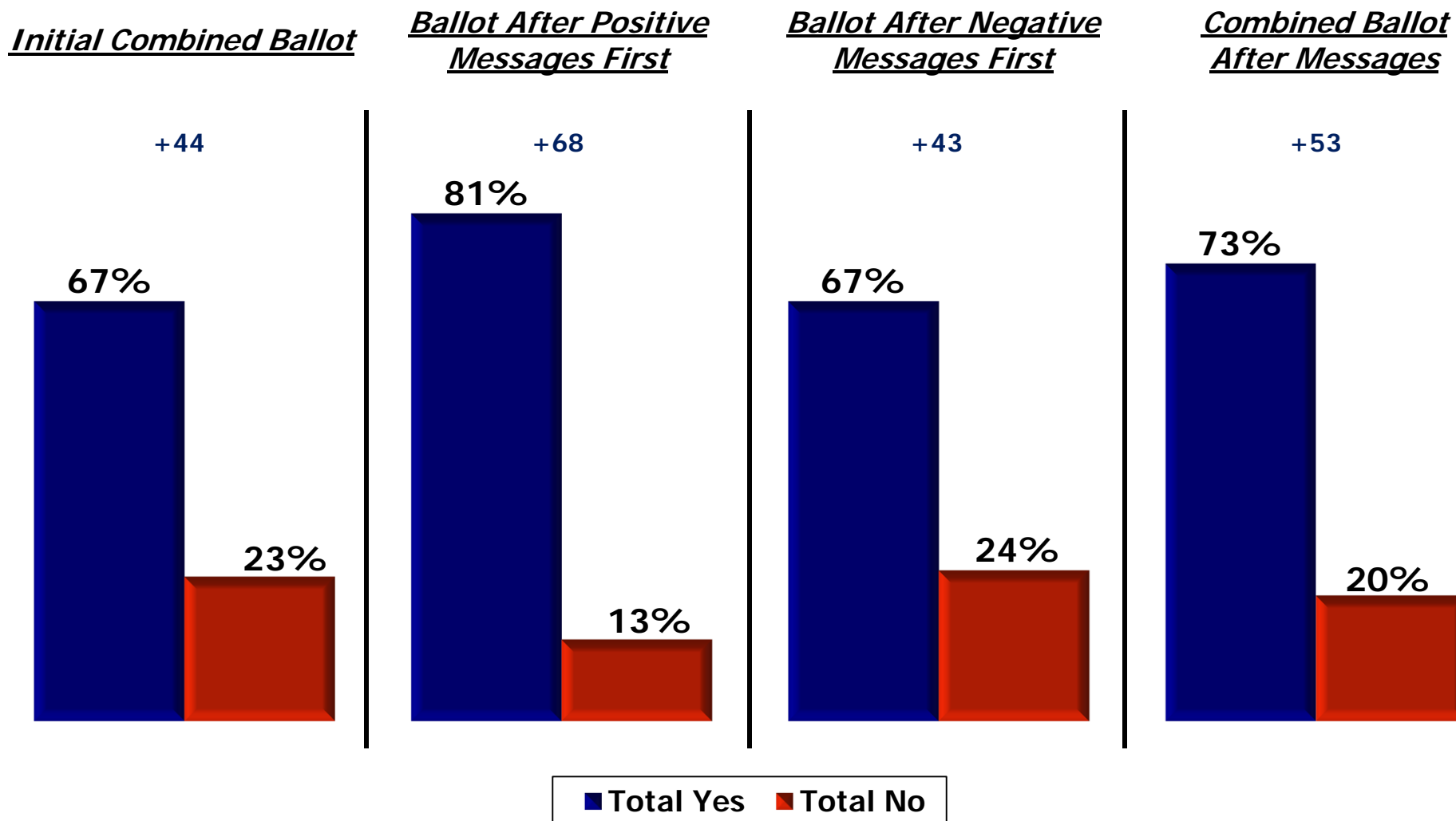
With Teachers Opposing



■ Side with Supporters ■ Side with Opponents

**highlight reflects wording differences between split samples*

Even if voters hear the negative messages first, support is not deflated.



CAUTION

While this is a very good sign and indicates that critics are in a more difficult spot than supporters, we do know that negative, paid media in a real campaign would likely deflate support and should be avoided.



Communication Recommendations

Communication Recommendations

- Communicating that the amendment is from existing oil and gas fees, and does not raise taxes increases support.
- In fact, making the explicit link between oil & gas development and the measure is compelling to voters, but could risk alienating the industry.
- Language and names that highlight “clean water” and position the amendment as protecting water, rather than highlighting polluted water, is helpful.
- “Natural flood controls,” natural areas like the Badlands, and parks are key phrases to incorporate into ballot language.
- Notably, ag-related components are not top-tier even with those very dependent on agriculture for their income.

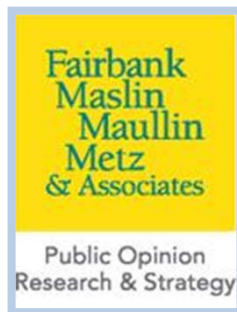
Communication Recommendations

- **Highlighting that funds can only be used in North Dakota for the stated purposes and with a cap on administrative costs of 3% should be highlighted in ballot language. An accountability message is one of the most important things to communicate.**
- **Voluntary conservation easements can be included, but should not be highlighted.**
- **In fact, the more process-oriented language about committees, who can receive funds, and in which government entity the fund resides should be streamlined and as minimal as possible.**
- **A message related to the economic benefits derived from hunting, angling and outdoor recreation mostly connects with sportsmen.**



Lori Weigel, Partner

Lori@pos.org
303-433-4424



Dave Metz, Partner

dave@fm3research.com
510-451-9521