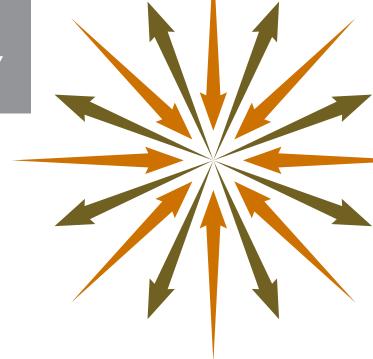
PPIC STATEWIDE SURVEY

JANUARY 2010

Californians Their government



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in collaboration with
The James Irvine Foundation



ABOUT THE SURVEY

The PPIC Statewide Survey series provides policymakers, the media, and the public with objective, advocacy-free information on the perceptions, opinions, and public policy preferences of California residents. Inaugurated in April 1998, this is the 104th PPIC Statewide Survey in a series that has generated a database that includes the responses of more than 222,000 Californians.

This survey is the 39th in the *Californians and Their Government* series, which is conducted periodically to examine the social, economic, and political trends that influence public policy preferences and ballot choices. The series is supported with funding from The James Irvine Foundation. This survey seeks to raise public awareness, inform decision makers about public opinions, and stimulate public discussion and debate about important state and national issues.

This survey was conducted in the wake of Governor Schwarzenegger's State of the State speech and the release of his 2010 budget proposal. As the 2010 election season gets into full swing, California's gubernatorial and U.S. Senate primary ballots are taking shape, news about the state's budget deficit and employment situation remain grim, the governor is asking for more federal funding, and President Obama and Congress continue to work on health care reform.

This survey presents the responses of 2,001 adult residents throughout the state, interviewed in English or Spanish and reached by landline or cell phone. It includes findings on these topics:

- The context of the 2010 elections, including Republican primary likely voter preferences for gubernatorial and senate candidates; likely voters' preferences in potential match-ups in the November gubernatorial and senate general elections; and attention to news about gubernatorial candidates. The survey also examines the overall mood and outlook for California, perceptions of the state economy, and approval ratings of state and federal elected officials.
- The 2010 California budget, including perceptions of the seriousness of the multibillion-dollar budget deficit and preferred methods for dealing with it, impressions of the governor's State of the State speech, satisfaction with the governor's budget proposal, and concerns about spending cuts and whether tax increases should have been included in the budget proposal. The survey also examines Californians' willingness to pay higher taxes to maintain funding for major state programs; attitudes towards cuts to major state programs; state and local fiscal reforms; perceptions of the state's tax and public pension systems, and knowledge of budget issues.
- Time trends, national comparisons, and the extent to which Californians—based on their political party affiliation, region of residence, race/ethnicity, and other demographics may differ in their perceptions, attitudes, and preferences regarding the 2010 elections, and state and national issues.

This report may be downloaded free of charge from our website (www.ppic.org). For questions about the survey, please contact survey@ppic.org. View our searchable PPIC Statewide Survey database online at http://www.ppic.org/main/survAdvancedSearch.asp.

PPIC Statewide Survey

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NEWS RELEASE

EMBARGOED: Do not publish or broadcast until 9:00 p.m. PST on January 27, 2010.

Para ver este comunicado de prensa en español, por favor visite nuestra página de internet: http://www.ppic.org/main/pressreleaseindex.asp

PPIC STATEWIDE SURVEY: CALIFORNIANS AND THEIR GOVERNMENT Cut Prison Spending, Spare Schools, Worried Californians Say

CAMPAIGN 2010: CAMPBELL TOPS GOP SENATE FIELD, WHITMAN BOOSTS LEAD—BUT PLURALITIES UNDECIDED

SAN FRANCISCO, January 27, 2010—Most Californians would be willing to pay higher taxes to maintain current funding for public schools and most favor spending cuts in prisons and corrections, according to a survey released today by the Public Policy Institute of California (PPIC) with funding from The James Irvine Foundation. But while majorities want to protect K–12 schools and cut spending on prisons, Californians are as divided as their leaders on the overall strategy to deal with the state's \$20 billion budget deficit: 41 percent favor a mix of spending cuts and tax increases and 37 percent favor mostly spending cuts (9% favor mostly tax increases). They are in more agreement when it comes to asking the federal government for help, as Governor Arnold Schwarzenegger has done: 66 percent say California should seek federal aid to help meet its budget obligations.

Californians start this election year feeling gloomy about the economy and pessimistic about the state's direction. Their approval ratings for the governor (30%) and legislature (18%) are near record lows (27% governor, 17% legislature). Their view of state government has hit a new, grim milestone: just 28 percent of all adults say the two branches of government will be able to work together to accomplish a lot in the next year—the lowest level since the PPIC survey began asking the question in January 2006.

As they look to Washington, 61 percent of Californians approve of President Obama's job performance as he begins his second year in office—a 9-point drop since February 2009. Congress gets a much lower approval rating than the president—36 percent—similar to January 2009 (37%). While a majority of Californians (56%) think the president and Congress will be able to work together and accomplish a lot this year, this is a steep, 25-point drop from January 2009 (81%).

"Residents have deep concerns about the economy and their own budgets, and they don't see how California's leaders will help guide the state through these difficult times," says Mark Baldassare, PPIC president and CEO. "At the national level, Californians had high hopes last year, but reality has set in that accomplishments will be difficult to achieve in Washington, too."

CAMPBELL CAPTURES EARLY LEAD IN SENATE PRIMARY RACE

Five months before the primary, former Congressman Tom Campbell has emerged as the early leader in the Republican campaign to oust U.S. Senator Barbara Boxer. Soon after bowing out of the governor's race to run for senator, Campbell leads among likely voters in the GOP primary with 27 percent support, while 16 percent support businesswoman Carly Fiorina and 8 percent favor state Assemblyman Chuck DeVore. Campbell leads among likely voters with household incomes below \$80,000 and above

\$80,000, and among both men and women. Likely voters in the Republican primary include the 12 percent of independent voters who say they will choose to vote on a Republican ballot.

Campbell's departure from the governor's race benefited businesswoman Meg Whitman, who increased her lead over state Insurance Commissioner Steve Poizner (41% to 11%) since December (32% to 8%). Whitman leads among GOP likely voters with household incomes above and below \$80,000, and among both men and women. Men (48%) are much more likely than women (34%) to support her.

But the highest percentage of GOP likely voters is undecided in both the Senate (48%) and gubernatorial (44%) primaries. Among female likely voters, more than half (57% Senate, 53% governor) are undecided.

FALL MATCHUPS: BROWN HAS SMALL EDGE—BOXER, CAMPBELL IN CLOSE RACE

In a hypothetical matchup for the November election, unofficial Democratic candidate Jerry Brown retains a narrow lead over Whitman (41% to 36%) among likely voters, with 23 percent undecided. Support for the candidates runs along party lines: 69 percent of Democrats favor Brown and 73 percent of Republicans favor Whitman. Independents favor Brown over Whitman, 36 percent to 28 percent, with 36 percent undecided. Brown, the current attorney general and former governor, had a 6-point lead over Whitman in December. His 15-point lead over Poizner (44% to 29%) is also similar to December's (47% to 31%).

In a theoretical Senate matchup, Boxer falls short of a majority against each of the potential challengers. She and Campbell are in a close contest (45% to 41%). While 79 percent of Democratic likely voters favor Boxer, 84 percent of Republican likely voters favor Campbell. Independents are more divided but favor Boxer (42% to 37%). Gender differences among likely voters are stark: Boxer has a 14-point lead among female likely voters (50% to 36%), and Campbell has a 6-point lead among men (46% to 40%). Boxer has an 8-point lead over Fiorina (48% to 40%) and DeVore (47% to 39%).

These hypothetical matchups reflect Boxer's approval ratings. Among likely voters, 49 percent approve and 44 percent disapprove of her job performance. In February 2004, nine months before she was last re-elected, her approval rating was similar (52%), but her disapproval rating was lower (34%). Views of Boxer follow partisan lines, with 80 percent of Democratic likely voters approving of her and 84 percent of GOP likely voters disapproving. Among independent likely voters, 46 percent approve and 42 percent disapprove of her job performance. By comparison, 50 percent of likely voters approve of Senator Dianne Feinstein—who is not running for re-election this year—compared to 41 percent who disapprove.

HALF WOULD PAY MORE TAXES TO SPARE HIGHER EDUCATION, HEALTH AND HUMAN SERVICES

The candidates are campaigning in a state where an overwhelming number of residents (86%) continue to believe that California is in a serious (62%) or moderate (24%) recession, where 74 percent see things generally headed in the wrong direction, and where 75 percent say the budget situation is a big problem. A majority (60%) believe that state government could spend less and still provide the same level of services, but this is a record low in the six times the PPIC survey has asked the question and 10 points lower than the last time it was asked (70%, January 2008).

When asked which of the four main areas of state spending they would most want to protect from budget cuts, 58 percent choose K–12 public education—the area most Californians have wanted to spare each of the nine times PPIC has posed the question. Fewer choose health and human services (17%) or higher education (15%). Far fewer choose prisons and corrections (6%). Californians back up these views when asked if they would be willing to pay higher taxes to maintain current funding for these areas:

- K-12 public education: 66 percent yes, 32 percent no
- Higher education: 50 percent yes, 48 percent no

- Health and human services: 50 percent yes, 47 percent no
- Prisons and corrections: 11 percent yes, 87 percent no

Across political parties, and regional and demographic groups, residents are most willing to pay more taxes to maintain funding at K–12 schools, with 79 percent of Democrats, 58 percent of independents, and 49 percent of Republicans saying they would be willing to do so. Prisons and corrections garner less than 15 percent support for higher taxes across parties, regions, and demographic groups.

On the flip side of this question—cutting spending to help reduce the budget deficit—Californians are least supportive of reductions in K–12 schools (82% oppose, 16% support) and largely opposed to cuts in higher education (65% oppose, 32% support) or health and human services (62% oppose, 34% support). A large majority (70% vs. 27% oppose) favor spending cuts in prisons and corrections.

While just 21 percent of Californians have a favorable impression of Schwarzenegger's final State of the State address on January 6 (37% unfavorable, 31% volunteer that they haven't heard about it), they are more supportive of his budget proposal when they are read a brief description of what he says it will achieve (question 36, page 31): 55 percent say they are satisfied. A majority (56% vs. 40% yes) do not think tax increases should be a part of the budget plan.

Whom do they trust to make tough choices about the state budget? Thirty-eight percent say Democrats in the legislature, 22 percent say Republicans in the legislature, 17 percent say the governor. In the 13 times the PPIC survey has asked this question, pluralities of Californians have chosen Democrats in the legislature 12 times. But the percentage making this choice has never exceeded 39 percent.

On the issue of long-term reform of the budget process, most (72%) Californians believe that they—not their leaders—should make reform decisions at the ballot box.

However, Californians' knowledge is far from perfect when it comes to understanding the budget. Only 28 percent correctly identify personal income tax as the area representing most of the revenue. Thirty percent name the sales tax as the biggest source of revenue when it is actually a distant No. 2.

Asked to name the area that represents the most spending, only 16 percent of residents correctly identify K–12 education. Half (49%) say the most money goes to prisons and corrections, although this category is actually in fourth place, behind schools, health and human services, and higher education.

"If Californians are going to rely on the ballot box for making critical choices about the budget process, the state's leaders need to do a better job educating the decision makers about where the money comes from and where it goes," Baldassare says.

MORE KEY FINDINGS

Support for strict spending cap, lower threshold on budget approval—page 21

A majority (69%) of Californians favors strict limits on the amount that state spending can increase. Half (51%) favor lowering the two-thirds legislative vote requirement to pass a state budget.

■ Change the tax system? Yes, say Californians—pages 21–22

Most (84%) say major or minor changes are needed in the state and local tax system, but 53 percent view the system as fair. The percentage calling it very or moderately fair has dropped 13 points since June 2003.

■ Public employee pensions seen as a problem—page 22

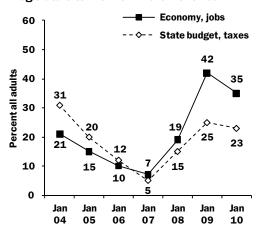
A majority of Californians say the amount of money spent on the public employee pension system is a problem (41% big, 35% somewhat of a problem), and the percentage calling it a big problem has grown 10 points since January 2005. Two in three (67%) would favor changing the system for new public employees from defined benefits to one similar to a 401(k) plan.

2010 ELECTION CONTEXT

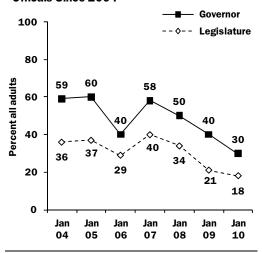
KEY FINDINGS

- Californians begin the year in a pessimistic mood, with three in four saying the state is heading in the wrong direction, two in three expecting bad economic times, and six in 10 saying California is in a serious recession. Residents name the economy and the state budget as the most important state issues. (page 7)
- Approval ratings of the governor and the legislature remain near record lows, while approval ratings of President Obama and Congress are higher. A record low of 28 percent think the governor and legislature will be able to work together in the upcoming year. A higher but declining number think the president and Congress will be able to do so. (pages 8, 9)
- With 41 percent support, Meg Whitman continues to lead among Republican primary likely voters in the June gubernatorial primary; 11 percent support Steve Poizner and 44 percent are undecided. Tom Campbell leads with 27 percent among Republican primary likely voters in the senatorial primary; 16 percent support Carly Fiorina, 8 percent back Chuck DeVore, and 48 percent are undecided. (page 10)
- When asked about potential matchups in the November election, the presumed Democratic gubernatorial candidate Jerry Brown is ahead of Republican candidates Steve Poizner and Meg Whitman. In the Senate race, Barbara Boxer is ahead of Tom Campbell, Carly Fiorina and Chuck DeVore. (pages 11, 12)
- Half of likely voters approve of Senators
 Boxer and Feinstein, and approval is deeply divided along party lines. (page 13)

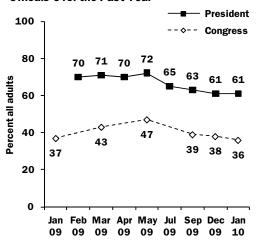
Most Important Issue for Governor and Legislature to Work On in the Next Year



Approval Ratings of State Elected Officals Since 2004



Approval Ratings of Federal Elected Officals Over the Past Year



OVERALL MOOD

The number of Californians citing jobs and the economy (35%) as the most important issue for the governor and the legislature to work on in the next year is somewhat lower than it was last January (42%), while mention of the state budget and deficit (23%) is similar to last January (25%). Californians remain skeptical about the direction of the state: Only 19 percent believe it is going in the right direction—just as in December (19%). At least two in three Californians have said the state is going in the wrong direction since June 2008. Today, over six in ten across all parties, regions, and demographic groups continue to say this.

"Do you think things in California are generally going in the right direction or the wrong direction?"

All Adoles			Likely Vetere		
All Adults	All Addits	Dem	Rep	Ind	Likely Voters
Right direction	19%	18%	16%	21%	15%
Wrong direction	74	74	80	74	80
Don't know	7	8	4	5	5

When it comes to economic conditions, two in three Californians (67%) believe the state will face bad times in the next year—similar to the December finding (66%). Likely voters hold a more negative view (76% bad times). High school graduates, Latinos, and young adults are the most optimistic about the economy. Across regions, Los Angeles residents (63%) are the least likely to expect bad times, while Other Southern California residents (72%) are the most likely.

"Turning to economic conditions in California, do you think that during the next 12 months we will have good times financially or bad times?"

	All Adults		Likely Vetero		
	All Addits	Dem	Rep	Ind	Likely Voters
Good times	25%	24%	20%	23%	17%
Bad times	67	68	75	68	76
Don't know	8	8	5	9	7

An overwhelming number of Californians (86%) continue to believe the state is in a serious (62%) or moderate (24%) recession. Since January 2009 a majority of Californians have said the state is in a serious recession. Today, at least eight in 10 across all parties, regions, and demographic groups say the state is in a serious or moderate recession. Women (65%) are somewhat more likely than men (58%) to say the state's recession is serious.

"Would you say that California is in an economic recession, or not? (if yes: Do you think it is in a serious, a moderate, or a mild recession?)"

	All Adults		Likely Vetero		
	All Adults	Dem	Rep	Ind	Likely Voters
Serious recession	62%	65%	66%	61%	67%
Moderate recession	24	21	24	28	24
Mild recession	5	7	3	2	4
Not in a recession	8	6	6	6	5
Don't know	1	1	1	3	-

GOVERNOR AND LEGISLATURE

In light of their highly negative outlook on the state and economy, what do Californians think about their state officials this election year? Approval of Governor Schwarzenegger (30%) and the state legislature (18%) remain near record lows. One-third of likely voters (32%) approve of the governor, but they hold a far more negative view of the state legislature (12% approve). Republicans (46%) and independents (33%) are much more likely than Democrats (21%) to approve of the governor. Republicans hold the most negative view of the legislature (11% approve), while independents hold the most positive (21% approve).

Latinos (71%) are far more likely than whites (51%) to disapprove of the governor, while whites (78%) are far more likely than Latinos (59%) to disapprove of the legislature. Approval of the governor is higher among Californians in households earning \$80,000 or more per year (40%) than among those earning below \$80,000 (24%). Among those who approve of the legislature, nearly half approve of how Governor Schwarzenegger is handling his job, while two-thirds of Californians who disapprove of the legislature also disapprove of the governor.

"Overall, do you approve or disapprove of the way that..."

		All Adulto		Likely		
		All Adults	Dem	Rep	Ind	Voters
Arnold Schwarzenegger is handling his job as governor	Approve	30%	21%	46%	33%	32%
	Disapprove	60	68	47	58	59
of California?	Don't know	10	11	7	9	9
	Approve	18	18	11	21	12
the California Legislature is handling its job?	Disapprove	71	72	83	68	80
	Don't know	11	10	6	11	8

The negative mood regarding state government extends even further: Two in three Californians (65%) and three in four likely voters (74%) say the governor and state legislature will not be able to work together to accomplish a lot in the next year. This reflects the highest level of pessimism since we began asking this question in January 2006. Today, 72 percent of Republicans do not think the governor and legislature will be able to work together, compared to 69 percent of Democrats and 62 percent of independents. Majorities across ideological, regional, and demographic groups do not believe the governor and legislature will be able to work together. This negative perception increases with age, education, and income. Three in four of those who disapprove of the governor or the legislature, or believe the state is going in the wrong direction, or expect that bad economic times are ahead do not think the governor and legislature will be able to work together and accomplish a lot in the next year.

"Do you think that Governor Schwarzenegger and the state legislature will be able to work together and accomplish a lot in the next year, or not?"

	All Adults -		Likely Veters		
		Dem	Rep	Ind	Likely Voters
Yes, will be able to work together	28%	24%	21%	31%	20%
No, will not be able to work together	65	69	72	62	74
Don't know	7	7	7	7	6

PRESIDENT AND CONGRESS

Approval ratings of national leaders are much better than the ratings of state leaders. Six in ten adults approve of how Barack Obama is handling his job as president. This represents a 9-point drop since February 2009. But Californians approve of the president at a much higher rate than adults do nationwide—according to a CBS News Poll, 50 percent of adults approve of the president's handling of his job. In California, 55 percent of likely voters approve of President Obama, similar to December 2009 (54%). Approval ratings follow party lines, with Democrats overwhelmingly approving of the president (82%), and Republicans overwhelmingly disapproving (71%). While half or more Californians across regions approve of the president, residents in Los Angeles (70%) and the San Francisco Bay Area (69%) are much more likely to approve of the president than those in the Other Southern California region (55%) and the Central Valley (51%). Latinos (76%) are far more likely than whites (49%) to approve of the president. About six in 10 men (59%) and women (62%) approve. Disapproval rises with increased age and income.

Approval ratings of Congress (36% approve, 55% disapprove) are far more negative than those of the president, but are similar to ratings given in December (38% approve, 54% disapprove). Still, Californians approve of Congress far more than adults do nationwide—23 percent approve and 63 percent disapprove according to the recent CBS News Poll. Republicans (78% disapprove) remain far more negative than independents (57% disapprove) and Democrats (48% disapprove). Across demographic groups, Latinos (55%) hold the highest approval ratings of Congress, while whites (25%) hold the lowest. Disapproval of Congress rises as age, education, and income increase. Half of the Californians (51%) who approve of the president also approve of Congress.

"Overall, do you approve or disapprove of the way that..."

		All Adults			Likely	
		All Addits	Dem	Rep	Ind	Voters
Barack Obama is handling his job as president of the	Approve	61%	82%	24%	59%	55%
	Disapprove	34	13	71	35	41
United States?	Don't know	5	5	5	6	4
	Approve	36	42	14	35	29
the U.S. Congress is handling its job?	Disapprove	55	48	78	57	65
	Don't know	9	10	8	8	6

In sharp contrast to their perceptions of state government, a majority of Californians think the president and Congress will be able to work together and accomplish a lot in the next year. Likely voters are divided. Partisans differ, with two in three Democrats and 54 percent of independents saying Congress and the president will be able to work together, and six in 10 Republicans saying they will not. The belief that a lot will be accomplished in the next year has fallen by 25 points since last January (81%).

"Do you think that President Obama and the U.S. Congress will be able to work together and accomplish a lot in the next year, or not?"

	All Adulto		Likely Vetero		
	All Adults -	Dem	Rep	Ind	Likely Voters
Yes, will be able to work together	56%	66%	34%	54%	48%
No, will not be able to work together	38	28	60	40	46
Don't know	6	6	6	6	6

JUNE PRIMARY

Former Congressman Tom Campbell recently bowed out of the governor's race to run for U.S. Senator. How has this shift affected the Republican primary for governor? Meg Whitman continues to lead, with current support at 41 percent of Republican primary likely voters, up 9 points since December. Steve Poizner has the support of 11 percent of these voters, compared to 8 percent in December. A plurality of likely voters (44%) continues to be undecided, unchanged from the December survey (44%). Whitman leads among those with household incomes below \$80,000 and above \$80,000, with the former group much more likely to be undecided. Men (48%) are more likely than women (34%) to support Meg Whitman, while women (53%) are far more likely than men (35%) to be undecided. Republican primary likely voters include the 12 percent of independent (decline-to-state) voters who say they will vote a Republican ballot. (Independents may also choose a Democratic or non-partisan ballot.)

"If the Republican primary for governor were being held today, and these were the candidates, who would you vote for?"

Republican primary likely voters only	All Likely	All Likely Household Income			Gender		
	Voters	Under \$80,000	\$80,000 or more	Men	Women		
Meg Whitman, businesswoman	41%	31%	53%	48%	34%		
Steve Poizner, California state insurance commissioner	11	13	9	13	9		
Someone else	4	6	2	4	4		
Don't know	44	50	36	35	53		

With the Republican primary for U.S. Senator five months away, 27 percent of likely voters in that primary would cast a vote for former Congressman Tom Campbell, 16 percent would vote for businesswoman Carly Fiorina, and 8 percent would vote for California State Assemblyman Chuck DeVore. But most are undecided (48%). Tom Campbell currently leads among those with household incomes below \$80,000 and above \$80,000, and among men and women, but a plurality in each group is undecided.

"If the Republican primary for U.S. Senator were being held today, and these were the candidates, who would you vote for?"

Republican primary likely voters only		Househol	ld Income	Gender		
	All Likely Voters	Under \$80,000	Under \$80,000	Men	Women	
Tom Campbell, former Congressman	27%	26%	30%	30%	24%	
Carly Fiorina, businesswoman	16	15	18	22	10	
Chuck DeVore, California state assemblyman	8	7	8	9	8	
Someone else	1	1	2	2	1	
Don't know	48	51	42	37	57	

POTENTIAL NOVEMBER GUBERNATORIAL MATCH-UPS

There are currently no declared candidates in the Democratic primary, although former governor and current California State Attorney General Jerry Brown has all but formally declared his candidacy.

In a hypothetical November matchup, Jerry Brown currently has a narrow edge over Republican Meg Whitman (41% to 36%), with 23 percent of likely voters undecided. In December, Brown led Whitman by 6 points (43% to 37%). Today, as in December, support for these candidates runs along party lines, with seven in 10 Democrats preferring Brown and nearly three in four Republicans preferring Whitman. Independents are more likely to choose Brown over Whitman (36% to 28%). Women prefer Brown to Whitman (44% to 30%), while men prefer Whitman to Brown (43% to 38%).

Brown is favored in the San Francisco Bay Area (56%) and Los Angeles (46%), while Whitman has more support in the Other Southern California region (47%). Voters are divided in the Central Valley (42% Whitman, 39% Brown). Whites are more likely to support Whitman over Brown (44% to 35%), while Latinos are more than twice as likely to support Brown than Whitman (53% to 22%). Support for Brown decreases as incomes rise, while support for Whitman increases.

"If these were the candidates in the November 2010 governor's election, would you vote for..."

Likely voters only	All Likely	Party			Gender	
	Voters	Dem	Rep	Ind	Men	Women
Jerry Brown, the Democrat	41%	69%	10%	36%	38%	44%
Meg Whitman, the Republican	36	12	73	28	43	30
Don't know	23	19	17	36	19	26

A potential match-up between Jerry Brown and Steve Poizner has Brown leading by 15 points (44% to 29%). In December Brown led by 16 points (47% to 31%). Three in four Democrats favor Brown, while seven in 10 Republicans prefer Poizner. Independents are twice as likely to support Brown than Poizner (39% to 18%), but most are undecided (43%). In this match-up, Brown leads among men and women.

Brown enjoys a sizeable lead over Poizner among residents in the San Francisco Bay Area (59% to 19%) and Los Angeles (49% to 21%), while residents in the Central Valley (41% Brown, 39% Poizner) and the Other Southern California region (36% Brown, 35% Poizner) are divided. Latinos are over four times more likely to support Brown than Poizner (60% to 13%), while whites are divided (38% Brown, 37% Poizner).

"If these were the candidates in the November 2010 governor's election, would you vote for..."

Likely voters only	All Likely		Party			Gender	
	Voters	Dem	Rep	Ind	Men	Women	
Jerry Brown, the Democrat	44%	74%	11%	39%	43%	46%	
Steve Poizner, the Republican	29	4	68	18	34	24	
Don't know	27	22	21	43	23	30	

How much attention are Californians paying to news about gubernatorial candidates? Forty-five percent of likely voters are very closely (11%) or fairly closely (34%) following the news. By comparison, three months before the June 2006 primary, attention to the news was slightly higher (13% very close, 39% fairly close). Today, Republicans (48%) and independents (48%) are more likely than Democrats (40%) to pay at least fairly close attention to election news.

POTENTIAL NOVEMBER SENATORIAL MATCH-UPS

With the November election 10 months away, incumbent U.S. Senator Barbara Boxer falls short of majority support in each of three potential contests against Republican candidates. Senator Boxer has a 4-point lead over Tom Campbell in a potential match-up (45% to 41%). Boxer enjoys the support of eight in 10 Democrats, while 84 percent of Republicans support Campbell. Independents are more divided (42% Boxer, 37% Campbell). Preferences among men and women are different: Boxer has a 14-point lead among women, while Campbell has a 6-point lead among men. Campbell is preferred in the Central Valley (52%), while Boxer enjoys more support in the San Francisco Bay Area (59%) and Los Angeles (49%). Voters in the Other Southern California region are divided (45% Campbell, 42% Boxer).

"If these were the candidates in the November 2010 U.S. Senator's election, would you vote for..."

Likely veters only	All Likely		Party		Ge	nder
Likely voters only	Voters	Dem	Rep	Ind	Men	Women
Barbara Boxer, the Democrat	45%	79%	4%	42%	40%	50%
Tom Campbell, the Republican	41	10	84	37	46	36
Don't know	14	11	12	21	14	14

In a potential match-up against Carly Fiorina, Barbara Boxer has an 8-point lead (48% to 40%). Eight in 10 Democrats prefer Boxer and eight in 10 Republicans prefer Fiorina. Independents favor Boxer (45%). Women prefer Boxer (55%), while men prefer Fiorina (46%). Support for Boxer is highest in the San Francisco Bay Area (67%), while Fiorina's support is greatest in the Central Valley (50%).

"If these were the candidates in the November 2010 U.S. Senator's election, would you vote for..."

Likely vetera enly	All Likely		Party		Ge	nder
Likely voters only	Voters	Dem	Rep	Ind	Men	Women
Barbara Boxer, the Democrat	48%	82%	8%	45%	41%	55%
Carly Fiorina, the Republican	40	12	79	35	46	33
Don't know	12	6	13	20	13	12

Senator Boxer has an 8-point lead in a potential match-up against Chuck DeVore. Boxer enjoys the support of eight in 10 Democrats, while DeVore has the support of eight in 10 Republicans. Independents favor Boxer over DeVore (45% to 34%). About half of women would vote for Boxer (53%), while 45 percent of men would vote for DeVore. Boxer has the support of a solid majority in the San Francisco Bay Area (65%) and of about half of voters in Los Angeles (52%), while DeVore enjoys the support of about half of voters in the Central Valley (50%). Voters in the Other Southern California region are divided (45% each).

"If these were the candidates in the November 2010 U.S. Senator's election, would you vote for..."

Likely veters only	All Likely		Party		Ge	nder
Likely voters only	Voters	Dem	Rep	Ind	Men	Women
Barbara Boxer, the Democrat	47%	82%	6%	45%	41%	53%
Chuck DeVore, the Republican	39	10	80	34	45	33
Don't know	14	8	14	21	14	14

CALIFORNIA U.S. SENATORS

In a year when Barbara Boxer is running for a fourth term in the U.S. Senate, 49 percent approve and 44 percent disapprove of the Senator's job performance. Her approval ratings among likely voters today are similar to last September (51%). How do her current ratings compare to those during her last re-election bid? In February 2004, nine months before the election, her approval among likely voters was at 52 percent, and disapproval was lower (34%).

Today, Boxer's approval among likely voters runs along highly partisan lines, with eight in 10 Democrats approving and more than eight in 10 Republicans disapproving. Independents are more divided (46% approve, 42% disapprove). Senator Boxer's approval ratings are higher among women (54%) than men (43%). Across regions, likely voters in the San Francisco Bay Area (61%) and Los Angeles (57%) are more approving than those in the Other Southern California region (46%) and the Central Valley (34%). Latino likely voters (69%) are far more approving than whites (39%) are of Boxer's job performance.

"Overall, do you approve or disapprove of the way that Barbara Boxer is handling her job as U.S. senator?"

Likaly vatara anly	All Likely		Party		Gei	nder
Likely voters only	Voters	Dem	Rep	Ind	Men	Women
Approve	49%	80%	11%	46%	43%	54%
Disapprove	44	14	84	42	50	37
Don't know	7	6	5	12	7	9

As a point of comparison, 50 percent of likely voters currently approve of California U.S. Senator Dianne Feinstein, who is not up for re-election this year. Her approval ratings among likely voters are similar to last September (53%). Today, Senator Feinstein has the approval of nearly three in four Democrats, while seven in 10 Republicans disapprove. Independent likely voters are more likely to approve (47%) than disapprove (38%) of Senator Feinstein's job performance.

Approval of Senator Feinstein is greater among female likely voters (54%) than among male likely voters (47%). Her approval ratings are greatest among likely voters in the San Francisco Bay Area (66%) and Los Angeles (56%), while about four in 10 in the Central Valley (40%) and the Other Southern California region (43%) approve. Approval is higher among Latino likely voters (58%) than white likely voters (46%).

"Overall, do you approve or disapprove of the way that Dianne Feinstein is handling her job as U.S. senator?"

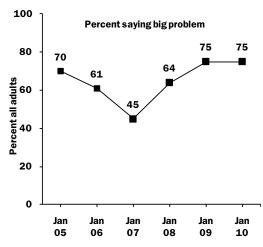
Likely veters only	All Likely		Party		Ge	nder
Likely voters only	Voters	Dem	Rep	Ind	Men	Women
Approve	50%	73%	25%	47%	47%	54%
Disapprove	41	18	69	38	47	34
Don't know	9	9	6	15	6	12

CALIFORNIA STATE BUDGET

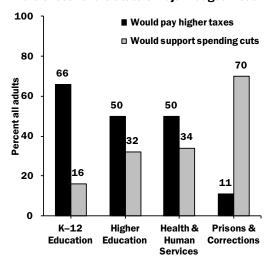
KEY FINDINGS

- Most Californians view the budget situation as a big problem, but six in 10 say the state could spend less and still provide the same level of services. (page 15)
- Californians are divided on how to deal with the state's budget deficit: 37 percent prefer mostly spending cuts and 41 percent prefer a mix of spending cuts and tax increases.
 K–12 public education is by far the area of spending that Californians most want to protect from spending cuts. (page 16)
- Most Californians would be willing to pay higher taxes to maintain K–12 education funding, and most favor spending cuts to prisons and corrections. Fifty-five percent are satisfied with the Governor's recent budget proposal, and two in three approve of asking for federal assistance. Four in 10 think taxes should have been included in the governor's budget plan, and three in four are concerned about his proposed spending cuts. (pages 17, 18, 19)
- A plurality of Californians say they prefer legislative Democrats' approach to the budget over the governor's or that of legislative Republicans. When it comes to long-term issues of reforming the budget process, Californians prefer allowing California voters to decide at the ballot box. (page 20)
- Seven in 10 Californians say that a spending cap is a good idea, and half say that lowering the vote requirement to a 55–percent majority to pass a budget is a good idea. Over eight in 10 believe that changes are needed to the state and local tax system and three in four Californians view the public employee pension system as a problem. Knowledge of spending and tax issues remains low. (pages 21, 22, 23)

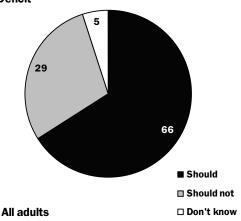
Perceptions of California's Budget Situation



Preferences for the State's Major Budget Areas



Asking the Federal Government for Financial Assistance to Reduce the State's Budget Deficit



APPROACHING THE STATE BUDGET GAP

With the state facing a \$20 billion budget deficit, how do Californians perceive the situation? Once again nearly all Californians view the state budget situation as a problem. Seventy-five percent call it a big problem, while 21 percent call it somewhat of a problem. Likely voters are more negative than residents overall. The perception that the budget is a big problem is similar to December (78%). At least seven in 10 Californians have called the budget situation a big problem since August 2008.

Today, at least three in four across parties (88% Republicans, 77% independents, 75% Democrats) and more than two in three across regions view the budget situation as a big problem. Pessimism about the budget situation is 30 points higher among whites (86%) than among Latinos (56%). The perception that the state budget situation is a big problem increases as education, income, and age increase.

"Do you think the state budget situation in California—that is, the balance between government spending and revenues—is a big problem, somewhat of a problem, or not a problem for the people of California today?"

	All Adults		Likely Vetero		
	All Addits	Dem	Rep	Ind	Likely Voters
Big problem	75%	75%	88%	77%	83%
Somewhat of a problem	21	21	11	20	15
Not a problem	2	1	-	3	-
Don't know	2	3	1	-	2

When asked if they think the state government could spend less and still provide the same level of services, six in 10 Californians (60%) and likely voters (59%) say yes. Still, fewer residents hold this belief than in the past. The 60-percent figure marks a record low in the six times we have asked this question and is 10 points lower than the last time we asked in January 2008 (70%). Today, at least half across parties hold this view, with Republicans (67%) the most likely, followed by independents (62%) and Democrats (53%). Solid majorities across demographic groups think government could spend less and maintain services, with Latinos (65%) more likely than whites (59%) to hold this view.

"In general, do you think the state government could spend less and still provide the same level of services, or not?"

	All Adulta		Party	Likely Vetere	
	All Adults –	Dem	Rep	Ind	Likely Voters
Yes, could spend less	60%	53%	67%	62%	59%
No, could not spend less	34	40	28	32	35
Don't know	6	7	5	6	6

Those who think the government could spend less and provide the same level of services were asked a follow-up question: how much could the state government cut spending without reducing services? About one in five (18%) say the state could cut less than 10 percent, a plurality of Californians (38%) say 10 to 20 percent, while one in five (19%) say 20 to 30 percent. Fourteen percent say the government could cut its spending by 30 percent or more and still maintain current service levels. A plurality of Californians has said 10 to 20 percent each time we have asked this question.

APPROACHING THE STATE BUDGET GAP (CONTINUED)

How do Californians prefer to deal with the multibillion-dollar gap between revenues and spending in the state budget? While 41 percent of Californians prefer a mix of spending cuts and tax increases, 37 percent favor mostly spending cuts. Fewer than one in 10 say either mostly tax increases (9%) or that it is okay to borrow money and run a deficit (6%). About equal proportions of likely voters favor a mix of spending cuts and tax increases (41%) as spending cuts alone (40%). Last January, 44 percent of Californians preferred a mix of spending cuts and tax increases, and 33 percent favored mostly cuts.

Today, partisan differences are clear, with half of Democrats (52%) favoring a mix of spending cuts and tax increases and six in 10 Republicans (60%) favoring mostly spending cuts. Independents are more likely to favor a mix (44%) over mostly spending cuts (36%). Across regions, residents in the San Francisco Bay Area (51% mix, 31% cuts) are the most likely to prefer a mix of spending cuts and tax increases, while those in the Central Valley (38% mix, 40% cuts), Los Angeles (38% mix, 35% cuts), and the Other Southern California region (39% mix, 38% cuts) are more divided. Latinos (40% mix, 30% cuts) prefer a mix of spending cuts and tax increases, while whites are more divided (40% mix, 44% cuts).

"How would you prefer to deal with the state's budget gap—mostly through spending cuts, mostly through tax increases, through a mix of spending cuts and tax increases, or do you think that it is okay for the state to borrow money and run a budget deficit?"

	All Adults		Party		Likely Vetero
	All Adults	Dem	Rep	Ind	Likely Voters
Mix of spending cuts and tax increases	41%	52%	30%	44%	41%
Mostly spending cuts	37	22	60	36	40
Mostly tax increases	9	15	3	7	11
Okay to borrow money and run a deficit	6	4	2	7	2
Other	3	3	3	3	3
Don't know	4	4	2	3	3

When asked which of the four main areas of state spending they would protect from spending cuts, nearly six in 10 (58%) Californians say they most want to protect K–12 public education. Fewer choose health and human services (17%), higher education (15%), or prisons and corrections (6%) as the area they would most like to protect. K–12 education has been the area most Californians have wanted to protect each of the nine times we have asked this question and today's results are similar to last April and January. Over half across parties, regions, and demographic groups want to protect K–12 education. Whites (62%) are more likely than Latinos (55%), and San Francisco Bay Area residents (64%) are the most likely across regions, to hold this view.

"Some of the largest areas for state spending are....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	Party			
	All Adults	Dem	Rep	Ind	Voters		
K-12 public education	58%	63%	63%	55%	61%		
Health and human services	17	16	12	11	13		
Higher education	15	15	14	18	15		
Prisons and corrections	6	4	9	9	6		
Don't know	4	2	2	7	5		

TAX INCREASES

Californians back up their desire to spare K–12 education from the chopping block with a willingness to pay higher taxes to maintain current funding levels. Two in three (66%) would pay higher taxes for this purpose, including 72 percent of those who most want to protect K–12 education from spending reductions. Residents are more divided about paying higher taxes for higher education (50% would, 48% would not) and health and human services (50% would, 47% would not). A resounding 87 percent would not pay higher taxes to maintain current funding levels for prisons and corrections. Two years ago, nearly identical percentages supported higher taxes for K–12 and higher education; support was 6 points higher for health and human services (56% January 2008, 50% today). Prisons were not addressed at that time.

"Tax increases could be used to help reduce the state budget deficit. For each of the following, please indicate whether you would be willing to pay higher taxes for this purpose, or not. What if the state said it needed more money just to maintain current funding for...? Would you be willing to pay higher taxes for this purpose, or not?"

K-12 public education	Higher education	Health and human services	Prisons and corrections
66%	50%	50%	11%
32	48	47	87
2	2	3	2
	public education 66%	public education education 66% 50%	public education education human services 66% 50% 50% 32 48 47

Among the four budget areas, likely voters and Californians across political parties and regional and demographic groups are most willing to pay higher taxes for K–12 education. A strong majority of Democrats, 58 percent of independents, and half of Republicans express willingness to pay higher taxes for this purpose. Solid majorities in each regional and demographic group would be willing to do so, although support declines with higher age, education, and income; Latinos are far more likely than whites (77% to 60%) to express support. Support for paying higher taxes for higher education or health and human services declines with age and is higher among Latinos than whites. Democrats are nearly twice as likely as Republicans to consider paying higher taxes for higher education and overwhelmingly more likely to do so for health and human services. Most independents oppose paying higher taxes for higher education (43% would, 54% would not), and health and human services (45% would, 51% would not).

The least popular spending area—prisons and corrections—garners less than 15 percent support across parties, regions, and demographic groups for paying higher taxes to maintain current funding levels.

Percent saying yes All adults		K–12 public education	Higher education	Health and human services	Prisons and corrections
		66%	50%	50%	11%
	Democrat	79	61	65	11
Party	Republican	49	32	24	12
	Independent	58	43	45	11
	18-34	76	59	55	8
Age	35–54	65	48	50	12
	55 and older	56	41	43	12
Race/	Latinos	77	61	68	14
Ethnicity	Whites	60	42	39	10
Gender Women		65	47	48	11
		68	52	52	11
Likely voters	1	62	46	45	11

SPENDING CUTS

On the flip side—using spending cuts to help reduce the state budget deficit—Californians are least supportive of reductions to K–12 education and are also largely opposed to spending cuts in higher education and health and human services. An overwhelming majority (70%) would support cutting spending in the prisons and corrections system. In June 2003 and May 2004 (also years of severe budget deficits), Californians were similarly opposed to cuts in K–12 education, but slightly more opposed to cuts in higher education and health and human services; they were far less likely to support cuts in prisons and corrections (55% June 2003, 49% May 2004, 70% today).

"Spending cuts could be used to help reduce the state budget deficit. For each of the following, please indicate whether you support or oppose the proposal. How about cutting spending on...?"

	K-12 public education	Higher education	Health and human services	Prisons and corrections
Support	16%	32%	34%	70%
Oppose	82	65	62	27
Don't know	2	3	4	3

Less than 30 percent of likely voters, voters across parties, and Californians across all regions and demographic groups support spending cuts in K–12 education. Despite a 17-point difference between them, support for cutting K–12 among both Democrats (10%) and Republicans (27%) is still relatively low. Over half of residents across parties, regions, and demographic groups oppose cuts in higher education, but support is higher for cuts in this area than for K–12 education. Forty-five percent of Republicans, 37 percent of independents, and 24 percent of Democrats would favor such cuts. The overall percentage of residents supporting spending cuts in health and human services (34%) is similar to the support for cuts to higher education (32%), but there are some major political and demographic differences. Republicans (60%) are three times as likely as Democrats (21%) to favor cuts in health and human services; whites are much more likely than Latinos (40% to 26%) and men more than women (41% to 27%) to support such cuts. Support for cuts to health and human services increases with rising education and income.

There is widespread support across political and demographic groups for spending cuts to prisons and corrections: from 65 percent for older or lower-income residents to 74 percent for younger adults.

Percent saying support cuts		K-12 public education	Higher education	Health and human services	Prisons and corrections
All adults		16%	32%	34%	70%
	Democrat	10	24	21	70
Party	Republican	27	45	60	70
	Independent	18	37	36	73
	18-34	8	23	25	74
Age	35–54	19	38	39	71
	55 and older	21	35	36	65
Race/	Latinos	12	28	26	73
Ethnicity	Whites	17	34	40	71
Candar	Men	20	38	41	73
Gender	Women	11	26	27	68
Likely voters	<u> </u>	18	36	39	73

GOVERNOR'S BUDGET PROPOSAL

Governor Schwarzenegger delivered his final State of the State address on January 6. Just 21 percent of Californians have a favorable impression of his speech, while 37 percent have an unfavorable one; 31 percent volunteer that they have not heard about the speech. Compared to his earlier speeches, a lower percentage today (21%) have a favorable impression (30% 2008, 47% 2007, 34% 2006, 42% 2005, 44% 2004). This does not mean Californians disapprove of his budget proposal. After being read a brief description (see q36 on p. 31), 55 percent say they are satisfied with his plan. Satisfaction is higher than in 2009 (34%) and 2008 (38%), which may be due in part to the claim that no cuts will be made to K–12 education (others dispute this) and that no cuts will be made to higher education.

A majority of Californians (56%) and likely voters (55%) do not think tax increases should be included in the budget plan. In a down economy and with a temporary 1-cent sales tax (which expires in 2011), fewer residents today (40%) than in January 2008 (46%) say tax increases should be part of the budget solution. Still, this issue divides voters along party lines with 73 percent of Republicans and 57 percent of independents opposed to tax increases and 55 percent of Democrats in favor.

"Do you think that tax increases should be included in the governor's budget plan?"

	All Adults		Likely Vetere		
		Dem	Rep	Ind	Likely Voters
Yes	40%	55%	25%	39%	42%
No	56	40	73	57	55
Don't know	4	5	2	4	3

The governor proposed spending cuts in health and human services and prisons and corrections. He also mentioned reductions in state employee compensation. Nearly three in four Californians say they are concerned (34% very, 39% somewhat) about the effects of the spending reductions in the governor's budget proposal. The degree of concern about spending cuts was the same in January 2005 (73%), but slightly higher in January 2008 (78%). Majorities across parties today express concern about the effects of the proposed spending cuts, with Democrats (42%) more likely than independents (30%) or Republicans (22%) to be very concerned.

"Overall, how concerned are you about the effects of the spending reductions in the governor's budget plan?"

	All Adults		Likely		
	All Addits	Dem	Rep	Ind	Voters
Very concerned	34%	42%	22%	30%	35%
Somewhat concerned	39	39	39	42	38
Not too concerned	15	12	21	15	15
Not at all concerned	9	4	15	10	10
Don't know	3	3	3	3	2

The governor said he believes California is not getting its fair share of funding from the federal government and has requested several billion dollars in federal aid to help the state meet its budget obligations. Two in three Californians (66%) think the state should request federal assistance (similar to last year: 62%), while 29 percent think it should not. Majorities across parties approve of this proposal, but Democrats (75%) are much more in favor than independents (61%) and Republicans (54%).

FISCAL POLICYMAKING PROCESS

When it comes to their preferences for who should make the tough choices involved in the state budget process, 38 percent prefer the approach of the Democrats in the legislature, 22 percent that of legislative Republicans, and 17 percent the governor's approach. Likely voters prefer legislative Democrats (34%) over legislative Republicans (25%) or the governor (18%). Since February 2003, this question has been asked 13 times; in 12 answers, pluralities of Californians have expressed a preference for legislative Democrats to make budget decisions. Nevertheless, the percentage maintaining this view has never surpassed 39 percent.

This fundamental question of whom they trust to handle the budget divides voters along partisan lines. Six in 10 Democrats (61%) prefer the approach of legislative Democrats, while 57 percent of Republicans prefer the approach of legislative Republicans (and another 21% the approach of Republican Governor Schwarzenegger). There is less consensus among independents (32% legislative Democrats, 24% the governor, 17% legislative Republicans).

"When it comes to the tough choices involved in the state budget, both in deciding how much Californians should pay in taxes and how to fund state programs, whose approach do you most prefer—Governor Schwarzenegger's, the Democrats' in the legislature, or the Republicans' in the legislature?"

	All Adults	Party			Likaly Vatara
	All Adults	Dem	Rep	Ind	Likely Voters
Democrats' in the legislature	38%	61%	4%	32%	34%
Republicans' in the legislature	22	4	57	17	25
Governor Schwarzenegger's	17	12	21	24	18
Other	1	1	-	2	1
None (volunteered)	8	8	6	11	10
Don't know	14	14	12	14	12

On the subject of the long-term issues of reforming the state budget process, an overwhelming majority of Californians (72%) believe California voters should decide at the ballot box; just 22 percent believe the governor and state legislature should pass new laws. Since we first asked this question in January 2004, solid majorities of Californians have expressed preference for voters to make these types of decisions, but the current finding marks a new high (65% January 2004, 68% January 2005, 63% January 2009, 72% today). Strong majorities of likely voters, voters across parties, and Californians in all regions and demographic groups believe voters should make reforms at the ballot box. Even among those who approve of either the governor's or legislature's job performance, strong majorities trust voters more.

"And when it comes to long-term issues of reforming the state budget process, both in terms of changing the way the state taxes and spends money, which approach do you most prefer: the governor and legislature should pass new laws; or the California voters should decide at the ballot box?"

	All Adults		Likely		
	All Adults	Dem	Rep	Ind	Voters
California voters decide at ballot box	72%	68%	74%	72%	69%
Governor and legislature pass laws	22	25	21	24	26
Other	2	2	1	2	2
Don't know	4	5	4	2	3

STATE AND LOCAL FISCAL REFORMS

Two major budget reforms have been discussed in recent years: strictly limiting the amount of money that state spending could increase each year, and replacing the current two-thirds vote requirement for the state legislature to pass a budget with a 55–percent majority vote. The spending limit is very popular among Californians and likely voters (69% of each say this is a good idea) and among voters across parties, especially Republicans (81% Republicans, 67% independents, 63% Democrats). Since this question was first asked in June 2003, a majority has called this idea a good one. Regarding lowering the vote threshold to pass a state budget, half of residents (51%) call this a good idea and 39 percent call it a bad one. Among likely voters, 52 percent call it a good idea and 41 percent a bad one. Perhaps due to the protracted negotiations of recent years, this idea has grown somewhat more popular. For example, in May 2008, 42 percent said it was a good idea to lower the voting threshold. By January 2009, the percentage had grown to 54 percent and to 51 percent today. Democrats (57%) are much more likely than independents (45%) or Republicans (41%) today to call changing the budget threshold a good idea.

"Spending and tax reforms have been proposed to address the structural issues in the state budget. For each of the following, please say whether you think the proposal is a good idea or a bad idea."

		All Adults	Party			Likely
		All Addits	Dem	Rep	Ind	Voters
How about strictly limiting the	Good idea	69%	63%	81%	67%	69%
amount of money that state spending could increase each	Bad idea	26	29	15	28	26
year?	Don't know	5	8	4	5	5
How about replacing the two-	Good idea	51	57	41	45	52
thirds vote requirement with a 55-percent majority vote for	Bad idea	39	34	50	45	41
the state legislature to pass a budget?	Don't know	10	9	9	10	7

When it comes to the state and local tax system, over eight in 10 believe it is in need of change (56% major changes, 28% minor changes). About six in 10 likely voters and voters across parties believe major changes are needed. Majorities across regions agree (57% Other Southern California region, 56% San Francisco Bay Area, 55% Central Valley, 54% Los Angeles). Whites are much more likely than Latinos (62% to 49%) to say major changes are needed, a view more widely held by residents age 35 and older, those with at least some college education, and those with household incomes of at least \$40,000.

"On another topic, overall, do you think the state and local tax system is in need of major changes, minor changes, or do you think it is fine the way it is?"

	All Adults		Likely Vetero		
		Dem	Rep	Ind	Likely Voters
Major changes	56%	57%	61%	60%	62%
Minor changes	28	29	30	24	27
Fine the way it is	13	9	7	13	9
Don't know	3	5	2	3	2

Although most believe that major or minor changes are needed in the state and local tax system, 53 percent view the state and local tax system as fair (4% very fair, 49% moderately fair) and 45 percent call it unfair (26% not too fair, 19% not at all fair). The percentage calling it fair has dropped 13 points since June 2003 (66% to 53% today). Today, Democrats (53%), Republicans (53%), and independents (56%)

STATE AND LOCAL FISCAL REFORMS (CONTINUED)

hold surprisingly similar views that the current system is very or moderately fair, as do whites (53%) and Latinos (52%), women (53%) and men (52%), and residents across income groups (51% under \$40,000, 51% \$40,000 to under \$80,000, 54% \$80,000 or more).

A majority of Californians believe they pay much more (31%) or somewhat more (25%) than they should in state and local taxes. Four in 10 say they pay about the right amount (35%) or less than they should (6%). The perception that they pay much more than they should is higher today than in earlier years (26% February 2003, 22% June 2003, 22% January 2004, 31% today). Today Republicans (70%) are more likely than independents (60%) and far more likely than Democrats (48%) to say they pay somewhat or much more than they should. The percentage saying they pay more than they should is fairly similar across income groups (54% under \$40,000, 57% \$40,000 to under \$80,000, 58% \$80,000 or more).

PUBLIC PENSION SYSTEM

In his State of the State address, Governor Schwarzenegger discussed the state's public employee pension system and his desire to enact changes for new state employees (rules cannot be changed for current and former workers). Californians view the amount of money being spent on the public employee pension systems as a problem (41% big, 35% somewhat of a problem). The percentage calling it a big problem has grown 10 points since January 2005. Republicans (54%) are much more likely than independents (42%) and Democrats (35%) to consider this issue a big problem. Residents in the Other Southern California region (49%) are the most likely to call the current pension system a big problem, followed by those in the Central Valley (40%), Los Angeles (40%), and San Francisco Bay Area (37%). About four in 10 across income groups hold this view, while this perception increases with older age.

"At this time, how much of a problem for state and local government budgets is the amount of money that is being spent on their public employee pension or retirement systems? Is this a big problem, somewhat of a problem, or not a problem in California today?"

	All Adulto		Likely Vetero		
	All Adults -	Dem	Rep	Ind	Likely Voters
Big problem	41%	35%	54%	42%	44%
Somewhat of a problem	35	37	31	29	34
Not a problem	14	17	8	19	14
Don't know	10	11	7	10	8

Two in three Californians (67%) would favor changing the pension system for new public employees from defined benefits to a defined contribution system similar to a 401(k) plan. This level of support reflects a 6-point increase since we last asked this question in January 2005. Strong majorities across parties (particularly Republicans), regions, and demographic groups favor this proposal. Support increases with rising income. Of those who call the current pension system a big problem, 79 percent favor this change.

"Would you favor or oppose changing the pension systems for new public employees from defined benefits to a defined contribution system similar to a 401(k) plan?"

	All Adults –		Likely Vetero		
		Dem	Rep	Ind	Likely Voters
Favor	67%	61%	79%	66%	70%
Oppose	21	25	11	25	21
Don't know	12	14	10	9	9

THE KNOWLEDGE GAP

Six in 10 Californians say they know a lot (15%) or some (46%) about the way their state and local governments spend and raise money. A similar 57 percent of residents said they knew a lot (14%) or some (43%) in May 2004 and 56 percent in June 2003 (15% a lot, 41% some). Less than 20 percent across parties, regions, and demographic groups claim to know a lot about state and local budgeting. Self-reported knowledge increases sharply with rising age, education, and income. More Republicans (70%) than independents (66%) or Democrats (61%) report having at least some knowledge of budgeting. As in past surveys, reporting at least some knowledge about the way state and local governments raise and spend money does not translate into actual knowledge about the state's largest spending areas.

Only 16 percent of residents and 20 percent of likely voters correctly identify K–12 education as the area representing the most spending in the state budget. In the current 2009–10 budget, K–12 education makes up 41 percent of general fund spending, followed by 30 percent for health and human services, 13 percent for higher education, and 10 percent for prisons and corrections. Half of Californians (49%) name prisons and corrections as the one area that represents the most spending in the state budget. Even among those who say they know a lot or something about spending and revenues at the state and local government levels, just 19 percent correctly name K–12 education, while 49 percent name prisons.

"I'm going to name some of the largest areas for state spending. Please tell me the one that represents the most spending in the state budget."

	All Adults		Likely Vetere		
		Dem	Rep	Ind	Likely Voters
K-12 public education	16%	14%	22%	17%	20%
Health and human services	24	21	26	26	22
Higher education	5	4	5	2	2
Prisons and corrections	49	55	41	51	48
Don't know	6	6	6	4	8

Only 28 percent of Californians correctly identify personal income tax as the area representing the most revenue in the state budget; 30 percent name the sales tax. In the 2009–10 budget, personal income tax accounted for 55 percent of the state's general fund revenues, followed by sales tax at 31 percent, corporate tax at 10 percent, and motor vehicle fees at 2 percent (insurance tax also made up 2%). Since May 2005, residents have been divided between income and sales taxes as the top revenue source. Findings today are similar among likely voters (32% income, 32% sales) and for those who say they know a lot or some about spending and revenues for state and local governments (30% income, 31% sales).

"I'm going to name some of the largest areas for state revenues. Please tell me the one that represents the most revenue in the state budget."

	All Adults		Libraho Wadawa		
	All Adults	Dem	Rep	Ind	Likely Voters
Personal income tax	28%	30%	32%	26%	32%
Sales tax	30	31	31	31	32
Corporate tax	18	19	22	20	19
Motor vehicle fees	17	12	7	19	10
Don't know	7	8	8	4	7

Combined, only 6 percent of all adults and 8 percent of likely voters can correctly identify K–12 education as the largest spending area and personal income tax as the largest revenue source in California.

REGIONAL MAP



METHODOLOGY

The PPIC Statewide Survey is directed by Mark Baldassare, president and CEO and survey director at the Public Policy Institute of California, with assistance from Dean Bonner, project manager for this survey, and from survey research associates Sonja Petek and Nicole Willcoxon. The *Californians and Their Government* series is supported with funding from The James Irvine Foundation. We benefit from discussions with PPIC staff, foundation staff, and other policy experts; however, the methods, questions, and content of this report were solely determined by Mark Baldassare and the survey staff.

Findings in this report are based on a survey of 2,001 California adult residents, reached on landline telephones and cell phones. Interviewing took place on weekday nights and weekend days between January 12 and January 19, 2010. Interviews took an average of 19 minutes to complete.

Landline interviews were conducted using a computer-generated random sample of telephone numbers that ensured that both listed and unlisted numbers were called. All landline telephone exchanges in California were eligible for selection and the sample telephone numbers were called as many as six times to increase the likelihood of reaching eligible households. Once a household was reached, an adult respondent (age 18 or older) was randomly chosen for interviewing using the "last birthday method" to avoid biases in age and gender. A total of 200 cell phone interviews were included in this survey to account for the growing number of Californians who use them. These interviews were conducted using a computer-generated random sample of cell phone numbers. All cell phone numbers with California area codes were eligible for selection and the sample telephone numbers were called as many as eight times to increase the likelihood of reaching an eligible respondent. Once a cell phone user was reached, it was verified that this person was age 18 or older, a resident of California, and in a safe place to continue the survey (e.g., not driving). Cell phone respondents were offered a small reimbursement for their time to help defray the potential cost of the call. Cell phone interviews were conducted with adults who have cell phone service only and with those who have both cell phone and landline service in the household.

Landline and cell phone interviewing was conducted in English and Spanish according to respondents' preferences. Accent on Languages, Inc. translated the survey into Spanish, with assistance from Renatta DeFever. Abt SRBI conducted the telephone interviewing.

With assistance from Abt SRBI we used recent U.S. Census and state figures to compare the demographic characteristics of the survey sample with characteristics of California's adult population. The survey sample was closely comparable to the census and state figures. Abt SRBI used data from the 2008 National Health Interview Survey and data from the 2005–2007 American Community Survey for California, both to estimate landline and cell phone service in California and to compare it against landline and cell phone service reported in the survey. The survey data in this report were statistically weighted to account for any differences in demographics and telephone service.

The sampling error for the total of 2,001 adults is ± 2 percent at the 95 percent confidence level. This means that 95 times out of 100, the results will be within 2 percentage points of what they would be if all adults in California were interviewed. The sampling error for subgroups is larger: For the 1,616 registered voters, it is ± 2.5 percent; for the 1,223 likely voters, it is ± 3 percent; for the 425 Republican primary likely voters, who were asked questions about the Republican primary for gubernatorial and senate candidates, it is ± 5 percent. Sampling error is only one type of error to which surveys are subject. Results may also be affected by factors such as question wording, question order, and survey timing.

We present results for four geographic regions, accounting for approximately 90 percent of the state population. "Central Valley" includes Butte, Colusa, El Dorado, Fresno, Glenn, Kern, Kings, Madera,

Merced, Placer, Sacramento, San Joaquin, Shasta, Stanislaus, Sutter, Tehama, Tulare, Yolo, and Yuba Counties. "San Francisco Bay Area" includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties. "Los Angeles" refers to Los Angeles County, and "Other Southern California" includes Orange, Riverside, San Bernardino, and San Diego Counties. Residents from other geographic areas are included in the results reported for all adults, registered voters, and likely voters, but sample sizes for these less populated areas are not large enough to report separately.

We present specific results for Latinos because they account for about 30 percent of the state's adult population and constitute one of the fastest growing voter groups. Sample sizes for African Americans and Asian Americans are not large enough for separate analysis. We compare the opinions of registered Democrats, Republicans, and independents (those who are registered as "decline to state"). We also include the responses of "likely voters"— those who are most likely to vote in the state's elections based on their responses to survey questions on past voting, current interest in politics, and voting intentions.

We compare current PPIC Statewide Survey results to those in our earlier surveys and to those in a national survey by CBS News.

QUESTIONNAIRE AND RESULTS

CALIFORNIANS AND THEIR GOVERNMENT

January 12–19, 2010 2,001 California Adult Residents: English, Spanish

MARGIN OF ERROR ±2% AT 95% CONFIDENCE LEVEL FOR TOTAL SAMPLE

 First, which one issue facing California today do you think is the most important for the governor and state legislature to work on in 2010? [code, don't read]

35% jobs, economy

23 state budget, deficit, taxes

14 education, schools

6 health care, health costs

3 immigration, illegal immigration

2 crime, gangs, drugs

2 gay rights, same-sex marriage

2 water, water supply, drought

9 other

4 don't know

2. Overall, do you approve or disapprove of the way that Arnold Schwarzenegger is handling his job as governor of California?

30% approve

60 disapprove

10 don't know

3. Overall, do you approve or disapprove of the way that the California Legislature is handling its job?

18% approve

71 disapprove

11 don't know

4. Do you think that Governor Schwarzenegger and the state legislature will be able to work together and accomplish a lot in the next year, or not?

28% yes, will be able to work together

no, will not be able to work together

7 don't know

5. Do you think things in California are generally going in the right direction or the wrong direction?

19% right direction

74 wrong direction

7 don't know

6. Turning to economic conditions in California, do you think that during the next 12 months we will have good times financially or bad times?

25% good times

67 bad times

8 don't know

 Would you say that California is in an economic recession, or not? (if yes: Do you think it is in a serious, a moderate, or a mild recession?)

62% yes, serious recession

24 yes, moderate recession

5 yes, mild recession

8 no

1 don't know

8. Next, some people are registered to vote and others are not. Are you absolutely certain that you are registered to vote in California?

81% yes [ask q8a]

19 no [skip to q9b]

- 8a. Are you registered as a Democrat, a Republican, another party, or as an independent?
 - 45% Democrat [ask q9]
 - 31 Republican [skip to q9a]
 - 3 another party [specify] [skip to q11]
 - 21 independent [skip to q9b]
- 9. Would you call yourself a strong Democrat or not a very strong Democrat?
 - 53% strong
 - 44 not very strong
 - 3 don't know

[skip to q11]

- 9a. Would you call yourself a strong Republican or not a very strong Republican?
 - 52% strong
 - 43 not very strong
 - 5 don't know

[skip to q10]

- 9b. Do you think of yourself as closer to the Republican Party or Democratic Party?
 - 20% Republican Party
 - 51 Democratic Party
 - 25 neither (volunteered)
 - 4 don't know

[responses recorded for questions 9c to 17 are for likely voters]

[if q8a=independent, ask q9c; if q13a=Republican, skip to q10, otherwise skip to q11]

- 9c. California voters like you will be able to choose between voting in the Republican primary, the Democratic primary, or selecting a nonpartisan ballot on June 8th. All three ballots include state proposition measures. Do you plan to vote in the Republican primary, the Democratic primary, or on the nonpartisan ballot?
 - 12% Republican primary [ask q10]
 - 23 Democratic primary [skip to q11]
 - 50 nonpartisan ballot [skip to q11]
 - don't know [skip to q11]

- 10. If the Republican primary for governor were being held today, and these were the candidates, who would you vote for? [rotate names and then ask "or someone else"]
 - 41% Meg Whitman, businesswoman
 - 11 Steve Poizner, California state insurance commissioner
 - 4 someone else (specify)
 - 44 don't know

If these were the candidates in the November 2010 governor's election...

[rotate questions 11 and 12]

- 11. Would you vote for...[rotate names]
 - 44% Jerry Brown, the Democrat, California state attorney general
 - 29 Steve Poizner, the Republican, California state insurance commissioner
 - 27 don't know
- 12. Would you vote for...[rotate names]
 - 41% Jerry Brown, the Democrat, California state attorney general
 - 36 Meg Whitman, the Republican, businesswoman
 - 23 don't know
- 13. How closely are you following news about candidates for the 2010 governor's election?
 - 11% very closely
 - 34 fairly closely
 - 42 not too closely
 - 12 not at all closely
 - 1 don't know

[if q8a=Republican or q9c=Republican primary, ask q14, otherwise skip to q15]

- 14. If the Republican primary for U.S. senator were being held today, and these were the candidates, who would you vote for? [rotate names and then ask "or someone else"]
 - 27% Tom Campbell, former congressman
 - 16 Carly Fiorina, businesswoman
 - 8 Chuck DeVore, California state assemblyman
 - 1 someone else (specify)
 - 48 don't know

If these were the candidates in the November 2010 U.S. senator's election...

[rotate questions 15 to 17]

- 15. Would you vote for...[rotate names]
 - 45% Barbara Boxer, the Democrat, U.S. senator
 - 41 Tom Campbell, the Republican, former congressman
 - 14 don't know
- 16. Would you vote for...[rotate names]
 - 47% Barbara Boxer, the Democrat, U.S. senator
 - 39 Chuck DeVore, the Republican, California state assemblyman
 - 14 don't know
- 17. Would you vote for...[rotate names]
 - 48% Barbara Boxer, the Democrat, U.S. senator
 - 40 Carly Fiorina, the Republican, businesswoman
 - 12 don't know
- 18. On another topic, in general, how much would you say you know about how your state and local governments spend and raise money?
 - 15% a lot
 - 46 some
 - 30 very little
 - 7 nothing
 - 2 don't know
- 19.In general, do you think the state government could spend less and still provide the same level of services, or not?
 - 60% yes, could spend less [ask q19a]
 - 34 no, could not spend less [skip to q20]
 - 6 don't know [skip to q20]

- 19a. How much could the state government cut its spending without reducing services: under 10 percent, 10 percent to under 20 percent, 20 percent to under 30 percent, 30 percent or more?
 - 18% under 10 percent
 - 38 10 percent to under 20 percent
 - 19 20 percent to under 30 percent
 - 14 30 percent or more
 - 11 don't know

[rotate questions 20 and 21]

- 20. I'm going to name some of the largest areas for state spending. Please tell me the one that represents the most spending in the state budget. [rotate] (1) K–12 public education, (2) higher education, (3) health and human services, [or] (4) prisons and corrections.
 - 16% K-12 public education
 - 5 higher education
 - 24 health and human services
 - 49 prisons and corrections
 - 6 don't know
- 21. I'm going to name some of the largest areas for state revenues. Please tell me the one that represents the most revenue for the state budget. [rotate] (1) personal income tax, (2) sales tax, (3) corporate tax, [or] (4) motor vehicle fees.
 - 28% personal income tax
 - 30 sales tax
 - 18 corporate tax
 - 17 motor vehicle fees
 - 7 don't know
- 22. Do you think the state budget situation in California—that is, the balance between government spending and revenues—is a big problem, somewhat of a problem, or not a problem for the people of California today?
 - 75% big problem
 - 21 somewhat of a problem
 - 2 not a problem
 - 2 don't know

- 23. As you may know, the state government currently has an annual budget of around \$85 billion and faces a multibillion-dollar gap between spending and revenues. How would you prefer to deal with the state's budget gap—mostly through spending cuts, mostly through tax increases, through a mix of spending cuts and tax increases, or do you think that it is okay for the state to borrow money and run a budget deficit?
 - 37% mostly through spending cuts
 - 9 mostly through tax increases
 - 41 through a mix of spending cuts and tax increases
 - 6 okay to borrow money and run a budget deficit
 - 3 other (specify)
 - 4 don't know
- 24. Some of the largest areas for state spending are: [rotate] (1) K–12 public education, (2) higher education, (3) health and human services, [and] (4) prisons and corrections. Thinking about these four areas of state spending, I'd like you to name the one you most want to protect from spending cuts.

58% K-12 public education

- 17 health and human services
- 15 higher education
- 6 prisons and corrections
- 4 don't know

Tax increases could be used to help reduce the state budget deficit. For each of the following, please indicate whether you would be willing to pay higher taxes for this purpose, or not.

[rotate questions 25 to 28]

25. What 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, or not?

66% yes

32 no

2 don't know

26. What if the state said it needed more money just to maintain current funding for higher education? Would you be willing to pay higher taxes for this purpose, or not?

50% yes

48 no

2 don't know

27. What if the state said it needed more money just to maintain current funding for health and human services? Would you be willing to pay higher taxes for this purpose, or not?

50% yes

47 no

3 don't know

28. What if the state said it needed more money just to maintain current funding for prisons and corrections? Would you be willing to pay higher taxes for this purpose, or not?

11% yes

87 no

2 don't know

Spending cuts could be used to help reduce the state budget deficit. For each of the following, please indicate whether you support or oppose the proposal.

[rotate questions 29 to 32]

29. How about cutting spending on K–12 public education?

16% support

82 oppose

2 don't know

30. How about cutting spending on higher education?

32% support

65 oppose

3 don't know

31. How about cutting spending on health and human services?

34% support

62 oppose

4 don't know

- 32. How about cutting spending on prisons and corrections?
 - 70% support
 - 27 oppose
 - 3 don't know
- 33. When it comes to the tough choices involved in the state budget, both in deciding how much Californians should pay in taxes and how to fund state programs, whose approach do you most prefer: [rotate] (1) Governor Schwarzenegger's, (2) the Democrats' in the legislature, [or] (3) the Republicans' in the legislature?
 - 38% Democrats' approach
 - 22 Republicans' approach
 - 17 Governor Schwarzenegger's approach
 - 1 other answer (specify)
 - 8 none (volunteered)
 - 14 don't know
- 34. And when it comes to long-term issues of reforming the state budget process, both in terms of changing the way the state taxes and spends money, which approach do you most prefer: [rotate] (1) the governor and legislature should pass new laws; [or] (2) the California voters should decide at the ballot box?
 - 72% California voters decide at ballot box
 - 22 governor and legislature pass laws
 - 2 other (specify)
 - 4 don't know
- 35. On another topic, do you have a favorable or an unfavorable impression of the plans and policies for California that Governor Schwarzenegger presented in his recent State of the State speech?
 - 21% favorable
 - 37 unfavorable
 - 31 haven't heard about the speech (volunteered)
 - 11 don't know

- 36. Recently, Governor Schwarzenegger proposed a budget plan for the current and next fiscal year to close the state's \$20 billion budget deficit. It includes spending cuts in health and human services and prisons and corrections, and claims to have no spending cuts in K–12 or higher education. It calls for increased funding from the federal government and for spending reductions in state employee compensation. The plan includes no new taxes. In general, are you satisfied or dissatisfied with the governor's budget plan?
 - 55% satisfied
 - 37 dissatisfied
 - 3 haven't heard anything about the budget (volunteered)
 - 5 don't know

[rotate questions 37 and 38]

- 37. Do you think that tax increases should be included in the governor's budget plan?
 - 40% yes
 - 56 no
 - 4 don't know
- 38. Overall, how concerned are you about the effects of the spending reductions in the governor's budget plan?
 - 34% very concerned
 - 39 somewhat concerned
 - 15 not too concerned
 - 9 not at all concerned
 - 3 don't know
- 38a.And, do you think the state government should or should not ask the federal government for financial assistance to reduce the state's budget deficit?
 - 66% should
 - 29 should not
 - 5 don't know

Spending and tax reforms have been proposed to address the structural issues in the state budget. For each of the following, please say whether you think the proposal is a good idea or a bad idea.

[rotate questions 39 and 40]

- 39. How about strictly limiting the amount of money that state spending could increase each year?
 - 69% good idea
 - 26 bad idea
 - 5 don't know
- 40. How about replacing the two-thirds vote requirement with a 55-percent majority vote for the state legislature to pass a budget?
 - 51% good idea
 - 39 bad idea
 - 10 don't know
- 41. At this time, how much of a problem for state and local government budgets is the amount of money that is being spent on their public employee pension or retirement systems? Is this a big problem, somewhat of a problem, or not a problem in California today?
 - 41% big problem
 - 35 somewhat of a problem
 - 14 not a problem
 - 10 don't know
- 42. Would you favor or oppose changing the pension systems for new public employees from defined benefits to a defined contribution system similar to a 401(k) plan?
 - 67% favor
 - 21 oppose
 - 12 don't know

- 43. On another topic, overall, do you think the state and local tax system is in need of major changes, minor changes, or do you think it is fine the way it is?
 - 56% major changes
 - 28 minor changes
 - 13 fine the way it is
 - 3 don't know
- 44. Overall, how fair do you think our present state and local tax system is—would you say it is very fair, moderately fair, not too fair, or not at all fair?
 - 4% very fair
 - 49 moderately fair
 - 26 not too fair
 - 19 not at all fair
 - 2 don't know
- 45. When you combine all of the taxes you pay to state and local governments, do you feel that you pay much more than you should, somewhat more than you should, about the right amount, or less than you should?
 - 31% much more
 - 25 somewhat more
 - 35 about the right amount
 - 6 less than you should
 - 3 don't know
- 46. On another topic, overall, do you approve or disapprove of the way that Barack Obama is handling his job as president of the United States?
 - 61% approve
 - 34 disapprove
 - 5 don't know

[rotate questions 47 and 48]

[responses recorded for questions 47 and 48 are for likely voters]

- 47. [likely voters only] Overall, do you approve or disapprove of the way that Dianne Feinstein is handling her job as U.S. senator?
 - 50% approve
 - 41 disapprove
 - 9 don't know

- 48. [likely voters only] Overall, do you approve or disapprove of the way that Barbara Boxer is handling her job as U.S. senator?
 - 49% approve
 - 44 disapprove
 - 7 don't know
- 49. Overall, do you approve or disapprove of the way the U.S. Congress is handling its job?
 - 36% approve
 - 55 disapprove
 - 9 don't know
- 50. Do you think that President Obama and the U.S. Congress will be able to work together and accomplish a lot in the next year, or not?
 - 56% yes, will be able to work together
 - 38 no, will not be able to work together
 - 6 don't know

- 51. Next, would you consider yourself to be politically: [read list, rotate order top to bottom]
 - 10% very liberal
 - 22 somewhat liberal
 - 28 middle-of-the-road
 - 24 somewhat conservative
 - 14 very conservative
 - 2 don't know
- 52. Generally speaking, how much interest would you say you have in politics?
 - 25% great deal
 - 43 fair amount
 - 26 only a little
 - 5 none
 - 1 don't know

[d1 to d16: demographic questions]

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Mark Baldassare is President and Chief Executive Officer of PPIC. Walter B. Hewlett is Chair of the Board of Directors.

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