

*Californians and the State Budget:
Opinions About the Deficit and Support
for Policy Options and Structural Reforms*

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**Public
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Distinguished members of the committee and guests, thank you for this opportunity to join you today to talk about some of the important fiscal issues facing Californians and this legislature. My name is Mark Baldassare; I am the Research Director at the Public Policy Institute of California (PPIC). PPIC is dedicated to improving public policy in California through independent, objective, nonpartisan research. To that end, PPIC initiated a Statewide Survey series in 1998 to track the economic, social, and political attitudes, public policy preferences, and ballot choices of state residents. We have interviewed more than 74,000 Californians in the past five years. Our surveys consist of telephone interviews, with each survey interviewing 2,000 randomly selected California adults. The surveys are conducted in English or Spanish. They have a margin of error of +/- 2 percent for the total sample, and they have large enough subsamples to analyze differences across the major regions of the state and across racial/ethnic, socioeconomic, and political groups.

In my comments today, I will highlight the results of one of our most recent surveys, conducted between May 22nd and June 1st. This survey is the first in a series of special surveys on the state budget that will be conducted by PPIC in collaboration with The James Irvine Foundation. Public opinion surveys offer legislators an opportunity to consider the public's views on fiscal proposals under consideration. Californians have also made fiscal decisions on their own through the initiative process—such as Proposition 13 tax reductions and Proposition 98 state funding guarantees for K-12 public schools—and voters will continue to have an important impact on the state and local fiscal system at the ballot box. The intent of this survey series on California's fiscal situation is to raise public awareness, inform decisionmakers, and stimulate public discussions about the current state budget and the underlying state and local finance system. I will summarize the results in three areas covered by our current survey: first, public perceptions of the current state budget deficit and support for proposed solutions; second, views on the state's fiscal system and support for tax and spending reforms; and third, the overall economic and political climate in which these fiscal perceptions and tax and spending policy preferences are taking shape.

To begin, there is nearly unanimous consensus among the public that the state government's record-setting deficit of \$38 billion spells trouble for Californians. Nine in 10 residents consider the deficit a big problem (73%) or somewhat of a problem (21%). Serious concern about the budget deficit is found among large majorities in all demographic groups and regions of the state. In the days immediately following public release of the governor's May budget revisions, six in ten residents (61%) were following the news about the budget deficit either very closely or fairly closely. Roughly six in 10 residents in every major region of the state were closely following the news on this issue.

“Do you think the size of the California state budget deficit is a big problem, somewhat of a problem, or not a problem for the people of California?”

	All Adults	Region				Latinos
		Central Valley	SF Bay Area	Los Angeles	Other Southern California	
Big problem	73%	70%	80%	71%	69%	59%
Somewhat of a problem	21	24	15	19	24	28
Not a problem	4	4	3	5	5	7
Don't know	2	2	2	5	2	6

Although most residents are closely following the state’s budget crisis, relatively few seem to have a deep understanding of how California’s complex state and local finance system works. Only 15 percent of residents say they know a lot about how their local and state governments raise and spend money, while more than four in 10 residents (44%) admit that they know very little or nothing about state and local finance. Higher percentages of registered voters (63%) and likely voters (75%) than the public at large (56%) claim to know a lot or something about the fiscal system in California, but even in these groups, relatively few say they know a lot about how state and local governments spend and raise money. Further evidence of the public’s level of understanding is evident when they are asked to name the primary cause of the state’s budget deficit. Four factors that are external to the state’s fiscal system top the list: population growth and immigration (22%) the state economy (18%), the energy crisis (16%), and the state’s elected officials (14%). Spending increases (9%) and declining revenues (8%), which are often mentioned in reports and analyses of the state budget deficit, are each mentioned by fewer than one in 10 residents.

“How much would you say you know about how your state and local governments spend and raise money?”

	All Adults	Party Registration			Voters	
		Dem	Rep	Ind	All Registered	Likely
A lot	15%	13%	21%	12%	16%	21%
Some	41	46	49	49	47	54
Very little	32	34	24	32	30	21
Nothing	12	7	6	7	7	4

Since the governor’s proposals to reduce the \$38 billion state deficit include spending cuts, we asked if there was support or opposition for spending cuts in four major program areas: Kindergarten through 12th grade public schools, health and human services, public colleges and universities, and prisons and corrections. An overwhelming majority are opposed to spending fewer dollars on K-12 public schools (82%)—only 16 percent support cuts in this area. About seven in 10 don’t want to see a reduction in spending on health and human services (71%) or on public colleges and universities (69%). Majority support for spending cuts is apparent in only one area—prisons and corrections—and at 55 percent, this support is by no means overwhelming. Likely voters are similar to the public at large in strongly opposing budget cuts in these four areas. Democrats are more opposed than Republicans to spending cuts for K-12 public schools, health and human services, and public colleges and universities, while Republicans are more opposed than Democrats to spending cuts for prisons.

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
How about cutting spending on K-12 public schools?					
Support	16%	11%	23%	18%	18%
Oppose	82	88	73	81	80
Don’t know	2	1	4	1	2
How about cutting spending on health and human services?					
Support	26%	17%	42%	24%	31%
Oppose	71	81	52	72	65
Don’t know	3	2	6	4	4

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
<i>How about cutting spending on colleges and universities?</i>					
Support	28%	20%	42%	28%	30%
Oppose	69	78	54	71	67
Don't know	3	2	4	1	3
<i>How about cutting spending on prisons and corrections?</i>					
Support	55%	58%	48%	67%	56%
Oppose	39	38	46	28	39
Don't know	6	4	6	5	5

We asked residents whether they support four tax and fee increases that are part of the governor's proposal to reduce the deficit—increasing the top rate of the state income tax, raising the tax on cigarettes, increasing the state sales tax, and reinstating the vehicle license fee. Californians are most supportive of raising the state excise tax on cigarettes, with 71 percent in favor and 28 percent opposed to this proposal. There are slightly more adults opposed than in favor of increasing the income tax (48% to 45%) and raising the sales tax (52% to 46%). The greatest opposition comes in the case of reinstating the vehicle license fee, with 38 percent in support and 58 percent opposed. For the most part, likely voters hold similar views to all adults on revenue increases. Republicans are more likely than Democrats to oppose increasing all four kinds of taxes, although partisan differences are especially dramatic when it comes to raising the income tax rate. As might be expected, opposition to the income tax increase is highest in the \$80,000 or more income bracket (53%), and cigarette smokers (37%) are much less likely than nonsmokers (78%) to support an increase in cigarette taxes.

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
<i>How about changing the top rate of the state income tax from 9.3 percent to 10.3 percent?</i>					
Support	45%	55%	32%	50%	46%
Oppose	48	37	65	44	49
Don't know	7	8	2	6	5
<i>How about raising the state excise tax on cigarettes from 87 cents per pack to \$1.50 per pack?</i>					
Support	71%	74%	60%	74%	67%
Oppose	28	25	39	25	32
Don't know	1	1	1	1	1
<i>How about raising the state sales tax by one-half cent?</i>					
Support	46%	53%	40%	48%	48%
Oppose	52	45	59	52	51
Don't know	2	2	1	0	1
<i>How about reinstating the Vehicle License Fee?</i>					
Support	38%	44%	27%	34%	37%
Oppose	58	52	70	63	60
Don't know	4	4	3	3	3

An important element in the governor’s proposal to reduce the deficit is a \$10.7 billion state bond issue. A majority of Californians say they favor authorizing the \$10.7 billion in state bonds. When asked about the funding sources in two separate survey questions, 54 percent say they support using existing resources to repay the bonds, and 50 percent say they support a half-cent increase in the sales tax to repay the bonds. Among likely voters, less than a majority would support using existing revenues to repay the debt (47%), while even less support is evident for the half-cent sales tax increase (44%). While majorities of Democrats support the use of borrowing paid for either by existing revenues (58%) or a half-cent sales tax increase (58%), fewer than half of Republicans support the use of existing revenues (44%), and only one in three favors a half-cent sales tax to repay the bonds (35%). Although a majority of Californians support issuing state bonds, it is important to note that only 33 percent say they favor the general concept of borrowing money as a way to reduce the state budget deficit—61 percent oppose the idea. Obviously, some of those Californians who oppose the half-cent sales tax increase for reducing the deficit, and the concept of borrowing to reduce a budget deficit, find these particular \$10.7 billion bond proposals acceptable in the context of the prospect of tax increases and spending cuts.

“How about authorizing \$10.7 billion in state bonds to reduce the budget deficit, using a half-cent increase in the sales tax to repay these bonds over a five-year period. Do you favor or oppose this proposal?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Favor	50%	58%	35%	41%	44%
Oppose	41	35	58	49	49
Don't know	9	7	7	10	7

Clearly, many residents are opposed to reductions in state spending on public programs, but given the current deficit, which state program are they most concerned about saving from the budget ax? Overall, 62 percent of Californians (and 63 percent of likely voters) want to spare K-12 spending when given the choice between that and preserving spending on health and human services (20%), higher education (10%), and youth and adult corrections (6%). Public support for saving the schools from funding cuts is strong across voter groups. Still, there are significant variations in program priority across the major regions of the state: In Los Angeles County—where the lowest percentage of residents (56%) most wants to protect K-12 education—a regional high of 25 percent of residents support sparing health and human services. Moreover, there are important demographic differences: One-third of California residents ages 55 and older most want to protect health and human services from spending cuts, compared to only 19 percent of those between the ages of 35 and 54 and 14 percent of those under 35 years old. Health and human services is also mentioned more by those with household incomes under \$40,000 (24%) than by those with household incomes of \$80,000 or more (14%).

“Thinking about these four areas of state spending, I'd like you to name the one you most want to protect from spending cuts ...”

	All Adults	Party Registration			Children at Home	
		Dem	Rep	Ind	Yes	No
K-12 public education	62%	63%	61%	68%	68%	57%
Health and human services	20	25	19	12	16	23
Higher education	10	6	9	11	9	10
Youth and adult corrections	6	4	8	6	5	7
Don't know	2	2	3	2	2	3

What happens when Californians' preference to limit taxes collides with their strong desire to provide adequate funding for public schools? Apparently, education wins out. Two in three Californians say they are willing to pay higher taxes for the specific purpose of maintaining current funding for K-12 public education. Support for a tax increase to maintain state spending for public schools is almost as high among all registered voters (65%) and likely voters (62%) as it is for the general public (67%). However, there are partisan differences, with half of Republicans (50%) but more than seven in 10 Democrats (74%) and independent voters (72%) supporting a tax increase to maintain school spending.

“If the state said it needed more money just to maintain current funding for K-12 public education, would you be willing to pay higher taxes for this purpose?”

	All Adults	Party Registration			Latinos
		Dem	Rep	Ind	
Yes	67%	74%	50%	72%	75%
No	31	24	47	25	22
Don't know	2	2	3	3	3

Although California is facing a large budget deficit this year, voters will be asked to consider a school bond measure on the 2004 ballot. As further evidence of their support for public education, 73 percent of adults and 65 percent of likely voters say they would vote yes on the \$12.3 billion Kindergarten to University Bond Act that would provide additional monies for K-12 public school, college, and university facilities. Support for the bond measure is strong across the state's major regions, and 83 percent of Democrats, 72 percent of independents, and 52 percent of Republicans would vote yes on this bond.

However, it is important to note that Californians are deeply divided when it comes to the issue of size of government, higher taxes, and public services. Nearly equal percentages of Californians say they would rather pay higher taxes for a larger government with more services (49%) as say they would rather pay lower taxes for a smaller government with fewer services (45%). Sixty-one percent of Democrats support a larger government, while 76 percent of Republicans favor a smaller government; independent voters are nearly evenly split on the issue. Of special significance in understanding the state's electorate: Registered voters (50%) and likely voters (54%) are more likely than all adults to lean toward paying lower taxes and having a smaller government with fewer services. By contrast, Californians who are not registered to vote prefer a larger government to a smaller government by a two-to-one margin.

“Which statement do you agree with more: I'd rather pay higher taxes to support a larger government that provides more services, or lower taxes and have a smaller government that provides fewer services?”

	All Adults	Party Registration			Latinos
		Dem	Rep	Ind	
Higher taxes, more services	49%	61%	18%	45%	73%
Lower taxes, fewer services	45	31	76	47	24
Don't know	6	8	6	8	3

Looking beyond the current budget crisis, policymakers are discussing fiscal reforms. Proposals under consideration include a constitutional limit on increases in state spending, taxes on all goods sold over the Internet, and a relaxing of the Proposition 13 restrictions on property taxes for commercial property. Our survey indicated that these structural reform proposals all have substantial public support.

Seven in 10 Californians think that limiting increases in the amount of money the state can spend each year is a good idea. Eighty percent of Republicans, 70 percent of independents, and 64 percent of Democrats think that spending limits is a good idea.

Nearly six in 10 Californians (57%), including a majority of likely voters (53%), think that commercial properties should be taxed according to their current market values. There are significant partisan divisions on this proposed measure. Sixty-three percent of Democrats and 57 percent of independents say that taxing commercial property at current market value is a good idea, while 50 percent of Republicans say it is a bad idea.

Fifty-seven percent of Californians say that it is a good idea to tax *all* goods sold over the Internet. Majorities of Democrats (60%), independents (54%), and Republicans (53%) support extending the sales tax to all Internet sales. Two-thirds (66%) of those who do not ever go on-line to purchase goods or services think that this is a good idea, compared to only 48 percent of those who do shop on the Internet.

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
<i>How about limiting the amount of money by which state spending could increase each year?</i>					
Good idea	70%	64%	80%	70%	70%
Bad idea	24	29	14	25	24
Don't know	6	7	6	5	6
<i>Under Proposition 13, residential and commercial property taxes are <u>both</u> strictly limited. What do you think about having commercial properties taxed according to their current market values?</i>					
Good idea	57%	63%	44%	57%	53%
Bad idea	37	31	50	36	41
Don't know	6	6	6	7	6
<i>How about taxing all goods sold over the Internet?</i>					
Good idea	57%	60%	53%	54%	55%
Bad idea	38	34	42	43	39
Don't know	5	6	5	3	6

One path that fiscal reform might take is to alter the rules and procedures that underlie the budgeting process and the implementation of new taxes. In California, supermajority requirements mandate that two-thirds of each house of the legislature must vote to pass a state budget and new taxes and that two-thirds of the voters in local elections must agree in order to pass special local taxes. Many Californians are reluctant to change the two-thirds supermajority requirements, and passing such structural reforms would indeed be a challenge today, but the public seems more open to these ideas than in the past.

Almost half of all residents (46%) and 42 percent of the state's likely voters think that it would be a good idea to replace the two-thirds vote requirement with a 55 percent requirement in order for the

legislature to pass a budget. Half of all Democrats (50%) think that relaxing the requirement is a good idea, while majorities of Republicans (56%) and independents (51%) think it is a bad idea. Support for the two-thirds requirement is unrelated to how closely people are following news about the budget crisis or to how much they know about state and local finance.

Support for replacing the two-thirds vote requirement with a 55 percent requirement for voters to pass special local taxes also receives mixed support. Forty-six percent of residents say that changing the local vote requirement would be a good thing, and 45 percent think it would be a bad thing. Among likely voters, a majority (52%) think it is a bad idea. Again, there is a large partisan gap on this question: A majority of Democrats (51%) think that changing the vote threshold is a good idea, a majority of Republicans (61%) think it is a bad idea, and independents are slightly less likely to say that it is a good idea than a bad idea (45% vs. 48%).

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
<i>How about replacing the two-thirds requirement for the legislature to pass the budget with a 55 percent majority vote?</i>					
Good idea	46%	50%	37%	42%	42%
Bad idea	43	40	56	51	50
Don't know	11	10	7	7	8
<i>How about replacing the two-thirds requirement for voters passing local special taxes with a 55 percent majority vote?</i>					
Good idea	46%	51%	34%	45%	42%
Bad idea	45	42	61	48	52
Don't know	9	7	5	7	6

The public's perceptions of the equity or fairness of the taxes they are paying can tell us a great deal about their desire to make sweeping reforms of the state and local tax system. Overall, two-thirds of Californians think that the state and local tax system is either very (6%) or moderately (60%) fair. Majorities across the political spectrum think the system is at least moderately fair, although Democrats (71%) and independents (67%) are much more likely than Republicans (55%) to see the system as fair.

“Overall, how fair do you think our present state and local tax system is ...”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Very / moderately fair	66%	71%	55%	67%	62%
Not too fair	19	18	23	21	21
Not at all fair	12	8	20	9	14
Don't know	3	3	2	3	3

When asked to think about their personal state and local tax burdens, nearly half of all residents (47%) think that they pay about the right amount in taxes. However, almost half of all Californians think that they pay somewhat more (25%) or much more (22%) than they should. Again, there is a significant partisan split on this question: Sixty percent of Republicans say that they pay more than they should, compared to roughly 45 percent of independents and Democrats. While 39 percent of those with annual household incomes under \$40,000 think that they pay more than they should in state and local taxes, 55 percent of those with annual incomes of \$80,000 and higher say that they pay more than they should.

“When you combine all the taxes you pay to state and local governments, do you feel that you pay much more than you should, somewhat more, about the right amount, or less than you should?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Much more	22%	19%	32%	22%	26%
Somewhat more	25	24	28	24	24
About right	47	50	36	50	44
Less than should	4	6	2	4	5
Don't know	2	1	2	0	1

Asked to name their most disliked tax, 35 percent of Californians indicate income taxes, 26 percent say property taxes, 21 percent give the nod to vehicle license fees, and only 14 percent say sales taxes. Upper-income residents more often than lower-income residents say they dislike the income tax (\$80,000 or more, 44%; under \$40,000, 29%), and lower-income residents more often say they dislike the vehicle license fee (under \$40,000, 27%; \$80,000 or more, 14%). Opinions about the sales tax and property tax are unrelated to income level.

The public’s confidence in state officials’ ability or willingness to address problems in an effective manner could also influence Californians’ reactions to governmental proposals for reforming the state’s fiscal system. Coincident with the deepening state budget crises, trust in state government “to do what is right” is at its lowest level since the PPIC Statewide Survey began in 1998. Today, only 34 percent of all adults, and 31 percent of likely voters, say that they trust the government in Sacramento to do what is right just about always or most of the time. In 2001 and early 2002, nearly half of Californians thought that the state government could be trusted to do what is right almost all of the time or most of the time. Once again, there is a strong partisan divide, although confidence is low across party lines.

“How much of the time do you think you can trust the government in Sacramento to do what is right?”

	All Adults	Party Registration			Latinos
		Dem	Rep	Ind	
Just about always / Most of the time	34%	39%	26%	30%	45%
Only some of the time	60	58	67	65	49
None of the time / not at all (volunteered)	4	2	6	3	2
Don't know	2	1	1	2	4

A slim majority (52%) of Californians think that the state government wastes a lot of the money they pay in taxes. The percentage of Californians who think that the state wastes a lot of money is no higher than in previous surveys, but it is significant across the state’s major geographic regions and

partisan groups. A plurality of residents throughout the state think that people in state government waste a lot of money; the percentage is highest in the Central Valley, where 57 percent say that the state wastes a lot of the money they pay in taxes. Two-thirds of Republicans, 50 percent of Democrats, and 49 percent of independents say that the state government wastes a lot of money.

“Do you think that the people in state government waste a lot of the money we pay in taxes, waste some of it, or don’t waste very much of it?”

	All Adults	Party Registration			Latino
		Dem	Rep	Ind	
A lot	52%	50%	66%	49%	43%
Some	39	40	31	42	43
Not much	7	8	2	8	11
Don’t know	2	2	1	1	3

Ratings of elected officials' job performance may have an effect on support for fiscal reforms proposed by the state government. Thus, it is important to note that Governor Gray Davis’ approval ratings continue to drop. Today, 28 percent of California adults approve of the governor’s overall job performance, while 64 percent disapprove. By comparison, Davis’ approval ratings among the general public were higher in February 2003 (33%) and October 2002 (52%). Among likely voters, only one in five (21%) approves of the way Davis is handling his job, while 75 percent disapprove.

Californians are no more impressed with the governor’s performance on budget and tax issues than they are with his overall performance in office. Only one in four respondents approves of Davis’ performance on state fiscal issues, while two in three express disapproval. Among likely voters, only 20 percent approve while 74 percent disapprove of the governor’s handling of the state budget and taxes.

“Do you approve or disapprove of the way that Governor Davis is handling the state budget and taxes?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Approve	23%	31%	7%	20%	20%
Disapprove	66	60	89	70	74
Don’t know	11	9	4	10	6

Even though Governor Davis won reelection in November, he now faces the threat of being removed from office by the voters: Efforts are now under way to collect enough signatures to qualify a recall election. If a recall election were held today, 48 percent of Californians would vote to recall Davis, while 41 percent would vote to keep the governor in office—a difference of 7 percentage points. Eleven percent of all adults are currently undecided about the matter. Among likely voters, the margin of support for a Davis recall is 8 points (51% to 43%), while among all registered voters, the margin of support for a recall is 10 points (51% in favor to 41% opposed). It is interesting to note that only 16 percent of all Californians think that the removal of Davis from office would make the current state budget crisis more difficult to solve. Indeed, a majority of Californians (52%) believe that a successful recall would have no effect on the state's ability to solve its fiscal problems. However, nearly one in four California adults believes that a resolution of the deficit issue would be easier with Davis out of office. While 40 percent of Republicans say that removing Davis would make fiscal matters easier to resolve, only 15 percent of Democrats agree.

As for the state legislature, 44 percent of Californians and nearly six in 10 likely voters (58%) say they disapprove of the overall performance of the state legislature. While Democrats are evenly divided on the performance of the legislature, two in three Republicans (65%) and a plurality of independents (49%) disapprove of the governing body's overall performance. With regard to the legislature's handling of the state budget and tax issues, views are decidedly more negative: Twenty-nine percent of Californians approve and 57 percent disapprove of the legislature's handling of fiscal affairs. Among likely voters, 20 percent approve and 69 percent disapprove. The legislature receives negative ratings on its handling of fiscal issues across party lines. Its ratings on both overall performance and fiscal issues are distinctly more negative than in fall 2002.

“Do you approve or disapprove of the way that the California Legislature is handling the issue of the state budget and taxes?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Approve	29%	29%	19%	24%	20%
Disapprove	57	58	71	68	69
Don't know	14	13	10	8	11

Finally, the mood of the electorate can also affect its motivation to change the way the government operates, including spending and tax policies. Californians' assessment of the state economy remains gloomy. By a two-to-one margin, people believe that the state is currently headed in the wrong direction (57%) rather than in the right direction (30%). Similarly, most residents think that the state will be facing bad economic times (58%) rather than good economic times (32%) over the next 12 months, and six in 10 residents describe their own region as in an economic recession today.

In closing, our recent PPIC Statewide Survey finds that most residents think the state budget deficit is a big problem, and they are closely following the news about this issue. Yet relatively few residents believe they have a deep knowledge of the state and local fiscal system. There is little support for spending cuts in major program areas and significant opposition to current proposals to raise fees and taxes. The proposal to borrow \$10.7 billion to reduce the \$38 billion deficit receives mixed reviews. One noteworthy finding is that the public is highly protective of school spending, and most residents are willing to accept an increase in their taxes if that's what it takes to maintain current levels of school spending. Still, the public is evenly split and deeply divided along partisan lines on the type of government they prefer—a small government with fewer services and lower taxes or a larger government with more services and higher taxes. The public has lower confidence in state government than we have seen in the past five years of surveys, and approval ratings on the governor and legislature on budget and tax issues are quite low. These low approval ratings come at a time when Californians believe the state is headed in the wrong direction, perceive their regions in economic recession, and believe the state economy will be in bad shape for the next 12 months.

While the public is not expressing strong discontent with the current tax system, many Californians are open to a variety of proposals to reform the state and local fiscal system. There is strong support for spending limits, and considerable interest in taxing all goods sold over the Internet and changing Proposition 13 rules on tax limitations for commercial properties. While there has been overwhelming opposition to changing the supermajority vote in the past, almost half of the state's residents now think it is a good idea to have a 55 percent majority for passing a state budget and local special taxes. The state's budget deficit offers a rare opportunity to propose new fiscal policies to a receptive and engaged public. Policymakers would be well-advised to take advantage of the public's desire for change and consider bold, new ideas for tax and spending reforms that aim to provide Californians with a better-functioning fiscal system in the future.

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